



May 14, 2026

To Whom It May Concern:

Company name: Topre Corporation
Representative: Yutaka Yamamoto, Representative Director,
President, Executive Officer
(Securities code: 5975, Prime Market of the
Tokyo Stock Exchange)
Contact: Takayuki Noda, Executive Officer, General
Manager of General Affairs Dept.
(TEL 03-3271-0711)

**Notice regarding Disposal of Treasury Shares
As Restricted Stock Incentives for the Employee Shareholding Association**

We hereby inform you that at its Board of Directors meeting held on May 14, 2026, Topre Corporation (hereinafter, the “Company”) approved a resolution disposing of treasury shares as restricted shares (hereinafter, the “Disposal of Treasury Shares”) with the Employee Shareholding Association (hereinafter, the “Association”) as the intended allocation destination. This resolution was made in accordance with the Restricted Stock Incentive Plan for the Employee Shareholding Association (hereinafter, the “Plan”). The details of the Disposal of Treasury Shares follow.

Details

1. Overview of the Disposal of Treasury Shares

(1)	Payment due date	December 1, 2026
(2)	Type and number of shares to be disposed of	286,560 shares of the Company’s common stock (note)
(3)	Disposal amount	¥2,433 per share
(4)	Total disposal amount	¥697,200,480 (note)
(5)	Disposal method (Intended allocation destination)	Third-party allocation (Topre Employee Shareholding Association:286,560 shares)
(6)	Other	We have filed an extraordinary report on the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

(Note) The “number of shares to be disposed of” and the “total disposal amount” are the maximum values calculated on the assumption that 90 shares of the Company’s common stock are granted across the board as restricted shares to 3,184 employees of the Company and its subsidiaries who are eligible for membership of the Association, namely, the maximum number of individuals eligible for the Plan. The actual number of shares to be disposed of and their total amount will be determined based on the number of Association members after the completion of the membership promotion campaign and confirmation of their consent to the Plan.

2. Purpose and Reasons for the Disposal of Treasury Shares

As we informed you in the “Notice regarding Introduction of Restricted Stock Incentive Plan into Employee Shareholding Association” dated April 14, 2026, to commemorate the 90th

anniversary of the Company's founding, we approved a resolution introducing the Plan into the framework of the Association. The Plan provides the employees of the Company and its subsidiaries who retain membership of the Association and who consent to the Plan (hereinafter, "Eligible Employees") with opportunities to acquire restricted shares issued or disposed of by the Company through the Association, helping them build personal wealth. The Plan also aims to enhance their sense of participation in management through ownership of the Company's common stock and further promote value sharing with our shareholders.

3. Overview of the Plan, Etc.

Under the Plan, the Eligible Employees shall contribute to the Association the monetary receivables paid by the Company and its subsidiaries as special incentives needed to grant restricted shares (hereinafter, the "Special Incentives"). By making an in-kind contribution of all the Special Incentives contributed by the Eligible Employees to the Company, the Association shall receive common stock issued or disposed of by the Company as restricted shares.

The payment amount for the restricted shares shall be determined at a Board of Directors meeting of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors meeting regarding the issuance or disposal of such shares (hereinafter, the "Date of the Board Resolution") so that the amount will not unreasonably favor the Association. (If no trades were successfully executed on that day, the closing price from the most recent trading day prior to that shall apply.)

Upon the issuance or disposal of the Company's common stock under the Plan, the Company and the Association shall enter into a restricted share allocation agreement. The agreement shall include provisions such as (1) the Association shall be prohibited from transferring the allocated restricted shares to third parties, creating security interests in them, or disposing of them in any other way for a specified period (hereinafter in Section 3, the "Transfer Restriction"), and (2) if certain circumstances arise, the Company shall acquire the allocated restricted shares without compensation. In addition, the Special Incentives shall be paid to the Eligible Employees contingent upon the conclusion of a restricted share allocation agreement between the Company and the Association.

In accordance with the provisions and operating rules of the Topre Employee Shareholding Association, etc. (hereinafter, "Provisions of the Association") (note), the Eligible Employees shall be restricted from withdrawing their corresponding member interests (hereinafter, the "Interests in Restricted Shares") in the restricted shares issued or disposed of by the Company and acquired by the Association until the Transfer Restriction on the restricted shares is lifted.

(Note) Before receiving the Disposal of Treasury Shares, the Association shall promptly propose amendments to the Provisions of the Association to incorporate the Plan at its board meeting to be convened today or at a later date. The Association shall then notify its members of these amendments. If written objections from the members of the Association account for one-third or less of the total, the amendments shall take effect two weeks after the date of the notification.

In the Disposal of Treasury Shares, the Association, as the intended allocation destination, shall pay the Company all the Special Incentives contributed by the Eligible Employees as an in-kind contribution in accordance with the Plan, and the Company shall then dispose of its common stock to the Association. The overview of the restricted share allocation agreement to be closed between the Company and the Association in the Disposal of Treasury Shares (hereinafter, the

“Allocation Agreement”) is described below in “4. Overview of Allocation Agreement.” As described in the note in Section 1 above, the number of shares to be disposed of in the Disposal of Treasury Shares shall be determined at a later date, but we plan to dispose of a maximum of 286,560 shares to the Association. Assuming that the maximum number of shares is disposed of, the extent of stock dilution resulting from the Disposal of Treasury Shares represents 0.53% of the total number of shares outstanding of 54,021,824 shares as of March 31, 2026 (rounded to the nearest hundredth; the same applies to percentage calculation hereafter). This represents 0.58% of the total number of voting rights, which stands at 495,513 as of March 31, 2026.

The Plan is introduced to provide them with opportunities to acquire restricted shares issued or disposed of by the Company through the Association, helping them build personal wealth. The Plan also aims to enhance their sense of participation in management through ownership of the Company's common stock and further promote value sharing with our shareholders. Therefore, we believe the Plan will contribute to the growth of our group's corporate value. Given the extent of the stock dilution described above, the Plan's impact on the market is considered minimal. In light of the purpose of this Plan, we also believe that the number of shares to be disposed of and the extent of dilution in the Disposal of Treasury Shares are reasonable.

Meanwhile, the Disposal of Treasury Shares shall be carried out on the condition that the amended Provisions of the Association take effect by the day prior to the payment due date for the Disposal of Treasury Shares.

4. Overview of the Allocation Agreement

(1) Transfer restriction period

December 1, 2026 to November 30, 2029

In the transfer restriction period specified above (hereinafter, the “Transfer Restriction Period”), the Association, as the intended allocation destination, shall be restricted from transferring the Company's common stock allocated under the Allocation Agreement (hereinafter, the “Allocated Shares”), creating security interests in them, or disposing of them in any other way (hereinafter, the “Transfer Restriction”).

(2) Acquisition of restricted shares without compensation

Immediately after the Transfer Restriction Period expires (hereinafter, the “Point of Period Expiration”), the Company shall automatically acquire without compensation all the Allocated Shares for which the Transfer Restriction has not been lifted for some reason. In this case, the Company shall notify the Association and the Eligible Employees of its intention to acquire the Allocated Shares without compensation, as well as the number of shares subject to the acquisition without compensation. In accordance with the Provisions of the Association, the Association shall deduct the portion of the Allocated Shares subject to the acquisition without compensation from the interests in the restricted shares held by the Eligible Employees at that point.

Furthermore, immediately after the lifting of the Transfer Restriction specified in (4) below, the Company shall automatically acquire without compensation the Allocated Shares for which the Transfer Restriction has not been lifted pursuant to the treatment described in (4) below in proportion to the interests in the restricted shares held by the Eligible Employees subject to the treatment described in (4) below. In this case, the Company shall notify the Association and the Eligible Employees of its intention to acquire the Allocated Shares without compensation, as well as the number of shares subject to the acquisition without compensation. In accordance with the Provisions of the Association, the Association shall deduct the portion of the Allocated Shares

subject to the acquisition without compensation from the interests in the restricted shares held by the Eligible Employees subject to the treatment described in (4) below.

(3) Lifting of the Transfer Restriction

Subject to the condition that the Eligible Employees have remained members of the Association throughout the Transfer Restriction Period, the Company shall lift the Transfer Restriction on all the Allocated Shares at the Point of Period Expiration in proportion to the interests in the restricted shares held by the Eligible Employees who satisfy the condition. In this case, the Company shall notify the Association of its intention to lift the Transfer Restriction, as well as the number of the Allocated Shares subject to the lifting of the Transfer Restriction. In accordance with the Provisions of the Association, the Association shall convert the portion of the Allocated Shares subject to the lifting of the Transfer Restriction on the interests in the restricted shares held by the Eligible Employees who satisfy the relevant conditions into the member interests held by the Eligible Employees in shares acquired by the Association outside the scope of the Plan (hereinafter, “Ordinary Share Interests”).

(4) Treatment of the Eligible Employees withdrawing from the Association

If the Eligible Employees withdraw from the Association during the Transfer Restriction Period due to appointment as directors, retirement, or any other reason deemed valid by the Board of Directors of the Company (when membership is lost or application for withdrawal is submitted, including withdrawal due to death; the same applies hereafter), the Company, as a general rule, shall lift the Transfer Restriction on all the Allocated Shares in proportion to the interests in restricted shares held by the Eligible Employees on the day the Association receives application for withdrawal from the Eligible Employees (on the day the Company becomes aware of such loss of membership or death in the case of withdrawal due to loss of membership or death, hereinafter, the “Date of Receipt of Application for Withdrawal”). The lifting of the Transfer Restriction shall be completed by the last day of the month following the month in which the application for withdrawal was received. In this case, the Company shall notify the Association of its intention to lift the Transfer Restriction, as well as the number of Allocated Shares subject to the lifting of the Allocated Shares. In accordance with the Provisions of the Association, the Association shall convert the portion of the Allocated Shares subject to the lifting of the Transfer Restriction into the interests in the restricted shares held by the Eligible Employees to the Ordinary Share Interests held by the Eligible Employees.

(5) Provisions regarding management of shares

To ensure compliance with the Transfer Restriction, the Association shall manage the Allocated Shares in a dedicated account it opened with SMBC Nikko Securities Inc. during the Transfer Restriction Period. In accordance with the Provisions of the Association, the Association shall manage the Allocated Shares by separately registering the restricted share interests and the Ordinary Share interests held by the Eligible Employees.

(6) Treatment in the event of organizational restructuring, etc.

If during the Transfer Restriction Period, a merger agreement in which the Company becomes a disappearing party, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or any other organizational restructuring is approved at the General Meeting of Shareholders of the Company (by the Board of Directors of the Company, if

such organizational restructuring does not require approval by the General Meeting of Shareholders of the Company), pursuant to a resolution of the Board of Directors of the Company and immediately before the business day preceding the day the organizational restructuring takes effect, the Company shall lift the Transfer Restriction on all the Allocated Shares in proportion to the restricted shares held by the Eligible Employees in all the Allocated Shares held by the Association on the day of such approval.

5. Basis for Calculating the Payment Amount and Specific Details

To ensure the stock price is free from arbitrariness, the disposal amount for the Disposal of Treasury Shares is set at ¥2,433, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the Date of the Board Resolution (May 13, 2026). This is the market stock price immediately prior to the Date of the Board Resolution, and we consider it reasonable.

The simple average of the closing prices of the Company's common stock on the Tokyo Stock Exchange during the one-month period ending on the business day prior to the Date of the Board Resolution (from April 14, 2026 to May 13, 2026) was ¥2,417 (rounded down to the nearest yen; the same applies to the simple averages of closing prices hereafter). As a result, the deviation rate of the disposal amount for the Disposal of Treasury Shares from the one-month simple average was 0.66% (rounded to the nearest hundredth; the same applies to deviation rates hereafter). Similarly, the disposal amount deviated by -4.77% from the three-month simple average closing price of ¥2,555 (from February 13, 2026 to May 13, 2026), and by -1.97% from the six-month simple average closing price of ¥2,482 (from November 14, 2025 to May 13, 2026). Taken together, we concluded that the disposal amount for the Disposal of Treasury Shares is not particularly favorable to the parties concerned.

Regarding the disposal amount above, all of 3 auditors who attended the Board of Directors meeting held today (including 2 outside auditors) expressed the opinion that because the Disposal of Treasury Shares is intended to introduce the Plan, and because the disposal amount is the closing price on the business day prior to the Date of the Board Resolution, the process of the Company determining that the payment amount is not particularly favorable to the Association, as the allocation destination, is reasonable, and the judgment is lawful.

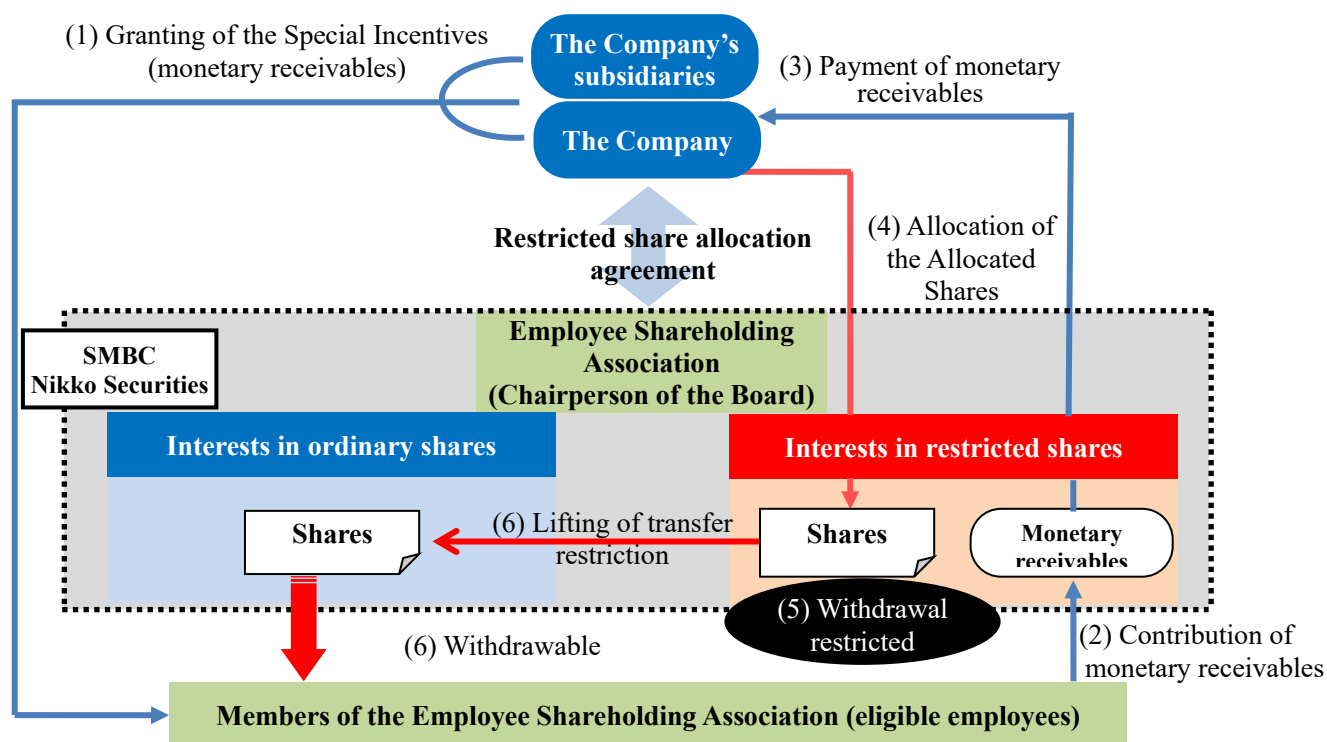
6. Matters concerning Procedures under the Corporate Code of Conduct

Because (1) its stock dilution rate is less than 25%, and because (2) it does not involve a change in the controlling shareholder, the Disposal of Treasury Shares does not require the procedures for obtaining an opinion from an independent third party and confirming shareholder consent as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

(Reference)

[How the Plan Works]

- (1) The Company and its subsidiaries pay monetary receivables to the Eligible Employees as the Special Incentives.
- (2) The Eligible Employees contribute the monetary receivables described in (1) above to the Association.
- (3) The Association collects the monetary receivables contributed in (2) above and pays them to the Company.
- (4) The Company assigns the Allocated Shares to the Association.
- (5) The Allocated Shares are deposited into the Association's restricted share account with SMBC Nikko Securities Inc., of which withdrawals are restricted during the Transfer Restriction Period.
- (6) As with the Association's Ordinary Share Interests, the Allocated Shares can be withdrawn once the Transfer Restriction is lifted.



End