

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Overview of Timely Disclosure System

The Company's structure regarding the timely disclosure of Company information is as follows:

1. Corporate philosophy and basic policy on timely disclosure

As a fabless manufacturer, TRANSACTION Group (hereinafter, "the Group") conducts consistent business operations from planning/design to production (contract-based production)/product quality management/distribution, in the manufacturing of "Eco-products," "Lifestyle products," and "Wellness products." The Group's business lines such as environmentally friendly Eco-products (SDGs products), Lifestyle products that support "tangible goods consumption" originating from intangible goods consumption, and Wellness products associated with the reduction of health risks are closely linked to the economy, society, environment, and human health due to their nature. To fulfill its social responsibilities, the Company believes that it must earn the confidence of the public at large, including a variety of stakeholders such as customers, shareholders, and investors.

Based on this recognition, the Company upholds the following as its corporate philosophy:

- To make social contributions by offering earth-conscious products through manufacturing
- To make contributions to enriched lifestyles (life culture) by offering attractive products in terms of their "design," "quality," and "price"
- To continue producing new creations with a cosmopolitan mind/sense and out-of-the-box thinking

The Group's social roles are not only fully understood by officers/employees, but constantly shared and disseminated through occasions such as welcoming ceremonies, internal training courses, and meetings.

Under the corporate slogan, "taking on a challenge is fun," the Group's officers and employees are working together to maximize corporate value by making social contributions through manufacturing and toward building a responsible company.

The Group has the "Basic Compliance Policy," which is a code of conduct for companies, officers, and employees to adhere to in order to engage in corporate activities, and has set out the "timely and fair disclosure of corporate information to customers/suppliers, employees, shareholders, etc. in pursuit of transparent management" as a policy on information disclosure to stakeholders. In accordance with the Policy, the Group is fully aware that the disclosure of timely and appropriate company information to investors is fundamental to healthy securities markets and strives to enhance internal systems for making appropriate disclosure of prompt, accurate and fair company information, always from an investor's point of view. In this way, the Group is sincerely committed to timely and appropriate disclosure of company information for investors.

2. Company structure regarding timely disclosure

In its internal system for timely disclosure, with Chairman and Representative Director as a chief officer, the Director in charge of the Corporate Planning Department as an information management officer, and the Corporate Planning Department as a controlling division for information management, the Company has adopted procedures for "information collection," "analysis and judgment," "reporting/disclosure," and "education," as outlined below:

(1) Information collection

In order to promptly and exhaustively collect information of different types/features dispersed in the Group's divisions (departments/offices of the Company and subsidiaries), the head of each department/office of the Company and the president and the head of department/office of each subsidiary are appointed as information management officers. In addition, the information management officer makes a report to the controlling division for information management on information judged as requiring review for disclosure, in accordance with the Timely Disclosure Rules and relevant laws/regulations.

In addition, the controlling division for information management, through subsidiary management operations, attends meetings held at each subsidiary as an observer, as necessary, in an effort to improve the accuracy and freshness of the information about subsidiaries.

(2) Analysis and judgment

The information collected from the divisions of the Company and subsidiaries by the controlling division for information management is reported by the information management officer to the chief officer. The chief officer and the information management officer then have discussions on whether the information constitutes a material fact under the Timely Disclosure Rules or relevant laws/regulations, or needs to be voluntarily disclosed for investor convenience, in order to ensure the timeliness, legitimacy, and accuracy of disclosure.

After the foregoing discussions, the chief officer makes a decision on timely disclosure: its necessity, details, timing, and method.

(3) Procedures for reporting/disclosure

Based on the decision on disclosure by the chief officer, the information management officer conducts disclosure of timely information through the financial instruments exchange and publishes the disclosed information on the website or by the determined method.

(4) Education

Company information management and in-company education about timely disclosure are conducted by the head of the controlling division for information management based on the instructions of the information management officer.

For in-company education/training, the corporate philosophy and the Insider Trading Management Rules are posted on the intranet, and educational training courses are held for officers/employees of the Group, including subsidiaries, to ensure the communication of rules on the management of various information, the prevention of leakage and unauthorized use, and the systems/procedures for timely disclosure.

3. Monitoring related to timely disclosure

At the Company, business operations are monitored through internal audits by the Internal Audit Office. Internal Audit Office audits the timely disclosure of company information to see if the information is disclosed in a timely, lawful, and accurate manner in accordance with the Timely Disclosure Rules, relevant laws/regulations, and the Insider Trading Management Rules, from the point of view of business operations and compliance auditing.

The results of internal audits are reported to President and Representative Director in the form of an audit report and notified to the head of the Corporate Planning Department, which is an audited division. The Board of Directors and the Audit & Supervisory Committee also receive the report.

The head of the audited division prepares a response to the findings, etc. listed in the audit report, by the method specified in the Internal Audit Rules, and submits it to an audit manager, who compiles the submitted responses and reports them to President and Representative Director.

In addition, the audit manager checks the response(s) to the findings, etc. in a timely manner, and summarizes and reports such results to President and Representative Director.

4. Handling of information for timely disclosure and insider trading management

The Company has the Insider Trading Management Rules, which set out the handling of material facts, to ensure the prevention of insider trading. Regarding material facts for timely disclosure, the Group ensures information management and strictly prohibits their unauthorized use. If the relevant fact is deemed to constitute an undisclosed material fact, the trading of the Company's shares, etc. is prohibited until the fact is made public.

Last updated on August 1, 2025