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April 1, 2026

To Whom It May Concern

Company name:	KATO SANGYO CO., LTD.
Name of representative:	Kazuya Kato, Representative Director and President Executive Officer
Securities code:	9869 (TSE Prime Market)
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Notice Regarding the Absorption-Type Merger Between Consolidated Subsidiaries and the Change in a Specified Subsidiary

The Company hereby announces that, at the meeting of its Board of Directors held on April 1, 2026, it resolved to implement an absorption-type merger (the "Merger") whereby Toan Gia Hiep Phuoc Trading Co., Ltd. ("TGC"), a consolidated subsidiary of the Company, shall be the surviving company, and Nam Khai Phu Service Trading Production Co., Ltd. ("NKP"), also a consolidated subsidiary of the Company, shall be the absorbed company, as set forth below.

As the Merger constitutes an absorption-type merger between consolidated subsidiaries of the Company, certain disclosure items and details have been omitted. NKP, which will be dissolved as a result of the Merger, constitutes a specified subsidiary.

1. Purpose of the Merger

The Company acquired NKP in 2023 for the purpose of expanding its business operations in Vietnam and generating synergies within the Group, and has since pursued business development through collaboration between NKP and TGC.

The Merger is now being implemented for the purpose of optimizing the allocation of management resources within the Company's Vietnam Group and improving its financial structure.

2. Summary of the Merger

(1) Merger Schedule

Date of Board Resolution	1-Apr-26
Date of Execution of Merger Agreement	15-Apr-26
Effective Date of Merger	1-Jul-26

(2) Method of Merger

The Merger will be conducted as an absorption-type merger in which TGC will be the surviving company, and NKP will be dissolved upon the effective date of the Merger.

(3) Details of Allocation Related to the Merger

As the Merger constitutes an organizational restructuring among subsidiaries of the Company, no shares, cash, or other consideration will be allocated in connection with the Merger.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of the Absorbed Company

No applicable items.

3. Overview of the Companies Involved in the Merger

	Surviving Company	Absorbed Company
(1) Name	Toan Gia Hiep Phuoc Trading Co., Ltd.	Nam Khai Phu Service Trading Production Co., Ltd.
(2) Registered Address	Socialist Republic of Vietnam	Socialist Republic of Vietnam
(3) Title and Name of Representative	General Director: Satoshi Ida	General Director: Satoshi Ida
(4) Business Description	Import and sale of processed food products, etc.	Import and sale of meat products
(5) Date of Incorporation	21-Jul-05	26-Nov-13
(6) Capital	VND 5,000,000,000 (JPY 30 million*)	VND 266,500,000,000 (JPY 1,599 million)
(7) Major Shareholders and Shareholding Structure	Our corporate group: 100%	Our company: 68.09%, TGC: 31.91%
(8) Fiscal Year-End	30-Jun	30-Jun
(9) Financial Results for the Most Recent Fiscal Year (June 2025)		
Operating revenue	VND 165,100,000,000 (JPY 990 million)	VND 588,200,000,000 (JPY 3,529 million)
Operating Profit	VND 1,800,000,000 (JPY 10 million)	▲VND 15,200,000,000 (▲JPY 91 million)
Profit	VND 22,700,000,000 (JPY 136 million)	▲VND 29,800,000,000 (▲JPY 178 million)
Total Assets	VND 218,200,000,000 (JPY 1,309 million)	VND 152,400,000,000 (JPY 914 million)
Net Assets	VND 203,900,000,000 (JPY 1,223 million)	VND 125,900,000,000 (JPY 755 million)

*The exchange rate used for the calculations herein is VND 1 = JPY 0.0060 as of March 24, 2026 (and the same shall apply hereinafter).

4. As the Merger will be carried out between consolidated subsidiaries of the Company, the impact on the Company’s consolidated financial results will be immaterial.