



May 24, 2024

To whom it may concern:

Company	WELLNEO SUGAR Co., Ltd.
Name of Representative	Koji Yamamoto, President and Representative Director (Code No. 2117 TSE Prime Market)
Contact	Akira Okubo, Director and Senior Managing Executive Officer (TEL. 03-3668-1246)

### (Progress and changes in disclosure) Notice Regarding Merger of Subsidiaries

WELLNEO SUGAR Co., Ltd. (the "Company") hereby announce that, based on the resolution of the Board of Directors meeting held today, the Company have entered into a merger agreement regarding the absorption merger (hereinafter referred to as the "Merger") with Nisshin Sugar Co., Ltd. (hereinafter referred to as "Nisshin Sugar"), and ITOCHU Sugar Co., Ltd. (hereinafter referred to as "ITOCHU Sugar"), which both are our wholly-owned subsidiaries, as the disappearing companies, as stated in the press release dated May 26, 2023, 'Announcement of Decision on a Basic Plan for a Merger with Two Consolidated Subsidiaries' (hereinafter referred to as the "Press Release dated May 26, 2023").

As of 26 May 2023, when the basic policy was decided, a simplified merger was planned, which would simplify the merger procedure, but in the course of a close examination of the accounting treatment of the Merger, it was decided that the Merger would be carried out following approval by a resolution of the General Meeting of Shareholders of the Company, assuming that a loss on extinguishment of the combined shares may arise in the Company. The merger will proceed according to the following schedule.

The purpose of the Merger and other matters not mentioned in this press release are as described in the press release dated 26 May 2023.

#### 1. Schedule of the Merger

Board of Directors meeting for approval of the merger agreement (Each company)	May 24, 2024
Signing of the merger agreement	May 24, 2024
General Meeting of Shareholders to approve the merger agreement (the Company)	June 26, 2024 (planned)
Scheduled effective date of the Merger	October 1, 2024 (planned)

(Note) Neither Nissin Sugar nor ITOCHU Sugar will hold a General Meeting of Shareholders to approve the merger agreement, as this merger is a short-form merger under Article 784(1) of the Companies Act.

## 2. Outline of Participants in the Merger (As of March 31, 2024)

### Surviving company

(1)	Company name	WELLNEO SUGAR Co., Ltd.	
(2)	Address	14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo	
(3)	Names and titles of representatives	Shinji Nakano, Chairman and Representative Director Koji Yamamoto, President and Representative Director	
(4)	Business	Business relating to group management and administration, etc.	
(5)	Paid-in capital	7,000 million yen	
(6)	Date of establishment	October 3, 2011	
(7)	Number of issued shares	35,053,483	
(8)	Fiscal year end	March 31	
(9)	Major shareholders and percentage of shares held	ITOCHU Corporation 37.8% Sumitomo Corporation 25.3% The Master Trust Bank of Japan, Ltd. (Trust account) 3.8% Bull-Dog Sauce Co., Ltd. 1.2% Custody Bank of Japan, Ltd. (Trust account) 1.0%	
(10)	Financial position and operating results for the most recent fiscal year (Year ended March 31, 2024; Consolidated; IFRS)		
	Equity attributable to owners of parent	71,107 million yen	
	Total assets	95,918 million yen	
	Equity attributable to owners of parent per share	2,170.25yen	
	Revenue	92,192 million yen	
	Operating profit	5,802 million yen	
	Profit before tax	7,627 million yen	
	Profit attributable to owners of parent	5,524 million yen	
	Basic earnings per share	168.61 yen	

### Company to be absorbed

(1)	Company name	Nissin Sugar Co., Ltd.	
(2)	Address	14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo	
(3)	Names and titles of representatives	Shinji Nakano, Chairman and Representative Director	
(4)	Business	Manufacture and sale of sugar and other food products, mainly sugar; operation of fitness clubs; refrigerated warehousing and port transportation operations; sale of synthetic resins, etc.	
(5)	Paid-in capital	100 million yen	
(6)	Date of establishment	October 3, 2022	
(7)	Number of issued shares	100	
(8)	Fiscal year end	March 31	
(9)	Major shareholders and percentage of shares held	WELLNEO SUGAR Co., Ltd. 100.0%	
(10)	Financial position and operating results for the most recent fiscal year (Year ended March 31, 2024; Non-consolidated; Japanese GAAP)		
	Net assets	32,494 million yen	
	Total assets	39,385 million yen	
	Net assets per share	324,942,762.54 yen	
	Net sales	47,033 million yen	
	Operating income	2,634 million yen	

Ordinary income	3,907 million yen
Net profit	2,754 million yen
Earnings per share	27,542,233.99 yen

(Note) The above figures of Nissin Sugar's financial position and operating results for the year ended March 31, 2024, are prior to receiving approval from the general meeting of shareholders of Nissin Sugar.

#### Company to be absorbed

(1) Company name	ITOCHU Sugar Co., Ltd.		
(2) Address	3 Tamatsuura-machi, Hekinan, Aichi		
(3) Name and title of representative	Koji Yamamoto, President and Representative Director		
(4) Business	Manufacture, processing and sale of sugar and saccharides and their by-products, and any and all other businesses incidental thereto		
(5) Paid-in capital	2,000 million yen		
(6) Date of establishment	November 2, 1972		
(7) Number of issued shares	4,000,000		
(8) Fiscal year end	March 31		
(9) Major shareholders and percentage of shares held	WELLNEO SUGAR Co., Ltd.		100.0%
(10) Financial position and operating results for the most recent fiscal year (Year ended March 31, 2024; Non-consolidated; Japanese GAAP)			
	Net assets		9,402 million yen
	Total assets		18,342 million yen
	Net assets per share		2,350.55 yen
	Net sales		29,677 million yen
	Operating income		1,899 million yen
	Ordinary income		2,150 million yen
	Net profit		1,534 million yen
	Earnings per share		383.72 yen

Note: The above figures of the financial position and operating results of ITOCHU Sugar in the year ended March 31, 2024, are prior to receiving approval of the board of directors meeting of ITOCHU Sugar.

### 3. Future Outlook

As the Merger is a merger with a wholly-owned subsidiary of the Company, the impact of the Merger on the consolidated results for the year ending March 31, 2025 will not be material.

(Reference) Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025 (As announced on May 14, 2024)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Forecast for the current fiscal year (ending March 31, 2025)	95,000	7,000	7,100	5,000

Results for the previous fiscal year (ended March 31, 2024)	92,192	5,802	7,627	5,524
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