

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders.
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

To Our Shareholders

(Securities Code: 2117)

June 6, 2024

(Start date of electronic provisioning measures: May 31, 2024)

14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo

WELLNEO SUGAR Co., Ltd.

Koji Yamamoto, President and Representative Director

Notice of Convocation of the 13th Ordinary General Meeting of Shareholders

We thank you for your continued support.

We also express our deepest sympathies to all those affected by the Noto Peninsula Earthquake in January this year and wish them a speedy recovery.

We are pleased to inform you that the 13th Ordinary General Meeting of Shareholders of the Company will be held. The details are as follows.

When convening this General Meeting of Shareholders, the information contained in the Reference Documents for the General Meeting of Shareholders (matters provided electronically) is provided electronically. It is posted on each of the following websites on the Internet, so please access one to check the information.

【our website】

<https://www.wellneo-sugar.co.jp/ir/event/meeting.html>



【The website of the General Meeting of Shareholders】

<https://d.sokai.jp/2117/teiji/>



【Tokyo Stock Exchange website (TSE-listed company information service)】

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



Please access the Tokyo Stock Exchange website (TSE Listed Company Information Service), enter or search for the stock name "Wellneo Sugar" or code "2117", select "Basic Information" and "Documents for Public Inspection/PR Information" in that order, then go to "Documents for Public Inspection" and check the "Notice of General Meeting of Shareholders/Materials for General Meeting of Shareholders" field.

You may exercise your voting rights in advance instead of attending on the day of the meeting in writing or via the Internet, as noted in "Guidance on Exercising Voting Rights" on page 3. After reviewing the following Reference Documents for the General Meeting of Shareholders, please exercise your voting rights no later than 5:30 p.m. on Tuesday, June 25, 2024.

Sincerely,

Details

- Date and time: Wednesday, June 26 2024 at 10 a.m. Japan time
(The reception desk is scheduled to open at 9 a.m.)

- Place: Meeting Room “Ariake,” 2F, ROYAL PARK HOTEL,
2-1-1 Kakigara-Cho, Nihonbashi, Chuo-ku, TOKYO

- Meeting Agenda: Matters to be Reported:
 1. 13th Fiscal Year (From April 1, 2023 to March 31, 2024)
Reporting Business Report, Consolidated Financial Statements, and the result of Consolidated Financial Statements audits performed by the Accounting Auditor and the Audit & Supervisory Board
 2. 13th Fiscal Year (From April 1, 2023 to March 31, 2024)
Matters regarding reporting of Non-consolidated Financial StatementsMatters to be Resolved:
 - Agenda Item No. 1: Dividend of Surplus
 - Agenda Item No. 2: Approval of the Absorption-type Merger Agreement
 - Agenda Item No. 3: Partial amendment to the Articles of Association
 - Agenda Item No. 4: Appointment of 1 Director
 - Agenda Item No. 5: Appointment of 1 Corporate Auditor
 - Agenda Item No. 6: Determination of Remuneration for the Allotment of Performance-linked Post-delivery-type Restricted Shares to Directors (excluding outside directors)

- Guidance on Exercising Voting Rights: Please refer to “Guidance on Exercising Voting Rights” on page 3.

- We request the shareholders that will come to the venue to submit the Voting Form at the reception desk.
- Shareholders who have requested a written document will be sent a written document containing the electronic provision measure matters, which, in accordance with the law and Article 14 of the Company's Articles of Association, excludes the following matters.
 - (1) Notes to the consolidated financial statements.
 - (2) Notes to the non-consolidated financial statements.
 - (3) Reference document for the General Meeting of Shareholders "Agenda Item No. 2: Approval of the Absorption-type Merger Agreement" in "3. Summary of the contents of the matters set out in Article 191 of the Enforcement Regulations of the Companies Act", "(3) Matters relating to the financial statements of the companies absorbed in the absorption-type merger".

Accordingly, the consolidated financial statements and financial statements included in this document are part of the consolidated financial statements and financial statements audited by the Independent Corporate Auditor or the Statutory Corporate Auditors when preparing the Independent Corporate Auditor's Report or the Audit Report.

- In the event of any amendments to the electronic provision measure matters, a statement to that effect and the matters before and after the amendments will be posted on the respective internet websites listed on page 1.

Guidance on Exercising Voting Rights

Voting rights at General Meetings of Shareholders are important rights of you as a shareholder.

Please exercise your voting rights after reading and considering the details of the attached Reference Documents for the General Meeting of Shareholders.

The following three ways to exercise your voting rights are available.

How to attend the General Meeting of Shareholders

Please submit the Voting Rights Exercise Form at the reception desk in the meeting venue.

Time and Date:

Wednesday, June 26, 2024, at 10 a.m. (Japan time)

How to exercise your voting right in writing (by mail)

Please state whether you are for or against the agenda items on the Voting Form and drop it into a post box. It is not necessary to affix a stamp. (Please return the Voting Form so that it will be received before the deadline below)

Deadline:

Votes reaching us by 5:30 p.m. on Tuesday, June 25, 2024

How to exercise your voting right on the Internet

Please follow the instructions on the next page and enter your approval or disapproval of the agendas.

Deadline:

Entries completed by 5:30 p.m., Tuesday, June 25, 2024

How to Fill the Voting Form

Agenda Item Nos. 1, 2, 3, 4, 5 and 6:

If you agree to the proposal, circle 賛 [Agree]. If you disagree with the proposal, circle 否 [Disagree].

Not indicating 賛 [Agree] or 否 [Disagree] will be considered 賛 [Agree].

If you exercise your voting rights in writing and via the Internet, we will treat the latter as the effective exercise of your voting rights.

If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

On Voting Rights via the Internet*

* Institutional investors can use the platform to electronically exercise voting rights for institutional investors operated by ICJ, Inc.

How to enter your voting code and password

Voting website: <https://www.web54.net>

1. Please access the voting website for PCs.
Click “Next.”

2. Please enter your voting code printed on the voting card.
Enter the voting code.
Click “Login.”

3. Please enter your password, which is printed on the voting card. Enter the password.
Click “Next.”

4. Please follow the instructions on the screen to register whether you approve or disapprove each proposal.

5. Please note that there is no website for voting specifically for viewing on a mobile phone.

How to scan the QR code: Smart Exercise

You can log into the voting website without entering a voting code and password using your smartphone.

1. Please scan the QR code on the lower right part of the voting card.

Note: QR Code is the registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the instructions on the screen to register whether you approve or disapprove each proposal.

In Smart Exercise, voting rights may be exercised only once.

If you wish to change your vote after exercising your voting rights, please access the website for PCs, log in to the website by entering your voting code and password printed on your voting card, and exercise your voting right again.

Note: If you scan the QR code again, you can access the PC website.

1. Handling of the exercise of voting rights

- (1) If you have voted twice by voting in writing and on the Internet, etc., your vote on the Internet will prevail.

If you exercise your voting rights via the Internet several times, we will treat the last exercise as the effective exercise of your voting rights.

- (2) Shareholders are responsible for the connection fees and other fees for the services of an internet provider and telecommunication carrier when using the voting website.
- (3) The voting website may not be available on a PC or smartphone in some internet settings.

2. Handling of a password and voting code

- (1) A password is essential for verifying that the voter is the shareholder. Please treat it with caution, like a seal and PIN number.

- (2) The password can no longer be used after incorrect numbers have been entered a certain number of times. To have a new password issued, please follow the guidance on the screen.

- (3) The voting code in the Voting Form is valid only for this general meeting of shareholders.

If you have questions about the operation procedure for exercising voting rights via the Internet using PCs and smartphones, please contact the inquiry desk on the right.

Sumitomo Mitsui Trust Bank Securities Agency Web Support Dedicated Dial

TEL: 0120-652-031 (toll-free)

(Reception hours: 9 a.m. – 9 p.m.)

Reference Documents for the General Meeting of Shareholders

Agenda Item No. 1: Dividend of Surplus

The Company has stated in its Basic Policy for Capital that it aims to increase a medium- to long-term return on equity (ROE) and achieve successful growth investment and high shareholder returns. Dividend distribution is based on the consolidated dividend payout ratio (DPR) of 60% or dividend on equity (DOE) of 3%, whichever is higher.

The details of the calculation formula are as follows:

1. Calculation formula of the amount of annual dividend per share

Based on the consolidated DPR of 60%

60% of year-end consolidated basic earnings per share of 168.60 yen = 102 yen (a fraction of a yen is rounded up)

Based on DOE of 3%

3% of year-end equity attributable to owners of parent per share of 2,170.25 yen = 66 yen (a fraction of a yen is rounded up)

As the 60% consolidated dividend payout ratio (DPR) benchmark of 102 yen is greater than the 3% dividend on equity (DOE) standard, 102 yen will be the annual dividend amount per share.

2. Matters concerning year-end dividends

The year-end dividend for the year under review will be 56 yen per share, calculated by the dividend policy above (102 yen per share), less the interim dividend (46 yen per share) paid in December 2023.

Type of dividend property	Cash
Matters regarding allotment of dividend property and total amount of dividend	56 yen per common share of the Company Total dividends 1,834,834,904 yen
Effective date of dividends of surplus	June 27, 2024

1. Reasons for the absorption-type merger

The Company merged with Nissin Sugar Co., Ltd. (hereinafter referred to as "Nissin Sugar"), which the Company split off, and ITOCHU Sugar Co., Ltd. (hereinafter referred to as "ITOCHU Sugar"), and the Group structure was established on January 1, 2023 with the Company as the holding company. The Group has aimed to further improve its corporate value by bringing together the knowledge and resources held by Nissin Sugar and ITOCHU Sugar, which has become a wholly-owned subsidiary of the Company, but to further improve profitability, the Company has decided to merge with Nissin Sugar and ITOCHU Sugar in an absorption-type merger (hereinafter referred to as "the Merger"), with the Company as the surviving company and Nissin Sugar and ITOCHU Sugar as the absorbed companies with October 1, 2024 as the effective date.

As of May 26, 2023, when the basic policy was decided, a simplified merger was planned, which would simplify the Merger procedure, but in the course of the close examination of the accounting treatment of the Merger, it was decided to submit the matter to the General Meeting of Shareholders, in anticipation of the possibility of a loss on extinguishment of the Company's shares held in combination, and to ask the shareholders to approve the Merger.

2. Outline of the contents of the Merger agreement

The details of the merger agreement signed by the Company, Nissin Sugar and ITOCHU Sugar on May 24, 2024 are as follows.

(Hereafter, a copy of the agreement)

Merger agreement

WELLNEO SUGAR Co., Ltd (hereinafter referred to as 'A'), Nissin Sugar Co., Ltd (hereinafter referred to as "B"), and ITOCHU Sugar Co., Ltd. (hereinafter referred to as "C") shall enter into a merger agreement as follows.

Article 1 (Method of merger)

A, B, and C shall merge in accordance with the provisions of this Agreement, with A as the surviving company and B and C as the absorbed companies (hereinafter referred to as 'the Merger').

Article 2 (Trade name and address)

The trade names and addresses of the surviving company and the company dissolved in the absorption-type merger are as follows.

(A) Surviving company in the absorption-type merger

Trade name	WELLNEO SUGAR Co., Ltd.
Address	14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo

(B) Company dissolved in absorption-type merger

Trade name	Nissin Sugar Co., Ltd.
Address	14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo

(C) Company dissolved in absorption-type merger

Company name	ITOCHU Sugar Co., Ltd.
Address	3, Tamatsuura-machi, Hekinan, Aichi

Article 3 (Effective date)

The date on which the Merger shall take effect (hereinafter referred to as the 'Effective Date') shall be October 1, 2024. However, if necessary, in accordance with the procedure's progress, this may be changed after consultation between A, B, and C.

Article 4 (Money, etc. to be delivered upon Merger)

As A owns all the issued shares of B and C, it shall not provide any money, etc., instead of the shares it holds to the shareholders of B and C at the time of the Merger.

Article 5 (Matters relating to the amount of capital and reserves)

A's capital and reserves shall not be increased upon the Merger.

Article 6 (Resolution for approval of merger)

1. A is required to pass a resolution at the General Meeting of Shareholders on the approval of the Agreement and the matters necessary for the Merger by the day before the Effective Date of the Merger.
2. B and C shall carry out the Merger without the approval of the General Meeting of Shareholders by Article 784(1) of the Companies Act.

Article 7 (Succession of company assets)

A shall succeed to all employees of B and C, their assets and liabilities, and all rights and obligations incidental to it as of the Effective Date.

Article 8 (Management of company property, etc.)

A, B, and C shall execute their respective businesses with the duty of care of a good manager after the conclusion of this Agreement and up to the Effective Date of the Agreement and shall carry out any act that may materially affect their property and rights and obligations, after consultation between the contracting parties in advance.

Article 9 (Changes to the terms of the Merger and termination of the Agreement)

If, between the date of execution of the Merger and the Effective Date of the Merger, a natural disaster or other event causes a material change in the asset or management status of the contracting parties, or a situation arises which seriously hinders the execution of the Merger, the contracting parties may, after consultation, change the conditions of the Merger and other terms and conditions of the Merger, or the Agreement may be terminated.

Article 10 (Matters to be discussed)

In addition to the matters set out in this Agreement, any necessary issues about the Merger shall be determined by consultation between A, B, and C, as required by the purpose of this Agreement.

One copy of this document shall be prepared as evidence of the conclusion of this Agreement. Each party shall affix the name and seal it. A shall hold the original, and B and C shall keep one copy.

May 24, 2024

A 14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo
WELLNEO SUGAR Co., Ltd.
Koji Yamamoto, President and Representative Director

B. 14-1, Nihonbashi-Koamicho, Chuo-ku, Tokyo
Nissin Sugar Co., Ltd.
Shinji Nakano, President and Representative Director

C. 3, Tamatsuura-machi, Hekinan, Aichi
ITOCHU Sugar Co., Ltd.
Koji Yamamoto, President and Representative Director

3. Summary of the contents of the matters set out in Article 191 of the Enforcement Regulations of the Companies Act

(1) Matters concerning the reasonableness of the merger consideration

As the Company and Nissin Sugar Co., Ltd., and the Company and ITOCHU Sugar Co., Ltd. are in a wholly-owned parent-subsidary relationship, the Company will not deliver any shares or other money upon the Merger.

(2) Matters relating to the reasonableness of the provisions on subscription rights

Not applicable.

(3) Matters relating to the financial statements of the companies absorbed in the absorption-type merger

By the law and Article 14 of the Articles of Association of the Company, the financial statements, etc. of Nissin Sugar and ITOCHU Sugar, the absorbed companies, for the last fiscal year of the absorption-type merger, are not included in the documents to be delivered to shareholders who have requested the delivery of the documents. Please access the website listed on page 1 of the Notice of Convocation to confirm the information.

As of the date of publication of the prior disclosures relating to the absorption merger as stipulated in Article 794(1) of the Companies Act and Article 191 of the Enforcement Regulations of the Companies Act, the financial statements and other documents for the financial year ended 31 March 2024 of Nissin Sugar have not been approved at the General Meeting of Shareholders of the company, so the financial statements and other documents for the financial year ended 31 March 2023 are included.

(4) Details of any disposal of significant assets, the incurrence of significant liabilities, or other events that may have a substantial impact on the status of Company assets after the end of the last financial year of the Company and the absorbed company

Not applicable.

Partial Amendment to Articles of Association

1. Reasons for the change

As stated in Agenda Item No. 2: "Approval of the Absorption-type Merger Agreement", the Company will merge with Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd., which are wholly-owned subsidiaries of the Company, with an effective date of October 1, 2024. The Company will shift from a pure holding company to an operating company. In line with this change in management structure, the provisions relating to objectives are to be partially amended.

In addition, a supplementary provision is to be added to the Articles of Association to the effect that the partial amendment to the Articles of Association based on this proposal will take effect on the effective date of the merger, on the condition that the Agenda Item No. 2: "Approval of the Absorption-type Merger Agreement", is approved and passed as proposed at this General Meeting of Shareholders and the absorption-type merger based on this merger agreement takes effect.

2. Details of the changes

The changes are as follows.

(Underlined parts indicate changes)

Present Articles of Association	Proposed Changes
<p>(Purpose) Article 2. The objects of the Company shall be to carry on the following businesses.</p> <p><u>1. To control and manage the business activities of companies and foreign companies engaged in the following businesses through the holding of shares or interests in such companies</u></p> <p><u>(1) (i) - (iv)</u> (Articles omitted) <u>(2) - (10)</u> (Articles omitted)</p> <p><u>2. All business incidental or related to the items of the preceding paragraph.</u></p> <p>(Newly established) (Newly established)</p>	<p>(Purpose) Article 2. The objects of the Company shall be to carry on the following businesses.</p> <p>(Deleted)</p> <p><u>1 (1) - (4)</u> <u>2 - 10</u> (Heading numbers changed due to a reduction in the number of sections)</p> <p>(Deleted)</p> <p><u>Supplementary provisions</u> <u>Article 1. The amendment to Article 2 (Purpose) of the Articles of Association shall take effect on the effective date of the merger, subject to the approval of the second agenda item "Approval of the Absorption-type Merger Agreement" to be proposed at the General Meeting of Shareholders on June 26, 2024, as originally proposed, and the merger by absorption based on this merger agreement taking effect. These supplementary provisions shall be deleted after the effective date of the merger.</u></p>

Appointment of 1 Director

As Director Daisuke Seno will resign after this General Meeting of Shareholders, the Company proposes the election of one Director.

The proposal is to elect a replacement for the retiring Director, and the term of office of the Director to be elected will expire at the expiry of the term of office of the other current Directors (at the conclusion of the General Meeting of Shareholders to be held in June 2025), in accordance with the provisions of the Articles of Association of the Company.

The candidates for the Board of Directors are as follows.



Naruto Ito

(Born November 20, 1965)

New
Nominat
ion

● Brief personal history, positions and responsibilities in the Company and significant concurrent positions

April 1988	Joined ITOCHU Sugar Co., Ltd.
May 2003	General Manager of Sales Department of ITOCHU Sugar Co., Ltd.
June 2013	Executive officer of ITOCHU Sugar Co., Ltd., in charge of industry, corporate planning and information systems
June 2019	Managing Executive Officer of ITOCHU Sugar Co., Ltd., in charge of industry, corporate planning and information systems (current)
January 2023	Executive Officer of the Company, in charge of Corporate Planning Department (current)

Number of the Company's shares held
0 share

(Reasons for nomination as candidate for director)

Mr Naruto Ito has extensive experience and a high degree of insight in his area of responsibility at ITOCHU Sugar Co., Ltd. and is expected to contribute to the sustainable enhancement of the Group's corporate value and the strengthening of the decision-making and supervisory functions of the Board of Directors, and is therefore capable of appropriately performing his duties as a director. Therefore, he has been nominated as a candidate for the position of Director.

(Note) The Company has concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3(1) of the Companies Act. The insurance policy covers (i) all directors, corporate auditors and executive officers of the Company and all of its subsidiaries, and (ii) persons seconded from the Company to unlisted companies other than subsidiaries of the Company as directors and corporate auditors, and the premiums for such insurance are borne entirely by the Company and all of its subsidiaries. The Company and all its subsidiaries fully bear the premiums for the insurance. Under the relevant insurance policy, the insured is covered for damages incurred by the insured due to claims made against the insured during the insurance period due to the insured's conduct (except those falling under the exclusion events stipulated in the insurance policy).

If each candidate in this election proposal is elected and assumes office as a director, they will be included as insured under the relevant insurance policy, which will be renewed similarly at the next renewal.

Agenda Item No. 5: Appointment of 1 Corporate Auditor

As corporate auditor Tatsuo Kawaguchi will resign after this General Meeting of Shareholders, the appointment of one corporate auditor is proposed.

The proposal is to appoint a replacement for the retiring corporate auditor. The term of office of the corporate auditor to be elected will expire at the end of the term of office of the retiring corporate auditor (after the General Meeting of Shareholders to be held in June 2027), in accordance with the provisions of the Company's Articles of Association.

The Board of Auditors has given its consent to this proposal.

The candidates for corporate auditors are as follows.



Number of the Company's shares held
0 share

Masato Konishi

(Born October 15, 1964)

New
Nomina
tion

●Brief personal history, positions and responsibilities in the Company and significant concurrent positions

April 1988	Joined SUMITOMO CORPORATION
April 2011	General Manager, Food Business Operations and Planning Division of SUMITOMO CORPORATION
August 2017	Head of the Americas Food Group of SUMITOMO CORPORATION
April 2018	Head of the Americas Food and Lifestyle Group of SUMITOMO CORPORATION
April 2019	Assistant to the General Manager of the Food Business Department and General Manager of the Food Business Division 2
June 2019	Outside director of the Company
April 2021	Assistant to General Manager, Food Business Department and General Manager, Food Business Division 1 of SUMITOMO CORPORATION
April 2022	General Manager, Asia Pacific Lifestyle Unit of SUMITOMO CORPORATION (current)

(Reasons for nomination as candidate for corporate auditor)

Mr Masato Konishi has extensive experience and insight through his global business experience at a general trading company and is judged to be able to perform his duties as a corporate auditor appropriately from a fair and objective perspective. He was also an outside director of the Company from June 2019 to June 2021 and is therefore nominated as a candidate for corporate auditor as he is expected to contribute to strengthening the functions of the Company's Board of Auditors.

(Notes)1. The special interests of the candidate and the Company are as follows:

Mr Masato Konishi is the General Manager of the Asia Pacific Lifestyle Unit of SUMITOMO CORPORATION. The company has a business relationship with the Company, including the purchase of raw materials, and a capital relationship with the Company, in which the company holds 25.4% of the voting rights in the Company.

2. The Company has concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3(1) of the Companies Act. The insurance policy covers (i) all directors, corporate auditors, and executive officers of the Company and all of its subsidiaries, and (ii) persons seconded from the Company to unlisted companies other than subsidiaries of the Company as directors and corporate auditors, and the premiums for such insurance are borne entirely by the Company and all of its subsidiaries. The Company and all its subsidiaries fully bear the premiums for the insurance. Under the relevant insurance policy, the insured is covered for damages incurred by the insured due to claims made against the insured during the insurance period due to the insured's conduct (except those falling under the exclusion events stipulated in the insurance policy).

If each candidate in this election proposal is elected and assumes office as a director, they will be included as insured under the relevant insurance policy, which will be renewed similarly at the next renewal.

Agenda Item No. 6: Determination of Remuneration for the Allotment of Performance-linked Post-delivery-type Restricted Shares to Directors (excluding outside directors)

At the Company's 12th General Meeting of Shareholders held on June 28, 2023, the amount of remuneration, etc. for the Company's Directors was approved as a maximum amount of up to 300 million yen per year, including base remuneration and directors' bonuses, and, separately from this, at the Company's 9th General Meeting of Shareholders held on June 25, 2020, it was approved as a maximum amount of The Company's Board of Directors (excluding outside directors) received approval a restricted share compensation plan for the Company's directors (excluding outside directors). The total amount of remuneration (monetary compensation claims) to be paid for the grant of the restricted shares shall not exceed 41 million yen per annum, and the maximum number of restricted shares to be allotted in each financial year shall be 32,000 shares.

The Company hereby intends to allocate a number of the Company's common shares (hereinafter referred to as "Performance-linked Post-delivery-type Restricted Shares") to the Company's directors (excluding outside directors; "Eligible Director(s)") based on the level of achievement of numerical targets for performance set by the Board of Directors during each fiscal year, with each fiscal year serving as the performance evaluation period. This decision aims to enhance the performance of the Eligible Director s, except for outside directors, in line with shareholders' perspectives, and further, to share with shareholders the benefits and risks of stock price fluctuations, thereby increasing their motivation to contribute to sustainable stock price growth and enhanced corporate value beyond previous levels.

Therefore, considering various factors such as the contribution of the Eligible Directors within the Company, the Company would like to set the total amount of monetary compensation rights to be provided as compensation for Performance-linked Post-delivery-type Restricted Shares to the Eligible Directors as a separate allocation from the compensation mentioned above for directors, within the limit of 41 million yen per target period (defined in 1. below). Additionally, should a director of the Company retire for reasons deemed justifiable by the Board of Directors of the Company after meeting the conditions for the issuance of performance-linked restricted share, until the issuance date of such stock, the Company would like to have the option to provide monetary compensation within the amount mentioned above range instead of issuing performance-linked post-delivery-type restricted share during each target period, along with the total amount of financial compensation rights to be provided during each target period.

Furthermore, the allocation of Performance-linked Post-delivery-type Restricted Shares is determined by comprehensively considering various factors, including the contribution of the Eligible Directors within the Company. The maximum percentage of issued shares allocated for Performance-linked Post-delivery-type Restricted Shares during each target period, as specified in 2. below, is approximately 0.09% of the total issued shares, indicating a minor dilution rate. Therefore, the Company believes that the content of this allocation is substantial.

The changes to the remuneration of the subject directors are in line with the Company's basic policy on remuneration for directors. After deliberations by the Nomination and Remuneration Committee, the Board of Directors has decided the proposal, considering the overall scale of the Company's business, the remuneration system for directors, and the level at which they are paid, which is regarded as appropriate. The Company has nine directors (including five outside directors), which will apply even if Agenda Item No. 4, ' Appointment of 1 Director', is approved.

Note

Specific details and maximum number of performance-linked post-delivery restricted shares to Eligible Directors

1. Allotment and payment of Performance-linked Post-delivery-type Restricted Shares

The Company will grant to Eligible Directors monetary compensation claims for delivering such number of Performance-linked Post-delivery-type Restricted Shares as will fluctuate depending on the degree of achievement of numerical targets for business performance and other indicators designated by the Company's Board of Directors during each business performance evaluation period, which is defined as each business year (the "Subject Period"), whereupon each Eligible Director will pay all these monetary compensation claims as in-kind contributions and, in turn, will receive an allotment of Performance-linked Post-delivery-type Restricted Shares. Accordingly, at the beginning of the Subject Period, the following matters have not yet been fixed: (i) whether the Company will grant to each Eligible Director monetary compensation claims for delivering Performance-linked Post-delivery-type Restricted Shares; and, in the case of granting them, (ii) the amount of the monetary compensation claims to be granted and the number of Performance-linked Post-delivery-type Restricted Shares to be delivered (the "Number of Shares to be Delivered").

The aforementioned monetary compensation claims will be granted on condition that Eligible Directors have agreed to the aforementioned in-kind contributions and have concluded a Performance-linked Post-delivery-type Restricted Shares allotment agreement that includes the content set forth in (5) below.

The first Subject Period shall be the 14th business year (April 1, 2024, to March 31, 2025); thereafter, each business year can be set as a new Subject Period for the purpose of allotting Performance-linked Post-delivery-type Restricted Shares.

2. Total number of Performance-linked Post-delivery-type Restricted Shares

The number of Performance-linked Post-delivery-type Restricted Shares to be allotted during each Subject Period shall be up to 32,000, which is the total number of the Performance-linked Post-delivery-type Restricted Shares to be allotted to Eligible Directors.

However, the total number of Performance-linked Post-delivery-type Restricted Shares can be reasonably adjusted if, on or after the resolution date of this Proposal, a stock split (including gratis allotment of the Company's common shares) or share consolidation of the Company's common shares, or any other similar circumstance arises that will necessitate adjustment of the total number of Performance-linked Post-delivery-type Restricted Shares to be allotted.

3. Calculation method of the Number of Shares to be Delivered

The Number of Shares to be Delivered to each Eligible Director shall be calculated by dividing item (i) by item (ii) below:

(i) The amount of Performance-linked Post-delivery-type Restricted Share compensation to be determined by increasing/decreasing (x) the base amount of share compensation for each rank determined by the Company's Board of Directors according to the degree of responsibility for and involvement in the management of the Company, by considering (y) the degree of achievement of numerical targets for business performance and other indicators designated by the Company's Board of Directors during the Subject Period.

(ii) The price per Performance-linked Post-delivery-type Restricted Share.

For the purpose of allotting Performance-linked Post-delivery-type Restricted Shares, indicators necessary for calculation of the specific Number of Shares to be Delivered, such as numerical targets and other factors to be used, shall be examined by a voluntary nominating and compensation committee and determined by the Company's Board of Directors based on the results of the examination.

4. Requirements for delivery

After expiration of the Subject Period, if an Eligible Director satisfies all of the following requirements for delivery, the Company will deliver Performance-linked Post-delivery-type Restricted Shares to each such Eligible Director by granting monetary compensation claims to the Eligible Director and having the Eligible Director pay all these monetary compensation claims as in-kind contributions.

The delivery of Performance-linked Post-delivery-type Restricted Shares shall be conducted by the Company issuing new shares or disposing of treasury shares, and the amount to be paid for each share shall be the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution (or, if no such transaction is effected on that date, the closing price of the

immediately preceding trading day) by the Company's Board of Directors regarding allotment of Performance-linked Post-delivery-type Restricted Shares.

- (i) The Eligible Director continuously held the office of the Company's director until the day of the Company's first annual general meeting of shareholders held after expiration of the Subject Period;
- (ii) The Eligible Director did not engage in certain wrongdoing determined by the Company's Board of Directors;
- (iii) The Eligible Director satisfies any other requirement deemed necessary, as determined by the Company's Board of Directors.

Notwithstanding (i) above, if there is any Eligible Director who has newly assumed the office of director during the Subject Period, the Number of Shares to be Delivered to the Eligible Director can be reasonably adjusted based on factors such as the length of the period during which the Eligible Director has held the position. Further, notwithstanding (i) above, if any Eligible Director resigns from the office of the Company's director during the period after the day on which the Company's first annual general meeting of shareholders was held after expiration of the Subject Period and before Performance-linked Post-delivery-type Restricted Shares are delivered, due to expiration of the term of office or another reason deemed by the Company's Board of Directors as a justifiable reason, the Company may pay to the Eligible Director such amount of money, instead of delivering Performance-linked Post-delivery Restricted Shares, as will be reasonably calculated by the Company's Board of Directors as an amount equivalent to the value of these Performance-linked Post-delivery Restricted Shares. The amount of that money, together with the amount of monetary compensation claims to be granted in order to deliver Performance-linked Post-delivery-type Restricted Shares to be granted in each Subject Period, will be up to 41 million yen per each Subject Period.

Further, if during the Subject Period, a proposal concerning 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 concerning reorganization is approved at the Company's general meeting of shareholders (or by the Company's Board of Directors where approval at a general meeting of shareholders is not required for the reorganization), the Company shall not deliver Performance-linked Post-delivery Restricted Shares for the Subject Period.

5. Content of the Performance-linked Post-delivery Restricted Shares allotment agreement

The Performance-linked Post-delivery Restricted Shares allotment agreement to be executed, in relation to the allotment of the Performance-linked Post-delivery Restricted Shares, between the Company and the Eligible Director to whom the Performance-linked Post-delivery Restricted Shares will be allotted pursuant to resolution by the Company's Board of Directors, will include the following content:

(1) Content of restrictions on transfer

An Eligible Director who has received an allotment of Performance-linked Post-delivery Restricted Shares shall not transfer, pledge, grant security interests (for security by transfer), provide as a gift during his/her lifetime, or bequeath, to any third party, or otherwise dispose of ("Transfer Restrictions") Performance-linked Post-delivery Restricted Shares allotted to him/her (the "Allotted Shares") during the period from the date of delivery of Performance-linked Post-delivery Restricted Shares to the date on which the Eligible Director from the office of the Company's director (the "Transfer Restriction Period").

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

If an Eligible Director who received an allotment of Performance-linked Post-delivery Restricted Shares resigns from the office of the Company's director, the Company will rightfully acquire the Allotted Shares without compensation, unless there are reasons that the Company's Board of Directors deem justifiable.

(3) Lifting of the Transfer Restrictions

At the time of expiration of the Transfer Restriction Period, the Company will lift Transfer Restrictions for all the Allotted Shares.

(4) Treatment in reorganization

If, during the Transfer Restriction Period, (i) a proposal concerning 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 concerning reorganization is approved at the Company's general meeting of shareholders (or by the Company's Board of Directors where approval at a general meeting of shareholders is not required for the reorganization) (limited to where the effectuation date of the reorganization comes before expiration of the Transfer Restriction Period); and (ii) an Eligible Director who received an allotment of Performance-linked Post-delivery Restricted Shares resigns from the office of the Company's director due to the reorganization, the Company will lift the Transfer Restrictions for all of the Allotted Shares before the effective date of the reorganization.

END

(Reference)

The Company's board structure as of June 26, 2024

[Board of directors]

Chairman and Representative Director	Shinji Nakano
President and Representative Director	Koji Yamamoto
Director	Akira Okubo
Director	Naruto Ito
Outside Director (Independent Officer)	Katsuko Iizuka
Outside Director (Independent Officer)	Hiroshi Fujiwara
Outside Director (Independent Officer)	Masaji Santo
Outside director	Katsuyuki Minami
Outside director	Shinji Ota

[Corporate auditors]

Corporate Auditor	Hideaki Imai
Corporate Auditor	Masato Konishi
Outside Corporate Auditor (Independent Officer)	Masao Wada
Outside Corporate Auditor (Independent Officer)	Kazuko Naruse

[Executive officers]

President and Executive Officer	Koji Yamamoto	In charge of Internal Auditing Office
Senior Managing Executive Officer	Akira Okubo	In charge of General Affairs Department
Executive Officer	Yasuo Yamaguchi	In charge of Corporate Planning Department
Executive Officer	Naruto Ito	In charge of Human Resources Department, Corporate Planning Department
Executive Officer	Kenji Oba	In charge of Finance Department
Executive Officer	Hiroki Anzai	In charge of Neo-Functional Ingredients Department

(Reference.)

Expertise and experience of directors and corporate auditors as of June 26, 2024 (Skills Matrix)

		Expertise and experience									
	Name	Business management Management strategy	ESG CSR	Compliance Risk management	Internal controls Governance	Financial affairs Accounting	Human resource controls / development	Sales Marketing	Production Quality control	R&D New business	IT DX
Director	Shinji Nakano	●	●	●	●		●				
	Koji Yamamoto	●		●	●			●		●	
	Akira Okubo	●	●	●	●	●					
	Naruto Ito*	●					●		●	●	●
	Katsuko Iizuka	●		●	●		●				
	Hiroshi Fujiwara	●			●					●	●
	Masaji Santo	●	●		●					●	
	Katsuyuki M i n a m i	●						●			
	Shinji Ota	●						●			
Corporate Auditor	Hideaki Imai			●	●	●					
	Masato Konishi*	●			●			●			
	Masao Wada				●	●					
	Kazuko Naruse			●	●						

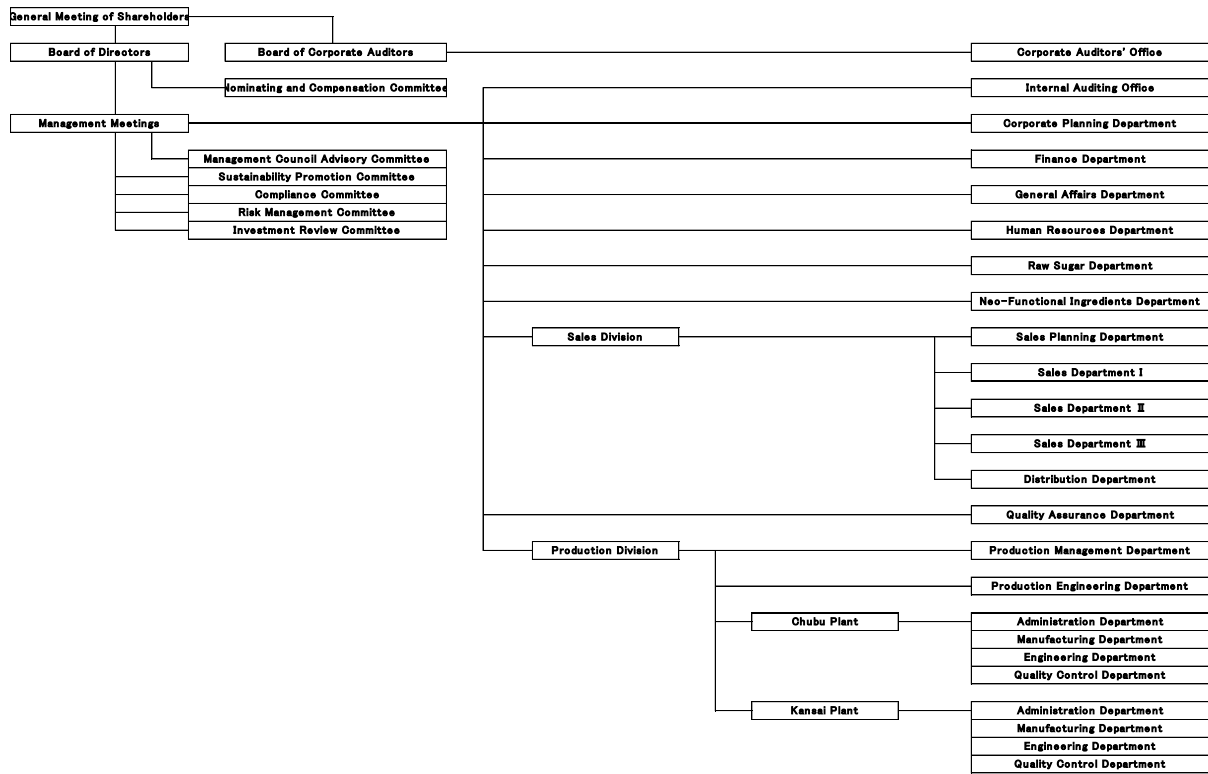
(Notes) 1. To clarify the balance of skills as a Board of Directors, the areas of expertise and experience possessed by each director and corporate auditor that are particularly expected in the Company are listed and do not represent all the expertise and experience possessed.

2. Asterisks (*) indicate candidates for New Nominations as directors and corporate auditors.

END

(Reference)

Organizational structure of the Company as of October 1, 2024 (planned)



(Reference)

The Company's board structure as of October 1, 2024 (planned)

[Board of directors]

Chairman and Representative Director	Shinji Nakano
President and Representative Director	Koji Yamamoto
Director	Akira Okubo
Director	Naruto Ito
Outside Director (Independent Officer)	Katsuko Iizuka
Outside Director (Independent Officer)	Hiroshi Fujiwara
Outside Director (Independent Officer)	Masaji Santo
Outside director	Katsuyuki Minami
Outside director	Shinji Ota

[Corporate auditors]

Corporate Auditor	Hideaki Imai
Corporate Auditor	Masato Konishi
Outside Corporate Auditor (Independent Officer)	Masao Wada
Outside Corporate Auditor (Independent Officer)	Kazuko Naruse

[Executive officers]

President and Executive Officer	Koji Yamamoto	
Senior Managing Executive Officer	Akira Okubo	In charge of Internal Auditing Office
Executive Officer	Yasuo Yamaguchi	In charge of Corporate Planning Department
Executive Officer	Naruto Ito	In charge of Human Resources Department, Corporate Planning Department
Executive Officer	Kenji Oba	In charge of Finance Department
Executive Officer	Hiroki Anzai	In charge of Neo-Functional Ingredients Department
Executive Officer	Hiroyuki Iizuka	In charge of General Affairs Department
Executive Officer	Kei Saegusa	General Manager of Sales Division
Executive Officer	Shizunori Sunasaka	General Manager of Production Division
Executive Officer	Katsuki Hirabayashi	Acting General Manager of Sales Division
Executive Officer	Kazuhiko Sugiura	Acting General Manager of Production Division