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Topre Corporation

Representative Director and President, Executive Officer, Yutaka Yamamoto
Contact: Executive Officer, General Manager of General Affairs Department Koichiro Matsuura
Ticker symbol: 5975
https://www.topre.co.jp

The current situation of the corporate governance of our company is as follows:

I The basic idea toward corporate governance, and the basic information about the capital structure, attributes of the enterprise and others

1. The basic idea

The mission of Topre Group is to create products and services by utilizing our distinguished technologies and thereby contribute to society. We shall carry out our business activities from a high ethical perspective and common sense, as an international company needed and respected by society, not as a company that seeks solely economic results.

The staff of Topre Group working around the world shall strive to follow the corporate governance system by sharing this idea and seeking to contribute to society and continual prosperity as its goal.

[Reasons for not implementing each principle of Corporate Governance Code]

Our company implements all the principles of the Corporate Governance Code after the revision in June 2021.

[Disclosure based on each principle of Corporate Governance Code] Updated

[Principle 1-4 Cross-shareholdings policy]
(Policy on cross-shareholding)

Our Group has the press-related products business, the temperature controlled logistics-related business, and other businesses such as manufacturing and sale of air-conditioning equipment and electronic equipment, as our main businesses. Furthermore, we expand business activities such as logistics, research, and other services relevant to each business.

Primarily for the purpose of enforcing the cooperative relationships with many corporations and maintaining good relationships with financial organizations in that process, we are making judgments from an overall perspective, based on whether it is helpful for the sustainable growth of our company, whether it is helpful for medium-to-long-term enhancement of corporate value, etc., including curtailment of possession.

(Verification of adequacy of possession)

The Board of Directors has the system of verifying the adequacy of possession in a comprehensive manner by conducting a qualitative assessment of the necessity of possessing and cooperative relationship on transactions, based on the quantitative evaluation of operating performance and dividend payout ratio about cross-shareholding made by the General Affairs Department, which is the division responsible for stock transactions, at the time of settlement of accounts.

As a result of the verification, we are continuing to hold 20 stocks in fiscal year 2025.

(Exercise of voting rights on cross-shareholdings)

In exercising the voting rights on cross-shareholdings, our company will do so on a subject-by-subject basis by making an overall evaluation on whether it matches our company's policy on cross-shareholdings, whether it contributes to the sustainable growth of the corporation in question, and whether it is helpful for medium-to-long-term enhancement of corporate value, etc.

[Principle 1-7 Transactions among related parties]

Our company provides as a rule that when there is a certain transaction with directors of the company, it is subject to the requirement of prior approval by the Board of Directors and of reporting after the fact, based on the regulations of the Board of Directors as well as laws and the Articles of Incorporation, as the procedure to make sure that no harm is done to the benefits of the company and the common benefit of the shareholders, and our company is monitoring it.

[Supplemental principle 2-4-1 Ensuring diversity in promotion of core human resources, etc.]
(The concept of ensuring diversity, personnel development policy, internal environment development policy, and their implementation status)

In order for our Group to become a company that contributes to society and continues to prosper, we believe that “ensuring employee diversity” is essential. To achieve this, we have set “creation of accepting and diverse workplaces,” “creation of an organization that allows flexible work styles,” and “human resource development tailored to each individual” as key themes.

Going forward, we will continue to hire diverse talents regardless of race, creed, gender, nationality, physical characteristics, etc., and strive to create an environment where each and every employee can fully utilize his or her abilities and thrive.

- Policies for human resource development and internal environment development
  https://www.topre.co.jp/sustainability/social/policy/human_resources.html
- Specific initiatives
  https://www.topre.co.jp/sustainability/social/human_resources.html

(Voluntary and measurable goals, and their status)
(1) Promotion of women to managerial positions

As part of our Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women’s Active Engagement in Professional Life, we are working toward the goal of “increasing the proportion of

women in managerial positions to 3% or more by the end of March 2027."
As of March 31, 2026, we have a female management percentage of 1.6%.
(2) Promotion of foreign nationals and mid-career hires to managerial positions
At present, we have no specific numerical targets for foreign nationals and mid-career hires, as we hire and evaluate them fairly and promote them to management positions appropriately, as we do with all other employees. Furthermore, regarding the recruitment of foreign nationals and mid-career hires, as we aim for further development through global business expansion, we will continue to strengthen and expand our initiatives.

[Principle 2-6 Fulfillment of function as the asset owner of a company pension]
Our company has adopted a defined-benefit corporate pension plan, and the Topre corporate pension fund is positioned as the asset owner.
Our company is engaging in maintenance of the system in which the fund can fulfill its function as the asset owner to aim for stable and appropriate management of the reserve fund, by dispatching the employees with the knowledge and experience from the sections in charge of workers as well as of financing as they relate to the corporate pension to the office of the corporate pension fund, and by placing our company's manager in charge of finance in the asset management committee that deliberates on the effective management of the reserve owned by the fund.
Also, the reserve fund has been entrusted to each financial institution and controlled in a way that no conflict of interest will occur between the fund's beneficiaries and the company.

[Principle 3-1 Fullness of disclosure of information]
(i) What the company aims for (management philosophy, etc.), management strategy, management plan
Our Group has formulated the "Basic Philosophy" as the philosophy to be shared by the group. As the management strategy/management plan, we have also formulated a "Medium-term Management Plan."
- Basic Philosophy
  https://www.topre.co.jp/company/philosophy.html
- Medium-Term Management Plan
  https://www.topre.co.jp/ir/plan.html

(ii) The basic idea and the basic policy on corporate governance
(The basic idea)
Please refer to "I. 1. The basic idea" of this report.

(The basic policy)
The basic policy on corporate governance
https://www.topre.co.jp/sustainability/co_governance.html
(1) We will strive to ensure the rights and equality of shareholders.
(2) We will strive for the appropriate cooperation with stakeholders other than shareholders.
(3) We will strive to ensure the appropriate disclosure and transparency of information.
(4) We will carry out the management responsibility and decision-making on business execution as well as supervisory responsibility as the obligations / roles of the Board of Directors, by making transparent, fair, prompt and decisive decisions.
(5) We will strive for constructive dialogues with shareholders.

(iii) The policy and procedure in deciding the compensation of senior management and directors
Please refer to "II. 1. [Regarding Directors' Fees] Disclosure of policies for determining the amount of compensation or its method of calculation" of this report.

(iv) The policy and procedure in appointing and dismissing senior management and nominating candidates for directors and auditors
(Policy)
As for candidates for directors, we nominate on the "right person for the right position" basis, in the scale that conforms to the nature of the business of our company, by giving comprehensive consideration to such matters as the contribution to the Board of Directors that makes transparent, fair, prompt and decisive decisions depending on each business department and the allocation of business operations, and the knowledge, experience and character that the person has. In nominating candidates for directors, the Board of Directors nominates them based on the report from the Nomination Committee, which is a voluntary decision-making body.
As for candidates for auditors, we nominate on the "right person for the right position" basis, by giving comprehensive consideration to such matters as whether the person is familiar with the nature of the business operations of our company, the knowledge on finance, accounting and law, and the contribution to the responsibility and role as an auditor.

(Procedure)
We nominate the candidates for directors and auditors at the Board of Directors based on the above-referenced policy and deliberations at the Nomination Committee, which is a voluntary decision-making body, and appointment and dismissal will be made at a general meeting of shareholders.

(v) Explanation of each appointment/dismissal and nomination when appointing/dismissing senior management and nominating candidates for directors and auditors
President explains about the candidates for directors and auditors at the Board of Directors, and main careers and the reason for the selection, etc., of each candidate are written on the notice of convocation of a general meeting of shareholders.

[Supplemental principle 3-1-3 Efforts toward sustainability, etc.]
(Efforts toward sustainability)
Recognizing sustainability as an important management issue for sustainable enhancement of corporate value, our company promotes company-wide efforts centered on the CSR Climate Change Measures Management Office.
Regarding response to climate change, we view risks and opportunities that affect our business activities as important factors, and are proceeding with analysis and response. In addition, our company is also working to improve disclosure of information based on the TCFD recommendations.

For details on our specific initiatives regarding sustainability and climate change, as well as disclosure based on TCFD recommendations, please refer to our website.

- Sustainability
  https://www.topre.co.jp/sustainability/
- ESG Databooks (CSR Reports)
  https://www.topre.co.jp/sustainability/reports/
- Integrated Report
  https://www.topre.co.jp/ir/library/

(Investment in human capital)

In our 16th medium-term management plan, we uphold the basic policy of “striving for talent development and creating a conducive working environment, expanding opportunities where diverse-minded individuals can thrive, and continuing to be a responsible corporate entity entrusted by future generations of employees." Please refer to our website for our initiatives on human resources.

- Human resources
  https://www.topre.co.jp/sustainability/social/human_resources.html
- ESG data
  https://www.topre.co.jp/sustainability/data/

(Investment in intellectual property)

In our 16th medium-term management plan, we advocate the basic policy of “pursuing technological capabilities that customers demand while promoting efficiency in production methods and technological innovation, thereby continuously enhancing the company's competitiveness.” Regarding our research and development activities, the development department applies our core technologies to diversify into new areas with the aim of developing and commercializing new products. In addition, each business department is working on the development of new products and technologies through the pursuit of new functions. For more details, please refer to our website.

- Intellectual property activities
  https://www.topre.co.jp/sustainability/governance/ip.html

[Supplemental principle 4-1-1 Scope of delegation to management]

Our company is a company with a Board of Directors, and as such has a system in which matters designated by laws and the Articles of Incorporation as well as any matters that are important to the management of our company will require deliberation and approval of the Board of Directors pursuant to the regulations of the Board of Directors. Matters that do not require deliberation and approval of the Board of Directors are delegated under the regulations of approving authority, depending on the nature of the business operations, taking into account its subject, reference money amount and such nature.

[Principle 4-9 Evaluation criteria for independence and qualification of independent outside directors]

We have appointed independent outside directors, based on the evaluation criteria of the requirements of outside directors provided in the Companies Act and the independence standard laid down by the Financial Instruments Exchange where we are listing our stock.

[Supplemental principle 4-10-1 Concepts on independence, authority, roles, etc., of voluntary committees]

As advisory bodies to the Board of Directors, we have arbitrarily established the Nomination Committee and Compensation Committee, the majority of whose members are outside directors, to ensure the fairness, transparency, and objectivity in procedures related to the nomination and compensation of officers. For details, please refer to “II. 1. [Regarding Directors] State of establishment of arbitrary committees, composition of committee members, attributes of chairperson” and “Supplementary Explanation” of this report.

[Supplemental principle 4-11-1 Concepts on balance of knowledge, experience, capability, diversity, and scale of the Board of Directors as a whole]

As for the candidates for directors, we nominate on a "right person for the right position" basis, and have a basic stance of making selections on a scale that conforms to the nature of the business of our company, by giving comprehensive consideration to such matters as contribution to a Board of Directors that makes transparent, fair, prompt and decisive decisions in accordance with each business department and the allocation of business operations, and the knowledge, experience and character that the person has. In nominating candidates for directors, the Board of Directors nominates them based on the report from the Nomination Committee, which is a voluntary decision-making body.

Also a so-called “skill matrix,” which lists the knowledge, experience, capabilities, and the like of each director, is listed in the notice of convocation of a general meeting of shareholders.
https://www.topre.co.jp/ir/meeting.html

[Supplemental principle 4-11-2 Concurrent positions held by directors and auditors]

Important concurrent holding of positions, including concurrent holding of multiple positions of other public corporations by directors and auditors are disclosed in the business reports and reference documents for a general meeting of shareholders.
https://www.topre.co.jp/ir/meeting.html

[Supplemental principle 4-11-3 Evaluation of the effectiveness of the Board of Directors]

To improve the functions of our Board of Directors and further enhance our corporate governance system, we conduct a board evaluation questionnaire to assess the effectiveness of our Board of Directors. After compiling and analyzing the questionnaire results, we report the summary and direction for improvement of the results to our officers.

The results of the most recent board evaluation questionnaire did not indicate any problems with the effectiveness of our Board of Directors as a whole.

[Supplemental principle 4-14-2 Training of directors and auditors]

Our company has been giving training to directors and auditors at the time of assumption of their offices about explanations of their responsibilities and roles and necessary knowledge for performing these responsibilities and roles. After the assumption of office, we provide the opportunities for necessary training, such as outside lectures, according to the role of each director and auditor.

[Principle 5-1 Policy on constructive dialogues with shareholders]

We set the following policies on system development and engagement for promotion of dialogues with shareholders.

(1) We will proactively develop IR activities by designating the manager who supervises the overall dialogues with shareholders and pays

attention to the realization of constructive dialogues as the director in charge of IR and by having the president and the director in charge of IR take the central role.
(2) In developing the IR activities, the IR Promotion Dept and General Affairs Department take the central role in exchanging information with those in charge of legal affairs, accounting, finance, etc., at least once a month to promote IR activities and dialogues.
(3) Our company is actively creating the opportunities for promoting the dialogues with shareholders through financial results briefings directed to analysts and company information sessions directed to individual investors, as a means of dialogues other than private meetings.
(4) Important opinions and concerns grasped from dialogues with shareholders are reported to the Board of Directors by the director in charge of IR.
(5) We disclose insider information in a timely and appropriate manner, pursuant to the Guidelines for Action of our Group, and we control important facts not yet officially announced, pursuant to regulations for prevention of insider trading.

[Measures aimed at achieving management with a focus on capital costs and stock prices]

Description of initiatives Updated	Disclosure of initiatives (update)
Availability of English disclosure Updated	Available
Date of update Updated	May 27, 2026

Explanation on the applicable item Updated

In our 16th medium-term management plan, our company positions sustainable growth and medium-to-long-term enhancement of corporate value as important issues and is working to achieve management with a focus on capital costs and stock prices while utilizing management indicators such as ROE and ROIC.

Please refer to the latest financial results briefing materials and Integrated Report for the progress of these initiatives and the status of management indicators.

- 16th Medium-Term Management Plan
  https://www.topre.co.jp/ir/plan.html
- Financial results briefing materials / Integrated Report
  https://www.topre.co.jp/ir/library/ (Japanese)
  https://www.topre.co.jp/en/ir/library/ (English)

2. Capital Structure

Ratio of stock holding by foreigners	20% or more and below 30%

[Situation of large shareholders] Updated

Name	Number of shares owned (shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd.	6,253,863	12.61
Custody Bank of Japan, Ltd.	4,876,600	9.83
Naoko Ishii	2,660,004	5.36
Nippon Life Insurance Company	2,135,649	4.30
Resona Bank, Limited	1,870,400	3.77
Topre Client Stock Ownership	1,622,700	3.27
Sumitomo Life Insurance Company	1,429,400	2.88
Mizuho Bank, Ltd.	1,265,364	2.55
STATE STREET BANK AND TRUST COMPANY 505223	1,229,954	2.48
STATE STREET BANK AND TRUST COMPANY 505001	1,138,695	2.29

Existence of Controlling Shareholder (excluding parent company)	------
Existence of Parent Company	No

Supplementary Explanation

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3. Enterprise Attributes

Exchange for listing, and section of exchange	Tokyo Prime
Accounting period	March
Type of industry	Metal products
Number of employees (consolidated) at the end of the prior business year	Over 1,000
Gross sales (consolidated) in the prior business year	100 billion yen or more and under 1 trillion yen
Number of consolidated subsidiaries as of the end of the prior business year	10 or more and under 50 companies

4. Policy on the way to protect minority shareholders in conducting transactions, etc., with controlling shareholders

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5. Other special conditions that may have a major impact on corporate governance

Our company has no parent company or listed subsidiary. Also, there is no fact that is deemed to have a major impact on corporate governance.

II Situation of the corporate governance system of the management and control organization and others for decision-making, execution and supervision on management

1. Matters regarding organizational structure, organizational operation, etc.

Organizational form	Company with auditors

[Regarding Directors]

Number of Directors according to the Articles of Incorporation	15 persons
Term of Directors according to the Articles of Incorporation	2 years
Chairman of the Board of Directors	President
Number of Directors	6 persons
Status of appointment of outside Directors	Appointed
Number of outside Directors	3 persons
Number of outside Directors who are designated as independent officers	3 persons

Relationship with the company (1)

Name	Attributes	Relationship with the company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Tsuyoshi Takada	Lawyer											
Naoshi Ogasawara	Certified Accountant						△					
Yoshie Midorikawa	Lawyer											

*** Selected items on relationship with the company**

*** If the person is applicable to the item "now or recently"「○」, if applicable "in the past", 「△」**

*** If a close relative of the person is applicable to the item "now or recently"「●」, if applicable "in the past"「▲」**

a Person who executes the business of a listed company or its subsidiary
b Person who executes the business or a director who does not execute the business of the parent company of a listed company
c Person who executes the business of a fellow subsidiary of a listed company
d Party who deals with a listed company as its main customer, or a person who executes its business
e Major customer of a listed company or a person who executes its business
f Consultant, accounting expert and legal expert who receives a substantial amount of money or assets other than an officer's fee from a listed company
g Major shareholder of a listed company (if it is a corporation, the person who executes the business of that corporation)
h Person who executes the business of a customer of a listed company (those who do not fall under d, e, or f) (only the person him/herself)
i Person who executes the business of a company that stands in a cross-appointment relationship with an outside officer (only the person him/herself)
j Person who executes the business of a company that receives contributions from a listed company (only the person him/herself)
k Others

Relationship with the company (2)

Name	Independent Officer	Supplementary explanation on applicable items	Reason for appointment
Tsuyoshi Takada	○	———	We appointed him as an outside director because he has expert knowledge as a lawyer and deep insight on corporate legal work, and he also stands in a position that is independent of the persons who execute the business of our company. We determined that, even as an independent officer, he presents no risk of generating a conflict of interest with general shareholders, and that the objective independence to ensure the trust of shareholders/investors could be maintained.
Naoshi Ogasawara	○	Mr. Naoshi Ogasawara had been working at Taiyo ASG Audit Corporation (currently, Grant Thornton Taiyo LLC) from April 2007 to September 2008, as its representative employee. That audit corporation has been our company's accounting auditor from 2007 to the present.	We appointed him as an outside director of our company because he has rich experience and high views in the financial and accounting areas cultivated as a certified accountant, and he also stands in a position that is independent of the persons who execute the business of our company. Because there is no contractual relationship currently between the audit corporation Mr. Naoshi Ogasawara used to work at and Mr. Naoshi Ogasawara, we determined that, even as an independent officer, he presents no risk of generating a conflict of interest with general shareholders, and that the objective independence to ensure the trust of shareholders/investors could be maintained.
Yoshie Midorikawa	○	———	We appointed her as an outside director because she has expert knowledge as a lawyer and deep insight on corporate legal work, including overseas legal affairs, and she also stands in a position that is independent of the persons who execute the business of our company. We determined that, even as an independent officer, she presents no risk of generating a conflict of interest with general shareholders, and that the objective independence to ensure the trust of shareholders/investors could be maintained.

Existence of an arbitrary committee equivalent to a Nomination Committee or Compensation Committee	Yes

State of establishment of arbitrary committees, composition of committee members, attributes of chairperson

	Name of committee	All members (persons)	Full-time members (persons)	Inside directors (persons)	Outside directors (persons)	Outside experts (persons)	Others (persons)	Chairperson
Arbitrary committee equivalent to Nomination Committee	Nomination Committee	4	0	1	3	0	0	Inside directors
Arbitrary committee equivalent to Compensation Committee	Compensation Committee	5	0	2	3	0	0	Inside directors

Supplementary Explanation Updated

We have set up a Nomination Committee as an arbitrary decision-making body comprised of three outside directors (Tsuyoshi Takada, Naoshi Ogasawara, and Yoshie Midorikawa) along with the Representative Director (Yutaka Yamamoto), with the aim to ensure fairness, transparency, and objectivity regarding the process of nominating Directors. A majority of the members of this committee are outside directors, and the committee met four times in fiscal year 2025.

We have also set up a Compensation Committee as an arbitrary decision-making body comprised of one inside director (Yoshinori Tsuyuki) and three outside directors (Tsuyoshi Takada, Naoshi Ogasawara, and Yoshie Midorikawa) along with the Representative Director (Yutaka Yamamoto), with the aim to ensure the objectivity and reinforcement of supervision regarding the process to determine the amount of compensation of Directors. A majority of the members of this committee are outside directors, and the committee met once in fiscal year 2025.

[Regarding Auditors]

Establishment of Board of Auditors	Established
Number of auditors per the Articles of Incorporation	5 persons
Number of auditors	3 persons

Situation of cooperation of auditors, accounting auditor, and inside audit department

We elected Grant Thornton Taiyo LLC as our accounting auditor, and receive accounting audit of our accounting treatments and financial results during the term, and we thereby strive to ensure proper accounting treatment and transparent management. Our auditors and the accounting auditor have been cooperating with each other by exchanging opinions in drawing up the annual auditing plan and making the accounting audit reports.

The inside Audit Department, which is the office directly controlled by the president, has the audit department (4 persons), periodically conducts visiting audits of business offices based on the audit plan for overall business operations including transactions during the term, and performs the auditing of accounting and execution of businesses in cooperation with auditors and the accounting auditor. The audit department also strives for exchange of opinions and sharing of information by periodically reporting its activity details to the president and the Board of Auditors.

Status of appointment of outside auditors	Appointed
Number of outside auditors	2 persons
Number of outside auditors who are designated as independent officers	2 persons

Relationship with the company (1)

Name	Attributes	Relationship with the company (*)											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masahiko Sato	Certified Accountant								△					
Shuichi Tanaka	Lawyer													

* Selected items on relationship with the company
* If the person is applicable to the item "now or recently"「○」, if applicable "in the past", 「△」

* If a close relative of the person is applicable to the item "now or recently"「●」, if applicable "in the past"「▲」

a Person who executes the business of a listed company or its subsidiary
b Director who does not execute the business of a listed company or its subsidiary or accounting advisor
c Person who executes the business or a director who does not execute the business of the parent company of a listed company
d Auditors of the parent company of a listed company
e Person who executes the business of a fellow subsidiary of a listed company
f Party who deals with a listed company as its main customer, or a person who executes its business
g Major customer of a listed company or a person who executes its business
h Consultant, accounting expert and legal expert who receives a substantial amount of money or assets other than an officer's fee from a listed company
i Major shareholder of a listed company (if it is a corporation, the person who executes the business of that corporation)
j Person who executes the business of a customer of a listed company (those who do not fall under f, g, or h) (only the person him/herself)
k Person who executes the business of a company that stands in a cross-appointment relationship with an outside officer (only the person him/herself)
l Person who executes the business of a company that receives contributions from a listed company (only the person him/herself)
m Others

Relationship with the company (2)

Name	Independent Officer	Supplementary explanation on applicable items	Reason for appointment
Masahiko Sato	○	Mr. Masahiko Sato had been working at Chuo Shinko Audit Corporation (the firm name thereafter changed by mergers, etc., to Chuo Audit Corporation, Chuo Aoyama Audit Corporation, and Misuzu Audit Corporation) from October 1988 to June 2007. During his tenure, from the March term of 1989 to the March term of 2007 (temporarily in the March term of 2007, it was accounting auditor), the said audit corporation was our company's accounting auditor.	We appointed him as an outside auditor because he has a high level of expertise in accounting and taxation cultivated as a certified accountant and a tax accountant, and he also stands in a position that is independent of the persons who execute the business of our company. Because there is no contractual relationship currently between the audit corporation Mr. Masahiko Sato used to work at and Mr. Masahiko Sato and our company, we determined that, even as an independent officer, he presents no risk of generating a conflict of interest with general shareholders, and that the objective independence to ensure the trust of shareholders/investors could be maintained.
Shuichi Tanaka	○	———	We appointed him as an outside auditor because he has rich experience and deep insight as a legal expert cultivated as a lawyer, and he also stands in a position that is independent of the persons who execute the business of our company. We determined that, even as an independent officer, he presents no risk of generating a conflict of interest with general shareholders, and that the objective independence to ensure the trust of shareholders/investors could be maintained.

[Regarding Independent Officers]

Number of independent officers	5 persons

Other matters regarding the independent officers

Our company designated as independent officers all the outside officers who satisfy the qualification of an independent officer.

[Regarding Incentives]

Status of implementation of measures regarding giving of incentives to Directors	Adopted the performance-based compensation system

Supplementary explanation on the applicable item Updated

We have introduced bonuses as the compensation linked with short-term business results and stock compensation as the compensation linked with medium-term business results. For details, please refer to “II.1. [Regarding Directors’ Fees] Disclosure of policies for determining the amount of compensation or its method of calculation” of this report.

Those to receive stock options	

Supplementary explanation on the applicable item

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[Regarding Directors' Fees]

Status of disclosure (of each Director's compensation) Updated	Individual compensation is not disclosed.

Supplementary explanation on the applicable item Updated

The compensation for directors of our company is 209,000,000 yen (of which 30,000,000 yen is for outside directors), and the compensation for auditors is 36,000,000 yen (of which 14,000,000 yen is for outside auditors). The recipients are 6 directors and 3 auditors. The compensation includes bonuses for this business year.

Individual compensation is not disclosed because there are no officers whose total consolidated compensation, etc., is 100,000,000 yen or more.

(Total amount of compensation paid to directors and auditors)

- Total amount of compensation for directors (excluding outside directors): 178,000,000 yen (fixed compensation: 112,000,000 yen, bonus: 39,000,000 yen, stock compensation: 26,000,000 yen), Number of directors: 3
- Total amount of compensation for outside directors: 30,000,000 yen (fixed compensation: 30,000,000 yen), Number of directors: 3
- Total amount of compensation for auditors (excluding outside auditors): 21,000,000 yen (fixed compensation: 21,000,000 yen), Number of auditors: 1
- Total amount of compensation for outside auditors: 14,000,000 yen (fixed compensation: 14,000,000 yen), Number of auditors: 2

Existence of policies for determining the amount of compensation or its method of calculation Updated	Yes

Disclosure of policies for determining the amount of compensation or its method of calculation

Our company has set the following basic policies for determining the compensation of officers, etc.

- Compensation system that enhances motivation to perform his/her duties as a director
- Compensation system that is linked with business performance
- Compensation system that is appropriate to the roles and responsibilities of a director

Based on these policies, the compensation system for directors consists of the basic compensation, the compensation linked with short-term business results, and the compensation linked with medium-term business results. The compensation for auditors is the basic compensation only.

(Compensation for Directors)

Directors of our company (excluding outside directors) have compensation, etc., consisting of basic compensation, bonuses as the compensation linked with short-term business results, and stock compensation as the compensation linked with medium-term business results.

- Basic compensation

  As for the monthly compensation, the payment to each director is determined by the conference of the Compensation Committee, which is the arbitrary decision-making organ composed of directors, including the representative director, and outside directors.
- Bonuses

  Bonuses linked to single-year business results are determined by the Compensation Committee based on the “consolidated operating profit margin,” “consolidated revenue growth rate,” etc., and each director's contribution to business results.

- Stock compensation

The calculation of stock compensation involves awarding points based on the achievement of “consolidated operating profit” and “consolidated ROE” for each fiscal year, and granting our shares according to the cumulative number of points awarded. Starting from the March term of 2025, in addition to financial results-linked indicators (consolidated operating profit and consolidated ROE), we have also adopted non-financial results-linked indicators (engagement and sustainability) as metrics, with the aim of providing incentives for achieving the medium-term management plan and enhancing corporate value. For the specific calculation method, please refer to the Annual Securities Report.

The compensation for outside directors consists only of the basic compensation not linked with business results, because of the point of view that their role is to supervise the management from the standpoint that is independent of the persons who execute the business.

We have established a voluntary Compensation Committee to strengthen fairness, objectivity, transparency, and accountability, and the majority of the committee members are composed of outside directors. The Compensation Committee resolves the compensation, etc., for each individual director, and reports it to the Board of Directors.

(Compensation for Auditors)

The compensation for auditors of our company is within an annual amount of 60,000,000 yen pursuant to the resolution of the General Meeting of Shareholders held on June 28, 2008. The number of auditors subject to this resolution is 5 (of which 3 are outside auditors), and the number of auditors assumed for the calculation of the annual amount of 60,000,000 yen or less is up to 5, as stipulated in the Articles of Incorporation of our company.

The Board of Auditors determines the individual amounts. From the point of view that auditors fulfill the function of auditing the performance of duties by directors, their compensation consists only of basic compensation, and no compensation linked with the business results of the company is paid.

In addition, the Board of Auditors determines the monthly compensation amount for each auditor within the total compensation amount approved at the above General Meeting of Shareholders.

[Support system for outside directors (outside auditors)]

We are working to ensure that outside directors and outside auditors grasp the contents of business sufficiently through the Board of Directors and the Board of Auditors. We also provide materials in advance of their attendance at the Board of Directors so they can give full consideration to said materials. Further, our full-time auditor may contact directly with outside auditors as needed in order to deliver information and materials, etc.

2. Matters regarding the functions of business execution, audit/supervision, appointment, decision on compensation, etc. (Summary of the current status of corporate governance system) Updated

Our company has adopted the system of a company with a Board of Auditors as its institutional design under the Companies Act, and has established a system where the Board of Directors cooperatively takes charge of management responsibilities and business execution responsibilities. The Board of Directors is composed of six members, including three outside directors, of whom one is female, and maintains an appropriate size to function as a deliberative body. As a result, we have a management system where proactive deliberations and discussions are held and prompt and accurate decision-making is done to make flexible and efficient management possible. At the Board of Directors meeting held every month, the basic management policies are determined and execution of business and its specific plans are deliberated. Also, in addition to the Board of Directors meeting, monthly meetings, etc., are held to intensively discuss the designated themes of each division. Also, for the purpose of strengthening the functions of the Board of Directors, our company has introduced a delegated executive officer system, and aims to accelerate decision-making and improve the efficiency of business execution by separating the management supervisory function from the business execution function. Executive officers are composed of a total of 11 persons, including 3 persons who concurrently serve as directors.

For the surveillance of company management, we have adopted the auditor system. The Board of Auditors is composed of three members, two of whom are outside auditors, thereby enhancing transparency and carrying out the function of surveillance and audit of the management. Also, the Board of Auditors confirms the critical matters of changes in audit policies and accounting systems, etc., by holding regular meetings with the audit corporation in order to heighten the effect of audit, while maintaining independence, and exchanges opinions and works to coordinate with the audit corporation in preparing the annual audit plan and audit report on financial results.

For internal control, we have the Audit Department (composed of 4 persons) as an organization directly controlled by the president. The Audit Department conducts regular on-site audits at business offices based on the audit plan for all business operations, including transactions during the term, and conducts audits of accounting and business execution in coordination with auditors and the audit corporation. Also, although the Audit Department does not have a system for reporting directly to the Board of Directors, it regularly reports its activities to the president and the Board of Auditors, maintains a system for exchanging opinions and sharing information, and strives to conduct efficient and effective audits.

With respect to accounting audit, we have selected Grant Thornton Taiyo LLC as the accounting auditor and made an audit contract with them for audit based on the Companies Act and the Financial Instruments and Exchange Act. The certified accountants who executed the business for the March term of 2026 were Mr. Tetsuro Shibatani and Mr. Yasushi Tsutsumi, with continuous auditing years of no more than seven. Also, there are assistants for accounting audit, including 5 certified accountants and 16 others.

3. Reason for maintaining our current corporate governance system

Our company adopts the auditor system as the system to monitor the corporate management. We have determined that the outside auditors (2 of them) have, as a lawyer and a certified accountant, expert knowledge of legal and accounting fields, respectively, and express various

opinions based on the objective and neutral monitoring that is independent of the persons who execute the business of our company, and are thereby fully performing their role of monitoring the management from the viewpoint of lawfulness, fairness and transparency. Therefore, we intend to maintain the current system, because our company has a governance system that ensures objectivity and independence, as demonstrated by a verification of effectiveness and efficiency of performance of duties of the directors from an independent and fair position, having outside auditors, and because a fully effective monitoring of management can be expected to ensure the trust of shareholders, investors, etc. Nevertheless, we will continue working on developing an even more suitable corporate governance system in response to changes of the environment surrounding our company as well as revisions, etc., of laws and regulations.

III Status of implementation of measures regarding shareholders and other stakeholders

1. Situation of the efforts toward vitalization of the general meeting of shareholders and facilitation of exercise of voting rights Updated

	Supplementary Explanation
Early mailing of the Notice of Convocation of a General Meeting of Shareholders	For the 131st annual meeting of shareholders held on June 24, 2026, we mailed it out on June 3, 2026, which was 5 business days earlier than the mailing day required by law.
Scheduling of the shareholders' meeting that avoided the day many meetings are expected to be held	We held it on June 24, 2026, 2 business days before the day on which many shareholders' meetings were expected to be held.
Exercise of voting rights by electromagnetic means	We have made it possible to exercise voting rights via the Internet starting with the 124th annual meeting of shareholders held on June 26, 2019.
Efforts for participation in the platform for exercising voting rights by electromagnetic means and other improvements of the environment for exercising voting rights of institutional investors	We have participated in the platform for exercising voting rights for institutional investors operated by ICJ, Inc., starting with the 124th annual meeting of shareholders held on June 26, 2019.
Provision of the notice to convene (summary) in English	We disclose the notice to convene in English, excluding the audit report of the audit corporation, the audit report of the Board of Auditors, and the site information map, on TDnet and our company's website.
Others	At the time of explanation of the reported matters, we try to facilitate the understanding of contents of the reports for the shareholders in attendance, by using PowerPoint. Also, we used the narration style for the purpose of facilitating understanding aurally in the 131st annual meeting of shareholders held this year, as in the previous year.

2. Status of activities on IR Updated

	Supplementary Explanation	Explanation by representative him/ herself
Preparation and publication of disclosure policy	We have posted “Approach to Disclosure Information and Dialogue (Disclosure Policy)” on our website. https://www.topre.co.jp/sustainability/governance/investor.html	
Holding of periodical explanation sessions for individual investors	We held company information sessions in the following IR events to present our company to individual investors. - September 2025 explanation session for individual investors - February 2026 explanation session for individual investors We explained the features of our products and technology, our performance, and future outlook to deepen individual investors' understanding of our company. We will continue to hold these sessions in the future. The explanatory materials are available for viewing on the company’s website. https://www.topre.co.jp/ir/library/	No
Holding of periodical explanation sessions for analysts and institutional investors	Every year, we hold explanation sessions of full-year business results toward the end of May, and explanation sessions of interim business results toward the beginning of December. The explanation sessions for the financial results for the March term of 2026 were held on May 27, 2026. The explanatory materials are available for viewing on the company’s website. https://www.topre.co.jp/ir/library/ Furthermore, individual meetings with analysts and institutional	Yes

	investors are held whenever necessary.	
Listing of IR materials on our website	We have published a variety of company information in the “IR Information” section of our website. - URL https://www.topre.co.jp/ir/ - IR materials published on website [partially available in English] summary of accounts; annual securities report; financial results briefing materials; company information session materials; integrated report; news releases; investor reports; business performance and financial data; IR calendar, etc.	
Creation of Division (person in charge) on IR	Department in charge of IR: IR Promotion Department We established the IR Promotion Department on October 1, 2025, to further strengthen relationship-building with shareholders and investors.	

3. Status of efforts for respecting the position of stakeholders Updated

	Supplementary Explanation
Stipulation about respecting the position of stakeholders by internal rules and so forth	Internal Control Committee formulates the "Basic Philosophy" and "Guidelines for Action" to be shared by Topre Group, and it aims to establish a righteous, fair and temperate relationship with stakeholders. Basic Philosophy and Guidelines for Action https://www.topre.co.jp/company/philosophy.html
Implementation of environmental protection activities, CSR activities, etc.	We set the goal of establishing environmental protection and safety and health as one of the Guidelines for Action of Topre Group. In our company activities, we aim to be environmentally friendly and strive to save resources by promoting the 3 Rs: Reduce, Reuse and Recycle.
Formulation of policies, etc., concerning the provision of information to stakeholders	Policies, etc., concerning the provision of information are described in [Disclosure based on each principle of Corporate Governance Code] [Principle 5-1 Policy on constructive dialogues with shareholders] of this report. Also, we have posted “Approach to Disclosure Information and Dialogue (Disclosure Policy)” on our website. https://www.topre.co.jp/sustainability/governance/investor.html

IV Matters regarding internal control system, etc.

1. Basic idea about internal control system and the status of its maintenance Updated

(Basic policies concerning the development of internal control system)

<Preamble>

Our company establishes the following basic policies for internal control (basic policies regarding the development of a system to ensure suitability of business operations), based on the Companies Act and the related laws and regulations, and will hereafter revise them as necessary in response to its development and changes of various laws and regulations, etc. The Board of Directors will make these basic policies known to all executives and staff of Topre Group, and will strive to develop the environment in which internal control will function effectively.

1. System to ensure that performance of duties by directors / employees of our Group including subsidiaries will conform to laws and regulations and to the Articles of Incorporation.
   1) Executives and staff of our Group will strive to understand the "Basic Philosophy of Topre Group" and "Guidelines for Action", and make efforts to practice them.
   2) The Internal Control Committee will manage the creation / operation of the internal control system of each company in our Group. It can also form subcommittees as necessary with limited purposes in order to facilitate the activities effectively and smoothly.
   3) The Audit Department receives reports from the compliance subcommittee on a regular basis and will audit the status of execution of compliance activities.
   4) When executives and staff of our Group discover any act that violates, or is likely to violate, laws and regulations within the company, they can report it to the "Contact for Internal Reporting" placed within and outside the company.
   5) Against the anti-social forces and organizations that threaten the public order and safety of civic society, all employees, along with executives and staff, will deal with it with a resolute attitude, and will strive for severing and expulsion of relationships with the anti-social forces and organizations.

2. System of rules and others regarding the risk of loss in our Group including subsidiaries
   1) Each company in our Group classifies risks associated with business activities in accordance with the "Risk Management Rules", and designates a section to take charge of it to continuously monitor the risks.
   2) The risk management subcommittee adjusts the roles, etc., among divisions in order to deal with risks affecting the entire company or multiple divisions of the company.
   3) The Audit Department receives reports from the risk management subcommittee on a regular basis and will audit the status of execution of risk management of each company of our Group.

3. System to ensure that execution of duties by the directors of our Group including subsidiaries is effectively performed
1) We maintain the system to have the duties efficiently executed, by the rules for allocation of business operations and approving authority, etc., based on internal rules of each company of our Group.
2) We established the "Basic Policy" for the entire company to be shared by directors / employees of our Group, and based on that, we drew up the "Medium-term Management Plan" for the period of 3 business years.
3) We set the achievement target for each business division of every term, based on the "Medium-term Management Plan" of our entire Group. The Board of Directors of our company receives this result report every month, and when the target is not achieved, it requires an analysis of its cause and a report of improvement measures.

4. System regarding retention and control of information on execution of duties of Directors
1) We retain the information on execution of duties of Directors along with related documents pursuant to the document retention rules.
2) When a director or auditor requests viewing of a document, it will be available for viewing at the Headquarters within 3 business days from the date of request at the latest.

5. System to ensure the suitability of business at our corporate group comprised of our company and subsidiaries
1) The members that compose the Internal Control Committee select a member from each company of the Group to establish the system where discussions on internal control, information sharing, and transmission of instructions and requests can be done effectively.
2) The directors of our company receive reports on the status of business execution at the Board of Directors of each subsidiary, and report the contents thereof at the Board of Directors of our company.

6. Matters regarding the employee when the auditor decides to hire an employee to assist in his/her duties; matters regarding the employee's independence from directors; and matters regarding ensuring effectiveness of the auditor's instructions to the employee
1) When the Board of Auditors requests placement of employees to assist in their duties, we will arrange the personnel within 3 months as a rule.
2) Appointment, change and evaluation of the employee to assist the auditor shall be reported in advance to the fulltime auditor and his/her consent will be obtained.
3) The employee to assist the auditor shall perform his/her duties following the directions of the auditor.

7. System regarding report to auditor
Directors and employees of each company of our Group and auditors of each subsidiary will report the matters provided in the internal control rules and matters that are important for internal control to the auditor of our company without delay.

8. System to ensure that the person who made a report to the auditor will not receive adverse treatment for the reason of the reporting
Each company of our Group will not give any adverse disposition such as the dismissal of executives and employees for the reason that they made reports to the auditor of our company.

9. Matters regarding the policy for disposition of expenses and liabilities arising out of execution of duties of the auditor from prepayment and reimbursement of expenses and other duties
For the expenses necessary for the execution of business of the auditor of our company, we prepare a budget in advance and make reimbursement every time a disbursement is made, including the expenses disbursed incidentally or in an emergency.

10. System for ensuring that auditor's audit is performed effectively
The Board of Auditors can make a contract with such experts as lawyers and accountants in its own judgment and receive advice on audit work.

11. System to ensure accuracy of financial reports
1) We will revise, abolish and develop the rules related to the "Accounting Rules" based on the accounting regulations and standards, and will strive for its dissemination, thoroughness and observance.
2) The Financial Report Control Subcommittee will promote the accuracy and uniformity of businesses on accounting, cost and finance of the entire Group companies in order to promote proper disclosure of financial reports required by the Financial Instruments and Exchange Act.

(Status of development of compliance system)
As the internal control system, we have established the Internal Control Committee and organized three subcommittees to promote “compliance activities,” “risk management,” and “ensuring the reliability of financial reporting.” In order to achieve the goal of fulfilling our corporate social responsibility, we have formulated the Basic Philosophy and Guidelines for Action of Topre Group, and are working to ensure the effectiveness of corporate governance.

(Status of development of risk management system)
To promote risk management at our company, we have established the Risk Management Subcommittee within the Internal Control Committee, and conduct risk management in cooperation with the Compliance Subcommittee and Financial Report Control Subcommittee. We evaluate risks under the Risk Management Rules, identify risks in each department, and consider preventive measures. For major risks, we prepare “prevention and countermeasures,” conduct internal audits, and manage such risks. In addition, with respect to responses after risks occur, we have established Crisis Management Rules and regularly consider measures to minimize the impact and losses to the company.
If there is a compliance issue, we have established an internal reporting system that allows employees to directly report or consult with compliance officers. In addition, for reporting, we have also established a lawyer route, and have a system in place to prevent risks at an early stage.
In addition, to prevent malfunction or disruption of information systems caused by external cyberattacks, such as computer viruses and unauthorized access, we are working to strengthen our information security system by securing and developing personnel capable of responding to system issues, raising internal awareness, and conducting regular checks. In addition, since February 2024, we have established a security measures team, and will continue to strengthen information security across the entire Group.

(Status of development of information management system)
Topre Group has established the Topre Group Information Security Policy to appropriately manage and protect information assets obtained through its business activities, and is working to continuously strengthen information security by establishing an information security system.

- Topre Group Information Security Policy
  https://www.topre.co.jp/sustainability/governance/policy/i_security.html

(System to ensure the suitability of business at our corporate group comprised of our company and subsidiaries)

The members that compose the Internal Control Committee select a member from each company of Topre Group to establish the system where discussions on internal control, information sharing, and transmission of instructions and requests between our company and each company of Topre Group can be done effectively.

Also, the directors of our company receive reports on the status of business execution from the Board of Directors of each company of Topre Group, and report the contents thereof at the Board of Directors of our company.

2. Basic approach for expulsion of anti-social forces and the status of its preparation Updated

As the “Basic approach for expulsion of anti-social forces,” we provided in the basic policy on the maintenance of the internal control systems that we will deal with it with a resolute attitude.

Also, Topre Group has established the “Basic Philosophy,” “Guidelines for Action,” etc., and strives to comprehensively prevent corruption, including bribery through political contributions and charitable activities, conflicts of interest, insider trading, money laundering, obstruction of justice, and contact with anti-social forces. To ensure that all employees understand and comply with these principles, in addition to training through e-learning and DVDs, we provide information on laws and regulations related to business operations and compliance awareness in internal newsletters distributed periodically, and work to thoroughly prevent corruption.

- Topre Group Basic Anti-Corruption Policy
  https://www.topre.co.jp/sustainability/governance/policy/anti_corruption.html

V Others

1. Introduction of anti-takeover measures

Introduction of anti-takeover measures	No

Supplementary explanation on the applicable item

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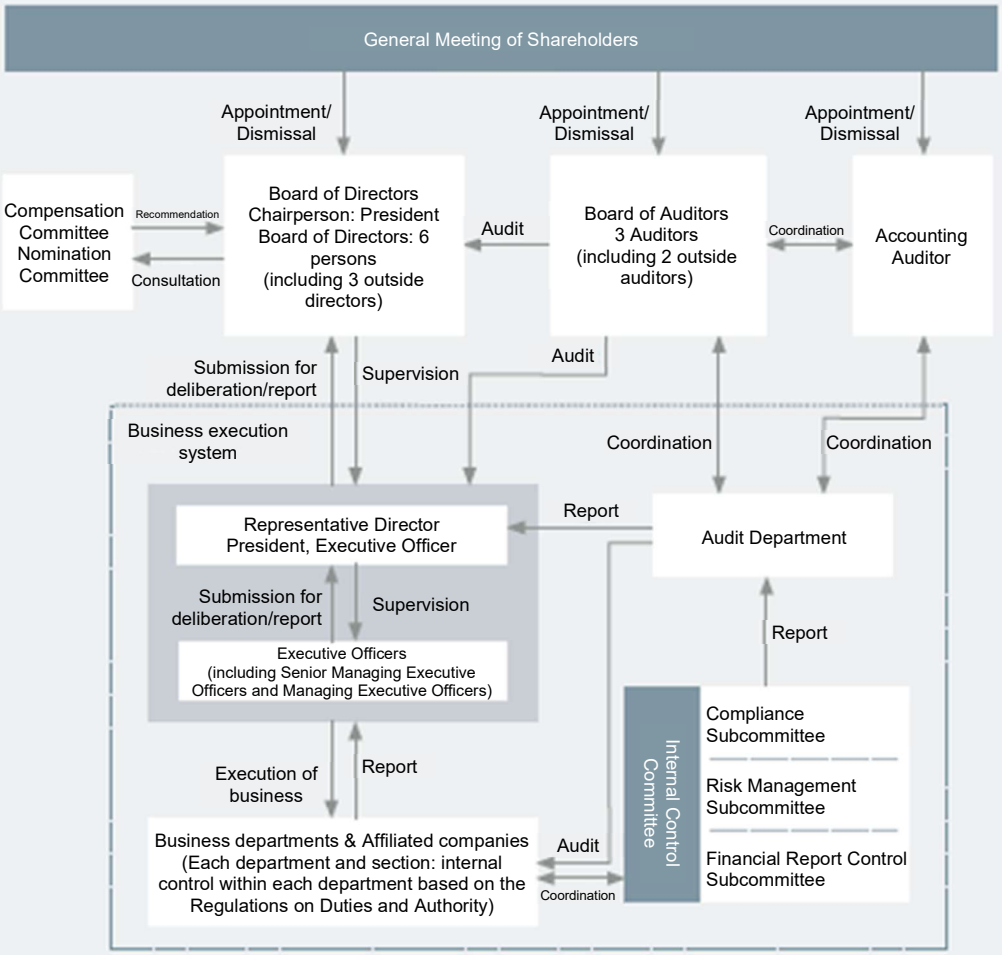
2. Other matters regarding corporate governance system, etc.

Our company information is aggregated to the General Affairs Department, which is the department in charge of handling information, and the General Affairs Department determines the necessity of disclosure of information. In doing so, it not only follows the timely disclosure rules of Tokyo Stock Exchange but also makes the decision of whether to disclose from the viewpoint of constructing and maintaining the trust relationship with various parties surrounding our company, such as shareholders, investors and customers, etc.

1. Information about decisions made and settlement of accounts
   We hold discussions about the company's important issues at the Board of Directors, and the decisions made are immediately transmitted to the General Affairs Department (the department in charge of handling information) through the Office of Executive Secretariat, which is the administrative office of the Board of Directors.
   Also, the information about settlement of accounts is transmitted to the General Affairs Department (the department in charge of handling information) by the Accounting Department.
2. The information about occurrences
   The information about occurrences is transmitted to the General Affairs Department (the department in charge of handling information) by each business department.
3. Reinforcement of disclosure system of subsidiaries
   On the timely disclosure of company information about subsidiaries of our company, we make explanations again to each subsidiary to promote the understanding of timely disclosure rules relating to important matters, and our company becomes actively engaged in collecting information.

CORPORATE GOVERNANCE



Audit Department is an organization under the direct control of the President and has the functions of accounting audit and business audit. Also, the Internal Control Committee, comprised of Compliance Subcommittee, Risk Management Subcommittee, and Financial Report Control Subcommittee, is established as the department in charge of internal control across all companies, and the Audit Department receives periodical reports from each subcommittee and makes an evaluation of whether internal control is being implemented.

<System of transmission and disclosure of information>

