September 29, 2026

To whom it may concern:

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

Announcement Regarding Disposal of Treasury Shares Through Third-party Allotment to Employee Stock Ownership Association

WELLNEO SUGAR Co., Ltd. ("WELLNEO") hereby announces that it has resolved, at the meeting of the Board of Directors held today, to conduct the disposal of treasury shares through third-party allotment as described below (hereinafter referred to as the "Disposal of Treasury Shares").

1. Disposal summary

(1)	Payment date	December 15, 2026
(2)	Class and number of shares for disposal	12,000 shares of WELLNEO's common stock (Note)
(3)	Disposal price	2,859 yen per share
(4)	Total value of disposal	34,308,000 yen (Note)
(5)	Disposal method (Recipients of disposed shares)	Third-party allotment of shares (WELLNEO SUGAR Employee Stock Ownership Association (the "Stock Ownership Association"))
(6)	Other	WELLNEO has submitted a Written Notice of Securities under the Financial Instruments and Exchange Act in connection with the Disposal of Treasury Shares.

Note: The "number of shares for disposal" and the "total value of disposal" are maximum values; the actual number of shares to be disposed of and the total value of disposal will depend on the number of employees of Toyo Sugar Refining Co., Ltd. who are eligible for membership in the Stock Ownership Association and who consent to the "Incentive Plan for Employee Stock Ownership Association (Special Incentive Payment Scheme)" for members of the Stock Ownership Association (the "Scheme"), as well as the number of employees who joined WELLNEO after the integration with DAIICHI TOGYO CO., LTD. implemented on October 1, 2025 (the "Eligible Employees"). The "number of shares for disposal" and the "total value of disposal" will be announced promptly once determined.

2. Objectives and reasons for the disposal

WELLNEO is scheduled to merge with its wholly owned subsidiary Toyo Sugar Refining Co., Ltd. on October 1, 2026, and, intending to achieve sustainable growth and enhance corporate value by promoting the integration of corporate cultures and facilitating the creation of synergies from the merger, has been considering implementing the Scheme.

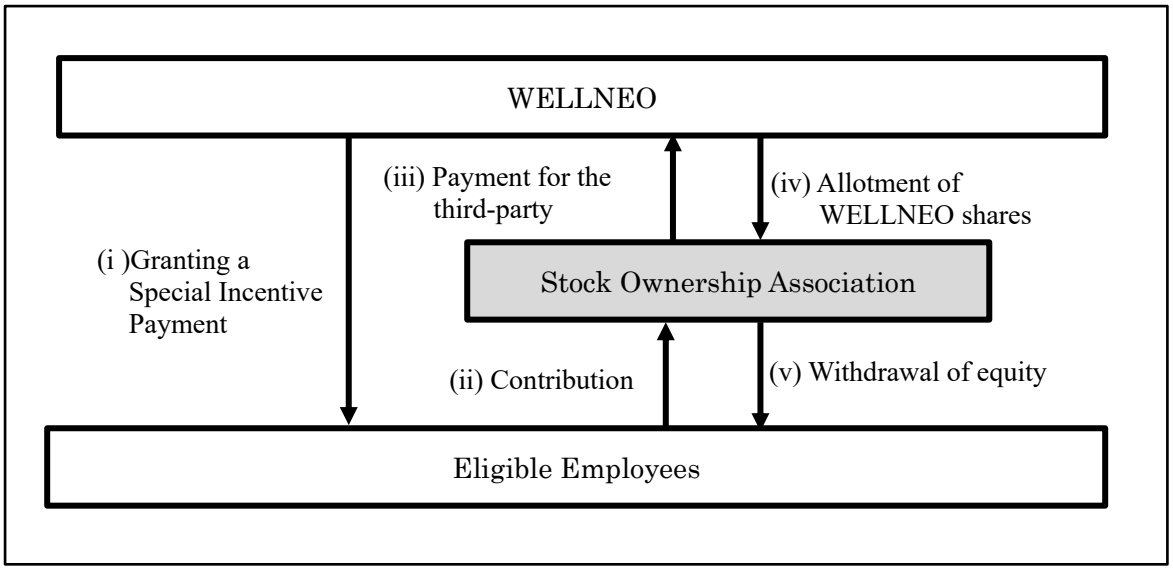
At the meeting of the Board of Directors held today, it was determined that ownership of WELLNEO

shares by the Eligible Employees will contribute to their asset formation and stimulate each employee's motivation to enhance WELLNEO's corporate value, and it was decided, under the Scheme, to grant a special incentive payment equivalent to 100 shares per Eligible Employee for the allotment of WELLNEO shares (the "Special Incentive Payment"). It was also resolved to dispose of 12,000 shares of treasury shares held by WELLNEO (approximately 34.3 million yen equivalent) to the Stock Ownership Association through the contribution of the Special Incentive Payment.
As stated in (Note) of "1. Disposal summary" above, the maximum number of shares for disposal to the Stock Ownership Association will be 12,000 shares.
The scale of dilution will be 0.04% in terms of the ratio against the total number of issued shares (32,800,095 shares as of March 31, 2026), and 0.04% in terms of the ratio against the total number of voting rights (327,083 voting rights as of March 31, 2026) (both percentages have been rounded off to two decimal places).

3. Scheme summary

Under the Scheme, the disposal of WELLNEO shares to the Stock Ownership Association will involve WELLNEO granting a special incentive payment to each of such Employees who are or will be enrolled in the Stock Ownership Association and each of such Employees making a contribution through payment of the amount of such special incentive payment to the Stock Ownership Association, whereupon the Stock Ownership Association will collect such special incentive payment amounts contributed by such Employees and pay them to WELLNEO.

The Scheme structure is as follows:



4. Basis for calculation of the payment amount and details thereof

The disposal price for the Disposal of Treasury Shares has been set at 2,859 yen, the closing price of WELLNEO shares on the Tokyo Stock Exchange (the "TSE") on September 28, 2026, which is the business day immediately preceding the date of the resolution by the Board of Directors of WELLNEO, in order to avoid an arbitrary price. WELLNEO considers that the price, which is the market value on the day immediately preceding the date of the resolution by the Board of Directors of WELLNEO, is reasonable.

The deviation ratio between this price and each of the following (i) to (iii) is as follows:
(i) 2,832 yen (rounded down to the nearest yen; the same applies to simple averages of closing prices hereafter), being the simple average of the closing price of WELLNEO shares on the TSE for one month up to the business day immediately preceding the date of the resolution by the Board of Directors of WELLNEO (August 31, 2026 to September 28, 2026): 0.95% (rounded off to two decimal places; the same applies to the calculation of deviation ratios hereafter);
(ii) 2,775 yen, being the simple average of the closing price for three months up to the said immediately preceding business day (June 29, 2026 to September 28, 2026): 3.03%, and
(iii) 2,724 yen, being the simple average of the closing price for six months up to the said immediately preceding business day (March 30, 2026 to September 28, 2026) is 4.96%.
Therefore, WELLNEO has concluded that the disposal price will not be particularly advantageous to the Stock Ownership Association.
All four corporate auditors (including two outside corporate auditors) who attended the Board of Directors meeting of WELLNEO held today have expressed the following opinion: they have found no material facts constituting a violation of laws or regulations regarding the directors' determination that the Disposal of Treasury Shares does not constitute a preferential issuance—including the legality of the subscription price not being particularly favorable to the intended allottee.

5. Matters related to procedures under the Code of Corporate Conduct
Given that (i) the dilution resulting from the Disposal of Treasury Shares is below 25%; and (ii) such disposal does not involve any changes in controlling shareholders, WELLNEO is not required to obtain an independent third-party opinion or to confirm the intent of the shareholders, as set forth in Rule 432 of the Securities Listing Regulations of the TSE.

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