



## **Nihon Global Growth Partners Proposes Share Repurchase to Achieve Toyo Suisan's Own 15% ROE Target Ahead of Schedule**

*Issues Presentation Demonstrating How a JPY36 Billion Share Repurchase Would Deliver the Board's 15% ROE Target More Than Two Years Early*

*Highlights Toyo Suisan's Exceptional Global Noodle Franchise – with Best-in-Class Margins and Market Leadership – and Argues the Company Deserves a Valuation Reflecting Its Earnings Power*

*Notes Company Holds JPY233 Billion in Cash – 37% of Total Assets – Far Exceeding Any Japanese or Global Peer and Suppressing ROE Well Below Its Potential*

*Builds on Three Years of Constructive Engagement That Have Produced Meaningful Progress on Shareholder Returns but Have Not Yet Addressed the Structural Cash Overhang*

NEW YORK & TOKYO – Tuesday, April 21, 2026 – Today, an investor group (the “Investor Group” or “we”) led by Nihon Global Growth Partners Management, Inc. (“NHGGP”) announced that it has submitted a shareholder proposal to Toyo Suisan Kaisha Ltd. (2875.T) (“Toyo Suisan” or the “Company”) requesting a JPY36 billion share repurchase for the fiscal year ending March 2027. NHGGP also issued a detailed presentation outlining the case for the proposal, which can be viewed [here](#). NHGGP and the Investor Group collectively own approximately 4% of Toyo Suisan’s common shares.

The proposal is part of a two-year, JPY72 billion share repurchase program that NHGGP believes would enable Toyo Suisan to achieve its stated 15% return on equity (“ROE”) target by March 2028 – more than two years ahead of the Company’s Board of Directors’ (the “Board”) current timeline. The proposal preserves the Board’s full discretion over timing and method of execution, and is funded entirely from the Company’s existing cash balance. It does not require the Company to borrow, reduce capital expenditures, or cut dividends. The proposal is designed to complement – not replace – the Company’s existing 70% total shareholder return (“TSR”) framework, which governs the annual flow of capital to shareholders.

The presentation details what NHGGP believes is the central unresolved issue in Toyo Suisan’s capital allocation: while the 70% TSR framework has successfully addressed the annual distribution of earnings, it does not address the JPY233 billion in cash already accumulated on the balance sheet.

Under the current medium-term plan, even with the 70% TSR honored in full, net cash remains effectively flat and ROE stays at approximately 13.7% – well short of the Board’s own target. The shareholder proposal provides an actionable, low-risk mechanism to close this gap and is the natural next step in a three-year engagement during which shareholders have consistently expressed support for improved capital allocation.

Key highlights of the presentation include:

- **Toyo Suisan has built a world-class global noodle franchise, but its market valuation does not reflect the quality of the underlying business.** The Company’s Maruchan brand holds approximately 70% market share in the United States and over 75% in Mexico, with operating profit margins exceeding 24% – best-in-class among Japanese and global food peers alike. The overseas noodle business has delivered 10% annual revenue growth and 16% annual operating profit growth over the past decade and now accounts for 71% of consolidated operating profit. Despite this exceptional franchise, NHGGP believes the Company’s valuation remains depressed by a capital allocation framework that has allowed excess cash to accumulate on the balance sheet.
- **Toyo Suisan holds JPY233 billion in cash – 37% of total assets – far exceeding any Japanese or global peer, and this cash overhang is holding ROE below its potential.** The Company’s cash-to-assets ratio of 37.1% compares with a Japanese peer average of

9.7% and a global peer average of just 3.1%. Cash as a percentage of market capitalization stands at 21.5%, versus 10.4% for Japanese peers and 5.5% for global peers. The current medium-term plan provides no pathway to reduce this cash balance. The 70% TSR framework governs the flow of earnings but does not address the Company's accumulated cash that continues to depress return on equity.

- **NHGGP's proposal provides a clear path to achieving the Board's own 15% ROE target more than two years ahead of schedule.** A JPY36 billion share repurchase in the fiscal year ending March 2027, followed by a second JPY36 billion tranche in the fiscal year ending March 2028, would lift ROE from 13.7% to approximately 14.8% after the first year and to 15.7% by March 2028. The repurchase represents approximately 3–4% of shares outstanding and is funded entirely from existing cash reserves. The proposal does not mandate the price, timing, or method of repurchase – execution remains with management. Following the program, the Company would retain cash reserves well in excess of operating needs.
- **Shareholders have consistently supported improved capital allocation at Toyo Suisan, and the proposal is aligned with Japan's market reform agenda.** In 2024, 49% of shareholders voted for a cost-of-capital disclosure proposal – an extraordinary level of support in the Japanese market. In 2025, approximately 40% of shareholders voted for an NHGGP-nominated director candidate, and a leading proxy advisory firm recommended in favor of both NHGGP nominees. The proposal is also fully aligned with the Tokyo Stock Exchange's reform expectations for Prime Market companies to address excess balance sheet assets and publish credible capital allocation frameworks.

Brian Doyle, Managing Partner of NHGGP, stated: "Over the past three years, we have engaged constructively with Toyo Suisan and have seen meaningful progress. The Company adopted a 70% total shareholder return framework and executed share buybacks for the first time in nearly two decades. We commend President Sumimoto and the Board for these important steps. But the 70% TSR addresses only the annual flow of earnings – it does not touch the JPY233 billion in cash already on the balance sheet. Under the current plan, ROE stays flat at 13.7%, and the Board will not achieve its own 15% target. The shareholder proposal accelerates this missing piece."

Mr. Doyle continued, "Our proposal is measured and prudent. A JPY36 billion annual repurchase would deliver 15% ROE more than two years ahead of the Board's stated timeline. It complements the 70% TSR framework – it does not replace it. We believe this is the right step, at the right scale, at the right time – aligned with the expectations of shareholders and Japan's market reform agenda. We remain open to engagement with the Company. If the Board takes steps to address the accumulated cash overhang, our shareholder proposal becomes unnecessary. We look forward to a productive dialogue in the weeks ahead."

## About NHGGP

Nihon Global Growth Partners Management, Inc. ("NHGGP") is a long-term, constructive investor in listed Japanese companies. NHGGP operates from offices in Tokyo, New York, and Hong Kong and oversees private investment vehicles including the NHGGP Opportunities Master Fund, L.P. Prior to founding NHGGP in 2018, its principals managed several private equity funds in Japan beginning in 2004.

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