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May 14, 2026

To whom it may concern:

Company name: Showa Sangyo Co., Ltd.
Name of representative: Hideyuki Tsukagoshi, President
and CEO
(Securities code: 2004; Tokyo
Stock Exchange Prime Market)
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Notice Concerning the Discontinuation (Abolition) of the Measures to Respond to a Large-Scale Purchase of the Company's Shares, Etc. (Takeover Defense Measures) and Amendment to the Articles of Incorporation

Showa Sangyo Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held on May 14, 2026, it has resolved not to continue the "Measures to Respond to a Large-Scale Purchase of the Company's Shares, etc. (Takeover Defense Measures) (hereinafter, the "Plan") and to abolish the Plan upon the expiration of its effective period at the conclusion of the 125th Annual General Meeting of Shareholders to be held on June 25, 2026.

The Company furthermore announces that, in connection with the discontinuation of the Plan, it has resolved to submit a proposal to amend the Articles of Incorporation of the Company to the 125th Annual General Meeting of Shareholders to be held on June 25, 2026.

1. Discontinuation of the Plan

The Company introduced the Plan with the approval of shareholders at the 107th Annual General Meeting held on June 27, 2008. Most recently, the Plan had been continued, with partial amendments, following approval by shareholders at the 122nd Annual General Meeting of Shareholders held on June 23, 2023.

Now, as the Plan reaches the end of its effective period, the Company has come to recognize that the new long-term vision, "SHOWA VISION 2035," and the "Medium-Term Management Plan 26-29" announced on February 20, 2026, together with the steady implementation of shareholder returns, are the best measures to secure and enhance the Company's corporate value and the common interests of shareholders. Accordingly, as stated above, the Company has resolved not to continue the Plan and to abolish it upon its expiration at the conclusion of the 125th Annual General Meeting of Shareholders to be held on June 25, 2026.

Even after the abolition of the Plan, should any party seek to undertake a large-scale purchase of the Company's shares, etc., the Company will endeavor, in accordance with the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, to secure the time and information necessary for shareholders to appropriately determine whether to accept such a proposal, including by requesting the provision of necessary information. In addition, the Company will take appropriate measures, such as disclosing the opinion of the Board of Directors and presenting

alternative proposals that would contribute to securing and enhancing the corporate value of the Group and eventually the common interests of shareholders.

2. Amendment to the Articles of Incorporation

(1) Purpose of the amendment to the Articles of Incorporation

In connection with the discontinuation of the Plan, the provisions relating to takeover defense measures in the Company’s Articles of Incorporation (Chapter 8 and Article 43) will be deleted.

(2) Details of the amendments to the Articles of Incorporation

The details of the amendments are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;"><u>Chapter 8</u> <u>Takeover Defense Measures</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>Article 43 (Takeover Defense Measures)</u></p>	<p style="text-align: center;">(Deleted)</p>
<p><u>1. The Company may introduce, continue or amend takeover defense measures by resolution of the General Meeting of Shareholders.</u></p>	
<p><u>2. Abolition of the takeover defense measures referred to in the preceding paragraph may be carried out by a resolution of the General Meeting of Shareholders or the Board of Directors.</u></p>	

(3) Schedule (Proposed)

Date of the General Meeting of Shareholders to amend the Articles of Incorporation	June 25, 2026
Effective date of the amendments to the Articles of Incorporation	June 25, 2026