



Nihon Global Growth Partners Issues Presentation Highlighting the Significant Value Creation Opportunity at Toyo Suisan

Believes Company is at a Critical Inflection Point – with Transition to Next Generation of Management and Upcoming Medium-Term Plan – and Has a Unique Chance to Address Low Market Valuation

Outlines How Improved Capital Allocation – Including Increased Return of Capital to Shareholders – and a More Proactive Board with Fresh Perspectives Could Create Enhanced Value for Stakeholders

Urges Toyo Suisan to Take Steps to Ensure Its Board Composition Aligns with the Needs of the Business and Its Opportunities

NEW YORK & TOKYO – February 19, 2025 – Today, an investor group (“the Investor Group,” the “Group” or “we”) led by Nihon Global Growth Partners Management Inc. (“NHGGP”) issued an investor presentation on Toyo Suisan Kaisha Ltd.’s (2875.T) (“Toyo Suisan” or the “Company”). NHGGP and the Investor Group collectively own approximately 4% of Toyo Suisan’s common shares. The presentation can be viewed [here](#).

In the presentation, NHGGP expresses its belief that the Company is at a critical inflection point, in the midst of a transition to a new generation of management led by President Sumimoto, and with increasing sales in North America and the preponderance of its profits and growth now coming from the noodle business.

The presentation details why the upcoming Medium-Term Plan (MTP) should fully account for this inflection point and why the Company’s Board of Directors (the “Board”) should take a proactive approach in addressing the challenges and opportunities ahead. In particular, NHGGP believes the Board must determine how to resolve the disconnect between the Company’s operational excellence and its low market valuation, which NHGGP believes is caused by issues with capital allocation and insufficient return of capital to shareholders.

NHGGP respectfully urges Toyo Suisan to take the following steps:

1. **Establish a Strategic Review Committee** to consider strategic alternatives for the Company’s business units that do not cover their cost of capital – beginning with the refrigerated warehouse unit.
2. **Increase the Return of Capital to Shareholders** both in the form of a one-time buyback of up to 17% of outstanding shares and by including in the new MTP a Total Shareholder Return target of 55% of net income, split between a 40% dividend payout ratio and annually repurchasing stock equivalent to 15% of net income.
3. **Ensure that Board Composition Aligns with the Company’s Opportunities and Challenges** by addressing the large gaps between the skill sets of the current

independent directors and the Company's needs. In NHGGP's view, it would be helpful for Toyo Suisan to outline how it intends to address this gap.

Brian Doyle, Managing Partner of NHGGP, stated: "As long-term investors in Japan and in Toyo Suisan, we are convinced that the Company has enviable opportunities that it can capitalize on to drive increased value. Unfortunately, the market has continued to undervalue Toyo Suisan and we believe this is due to historic capital allocation and shareholder return policies that are inconsistent with market norms and should not continue in their current form. At the 2024 annual general meeting, shareholders clearly expressed a desire for greater transparency around the Company's cost of capital. They also called for increased return of capital to shareholders. We applaud the Company for taking initial steps in response to the intent expressed by shareholders – including by executing its first share buyback in 17 years – and we urge leadership to continue to do so.

In our estimation, Toyo Suisan holds ~JPY200 billion in excess cash that could be returned to shareholders in a one-time buyback, and must strike the appropriate balance between retaining capital for future growth and providing adequate returns to investors. A key element to executing these changes, in our view, is the addition of new independent directors who possess strong corporate finance backgrounds, as well as experience in capital allocation and portfolio management, and a global perspective. We look forward to continuing to engage with the Company in the coming weeks around our concerns and the opportunities that lie ahead."

About NHGGP

Nihon Global Growth Partners Management Inc. ("NHGGP") is a long-term investor in Japanese listed companies that are growing rapidly in markets outside of Japan. Prior to founding NHGGP in 2018, its principals were involved in managing several private equity funds in Japan beginning in 2004. All of the principals' prior private equity investments involved Japanese companies where a substantial portion of the growth was in markets outside of Japan. NHGGP manages private investment vehicles including the NHGGP Japan Opportunities Fund L.P., which was launched in 2021.

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