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November 9, 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)
Inquiries: Godai Murata, Officer and General Manager of Finance & Accounting Dept.
(Telephone: +81-3-3257-2036)

Notice Concerning Expected Recognition of Gain on Sale of Investment Securities (Extraordinary Income)

Showa Sangyo Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held on November 9, 2026, it has resolved to sell a portion of its investment securities. As a result, the Company expects to recognize a gain on sale of investment securities (extraordinary income), as follows.

1. Reason for sale of investment securities

The Company resolved to sell a portion of its investment securities in order to improve capital efficiency and strengthen its financial position, following a review of cross-shareholdings conducted in accordance with the Corporate Governance Code.

2. Details of sale of investment securities

(1) Stocks to be sold: A portion of listed securities held by the Company
(2) Scheduled sale period: November 10, 2026 - March 31, 2027
(3) Gain on sale of investment securities: 5.8 billion yen (forecast)

The gain on sale of investment securities is estimated based on the current market price of the relevant securities and may vary depending on future stock price movements.

3. Future outlook

The full-year consolidated earnings forecast, based on the above, is included in the "Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts and Announcement of Full-Year Non-Consolidated Earnings Forecasts" announced on November 9, 2026. Should it become necessary to revise the earnings forecast due to other factors, the Company will disclose this information promptly.