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November 12, 2026

To Whom It May Concern

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Name of representative: Kazuya Kato,
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Securities code: 9869 (TSE Prime Market)
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Notice Regarding Reduction of Legal Capital Surplus

KATO SANGYO CO., LTD. (the "Company") hereby announces that it has resolved, at the meeting of the Board of Directors held on November 12, 2026, to submit a proposal regarding reduction of legal capital surplus at the 80th Annual General Meeting of Shareholders scheduled to be held on December 18, 2026.

1. Purpose of reduction of legal capital surplus

To ensure agility and flexibility of the future capital policy, the Company will reduce the amount of legal capital surplus and transfer it to other capital surplus, in accordance with Article 448, Paragraph 1 of the Companies Act.

2. Overview of reduction of legal capital surplus

Of the Company's legal capital surplus of 8,806,090,000 yen as of September 30, 2026, 8,211,703,510 yen will be reduced.

The amount of the reduction in legal capital surplus, 8,211,703,510 yen, is scheduled to be transferred to other capital surplus.

3. Timetable for reduction of legal capital surplus

(1)	Date of resolution at the meeting of the Board of Directors	November 12, 2026
(2)	Date of resolution at the General Meeting of Shareholders	December 18, 2026 (scheduled)
(3)	Date of public notice for creditors to make objections	December 23, 2026 (scheduled)
(4)	Final due date for creditors to make objections	January 22, 2027 (scheduled)
(5)	Effective date	January 29, 2027 (scheduled)

4. Future Outlook

This transaction is an internal transfer within net assets and will not affect the Company's total net assets or operating performance.