



May 24, 2024

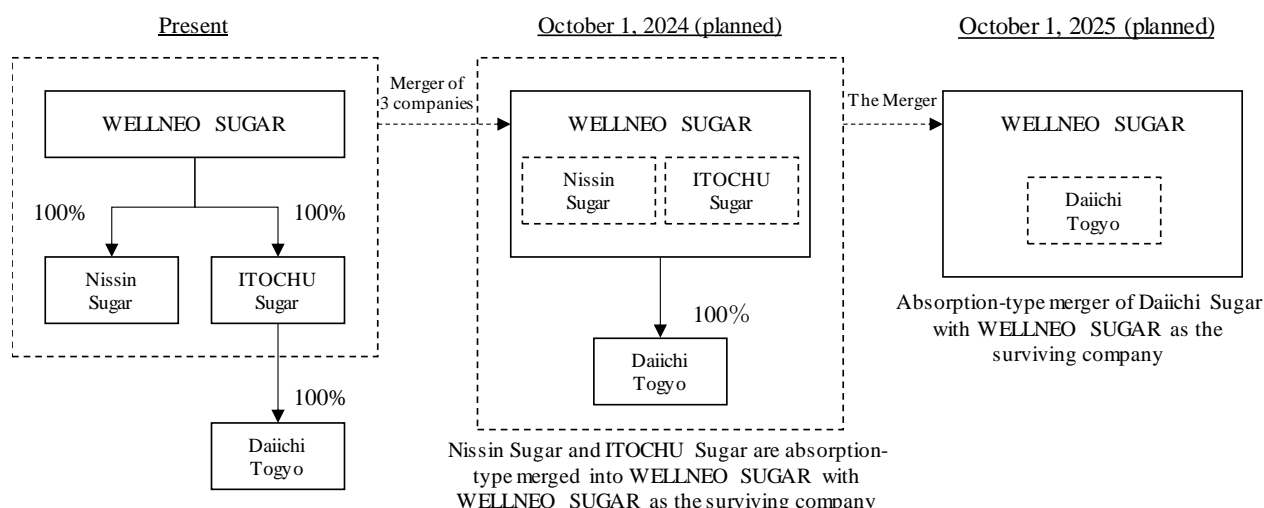
To whom it may concern:

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)

Announcement of Decision on a Basic Plan for a Merger with Consolidated Subsidiary

At a meeting of the Board of Directors held today, the Company's Board of Directors resolved as a basic policy that the Company, as the surviving company, will merge with its consolidated subsidiary DAIICHI TOGYO CO., LTD. (hereinafter, "Daiichi Togyo") by absorption with a target date of October 1, 2025. Accordingly, the Company hereby gives notice regarding the merger as follows. Since the Merger is an absorption-type merger of a wholly-owned subsidiary of the Company, some disclosure items and details are omitted.

As announced regarding the "Announcement of Decision on a Basic Plan for a Merger with Two Consolidated Subsidiaries" dated May 26, 2023, and the "(Progress and Changes in Disclosure) Notice Regarding Merger of Subsidiaries" released today, on October 1, 2024, the Company will merge with its wholly owned subsidiary, Nissin Sugar Co., Ltd. (hereinafter, "Nissin Sugar"), a wholly-owned subsidiary of the Company, and ITOCHU Sugar Co., Ltd. (hereinafter, "ITOCHU Sugar") through an absorption-type merger (hereinafter, the "Three Company Merger"). The Merger is subject to the implementation of the Three Company Merger.



1. Purpose of the Merger

The Company's group transitioned to a new management structure on January 1, 2023, becoming a holding company following the business integration of Nissin Sugar and ITOCHU Sugar. The Company has been

committed to advancing and deepening group management for growth in the "Sugar axis" and "Food & Wellness axis" to create integration synergies.

Daiichi Togyo has a strong presence in Kyushu and, since becoming a subsidiary of ITOCHU Sugar in 2002, has contributed to strengthening the sales capabilities of the ITOCHU Sugar Group from Kanto to Kyushu and Okinawa. It is also an important manufacturing base for value-added products such as "Hanami Sugar," a sugar product using 100% domestic sugarcane raw sugar, and "Okinawa/Amami Cane Oligo," a fructo-oligosaccharide product that is a functional material.

The merger of the three companies, Nissin Sugar, ITOCHU Sugar, and the Company, will strengthen the foundation of the Sugar segment and accelerate efforts to expand and grow business areas in the Food & Wellness segment. However, to realize the medium-term management plan with a long-term vision, the Company believes it necessary to further improve management efficiency by promoting integrated management and to demonstrate and maximize synergies from the merger quickly. Hence, the Company has decided on this merger as its basic policy.

2. Outline of the Merger

(1) Schedule

Board of Directors meeting to decide on a basic plan for the Merger (The Company and Daiichi Togyo)	May 24, 2024 (today)
Board of Directors meeting for approval of the merger agreement	To be determined
Signing of the merger agreement	To be determined
General Meeting of Shareholders to approve the merger agreement (The Company)	To be determined
Scheduled effective date of the Merger	October 1, 2025 (planned)

(Note) The Merger will be conducted by the Company after obtaining approval regarding the merger agreement at the General Meeting of Shareholders, but the procedure may be subject to change in the course of further scrutiny. Daiichi Togyo plans to conduct the Merger without obtaining approval at a General Meeting of Shareholders through a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act.

(2) Merger Method

The Merger will be an absorption-type merger in which Daiichi Togyo, the absorbed companies, will be merged into the Company, the surviving company.

(3) Details of allotments related to the Merger

No shares or money will be allotted as a result of the Merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights

Not applicable.

3. 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	DAIICHI TOGYO CO.,LTD.
(2)	Address	17371 Oaza Nichiya, Hyuga City, Miyazaki Prefecture
(3)	Names and titles of representatives	Masaki Akagi, President and Representative Director
(4)	Business	Production and sales of refined sugar
(5)	Paid-in capital	450 million yen
(6)	Date of establishment	March 6, 1967
(7)	Number of issued shares	900,000
(8)	Fiscal year end	March 31
(9)	Major shareholders and percentage of shares held	ITOCHU 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	1,569 million yen
	Total assets	6,219 million yen
	Net assets per share	1,743.47yen
	Net sales	9,008 million yen
	Operating income	478 million yen
	Ordinary income	608 million yen
	Net profit	659 million yen
	Earnings per share	732.72yen

Note: The above figures of the financial position and operating results of DAIICHI TOGYO CO.,LTD. in the year ended March 31, 2024 are prior to receiving approval of the general meeting of shareholders of Daiichi Togyo.

4. Status following the Merger

Although the Company plans to change the business purpose in its Articles of Association in making the transition to a business corporation following the Three Company Merger, there will be no change in the Company's name, location, business activities, capital stock, or fiscal year end as a result of the subsequent Merger.

5. Future outlook

Since this is a merger of wholly owned subsidiaries of the Company, it will have no material impact on the Company's consolidated financial results.

(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

End