



May 12, 2023

To whom it may concern:

Company WELLNEO SUGAR Co., Ltd.
 Name of Representative Koji Yamamoto, President and Representative Director
 (Code No. 2117 TSE Prime Market)
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Notice Regarding Dividends from Surplus (Year-end Dividend and Commemorative Dividend)

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 (year-end dividend and commemorative dividend) with a record date of March 31, 2023. This matter will be presented for approval at the 12th Ordinary General Meeting of Shareholders scheduled to be held on June 28, 2023.

1. Breakdown of dividends (year-end dividend)

	Fiscal year ended March 31, 2023			(Reference) Fiscal year ended March 31, 2022	
	Year-end		2nd quarter-end	Year-end	2nd quarter-end
	Amount resolved by Board of Directors	Most recent dividend forecast (announced March 10, 2023)			
Record date	March 31, 2023	March 31, 2023	September 30, 2022	March 31, 2022	September 30, 2021
Dividend per share	37.00 yen (30 yen regular dividend) (7 yen commemorative dividend)	37.00 yen (30 yen regular dividend) (7 yen commemorative dividend)	33.00 yen	34.00 yen	33.00 yen
Total amount of dividend	1,212 million yen	–	729 million yen	751 million yen	729 million yen
Effective date	June 29, 2023	–	December 1, 2022	June 29, 2022	December 1, 2021
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.

In addition, as announced in the “Notice Regarding Determination of Commemorative Dividend Amount and Revision of Annual Dividend Forecast” released on March 10, 2023, the Company will pay a commemorative dividend of 7 yen per share to commemorate the merger, as well as to thank its shareholders for their steadfast support.

The total regular dividend for the year will be 63 yen per share, unchanged from the most recent forecast, as a result of applying the above policy to the consolidated financial results.

As a result, the year-end dividend will be 37 yen per share, consisting of a regular dividend of 30 yen (which, with the second-quarter dividend of 33 yen, results in a total regular dividend of 63 yen per share) plus a commemorative dividend of 7 yen (to commemorate the merger).

Calculation formula for the total dividend per share forecast

Based on consolidated DPR of 60%:

60% of basic year-end earnings per share of 32.43 yen = 20 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 2,083.71 yen = 63 yen (amounts less than 1 yen rounded up)

Because the 63 yen per share based on 3% of DOE is higher, the annual dividend per share for regular dividends is set at 63 yen. Combining that with the commemorative dividend of 7 yen per share results in the total dividend per share for the year of 70 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, 2023)	33.00 yen	37.00 yen (30 yen regular dividend) (7 yen commemorative dividend)	70.00 yen
Results for the previous fiscal year (fiscal year ended March 31, 2022)	33.00 yen	34.00 yen	67.00 yen

END