

February 14, 2024

**Notice of the Acquisition of Shares in System Product Co., Ltd.**  
**(Turning It into a Subsidiary)**

We hereby announce that, at a meeting of the Board of Directors held today, we have resolved to acquire shares in System Product Co., Ltd. (hereinafter "System Product") and to turn it into a subsidiary.

1. Reason for the acquisition of shares in System Product

As an independent system integrator, we have been in the IT industry where the business structure changes drastically due to rapid technological innovation since our foundation in 1982. We have conducted a wide range of business activities to meet the expectations of our customers while demonstrating our presence.

We specialize in business areas that include business system development mainly in the finance, particularly banking, operational support, and embedded product development and verification mainly in the automotive and semiconductor fields. Furthermore, we provide our original products that meet cyber security, work efficiency and other social needs.

In August 2021, we announced the "DIT Vision 2030," our mid- to long-term management goal under the slogan of "providing value one rank higher" in order to build a DIT brand that is trusted and chosen by all stakeholders. In this context, we declared that we will proactively engage in M&As if there are projects that can demonstrate synergistic effects, in order to expand our business and technological areas, in addition to strengthening our on-site and response capabilities in our existing businesses.

As part of this effort, in June 2022, we made simplism, which mainly provides system operation and maintenance services, into a subsidiary. At present, the company has achieved better-than-expected results, and we have been considering further M&A projects.

Meanwhile, System Product, which will become our subsidiary, has specialized in software development for the financial sector, particularly securities, since its establishment in 1979. In recent years, as a new challenge, the company has steadily grown by increasing the number of certified salesforce staff in the cloud business. However, the company's growth stalled because it was primarily a second-tier contractor, and it was seeking a new stage to make a leap forward. The company also had management successor difficulties.

Under these circumstances, we reached a decision to enter into a share transfer agreement to turn System Product into a subsidiary based on a mutual agreement. Through this agreement, we will combine our need to strengthen our existing businesses and expand into new business areas and System Product's need to expand its business scale. We expect this will produce synergistic effects, such as strengthening the software development capabilities for financial services in general and the technological capabilities of the salesforce, which is the company's growth area. M&A will also resolve the issue of successors.

2. Overview of the subsidiary to be acquired

(1)	Name	System Product Co., Ltd.		
(2)	Address	4F Yurin Building, 4-4-9 Nihonbashi Hongoku-cho, Chuo-ku, Tokyo		
(3)	Title and name of representative	Koji Fukuda, President and Representative Director		
(4)	Contents of business	Planning, development, sales and maintenance of computer systems and software		
(5)	Capital	90,000 thousand yen		
(6)	Date of establishment	April 2, 1979		
(7)	Major shareholder and shareholding ratio	Koji Fukuda (91.5%), Sachiko Fukuda (8.5%)		
(8)	Relationship between our company and the individual	Capital relationship	None applicable	
		Personnel relationship	None applicable	
		Business relationship	None applicable	
		Status as a related party	None applicable	
(9)	Business performance and financial standing of the subsidiary in the last 3 years			
	Account-closing month	FY3/21	FY3/22	FY3/23
	Net assets	411,181 thousand yen	444,116 thousand yen	460,097 thousand yen
	Total assets	452,139 thousand yen	492,066 thousand yen	501,517 thousand yen
	Net asset per share	20,559 yen	22,206 yen	23,005 yen
	Net sales	539,405 thousand yen	582,824 thousand yen	632,795 thousand yen
	Operating income	24,723 thousand yen	34,621 thousand yen	25,767 thousand yen
	Ordinary income	42,571 thousand yen	51,767 thousand yen	35,116 thousand yen
	Net income	31,494 thousand yen	40,135 thousand yen	24,981 thousand yen
	Net income per share	1,575 yen	2,007 yen	1,249 yen
	Dividend per share	-	-	-

3. Overview of the other party whose shares will be acquired (2 persons)

(1)	Name	Koji Fukuda		
(2)	Address	Kita-ku, Tokyo		
(3)	Relationship between our company and the individual	Capital relationship	None applicable	
		Personnel relationship	None applicable	
		Business relationship	None applicable	
		Status as a related party	None applicable	

(1)	Name	Sachiko Fukuda	
(2)	Address	Kita-ku, Tokyo	
(3)	Relationship between our company and the individual	Capital relationship	None applicable
		Personnel relationship	None applicable
		Business relationship	None applicable
		Status as a related party	None applicable

4. Number of shares to be acquired, acquisition price and shareholding status before and after acquisition

(1)	Number of shares owned before acquisition	0 (Number of voting rights: 0) (Voting right ratio: 0%)
(2)	Number of shares to be acquired	16,000 (Number of voting rights: 16,000)
(3)	Acquisition cost	We will not disclose the acquisition price based on a confidentiality agreement with System Product. We have determined a reasonable price while taking into account the results of financial due diligence conducted by an external organization to ensure fairness and validity.
(4)	Number of shares owned after acquisition	16,000 (Number of voting rights: 16,000) (Voting right ratio: 80%)

5. Schedule

(1)	Date of resolution by the Board of Directors	February 14, 2024
(2)	Date of conclusion of the agreement	February 14, 2024
(3)	Date of execution of share transfer	February 29, 2024

6. Future Outlook

We plan to incorporate this matter into our consolidated financial results from the fiscal year ending June 30, 2025 (from July 2024). We are currently examining the impact of this matter on our consolidated financial results, and if we determine that there is any impact that should be disclosed in the future, we will promptly announce it. We will continue to aggressively pursue M&A with the potential for synergistic effect in order to meet the expectations of all stakeholders.