May 14, 2024

To whom it may concern:


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| Company Name of Representative | WELLNEO SUGAR Co., Ltd.<br>Koji Yamamoto, President and Representative Director<br>(Code No. 2117 TSE Prime Market) |
| Contact | Akira Okubo,<br>Director and Senior Managing Executive Officer<br>(TEL. 03-3668-1246) |


# Notice Regarding Dividends from Surplus

WELLNEO SUGAR Co., Ltd. (the "Company") hereby announces that its Board of Directors resolved at a meeting held today the following regarding payment of dividends from surplus with a record date of March 31, 2024. This matter will be presented for approval at the 13th Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2024.

1. Breakdown of dividends (year-end dividend)

| | Fiscal year ended March 31, 2024 | | | (Reference) Fiscal year ended March 31, 2023 | |
|---|---|---|---|---|---|
| | Year-end | | 2nd quarter-end | Year-end | 2nd quarter-end |
| | Amount resolved by Board of Directors | Previous forecast (announced February 8, 2024) | | | |
| Record date | March 31, 2024 | March 31, 2024 | September 30, 2023 | March 31, 2023 | September 30, 2022 |
| Dividend per share | 56.00 yen | 46.00 yen | 46.00 yen | 37.00 yen (30 yen regular dividend) (7 yen commemorative dividend) | 33.00 yen |
| Total amount of dividend | 1,834 million yen | – | 1,507 million yen | 1,212 million yen | 729 million yen |
| Effective date | June 27, 2024 | – | December 1, 2023 | June 29, 2023 | December 1, 2022 |
| Source of dividends | Retained earnings | – | Retained earnings | Retained earnings | Retained earnings |

(Note) Total amount of dividend: Amounts less than one million yen are rounded down.

2. Reason

The Company has stated in the basic policy for capital allocation that it intends to increase medium- to long-term return on equity (ROE) attributable to owners of parent and enhance both growth investment and

shareholder returns. The dividend distribution is based on the consolidated dividend payout ratio (DPR) of 60%, or dividend on equity (DOE) attributable to owners of parent of 3%, whichever is higher.

As a result of the application of the above policy to the financial results ended March 31, 2024, the annual dividend will be 102 yen per share, an increase of 10 yen from the previous forecast of 92 yen per share, due to the better performance compared to the previous forecast and the increase in profit attributable to owners of parent.

As a result, the year-end dividend per share will be 56 yen, subtracting the interim dividend of 46 yen per share from the annual dividend of 102 yen per share.

**Calculation formula for the total dividend per share forecast**

Based on consolidated DPR of 60%:

60% of basic year-end earnings per share of 168.60 yen = 102 yen (amounts less than 1 yen rounded up)

Based on dividend on equity (DOE) attributable to owners of parent of 3%:

3% of year-end equity attributable to owners of parent per share of 2,170.25 yen = 66 yen (amounts less than 1 yen rounded up)

Because the 102 yen per share based on 60% of DPR is higher, the annual dividend per share for regular dividends is set at 102 yen.

(Reference) Breakdown of dividends for the year

| | Dividend per share (yen) | | |
|---|---|---|---|
| | 2nd quarter-end | Year-end | Total |
| Current term (fiscal year ended March 31, 2024) | 46.00 yen | 56.00 yen | 102.00 yen |
| Results for the previous fiscal year (fiscal year ended March 31, 2023) | 33.00 yen | 37.00 yen (30 yen regular dividend) (7 yen commemorative dividend) | 70.00 yen |

END