NH|GGP

TOYO SUISAN KAISHA, LTD. (2875): SHAREHOLDER EXPECTATIONS FOR NEW MEDIUM-TERM PLAN

FEBRUARY 2025

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About NHGGP

NHGGP and the Investor Group have collective ownership of 4.0% of Toyo Suisan's common shares, making us the second-largest shareholder if our stakes were combined.

Nihon Global Growth Partners Management, Inc. ("NHGGP") is a long-term investor in listed Japanese companies, particularly those experiencing rapid growth in markets outside Japan.

Before establishing NHGGP in 2019, our principals managed a private equity firm in Japan beginning in 2004. Their previous investments targeted Japanese companies where significant growth occurred in international markets.

Operating from offices in Tokyo, New York and Hong Kong, NHGGP oversees private investment vehicles including the NHGGP Japan Opportunities Fund L.P., which was launched in 2021.

This presentation was prepared by NHGGP, which serves as the lead public investor within the Investor Group.

NHGGP has been an investor in Toyo Suisan since 2023.

Toyo Suisan is at a strategic inflection point

We believe that Toyo Suisan is currently facing a pivotal moment in its 70-year history.

Under the leadership of Chairman Tsutsumi and Vice Chairman Imamura, Maruchan has emerged as the dominant instant noodle brand in the rapidly expanding North American market—an accomplishment we can particularly appreciate given our history in North America.

A transition is now underway towards a next-generation management team led by President Sumimoto. The future Toyo Suisan will look markedly different from its origins as a seafood trading company. Today, 95% of profits and nearly all of the Company’s growth are derived from its noodle business. As the focus increasingly turns to North America—similar to trends seen with many other successful Japanese firms—Toyo Suisan's direction is becoming evident.

We believe that the upcoming Medium-Term Plan (MTP) should recognize this strategic inflection point and that the board should be proactive in tackling the challenges and opportunities that lie ahead. One of the key challenges that needs to be addressed is the issue we raised in our April 2024 presentation regarding the disconnect between the Company’s operational excellence and below-market valuation multiples, which in our view are caused by capital allocation and shareholder return related issues.

We have shared this presentation with the Toyo Suisan board of directors and are now making it public to contribute our perspectives, promote constructive dialogue, and assist in Toyo Suisan’s continued evolution.

Background

We wish to extend our appreciation to the management, directors, and investor relations team at Toyo Suisan for their transparency over the past six months. We believe that several recent initiatives undertaken by Toyo Suisan merit recognition and commendation.

Firstly, in response to shareholder requests, Toyo Suisan executed its first share buyback in 17 years, exceeding the buyback level proposed by NHGGP at the June 2024 annual general meeting. The Company also recently released its cost of capital estimate. We believe these moves reflect management's good faith attempts to respect the opinions of shareholders.

Secondly, we value the increased openness to communication and dialogue with investors. In November 2024, we had a productive meeting with an independent director of Toyo Suisan, which we understand is the first time an independent director has engaged in discussions with an institutional shareholder. We have also had the opportunity to meet with President Sumimoto and several management directors and found these interactions to be both informative and constructive.

Lastly, we commend President Sumimoto's mid-year results briefing, where, for the first time to our knowledge, the goal of enhancing the Toyo Suisan share price was previewed as one of the Company's objectives for the new MTP.

While we may not see eye-to-eye with the Toyo Suisan board of directors on every issue, we recognize that implementing significant change can be difficult. Additionally, we appreciate the board's efforts in being responsive to investors' concerns.

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Executive summary: Expectations for the new Medium-Term Plan

STRATEGIC REVIEW COMMITTEE

Toyo Suisan recently published its cost of capital estimate of 4-8% for the entire company; NHGGP believes the cost of capital is more in line with the Bloomberg estimate of 9%. Irrespective of the number chosen inside this range, it is now clear that several of the Company's business units do not generate returns at or above the low end of the range.

In response to the knowledge that several business units do not cover their cost of capital, NHGGP believes that Toyo Suisan should establish a Strategic Review Committee to consider strategic alternatives for the low return units, starting with the refrigerated warehouse business. We do not see the strategic fit to the group and view this asset as highly attractive to larger industry players that can bring scale to this business.

SHAREHOLDER RETURN POLICY

NHGGP estimates that Toyo Suisan holds ~JPY200 billion of excess cash which can and should be returned to shareholders in the form of a one-time share buyback, repurchasing up to 17% of outstanding shares.

NHGGP also believes the new MTP should include an annual 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.

We believe that this level of return represents an appropriate balance between retaining capital for future growth and providing adequate returns to investors.

CONSIDERATION OF DIRECTORS

NHGGP believes that Toyo Suisan is at a strategic inflection point and that the independent directors should possess skills and experience aligned with the Company's future needs.

It is the judgement of NHGGP that there are large gaps between the skill sets of the current independent directors and the Company's needs.

We ask that the new MTP provide an outline for how the Company plans to align the composition of its independent directors with its major opportunities and challenges.

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STRATEGIC REVIEW COMMITTEE

Establishment of a Strategic Review Committee is warranted

At the Toyo Suisan June 2024 annual general meeting, NHGGP made several shareholder proposals, one of which was for Toyo Suisan to publish its cost of capital estimate. The cost of capital disclosure proposal received unprecedented support — 59% approval from independent shareholders and 49% approval from all shareholders — the highest-ever level of support for a cost of capital disclosure proposal in Japan.

Toyo Suisan recently released its preliminary estimate of cost of capital, a range from 4-8%; NHGGP believes the cost of capital is closer to the Bloomberg estimate of 9%. Irrespective of the number chosen inside this range, what is now indisputable is that several of Toyo Suisan's businesses do not and have not met, let alone exceed, the low-end of the Company's cost of capital range.

Now that the cost of capital issue is basically resolved, the key question facing Toyo Suisan is **"what to do with the businesses which do not sustainably meet or exceed the Company's cost of capital?"**

NHGGP believes that Toyo Suisan should follow market precedent and establish a Strategic Review Committee to perform a good faith review of the chronically under-performing assets, starting with the refrigerated warehouse business.

In this section we present our views on why we believe that the establishment of a Strategic Review Committee is warranted and why we believe it should be included in the new MTP.

Bloomberg estimates Toyo Suisan's cost of capital at 9.2%

ESTIMATED WEIGHTED AVERAGE COST OF CAPITAL (WACC)

9.2%

99.6% | 0.4%

COST OF EQUITY		COST OF DEBT
9.21%	+	0.76%

ASSUMPTIONS:

- Risk–free rate: **1.14%**
- Expected market return: **10.5%**
- Beta (1-year): **0.87**
- Market cap: **¥931 bn**

ASSUMPTIONS:

- Effective tax rate: **24.1%**
- Pre-tax cost of debt: **1.0%**
- Debt: **¥3.5 bn**

Data source: Bloomberg as of January 6, 2025
Note: Assumes CAPM formula for Weighted Average Cost of Capital (WACC). Cost of Equity = Risk-free rate + Beta * (Market rate of return – Risk-free rate). Cost of Debt = Pre-tax Cost of Debt * (1-Tax rate)

Several business units do not meet the low-end of cost of capital range

- 95% of operating income is derived from 39% of the assets.
- At least four of the business units generate a return on capital below 4%.

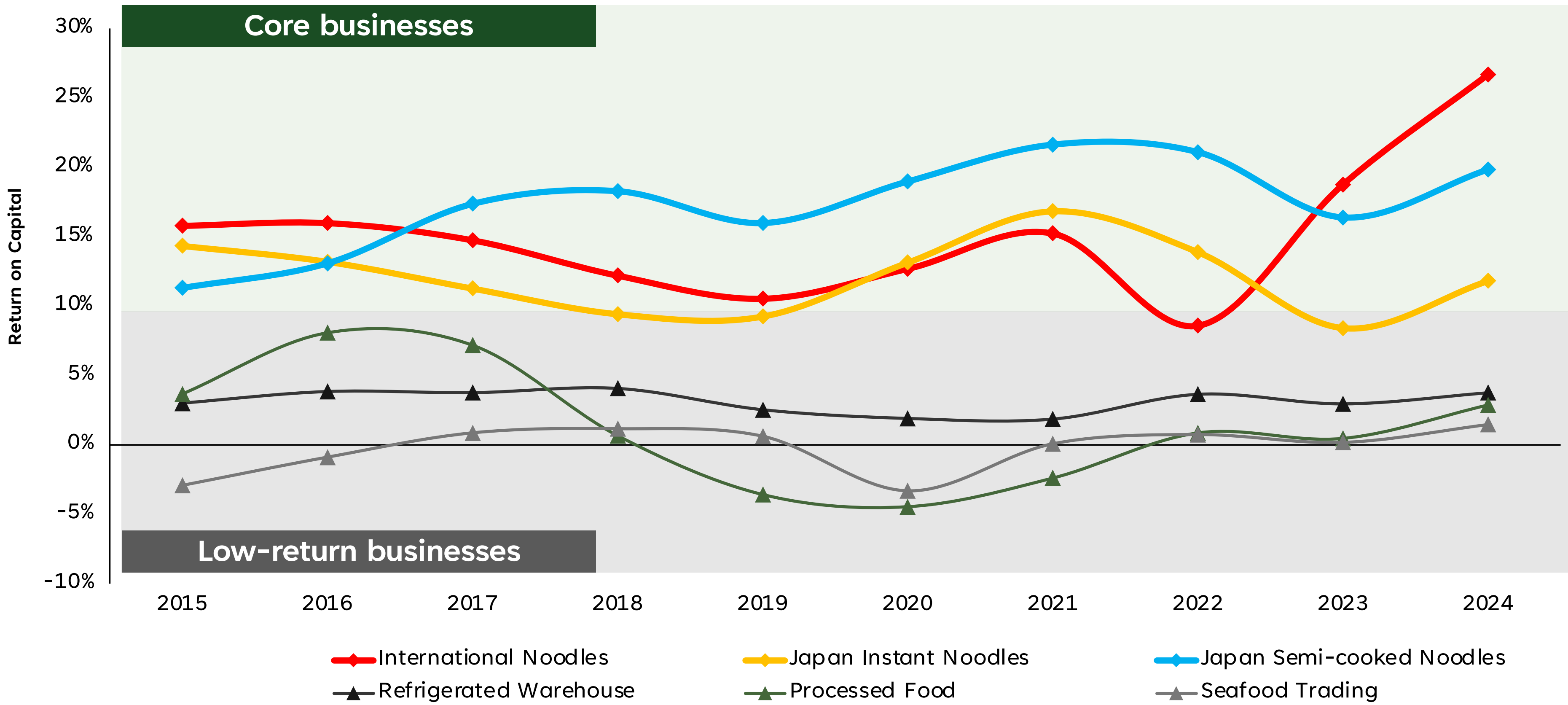
	Assets		Operating Income		Return on Capital[1]
Business unit	**JPY mn**	**% of total**	**JPY mn**	**% of total**	
Core					
Instant noodles overseas business	¥131,846	23%	¥45,905	69%	26.5%
Domestic instant noodle business	62,462	11%	9,616	15%	11.7%
Semi-cooked noodle business	28,460	5%	7,364	11%	19.7%
Sub-total:	**¥222,768**	**39%**	**¥62,885**	**95%**	**21.5%**
Non-core					
Refrigerated warehouse	¥46,188	8%	¥2,262	3%	3.7%
Seafood trading	20,770	4%	396	~1%	1.5%
Processed foods	19,624	3%	735	~1%	2.8%
Other/Bento box	17,642	3%	414	~1%	1.8%
Sub-total:	**¥104,224**	**18%**	**¥3,808**	**5%**	**2.8%**
Cash	**¥244,000**	**43%**			
Total	**¥570,992**	**100%**	**¥66,693**	**100%**	**8.9%**

Source: Based upon FY2024 actual numbers and NHGGP estimates of Excess Cash level. Assumes that interest income is allocated to each business unit by cash held and corporate expense allocated ratably by sales.

Note: (1) Return on Capital = Operating Income X (1- effective tax rate of 24%) / Assets.

The under-performance of these business units is chronic

Based upon historical performance, it is not reasonable to assume that the under-performing businesses can generate a return more than the cost of capital even with a massive investment of capital and management attention – these are structurally low-return businesses.



Source: Company filings, FY March figures. Return on Capital = (Operating Income X 1-24% tax rate) / Assets. NHGGP assumptions for Excess Cash.

Capital allocation policies are a persistent drag on Toyo Suisan valuation

Toyo Suisan trades at a persistent P/E discount to Nissin Foods, even though Toyo Suisan is the dominant player in the most attractive instant noodle market in the world – North America. We believe that if Toyo Suisan addresses its capital allocation and shareholder return issues it can and should trade **at a premium** to Nissin Foods.

PRICE-TO-EARNINGS RATIO

Source: Refinitiv; 5-year average TTM P/E multiples

Decision time: What to do with the low-return businesses?

We hope that Toyo Suisan's board of directors will respect the shareholder intent expressed at the June 2024 AGM and take appropriate action.

OPTION #1: CONFRONT THE ISSUE HEAD ON

- FORM STRATEGIC REVIEW COMMITTEE TO REVIEW UNDER-PERFORMING ASSETS, STARTING WITH REFRIGERATED WAREHOUSES.

OPTION #2: STATUS QUO

- AD HOC DECISION TO TRY TO IMPROVE RETURNS ON CAPITAL TO THE LOW-END OF THE DISCLOSED COST OF CAPITAL RANGE.

We believe that Option #1 respects the intent expressed by investors at the June 2024 AGM.

Why establish a Strategic Review Committee vs Ad-Hoc consideration?

OBJECTIVE ASSESSMENT	• It is difficult for management directors to objectively make decisions about alternatives for businesses in which they have personal relationships or history; a Strategic Review Committee comprised of a majority of outside members is the best practice way to address this potential issue.
DEDICATED SUPPORT	• Toyo Suisan has no Chief Financial Officer and limited corporate finance experience on board of directors. • Allows for hiring outside financial and legal advisors to complement management and board capabilities.
VALUE MAXIMIZATION	• To the extent that the board of directors decides to sell non-core assets, the valuations will almost certainly be higher if the sale process is managed in an intentional, structured manner.
HONORS SHAREHOLDER INTENT	• 59% support from independent shareholders at June 2024 AGM was an overwhelmingly expression of shareholders desire to see a consideration of strategic alternatives for the low-return businesses.

METI Guidelines provide a road map for board decision-making

For one's own group, it is essential to strategically execute M&A to reinforce core businesses and streamline non-core businesses. The basic principle is to identify where competitive advantage lies in supporting sustainable growth, and focus management resources on the businesses ("core businesses") where we can become the "best owner".

Group Guidelines 3.2

"Best owner" refers to an entity that is likely to maximize the corporate value of a given business in the medium to long term. Specifically, it refers to a company that is expected to have a higher likelihood than other companies (omitted) to build a competitive advantage and realize the growth strategy of that business by leveraging its organizational capabilities and financial strength".

Practical Guidelines for Business Transformations 1.3

The term "non-core business" refers to a business domain within a corporate group that, while not necessarily having low profitability or growth potential, has relatively low potential for growth because of difficulty allocating sufficient resources from within the corporate group for reasons that may include the group not having much competitive advantages in this field. Alternatively, the business domain is unlikely to generate a return that sufficiently exceeds the cost of capital. As an optimal growth strategy, such businesses should be viewed as candidates for spin-offs or sale to another company's core business ("best owner").

Group Guidelines 3.2

Source: Ministry of Economy, Trade and Industry's Group Guidelines and Business Restructuring Guidelines

NHGGP view: Several business units meet the METI definition of “non-core”

Business unit	Exceeds Cost of Capital?	Competitive Advantage?	Scale?	Synergy?	Is Toyo Suisan “Best owner”?	Rationale
Refrigerated warehouse	✗	✗	✗	✗	✗	Lower return than noodle business; should be owned by real estate investor/REIT.
Processed foods	✗	✗	✗	✗	✗	<5% market share, low-margin business, excessive competition. Competitors all looking for scale.
Seafood trading	✗	✗	✗	✗	✗	<5% market share, low-margin business, excessive competition. Competitors all looking for scale.
Other/ Bento box	✗	✗	✗	✗	✗	<5% market share, low-margin business, excessive competition. Competitors all looking for scale.

Source: Based upon NHGGP research and estimates.

How would a Strategic Review Committee be structured?

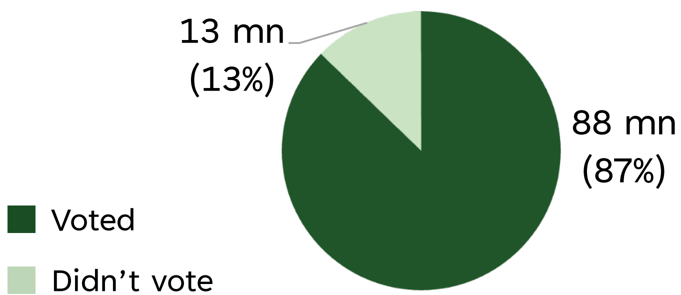
Follow established market precedents such as Sapporo Holdings, Seven & i

COMMITTEE PURPOSE	• Consider strategic alternatives for the business units which do not generate financial returns in excess of their cost of capital, starting with the refrigerated warehouse unit.
COMMITTEE COMPOSITION	• Outside directors (4) • Management directors (2) • Outside advisor (1)
SUPPORT	• Financial advisor • Legal advisor • Consultant advisors
REPORTING	• Quarterly progress reporting • Interim updates as needed

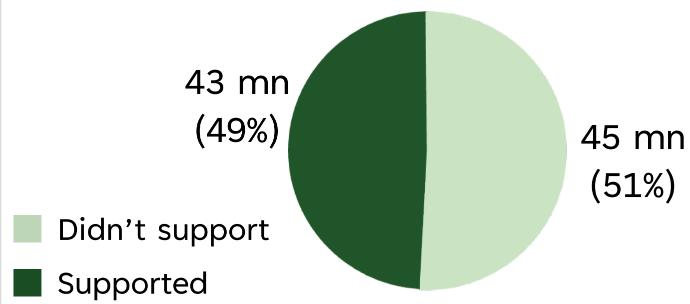
A Strategic Review Committee honors shareholder intent expressed at AGM

- 49% approval -- highest ever level of support for a cost of capital disclosure proposal
- 59% of independent shareholders supported NHGGP proposal

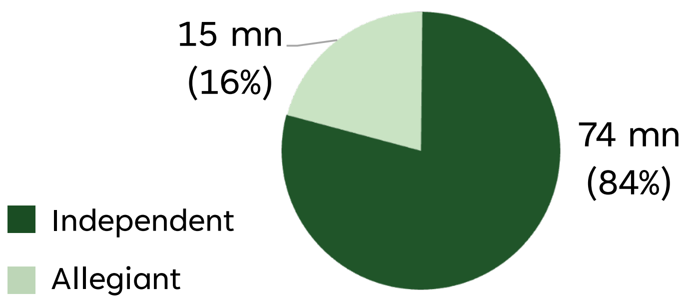
SHARES OUTSTANDING 102 mn



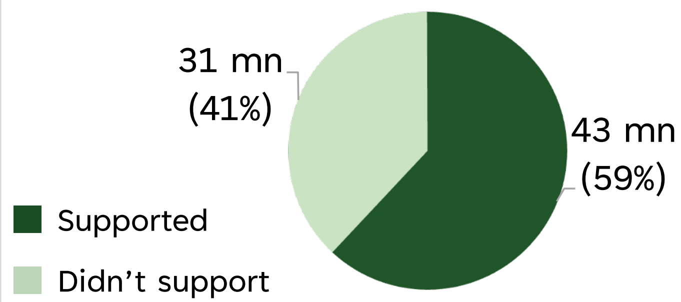
VOTING SHAREHOLDERS 88 mn



SHAREHOLDER TYPE(1) 88 mn



INDEPENDENT SHAREHOLDERS 74 mn



Source: Company reported results of June 2024 Toyo Suisan annual general meeting. Refers to shareholder proposal #9 Disclosure of Cost of Capital.
Note: (1) Allegiant investors includes company foundation, suppliers, main bank, employee stock holding entity.

Why review the refrigerated warehouse business unit first?

HISTORICAL PRECEDENT	• In 2008, Toyo Suisan sold its US-based refrigerated warehouses to the company that would become Lineage Logistics, now the #1 global player. • We believe that the Toyo Suisan warehouses would be a better fit inside the portfolio of larger Japanese and global players.
NO SYNERGIES/ POOR FIT	• There are limited ties between the noodle and refrigerated warehouse business -- 97% of revenues come from third-parties. • Refrigerated warehouses (low ROA, capital intensive) are a poor fit together with the noodle business (high ROA, relatively capital light).
ENVIRONMENTAL CONCERNS	• Cooling technologies in the refrigerated warehouse industry are advancing rapidly, particularly as it relates to the use of chlorofluorocarbons (CFCs). • Toyo Suisan's facilities are older and likely not using the most globally advanced cooling technologies – what is the environmental liability?
STRONG BUYER INTEREST	• NHGGP has communicated with multiple real estate investors and believes that there is strong buyer interest for Toyo Suisan's refrigerated warehouses. • Global and Japanese refrigerated warehouse companies are looking to add scale through M&A in Japan.

Sense of urgency: Japan's M&A market evolving rapidly

"The lost 30 years is over, and we are facing a great tipping point…it is a tipping point for Japan to become more effective, more productive and more profit making. This message is very vital to driving all CEOs to think about what is wrong with my company? If there is something wrong, we have to fix it…sleeping companies will be awake."

- Mr. Takeshi Niinami, President of Suntory and Chair of Japan Association of Corporate Executives (Excerpted from interview with Financial Times -- December 30, 2024)

We believe that so long as Toyo Suisan's valuation is at a substantial discount to its intrinsic value, the Company is vulnerable to unsolicited M&A approaches by larger Japanese and global food companies. We ask that the Toyo Suisan board of directors be proactive in considering strategic alternatives for the low-return business units before factors emerge which may take control of the Company's decision-making processes away from the board and shareholders.

SHAREHOLDER RETURN POLICY

Setting the new shareholder return policy

We believe there are two key questions related to shareholder returns which must be addressed in the new MTP.

"RIGHT-SIZING" THE BALANCE SHEET	• "How much of a cash reserve does the Company need and how should excess cash be returned to investors?"
TOTAL SHAREHOLDER RETURN RATIO	• "What % share of annual profits should be returned to investors and what % should be retained for future growth?"

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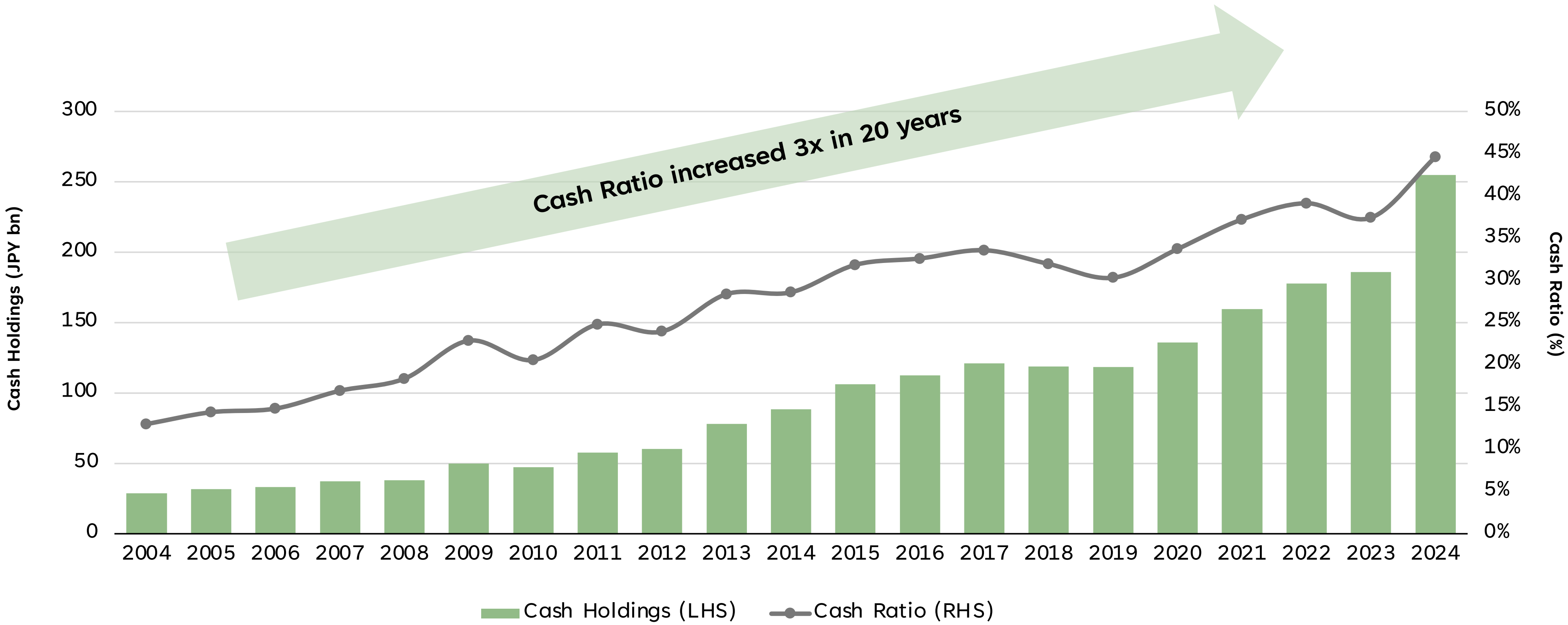
"RIGHT-SIZING" THE BALANCE SHEET

Critical question: How much of a cash reserve does Toyo Suisan need?

Over the past 20 years, Toyo Suisan's cash holdings have increased from JPY29 bn to the current JPY244 bn. Toyo Suisan faces the same question that any company faces – "How much cash needs to be reserved for operations and growth (the "Optimal Cash Level") and how much cash reserve is too much ("Excess Cash")?".

In this section we present our perspective on this question based on market benchmarks and peer analysis.



Note: Cash Ratio = (Cash + Short-Term Investments) / Total Assets
Source: Company filings. FY March figures.

Key benchmarks to establish the Optimal Cash Level

There are two needs which must be addressed when deciding the Optimal Cash Level.

LIQUIDITY NEEDS

The ability to pay operating expenses and to provide for emergencies.

KEY RATIOS

1. Cash Ratio(1)
2. Current Ratio(2)
3. Cash as % of Sales Ratio
4. Cash/Capex Ratio

INVESTMENT NEEDS

The capacity to invest for the future.

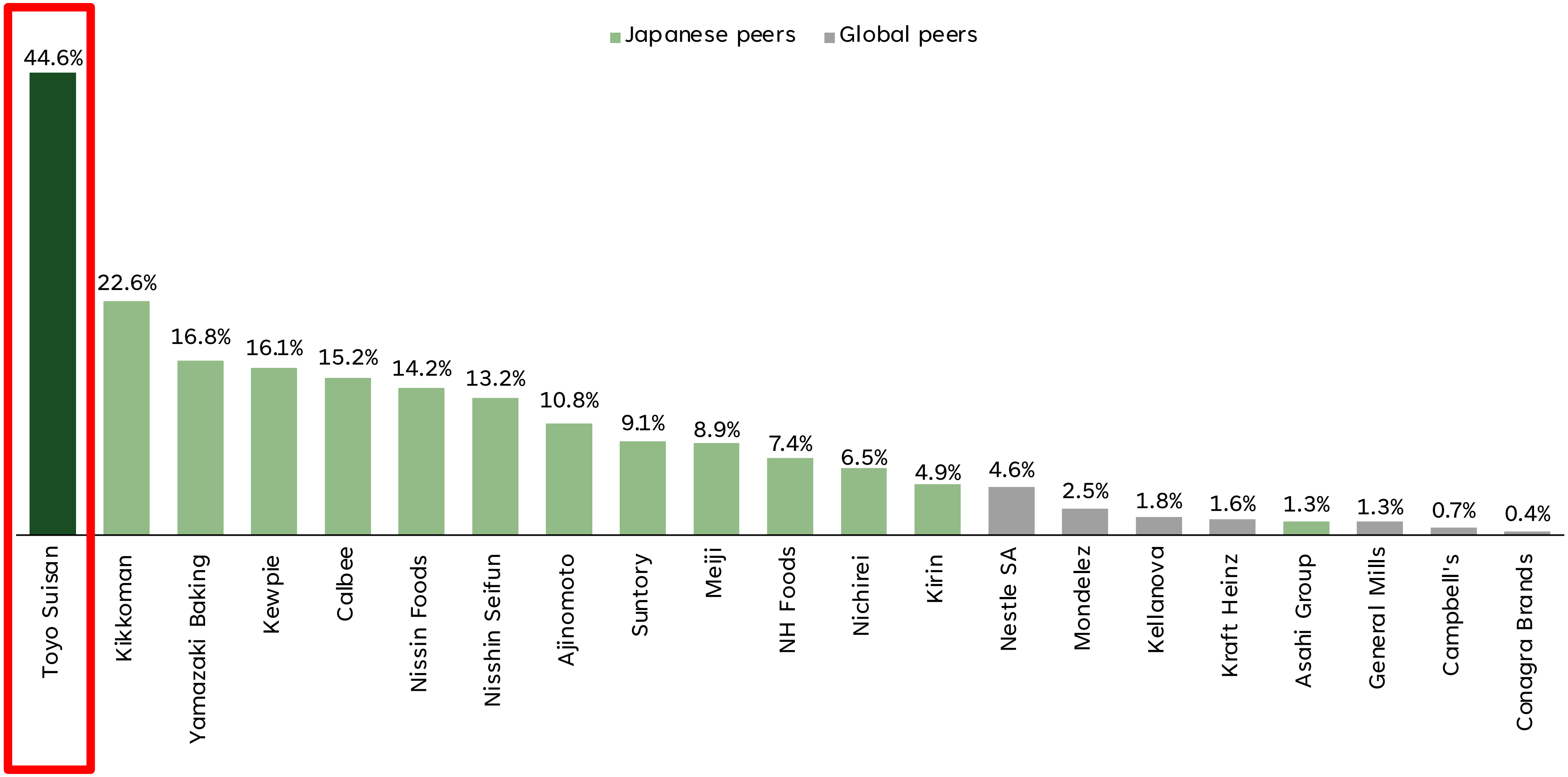
KEY RATIOS

1. Cash Flow Coverage of Capex Ratio
2. Debt/EBITDA Ratio
3. Equity Ratio(3)

Notes: (1) Cash Ratio = (Cash + Short-Term Investments) / Total Assets
(2) Current Ratio = Current Assets / Current Liabilities
(3) Equity Ratio = Shareholders Equity / Total Assets

Liquidity: Cash Ratio

Toyo Suisan is a massive outlier in terms of how much Cash it holds as a % of Total Assets.

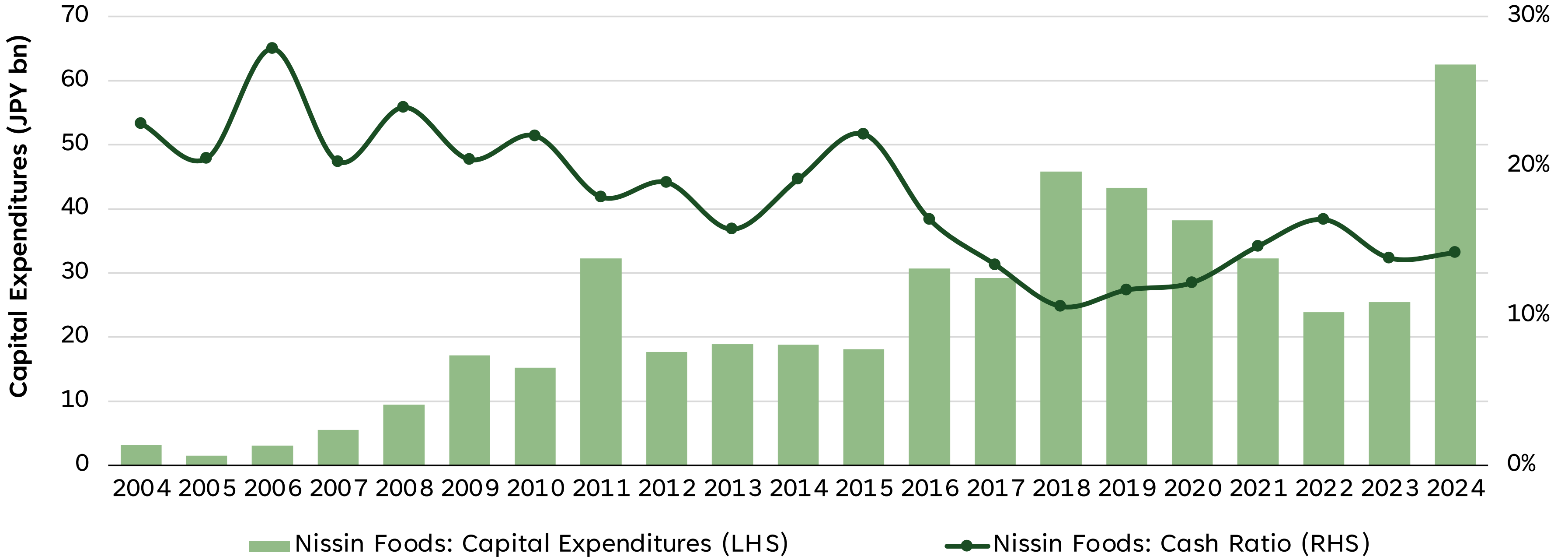


Note: Cash Ratio = (Cash + Short-Term Investments) / Total Assets
Source: Refinitiv, Company filings. FY March 2004 figures.

Case study: Nissin Foods has managed its Cash Ratio while investing in business

Nissin Foods provides a good example of how a Japanese company has invested in its business, reduced its overall cash levels and provided shareholders with a strong financial return. For reference, Nissin Foods' average Total Shareholder Return Ratio over the past 20 years is 58%.

As can be seen in the graph below, Nissin Foods previously had a high (28%) Cash Ratio but has reduced this to the current 14%, all the while making large investments in capital expenditures. This reduction in the Cash Ratio has not hurt the business; to the contrary net income has grown threefold over the past 20 years.



Note: Cash Ratio = (Cash + Short-Term Investments) / Total Assets
Source: Company filings. FY March figures.

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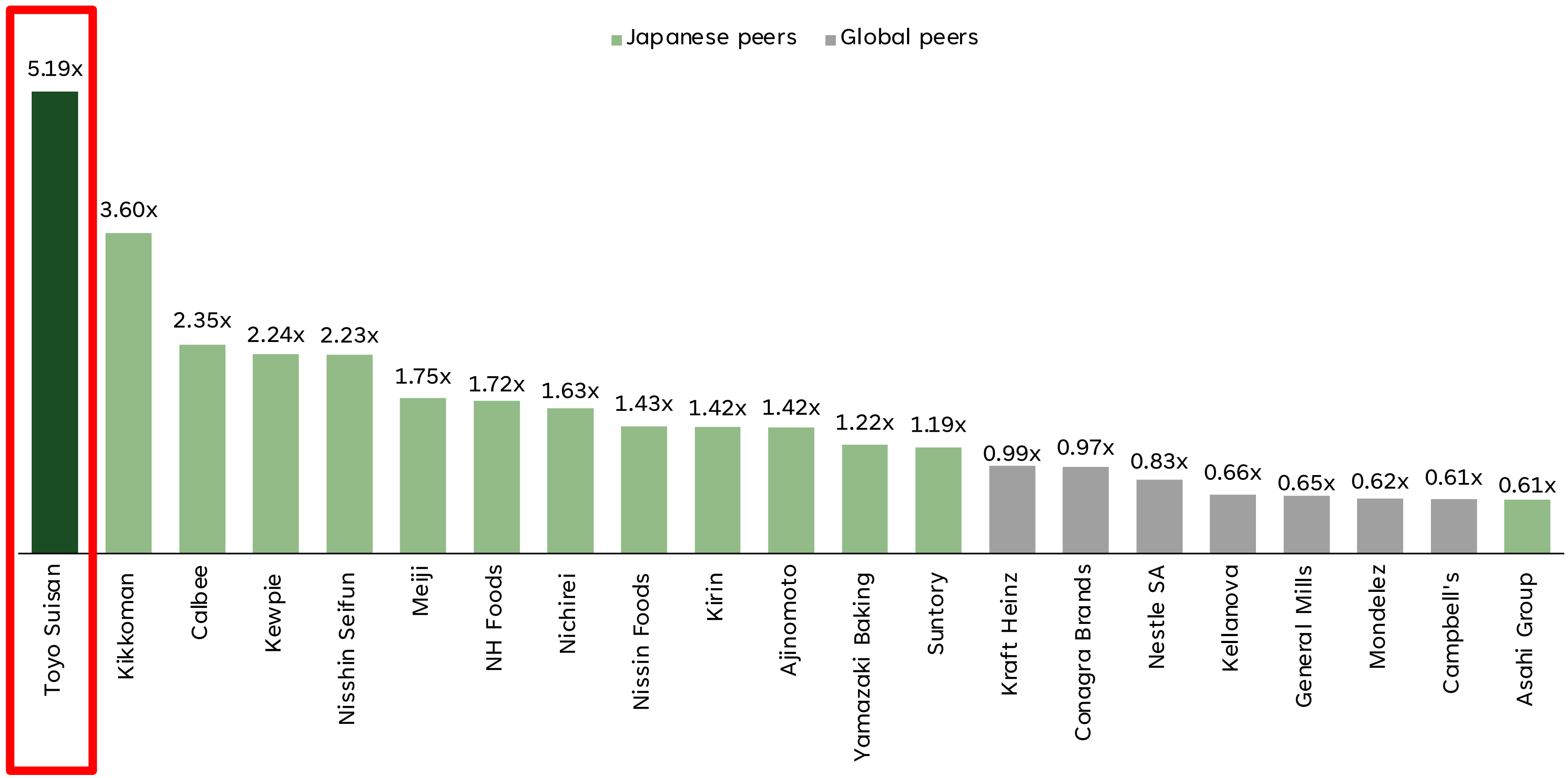
Liquidity: Current Ratio

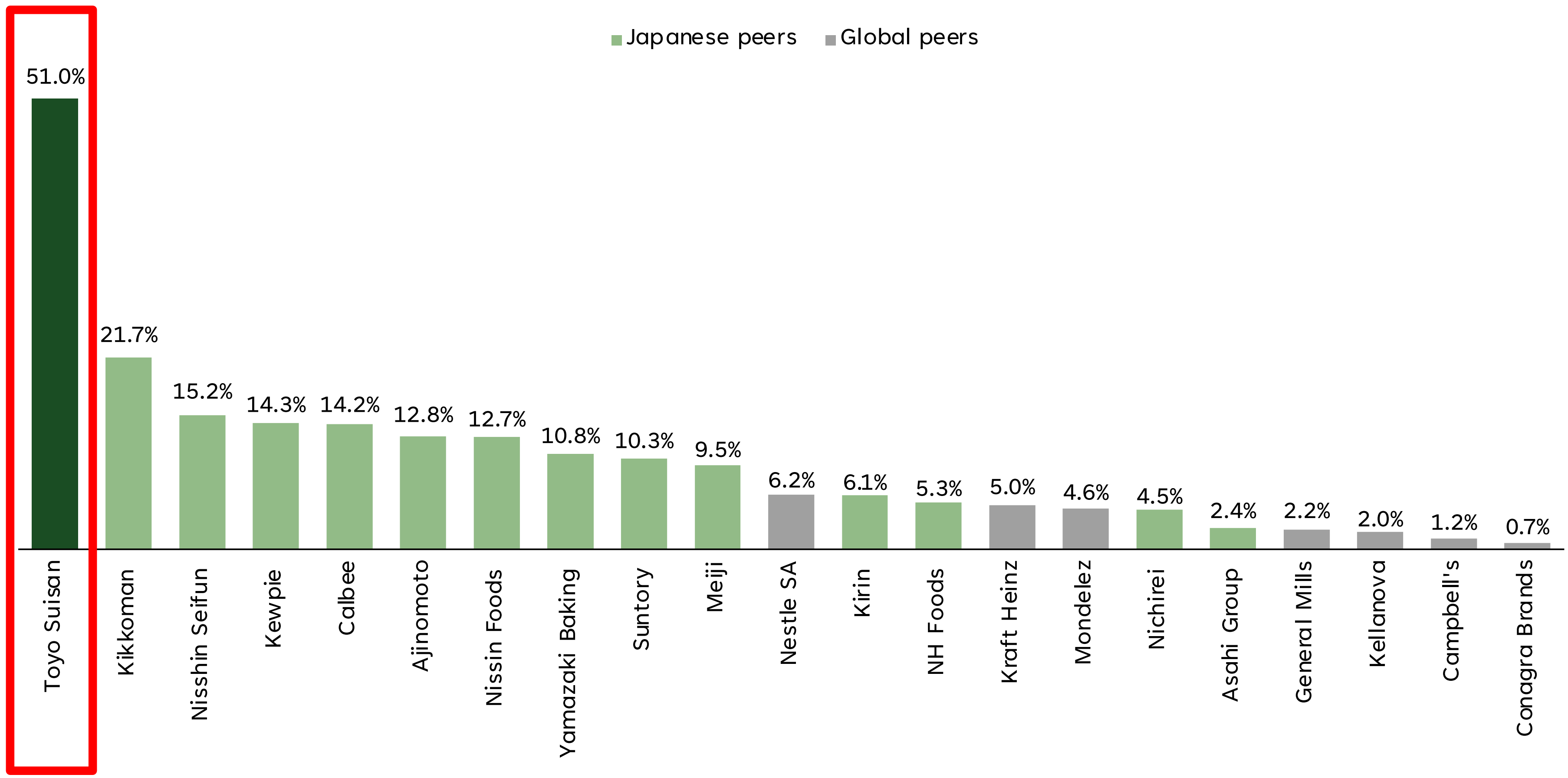
Toyo Suisan also holds far more Current Assets compared to Current Liabilities than its peers.



Note: Current Ratio = Current Assets / Current Liabilities
Source: Refinitiv, Company filings. FY March 2024 figures.

Liquidity: Cash as % of Sales Ratio

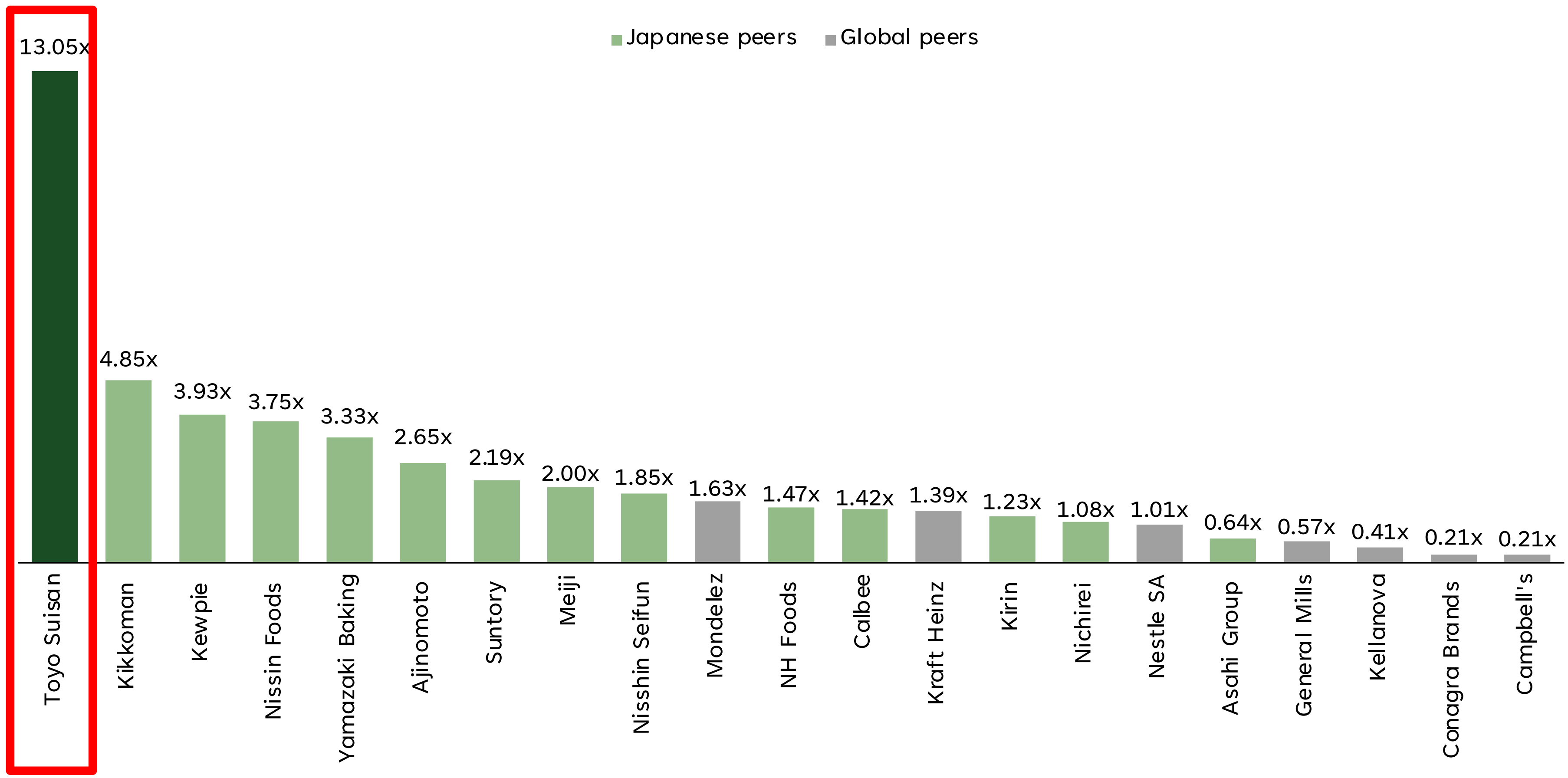
Toyo Suisan holds a tremendous amount of Cash relative to its Sales, far more than any of its peers.



Note: Cash as a % of Sales Ratio = (Cash + Short-Term Investments) / Revenues
Source: Refinitiv, Company filings. FY March 2024 figures.

Liquidity: Cash/Capex Ratio

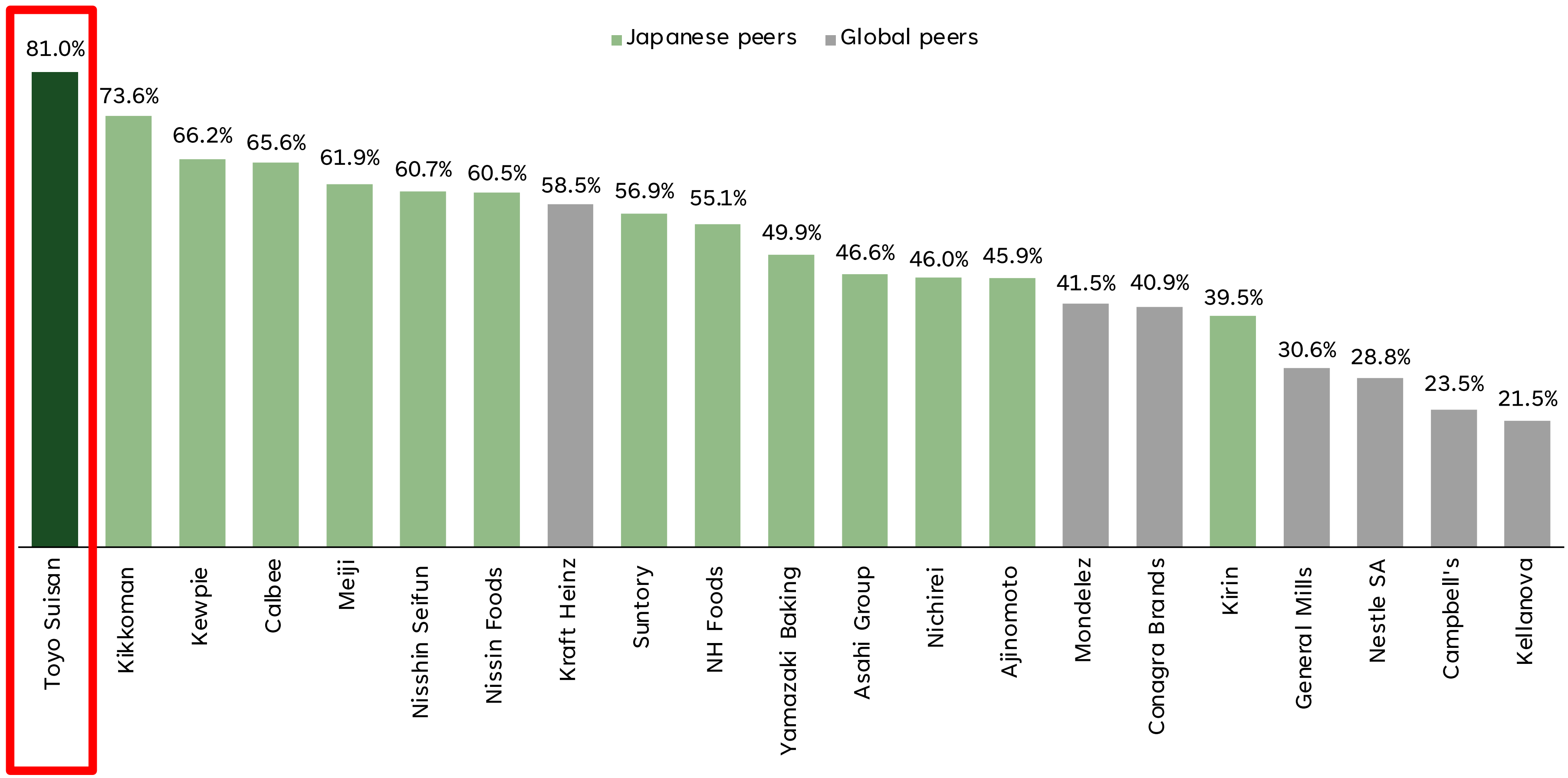
Toyo Suisan could fund its investment needs for the next 13 years with only its cash reserves.



Note: Cash/Capex Ratio = (Cash + Short-Term Investments) / Capital Expenditures
Source: Refinitiv, Company filings. FY March 2024 figures.

Investment: Equity Ratio

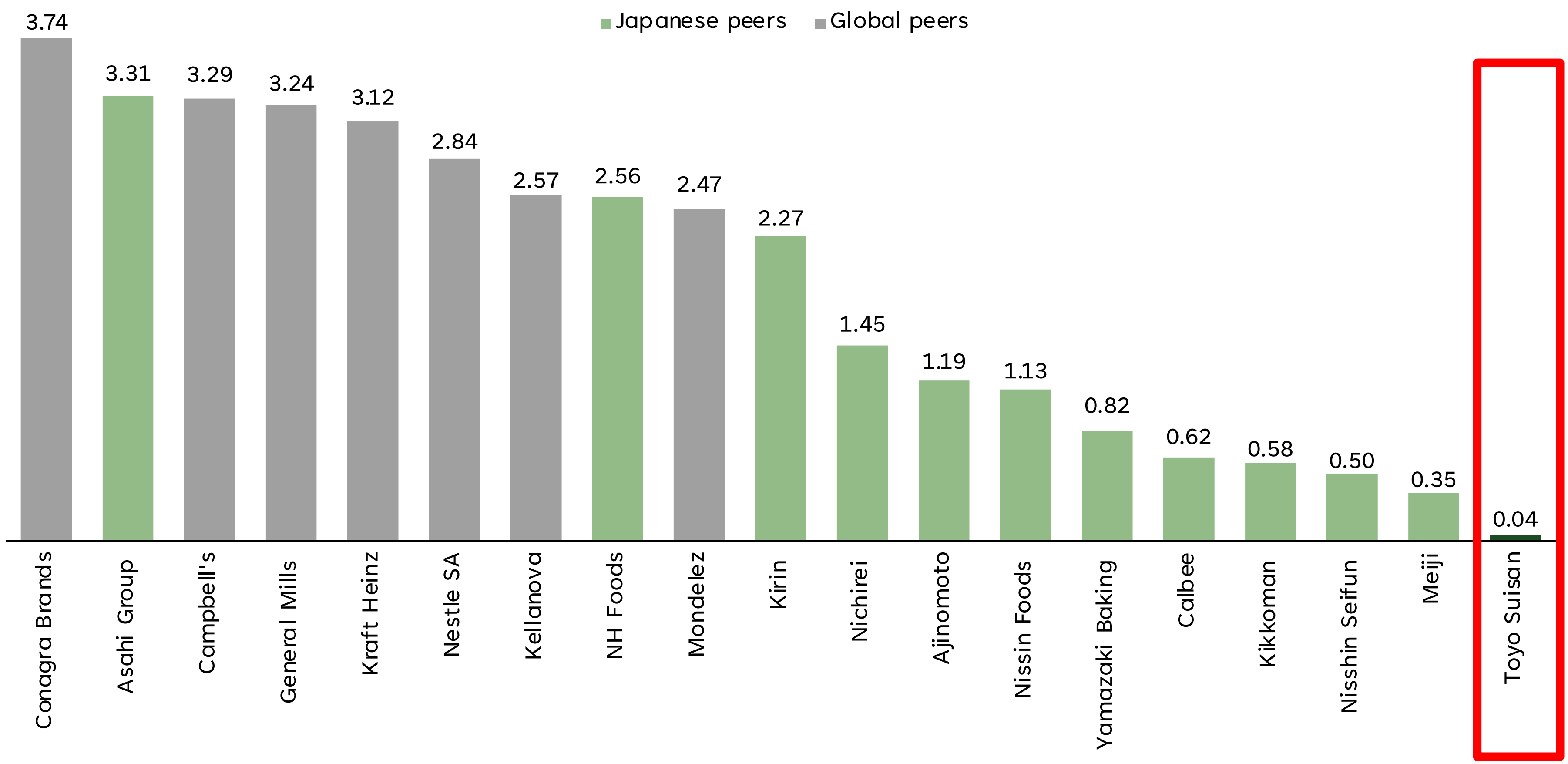
Toyo Suisan funds its assets almost entirely with the most expensive form of capital -- Equity.



Note: Equity Ratio = Shareholders Equity / Total Assets
Source: Refinitiv, Company filings. FY March 2024 figures.

Investment: Total Debt/EBITDA Ratio

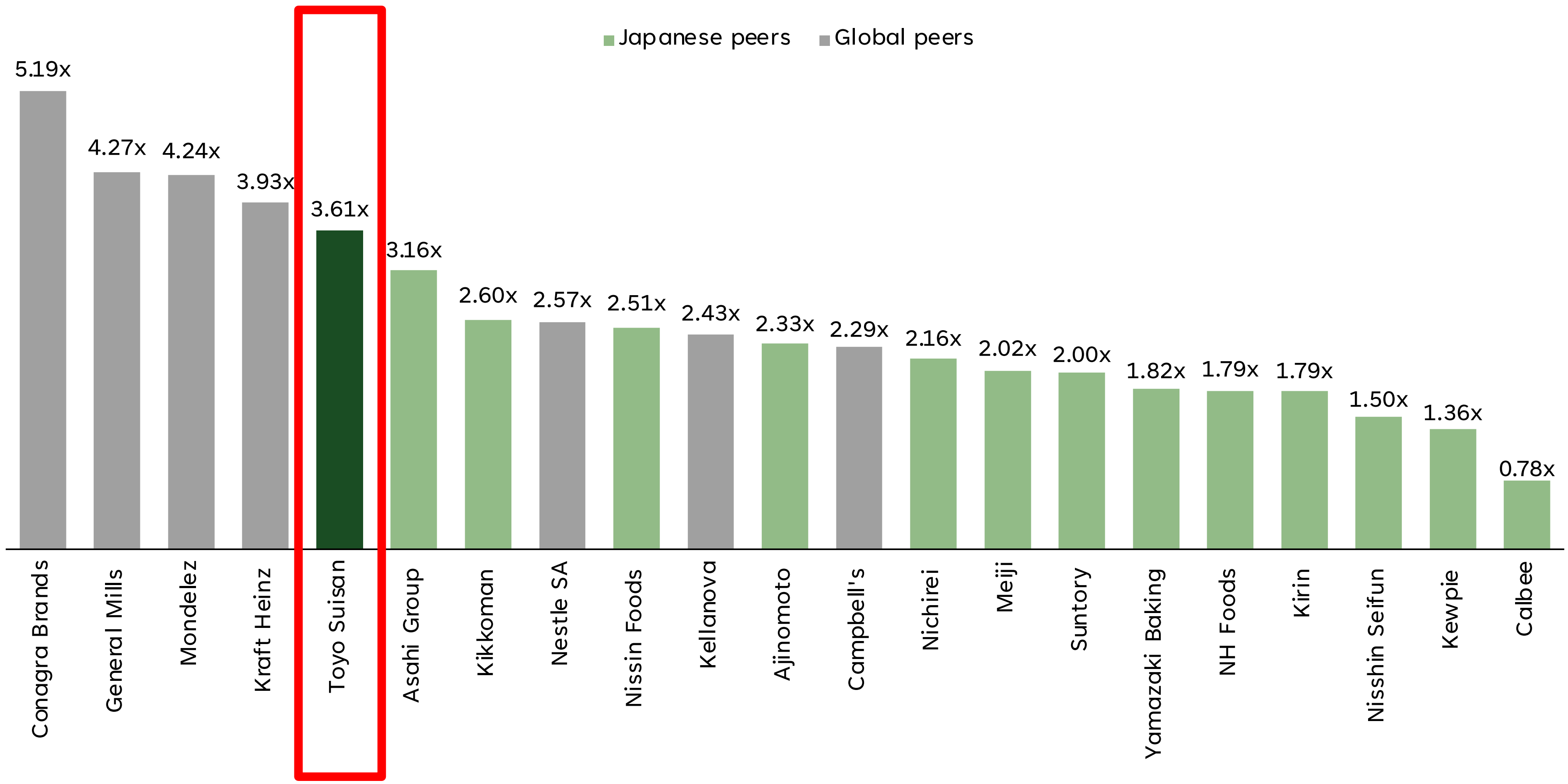
Some of Toyo Suisan's peers manage their debt at a modest ~3x Debt/EBITDA level.
Toyo Suisan appears to have no consideration for managing down its WACC.



Note: Total Debt/EBITDA Ratio = (Short-Term Debt + Long-Term Debt) / EBITDA
Source: Refinitiv, Company filings. FY March 2024 figures.

Investment: Cash Flow Coverage of Capex Ratio

Toyo Suisan generates very strong cash flow relative to its capital expenditure needs.



Note: Cash Flow Coverage of Capex Ratio = Cash flow from Operating Activities / Capital Expenditures
Source: Refinitiv, Company filings. FY March 2024 figures.

Toyo Suisan could easily fund capex through internal cash flow or debt

Investment Capacity Ratio	Statistic: Peer Average – Japan	Statistic: Peer Average – Int'l	Statistic: Toyo Suisan	NHGGP view
1. Equity Ratio	56%	35%	**81%**	✓ Ability to fund capex through introducing debt.
2. Debt/EBITDA Ratio	1.3 x	3.0 x	**0.0x**	✓ Ability to fund capex through introducing debt.
3. Cash Flow Coverage of Capex Ratio	2.0 x	3.7 x	**3.6x**	✓ Ability to fund capex through cash flow.

Conclusion: There is no need for Toyo Suisan to maintain massive cash reserves to finance future capital expenditures when it generates so much cash and still has the ability to introduce modest leverage into the capital structure.

Source: Company public filings. FY March 2024 figures.

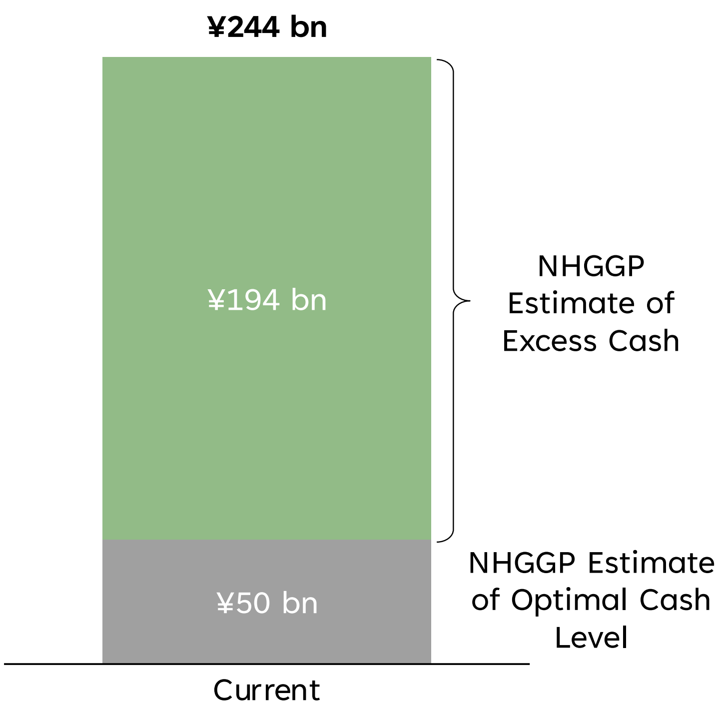
NHGGP estimate of Toyo Suisan's Optimal Cash Level is JPY50 billion

	Statistic				
	Peer Averages				
Liquidity Ratio	Japan	International	Toyo Suisan	NHGGP View[1]	Implied Toyo Suisan Optimal Cash Level
1. Cash Ratio	11.3%	2.6%	**44.6%**	11.3%	**¥65 bn**
2. Current Ratio	1.75x	0.76x	**5.19x**	2.00x	**¥32 bn**
3. Cash as % of Sales	10.8%	3.5%	**51.0%**	10.8%	**¥54 bn**
4. Cash/Capex Ratio	2.3x	1.1x	**13.1x**	2.3x	**¥45 bn**
				IMPLIED OPTIMAL CASH LEVEL	**~¥50 bn**

Note: (1) NHGGP View is our assessment of the appropriate level for Toyo Suisan based upon peer levels and our understanding of Toyo Suisan's business. We set our levels at or above the Japanese peer levels even though we believe in the long-term Toyo Suisan should move more towards global peer levels given that the Company competes globally, not just in Japan.
Source: Company public filings, FY March 2024 figures.

NHGGP view: Use Excess Cash to repurchase 17% of total shares outstanding

Assuming an Optimal Cash Level of JPY50 bn, this implies ~JPY200 bn of "Excess Cash" which can and should be returned to shareholders.



NHGGP recommends that the Excess Cash be used to repurchase up to 17% of the Company's stock in a special tender offer in 2025

ASSUMPTIONS

- Market cap: JPY1,175 bn
- Excess Cash: JPY194 bn
- JPY194 bn/JPY1,175 bn = 17%

Source: NHGGP estimates based upon FY March 2024 figures. Toyo Suisan financials and stock price as of January 6, 2025.

Benefits of a share buyback to reduce Excess Cash

The Company could reduce its Excess Cash through several mechanisms – we prefer a share buyback because it will not only increase Toyo Suisan's ROE and EPS but also is tax-efficient.

STANDARD PRACTICE IN JAPAN

- A company-led tender offer to repurchase shares is a common practice in Japan with many investment banks able to facilitate.
- Relatively simple, inexpensive process, could be completed in 2-3 weeks.

RIGHT-SIZES THE BALANCE SHEET

- A one-time share repurchase would decrease the book equity, increasing the Return on Equity of Toyo Suisan from the current ~12% to ~20% (FY2024 net income), bringing ROE more in line with global peers.
- A 17% reduction in shares outstanding would have the effect of increasing the Earnings Per Share (EPS) by 17%.

TAX EFFICIENCY

- Although cash dividends are generally more popular in Japan, we believe that a share buyback is preferred due to its tax efficiency.

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TOTAL SHAREHOLDER RETURN RATIO

NHGGP view: Data-driven approach to setting the Total Shareholder Return

We understand that Toyo Suisan will be announcing its new annual Total Shareholder Return (TSR) policy in the upcoming MTP. We believe that when setting the level of the new TSR, two things should be considered.

First, how capital intensive is Toyo Suisan's business model? How much capital does the Company need to retain annually in order to appropriately reserve and invest in the Company's future?

Second, after providing for future growth, how much cash can reasonably be returned annually to shareholders? Are Toyo Suisan's annual payouts to shareholders competitive with those of its peers?

In this presentation we present the data and methodologies we used to arrive at our conclusions. We ask that when presenting the new TSR, <u>the Company share with investors the methodologies and assumptions it used to arrive at its conclusion</u> in order to build mutual understanding between shareholders and the board of directors.

Suggested benchmarks to inform the Total Shareholder Return decision

We believe that the benchmarks below are the main ratios used when analyzing the potential dividend levels.

FREE CASH FLOW GENERATION RATIO

Measures the ability to convert net profit into free cash flow.

KEY RATIOS

1. Free Cash Flow Conversion Ratio[1]

DIVIDEND RATIOS

Measures how well the dividends are supported by underlying earnings.

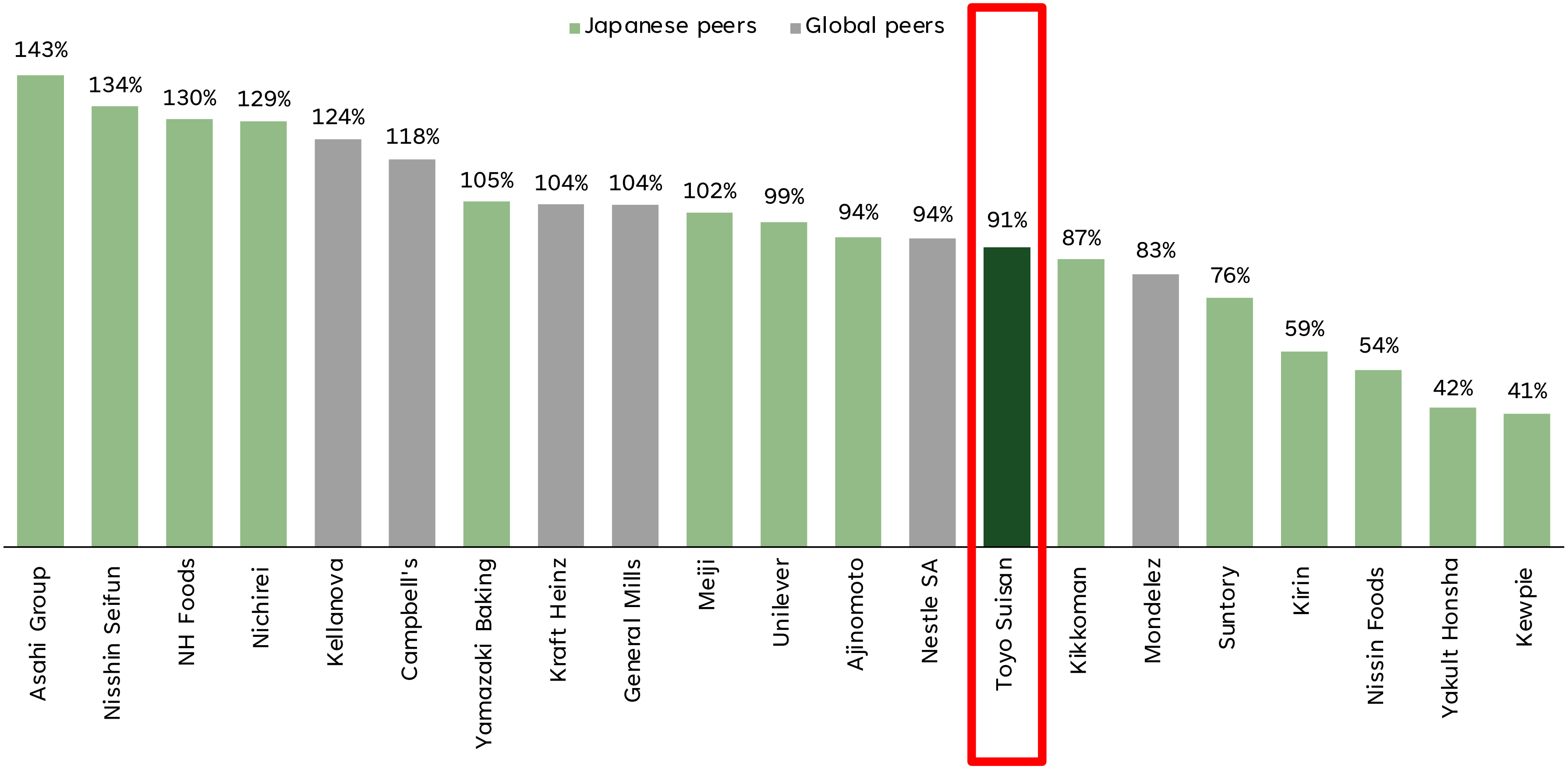
KEY RATIOS

1. Dividend Coverage Ratio[2]
2. Free Cash Flow Dividend Coverage Ratio[3]

Notes: (1) Free Cash Flow Conversion Ratio = (Cash Flow from Operations minus Capex) / Net Income
(2) Dividend Coverage Ratio = Earnings / Dividends
(3) FCF Dividend Coverage Ratio = (Cash Flow from Operations minus Capex) / Dividends

Free Cash Flow Conversion Ratio

Toyo Suisan's Free Cash Flow Conversion Rate appears middle-of-the-pack but that is mainly because so much cash is invested in business units which generate very little financial return…



Note: Free Cash Flow Conversion Ratio = (Cash Flow from Operations minus Capex) / Net Income
Source: Refinitiv, Company filings. FY March 2024 figures.

Toyo Suisan is far more cash generative than it appears

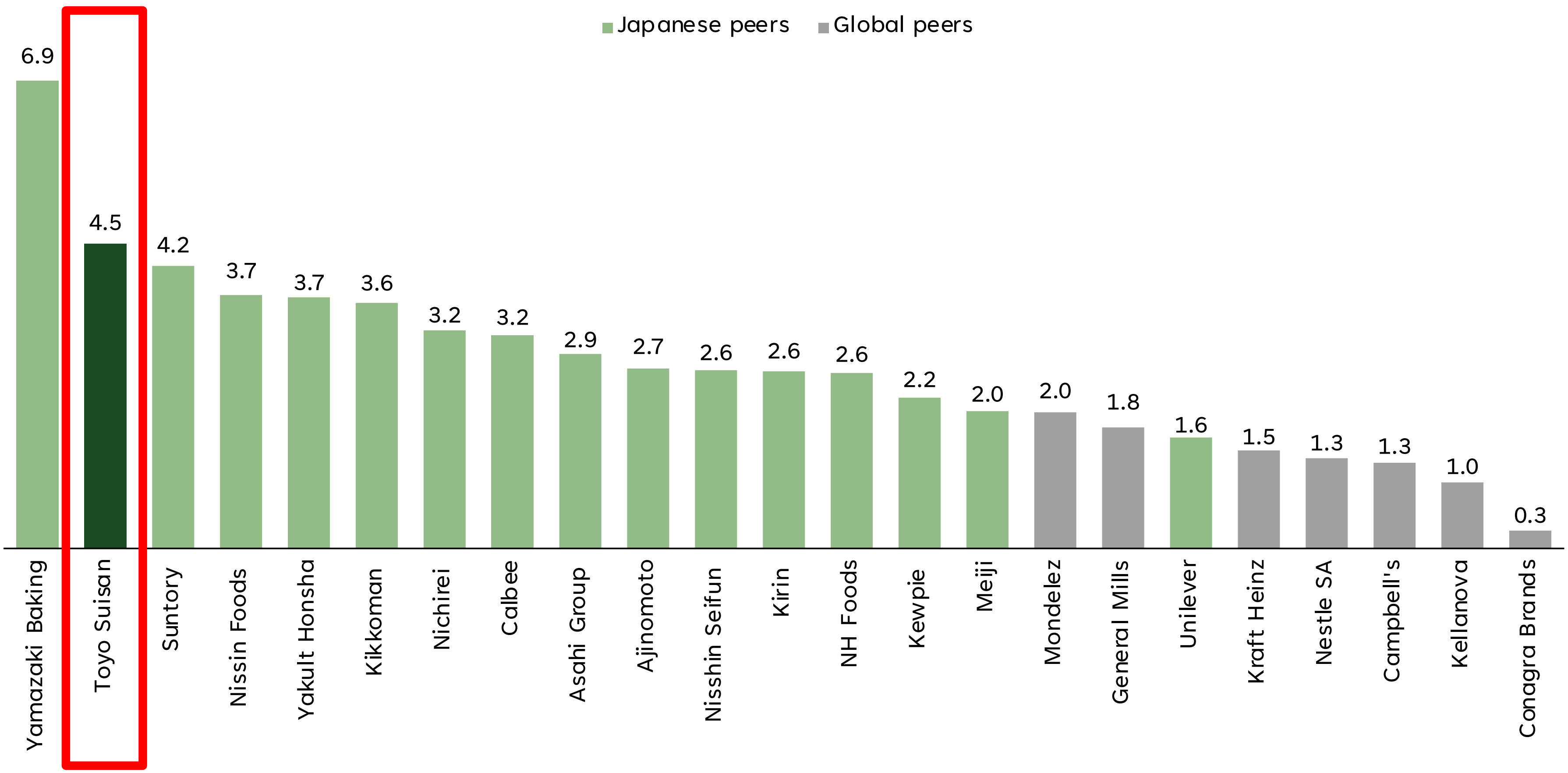
On the surface, Toyo Suisan converts 91% of its net income into free cash flow. However, as shown below, the cash flow conversion rate would be 104% if Toyo Suisan no longer invested one-third of its total capital expenditures into low-return businesses.

(JPY mn)	FY24	Adjusted[1]	FY24 Adj.
Cash Flow from Operations	**¥70,496**	**(¥2,305)**	**¥68,191**
Less: Capital Expenditures			
Business unit			
• Cold food	¥3,897	–	¥3,897
• Domestic instant noodles	1,158	–	1,158
• Int'l instant noodles	7,447	–	7,447
• Corporate	382	–	382
• Refrigerated warehouse	2,931	(2,931)	–
• Processed foods	1,759	(1,759)	–
• Bento box	1,762	(1,762)	–
• Seafood trading	360	(360)	–
Total Capital Expenditures	**¥19,696**	**(¥6,812)**	**¥12,884**
Free Cash Flow (FCF)	**¥50,800**		**¥55,307**
Net Income (NI)	**55,653**	**(¥2,305)**	**53,348**
FCF Conversion Rate (FCF/NI):	***91%***		***104%***

Note: (1) Proforma adjustments to reflect assumption that the selected business units were no longer part of Toyo Suisan business portfolio. Removed are the profits and capital expenditures related to the the selected businesses.

Dividend Coverage Ratio

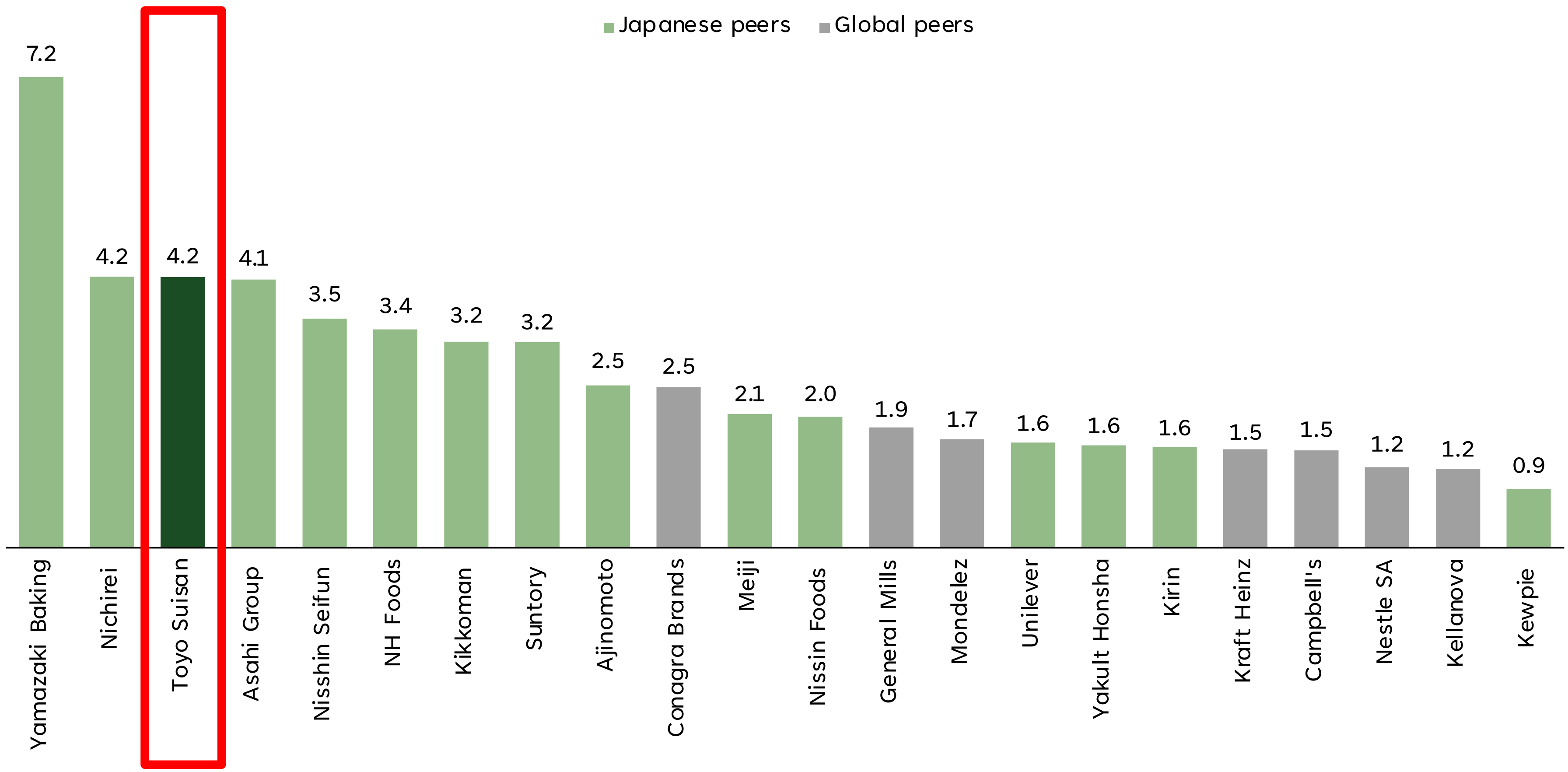
Toyo Suisan's Dividend Coverage Ratio is far more conservative than almost all its peers.



Note: Dividend Coverage Ratio = Net Income / Dividends.
Source: Refinitiv, Company filings. FY March 2024 figures.

Free Cash Flow Dividend Coverage Ratio

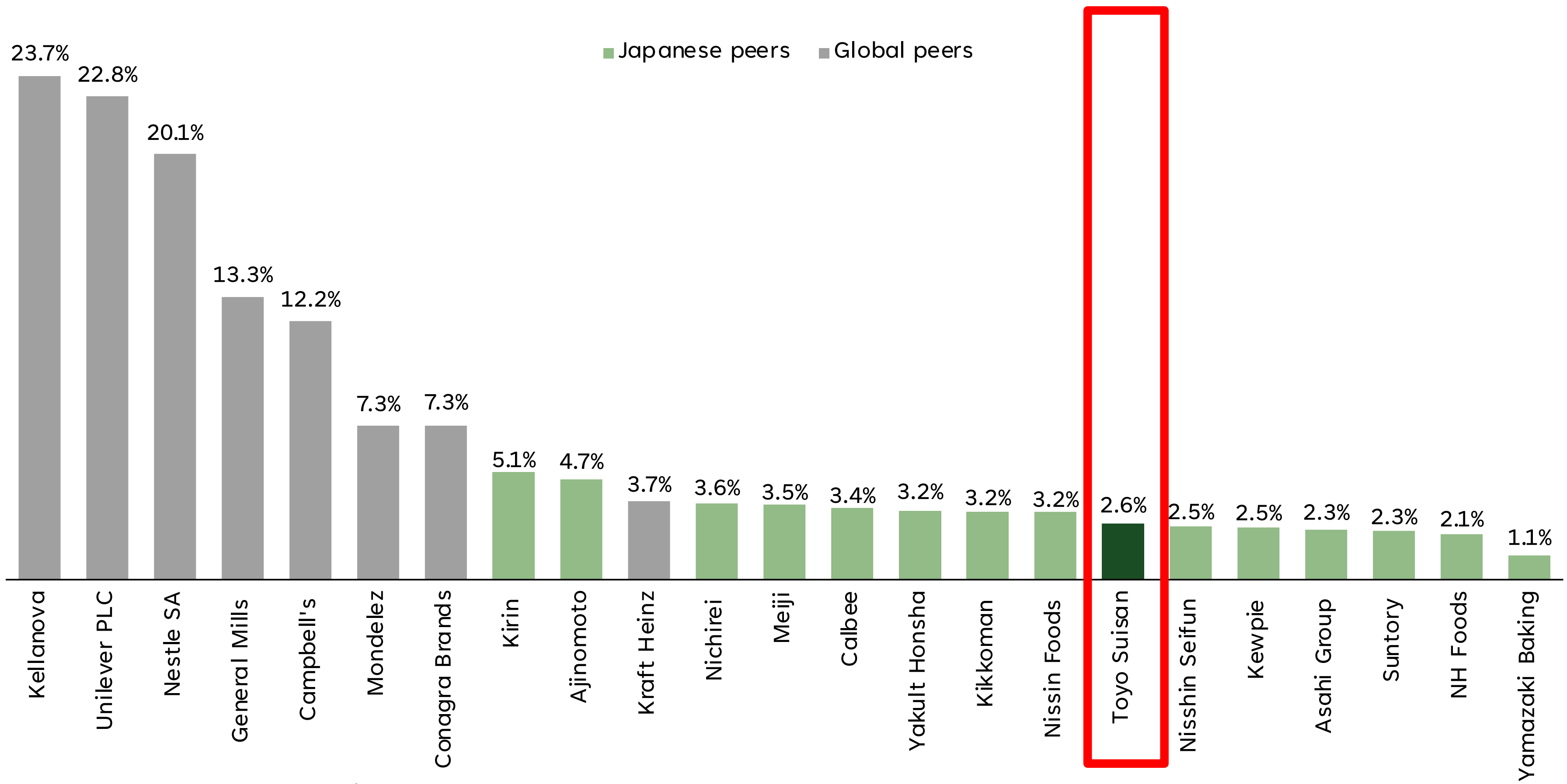
Toyo Suisan's FCF Dividend Coverage Ratio is also conservative compared to its peers.



Note: FCF Dividend Coverage Ratio = (Cash Flow from Operations minus Capex) / Dividends
Source: Refinitiv, Company filings. FY March 2024 figures.

Dividend on Equity Ratio

Toyo Suisan generates a low dividend compared to the amount of equity it retains.



Note: Dividend on Equity Ratio = Dividends / Shareholders Equity
Source: Refinitiv, Company filings. FY March 2024 figures.

Japanese peer shareholder return policies

Company name	Shareholder return policy
Nissin Foods Holdings	• Payout ratio of 40% with progressive dividends • Opportunistic share buyback • Total shareholder return (average) over the past 20 years: 58%
Kikkoman	• Payout ratio of 35% • Opportunistic share buyback
Ajinomoto	• Dividend payout ratio of 35% based on normalized EPS • Share buyback to achieve total payout ratio over 50%
Asahi Group Holdings	• Payout ratio of 40%
Kirin Holdings	• Payout ratio over 40%
Suntory Beverage & Food	• Payout ratio over 40%
Meiji Holdings	• Progressive dividends and share buyback • Total shareholder return ratio over 50%
Calbee	• Total shareholder return ratio over 50% and Dividend on Equity (DOE) of 4% • Stable and progressive dividends

Source: Company data, data complied by Goldman Sachs Global Investment Research as of December 2024.

Summary: Total Shareholder Return Policy + Balance Sheet "Right-Sizing"

We believe that Toyo Suisan should adopt a targeted annual Total Shareholder Return ratio of 55% of net income and reduce Excess Cash through a one-time JPY194 bn share buyback.

RETURN ITEM	NHGGP VIEW	RATIONALE
1. Dividend payout ratio	40% of annual net income +	• Adequate reserve for growth • In-line with peers
2. Share buyback	15% of annual net income =	• Adequate reserve for growth • In-line with peers
Total Shareholder Return ratio	**55% of annual net income**	• **Commitment to annual shareholder return target will lower cost of capital**
3. One-time share buyback	**Repurchase JPY194 bn of shares**	• **Repurchase up to 17% of shares outstanding**

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CONSIDERATION OF DIRECTORS

Toyo Suisan is at a strategic turning point

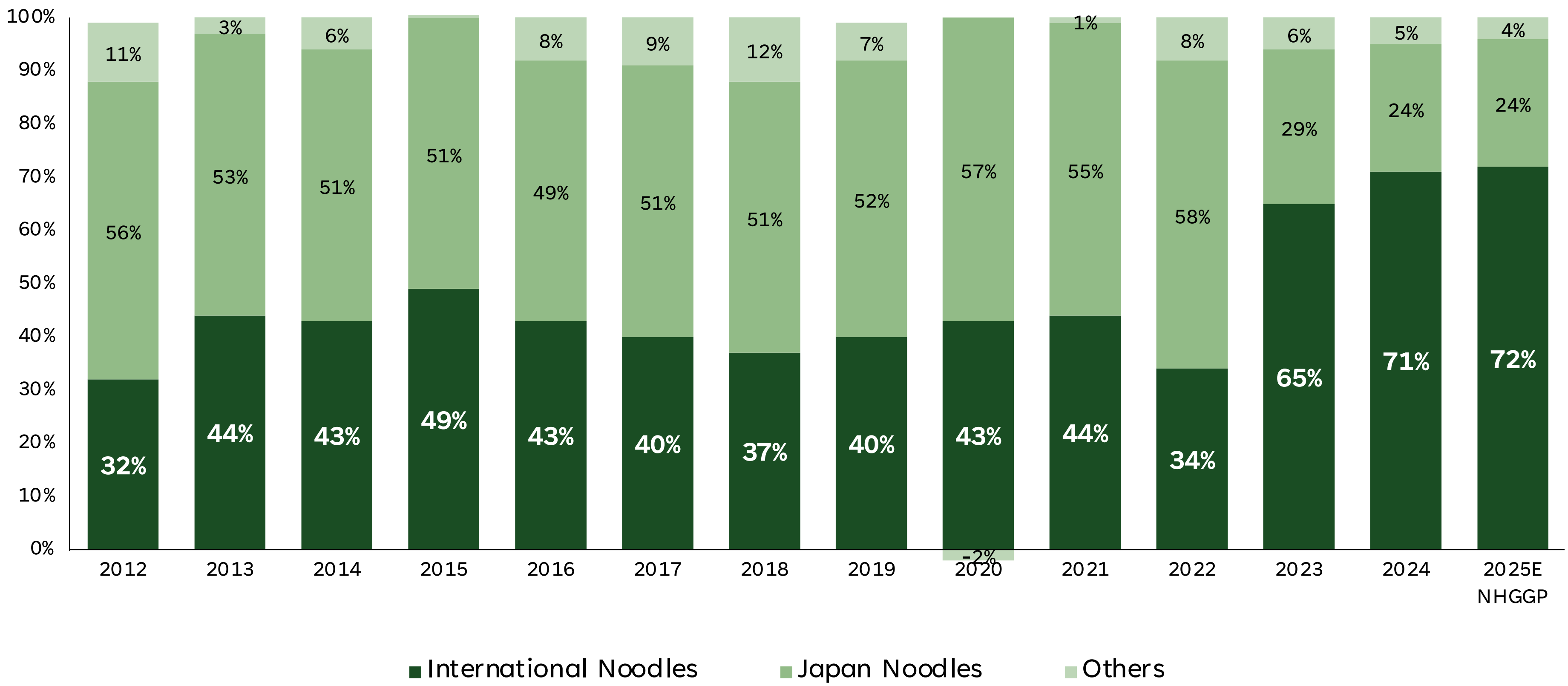
The challenges now facing Toyo Suisan are very different from the challenges the Company faced in the past – does Toyo Suisan have the right independent directors to support Company's future growth?

CENTER OF GRAVITY SHIFTING TOWARDS NORTH AMERICA	• North America responsible for 75% of operating profit and nearly 100% of growth. • What will the Toyo Suisan geographic profile look like in 5-10 years? • Requires directors with substantial experience in North America.
NOODLES ARE THE CORE BUSINESS	• Noodles (instant and chilled) now represent 96% of revenues and profit. • Requires directors with experience in fast-moving consumer goods.
CAPITAL ALLOCATION IS CRITICAL	• Toyo Suisan is facing important decisions such as regarding the business portfolio, shareholder returns, cost of capital. • Requires directors with experience in corporate finance.

Toyo Suisan's future is increasingly tied to overseas instant noodles

The North American instant noodle business represents the future growth of the Company.

PERCENT OF CONSOLIDATED EBIT BY SEGMENT



Source: Company filings; NHGGP estimates based upon FY March figures.

Current Toyo Suisan board composition

Director	Board Tenure	Title	Background
1	36	Chairman Representative Director	Former CEO (2003-2012)
2	14	Vice Chairman Representative Director	Former CEO (2014-2023)
3	14	President Representative Director	CEO of Maruchan (USA)
4	13	Senior Executive Director	Domestic business
5	12	Executive Director	R&D, Production Quality
6	9	Executive Director	Corporate
7	8	Executive Director	Domestic business
8	5	Director	Production, Sourcing
9	4	Director	Accounting, Finance
10	1	Director	Domestic business
11	6	INED	University Professor
12	6	INED	University Professor
13	5	INED	Ex-Management, BOD of Regional Bank
14	5	INED	Ex-Management of Agricultural cooperative, Super Market Store
15	4	INED	Lawyer

Mapping of current INEDS skills and areas to be enhanced

Relevant Skills and Experience

Incumbent Independent Directors

Director	Business Management	Finance/ Accounting	Legal/Risk Management	Sales and Marketing	Organization Management	Production/ Quality/R&D	Global Business	ESG/ Sustainability
11				●				
12						●		
13	●	●						
14	●			●				
15			●					●

Bring INEDs with strong corporate finance background and experience in capital allocation/business portfolio management

Bring INEDs with sufficient global business background and perspective is essential

Key issues for consideration

INED LIMITED CONTACT WITH SHAREHOLDERS	• Our understanding is that up until recently, no Toyo Suisan INED has ever met with an institutional shareholder. • Even today we believe that only one (of five) INEDs has ever met a shareholder. • There is no culture of Toyo Suisan INEDs attempting to serve as a bridge between shareholders and management.
LOW COMPENSATION RELATIVE TO EXPECTED WORKLOAD	• INEDs in Japan typically are paid ~JPY6-15 mn per year; Toyo Suisan's INEDs are at the middle of this range (JPY9 mn). • When considering the anticipated changes at Toyo Suisan in the coming years, the gap between the work required of Toyo Suisan INEDs and their compensation is very wide.

CONCLUSION

Conclusion

As we highlighted in our April 2024 presentation, there is a long-standing disconnect between the operational excellence of Toyo Suisan in terms of its market dominance and profitability in North America, and its underwhelming capital allocation and shareholder return policies. In our view, this disconnect has caused a deep and persistent valuation discount which makes the Company increasingly vulnerable in Japan's rapidly evolving M&A environment.

In this presentation, we have communicated our views on the critical policies we believe not only address shareholders expectations for the new Medium-Term Plan but will also take steps towards eliminating the Company's valuation discount and gaining the premium market valuation which we believe the Company could command.

We are long-term investors in Toyo Suisan and believe the current and historic valuation do not reflect the intrinsic value of the Company. In our opinion, this is driven by the Company's historic capital allocation and shareholder return policies which should not continue in their current form and no longer consistent with market norms.

We ask that the Toyo Suisan board of directors respect the shareholder intent expressed at the June 2024 annual general meeting and be proactive in initiating the much-needed changes highlighted in this presentation in the upcoming Medium-Term Plan.

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APPENDIX

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