

*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)

November 21, 2022

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

Nissin Sugar Co., Ltd.

Akira Okubo, President and COO

Notice of Convocation of Extraordinary General Meeting of Shareholders

We are pleased to inform you that an extraordinary general meeting of shareholders of the Company will be held, with details as follows.

You may exercise your voting rights in advance 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 Monday, December 5, 2022.

Sincerely,

Details

- Date and time: Tuesday, December 6, 2022 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 Nihonbashi-Kakigara-cho, Chuo-ku, TOKYO
-
- Meeting Agenda: Matters to be Resolved:
Agenda Item No. 1: Approval of the Share Exchange Agreement
Agenda Item No. 2: Approval of the Absorption-type Company Split Agreement
Agenda Item No. 3: Partial Amendment to the Articles of Incorporation
Agenda Item No. 4: Appointment of 5 Directors
Agenda Item No. 5: Appointment of 2 Corporate Auditors
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- 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 enclosed Voting Form at the reception desk. To help save resources, you are asked to bring this Notice of Convocation with you.
- The content of the financial statements for the latest fiscal year (from April 1, 2021 to March 31, 2022) of ITOCHU Sugar Co., Ltd. and certain other information are not included in this Notice of Convocation due to the presentation of such information on the Company’s website pursuant to applicable laws and regulations and the Company’s Articles of Incorporation.
- Please note that, in the event of any necessary revision to the Reference Documents for the General Meeting of Shareholders and the Explanation on the Business Integration, we will inform you of such revised matters on the Company’s website on the Internet.
The Company’s website: <https://www.nissin-sugar.co.jp/english/>

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:

Tuesday, December 6, 2022 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 Monday, December 5, 2022

How to exercise your voting right on the Internet

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

Deadline:

Entries completed by 5:30 p.m., Monday, December 5, 2022

How to fill the Voting Form

Agenda Item Nos. 1, 2 and 3:

If you agree to the proposal, circle 賛 [Agree]. If you do not agree to the proposal, circle 否 [Disagree].

Agenda Item Nos. 4 and 5:

If you approve all candidates, circle 賛 [Agree]. If you disapprove all candidates, circle 否 [Disagree].

If you disapprove certain candidates, circle 賛 [Agree] and write the number of the candidates that you wish to disapprove.

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

If you exercise your voting rights both 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 are permitted to use the platform for the electronic exercise of 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 voting code.
Click Login.

3. Please enter your password 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 of 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 by using smartphones.

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 of each proposal.

In Smart Exercise, exercise of voting rights may be carried out 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 move to the PC website.

1. Handling of the exercise of voting rights

- (1) If you have voted twice by voting both in writing and on the Internet, etc., your vote on the Internet, etc. 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 in some internet settings on a PC or smartphone.

2. Handling of a password and voting code

- (1) A password is an important piece of information for verifying that the voter is the shareholder.
Please treat with caution like a seal and PIN number.
- (2) The password could no longer be used after incorrect numbers have been entered a certain number of time. 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.

For inquiries about 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.)

(Attachment)

Explanation on the Business Integration

As announced in the “Notice Regarding Execution of Definitive Agreement Concerning Business Integration of Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd. as well as Execution of Capital and Business Alliance Agreement of Sumitomo Corporation, ITOCHU Corporation and Nissin Sugar Co., Ltd.” and the “Notice Regarding Execution of Share Exchange Agreement with ITOCHU Sugar Co., Ltd., Transition to Holding Company Structure by Absorption-type Company Split, and Change in Other Related Companies, Major Shareholders and Largest Shareholder as a Major Shareholder” dated September 29, 2022, on September 29, 2022, Nissin Sugar Co., Ltd. (the “Company”) and ITOCHU Sugar Co., Ltd. (“ITOCHU Sugar”) executed a business integration agreement (the “Business Integration Agreement”) concerning a business integration (the “Business Integration”) between both companies and a share exchange agreement (the “Share Exchange Agreement”) concerning a share exchange (the “Share Exchange”) which will be implemented as part of a series of transactions for the Business Integration and in which the Company will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary.

1. Context and Objectives of Business Integration

As major players in the Japanese sugar industry, the Company and ITOCHU Sugar have been providing a stable supply of sugar, which is a daily necessity, for many years with a focus on quality and safety. Both companies have contributed to the revitalization of agriculture, environmental conservation and development of local economies by developing together with local raw material producers and sugar suppliers through sugar refining business using sugarcane from Okinawa and Kagoshima and procurement of domestic sugar (beet sugar and cane sugar). In addition, by developing and commercializing functional materials that contribute to the health of consumers and providing new added value, both companies have contributed to the formation of healthy lifestyles and rich food culture.

On the other hand, in the environment surrounding the Japanese sugar industry, there is a growing need to respond flexibly to changes in the business environment, further strengthen the business base, and improve management efficiency, considering increasing uncertainties such as population decline, the rise of sugar substitutes due to preferences for low sweetness and low calorie, intensifying competition due to economic partnership agreements with other countries, and recent sharp rises in raw material prices.

Under these circumstances, both companies have held a series of discussions to improve the development of the sugar industry in Japan and the value of both companies, and have reached a definitive agreement on the implementation of the Business Integration under the spirit of fairness, justice, and equality.

By means of combining the management resources and know-how of both companies through the Business Integration, the Company and ITOCHU Sugar will promote and deepen efficient group management by optimizing the business systems and human resources, streamlining production bases, and consolidating and arranging distribution networks and raw material procurement networks. In addition, both companies will further develop the research and development of highly unique new materials that both companies have conducted to

date and actively engage in the development of new products to address future growth and focus areas with the aim of contributing to people's health. By strengthening their business portfolio and building a strong revenue base through these initiatives, both companies aim to achieve further growth and make a leap forward in the rapidly changing business environment as a corporate group that can contribute to the realization of rich lifestyles in terms of both "food" and "health".

2. Overview of Business Integration

The Company and ITOCHU Sugar will implement the Business Integration in the following manner in accordance with the "spirit of equality" to reorganize into a holding company structure.

First, through the Share Exchange in which the Company will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary, the Company will acquire all of the issued shares of ITOCHU Sugar held by ITOCHU Corporation and allot and deliver shares of the Company's common stock to ITOCHU Corporation. Subject to the entry into force of and at the same time as the Share Exchange, the Company will implement an absorption-type company split (the "Absorption-type Company Split") with Nissin Sugar Split Preparation Co., Ltd. (which was established on October 3, 2022 as the Company's wholly-owned subsidiary; hereinafter the "Successor Preparatory Company") thereby having the Successor Preparatory Company succeed to the rights and obligations pertaining to all businesses of the Company other than those pertaining to group management and administration and asset management, in order to reorganize itself into a holding company. In addition, subject to the entry into force of the Share Exchange and the Absorption-type Company Split, the Company will change its trade name to "WELLNEO SUGAR Co., Ltd.", and, subject to the entry into force of the Share Exchange and the Absorption-type Company Split, the Successor Preparatory Company will change its trade name to "Nissin Sugar Co., Ltd." (the Company after the change of the trade name will hereinafter be referred to as the "Holding Company").

The implementation of the Share Exchange is subject to certain conditions including obtaining the required permissions from the Japan Fair Trade Commission and other relevant authorities.

The Holding Company also plans to continue to be listed on the TSE Prime Market under the Company's current stock code (2117).

(Reference)

Explanation on the Change in Trade Name

(i) Reason for Change

The Company will change its trade name upon the business integration with ITOCHU Sugar.

The two companies aim to become a leading company in the sugar production industry that realizes well-being by combining the knowledge and resources possessed by both companies and accelerating the strengthening of management base and expansion into new business areas, thereby further enhancing corporate value.

The Company will continue to have a young mind, take on new challenges, consistently provide high value-added products and services centered on sugar, and create happiness and health.

Well-being (happiness and health) + Neo (keeping a young mind and starting anew every day) + Sugar (centered on sugar)

(ii) New Trade Name (with English)

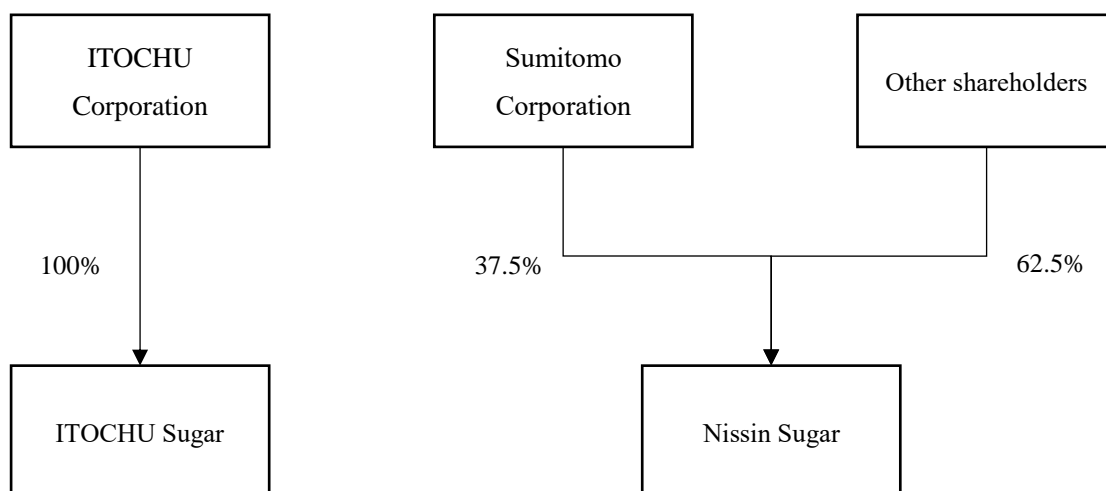
WELLNEO SUGAR Kabushiki Kaisha (WELLNEO SUGAR Co., Ltd.)

(iii) Scheduled date of change

January 1, 2023

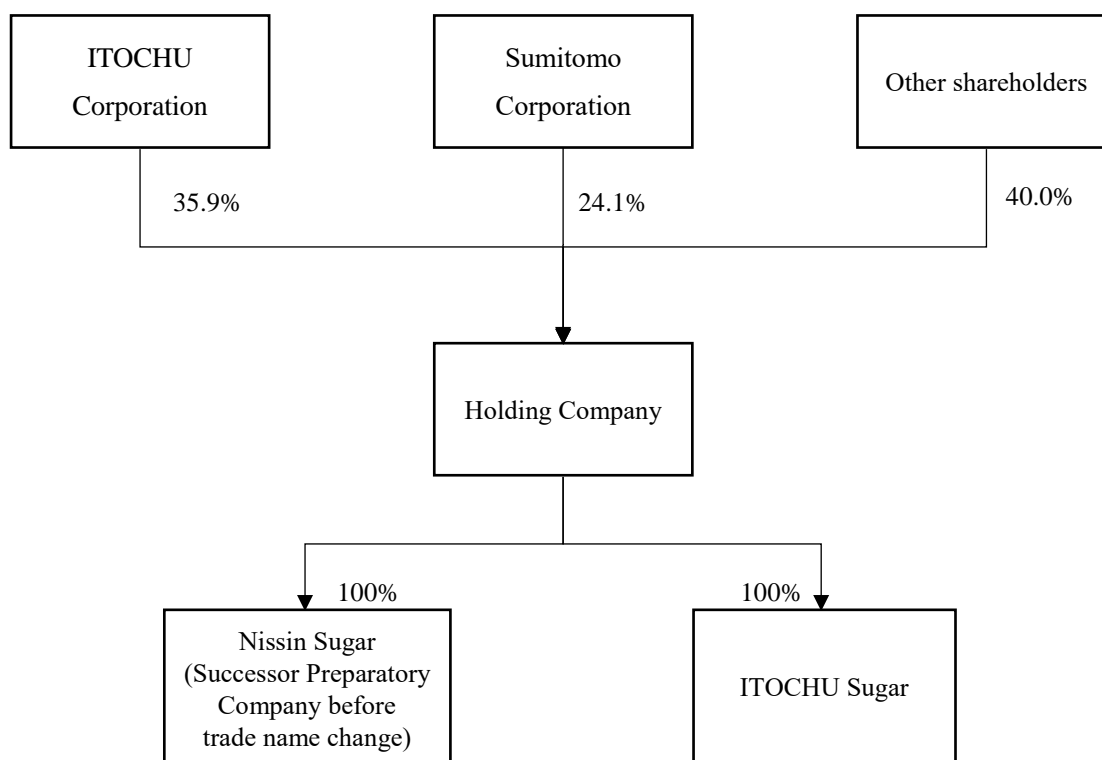
Structure of Business Integration (Diagram)

(i) Present (as of September 29, 2022)



(Note) As of September 29, 2022, ITOCHU Corporation holds all of the issued shares of ITOCHU Sugar, and Sumitomo Corporation holds 37.5% of the issued shares of the Company.

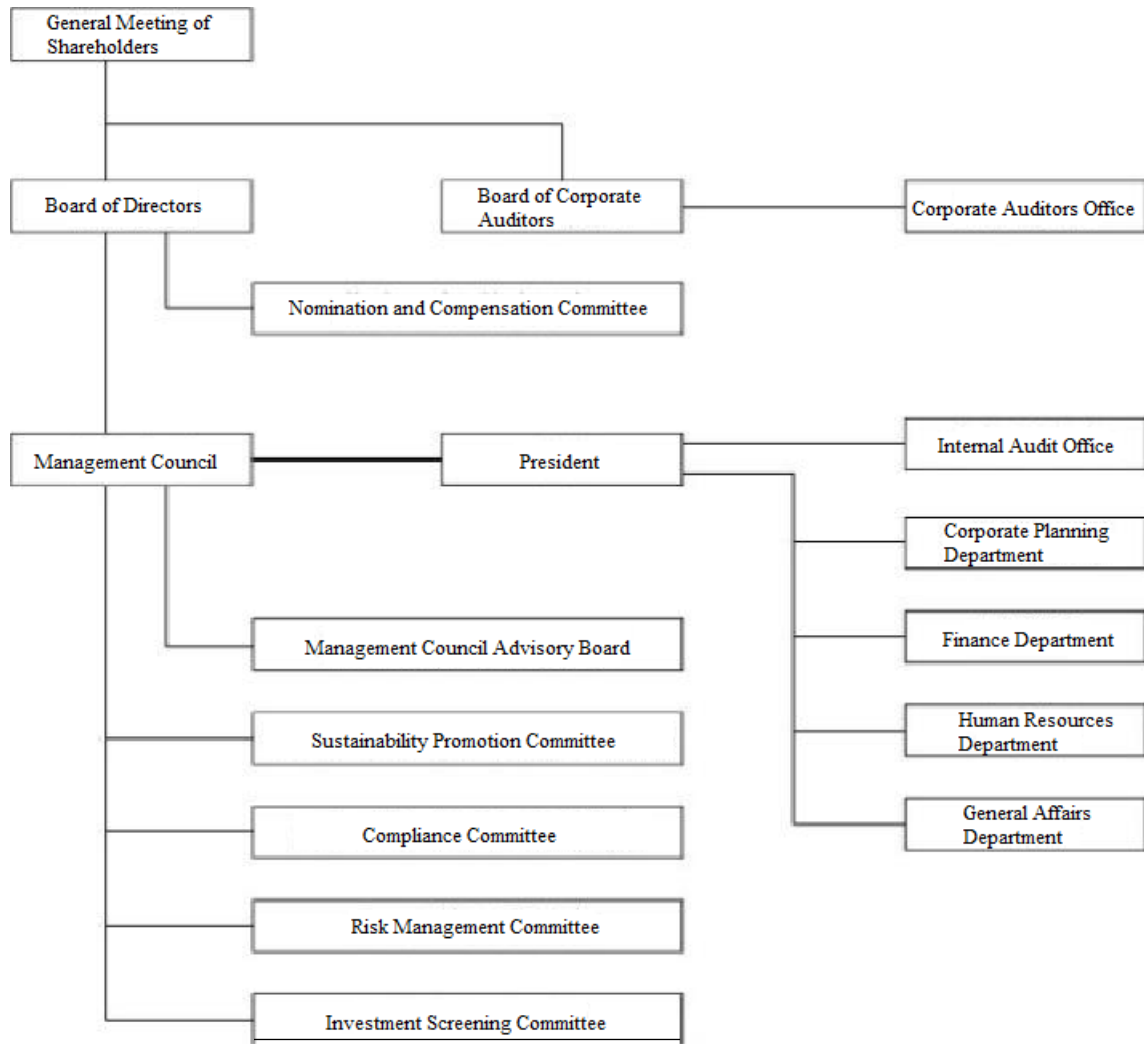
(ii) Holding Company Structure after Business Integration (as of Date of Business Integration)



(Note 1) The Holding Company will change its trade name to “WELLNEO SUGAR Co., Ltd.” subject to the entry into force of the Share Exchange and the Absorption-type Company Split.

(Note 2) After the Business Integration, ITOCHU Corporation will become one of the other related companies of the Holding Company (the Holding Company will be an equity-method affiliate of ITOCHU Corporation) as well as a major shareholder (largest shareholder) of the Holding Company.

3. Organizational Structure of Holding Company after Business Integration (as of January 1, 2023 (Scheduled))



Reference Documents for the General Meeting of Shareholders

Agenda Item No. 1: Approval of the Share Exchange Agreement

As announced in the “Notice Regarding Execution of Definitive Agreement Concerning Business Integration of Nissin Sugar Co., Ltd. and ITOCHU Sugar Co., Ltd. as well as Execution of Capital and Business Alliance Agreement of Sumitomo Corporation, ITOCHU Corporation and Nissin Sugar Co., Ltd.” and the “Notice Regarding Execution of Share Exchange Agreement with ITOCHU Sugar Co., Ltd., Transition to Holding Company Structure by Absorption-type Company Split, and Change in Other Related Companies, Major Shareholders and Largest Shareholder as a Major Shareholder” dated September 29, 2022, on September 29, 2022, the Company and ITOCHU Sugar executed a business integration agreement concerning the business integration between both companies and a share exchange agreement concerning a share exchange which will be implemented as part of a series of transactions for the Business Integration and in which the Company will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary.

This proposal seeks the approval of the shareholders for the Share Exchange Agreement.

The reasons for implementing the Share Exchange, the content of the Share Exchange Agreement and other matters concerning the proposal are as provided below.

1. Reasons for Implementing Share Exchange

The Share Exchange will be implemented as part of a series of transactions for the Business Integration. For details, please see the “Explanation on the Business Integration”.

2. Content of Share Exchange Agreement

The content of the Share Exchange Agreement are as provided below.

(A copy of the agreement follows.)

Share Exchange Agreement

Nissin Sugar Co., Ltd. (“Nissin Sugar”) and ITOCHU Sugar Co., Ltd. (“ITOCHU Sugar”) hereby enter into a share exchange agreement (this “Agreement”) as of September 29, 2022 (the “Execution Date”), as follows.

Article 1 (Share Exchange)

In accordance with the provisions of this Agreement, Nissin Sugar and ITOCHU Sugar will implement a share exchange (the “Share Exchange”) in which Nissin Sugar will become the wholly-owning parent company of ITOCHU Sugar and ITOCHU Sugar will become a wholly-owned subsidiary of Nissin Sugar, and Nissin Sugar will acquire all of the issued shares of ITOCHU Sugar through the Share Exchange.

Article 2 (Trade Names and Addresses of the Wholly-owning Parent Company and the Wholly-owned Subsidiary

in the Share Exchange)

The trade names and addresses of Nissin Sugar and ITOCHU Sugar are as follows.

1. Nissin Sugar Co., Ltd. (Wholly-owning parent company)
Trade name: Nissin Sugar Co., Ltd.
Address: 14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo
2. ITOCHU Sugar Co., Ltd. (Wholly-owned subsidiary)
Trade name: ITOCHU Sugar Co., Ltd.
Address: 3 Tamatsuura-machi, Hekinan, Aichi

Article 3 (Shares to be Delivered in the Share Exchange and Allotment Thereof)

1. In the Share Exchange, Nissin Sugar shall deliver to the shareholders of ITOCHU Sugar as of the time immediately prior to the acquisition by Nissin Sugar of all of the issued shares of ITOCHU Sugar through the Share Exchange (the “Shareholder(s) Subject to Allotment”) the number of shares of Nissin Sugar’s common stock obtained by multiplying the total number of shares of ITOCHU Sugar’s common stock held by each shareholder by 3.0949 (such ratio, the “Share Exchange Ratio”), in place of their shares of ITOCHU Sugar’s common stock.
2. In the Share Exchange, Nissin Sugar shall allot to the Shareholders Subject to Allotment the shares of Nissin Sugar’s common stock at a ratio of 3.0949 shares of Nissin Sugar’s common stock for each share of ITOCHU Sugar’s common stock held by each Shareholder Subject to Allotment.
3. If the number of shares of Nissin Sugar’s common stock to be allotted by Nissin Sugar to the Shareholders Subject to Allotment in accordance with the provisions of the preceding two paragraphs includes a fraction of less than one share, Nissin Sugar shall treat such fraction in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

Article 4 (Amount of Stated Capital and Reserves of Nissin Sugar)

The amount of increase in the stated capital and reserves of Nissin Sugar as a result of the Share Exchange shall be the amount separately determined by Nissin Sugar in an appropriate manner in accordance with the provisions of Article 39 of the Regulation on Corporate Accounting.

Article 5 (Effective Date)

The date on which the Share Exchange shall take effect (the “Effective Date”) shall be January 1, 2023; provided, however, that Nissin Sugar and ITOCHU Sugar may change such date upon consultation and agreement if it needs to be changed for procedural necessities of the Share Exchange or for other reasons.

Article 6 (Approval at General Meeting of Shareholders)

1. Nissin Sugar shall hold a general meeting of shareholders (“Nissin Sugar General Shareholders’ Meeting”) by the day immediately preceding the Effective Date to seek approval of this Agreement and the matters necessary for the Share Exchange by resolution at the general meeting of shareholders.
2. ITOCHU Sugar shall seek approval of this Agreement by resolution at the general meeting of shareholders (including where a resolution at the general meeting of shareholders is deemed to have been adopted

pursuant to Article 319, Paragraph 1 of the Companies Act; hereinafter the “ITOCHU Sugar General Shareholders’ Meeting”) by the day immediately preceding the Effective Date.

Article 7 (Business Operation, etc.)

1. During the period from the Execution Date to the Effective Date, Nissin Sugar and ITOCHU Sugar shall each conduct their businesses and manage and operate their properties with the due care of a prudent manager within the scope of their ordinary businesses, and shall cause their respective subsidiaries to conduct their businesses and manage and operate their properties with the due care of a prudent manager, except where the prior written consent of the other party has been obtained.
2. During the period from the Execution Date to the Effective Date, if Nissin Sugar or ITOCHU Sugar intends to take, or cause any of its subsidiaries to take, any action that may have a material impact on the implementation of the Share Exchange or on the Share Exchange Ratio, it shall take or cause to be taken such action upon prior consultation and agreement with the other party and in accordance with such agreement, except where the prior written consent of the other party has been obtained.

Article 8 (Amendment and Termination of this Agreement)

If, during the period from the Execution Date to the day immediately preceding the Effective Date, any event that seriously hinders the implementation of the Share Exchange occurs or becomes known, or if it otherwise becomes difficult to achieve the purpose of this Agreement, Nissin Sugar and ITOCHU Sugar may change the terms and conditions of the Share Exchange or other content of this Agreement, or terminate this Agreement, upon consultation and agreement.

Article 9 (Effect of this Agreement)

This Agreement shall cease to be effective in the event that: (i) this Agreement and the matters necessary for the Share Exchange fail to be approved at the Nissin Sugar General Shareholders’ Meeting, (ii) this Agreement fails to be approved at the ITOCHU Sugar General Shareholders’ Meeting, (iii) the permissions, etc. required under laws and regulations, etc. for implementing the Share Exchange fail to be obtained from relevant authorities, etc. (including the case where the waiting period relating to the notification made by Nissin Sugar or ITOCHU Corporation pursuant to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) in connection with the Share Exchange has not expired by the day immediately preceding the Effective Date and the case where measures or procedures to prevent the Share Exchange such as a cease and desist order are taken by the Japan Fair Trade Commission), or (iv) this Agreement is terminated pursuant to the preceding Article, in each case, by the day immediately preceding the Effective Date.

Article 10 (Court of Jurisdiction)

Any dispute arising in connection with the performance and interpretation of this Agreement shall be submitted to the exclusive jurisdiction of the Tokyo District Court in the first instance.

Article 11 (Consultation)

Any matter not provided for in this Agreement or any doubt regarding the content of this Agreement shall be

resolved through consultation in good faith between Nissin Sugar and ITOCHU Sugar.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate by placing their signatures or names and seals thereon, and each party shall keep one copy thereof.

September 29, 2022

Nissin Sugar: 14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo
Nissin Sugar Co., Ltd.
Yoichi Higuchi, Chairman and CEO

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

3. Outline of Matters Stipulated in Article 193 of Regulation for Enforcement of Companies Act

(1) Matters Concerning Appropriateness of Consideration

(i) Details of Allotment in Share Exchange

	Company (Wholly-owning parent company in the Share Exchange)	ITOCHU Sugar (Wholly-owned subsidiary in the Share Exchange)
Share allotment ratio in the Share Exchange	1	3.0949
Number of shares to be delivered through the Share Exchange	Common stock: 12,379,600 shares (scheduled)	

(Note 1) Share allotment ratio in the Share Exchange (the “Share Exchange Ratio”)

3.0949 shares of the Company’s common stock will be allotted and delivered for one share of ITOCHU Sugar’s common stock.

(Note 2) Number of shares to be delivered by the Company through the Share Exchange

Through the Share Exchange, the Company is scheduled to allot and deliver a total of 12,379,600 shares of its common stock to ITOCHU Corporation, the shareholder of ITOCHU Sugar at the time immediately prior to the time when the Company acquires all of the issued shares of ITOCHU Sugar through the Share Exchange.

(ii) Basis, etc. for Details of Allotment in Share Exchange

(a) Basis of and Reasons for Details of Allotment

As described in “(iv) Measures to Ensure Fairness” below, in order to ensure the fairness of the Share Exchange, including the fairness of the Share Exchange Ratio, the Company appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as its third-party valuation institution and commenced full-scale consideration

of the Business Integration, including the Share Exchange.

As described in “(iv) Measures to Ensure Fairness” below, based on the valuation report on the share exchange ratio submitted by SMBC Nikko Securities, the advice of Anderson Mori & Tomotsune, the Company’s legal advisor (“Anderson Mori & Tomotsune”), and the results of the due diligence conducted on ITOCHU Sugar, the Company conducted careful discussions and deliberations with ITOCHU Sugar with regard to the Share Exchange Ratio, comprehensively taking into account such factors as the Company’s stock price and the financial conditions and future prospects of the Company and ITOCHU Sugar. As a result, the Company and ITOCHU Sugar reached the conclusion that the Share Exchange Ratio was appropriate, and resolved at their respective board of directors’ meetings held on September 29, 2022 to execute the Share Exchange Agreement, the terms and conditions of which include the Share Exchange Ratio.

(b) Matters concerning Valuation

a. Name of valuation institution and relationship with both parties

SMBC Nikko Securities, the Company’s third-party valuation institution, is independent from, and is not a related party of, either the Company or ITOCHU Sugar, and has no material interest to be noted in connection with the Share Exchange.

b. Overview of valuation

For the valuation of the Company’s stock, SMBC Nikko Securities adopted the methods of (a) the historical share trading analysis because the Company’s stock is listed on the Prime Market of the Tokyo Stock Exchange and a market price is available for the Company’s stock, (b) the comparable trading multiple analysis because there are listed companies that are comparable to the Company and an analogical inference of the equity value of the Company is possible through comparison to such comparable companies, and (c) the discounted cash flow analysis (the “DCF Analysis”) in order to factor future performance of the business into the valuation.

While ITOCHU Sugar is unlisted, for the valuation of ITOCHU Sugar’s stock, SMBC Nikko Securities adopted the methods of (a) the comparable trading multiple analysis because there are listed companies that are comparable to ITOCHU Sugar and an analogical inference of the equity value of ITOCHU Sugar is possible through comparison to such comparable companies and (b) the DCF Analysis in order to factor future performance of the business into the valuation.

The historical share trading analysis was conducted, using the average closing prices on the Tokyo Stock Exchange over one-month, three-month and six-month periods immediately prior to the financial analysis base date which is on September 27, 2022.

The results of valuation by each of the above methods, assuming that the value of the Company’s stock per share is 1, are as follows.

Company	ITOCHU Sugar	Resulting Share Exchange Ratio
Historical share trading analysis	Comparable trading multiple analysis	2.77 to 3.56
Comparable trading multiple analysis	Comparable trading multiple analysis	2.47 to 3.70
DCF Analysis	DCF Analysis	2.34 to 4.91

For the calculation of the Share Exchange Ratio, SMBC Nikko Securities has used information provided by the Company and ITOCHU Sugar and information that are publicly available, and has not independently verified the accuracy or completeness of such materials and information, assuming that all such materials and information are accurate and complete. In addition, SMBC Nikko Securities has not conducted any independent evaluation, appraisal or assessment of the assets or liabilities (including contingent liabilities), including analysis and valuation of individual assets and liabilities, of the Company, ITOCHU Sugar and their respective affiliates, nor has it engaged any third-party institution to conduct such appraisal or assessment. The calculation of the Share Exchange Ratio by SMBC Nikko Securities reflects information and economic conditions available up to the financial analysis base date, and it is assumed that the financial forecasts (including profit plans and other information) of each of the Company and ITOCHU Sugar have been reasonably considered or prepared based on the best and good faith forecasts and judgments of the managements of the Company and ITOCHU Sugar available at present.

(iii) Prospect of and Reasons for Delisting

Not applicable

(iv) Measures to Ensure Fairness

The Company has taken the following measures to ensure the fairness of the Share Exchange, including the fairness of the Share Exchange Ratio.

(a) Acquisition of Valuation Report from Third-party Independent Valuation Institution

To ensure the fairness of the Share Exchange, the Company has appointed SMBC Nikko Securities as a third-party valuation institution independent from the Company and ITOCHU Sugar and received a share exchange ratio valuation report to serve as the basis for an agreement on the Share Exchange Ratio to be used in the Share Exchange. The Company has not obtained a fairness opinion from a third-party valuation institution to the effect that the Share Exchange Ratio is appropriate from a financial standpoint.

(b) Advice from Independent Law Firm

The Company has appointed Anderson Mori & Tomotsune as its legal advisor for the Business Integration, including the Share Exchange, and has obtained advice from a legal standpoint on the various procedures for the Business Integration, including the Share Exchange, and the method and process of decision-making of the board of directors.

Anderson Mori & Tomotsune is independent from the Company and ITOCHU Sugar has no material interest in these companies.

(v) Measures to Avoid Conflicts of Interest

As no particular conflict of interest arises between the Company and ITOCHU Sugar in connection with the Share Exchange, no special measures have been taken.

(2) Matters Concerning Adequacy of Amounts of Increase in Stated Capital and Reserves of Company upon Share Exchange

The amounts of stated capital and capital reserves of the Company to be increased upon the Share Exchange will be determined by the Company in accordance with the provisions of Article 39 of the Regulation on Corporate Accounting. The Company believes that this treatment is reasonable as the Company will determine such amounts within the scope of laws and regulations after comprehensively considering and examining its capital policy and other circumstances after the Share Exchange.

(3) Treatment of Subscription Rights to Shares and Bonds with Subscription Rights to Shares under Share Exchange

ITOCHU Sugar has not issued any subscription rights to shares or bonds with subscription rights to shares.

(4) Financial Statements etc. for the Latest Fiscal Year of ITOCHU Sugar

Pursuant to the laws and regulations and the Articles of Incorporation of the Company, the content of the financial statements etc. for the latest fiscal year (from April 1, 2021 to March 31, 2022) of ITOCHU Sugar has been publicized on the website of the Company on the Internet (<https://www.nissin-sugar.co.jp/>).

(5) Disposal of Material Assets, Assumption of Material Obligations, or Other Events Having a Material Effect on Conditions of Corporate Assets, that have Occurred to ITOCHU Sugar after End of Latest Fiscal Year

(i) Execution of Business Integration Agreement

On September 29, 2022, ITOCHU Sugar executed a business integration agreement with Nissin Sugar concerning the transition to a holding company structure through (i) acquisition by Nissin Sugar of all of the issued shares of ITOCHU Sugar held by ITOCHU Corporation and allotment and delivery of shares of Nissin Sugar's common stock to ITOCHU Corporation through the Share Exchange in which Nissin Sugar will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary, (ii) the succession from Nissin Sugar to the Split Preparation Company of the rights and obligations, etc. pertaining to all businesses of Nissin Sugar other than those pertaining to group management and administration and asset management through the Absorption-type Company Split with the Successor Preparation Company, which will be subject to the entry into force of and implemented at the same time as the Share Exchange, and (iii) the change in the trade name of Nissin Sugar subject to the entry in force of the Share Exchange and the change in the trade name of the Successor Preparatory Company to "Nissin Sugar Co., Ltd." subject to the entry into force of the Share Exchange and the Absorption-type Company Split.

(ii) Execution of Share Exchange Agreement

ITOCHU Sugar executed a share exchange agreement concerning the Share Exchange with Nissin Sugar on September 29, 2022.

(iii) Receipt of Payment of Dividend

Pursuant to the resolution of the extraordinary general meeting of shareholder of DAIICHI TOGYO CO., LTD. held on October 26, 2022, ITOCHU Sugar is scheduled to receive from DAIICHI TOGYO CO., LTD. a

dividend of JPY 5.4 billion for the 900,000 shares of common stock of DAIICHI TOGYO CO., LTD. held by ITOCHU Sugar in December 2022.

(iv) Payment of Special Dividend

ITOCHU Sugar is scheduled to pay ITOCHU Corporation a dividend of surplus of JPY 1,100 per share as special dividend (the “Special Dividend”) with a day in December 2022 as the effective date.

(v) Payment of Mid-term Dividend

As the mid-term dividend for the fiscal year ending March 2023, ITOCHU Sugar is scheduled to pay ITOCHU Corporation a dividend of surplus in the amount of the cumulative consolidated net income of ITOCHU Sugar for the period from April 2022 to December 2022 with December 31, 2022 as the record date.

(vi) Distribution of Dividend in Kind

ITOCHU Sugar is scheduled to distribute as dividend in kind the shares in FUJI OIL HOLDINGS INC. held by ITOCHU Sugar (book value: JPY 603 million) to ITOCHU Corporation with a day in December 2022 as the effective date

(vii) Borrowings from ITOCHU Corporation

As the funds for the Special Dividend, ITOCHU Sugar is scheduled to borrow JPY 4.4 billion from ITOCHU Corporation with a day in December 2022 as the closing date.

(viii) Loan to DAIICHI TOGYO CO., LTD.

As the funds for the dividend under (iii) above, ITOCHU Sugar is scheduled to make a loan of JPY 4.4 billion to DAIICHI TOGYO CO., LTD. with a day in December 2022 as the closing date.

(6) Disposal of Material Assets, Assumption of Material Obligations, or Other Events Having a Material Effect on Conditions of Corporate Assets, that have Occurred after End of Latest Fiscal Year of the Company (from April 1, 2021 to March 31, 2022)

(i) Execution of Business Integration Agreement

On September 29, 2022, the Company executed a business integration agreement with ITOCHU Sugar concerning the transition to a holding company structure through (i) acquisition by the Company of all of the issued shares of ITOCHU Sugar held by ITOCHU Corporation and allotment and delivery of shares of the Company’s common stock to ITOCHU Corporation through the Share Exchange in which the Company will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary, (ii) the succession from the Company to the Split Preparation Company of the rights and obligations, etc. pertaining to all businesses of the Company other than those pertaining to group management and administration and asset management through the Absorption-type Company Split with the Successor Preparation Company, which will be subject to the entry into force of and implemented at the same time as the Share Exchange, and (iii) the change in the trade name of the Company subject to the entry in force of the Share Exchange and the change in the trade name of the Successor Preparatory Company to “Nissin Sugar Co., Ltd.” subject to the entry into force of the

Share Exchange and the Absorption-type Company Split.

(ii) Execution of Capital and Business Alliance Agreement

The Company has decided to enter into a capital and business alliance (the “Capital and Business Alliance”) with Sumitomo Corporation and ITOCHU Corporation to achieve the purpose of the Business Integration and to support the sustainable growth and enhancement of value of the Holding Company, subject to the entry into force of the Business Integration, and has executed a capital and business alliance agreement with both companies on September 29, 2022.

(iii) Execution of Absorption-type Company Split Agreement

The Company has executed an absorption-type company split agreement concerning the Absorption-type Company Split with the Successor Preparatory Company on November 8, 2022.

The Company is scheduled to implement an absorption-type company split pursuant to the Absorption-type Company Split Agreement after obtaining approval of Agenda Item No. 2 “Approval of the Absorption-type Company Split Agreement” at the Extraordinary Shareholders’ Meeting. For details, please refer to Agenda Item No. 2 “Approval of the Absorption-type Company Split”.

(iv) Payment of Interim Dividend

As the interim dividend for the fiscal year ending March 2023, the Company has decided at the board of directors’ meeting held on November 8, 2022 to pay a dividend of surplus of JPY 33 per share with September 30, 2022 as the record date.

As announced in the “Notice Regarding Execution of Absorption-type Company Split Agreement and Change in Specified Subsidiary in connection with Transition to Holding Company Structure upon Business Integration with ITOCHU Sugar Co., Ltd.” dated November 8, 2022, pursuant to the resolution of the board of directors’ meeting on November 8, 2022, the Company executed an absorption-type company split agreement (the “Absorption-type Company Split Agreement”) with the Successor Preparatory Company concerning the Absorption-type Company Split wherein the Company will be the company splitting in the Absorption-type Company Split and the Successor Preparatory Company will be the company succeeding in the Absorption-type Company Split and all of the businesses of the Company other than those pertaining to group management and administration and asset management will be succeeded to by the Successor Preparatory Company, effective as of January 1, 2023, subject to entry into force of the Share Exchange.

This proposal seeks the approval of the shareholders for the Absorption-type Company Split Agreement.

The reasons for implementing the Absorption-type Company Split, the content of the Absorption-type Company Split Agreement and other matters concerning the proposal are as provided below.

1. Reasons for Implementing Absorption-type Company Split

The Absorption-type Company Split will be implemented as part of a series of transactions for the Business Integration. For details, please see the “Explanation on the Business Integration”.

2. Content of Share Exchange Agreement

The content of the Absorption-type Company Split Agreement are as provided below.

(A copy of the agreement follows.)

Absorption-type Company Split Agreement

Nissin Sugar Co., Ltd. (the “Splitting Company”) and Nissin Sugar Split Preparation Co., Ltd. (the “Successor Company”) hereby enter into an absorption-type company split agreement (this “Agreement”) as of November 8, 2022 (the “Execution Date”), as follows.

Article 1 (Absorption-type Company Split)

In accordance with the provisions of this Agreement, the Splitting Company will cause the Successor Company to succeed to the rights and obligations (the “Rights and Obligations Subject to Succession”) specified in Appendix “Statement of Rights and Obligations Subject to Succession” concerning all businesses of the Splitting Company other than those pertaining to group administration and management and asset management (the “Succeeded Businesses”) by way of an absorption-type company split (the “Absorption-type Company Split”) wherein the Successor Company will be the company succeeding in the Absorption-type Company Split and the Splitting Company will be the company splitting in the Absorption-type Company Split, and the Successor Company will succeed to such Rights and Obligations Subject to Succession.

Article 2 (Trade Names and Addresses of the Parties)

The trade names and addresses of the Successor Company and the Splitting Company are as follows.

1. Successor Company

Trade name: Nissin Sugar Split Preparation Co., Ltd. (the trade name will be changed to “Nissin Sugar Co., Ltd.” as of the Effective Date (as defined in Article 6; hereinafter the same)

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

2. Splitting Company

Trade name: Nissin Sugar Co., Ltd. (the trade name will be changed to “WELLNEO SUGAR Co., Ltd.” as of the Effective Date)

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

Article 3 (Matters Pertaining to the Rights and Obligations to be Succeeded)

1. Through the Absorption-type Company Split, the Successor Company shall succeed to the Rights and Obligations Subject to Succession from the Splitting Company on the Effective Date.
2. All successions of debts and other obligations pursuant to the provisions of the preceding paragraph shall be made by way of debt assumption by which the Splitting Company is discharged of such debts and obligations. If, with regard to the debts and other obligations subject to succession, the Splitting Company performs or otherwise bears such succeeded debts and other obligations pursuant to Article 759, Paragraph 2 of the Companies Act, the Splitting Company may claim compensation from the Successor Company for the entire amount of debts or other obligations performed or otherwise borne by the Splitting Company.

Article 4 (Matters Concerning the Shares and Other Money, etc. to be Delivered upon the Absorption-type Company Split)

In the Absorption-type Company Split, the Successor Company will not deliver any consideration for the Rights and Obligations Subject to Succession to be succeeded to by the Successor Company pursuant to Paragraph 1 of the preceding Article.

Article 5 (Amount of Stated Capital, etc. of the Successor Company)

The amount of stated capital, capital reserve and retained earnings reserve of the Successor Company will not increase as a result of the Absorption-type Company Split.

Article 6 (Effective Date, etc.)

1. The date on which the Absorption-type Company Split shall take effect (the “Effective Date”) shall be January 1, 2023; provided, however, that the Splitting Company and the Successor Company may change such date upon consultation and agreement if it needs to be changed for procedural necessities of the Absorption-type Company Split or for other reasons.
2. The Absorption-type Company Split shall take effect subject to the condition precedent that the Share Exchange under the Share Exchange Agreement dated September 29, 2022 between ITOCHU Sugar Co.,

Ltd. and the Splitting Company has taken effect.

Article 7 (General Meeting of Shareholders)

1. The Splitting Company shall hold a general meeting of shareholders by the day immediately preceding the Effective Date to seek approval of this Agreement.
2. Pursuant to Article 796, Paragraph 1 of the Companies Act, the Successor Company shall implement the Absorption-type Company Split without obtaining the approval at the general meeting of shareholders under Article 795, Paragraph 1 of the said Act with regard to this Agreement.

Article 8 (Change of Terms and Conditions and Cancellation of the Absorption-type Company Split)

If, during the period from the Execution Date to the Effective Date, any event that seriously hinders the implementation of the Absorption-type Company Split occurs or becomes known, or if it otherwise becomes difficult to achieve the purpose of this Agreement, the Splitting Company and the Successor Company may change the terms and conditions of the Absorption-type Company Split or other content of this Agreement, or terminate this Agreement, upon consultation and agreement.

Article 9 (Exemption from Non-compete Obligations)

The Splitting Company shall not assume any non-compete obligations in connection with the Absorption-type Company Split.

Article 10 (Effect of this Agreement)

This Agreement shall cease to be effective in the event that: (i) this Agreement fails to be approved at the general meeting of shareholders of the Splitting Company, (ii) the permissions, etc. required under laws and regulations, etc. for implementing the Absorption-type Company Split fail to be obtained from relevant authorities, etc. or (iii) the Absorption-type Company Split is cancelled pursuant to Article 8.

Article 11 (Consultation)

Any matter not provided for in this Agreement or any doubt regarding the content of this Agreement shall be resolved through consultation in good faith between the Splitting Company and the Successor Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate by placing their signatures or names and seals thereon, and each party shall keep one copy thereof.

November 8, 2022

Splitting Company: 14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo
Nissin Sugar Co., Ltd.
Yoichi Higuchi, Chairman and CEO

Successor Company: 14-1 Nihonbashi-Koamicho, Chuo-ku, Tokyo
Nissin Sugar Split Preparation Co., Ltd.
Akira Okubo, Representative Director

Statement of Rights and Obligations Subject to Succession

Assets, debts, contracts, and other rights and obligations that the Successor Company shall succeed from the Splitting Company through the Absorption-type Company Split on the Effective Date shall be as follows.

1. Assets

Any and all assets that the Splitting Company owns in relation to the Succeeded Businesses immediately prior to the entry into force of the Absorption-type Company Split, excluding those specified in each of the following items.

- (1) Shares in ITOCHU Sugar Co., Ltd. and Shares in the Successor Company that the Splitting Company holds immediately prior to the entry into force of the Absorption-type Company Split
- (2) Any and all real estate properties that the Splitting Company owns in relation to the Succeeded Businesses immediately prior to the entry into force of the Absorption-type Company Split (the "Real Estate Properties")
- (3) Loans to affiliates
- (4) Yomiuri Golf Club membership

2. Intellectual Property Rights

Any and all intellectual property rights (irrespective of registration and including pending applications, and including rights pursuant to laws and regulations of other countries) that the Splitting Company owns in relation to the Succeeded Businesses immediately prior to the entry into force of the Absorption-type Company Split, excluding trademark rights.

3. Liabilities and Debts

Any and all liabilities and debts that the Splitting Company bears in relation to the Succeeded Businesses immediately prior to the entry into force of the Absorption-type Company Split, excluding those specified in each of the following items.

- (1) Borrowings
- (2) Accrued interest
- (3) Unpaid dividends
- (4) Asset retirement obligations pertaining to the Real Estate Properties
- (5) Taxes and public dues (excluding those for which the permission, approval, or consent, etc. of the relevant authorities, etc. have been obtained for the succession to the Successor Company)

4. Contracts (Other than Labor-related Contracts)

Contractual status pertaining to any and all contracts that the Splitting Company has entered into in relation to the Succeeded Businesses by the time immediately prior to the entry into force of the Absorption-type Company Split as well as any and all rights and obligations resulting therefrom, excluding the contractual status pertaining to the

contracts specified below and any and all rights and obligations resulting therefrom.

- (1) The audit contract entered into with the accounting auditor and any ancillary or related contracts thereto
- (2) The shareholder register management contract entered into with the shareholder register administrator and any ancillary or related contracts thereto
- (3) Contracts entered into with financial institutions regarding bank accounts for the Splitting Company's share management and any ancillary or related contracts thereto
- (4) The listing contract entered into in relation to listing of securities issued by the Splitting Company on the Tokyo Stock Exchange, Inc. and any ancillary or related contracts thereto
- (5) The contracts pertaining to the corporate officer liability insurance covering the Splitting Company's officers, other insurance, and any ancillary or related contracts thereto
- (6) The contracts specified below, and any and all contracts entered into in relation to the transactions contemplated thereunder and any ancillary or related contracts thereto
 - (i) The Business Integration Agreement dated September 29, 2022 between the Splitting Company and ITOCHU Sugar Co., Ltd. and any ancillary and related contracts thereto
 - (ii) The Share Exchange Agreement dated September 29, 2022 between the Splitting Company and ITOCHU Sugar Co., Ltd.
 - (iii) The Capital and Business Alliance Agreement dated September 29, 2022 between the Splitting Company, ITOCHU Corporation and Sumitomo Corporation
- (7) Any ancillary or related contracts for assets, intellectual property rights or liabilities and debts that the Successor Company will not succeed from the Splitting Company through the Absorption-type Company Split

5. Labor-related Contracts

- (1) Employment contracts, etc.

Contractual status pertaining to any and all employment contracts and other contracts that the Splitting Company has entered into with its employees (including secondees) by the time immediately prior to the entry into force of the Absorption-type Company Split as well as any and all rights and obligations resulting therefrom.

- (2) Collective agreements, etc.

Any and all collective agreements that the Splitting Company has entered into with Nissin Sugar's labor union by the time immediately prior to the entry into force of the Absorption-type Company Split, excluding the part concerning the standards set forth in Article 16 of the Labor Union Act.

6. Permissions, etc.

Any and all permissions, approvals, licenses, registrations, notifications, etc. that the Splitting Company has obtained in relation to the Succeeded Businesses and that are permitted to be succeeded under laws and regulations.

End

3. Outline of Matters Stipulated in Article 183 of Regulation for Enforcement of Companies Act

(1) Matters Concerning Fairness of Consideration

Since the Absorption-type Company Split will take place between the wholly-owning parent company and the wholly-owned subsidiary, no shares will be allotted nor any other consideration will be delivered upon the Absorption-type Company Split.

(2) Treatment of Subscription Rights to Shares and Bonds with Subscription Rights to Shares under Absorption-type Company Split

The Company has not issued any subscription rights to shares or bonds with subscription rights to shares.

(3) Balance Sheet as of Date of Incorporation of Successor Preparatory Company

The first fiscal year for the Successor Preparatory Company is from October 3, 2022, the date of its incorporation, to March 31, 2023, and has not ended as of the time of creation of this document, and therefore, financial statements, etc. for the first fiscal year has not been created.

The balance sheet as of the date of incorporation of the Successor Preparatory Company is as set forth below.

Balance Sheet (As of October 3, 2022)

(Unit: JPY 1 million)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets	100	Current liabilities	-
Cash and deposits	100	Fixed liabilities	-
Fixed assets	-	Total liabilities	-
		Net assets	
		Shareholders' equity	100
		Paid-in capital	100
		Valuation and translation adjustments	-
		Total net assets	100
Total assets	100	Total liabilities and net assets	100

(4) Disposal of Material Assets, Assumption of Material Obligations, or Other Events Having a Material Effect on Conditions of Corporate Assets, that have Occurred after Date of Incorporation of Successor Preparatory Company

Not applicable

(5) Disposal of Material Assets, Assumption of Material Obligations, or Other Events Having a Material Effect on Conditions of Corporate Assets, that have Occurred after End of Latest Fiscal Year of the Company (April 1, 2021 to March 31, 2022)

(i) Execution of Business Integration Agreement

On September 29, 2022, the Company executed a business integration agreement with ITOCHU Sugar concerning the transition to a holding company structure through (i) acquisition by the Company of all of the issued shares of ITOCHU Sugar held by ITOCHU Corporation and allotment and delivery of shares of the Company's common stock to ITOCHU Corporation through the Share Exchange in which the Company will become the wholly-owning parent company and ITOCHU Sugar will become a wholly-owned subsidiary, (ii)

the succession from the Company to the Split Preparation Company of the rights and obligations, etc. pertaining to all businesses of the Company other than those pertaining to group management and administration and asset management through the Absorption-type Company Split with the Successor Preparation Company, which will be subject to the entry into force of and implemented at the same time as the Share Exchange, and (iii) the change in the trade name of the Company subject to the entry in force of the Share Exchange and the change in the trade name of the Successor Preparatory Company to “Nissin Sugar Co., Ltd.” subject to the entry into force of the Share Exchange and the Absorption-type Company Split.

(ii) Execution of Share Exchange Agreement

The Company has executed a share exchange agreement concerning the Share Exchange with ITOCHU Sugar on September 29, 2022.

The Company is scheduled to implement a share exchange with ITOCHU Sugar pursuant to the Share Exchange Agreement after obtaining approval of Agenda Item No. 1 “Approval of the Share Exchange Agreement” at the Extraordinary Shareholders’ Meeting. For details, please see Agenda Item No. 1 “Approval of the Share Exchange Agreement”.

(iii) Execution of Capital and Business Alliance Agreement

The Company has decided to enter into the “Capital and Business Alliance with Sumitomo Corporation and ITOCHU Corporation to achieve the purpose of the Business Integration and to support the sustainable growth and enhancement of value of the Holding Company, subject to the entry into force of the Business Integration, and has executed a capital and business alliance agreement with both companies on September 29, 2022.

(iv) Payment of Interim Dividend

As the interim dividend for the fiscal year ending March 2023, the Company has decided at the board of directors’ meeting held on November 8, 2022 to pay a dividend of surplus of JPY 33 per share with September 30, 2022 as the record date.

Agenda Item No. 3: Partial Amendment to the Articles of Incorporation

1. Reason for Proposal

As described in the “Explanation on the Business Integration”, the Company intends to implement the Business Integration with ITOCHU Sugar. Accordingly, this proposal requests the approval to change the trade name (Article 1 of the current Articles of Incorporation) and to change the business purposes due to the transition to a holding company structure (Article 2 of the current Articles of Incorporation) upon the Business Integration, as well as to change other wording of the Articles of Incorporation (the “Amendment to the Articles of Incorporation”).

The Amendment to the Articles of Incorporation will take effect on the Effective Date of the Share Exchange and the Absorption-type Company Split (scheduled to be January 1, 2023) on condition that Agenda Item No. 1 “Approval of the Share Exchange Agreement” and Agenda Item No. 2 “Approval of the Absorption-type Company Split Agreement” are approved and adopted as originally proposed and that the Share Exchange and

the Absorption-type Company Split take effect.

2. Details of Amendment

The details of the amendment are as provided below

(Underlines denote matters amended.)

Current Articles of Incorporation	Proposed Amendment
Chapter 1 General Provisions	Chapter 1 General Provisions
(Trade Name) Article 1 The trade name of the Company is <u>Nissin Sugar Kabushiki Kaisha</u> and shall be expressed <u>Nissin Sugar Co., Ltd.</u> in English.	(Trade Name) Article 1 The trade name of the Company is <u>WELLNEO SUGAR Kabushiki Kaisha</u> and shall be expressed <u>WELLNEO SUGAR Co., Ltd.</u> in English.
(Business Purposes) Article 2 The business purposes of the Company shall be as follows: <p style="text-align: center;">(Newly established)</p> (1) Manufacturing, processing, sale and purchase of the following products, raw materials thereof and by-products: (i) sugar and other sweeteners, functional carbohydrates, healthy foods and other foodstuffs (ii) (omitted) (iii) pharmaceutical products <u>and</u> quasi-pharmaceutical products (iv) (omitted) (2) to (3) (omitted) (4) Provision of services <u>of</u> measuring health, giving health guidance and other fitness-related business for the purpose to maintain and improve health and other related business such as sale of commercial products (5) to (10) (omitted) <p style="text-align: center;">(Newly established)</p>	(Business Purposes) Article 2 The business purposes of the Company shall be as follows: <u>1. Control and management of the business activities conducted by companies and foreign companies that engage in the following business activities, by holding shares or equity in such companies:</u> (1) Manufacturing, processing, sale and purchase of the following products, raw materials thereof and by-products: (i) sugar and other sweeteners, functional carbohydrates, healthy foods, <u>supplements</u> and other foodstuffs (ii) (as stipulated) (iii) pharmaceutical products, <u>raw materials of pharmaceutical products and</u> quasi-pharmaceutical products (iv) (as stipulated) (2) to (3) (as stipulated) (4) Provision of services <u>related to</u> measuring health, giving health guidance and other fitness-related business for the purpose to maintain and improve health and other related business such as sale of commercial products (5) to (10) (as stipulated) <u>2. All businesses incidental to or relating to the above clause.</u>
Chapter 5 Corporate Auditor and Audit and Supervisory Committee	Chapter 5 Corporate Auditor and Audit and Supervisory Committee
(Number and Method of <u>Election</u> of Members) Article 27 (omitted)	(Number and Method of <u>Appointment</u> of Members) Article 27 (as stipulated)

Agenda Item No. 4: Appointment of 5 Directors

This proposal seeks the appointment of five (5) new directors in order to strengthen and enhance the management system in connection with the Business Integration with ITOCHU Sugar.

The appointment of each candidate will take effect on the Effective Date of the Share Exchange and the Absorption-type Company Split (scheduled to be January 1, 2023) on condition that Agenda Item No. 1 “Approval of the Share Exchange Agreement” and Agenda Item No.2 “Approval of the Absorption-type Company Split Agreement” are approved and adopted as originally proposed and that the Share Exchange and the Absorption-type Company Split take effect, and the term of office of each candidate will be until the expiration of the term of office of the other incumbent directors pursuant to the provisions of the Articles of Incorporation of the Company (at the conclusion of the annual general meeting of shareholders scheduled to be held in June 2023).

Of the six (6) incumbent directors (including three (3) outside directors), Mr. Kei Saegusa and Mr. Motohiro Ikehara are scheduled to resign on the day immediately preceding the Effective Date of the Share Exchange and the Absorption-type Company Split (scheduled to be January 1, 2023) on condition that Agenda Item No. 1 “Approval of the Share Exchange Agreement” and Agenda Item No. 2 “Approval of the Absorption-type Company Split Agreement” are approved and adopted as originally proposed and that the Share Exchange and the Absorption-type Company Split take effect. Accordingly, the number of directors after the appointment of each candidate under this proposal is expected to be nine (9) (including five (5) outside directors).

The candidates for directors are as follows.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company’s shares held
1	Koji Yamamoto (September 8, 1966)	<p>April 1991 Joined ITOCHU Corporation</p> <p>November 2014 Manager of Provisions Division Planning & Administration Sect, Provisions Division Food Company of ITOCHU Corporation</p> <p>April 2019 General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation</p> <p>Director of ITOCHU Sugar Co., Ltd. (part-time)</p> <p>April 2022 President and Representative Director of ITOCHU Sugar Co., Ltd. (current)</p>	0
<p>(Reasons for nomination as candidate for director)</p> <p>Mr. Koji Yamamoto has a wealth of experience and deep insight in his area of responsibility at ITOCHU Corporation, and has a track record as management executive, serving in positions including President and Representative Director of ITOCHU Sugar Co., Ltd. The Company has nominated him as a candidate for director with the expectation that he will contribute to the sustainable enhancement of corporate value of the Company Group and the strengthening of decision-making and supervisory functions of the board of directors, based on his experience and track record described above.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares held
2	Daisuke Seno (April 16, 1960)	<p>April 1984 Joined ITOCHU Corporation</p> <p>April 2007 General Manager of Beverage Material Department of ITOCHU Corporation</p> <p>June 2018 Director and Executive Officer of ITOCHU Sugar Co., Ltd. In charge of Finance & Accounting and Special Assignment</p> <p>June 2022 Director and Managing Executive Officer of ITOCHU Sugar Co., Ltd In charge of Human Resources, General Affairs and Finance & Accounting (current)</p>	0
<p>(Reasons for nomination as candidate for director)</p> <p>Mr. Daisuke Seno has a wealth of experience and deep insight in his area of responsibility at ITOCHU Corporation, and plays a part in the management of ITOCHU Sugar Co., Ltd., including as a director. The Company has nominated him as a candidate for director with the expectation that he will contribute to the sustainable enhancement of corporate value of the Company Group and the strengthening of decision-making and supervisory functions of the board of directors, based on his experience and track record described above.</p>			
3	Hiroshi Fujiwara (September 9, 1957)	<p>April 1981 Joined JEOL Ltd.</p> <p>March 1986 Manager of the U.S. corporation JEOL USA Inc.</p> <p>October 1995 Manager of Management Administration Department of SAP Japan Co., Ltd.</p> <p>April 1997 CFO of SAP North-East Asia Region</p> <p>February 2005 CFO, COO and Representative Director of SAP Japan Co., Ltd.</p> <p>November 2007 COO of Philips Japan, Ltd.</p> <p>July 2008 Representative Executive Officer and President of Philips Electronics Japan, Ltd.</p> <p>July 2011 Managing Executive Officer of Japan Kodak Co., Ltd. (current name: Kodak Japan Ltd.)</p> <p>February 2012 Representative Executive Officer and President of Japan Kodak Co., Ltd.</p> <p>June 2022 Senior Managing Director of iLAC Co., Inc. (current)</p>	0

Outside
Independent

(Reasons for nomination as candidate for outside director and outline of expected role)

Mr. Hiroshi Fujiwara has served as the Japanese representative of major European and U.S. companies, and has management experience and abundant insight in global companies, as well as excellent management capabilities. The Company has determined that he is capable of appropriately executing the duties as an outside director from a fair and objective standpoint.

In addition, based on his experience and insight as a corporate manager, the Company has determined that he can be expected to provide appropriate advice and highly effective supervision from a diversified perspective on the management and strategies of the Company Group's business, and has newly nominated him as a candidate for outside director.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares held
4	Masaji Santo (October 21, 1957)	<p>April 1981 Joined Mitsubishi Corporation</p> <p>April 2009 President of Mitsubishi Chile Ltda.</p> <p>April 2012 Senior Vice President of Mitsubishi Corporation, President of Mitsubishi Chile Ltda.</p> <p>July 2012 Senior Vice President and Division COO, Environment and Infrastructure Business Division of Mitsubishi Corporation</p> <p>April 2017 Senior Executive Vice President of Chiyoda Corporation</p> <p>June 2017 Representative Director and President of Chiyoda Corporation</p> <p>April 2022 Executive Corporate Advisor of Chiyoda Corporation (current)</p>	0
		<p>(Reasons for nomination as candidate for outside director and outline of expected role)</p> <p>Mr. Masaji Santo has held positions such as Senior Vice President of Mitsubishi Corporation and President and Representative Director of Chiyoda Corporation and has extensive experience and insight through his global business experience. The Company has determined that he is capable of appropriately executing the duties as an outside director from a fair and objective standpoint.</p> <p>In addition, based on his experience and insight as a corporate manager, the Company has determined that he can be expected to provide appropriate advice and highly effective supervision from a diversified perspective on the management and strategies of the Company Group's business, and has newly nominated him as a candidate for outside director.</p>	
5	Noboru Kitagawa (October 10, 1972)	<p>April 1996 Joined ITOCHU Corporation</p> <p>April 2021 General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation (current)</p> <p>June 2021 Director of ITOCHU Sugar Co., Ltd. (part-time) (current)</p>	0
		<p>(Reasons for nomination as candidate for outside director and outline of expected role)</p> <p>Mr. Noboru Kitagawa has a wealth of experience and deep insight in his area of responsibility at ITOCHU Corporation. The Company has determined that he can be expected to provide appropriate advice and highly effective supervision from a fair and objective standpoint on the management and strategies of the Company Group's business and is capable of appropriately executing the duties as an outside director, and has newly nominated him as a candidate for outside director.</p>	

(Note 1) Special interests between the candidates and the Company are as follows.

- (1) Mr. Noboru Kitagawa serves as General Manager of Sugar, Confectionary Materials, Coffee & Dairy Products Department of ITOCHU Corporation, which has business relationships with the Company.
- (2) There is no special interest between the other candidates and the Company.

(Note 2) Mr. Hiroshi Fujiwara, Mr. Masaji Santo and Mr. Noboru Kitagawa are candidates for outside directors.

(Note 3) If Mr. Hiroshi Fujiwara, Mr. Masaji Santo and Mr. Noboru Kitagawa are appointed and assume office as directors, the Company will enter into an agreement with each of them pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liability for damages as provided for in Article 423, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement will be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

(Note 4) The Company maintains a directors and officers liability insurance (D&O insurance) policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The scope of insured persons under such insurance policy is (1) all directors, corporate auditors and executive officers of the Company and all subsidiaries of the Company, and (2) any person seconded from the Company to unlisted companies other than the Company's subsidiaries as directors or corporate auditors, and the premiums for such insurance are paid in full by the Company and all subsidiaries of the Company. The insurance policy provides that any damage incurred by the insured persons due to a claim for damages against them arising from their acts during the insurance period shall be covered by the insurance policy (excluding any damage that falls under the exemptions under the insurance policy).

If each candidate is appointed and assumes office as director, such person will be included as an insured person under such insurance policy. The policy is scheduled to be renewed under similar terms and conditions at the next renewal.

(Note 5) Mr. Hiroshi Fujiwara and Mr. Masaji Santo qualify as independent officers in accordance with the rules of the Tokyo Stock Exchange. If they are appointed, the Company will register them with the Tokyo Stock Exchange as independent officers.

Agenda Item No. 5: Appointment of 2 Corporate Auditors

This proposal seeks the appointment of two (2) new corporate auditors in order to strengthen and enhance the management system in connection with the Business Integration with ITOCHU Sugar.

This proposal has obtained the consent of the board of corporate auditors.

The appointment of each candidate will take effect on the Effective Date of the Share Exchange and the Absorption-type Company Split (scheduled to be January 1, 2023) on condition that Agenda Item No. 1 “Approval of the Share Exchange Agreement” and Agenda Item No.2 “Approval of the Absorption-type Company Split Agreement” are approved and adopted as originally proposed and that the Share Exchange and the Absorption-type Company Split take effect, the term of office of each candidate will be until the closing of the annual general meeting of shareholders for the last fiscal year ending within four (4) years from the appointment pursuant to the provisions of the Articles of Incorporation of the Company.

Of the three (3) incumbent corporate auditors (including two (2) outside corporate auditors), Mr. Takuro Enso is scheduled to resign on the day immediately preceding the Effective Date of the Share Exchange and the Absorption-type Company Split (scheduled to be January 1, 2023) on condition that Agenda Item No. 1 “Approval of the Share Exchange Agreement” and Agenda Item No. 2 “Approval of the Absorption-type Company Split Agreement” are approved and adopted as originally proposed and that the Share Exchange and the Absorption-type Company Split take effect. Accordingly, the number of corporate auditors after the appointment of each candidate under this proposal is expected to be four (4) (including two (2) outside corporate auditors).

The candidates for corporate auditors are as follows.

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions)	Number of the Company’s shares held
	Hideaki Imai (September 24, 1966)	April 1989 Joined ITOCHU Corporation June 2015 Manager of Risk Management and Affiliate Administration Section of Machinery Company of ITOCHU Corporation June 2020 Corporate Auditor of ITOCHU Sugar Co., Ltd. (current)	0
1	(Reasons for nomination as candidate for corporate auditor) Mr. Hideaki Imai had belonged to the Risk Management Department and the Internal Audit Division of ITOCHU Corporation for many years before joining ITOCHU Sugar Co., Ltd. as Corporate Auditor in 2020, and has a wealth of experience and expertise cultivated in his area of experience. Based on the above, the Company has determined that Mr. Imai is a necessary person in strengthening the functions of the board of corporate auditors and has newly nominated him as a candidate for corporate auditor.		

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions)	Number of the Company's shares held
2	Kazuko Naruse (November 4, 1962)	<p>April 1985 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>August 1991 Joined YAHAGI CONSULTANTS, INC.</p> <p>April 2000 Registration as a lawyer Joined Hayashida Sogo Law Offices (current)</p> <p>June 2017 Outside Corporate Auditor of With us Corporation (current)</p> <p>June 2021 Outside Director of TOBA, Inc. (current)</p>	0
		<p>(Significant concurrent positions)</p> <p>Outside Corporate Auditor of With us Corporation</p> <p>Outside Director of TOBA, Inc.</p>	
	<p>(Reasons for nomination as candidate for corporate auditor)</p> <p>Ms. Kazuko Naruse has extensive expertise and experience as a lawyer and has the ability and insight to conduct audits from an independent standpoint in a fair and objective manner as a legal expert, which the Company has determined to be extremely beneficial to ensuring the legality of the Company and will lead to the strengthening of audit system and expansion of corporate governance. Based on the above, the Company has newly nominated her as a candidate for outside auditor, although she has not been involved in corporate management other than as an outside officer.</p>		

Outside

Independent

(Note 1) There is no special interest between each of the candidates and the Company.

(Note 2) Ms. Kazuko Naruse is a candidate for outside corporate auditor.

(Note 3) If Ms. Kazuko Naruse is appointed and assumes office as corporate auditor, the Company will enter into an agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act to limit her liability for damages as provided for in Article 423, Paragraph 1 of the said Act. The maximum amount of liability for damages under the agreement will be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

(Note 4) The Company maintains a directors and officers liability insurance (D&O insurance) policy with the insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The scope of insured persons under such insurance policy is (1) all directors, corporate auditors and executive officers of the Company and all subsidiaries of the Company, and (2) any person seconded from the Company to unlisted companies other than the Company's subsidiaries as directors or corporate auditors, and the premiums for such insurance are paid in full by the Company and all subsidiaries of the Company. The insurance policy provides that any damage incurred by the insured persons due to a claim for damages against them arising from their acts during the insurance period shall be covered by the insurance policy (excluding any damage that falls under the exemptions under the insurance policy).

If each candidate is appointed and assumes office as corporate director, such person will be included as an insured person under such insurance policy. The policy is scheduled to be renewed under similar terms and conditions at the next renewal.

(Note 5) Ms. Kazuko Naruse qualifies as independent officer in accordance with the rules of the Tokyo

Stock Exchange. If she is appointed, the Company will register her with the Tokyo Stock Exchange as independent officer.

End

(Reference)

The officer structures of the Company (the Holding Company) and the Successor Preparatory Company will be as follows (as of January 1, 2023 (scheduled)).

- The Company (the Holding Company)

[Directors]

Chairman and Representative Director	Yoichi Higuchi
President and Representative Director	Koji Yamamoto
Director	Akira Okubo
Director	Daisuke Seno
Outside Director (Independent Officer)	Katsuko Iizuka
Outside Director (Independent Officer)	Hiroshi Fujiwara
Outside Director (Independent Officer)	Masaji Santo
Outside Director	Katsuyuki Minami
Outside Director	Noboru Kitagawa

[Corporate auditors]

Corporate Auditor	Tatsuo Kawaguchi
Corporate Auditor	Hideaki Imai
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 Audit Department President and Representative Director of ITOCHU Sugar Co., Ltd.
Senior Managing Executive Officer	Akira Okubo	In charge of General Affairs Division President and Representative Director of Nissin Sugar Co., Ltd.
Managing Executive Officer	Daisuke Seno	In charge of Human Resources Division
Executive Officer	Yasuo Yamaguchi	In charge of Corporate Planning Division
Executive Officer	Naruto Ito	In charge of Corporate Planning Division
Executive Officer	Kenji Oba	In charge of Finance Division

- Successor Preparatory Company

[Directors]

Chairman and CEO	Yoichi Higuchi
President and COO	Akira Okubo
Director	Kei Saegusa

[Corporate auditor]

Corporate Auditor	Yasufumi Nishimoto
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[Executive Officers]

President and Executive Officer	Akira Okubo	
Senior Managing Executive Officer	Koji Morinaga	President and Representative Director of Nissin Wellness Co., Ltd.
Senior Managing Executive Officer	Hiroyuki Iizuka	In charge of General Affairs Division and Engineering Division
Managing Executive Officer	Shizunori Sunasaka	General Manager of Production Headquarters
Managing Executive Officer	Wataru Shibata	In charge of Human Resources, Administrative Manager of Imafuku Factory, Production Headquarters
Managing Executive Officer	Yasuo Yamaguchi	In charge of General Planning Division
Executive Officer	Yoji Sasaki	President and Representative Director of Shin Higashi Nihon Sugar Mfg. Co., Ltd.
Executive Officer	Yasuyuki Nakamura	Executive Officer in charge of Quality Assurance Division and Customer Support, General Manager of Product Development Division
Executive Officer	Satoshi Iikura	President and Representative Director of Tsukioka Film Pharma Co., Ltd.
Executive Officer	Kei Saegusa	General Manager of Sales Headquarters
Executive Officer	Hitoshi Ogawa	Factory Manager and Engineering Manager of Imafuku Factory, Production Headquarters
Executive Officer	Kenji Oba	Executive Manager in charge of Finance Division

End