



NH|GGP

ACHIEVING 15% ROE: THE CASE FOR SHAREHOLDER ACTION AT  
TOYO SUISAN (2875.T)

*APRIL 2026*

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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, constructive investor in listed Japanese companies.
- Operating from offices in Tokyo, New York and Hong Kong, NHGGP oversees private investment vehicles including the NHGGP Opportunities Master Fund L.P.
- This presentation was prepared by NHGGP, which serves as the lead investor within the Investor Group.
- Engagement timeline for Toyo Suisan
  - 2022–2024: Initiated engagement on capital efficiency; Company adopted 70% total shareholder return (“TSR”) and executed ¥25bn buyback.
  - 2025: Nominated two independent directors — received ~40% and ~33% shareholder support; neither seated.
  - **2026: Proposing ¥36bn share repurchase — the next step toward the Company’s 15% return on equity (“ROE”) target.**

## Executive Summary: Achieving 15% ROE Target Ahead of Schedule

NHGGP is proposing a ¥36bn share repurchase for Mar'27 — the right step, at the right scale, at the right time.

**The MTP targets a 15% ROE — but the current plan will not achieve it**

The board has stated its ambition to reach 15% ROE, but not until after 2030. Under the status quo — with the 70% TSR framework honored in full and no additional capital return — ROE will remain flat at ~13.7%.

**A clear path to 15% ROE — two years ahead of schedule**

The ¥36bn Year 1 repurchase moves ROE to ~14.8%. A second ¥36bn tranche brings the full ¥72bn program to 15.7% ROE by Mar'28 — the board's own target, more than two years ahead of schedule. Aligned with Tokyo Stock Exchange (“TSE”) reform expectations. The proposal carries minimal risk: post-program, the Company retains more than ¥200bn in net cash.

**Board reconstitution attempted — ~40% voted yes; expertise gap persists**

Our preferred approach was board reconstitution — we came close at the Annual General Meeting (“AGM”) in 2025, with ~40% and ~33% shareholder support for our nominees, yet neither was seated. Independent finance expertise gap remains unaddressed.

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Exceptional Franchise Value Is Obstructed by Capital Allocation Problem

# Toyo Suisan: A World-Class Global Franchise

Toyo Suisan has built a resilient global food franchise.

## Company Overview

- Leading instant noodle company
- Founded in 1953, based in Tokyo
- #1 player in North America (~70% market share in USA, 75%+ in Mexico) and #2 player in Japan
- Legacy businesses include frozen & refrigerated foods, processed foods, seafood, cold-storage segments.

## Investment Merits

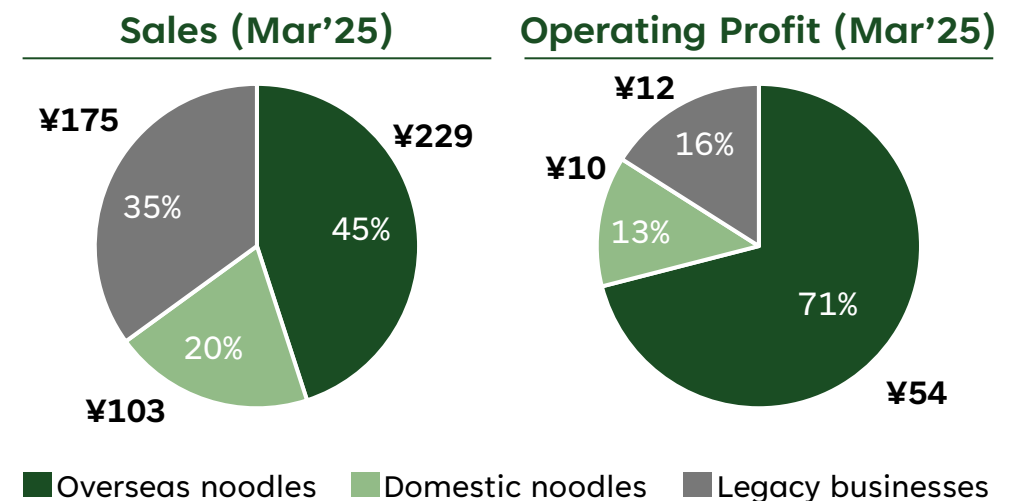
- Outstanding Overseas Noodle business
  - 24% operating profit margins — best-in-class among global food peers
  - 16.2% operating profit CAGR<sup>1</sup> over 10 years
- Defensive business profile
  - Historical ability to pass through costs in the form of price increases
  - Outperforms in economic weakness due to customer “downtrading”

Note (1) Compounded annual growth rate.  
Source: Company filings, SPEEDA

## Representative Products



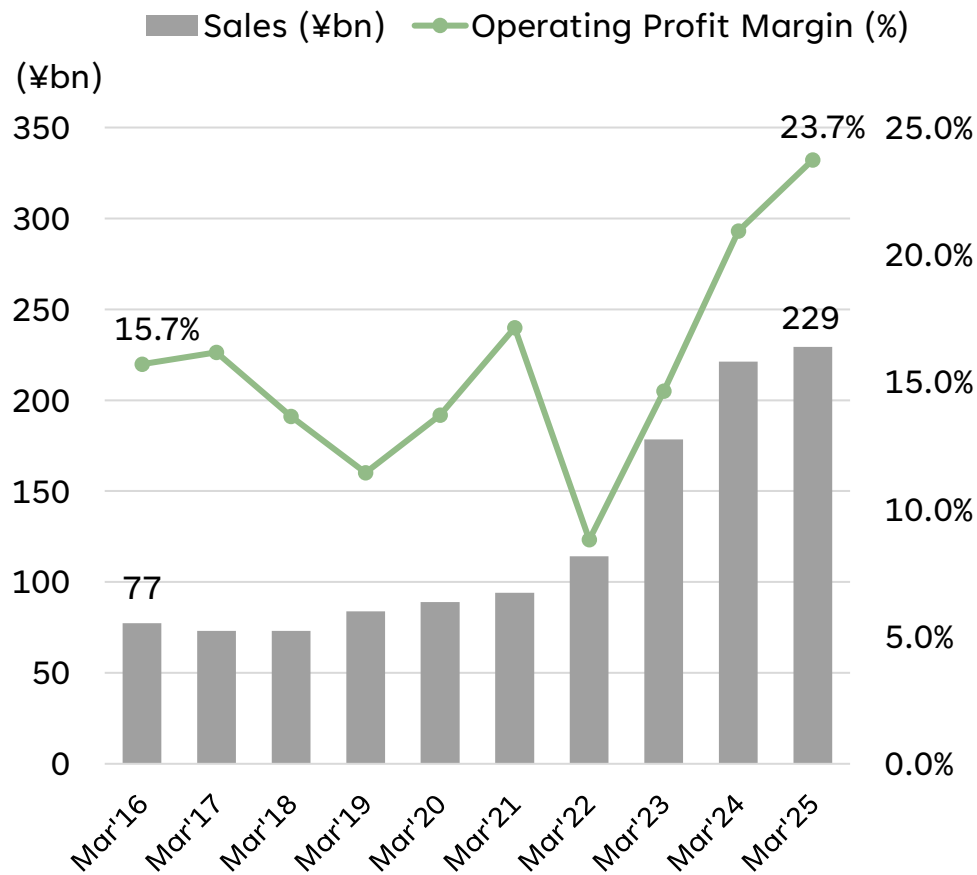
## Financials (¥bn)



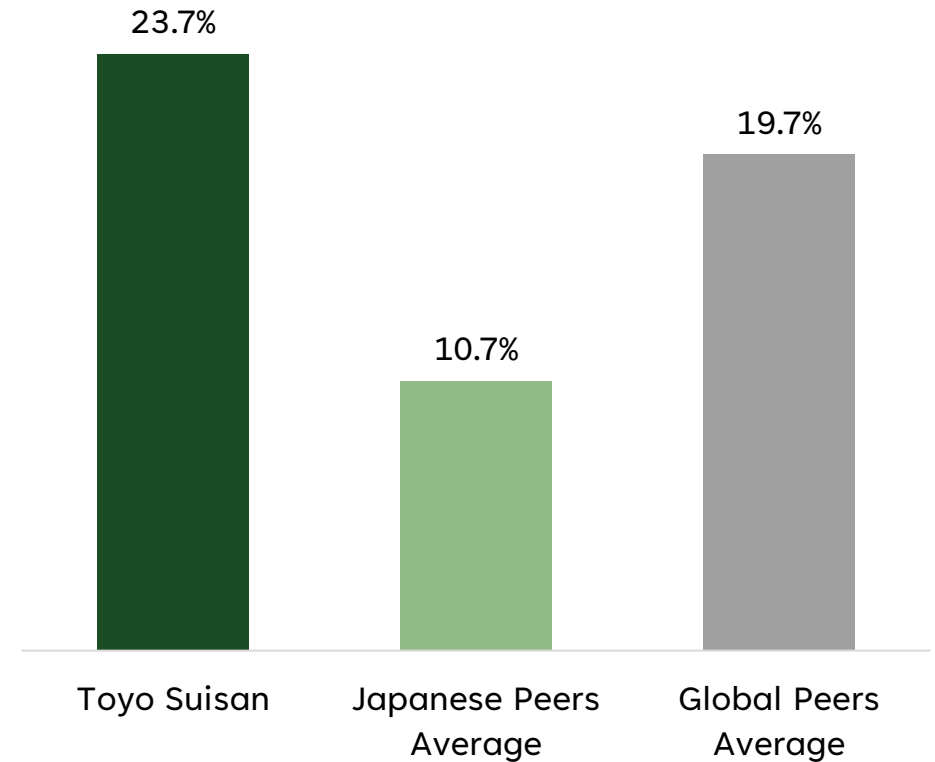
# Toyo Suisan's Overseas Noodle Business: Exceptional Growth and Margins

Ten years of revenue growth at a 10% CAGR, with 24% operating margins in Mar'25 — best-in-class among Japanese and global food peers.

## Overseas Noodles Segment Sales and OP Margin



## Segment Operating Profit Margin Comparison<sup>1</sup>



Note (1) Operating profit margin reflects segment-level figures, not consolidated company margin; based on the most recent fiscal year-end available for each company.

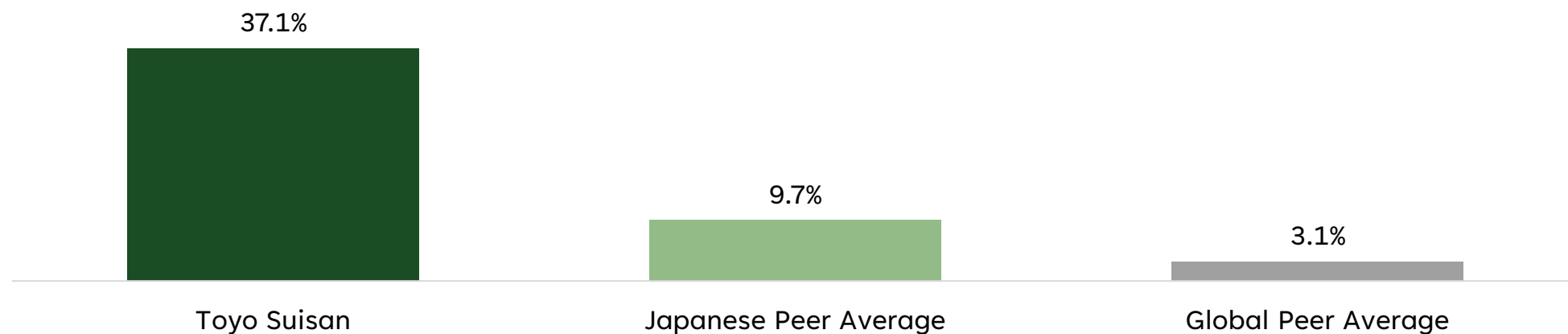
Source: SPEEDA

## A Structural Problem: Excess Cash

Despite its exceptional business, Toyo Suisan carries ¥233bn in cash — far exceeding any Japanese or global peer — holding ROE well below its potential.

- Net cash is projected to reach ¥281bn by Mar'28 even with the 70% TSR honored in full. The existing framework governs the annual flow of earnings — not the ¥233bn already accumulated on the balance sheet.
- The status quo is not a neutral baseline. No medium-term plan (“MTP”) has ever reduced the cash overhang — and none is designed to. Meanwhile, ¥233bn<sup>1</sup> in cash sits idle while the company's own ROE targets go unmet. In the absence of superior value-creating investment opportunities, excess cash should be returned to shareholders.

### Cash vs. Total Assets<sup>2</sup>



Note (1) As of the end of Q3 Mar'26. (2) As of the end of last quarter. See Appendix for full peer comparison.  
Source: SPEEDA, NHGGP forecast, Company “Medium Term Plan” (MTP)

## Without the Shareholder Proposal, the Stock Problem Remains Unsolved

The Company's 70% TSR framework alone is not enough — combined with NHGGP's ¥36bn share repurchase proposal, Toyo Suisan can achieve its own 15% ROE target by Mar'28.

- Complementary, not competing. NHGGP's ¥36bn proposal runs alongside the 70% TSR — together managing both the stock and the flow of capital.
- As shown, the 70% TSR alone will not reduce the ¥233bn cash stock or close the ROE gap<sup>1</sup>. The current MTP have left the cash balance untouched. The board targets 15% ROE but has disclosed no mechanism to achieve it — and has not acted voluntarily. Board reconstitution was tried in 2025 with ~40% support; nominees were not seated. The shareholder proposal is the most direct remaining path.

### Two Complementary Tracks

Track	What It Addresses	Mechanism	Status
70% TSR Framework	Flow	Annual dividend + share repurchase ≥70% of net income	Committed; in place
¥36bn Shareholder Proposal	Stock	One-time accelerated repurchase funded from existing cash balance	Proposed for Mar'27

Note (1) See Appendix for detail.

Source: Company filings, NHGGP forecast



Proposal: Share Repurchase to Achieve 15% ROE Within the MTP Period

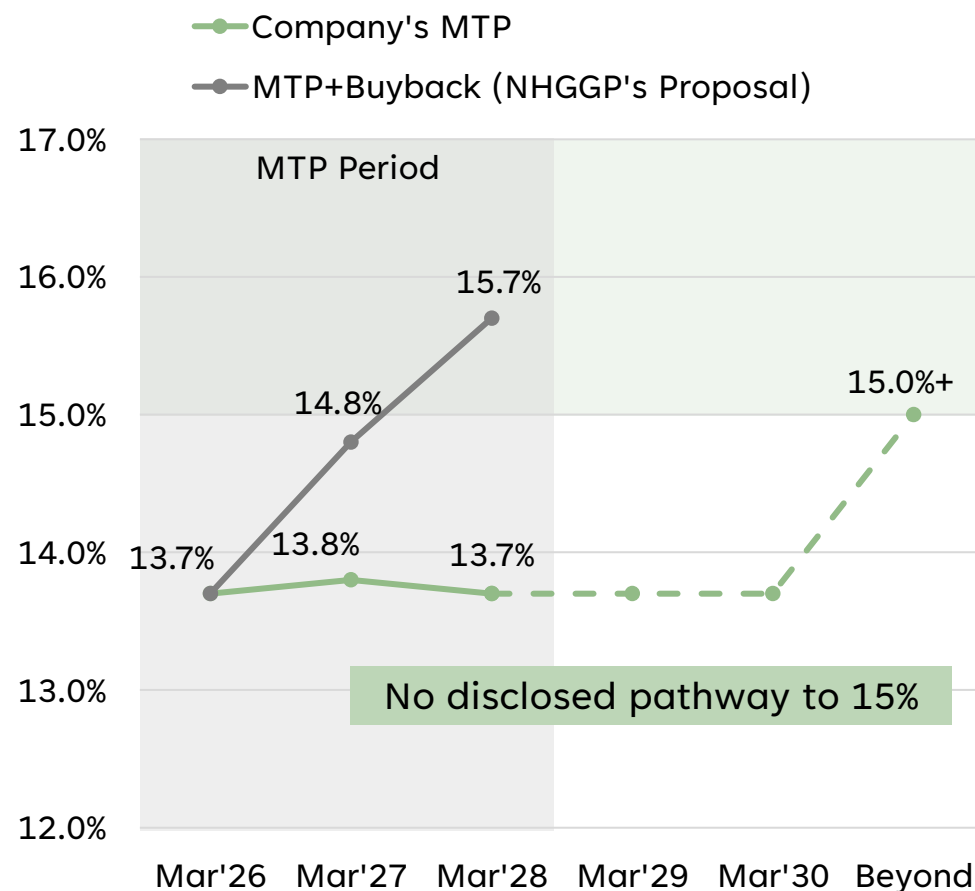
# At the Current Rate the 15% ROE Target Will Not Be Met

The board's 15% ROE commitment appears genuine — but no credible path exists to achieve it. NHGGP's proposal provides the missing mechanism.

## Toyo Suisan's Target and the Gap

- The board has stated its ambition to reach 15% ROE, but not until after 2030.
- Under the status quo — with the 70% TSR framework honored in full and no additional capital return — ROE remains flat:
  - Mar'26: 13.7%
  - Mar'27: 13.8%
  - Mar'28: 13.7%
- NHGGP's proposal: Year 1 (¥36bn) moves ROE to ~14.8%; the full ¥72bn program delivers 15.7% by Mar'28.

## ROE Forecast: Company's MTP vs. Proposal<sup>1</sup>



Note (1) See Appendix for details on ROE.  
Source: Company filings, NHGGP forecast

## NHGGP's Proposal: ¥36bn Share Repurchase — Structure and Terms

NHGGP's ¥36bn proposal draws entirely from existing cash, adds to the 70% TSR commitment rather than replacing it, and leaves all execution decisions with the board.

### Proposal Terms

- Shareholder resolution requesting ¥36bn in share repurchase in Mar'27
- Part one of a two-year, ¥72bn program (¥36bn per year for Mar'27 and Mar'28)
- Approximately 3–4% of shares currently outstanding
- Funded entirely from the existing cash balance — no borrowing, no dividend reduction, no capex impact

### Relationship To the 70% TSR Framework

- This proposal is in addition to — not a substitute for — the 70% TSR commitment.
- The ¥36bn repurchase is a separate, incremental allocation drawn from the accumulated cash balance — it does not come out of the 70% TSR budget.
- NHGGP does not seek to mandate the price, timing, or method of repurchase. The proposal sets the amount and the fiscal year — execution remains with management.

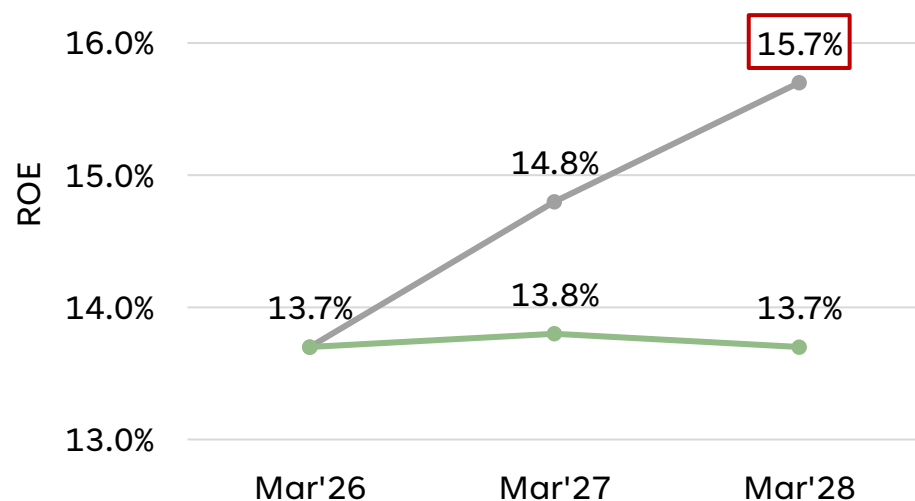
# Our Proposal Provides a Clear Path To Achieving the 15% ROE Target

NHGGP's proposal delivers the board's own 15% ROE target by Mar'28 — through capital allocation alone, with no M&A, no operational change, and limited risk to the business.

## 15% ROE — Two Years Early<sup>1</sup>

Toyo Suisan's stated ambition is 15% ROE beyond 2030. By implementing the proposed two-year program, this target is achievable by Mar'28 — more than two years ahead of schedule.

— Company's MTP +¥36bn Share Repurchases (NHGGP's Proposal)  
— Company's MTP



Note (1) See Appendix for details on ROE.  
Source: SPEEDA and NHGGP forecast

## Why Repurchase Is the Most Direct Path

- ROE = Net Income ÷ Equity; repurchasing shares reduces the denominator while leaving operating earnings intact.
- The improvement is not contingent on margin expansion or M&A — it follows directly from reducing idle equity.
- The cash used to buy back shares is low-yielding — it contributes negligibly to net income while adding to the equity base.




# NHGGP's Proposal Is Aligned With Japan's Market Reform Agenda

NHGGP's proposal is fully aligned with TSE's reform expectations for Prime Market companies — expectations Toyo Suisan has partially addressed but not yet fully met.

Toyo Suisan has disclosed its cost of capital — but has not addressed its ¥233bn cash balance or published a plan to reduce it.



## TSE Reform Expectations vs. Toyo Suisan's Current Position

TSE Reform Expectation	Where Toyo Suisan Stands <sup>4</sup>
Analyze cost of capital and examine business portfolio <sup>1</sup>	 Cost of Equity (“CoE”) estimated at ~10% <sup>5</sup> ; ROE exceeded CoE in Mar’25. However, the Company has not disclosed a portfolio review of its low-return segments, particularly how to bring their returns above the cost of capital.
Address excess balance sheet assets <sup>2</sup>	 Cash at 37% of total assets and 22% of market cap <sup>6</sup> (vs. 10% Japanese peer average). No disclosed reduction pathway.
Publish capital allocation framework <sup>3</sup>	 70% TSR covers profit distribution (flow) only. No framework to address the ¥233bn <sup>7</sup> in accumulated cash on the balance sheet (stock).

Note (1) TSE and Financial Services Agent (“FSA”) “Japan’s Corporate Governance Code”, Supplementary Principle 5-2 (Revised June 2021); TSE “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” (March 2023). (2) TSE “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” (March 2023), TSE and FSA “Japan’s Corporate Governance Code (proposed Revision)” Principle 4-2 (February 2026). (3) TSE and FSA “Japan’s Corporate Governance Code” Supplementary Principle 5-2 (Revised June 2021). (4) △ indicates partially addressed — gap remains. (5) CoE estimated by Bloomberg. Cost of capital includes both cost of equity and cost of debt. (6) Cash and total assets as of the end of Q3 Mar’26. Market cap as of April 2026. See Appendix for details. (7) As of the end of Q3 Mar’26.

Source: Company filings, Bloomberg, SPEEDA, TSE



Your Vote: The Next Step Toward a Stronger Toyo Suisan

# Shareholders Have Consistently Backed Reform

Three years of constructive engagement with strong shareholder support. The Company has addressed the flow of capital — but not the ¥233bn<sup>1</sup> stock of accumulated cash. The shareholder proposal is the remaining mechanism.

	2024 AGM	2025 AGM	2026 AGM
<b>NHGGP Action</b>	<ul style="list-style-type: none"> <li>Proposed cost of capital disclosure.</li> <li>A leading proxy advisor recommended FOR the disclosure proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Nominated two independent directors with corporate finance expertise and overseas business experience.</li> <li>A leading proxy advisor recommended FOR both nominees.</li> </ul>	<ul style="list-style-type: none"> <li>NHGGP met with management in fall 2025 and encouraged a proactive buyback. The Company has not acted.</li> <li>Shareholder proposal: ¥36bn share repurchase to achieve the Company's own 15% ROE target.</li> </ul>
<b>Shareholder Response</b>	49% voted for cost of capital disclosure — extraordinary in Japan	~40% and ~33% voted for nominees — extraordinary in Japanese context	<b>Your vote</b>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>Flow of capital: Company adopted 70% TSR framework. Addressed ✓</li> <li>Stock of accumulated cash: untouched</li> </ul>	<ul style="list-style-type: none"> <li>Candidates not seated</li> <li>Board expertise gap: unaddressed</li> </ul>	Vote FOR to address the ¥233bn in excess cash.

Note (1) As of the end of Q3 Mar'26.  
Source: Company filings

## Voting FOR the Proposal: What Shareholders Are Endorsing

Your vote FOR this proposal supports the board in achieving its own 15% ROE objective — through a mechanism that is low-risk, shareholder-validated, and aligned with Japan's governance reform agenda.



- A vote FOR affirms that:
  - Toyo Suisan's excess cash exceeds operational needs.
  - Low-yielding cash should be deployed to improve ROE toward the board's own 15% target.
  - The 70% TSR framework alone is insufficient to close the structural gap.
  - ¥36bn/year is an appropriate size and low-risk.
- This proposal will not:
  - Replace or reduce the 70% TSR commitment
  - Constrain management's discretion on execution timing or method
  - Require the company to borrow, reduce capex, or cut dividends
  - Leave the company under-capitalized — substantial cash reserves remain post-program

With shareholder support, Toyo Suisan can achieve 15% ROE by Mar'28 — delivering on the board's own commitment, two years ahead of schedule.

Source: Company filings, NHGGP forecast



Vote **FOR** the ¥36bn Share Repurchase.

# Inquiries

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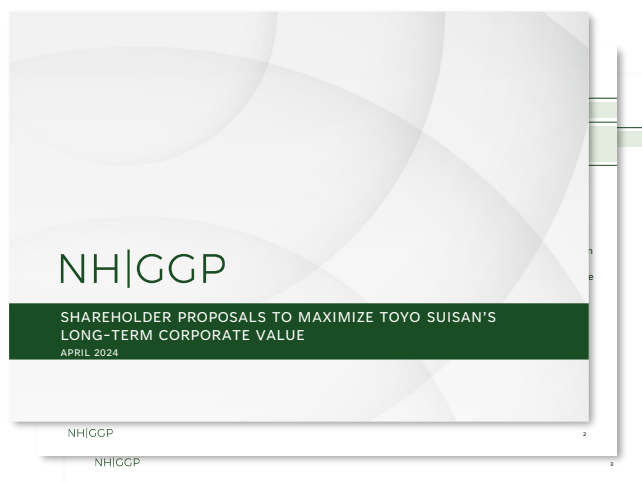
E: [nhggp@longacresquare.com](mailto:nhggp@longacresquare.com)



## Appendix

## Appendix — Detailed Supporting Analysis in Our Prior Presentations

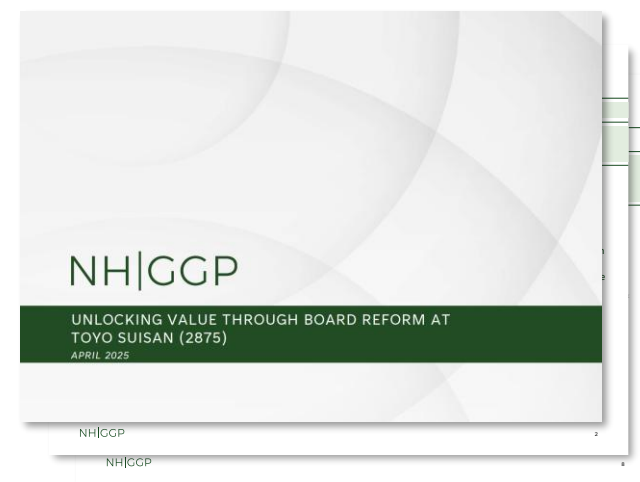
We encourage readers to review these materials in the context of the presentations NHGGP has previously published regarding our engagement with Toyo Suisan. Previously published materials can be found at: [nhgpp.com/engagement/toyo-2875/](https://nhgpp.com/engagement/toyo-2875/)



April 2024



February 2025



April 2025

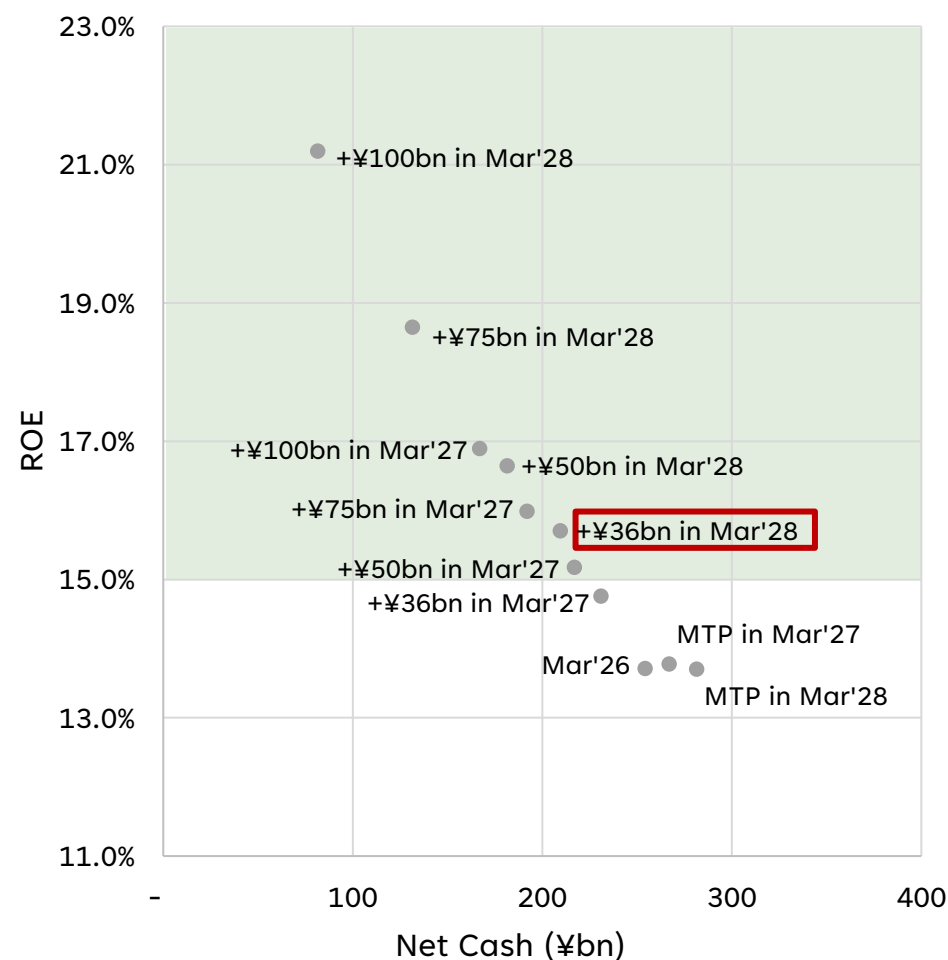
## Appendix — Achieving 15% ROE Through Disciplined Capital Allocation

The ¥36bn proposal represents the minimum scale needed to achieve 15% ROE within the MTP period. Toyo Suisan's balance sheet can comfortably support a larger program.

(¥bn)	NHGGP Forecast		
	Mar'26	Mar'27	Mar'28
Operating Profit	87	91	95
Net Income	71	75	78
Depreciation	19	22	23
Operating Cash Flow	90	96	100
Capex	-48	-31	-31
Free cash flow	42	65	69
Dividend 30% of Net Income	-21	-22	-23
Repurchase 40% of Net Income	-24	-30	-31
Net Cash +/-	-3	13	14
Prior Year Net Cash	257	254	267
Net Cash	254	267	281
<b>ROE</b>	<b>13.7%</b>	<b>13.8%</b>	<b>13.7%</b>
Cash Ratio	40.9%	41.5%	42.2%
<b>ROE: +¥36bn/yr. Capital Return</b>	-	<b>14.8%</b>	<b>15.7%</b>
Net Cash	-	231	209
<b>ROE: +¥50bn/yr. Capital Return</b>	-	<b>15.2%</b>	<b>16.6%</b>
Net Cash	-	217	181
<b>ROE: +¥75bn/yr. Capital Return</b>	-	<b>16.0%</b>	<b>18.6%</b>
Net Cash	-	192	131
<b>ROE: +¥100bn/yr. Capital Return</b>	-	<b>16.9%</b>	<b>21.2%</b>
Net Cash	-	167	81

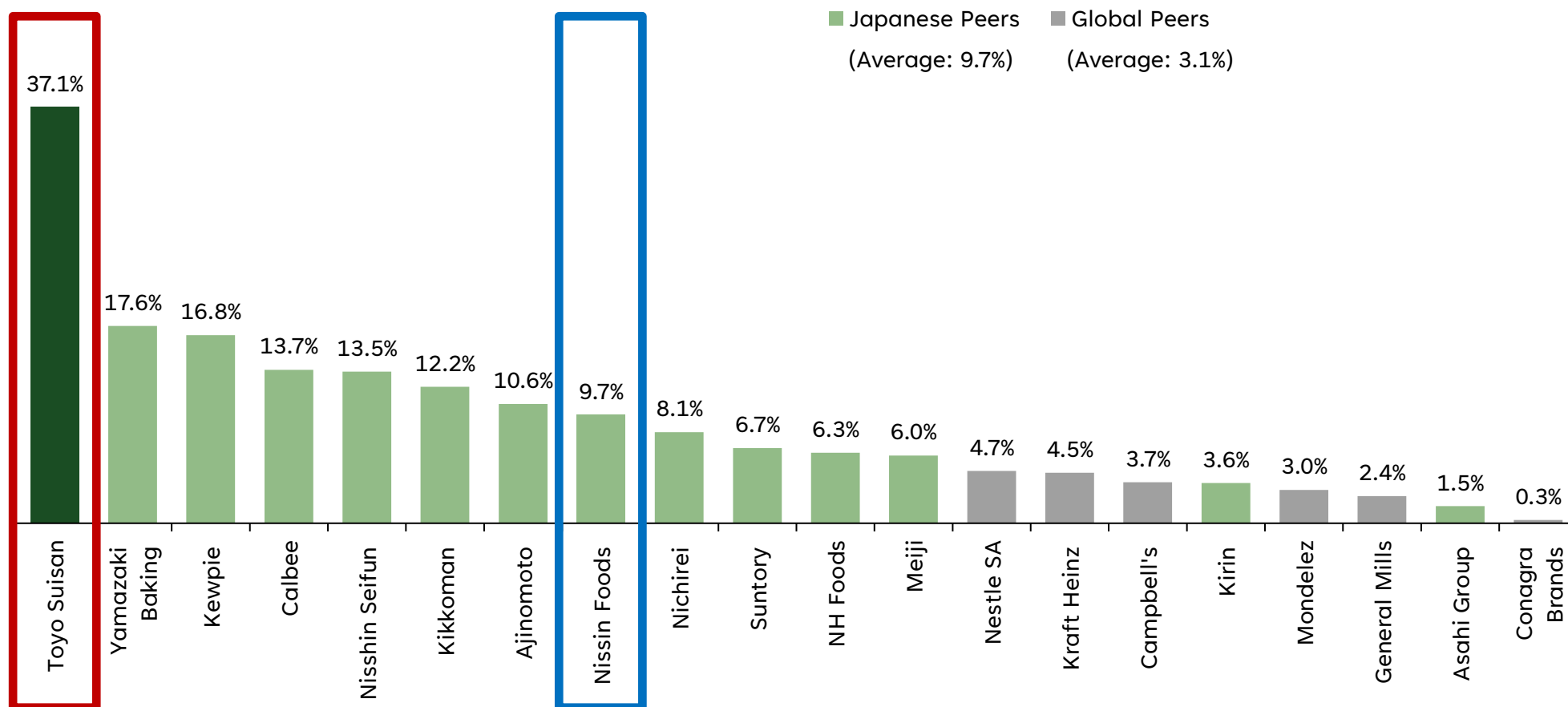
Source: Company filings, NHGGP forecast

### ROE vs. Net Cash



## Appendix — Peer Comparison (Cash vs. Total Assets)

Toyo Suisan holds cash equivalent to 37.1% of total assets — by far the highest among both Japanese and global peers.

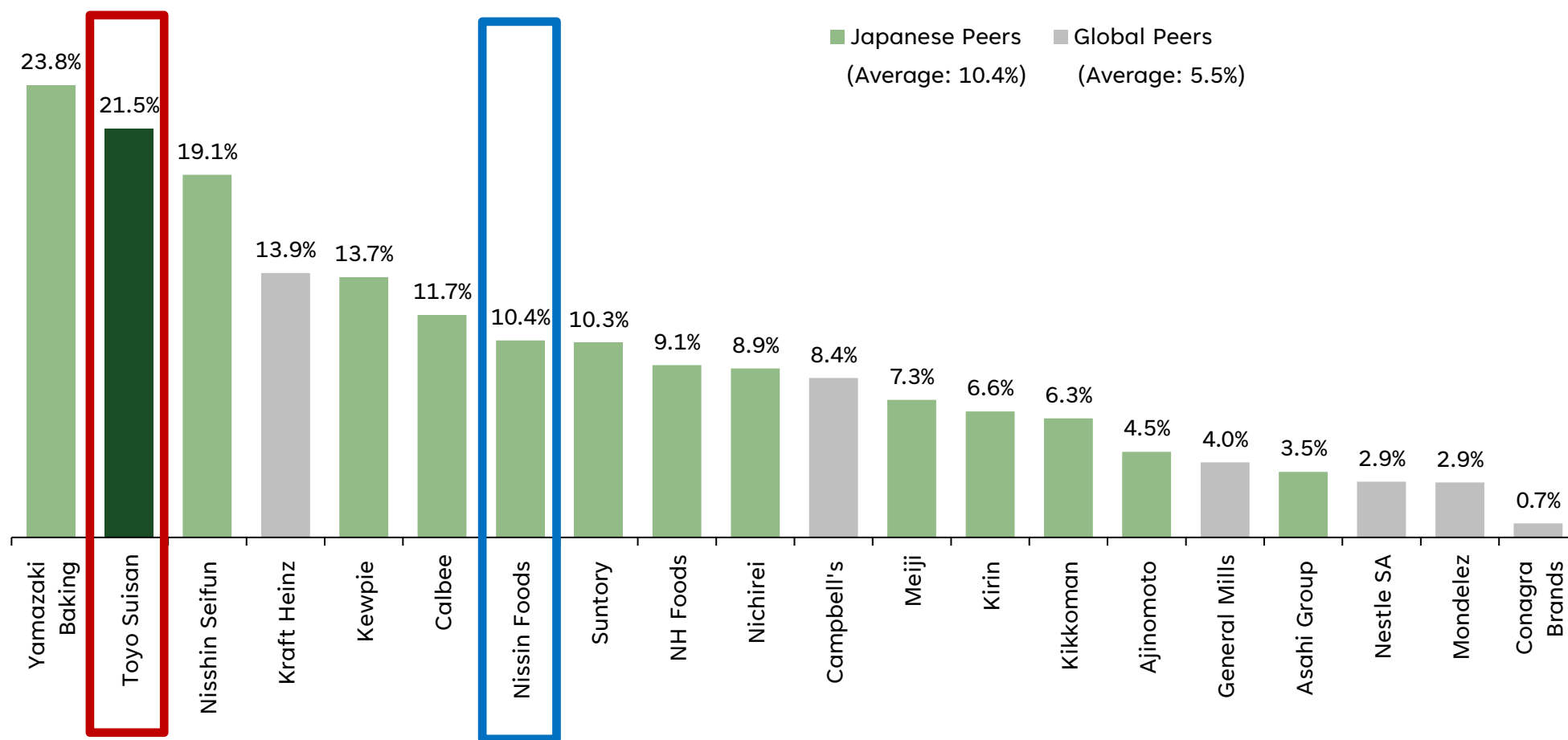


Note: Cash ratio vs. total assets = (cash + short-term investments) / total assets as of the end of last quarter.

Source: SPEEDA

## Appendix — Peer Comparison (Cash vs. Market Cap.)

Toyo Suisan holds cash at 21.5% of market cap — nearly twice the Japanese peer average and four times the global peer average.



Note: Cash ratio vs. market cap. = (cash + short-term investments) / market cap. as of April 2026. Cash and short-term are as of the end of last quarter.

Source: SPEEDA

## Appendix — Board Composition

No current board member has a background in corporate finance, capital markets, capital allocation, or overseas business operation — the core competency required to address the excess cash issue. The continued presence of a former president as representative director for 37 years raises questions about sound governance practice.

Director	Board Tenure	Title	Background
Mr. Tadasu Tsutsumi	37	Chairman Representative Director	Former President (2003-2012)
Mr. Noritaka Sumimoto	15	President Representative Director	President (2023- present)
Mr. Hitoshi Oki	14	Senior Executive Director	Domestic business
Ms. Rieko Makiya	13	Executive Director	R&D, Production Quality
Mr. Masahisa Mochizuki	10	Executive Director	Corporate
Ms. Chiyoko Matsumoto	5	Director	Accounting, Finance
Mr. Yoshiaki Yamazaki	2	Director	Domestic business
Ms. Yasuko Shimazaki	1	Director	R&D
Mr. Hiroyasu Yachi	7	Outside Director	University Professor
Mr. Kenichi Yazawa	6	Outside Director	Retired Regional Bank Executive
Mr. Isamu Chino	6	Outside Director	Agricultural Cooperative Executive
Mr. Tetsuya Kobayashi	5	Outside Director	Lawyer

Source: Company filings