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To whom it may concern,

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Announcement Regarding Introduction of a Performance-linked Post-delivery-type Restricted Share Compensation Plan

WELLNEO SUGAR Co., Ltd. ("WELLNEO") hereby announces that at its Board of Directors meeting held today, it has reviewed its compensation system for its officers and has resolved to introduce a performance-linked post-delivery-type restricted share compensation plan (the "Plan"); and it has decided to submit a proposal for the Plan (the "Proposal") to its 13th annual general meeting of shareholders (the "Shareholders Meeting"), scheduled to be held on June 26, 2024, as follows:

1. Purpose of introduction of the Plan and related matters

(1) Purpose of introduction of the Plan

The Plan will be introduced as a compensation plan under which WELLNEO will allot to its directors (excluding outside directors; "Eligible Director(s)") such number of WELLNEO's common shares (the "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 WELLNEO's Board of Directors during each business performance evaluation period, which is defined as each business year, in order to ensure (i) that Eligible Directors will enhance WELLNEO's business performance from the same perspective as that of its shareholders and further (ii) that Eligible Directors, by sharing benefits and risks of fluctuations in the price of WELLNEO's shares with shareholders, will be even more motivated than before, to contribute to the sustained increase in the price of WELLNEO's shares and its corporate value.

(2) Conditions for introduction of the Plan

Under the Plan, WELLNEO will grant Eligible Directors, as compensation, monetary compensation claims for allotting Performance-linked Post-delivery-type Restricted Shares. Accordingly, introduction of the Plan shall be subject to shareholders' approval of providing this compensation at the Shareholders Meeting.

Previously, at its 9th annual general meeting of shareholders held on June 25, 2020, shareholders approved WELLNEO's introduction of a restricted share compensation plan for Eligible Directors and approved that (i) the total amount of compensation (monetary compensation claims) to be provided to grant the restricted shares would be up to 41 million yen per year, and (ii) the total number of restricted shares allotted in each business year would be up to 32,000 shares. Further, at its 12th annual general meeting of shareholders held on June 28, 2023, shareholders approved an amount of compensation for WELLNEO's directors, including officer bonuses in addition to basic compensation, of up to 300 million yen per year. At the Shareholders Meeting, WELLNEO will ask shareholders to approve, separately from the aforementioned amount of compensation for directors, that the total amount of monetary compensation claims granted as compensation related to the Performance-linked Post-delivery-type Restricted Shares to Eligible Directors would be set at up to 41 million yen for each

Subject Period (defined in 2.(1) below), by comprehensively considering various matters pertaining to Eligible Directors, such as the degree of their contribution to WELLNEO. Further, WELLNEO will ask shareholders to approve that if the Eligible Director resigns from the office of WELLNEO's director after satisfying the conditions for delivery of Performance-linked Post-delivery-type Restricted Shares and before the delivery date thereof due to a reason deemed by WELLNEO's Board of Directors as a justifiable reason, WELLEO may pay to the Eligible Director such amount of money, instead of delivering Performance-linked Post-delivery Restricted Shares, as will, together with the aforementioned total amount of monetary compensation claims to be granted in each Subject Period, fall within the range of the aforementioned amount.

2. Summary of the Plan

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

WELLNEO 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 WELLNEO'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 WELLNEO 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 WELLNEO's common shares) or share consolidation of WELLNEO'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 WELLNEO's Board of Directors according to the degree of responsibility for

and involvement in the management of WELLNEO, by considering (y) the degree of achievement of numerical targets for business performance and other indicators designated by WELLNEO'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 WELLNEO'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, WELLNEO 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 WELLNEO issuing new shares or disposing of treasury shares, and the amount to be paid for each share shall be the closing price of WELLNEO'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 WELLNEO's Board of Directors regarding allotment of Performance-linked Post-delivery-type Restricted Shares.

(i) The Eligible Director continuously held the office of WELLNEO's director until the day of WELLNEO'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 WELLNEO's Board of Directors; and

(iii) The Eligible Director satisfies any other requirement deemed necessary, as determined by WELLNEO'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 WELLNEO's director during the period after the day on which WELLNEO'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 WELLNEO's Board of Directors as a justifiable reason, WELLEO 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 WELLNEO'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 WELLNEO will become the disappearing company, a share exchange agreement or a share transfer plan in which WELLNEO will become a wholly-owned subsidiary, or any other proposal concerning reorganization is approved at WELLNEO's general meeting of shareholders (or by WELLNEO's Board of Directors where approval at a general meeting of shareholders is not required for the reorganization), WELLNEO 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 WELLNEO and the Eligible Director to whom the Performance-linked Post-delivery Restricted Shares will be allotted pursuant to resolution by WELLNEO's Board of Directors, will include the following content:

(i) 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 WELLNEO's director (the "Transfer Restricted Period").

(ii) 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 WELLNEO's director, WELLNEO will rightfully acquire the Allotted Shares without compensation, unless there are reasons that WELLNEO's Board of Directors deem justifiable.

(iii) Lifting of the Transfer Restrictions

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

(iv) Treatment in reorganization

If, during the Transfer Restriction Period, (i) a proposal concerning a merger agreement in which WELLNEO will become the disappearing company, a share exchange agreement or a share transfer plan in which WELLNEO will become a wholly-owned subsidiary, or any other proposal concerning reorganization is approved at WELLNEO's general meeting of shareholders (or by WELLNEO'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 WELLNEO's director due to the reorganization, WELLNEO will lift the Transfer Restrictions for all of the Allotted Shares before the effective date of the reorganization.

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