

May 20, 2025

Company Name: TOPY INDUSTRIES, LIMITED
 Representative: Hiromi Ishii, President and CEO
 (Code: 7231 Tokyo Stock Exchange Prime Market,
 Nagoya Stock Exchange Premier Market)
 Contact: Tomoki Oyaizu, Operating Officer and
 General Manager, General Affairs Department
 (TEL: +81-3-3493-0777)

TOPY INDUSTRIES GROUP New Medium-term Management Plan “TOPY Active & Challenge 2027”

The Topy Industries Group (below, “Topy Group”) has developed and launched its Medium-term Management Plan, “TOPY Active & Challenge 2027,” which covers the period from FY2025 to FY2027.

(1) Background of plan development

The Topy Group has been working to achieve the Medium-term Management Plan “TOPY Active & Challenge 2025,” which ends in FY2025. However, to respond flexibly and quickly to changes in the business environment, we have decided to start a new Medium-term Management Plan one year ahead of schedule.

(2) Basic policies

- Improve profitability through structural innovation of existing businesses
- Sow seeds for growth businesses that leverage core competencies

(3) Business strategy, financial strategy, and sustainability strategy

[Business strategy]

- Strengthen the business foundation of existing businesses
- Sow seeds for businesses that can grow sustainably

[Financial strategy]

- Structural reform and investment in growth
- Strengthen shareholder returns
- Capital-efficient financing

[Sustainability strategy]

- Strengthen human capital
- Strengthen governance system
- Further promote DX
- Promote carbon neutrality

(4) Management targets

	ROE	(Reference) Operating profit
FY2027 target	6% or more	13 billion yen
(Reference) FY2030 target	8% or more	—

(5) Shareholder return policy

- Implement progressive dividends (Keep Dividend-on-shareholders' Equity (DOE) of 2.5% in mind)
- Flexible share buybacks

Please refer to the attached materials for details.

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail. The original disclosure in Japanese was released on May 20, 2025.

The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

The attached document is an excerpt. The full version will be posted on our website at a later date.

TOPY

Active & Challenge

2027

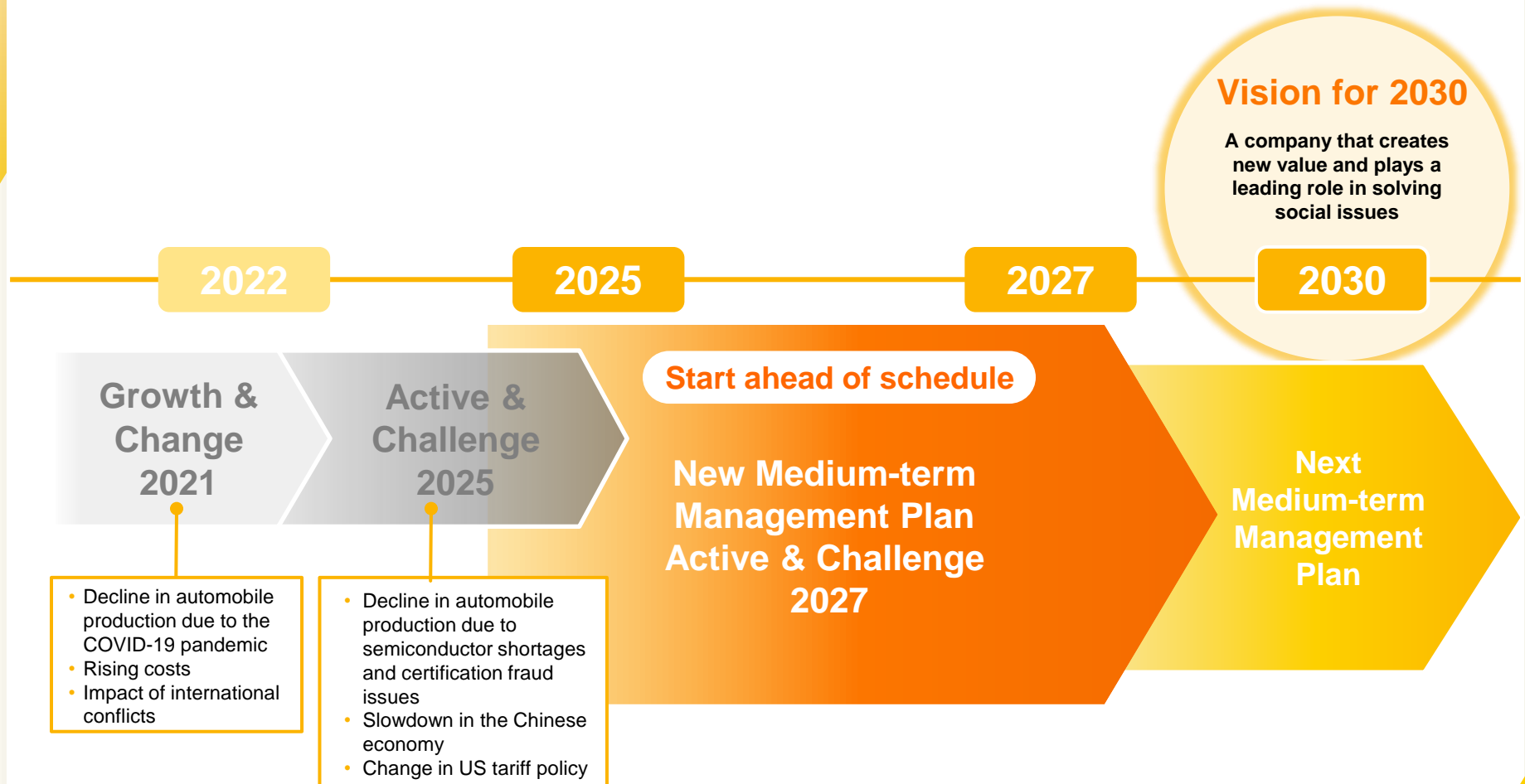
**2025–2027 Medium-term
Management Plan
Creating new value as “One TOPY”!**

TOPY INDUSTRIES, LIMITED

May 20, 2025

Review of Medium-term Management Plan

- To respond flexibly and quickly to changes in the business environment, we will start our new Medium-term Management Plan one year ahead of schedule.
- To achieve sustainable growth by addressing current management issues promptly to realize our vision for 2030, we will work on our action plan through FY2027.



Direction for Formulating the Medium-term Management Plan Based on the Current Situation

- In addition to strengthening our business foundation so that it is not affected by changes in the business environment, we recognize the need to further refine our core competencies (strengths), such as integrated production from materials to products.



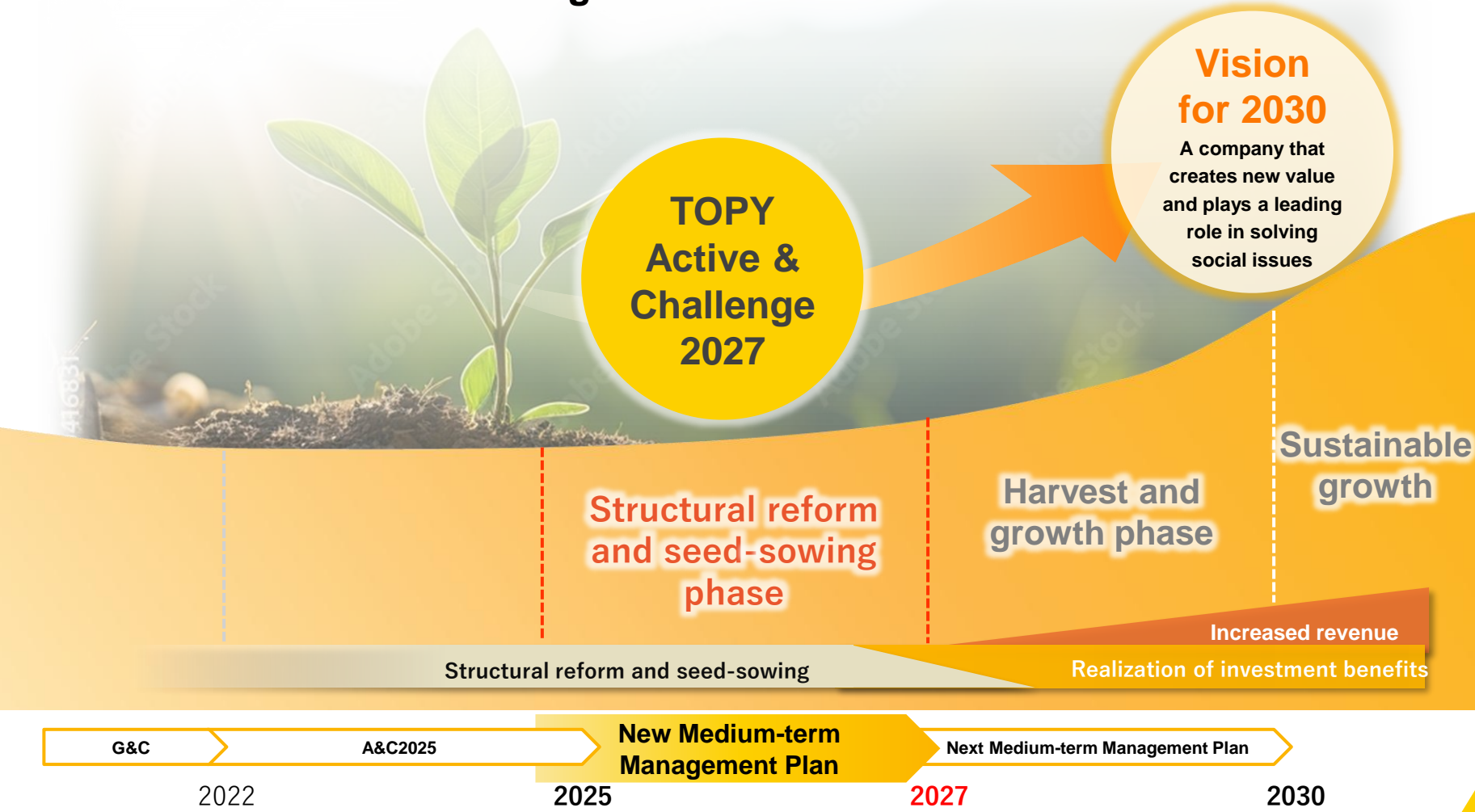
Basic policies of the New Medium-term Management Plan

- Aim to improve profitability through structural reform in order to strengthen the foundation of existing businesses. Also, sow seeds for growth businesses that leverage core competencies (strengths) for the future. Financial and sustainability strategies will support the realization of these two concepts.



Positioning of the New Medium-term Management Plan

- The new Medium-term Management Plan targeting FY2027 is positioned as a phase of structural reform and seed-sowing for growth to be achieved in the next Medium-term Management Plan.

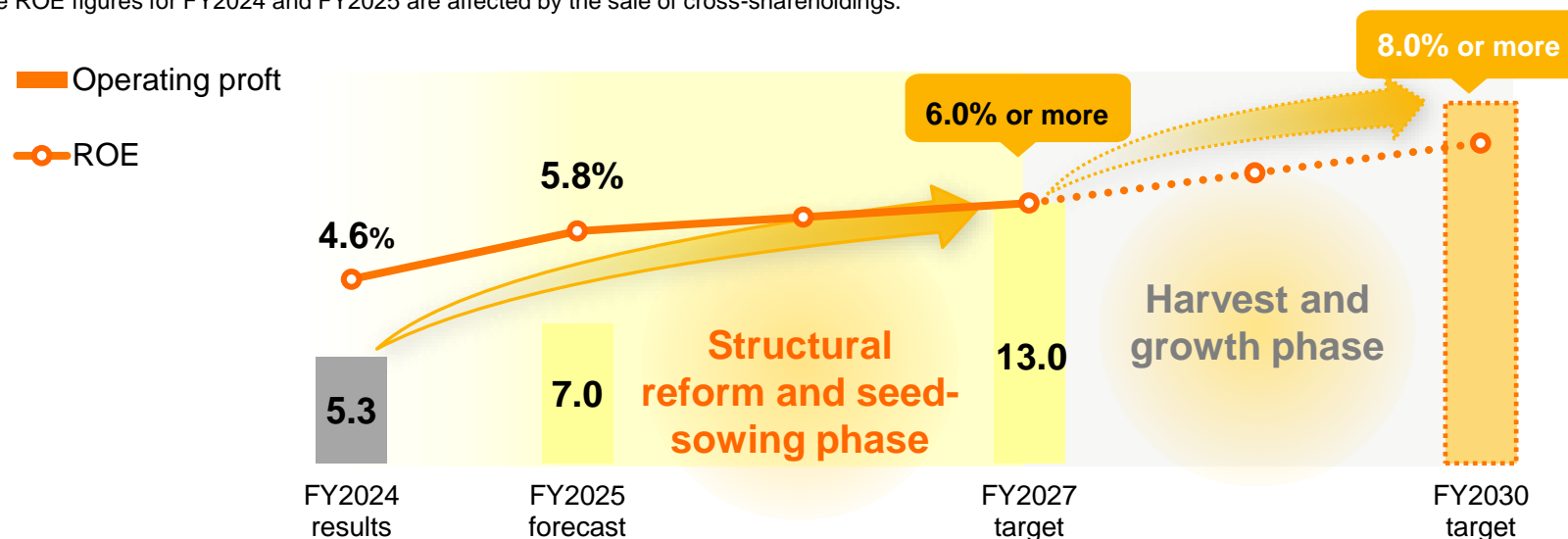


Review of Management Goals

- The new Medium-term Management Plan, which is a phase for structural reform and seed-sowing, aims to achieve an **ROE of 6.0% or more** in FY2027.
- In the next Medium-term Management Plan, which covers the harvest and growth phase, we will aim for an **ROE of 8.0% or more**, which is the same level as the cost of equity.

	FY2024 results	FY2025 forecast	FY2027 target	FY2030 target
ROE	4.6%※	5.8%※	6.0% or more	8.0% or more
(Reference) Operating profit	5.3 billion yen	7.0 billion yen	13.0 billion yen	—

※The ROE figures for FY2024 and FY2025 are affected by the sale of cross-shareholdings.



Financial Strategy

- Implement structural reform and investment in growth while utilizing interest-bearing debt.
- Strengthen shareholder returns.

Structural reform and investment in growth

Strengthen domestic business foundations while investing in the development of new products and expansion into growth markets (including strengthening overseas alliances)

Strengthen shareholder returns

- Implement progressive dividends (Keep Dividend-on-shareholders' Equity (DOE) of 2.5% in mind)
- Flexible share buybacks

Capital-efficient financing

- Reduce cross-shareholdings to less than 10% of consolidated net assets
- Utilize interest-bearing debt