November 9, 2026

Company Name: Syuppin Co., Ltd.
Representative: Masashi Saito,
CEO and Representative Director
(Code: 3179, Tokyo Stock Exchange PRIME)
Inquiries: Daisuke Sono,
Senior Executive Officer and CFO
(Phone +81-3-3342-2944)

Notice Regarding Recognition of Extraordinary Losses and Revision to Full-Year Financial Forecasts

Syuppin Co., Ltd. (the "Company") hereby announces that it has recognized extraordinary losses (expenses associated with addressing issues affecting its core business system) for the six months ended September 30, 2026. The Company has also revised its full-year financial forecasts for the fiscal year ending March 31, 2027, previously announced on May 12, 2026, as set out below.

1.Recognition of Extraordinary Losses

(1) Background and reasons for recognition

Following the launch of its new core business system in April 2026, the Company experienced processing delays in certain functions and issues with data integration. The Company has since undertaken emergency system modifications, data verification and other measures to restore normal business operations.

The Company recognized ¥226,257 thousand in extraordinary losses in the first quarter for the associated response costs, as these costs were considered non-recurring and exceptional in nature. During the second quarter, further expenses were incurred as modifications to stabilize the system continued. As the cumulative amount of these extraordinary losses for the six months ended September 30, 2026 reached the threshold for timely disclosure, the Company is providing this additional announcement.

(2) Amount recognized and outlook

① Extraordinary losses recognized for the six months ended September 30, 2026

Account: Expenses incurred in responding to core business system issues (extraordinary losses)

Amount recognized: ¥359,228 thousand (cumulative amount for the six-month period)

② Expected additional costs for the remainder of the fiscal year

Although modifications to the principal functions of the system are progressing in stages, further modifications to the remaining functions, ongoing verification of data integrity, and continued intensive maintenance support from external vendors will be necessary to achieve fully stable system operations by the end of the fiscal year. Accordingly, the Company expects additional expenses related to these issues to continue accumulating during the second half of the fiscal year.

2. Revision to Full-Year Financial Forecasts for the Fiscal Year Ending March 31, 2027
(April 1, 2026 – March 31, 2027)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(yen)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	55,098	2,754	2,703	1,851	87.28
Revised forecast (B)	49,486	1,767	1,613	598	28.38
Difference (B − A)	-5,611	-987	-1,089	-1,253	
Increase/decrease ratio (%)	-10.2	-35.8	-40.3	-67.7	
(Reference) Results for the fiscal year ended March 31, 2026	51,924	2,537	2,491	1,685	78.57

Reasons for the revision
With respect to net sales, the replacement of the core business system on April 1, 2026 resulted in temporary restrictions on operations at the Company's e-commerce website and physical stores, as well as the suspension of sales through domestic third-party online marketplaces, which remains in effect due to an external security-related incident. Restrictions also affected the implementation of various sales initiatives. In the core camera business, the postponement of new product launches by major manufacturers limited opportunities to generate sales through the customer upgrade and trade-in cycle, a key strength of the Company.

With respect to profit, the decline in net sales, particularly in the camera business, and increased costs associated with the expansion of point-based promotional initiatives to encourage sales of used products weighed on earnings. Additional factors included fees paid to external specialists for strengthening corporate governance and conducting related investigations and response activities arising from harassment incidents involving former management, as well as higher personnel costs resulting from the expansion of the information systems team to support stable operation of the new core business system.

In light of these circumstances, the Company has revised its full-year financial forecasts.
Going forward, the Company will continue efforts to stabilize the core business system and restore sales initiatives that have been subject to restrictions, with the aim of recovering sales opportunities and improving profitability.

In the camera business, the Company will seek to stimulate its customer upgrade and trade-in cycle by expanding opportunities for both purchasing used products from customers and selling products to customers. In addition to conventional product introductions, it will expand its video content to include features reflecting customers' diverse interests and lifestyles. Through these initiatives, the Company aims to broaden engagement with new customer segments and expand its customer base.
In the watch business, the Company will improve the accuracy of selling and purchase price setting through the use of AI-assisted merchandising (AI-supported MD). It will also commence business-to-business (B2B) channel transactions to optimize inventory levels, improve inventory liquidity and refresh the product lineup, thereby seeking to improve capital efficiency.

Through these measures, the Company will work to resolve the effects of the core business system transition and restore profitability.

3. Dividend Forecast

The Company considers improving capital efficiency and enhancing shareholder returns to be important management priorities. Its basic dividend policy is to provide stable and continuous dividends in line with earnings growth, targeting a dividend payout ratio of 40%–50%.

Although the Company is revising its financial forecasts downward, it considers the principal causes—the effects of the core business system replacement and external specialist fees related to strengthening corporate governance and conducting investigations and response activities arising from harassment incidents involving former management—to be temporary in nature. Accordingly, the Company will maintain its previously announced annual dividend forecast of ¥40 per share.

(Note)

The forecasts above are based on information available to the Company as of the date of this announcement and on assumptions deemed reasonable. Actual results may differ materially due to various factors.