



June 17, 2025

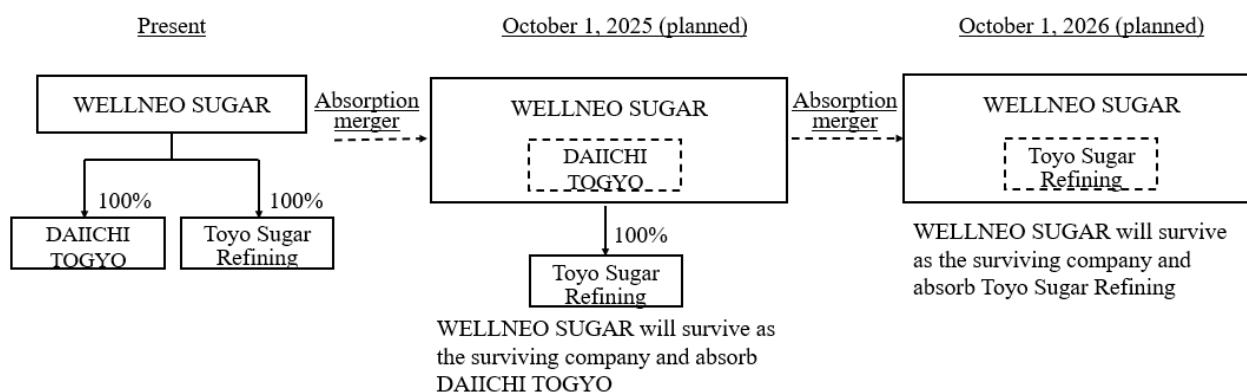
To whom it may concern:

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

### Notice Regarding Resolution of Basic Policy on Absorption-Type Merger with Consolidated Subsidiary

WELLNEO SUGAR Co., Ltd. (the “Company”) hereby announces that at the Board of Directors meeting held today, it resolved to adopt a basic policy to conduct an absorption-type merger (hereinafter the “Merger”), with the Company as the surviving company and Toyo Sugar Refining Co., Ltd. (hereinafter “Toyo Sugar Refining”), a wholly owned subsidiary of the Company, as the absorbed company, with a target effective date of October 1, 2026, as outlined below. Since the Merger is an absorption-type merger involving a wholly owned subsidiary of the Company, certain disclosure items and content have been omitted.

As previously announced in the “Announcement of Decision on a Basic Plan for a Merger with Consolidated Subsidiary” dated May 24, 2024, and the “(Progress in disclosure) Notice Regarding Merger of Subsidiary” released on May 23, 2025, the Company also plans to conduct an absorption-type merger (hereinafter the “Absorption-Type Merger of DAIICHI TOGYO”) on October 1, 2025, with DAIICHI TOGYO CO., LTD. (hereinafter “DAIICHI TOGYO”), a wholly owned subsidiary of the Company.



#### 1. Purpose of the Merger

The Group transitioned to a new structure with WELLNEO SUGAR Co., Ltd. as the holding company through the business integration of Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd. on January 1, 2023, and further promoted integrated Group management by absorbing both companies into the Company on October 1, 2024. In addition, the Company is scheduled to carry out the absorption-type merger of DAIICHI TOGYO, a wholly owned subsidiary, on October 1, 2025, thereby strengthening the foundation of the Sugar Segment within the Group and promoting the expansion and growth of business in the Food & Wellness Segment.

Amidst these developments, the Company conducted a tender offer for shares of Toyo Sugar Refining starting February 7, 2025. As a result of the tender offer, Toyo Sugar Refining has become a wholly owned subsidiary of the Company. Toyo Sugar Refining is engaged in the sugar business and functional ingredients business, which are highly compatible with the Company's strategies in the "Sugar Segment" and "Food & Wellness Segment." The Company has therefore decided to adopt the Merger as a basic policy, given the necessity to promote integrated management with Toyo Sugar Refining further, accelerate the enhancement of the foundation of the "Sugar Segment" and the expansion of the "Food & Wellness Segment," improve management efficiency, and realize and maximize integration synergies at an early stage.

## 2. Summary of the Merger

### (1) Schedule of the Merger

Board of Directors meeting to resolve basic policy for the Merger (the Company and Toyo Sugar Refining) :	June 17, 2025 (today)
Board of Directors meeting to approve the Merger Agreement:	To be determined
Date of execution of the Merger Agreement :	To be determined
Shareholders meeting to approve the Merger Agreement (the Company):	To be determined
Effective date of the Merger:	October 1, 2026 (planned)
(Note) The Merger is scheduled to be conducted upon approval of the merger agreement at a shareholders meeting of the Company; however, the procedures may change based on further review. Toyo Sugar Refining intends to implement the Merger without obtaining approval at its shareholders' meeting as a short-form merger as defined under Article 784, Paragraph 1 of the Companies Act.	

### (2) Method of the Merger

The Merger is expected to take the form of an absorption-type merger, with the Company as the surviving company and Toyo Sugar Refining as the absorbed company.

### (3) Details of allotment under the Merger

There will be no issuance of shares or other consideration in connection with the Merger.

### (4) Treatment of stock acquisition rights and bonds with stock acquisition rights upon the Merger

Not applicable.

## 3. Outline of participants in the Merger (As of March 31, 2025) \*Unless otherwise noted.

### 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	Manufacture and sale of sugar and functional ingredients, operation of fitness clubs, etc.	
(5) Paid-in capital	7,000 million yen	
(6) Date of establishment	October 3, 2011	
(7) Number of issued shares	32,800,095	
(8) Fiscal year end	March 31	
(9) Major shareholders and percentage of shares held	ITOCHU Corporation	37.0%
	Sumitomo Corporation	24.8%
	The Master Trust Bank of Japan, Ltd. (Trust account)	4.6%
	Custody Bank of Japan, Ltd. (Trust account)	0.9%

	The Nomura Trust and Banking Co., Ltd. (WELLNEO SUGAR Impact Neutralization Trust Fund No. 2041046)	0.9%
(10) Financial position and operating results for the most recent fiscal year (Year ended March 31, 2025; Consolidated; IFRS)		
Equity attributable to owners of parent		72,892 million yen
Total assets		110,352 million yen
Equity attributable to owners of parent per share		2,242.24 yen
Revenue		97,069 million yen
Operating profit		8,024 million yen
Profit before tax		8,377 million yen
Profit attributable to owners of parent		5,565 million yen
Basic earnings per share		170.05 yen

#### Company to be absorbed

(1) Company name	Toyo Sugar Refining Co., Ltd.
(2) Address	12-20 Nihombashi-Tomizawacho, Chuo-ku, Tokyo
(3) Names and titles of representatives	Tomonobu Miki, President and CEO
(4) Business	Refining and sale of sugar; manufacturing and sale of functional ingredients
(5) Paid-in capital	2,904 million yen
(6) Date of establishment	November 29, 1949
(7) Number of issued shares	5,456,000 shares
(8) Fiscal year end	March 31
(9) Major shareholders and percentage of shares held (As of today) (Note)	WELLNEO SUGAR Co., Ltd. 100%
(10) Financial position and operating results for the most recent fiscal year (Year ended March 31, 2025; Non-consolidated; Japanese GAAP)	
Net assets	9,698 million yen
Total assets	11,403 million yen
Net assets per share	1,778 yen
Net sales	14,224 million yen
Operating income	1,254 million yen
Ordinary income	1,026 million yen
Net profit	189 million yen
Earnings per share	34.80 yen

(Note) The calculation is based on the number of shares (6 shares) obtained by deducting the total number of fractional shares (1 share) resulting from the share consolidation (effective date: June 4, 2025) of 778,908 shares of common stock of Toyo Sugar Refining into one share.

#### 4. Status after the Merger

The Merger will not change the Company's name, location, business activities, capital, or fiscal year-end.

#### 5. Future outlook

As the Merger is with a wholly owned subsidiary, its impact on the Company's consolidated financial results will be minimal.

(Reference) Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2026

(As announced on May 14, 2025)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Forecast for the current fiscal year (ending March 31, 2026)	114,000 million yen	8,500 million yen	8,500 million yen	5,900 million yen
Results for the previous fiscal year (ended March 31, 2025)	97,069 million yen	8,024 million yen	8,377 million yen	5,565 million yen

End