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June 5, 2026

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Notice Regarding the Overhaul of Our Core Systems to Strengthen the Group's Operational Foundation

We hereby announce that at a meeting of the Board of Directors held on June 5, 2026, a resolution was passed to overhaul the Group's core enterprise systems, as detailed below.

1. Overview of This Investment

In our mid-term management plan announced in May 2024, we identified “strengthening our management foundation” as one of our core policies and have been advancing our digital transformation (DX) initiatives, centered on the utilization of AI and the optimization of IT infrastructure. This investment is a key initiative to realize this policy and will establish the management foundation necessary to support the implementation of our business vision: “Expanding into a solutions business domain that integrates software and services around hardware as the core.”

2. Core systems implemented and implementation dates

Following a neutral and comprehensive comparative evaluation that included external advisors, we have decided to adopt "SAP," a global standard ERP solution, as our core system.

First, we will launch our system within 2028, and then roll it out sequentially to our group companies both in Japan and overseas.

3. Background of the Management Decision

As we continue to face challenging financial results amid the transition of our business structure, we anticipate that we will continue to post an operating loss for the fiscal year ending March 2027. Under these circumstances, the decision to proceed with this investment was an extremely difficult one for management.

However, our current core systems are becoming increasingly difficult to maintain due to their age, and the costs associated with them are rising year by year. Furthermore, in order to ensure that our business portfolio review and structural reforms yield tangible results, it is essential to establish a common operational and data infrastructure across the entire company.

In light of these circumstances, we have decided to proceed with this investment in a planned and steady manner, viewing it as a turning point to rebuild our future competitiveness and restore our revenue base.

4. Our Vision for This Investment

Through this investment, we aim to establish the following management foundation.

We will go beyond mere efficiency improvements to build a foundation for shifting to a proactive management approach.

- Implementation of standardized business processes across the entire group
- Real-time access to business data and more sophisticated decision-making
- Establishing a data utilization environment that supports cross-functional customer value creation
- Establishing a management foundation that enables flexible and rapid business strategy

5. Impact on Business Performance and Future Plans

We will make use of this investment to implement decisive operational reforms and, while maintaining investment discipline, work to gradually realize and maximize the benefits of this investment.

Please note that the impact of this matter on our financial results is currently under careful examination. If any matters requiring disclosure arise in the future, we will promptly announce them.