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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 Progress on Governance Enhancements and Recurrence Prevention Measures

Syuppin Co., Ltd. (the "Company") has been implementing company-wide measures to strengthen corporate governance and prevent recurrence, comprising 20 measures across five areas, as announced in its notice dated June 24, 2026, entitled "Notice Regarding Future Governance Enhancements and Recurrence Prevention Measures." The Company hereby announces the specific actions taken and the progress of each measure as of the date of this notice, as set forth below.
The Company considers that the recommendations for preventing recurrence described in its "Notice Regarding Receipt and Publication of the Investigation Report (Summary Version)" are covered by the previously announced 20 measures across five areas. The Company will nevertheless ensure that the intent of those recommendations is reflected in each measure and will promote their effective implementation.

Progress and Implementation Status of Governance Enhancements and Recurrence Prevention Measures

(1) Organizational Culture Reform

1. Statement of Commitment by Top Management (Representative Director) to Improving Organizational Culture [Implemented]

The President and Representative Director has clearly communicated, through the President's message on the Company's website and other channels, a zero-tolerance stance toward harassment and a commitment to creating an organization with a high level of psychological safety. The President has also held several direct dialogue sessions with younger employees and others to communicate and embed this commitment throughout the organization.

2. Survey of the Actual State of Harassment [Preparing for Introduction]

The Company is preparing an appropriate external survey framework and questionnaire for an anonymous survey of all officers and employees concerning harassment and the ease with which they can express opinions to their superiors.

3. Regular Employee Engagement and Organizational Culture Surveys [Preparing for Introduction]

The Company is proceeding with the introduction of regular surveys using tools provided by an external specialist organization to quantitatively assess and analyze organizational conditions. The first survey is scheduled to commence in January or February 2027. The Company will share findings and issues by department and position level with the Management Committee, Board of Directors and Audit & Supervisory Board, and take necessary measures.

4. Training for Managers on Management Practices and Psychological Safety [Training Scheduled for November]

The Company will require managers, including all Directors, Audit & Supervisory Board Members and Executive Officers, to attend training by an external specialist instructor in late November 2026. The training will address appropriate guidance and development of subordinates, effective communication with them, and ensuring psychological safety.

5. Regular Review of Employee Departures and Exit Interview Findings [Under Consideration / Establishing Framework]

The Company is developing a framework under which a department independent of the Human Resources Department or external specialists will regularly review reasons for employee departures. The Company intends to formalize procedures for promptly examining possible issues, including improper encouragement of employees to resign or harassment, and reflecting the findings in improvements to organizational culture.

(2) Prevention of Power Harassment

6. Revision of Harassment Prevention Regulations [Completed]

The Company has completed the revision of its Harassment Prevention Regulations and communicated the revised regulations throughout the Company. The revisions are designed to ensure independence and objectivity at each stage, from receipt of reports and investigations to factual determinations and corrective actions, including in cases where the Representative Director or another officer is alleged to have engaged in harassment.

7. Compliance and Harassment Prevention Training for Officers [Training Scheduled for November]

The Company has entered into a contract for practical training for all Directors, Audit & Supervisory Board Members and Executive Officers. The training will address, among other matters, the impact of statements made by persons with personnel authority and the problems associated with reprimanding individuals in public. Attendance will be mandatory in late November 2026. The Company has also established a requirement for newly appointed officers to complete this training upon taking office.

8. Introduction of 360-Degree Evaluations for Officers [Under Design and Coordination]

The Company is designing and coordinating a 360-degree evaluation program for officers with the support of an external specialist organization to ensure effective multi-source assessment of compliance and related matters. Evaluation results will be reported to the Nomination and Remuneration Committee and the Audit & Supervisory Board and used in decisions concerning officers' reappointment and remuneration.

9. Attendance of the Full-Time Audit & Supervisory Board Member at Important Meetings and Enhanced Information Sharing [In Operation]

The full-time Audit & Supervisory Board Member continues to attend important meetings, including Management Committee meetings, and monitors for conduct that could undermine psychological safety. A process is in operation to promptly share any identified concerns with the Audit & Supervisory Board, Outside Directors and Board of Directors.

10. Review of the Whistleblowing System [Partially Completed / In Operation]

The Company is continuing to revise its regulations to expressly provide for whistleblower protection, avoidance of conflicts of interest, prohibition of disclosure of reports beyond authorized recipients, and prohibition of attempts to identify whistleblowers. An independent external reporting channel through a partner law firm has already been established. The Company will continue developing direct reporting routes to the Audit & Supervisory Board and Outside Directors when a report concerns an officer, as well as clarifying the Audit & Supervisory Board's authority to appoint external investigation support personnel

and its related budgetary authority.

(3) Strengthening Corporate Governance

11. Corporate Governance Training for Officers [Training Scheduled for November]

The Company has decided to provide specialized training in late November 2026 for all Directors, Audit & Supervisory Board Members and Executive Officers. The training will cover the purpose of the Audit & Supervisory Board Member system and its oversight functions, the respective roles of Directors and Audit & Supervisory Board Members, and the functions of the Nomination and Remuneration Committee. The Company will seek to establish a shared understanding among officers that the expression of views by Audit & Supervisory Board Members represents the proper exercise of an effective oversight and checks-and-balances function.

12. Clarification of the Selection Process and Safeguards for the Independence of Outside Audit & Supervisory Board Members [Under Consideration / Formalizing Rules]

The Company is working to formalize clear selection procedures, in coordination with the Nomination and Remuneration Committee, based on a prior assessment of the skills and other attributes required by the Audit & Supervisory Board. The Company will also establish procedures to examine whether undue pressure was exerted in connection with an outside Audit & Supervisory Board Member's dismissal or resignation, in order to safeguard substantive independence.

13. Greater Involvement of the Audit & Supervisory Board and Others in Selecting the Full-Time Audit & Supervisory Board Member [Under Consideration / Formalizing Rules]

To prevent selection from being determined solely by the preferences of executive management, the Company is working to formalize selection criteria that reflect the qualifications and oversight functions required by the Audit & Supervisory Board and Outside Directors. It is also developing procedures for their involvement during the consideration and reappointment stages and for examining possible undue pressure.

14. Clarification of the Outside Director Selection Process [Completed / In Operation]

The Nomination and Remuneration Committee has clarified the selection criteria for Outside Directors, including the skills matrix, independence, and supervisory and checks-and-balances capabilities. The Company has also established its Criteria for the Independence of Outside Directors. The Company rigorously prepares candidate lists and deliberates on and documents the reasons for selection, thereby ensuring transparency in the processes for considering appointment, reappointment and removal.

The Criteria for the Independence of Outside Directors are available on the Company's website: https://www.syuppin.co.jp/ir/independenceofoutsidedirectors/

15. Strengthening Support for the Audit & Supervisory Board [Under Consideration / Establishing Framework]

The Company is developing a secretariat support framework to enable independent investigations into matters involving management. This includes access rights to internal information, the authority to appoint external investigation support personnel without approval from executive departments, budgetary arrangements and staffing. The Company is also enhancing opportunities for regular information sharing between the Audit & Supervisory Board and Outside Directors.

(4) Ensuring Fair and Appropriate Personnel Evaluation Processes

16. Clarification of Personnel Evaluation Criteria and Processes [Under Consideration]

The Company is considering procedures to incorporate organizational management and compliance considerations into evaluation criteria and to properly document evaluations. It intends to establish mechanisms for deliberation by multiple officers and documentation of the decision-making process for important personnel decisions involving division heads, department heads and similarly senior positions,

and to require objective grounds and thorough explanations for significant adverse personnel actions, including demotions and removals from positions.

17. Confirmation of Reasons for Employee Departures by Audit & Supervisory Board Members and Others [Under Consideration / Formalizing Rules]

The Company is working to formalize a process under which the Audit & Supervisory Board or an independent department will, with due regard for privacy, confirm the reasons for departures of officers, managers and employees who leave after a short period of service, among others, to identify and assess possible harassment or similar issues at an early stage. Before formal regulations are adopted, information from exit interviews and related matters is already shared with the full-time Audit & Supervisory Board Member as appropriate, and a process has been established and is in operation to conduct further interviews when deemed necessary by an Audit & Supervisory Board Member. The Company will proceed promptly to formalize these procedures to embed the practice and enhance its effectiveness.

18. Clarification of Rules for Administering Disciplinary Measures [Under Consideration / Formalizing Rules]

The Company is working to expressly establish rules governing the determination of grounds for disciplinary action, opportunities for the individuals concerned to present their explanations, standards for determining the severity of disciplinary measures, and the avoidance of conflicts of interest. For serious measures, it intends to establish rules requiring deliberation by multiple officers through a disciplinary committee or similar body, written records, procedural independence and objectivity, and thorough explanation of the reasons to the individual concerned.

(5) Preventing Excessive Concentration of Authority in Top Management

19. Strengthening Management Evaluation and Reappointment Deliberations by the Nomination and Remuneration Committee [Under Consideration / Establishing Framework]

The Company is developing a framework under which the Nomination and Remuneration Committee, chaired by an independent Outside Director and with independent Outside Directors constituting a majority of its members, will evaluate management, including the President and Representative Director, annually, substantively deliberate on the appropriateness of reappointment, and submit recommendations to the Board of Directors. Evaluations are intended to be multifaceted, taking account of not only business performance but also compliance, harassment prevention, internal controls, and 360-degree evaluation results. Preparations are underway to commence this process by the next round of officer elections.

20. Development of a Top Management Succession Plan Led by the Nomination and Remuneration Committee [Under Design and Coordination]

To avoid excessive reliance on particular individuals, the Company is documenting a medium- to long-term plan for the systematic development of successor candidates and an emergency succession process, led by the Nomination and Remuneration Committee. The Company will promote the development of management personnel with an emphasis on compliance awareness, understanding of governance, and organizational management capabilities.

The Company will continue steadily implementing measures to strengthen its corporate governance framework and reform its organizational culture. It will disclose further progress on these initiatives, including measures currently being implemented or considered, in a timely and appropriate manner as developments occur.