



July 22, 2025

To whom it may concern:

Company	WELLNEO SUGAR Co., Ltd.
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Announcement Regarding Disposition of Treasury Shares as Performance-linked Post-delivery-type Restricted Share Compensation

WELLNEO SUGAR Co., Ltd. (the “Company”) hereby announces that at a meeting of its Board of Directors held today, it resolved to dispose of treasury shares as performance-linked post-delivery-type restricted share compensation (the “Disposition of Treasury Shares”), as follows.

1. Summary of the disposition

(1) Payment date	August 21, 2025
(2) Class and number of shares to be disposed of	2,621 shares of the Company’s common shares
(3) Disposal price	2,270 yen per share
(4) Total amount of disposition	5,949,670 yen
(5) Allottees	3 directors of the Company (excluding outside directors): 2,621 shares

2. Purpose and reason for the disposition

At the 13th annual general meeting of shareholders of the Company held on June 26, 2024, shareholders approved (i) the introduction of a share compensation plan (the “Plan”) under which the Company would allot to its directors (excluding outside directors; the “Eligible Directors”) the Company’s common shares (the “Performance-linked Post-delivery-type Restricted Shares”) as performance-linked post-delivery-type restricted share compensation, with the business year as the performance evaluation period (the “Subject Period”), based on the degree of achievement of numerical targets and other performance indicators set by the Company’s Board of Directors during the Subject Period, for the purpose of ensuring that the Eligible Directors will improve the Company’s business performance from the same perspective as its shareholders and, by sharing the benefits and risks of fluctuations in the Company’s share price with shareholders, will be even more motivated than before to contribute to sustained increases in the Company’s share price and its corporate value; (ii) that the total amount of monetary compensation claims granted as compensation related to Performance-linked Post-delivery-type Restricted Shares to be allotted to Eligible Directors under the Plan would be set at up to 41 million yen for each Subject Period; (iii) that the total number of Performance-linked Post-delivery-type Restricted Shares to be allotted to Eligible Directors in each Subject Period would be up to 32,000 shares; and (iv) that the transfer restriction period of the Performance-linked Post-delivery-type Restricted Shares would be the

period from the delivery date of such shares to the date the Eligible Director resigns from the office of director of the Company.

At a meeting of the Board of Directors held today, the Company resolved, concerning the 14th business year (April 1, 2024, to March 31, 2025) as the Subject Period, to grant a total of 5,949,670 yen in monetary compensation claims to three Eligible Directors who are the planned allottees (the “Allottees”), and to allot 2,621 shares of the Company’s common shares as Performance-linked Post-delivery-type Restricted Shares as a result of the Allottees contributing the entirety of such monetary compensation claims in kind. The amount of monetary compensation claims to be granted to each Allottee has been determined by comprehensively considering various matters, including the degree of each Allottee’s contribution to the Company. The monetary compensation claims will be granted on condition that each Allottee concludes with the Company an agreement for allotment of Performance-linked Post-delivery-type Restricted Shares (the “Allotment Agreement”) that includes, in summary, the content set forth below. The scale of dilution resulting from the Disposition of Treasury Shares is minimal, amounting to 0.01% of the total number of issued shares (32,800,095 shares as of March 31, 2025; rounded to the nearest third decimal place), and is therefore considered reasonable in light of the purpose of the Plan.

3. Details of the Plan

(1) Structure of the Plan

Under the Plan, the Company will grant monetary compensation claims to the Allottees for the delivery of Performance-linked Post-delivery-type Restricted Shares, based on the degree of achievement of numerical targets and other performance indicators set by the Company’s Board of Directors for each business year, which serves as the Subject Period. Each Allottee will pay all such monetary compensation claims as in-kind contributions and, in turn, will receive an allotment of Performance-linked Post-delivery-type Restricted Shares.

(2) Subject Period and performance targets

Subject Period	The Company’s 14th business year (from April 1, 2024, to March 31, 2025)
Performance target	Return on equity (ROE) for the Subject Period

(3) Method of Calculating the Number of Shares to Be Delivered and the Amount of Monetary Compensation Claims

In allocating performance-linked, post-delivery restricted stock, the indicators required to specifically calculate the number of shares to be delivered, such as numerical performance targets to be used, will be reviewed by the voluntary Nomination and Compensation Committee and determined by the Board of Directors of the Company.

(4) Requirements for delivery

After expiration of the Subject Period, if an Allottee satisfies all of the following requirements, the Company will grant monetary compensation claims to the Allottee and have the Allottee pay all such monetary compensation claims as in-kind contributions, thereby delivering Performance-linked Post-delivery-type Restricted Shares to the Allottee:

- (i) The Allottee continuously held the office of director of the Company until the date of the first annual general meeting of shareholders held after the expiration of the Subject Period;
- (ii) The Allottee did not engage in certain misconduct as determined by the Company’s Board of Directors; and

- (iii) The Allottee satisfies other requirements deemed necessary by the Company's Board of Directors.

Notwithstanding (i) above, if the Allottee resigns from the office of director of the Company after the date of the first annual general meeting of shareholders held after the expiration of the Subject Period and before delivery of the Performance-linked Post-delivery-type Restricted Shares, due to the expiration of their term of office or another reason deemed justifiable by the Company's Board of Directors, the Company may instead pay to the Allottee such amount of money as is reasonably calculated by the Company's Board of Directors to be equivalent to the value of the Performance-linked Post-delivery-type Restricted Shares.

Further, if during the Subject Period a proposal for a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or any other proposal for a reorganization is approved at the Company's general meeting of shareholders (or by the Board of Directors where shareholder approval is not required), the Company will not deliver the Performance-linked Post-delivery-type Restricted Shares for the relevant Subject Period.

4. Summary of the Allotment Agreement

(1) Transfer restriction period

From August 21, 2025, to the date on which the Allottee resigns from the office of director of the Company

During the above transfer restriction period (the "Transfer Restriction Period"), the Allottee shall not transfer, pledge, grant security interests (for security by transfer), provide as a gift during their lifetime, bequeath to any third party, or otherwise dispose of (collectively, "Transfer Restrictions") the Performance-linked Post-delivery-type Restricted Shares allotted to them (the "Allotted Shares").

(2) Gratis acquisition of the Performance-linked Post-delivery-type Restricted Shares

If the Allottee resigns from the office of director of the Company before expiration of the Transfer Restriction Period, the Company shall acquire all of the Allotted Shares without compensation at the time of resignation, unless there is a reason deemed justifiable by the Company's Board of Directors.

Furthermore, if any of the Allotted Shares remain subject to Transfer Restrictions as of the time of expiration of the Transfer Restriction Period (the "Time of Expiration"), and the reason for lifting the Transfer Restrictions as outlined in item (3) has not been met, the Company shall acquire such shares without compensation immediately after the Time of Expiration.

(3) Lifting of Transfer Restrictions

At the Time of Expiration, the Company shall lift the Transfer Restrictions on all of the Allotted Shares held by the Allottee at that time.

(4) Management of the shares

The Allottee must open an account with SMBC Nikko Securities Inc., in the manner designated by the Company, for recording the Allotted Shares, and must maintain the Allotted Shares in that account until the Transfer Restrictions are lifted.

(5) Treatment in reorganization

If, during the Transfer Restriction Period, a proposal for a merger agreement in which the Company will become the disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly-owned subsidiary, or any other proposal for reorganization is approved at the Company's general meeting of shareholders (or by the Board of Directors if such shareholder approval is not required) (such time being referred to as the "Reorganization Approval Time"), and if the Allottee resigns from the office of director of the Company in connection with such reorganization, the Company's

Board of Directors may resolve to lift the Transfer Restrictions on all of the Allotted Shares before the effective date of the reorganization.

In addition, at the reorganization approval time, the Company shall acquire all Allotted Shares not yet released from Transfer Restrictions without compensation on the business day immediately preceding the effective date of such reorganization.

5. Basis and specific details for the calculation of the payment amount

To ensure that the disposal price for the Disposition of Treasury Shares is not arbitrary, the price has been set at 2,270 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's Board of Directors (July 18, 2025). This reflects the market price immediately before the Board resolution and is considered reasonable and not particularly advantageous.

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