

Summary of Consolidated Financial Results
for the Second Quarter of Fiscal Year Ending March 31, 2012
(Six Months Ended September 30, 2011)

[Japanese GAAP]

Company name: Japan System Techniques Co., Ltd. Listing: Tokyo Stock Exchange, Second Section
 Stock code: 4323 URL: <http://www.jast.jp>
 Representative: Takeaki Hirabayashi, President and CEO
 Contact: Noriaki Okado, Director and CFO Tel: +81-6-4560-1000
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 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on November 7, 2011 at 16:00 (GMT +8)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2011 (Apr. 1, 2011 – Sep. 30, 2011)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2011	4,522	13.8	25	-	42	-	(5)	-
Six months ended Sep. 30, 2010	3,975	(21.1)	(113)	-	(70)	-	(72)	-

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2011: (7) (n.a.)

Six months ended Sep. 30, 2010: (77) (n.a.)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2011	(1.09)	-
Six months ended Sep. 30, 2010	(15.39)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2011	7,238	4,238	58.1	887.70
As of Mar. 31, 2011	7,846	4,362	55.2	913.78

Reference: Shareholders' equity (million yen): Sep. 30, 2011: 4,207 Mar. 31, 2011: 4,330

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2011	-	0.00	-	25.00	25.00
Fiscal year ending Mar. 31, 2012	-	0.00			
Fiscal year ending Mar. 31, 2012 (forecasts)			-	25.00	25.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,000	11.2	400	89.4	420	58.8	220	1.4	46.42

Note: Revisions to the most recently announced consolidated forecast: None

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and revised restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Revised restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of period (including treasury stock)

Sep. 30, 2011:	5,104,230 shares	Mar. 31, 2011:	5,103,230 shares
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2) Number of shares of treasury stock at the end of period

Sep. 30, 2011:	364,140 shares	Mar. 31, 2011:	364,077 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2011:	4,739,441 shares	Six months ended Sep. 30, 2010:	4,739,153 shares
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Note 1: Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have completed the review process for these consolidated statements.

Note 2: Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Due to uncertainties inherent in the forecast factors, actual results may differ materially from the forecasts. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Qualitative Information Regarding Consolidated Forecasts" on page 3 for further information concerning these forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

The first half consolidated results of Japan System Techniques and its consolidated subsidiaries (hereafter “the Group”) were as follows: net sales of 4,522 million yen (up 13.8% year-on-year), operating income of 25 million yen (vs. operating loss of 113 million yen in the same period of the previous fiscal year), ordinary income of 42 million yen (vs. ordinary loss of 70 million yen), and net loss of 5 million yen (vs. net loss of 72 million yen). Net sales and all profit benchmarks improved year-on-year. Results by segment were as follows.

In the software business (contracted software development), net sales increased and profits improved thanks to strong orders from the service/retail, telecommunications, and finance/insurance/brokerage industries. Net sales totaled 2,751 million yen (up 21.4% year-on-year) and operating losses 29 million yen (vs. operating losses of 129 million yen in the same period of the previous fiscal year).

In the package business (development, sale, and related services of operational reform packages for schools), net sales totaled 814 million yen (down 15.5% year-on-year) and operating income 131 million yen (down 28.8%). Maintenance and IT equipment sales were firm, but program product (PP) sales to universities, end user computing (EUC: contracted development of package-related systems), and implementation support sales declined. As a result, both segment sales and operating income declined.

Lastly, in the system sales business (IT equipment sales and IT/telecom infrastructure construction), public-sector orders recovered sharply. Operating income rose on higher net sales as sales totaled 955 million yen (up 28.1% year-on-year) and operating income 40 million yen (vs. operating loss of 73 million yen in the same period of the previous fiscal year).

(2) Qualitative Information Regarding Consolidated Financial Position

1) Balance sheet position

The balance of current assets at the end of the second quarter was 5,895 million yen, down 556 million yen over the end of the previous fiscal year. The main factors were a decline in accounts receivable-trade, and an increase in work in process during the quarter. The balance of noncurrent assets was 1,343 million yen, down 51 million yen, mainly due to amortization of goodwill.

The balance of current liabilities at the end of the second quarter was 1,768 million yen, down 497 million yen over the end of the previous fiscal year. The main factors were a net decrease in short-term loans payable and an increase in advances received. The balance of noncurrent liabilities was 1,230 million yen, up 13 million yen.

The balance of net assets was 4,238 million yen at the end of the second quarter, down 124 million yen over the end of the previous fiscal year. The main factor was payment of dividends.

2) Cash flows

Cash and cash equivalents (hereafter “funds”) decreased 473 million yen from 2,420 million yen at the start of FY3/12 to 1,946 million yen at the end of the second quarter.

Cash flows by category were as follows.

Cash flows provided by operating activities totaled 373 million yen, compared with 121 million yen used in the second quarter of the previous fiscal year. This was mainly due to a net effect including increases in income taxes paid, notes and accounts payable-trade, and advances received.

Cash flows used in investing activities totaled 196 million yen, compared with 14 million yen in the second quarter of the previous fiscal year. The main difference was the payments into time deposits.

Cash flows used in financing activities totaled 650 million yen, compared with 207 million yen in the second quarter of the previous fiscal year. The main difference was the decrease in short-term loans payable.

(3) Qualitative Information Regarding Consolidated Forecasts

In the first half of the current fiscal year, production activity in the corporate sector started to rebound as the slump in consumer sentiment and supply-chain disruptions in the wake of the Great East Japan Earthquake began to recover, but the outlook for the economy does not warrant optimism due to the yen's ongoing appreciation and falling share prices, and concerns of a global economic downturn triggered by Europe's fiscal problems.

Net sales in the information services sector steadied in June 2011 after having fallen year-on-year for 24 straight months since June 2009, but then declined again according to the Ministry of Economy, Trade and Industry's latest "Survey of Selected Service Industries" through August 2011. Also, according to the Bank of Japan's *Tankan* survey of business sentiment, released on October 3, 2011, companies' software investment plans rose 9.6% year-on-year in all industries in FY2011, suggesting a recovery in companies' appetite for IT investment. Still, the orders environment remains unstable in our view.

Despite these difficult business conditions, the Group plans to steadily implement the priority policies it established early in the fiscal year in order to achieve its earnings targets. Below we discuss each business separately.

In the mainstay software business, we reorganized business divisions according to each target industry including finance, telecom, service/retail, and manufacturing to restructure the earnings foundation and place earnings on a firm new uptrend. Through these initiatives, we aim to win more orders and maximize profits. We also plan to focus on establishing new earnings pillars by investing more strongly in R&D for new businesses.

In the package business, we established business divisions in the major markets of greater Kanto and greater Kansai to localize operations and firmly expand our market share in each region. These business divisions will continue to bolster product functionality through the release of new versions, improve customer service by strengthening support operations, and strengthen sales through alliances with leading firms. They will also work to put into practice next-generation business concepts, and work to ensure that the school operations reform package "GAKUEN" becomes the dominant brand in the education market.

In the system sales business, we reorganized operations to match each market in order to translate signs of a potential recovery in the education and public sector SI markets into firm orders. We plan to work on new markets in the public sector and establish a new earnings foundation to achieve stable medium- to long-term earnings growth.

Based on the above, we maintain the initial consolidated earnings forecasts for FY3/12 that we released on May 11, 2011; net sales of 10,000 million yen (up 11.2% year-on-year), operating income of 400 million yen (up 89.4%), ordinary income of 420 million yen (up 58.8%), and net income of 220 million yen (up 1.4%).

2. Matters Related to Summary Information (Others)

(1) Changes in Consolidated Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Revised Restatements

Not applicable.

3. Overview of Important Information about Going Concern Assumption

Not applicable.

4. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Thousands of yen)

	FY3/11 Summary (As of Mar. 31, 2011)	Second quarter of FY3/12 (As of Sep. 30, 2011)
Assets		
Current assets		
Cash and deposits	3,750,721	3,470,536
Notes and accounts receivable-trade	2,096,402	1,765,301
Merchandise and finished goods	118,169	48,881
Work in process	184,039	307,636
Raw materials and supplies	2,747	2,335
Deferred tax assets	210,598	201,471
Other	92,878	103,196
Allowance for doubtful accounts	(4,242)	(4,342)
Total current assets	6,451,315	5,895,017
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	378,168	378,651
Accumulated depreciation	(259,221)	(261,216)
Buildings and structures, net	118,947	117,435
Land	142,361	142,361
Other	169,747	164,232
Accumulated depreciation	(138,390)	(137,118)
Other, net	31,356	27,113
Total property, plant and equipment	292,665	286,909
Intangible assets		
Goodwill	32,866	-
Software	28,568	25,449
Other	6,818	6,818
Total intangible assets	68,253	32,267
Investments and other assets		
Investment securities	197,202	198,780
Long-term loans receivable	2,694	2,694
Deferred tax assets	261,015	267,442
Guarantee deposits	240,290	248,168
Prepaid pension cost	143,183	134,173
Other	240,631	223,917
Allowance for doubtful accounts	(51,202)	(51,202)
Total investments and other assets	1,033,815	1,023,973
Total noncurrent assets	1,394,734	1,343,151
Total assets	7,846,050	7,238,168

	(Thousands of yen)	
	FY3/11 Summary (As of Mar. 31, 2011)	Second quarter of FY3/12 (As of Sep. 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	580,342	619,604
Short-term loans payable	598,406	160,521
Current portion of long-term loans payable	90,000	-
Income taxes payable	189,006	54,240
Provision for bonuses	403,476	357,580
Provision for directors' bonuses	13,548	10,254
Other	391,298	566,329
Total current liabilities	2,266,079	1,768,529
Noncurrent liabilities		
Provision for retirement benefits	815,771	819,554
Provision for directors' retirement benefits	348,692	359,122
Deferred tax liabilities	578	-
Other	52,071	52,236
Total noncurrent liabilities	1,217,113	1,230,913
Total liabilities	3,483,192	2,999,443
Net assets		
Shareholders' equity		
Capital stock	917,687	917,935
Capital surplus	879,325	879,573
Retained earnings	2,798,435	2,674,784
Treasury stock	(266,460)	(266,494)
Total shareholders' equity	4,328,988	4,205,798
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,621	13,231
Foreign currency translation adjustment	(10,055)	(11,257)
Total accumulated other comprehensive income	1,566	1,974
Subscription rights to shares	-	1,008
Minority interests	32,303	29,943
Total net assets	4,362,858	4,238,725
Total liabilities and net assets	7,846,050	7,238,168

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income
(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Net sales	3,975,435	4,522,357
Cost of sales	3,192,026	3,601,471
Gross profit	783,408	920,885
Selling, general and administrative expenses	897,049	895,716
Operating income (loss)	(113,641)	25,169
Non-operating income		
Interest income	5,073	4,335
Dividends income	2,284	2,341
Rent income	8,360	8,563
Subsidy income	2,430	-
Insurance premiums refunded cancellation	20,055	12,048
Other	12,019	5,913
Total non-operating income	50,224	33,202
Non-operating expenses		
Interest expenses	2,053	2,523
Rent expenses	4,690	4,149
Issuance costs of subscription rights to shares	-	5,170
Loss on retirement of noncurrent assets	3	3,585
Other	654	419
Total non-operating expenses	7,402	15,847
Ordinary income (loss)	(70,819)	42,524
Extraordinary income		
Reversal of provision for bonuses	40,101	-
Reversal of allowance for doubtful accounts	2,147	-
Total extraordinary income	42,248	-
Extraordinary loss		
Loss on valuation of investment securities	140	2,225
Loss on adjustment for changes of accounting standard for asset retirement obligations	20,155	-
Total extraordinary losses	20,295	2,225
Income (loss) before income taxes and minority interests	(48,865)	40,298
Income taxes	26,058	46,879
Loss before minority interests	(74,924)	(6,580)
Minority interests in loss	(1,980)	(1,407)
Net loss	(72,944)	(5,172)

Quarterly Consolidated Statements of Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Loss before minority interests	(74,924)	(6,580)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,540)	1,610
Foreign currency translation adjustment	(960)	(2,154)
Total other comprehensive income	(2,500)	(544)
Comprehensive income	(77,424)	(7,124)
Attributable to:		
Comprehensive income attributable to owners of the parent	(74,922)	(4,763)
Comprehensive income attributable to minority interests	(2,502)	(2,360)

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(48,865)	40,298
Depreciation and amortization	16,104	17,025
Depreciation of software	4,867	4,756
Amortization of goodwill	32,866	32,866
Increase (decrease) in provision for bonuses	(46,102)	(45,895)
Increase (decrease) in provision for retirement benefits	18,998	3,783
Decrease (increase) in prepaid pension costs	-	9,010
Interest and dividends income	(7,358)	(6,677)
Interest expenses	2,053	2,523
Loss on adjustment for changes of accounting standard for asset retirement obligations	20,155	-
Issuance costs of subscription rights to shares	-	5,170
Decrease (increase) in notes and accounts receivable-trade	248,350	331,266
Increase (decrease) in advances received	109,309	214,482
Decrease (increase) in inventories	(66,956)	(53,794)
Increase (decrease) in notes and accounts payable-trade	(283,272)	39,211
Other, net	(43,577)	(45,022)
Subtotal	(43,427)	549,003
Interest and dividends income received	7,433	4,766
Interest expenses paid	(2,397)	(2,364)
Income taxes paid	(83,598)	(178,189)
Net cash provided by (used in) operating activities	(121,990)	373,216
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(20,992)	(195,147)
Purchase of property, plant and equipment	(11,036)	(10,135)
Purchase of software	(11,086)	(1,637)
Proceeds from cancellation of insurance funds	29,782	29,441
Payments for guarantee deposits	(606)	(17,221)
Other, net	(1,000)	(1,595)
Net cash provided by (used in) investing activities	(14,939)	(196,296)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	975	(438,546)
Repayment of long-term loans payable	(90,000)	(90,000)
Payments for issuance of subscription rights to shares	-	(4,160)
Proceeds from issuance of common stock	-	494
Purchase of treasury stock	-	(33)
Cash dividends paid	(118,478)	(118,478)
Net cash provided by (used in) financing activities	(207,503)	(650,724)
Effect of exchange rate change on cash and cash equivalents	(470)	(46)
Net increase (decrease) in cash and cash equivalents	(344,904)	(473,851)
Cash and cash equivalents at beginning of period	2,042,064	2,420,306
Cash and cash equivalents at end of period	1,697,159	1,946,455

(4) Going Concern Assumption

Not applicable.

(5) Segment Information

I. First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Software business	Package business	System sales business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income (Note 2)
Net sales						
1. External sales	2,265,991	963,422	746,021	3,975,435	-	3,975,435
2. Inter-segment sales and transfers	-	-	5,061	5,061	(5,061)	-
Total	2,265,991	963,422	751,082	3,980,496	(5,061)	3,975,435
Segment profit (loss)	(129,320)	184,255	(73,122)	(18,188)	(95,452)	(113,641)

Notes: 1. The negative adjustment of 95,452 thousand yen to segment profit (loss) includes company-wide costs that are not allocated to any of the reportable segments. Company-wide costs consist mainly of general and administrative expenses, and research and development expenses that cannot be attributed to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating loss shown on the quarterly consolidated statements of income.

2. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

Not applicable.

II. First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Software business	Package business	System sales business	Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statements of income (Note 2)
Net sales						
1. External sales	2,751,957	814,373	955,580	4,521,911	446	4,522,357
2. Inter-segment sales and transfers	-	-	91,752	91,752	(91,752)	-
Total	2,751,957	814,373	1,047,333	4,613,664	(91,306)	4,522,357
Segment profit (loss)	(29,616)	131,226	40,307	141,916	(116,747)	25,169

Notes: 1. The negative adjustment of 116,747 thousand yen to segment profit (loss) includes company-wide costs that are not allocated to any of the reportable segments. Company-wide costs consist mainly of general and administrative expenses, and research and development expenses that cannot be attributed to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating income shown on the quarterly consolidated statements of income.

2. Information related to impairment of noncurrent assets, goodwill, etc. for each reportable segment

Not applicable.

(6) Significant Changes in Shareholders' Equity

Not applicable.

(7) Material Subsequent Events

Not applicable.

5. Supplementary Information

Goods Manufactured, Orders Received and Sales

(1) Goods Manufactured

Goods manufactured in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	Year-on-year (%)
Software business	2,343,570	120.3
Package business	504,814	82.4
System sales business	724,003	114.8
Other	29,083	-
Total	3,601,471	112.8

Notes: 1. The above amounts are based on cost of sales; inter-segment transactions have been eliminated.

2. The above amounts do not include consumption taxes.

(2) Orders Received

Orders received in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	Orders received	Year-on-year (%)	Order backlog	Year-on-year (%)
Software business	2,164,706	74.6	1,048,977	63.6
Package business	828,735	83.3	703,252	101.7
System sales business	1,106,843	186.1	260,139	78.3
Other	1,236	-	861	-
Total	4,101,522	91.3	2,013,231	75.3

Notes: 1. The above amounts are based on selling prices; inter-segment transactions have been eliminated.

2. The above amounts do not include consumption taxes.

(3) Sales

Sales in the period under review are broken down by segment as follows. (Thousands of yen)

Operating segment	First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	Year-on-year (%)
Software business	2,751,957	121.4
Package business	814,373	84.5
System sales business	955,580	128.1
Other	446	-
Total	4,522,357	113.8

Notes: 1. Inter-segment transactions have been eliminated.

2. The following table indicates sales amounts to major customers and their ratios to total sales amount. (Thousands of yen)

Customers	First six months of FY3/11 (Apr. 1, 2010 – Sep. 30, 2010)		First six months of FY3/12 (Apr. 1, 2011 – Sep. 30, 2011)	
	Amount	%	Amount	%
DUSKIN CO., LTD.	374,566	9.4	487,563	10.8
NTT COMWARE WEST CORPORATION	334,037	8.4	466,764	10.3
NTT DATA KANSAI CORPORATION	126,032	3.2	262,835	5.8

3. The above amounts do not include consumption taxes.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.