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# Fiscal Years 2025 to 2027 Three-Year Medium-Term Management Plan

(excerpt from Financial Presentation Materials for the Fiscal Year Ended March 31, 2025)

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# Current Situation and Initiatives for the Future

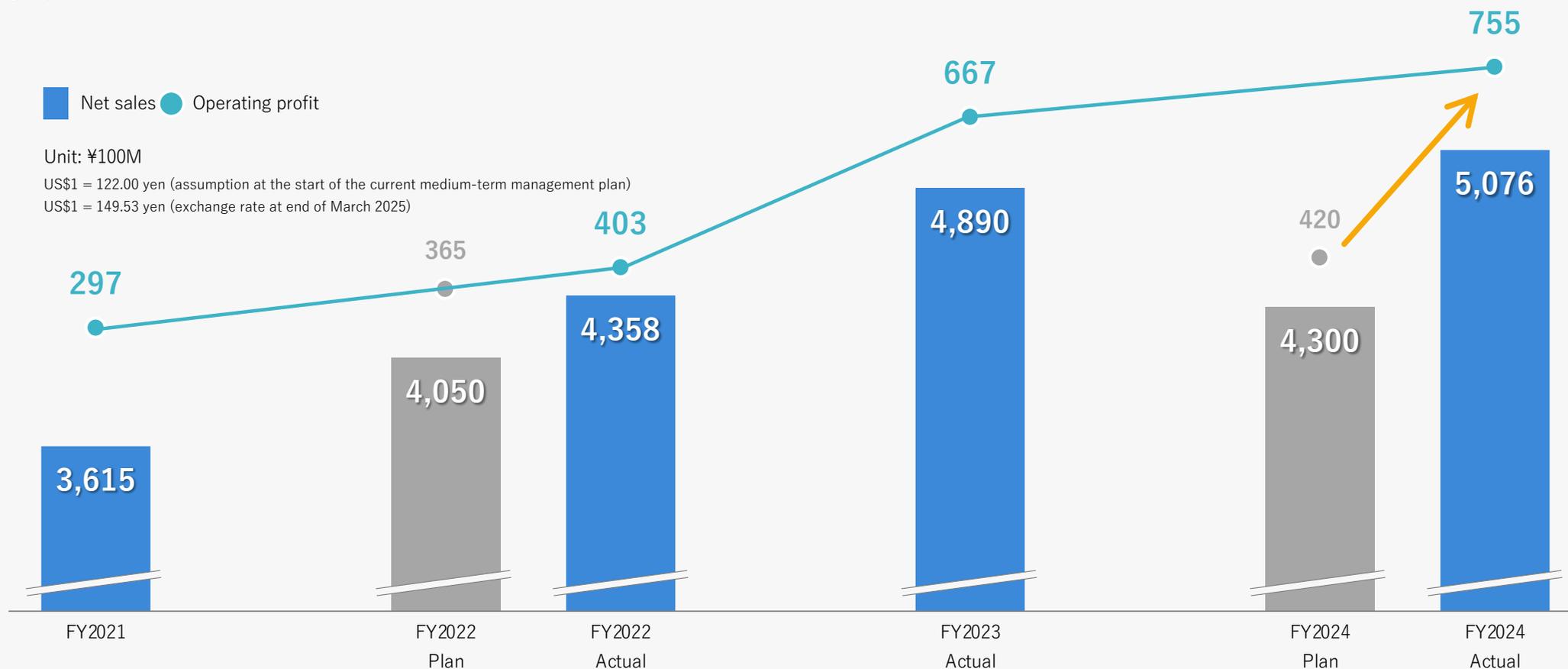


# Numerical Targets and Progress of the New Medium-Term Management Plan



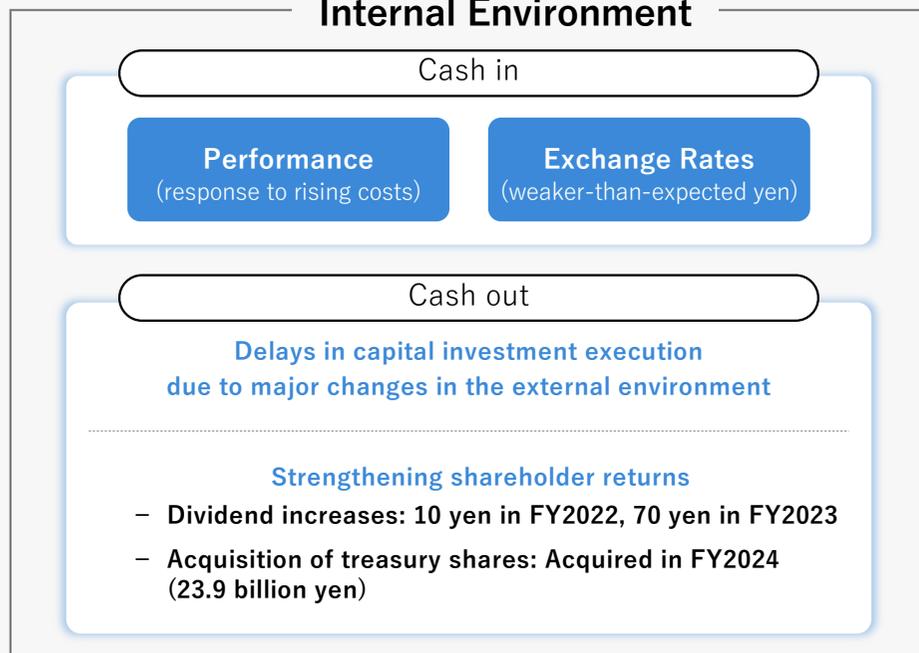
Net sales and operating profit in the final year are expected to reach 507.6 billion yen and 75.5 billion yen, respectively

Achieved growth in net sales and operating profit by responding to an uncertain external environment marked by the COVID-19 pandemic and rising geopolitical risks



# Environment During the Previous Medium-Term Management Plan and Issues for the New Medium-Term Management Plan

## Internal Environment



## External Environment



Issues to be addressed by the new medium-term management plan

“Balance between investment in the future and shareholder returns”

“Mitigate risks and capture new growth opportunities”

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# Positioning of the New Medium-Term Management Plan and Basic Strategies



# Positioning of the New Medium-Term Management Plan

Management Philosophy

A fair and self-reliant management style that rewards employees

Slogan

“Bringing smiles to everyone through food”

Vision

Bring smiles to our stakeholders by enhancing our corporate value

New Medium-Term Management Plan: Basic Policy

Increase value in  
customer markets

Sustainably grow each business

Increase value in  
capital markets

Respond to stakeholders

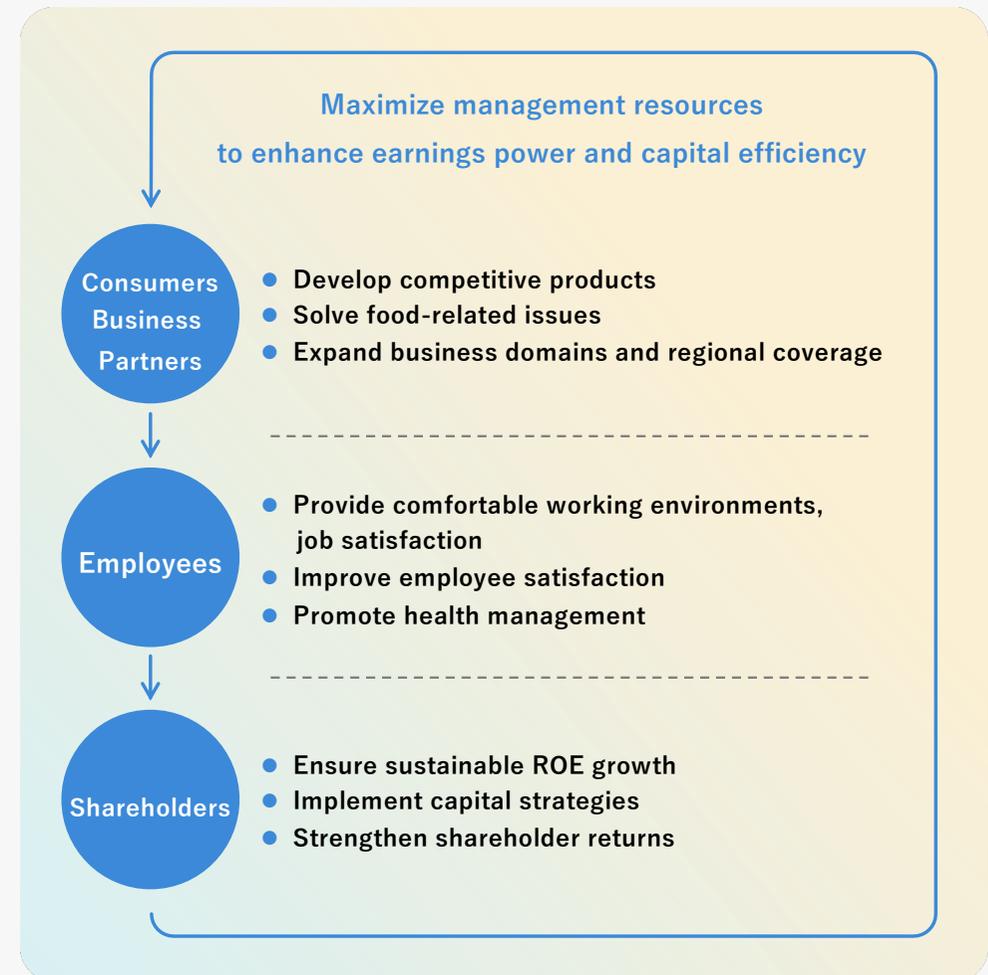
# TS Group Vision

Vision

Bring smiles to our stakeholders  
by enhancing our corporate value

Sustainability (promote ESG and DX initiatives)

Ongoing, unwavering efforts  
to enhance corporate value



# Exercise the TS Group's Collective Strength

## Maximize TS Group synergies and inter-business collaboration

**Collaboration in dashi (soup stock) operations**




**Positioning of the cold storage segment**



- 22 locations nationwide
- Storage capacity: 640,000 tons

**Leverage an efficient logistics network**

**Market forecast for the processed foods segment**

Market size estimates and forecasts [Sales amount]

Unit: Millions of yen	2024 (Estimate)	2031 (Forecast)	Growth rate
Aseptically packaged rice/retort rice	98,400	114,200	116.1%
Freeze-dried soup (retail use)	23,100	24,500	106.1%

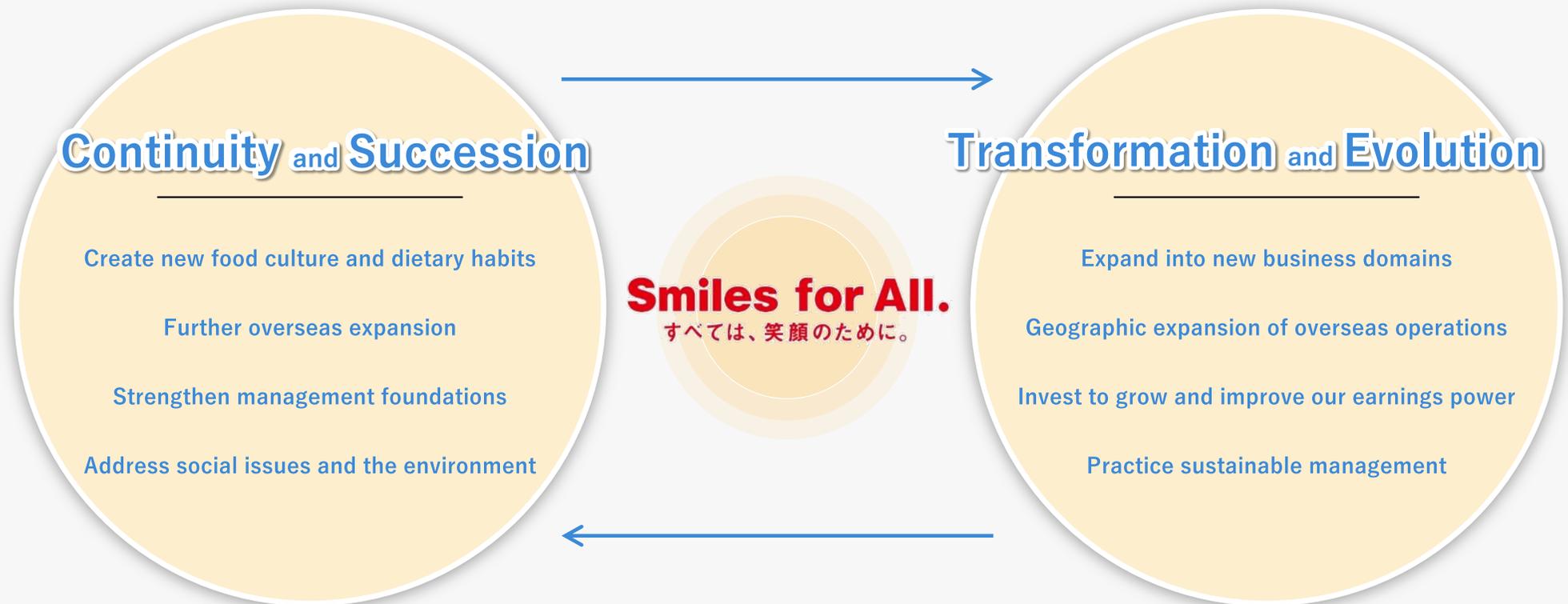
Source: Fuji Keizai, 2025 Food Marketing Handbook No. 4



# Basic Strategies in the New Medium-Term Management Plan

**Continuity and succession:** Continue the basic policies of the previous plan while addressing unresolved issues

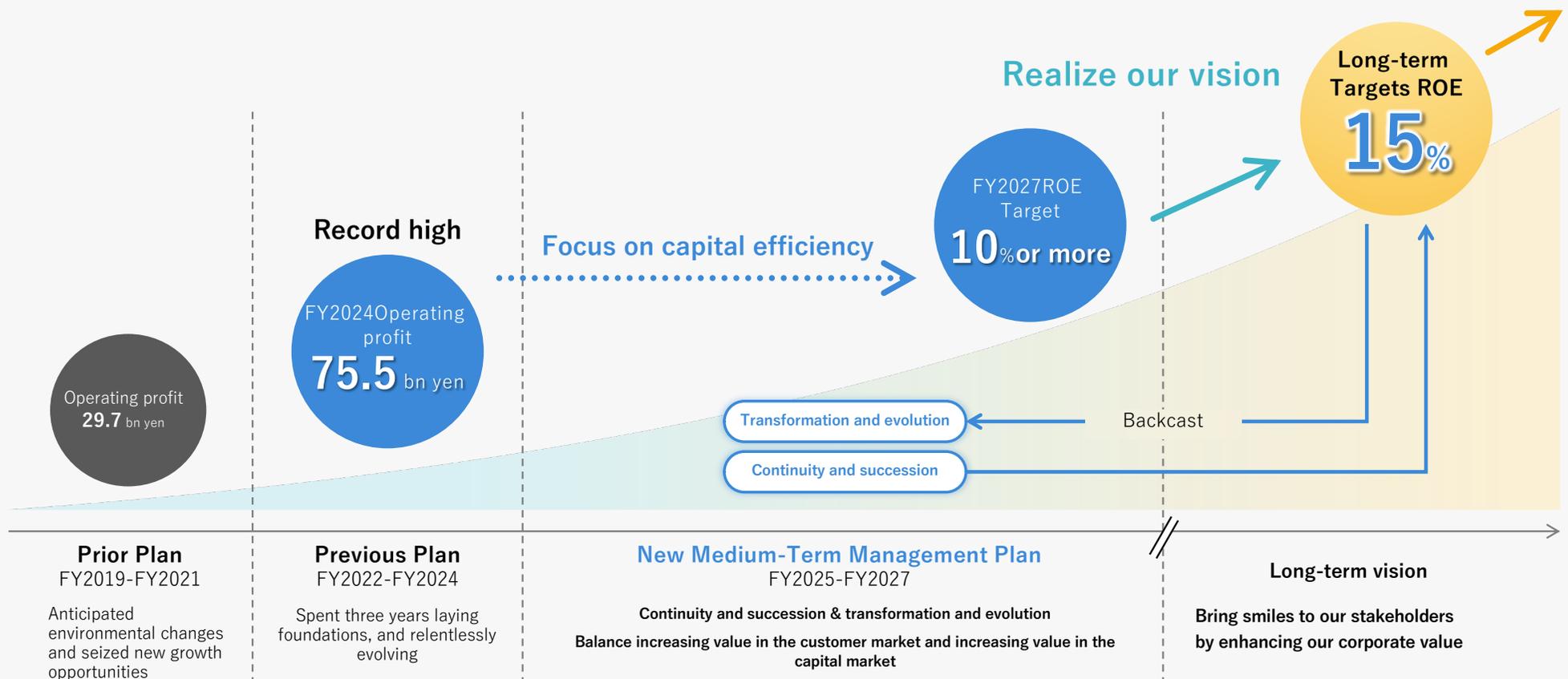
**Transformation and evolution:** Aim to improve corporate value by implementing the reforms necessary to achieve our vision and enhance our corporate value



# Direction of the New Medium-Term Management Plan

## New Medium-Term Management Plan

“Investment lead period” to make capital investments in growth areas to realize the TS Group Vision Emphasize capital efficiency (ROE of 10% or more) in addition to profit growth, while maintaining a balance between investment and shareholder returns ROE for the FY2027 is expected to be approximately 12%, exceeding 10%



## Initiatives to Realize Management that is Conscious of Capital Costs and Share Price Performance



### Current situation

Our cost of share capital is in the range of 6–8%  
Our PBR has remained at approximately 2x

Capital efficiency: ROE/cost of share capital



Cost of share capital (our understanding)

FY2024 ROE

### Policies

Aim for 15% ROE in the future

Ensure sustainable profit growth through execution of business strategies

Improve capital efficiency through financial strategies

Reduce cost of share capital

## Initiatives

### Sustainable profit growth

- Strengthen profitability of existing businesses
- Pursue opportunities in new business domains
- Invest giving consideration to ROIC

### Improve capital efficiency

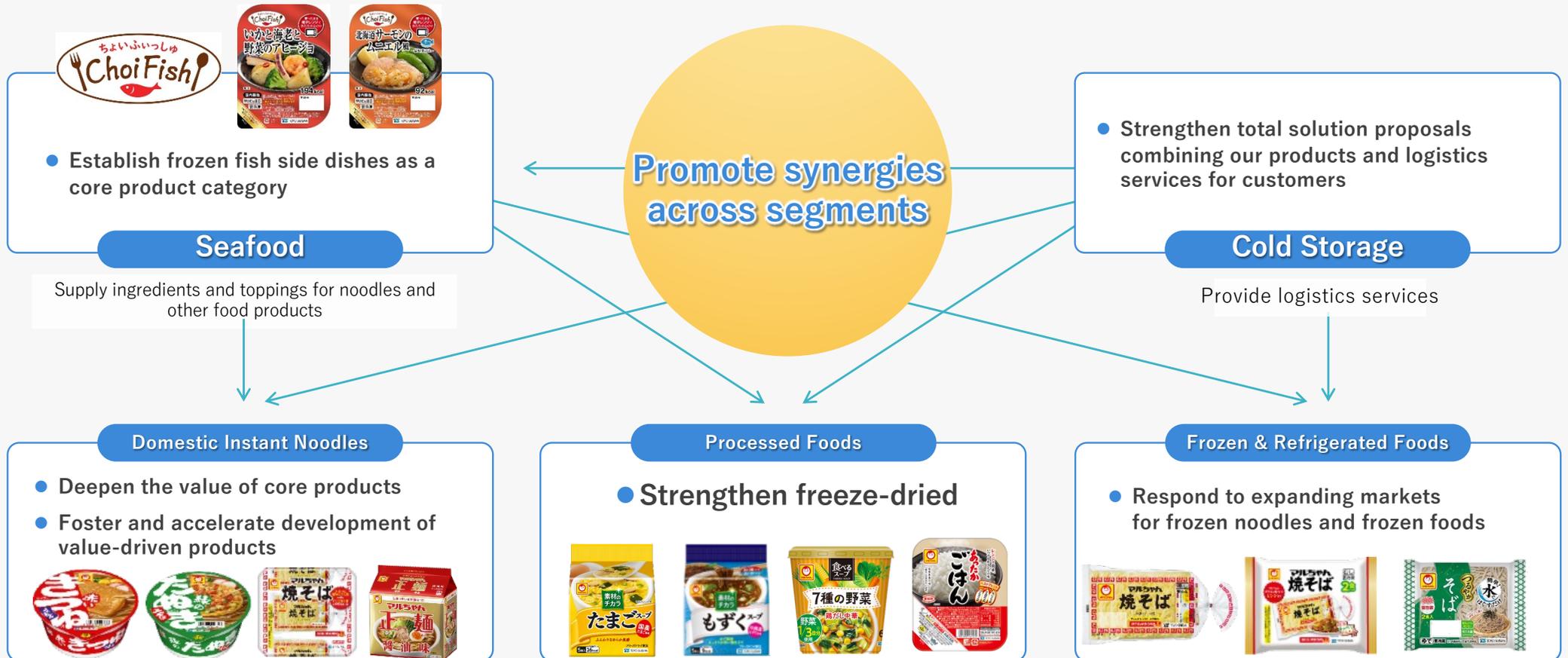
- Target a total return ratio of 70%
  - Dividend payout ratio exceeding 30%
  - Acquire treasury shares

### Reduce capital costs

- Mitigate performance volatility (adopt average rate for the period)
- Strengthen governance
- Non-financial disclosures (Integrated Report)

# Business Strategy: Domestic Businesses

Emphasize inter-business synergies such as providing comprehensive product and logistics services to customers and supplying ingredients for food products  
 In domestic processed foods, promote the “three-temperature-zone synergy,” leveraging products across room temperature/chilled, refrigerated and frozen categories



# Business Strategy: Overseas Instant Noodle Segment

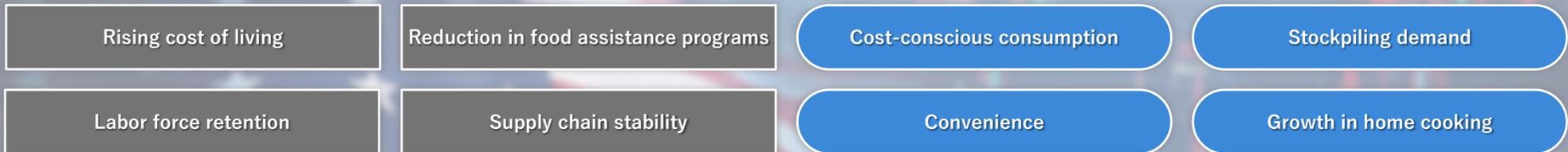


Region	Volume Growth Rate (%)	Key Measures
U.S.	Low single digits	<ul style="list-style-type: none"> <li>Strengthen core products through expansion of the California plant</li> <li>Revitalize the market through the launch of new product categories</li> <li>Offset cost increases through price revisions</li> </ul>
Mexico	Mid to high single digits	<ul style="list-style-type: none"> <li>Strengthen core products through expansion of the California plant</li> <li>Reduce foreign exchange risk by establishing a production base in Mexico</li> <li>Offset cost increases through price revisions</li> </ul>
Central and South America	Double digits	<ul style="list-style-type: none"> <li>Implement active sales promotions leveraging local contract production in Brazil</li> <li>Build distribution channels outside Brazil and promote brand penetration measures</li> </ul>
New markets	Strengthen	<ul style="list-style-type: none"> <li>Expand product presence and sales channels centered on the four southern states of India</li> </ul>

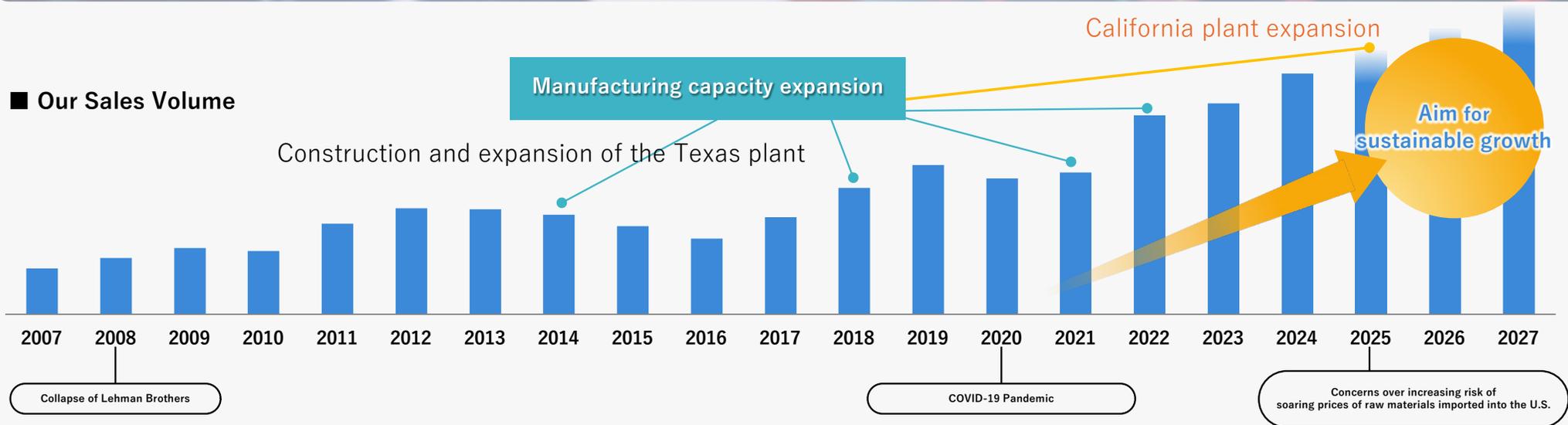


Due to rising uncertainty about the future, the trend toward thriftier consumption and eating at home is expected to continue. Advance sales strategies that leverage the strength of having manufacturing bases in the U.S.

Overseas Instant Noodles Segment: Risks and Opportunities

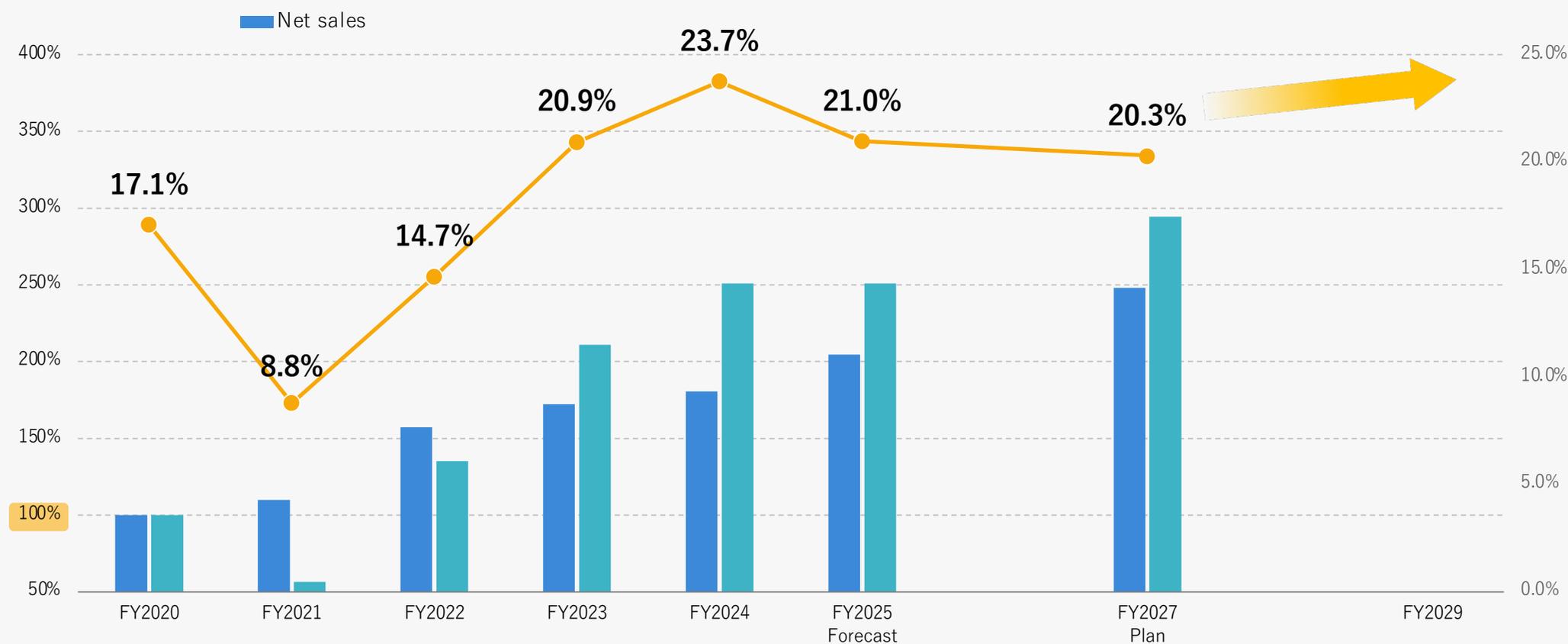


Our Sales Volume



During the new medium-term management plan period, we will increase production volume by leveraging the enhanced supply capacity from the new plant and strengthen proposals to business partners

We aim for growth with an operating margin of around 20%, offsetting higher depreciation and ongoing labor costs from plant operation through appropriate price adjustments

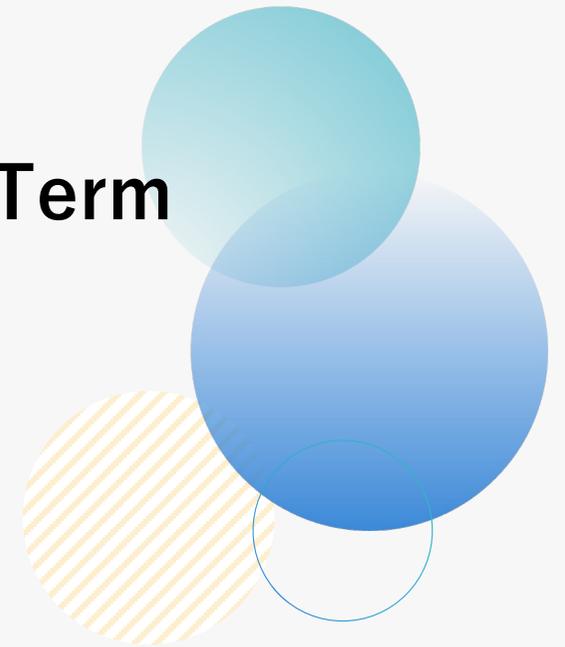


\* Net sales and operating profit represent growth rates (in local currency) using FY2020 as the 100% baseline

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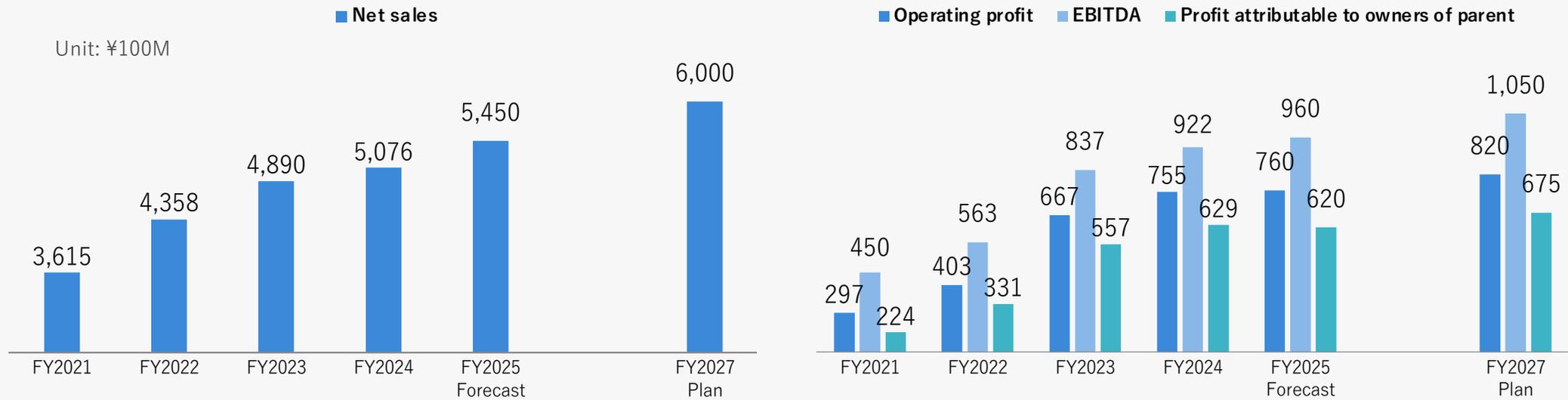
# Consolidated Financial Results and Segment Targets in the New Medium-Term Management Plan



## Consolidated Performance Targets of the New Medium-Term Management Plan



	FY2024	FY2025 Forecast	FY2027 Plan
<b>Net sales</b>	507,600 <sub>M JPY</sub>	545,000 <sub>M JPY</sub>	600,000 <sub>M JPY</sub>
<b>Operating profit</b>	75,500 <sub>M JPY</sub>	76,000 <sub>M JPY</sub>	82,000 <sub>M JPY</sub>
<b>Profit attributable to owners of parent</b>	62,900 <sub>M JPY</sub>	62,000 <sub>M JPY</sub>	67,500 <sub>M JPY</sub>
<b>EBITDA*</b>	92,200 <sub>M JPY</sub>	96,000 <sub>M JPY</sub>	105,000 <sub>M JPY</sub>



\*EBITDA represents the sum of operating profit and depreciation.

## New Medium-Term Management Plan: Net Sales Forecasts by Segment



Unit: ¥100M	FY2024 (actual)	FY2025 (forecast)	FY2027 (plan)	vs FY2024
<b>Total</b>	<b>5,076</b>	<b>5,450</b>	<b>6,000</b>	<b>118.2%</b>
<b>Seafood</b>	<b>303</b>	<b>310</b>	<b>320</b>	<b>105.5%</b>
<b>Overseas Instant Noodles</b>	<b>2,293</b>	<b>2,587</b>	<b>2,980</b>	<b>130.0%</b>
(Millions of U.S. dollars)	<b>1,533</b>	<b>1,736</b>	<b>2,000</b>	<b>130.4%</b>
<b>Domestic Instant Noodles</b>	<b>1,030</b>	<b>1,060</b>	<b>1,135</b>	<b>110.2%</b>
<b>Frozen &amp; Refrigerated Foods</b>	<b>598</b>	<b>614</b>	<b>650</b>	<b>108.6%</b>
<b>Processed Foods</b>	<b>222</b>	<b>246</b>	<b>265</b>	<b>119.6%</b>
<b>Cold Storage</b>	<b>254</b>	<b>253</b>	<b>255</b>	<b>100.5%</b>
<b>Other</b>	<b>376</b>	<b>380</b>	<b>395</b>	<b>105.1%</b>
(adjustment)	-			

## New Medium-Term Management Plan: Operating Profit Forecasts by Segment



Unit: ¥100M	FY2024 (actual)	FY2025 (forecast)	FY2027 (plan)	vs FY2024
<b>Total</b>	<b>755</b>	<b>760</b>	<b>820</b>	<b>+65</b>
<b>Seafood</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>+1</b>
<b>Overseas Instant Noodles</b>	<b>544</b>	<b>542</b>	<b>600</b>	<b>+56</b>
(Millions of U.S. dollars)	<b>364</b>	<b>364</b>	<b>403</b>	<b>+39</b>
<b>Domestic Instant Noodles</b>	<b>98</b>	<b>100</b>	<b>108</b>	<b>+10</b>
<b>Frozen &amp; Refrigerated Foods</b>	<b>80</b>	<b>81</b>	<b>74</b>	<b>(6)</b>
<b>Processed Foods</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>+10</b>
<b>Cold Storage</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>+2</b>
<b>Other</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>+1</b>
(adjustment)	<b>(7)</b>	<b>(9)</b>	<b>(16)</b>	<b>(9)</b>

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# Major Capital Investments and Cash Flows in the New Medium-Term Management Plan



# Capital Allocation

During the new medium-term management plan period, we will pursue both more aggressive investments and shareholder returns, while maintaining our current level of cash and cash equivalents

Capital allocation plan over the next 3 years



FY2024  
Cash and cash equivalents at end of year  
**257** billion yen

FY2024 End Actual

## Major capital investments

### Growth investment

- Overseas Instant Noodles
- Processed Foods
- Overseas Instant Noodles

- California plant expansion (phase II and III)
- Freeze-dried food plant expansion (phase II)
- Build new plant in Mexico

### Investment to improve efficiency

- Frozen & Refrigerated Foods
- Domestic Instant Noodles
- Domestic Instant Noodles
- Frozen & Refrigerated Foods

- Strengthen frozen food
- Maintenance of topping equipment
- Reorganize instant and fresh noodle production plants

### Other

- Cold Storage
- Company-wide
- Company-wide

- Switch to natural refrigerant
- Upgrade core systems
- Investments in upgrades: approx. 30 billion yen (approx. 10 billion yen per year)

## Shareholder returns

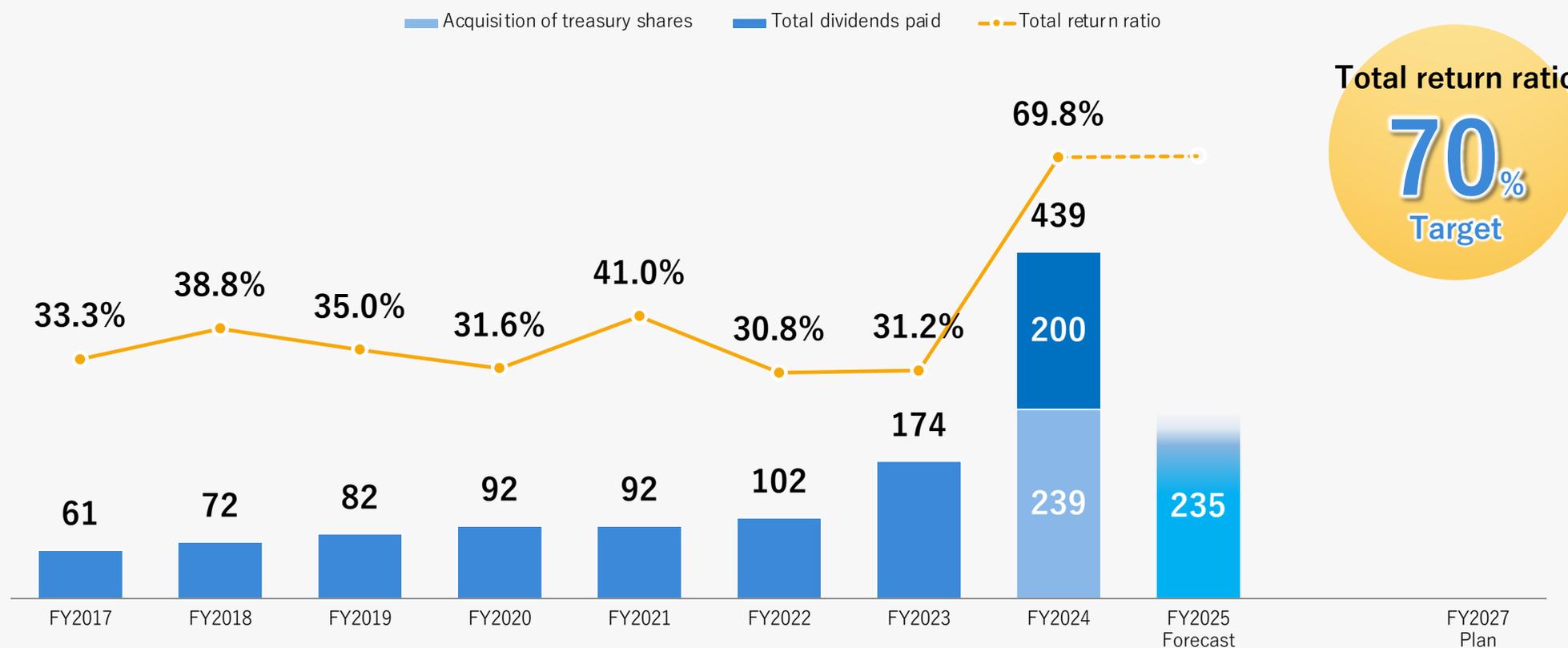
- Target a total return ratio of 70%
  - Dividend payout ratio exceeding 30%
  - Acquire treasury shares

\*Excluding foreign exchange effects

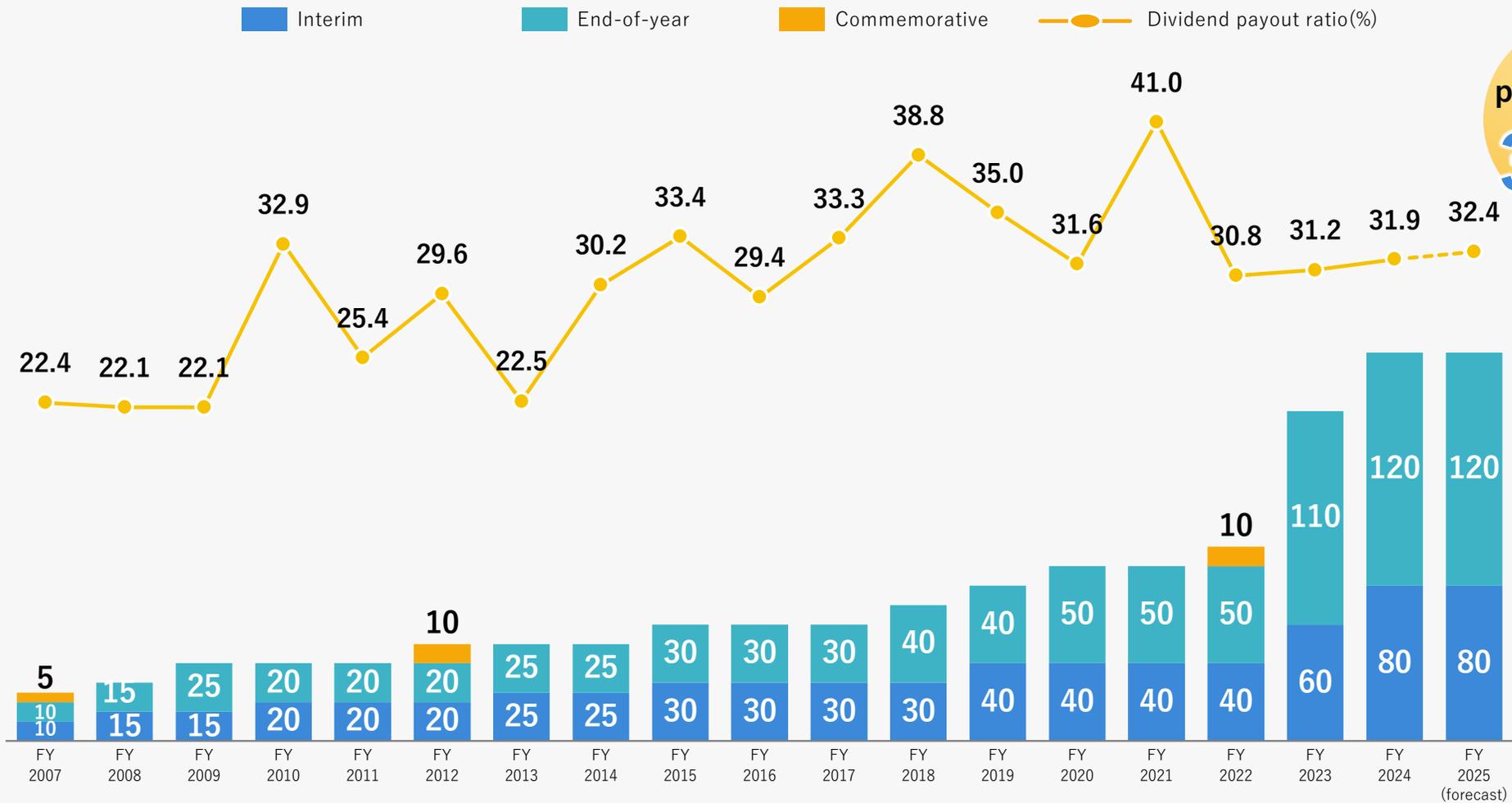
# Shareholder Returns: Total Shareholder Returns and Total Return Ratio



To enhance shareholder returns and improve capital efficiency, we plan to acquire treasury shares in addition to providing dividends  
 We will aim for a total shareholder return ratio of around 70% during the new medium-term management plan period



# Shareholder Returns: Dividends per Share and Dividend Payout Ratio



**Dividend payout ratio**  
**30%+**

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# Fiscal years 2025 to 2027 Initiatives of the New Medium-Term Management Plan



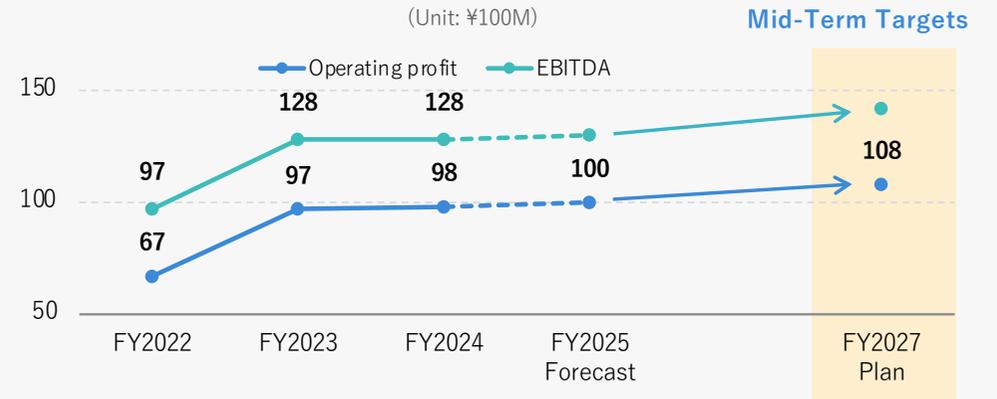
# Domestic Instant Noodles

## Initiatives Under the Three-Year Plan

- **Enhance the value of core brands**
  - Strengthen planning and promotion of *Akai Kitsune*, *Midori no Tanuki*, *Maruchan Shomen*, and *Menzukuri*
  - Nurture the *Maruchan Yakisoba* brand
- **Strengthen and establish brand promotion**
  - Actively promote product planning and marketing for *MARUCHAN QTTA* and *Maruchan ZUBAAN!*
- **Initiatives for *Maruchan Yakisoba***



## Operating Profit and EBITDA



## Net Sales



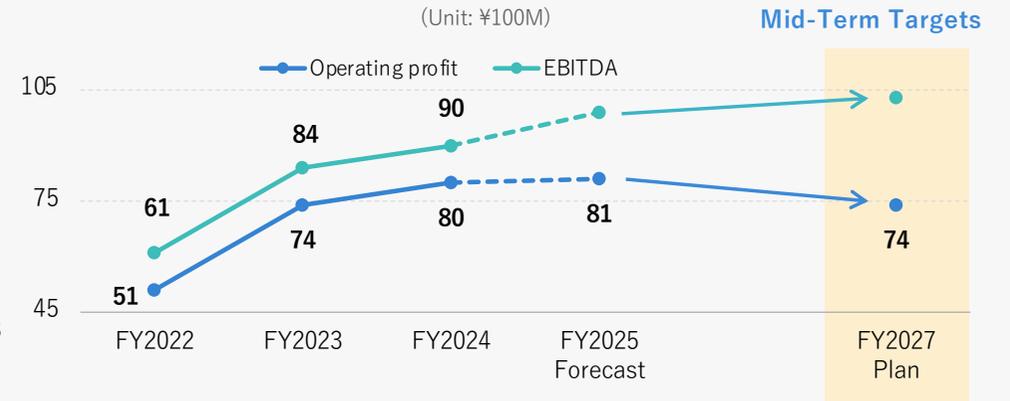
# Frozen & Refrigerated Foods

## Initiatives Under the Three-Year Plan

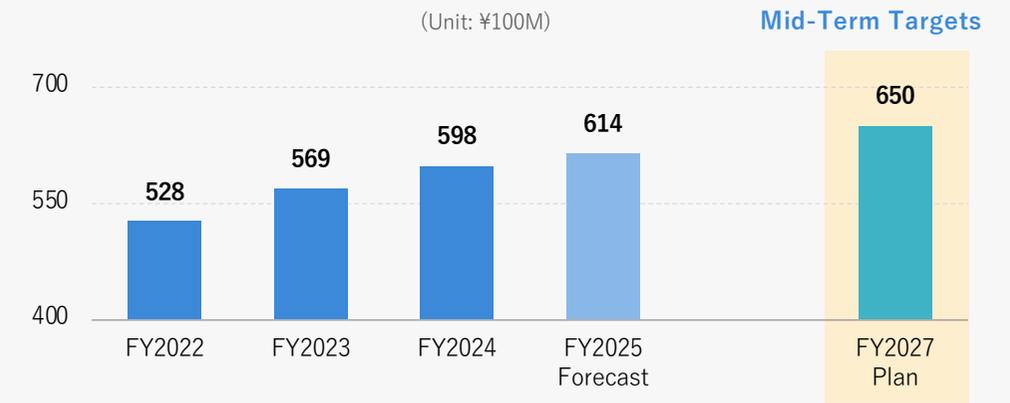
- Further growth of existing core products
- Develop value-driven products
- Respond to growing demand for convenient products
- Respond to expanding markets for frozen noodles and frozen foods



## Operating Profit and EBITDA



## Net Sales



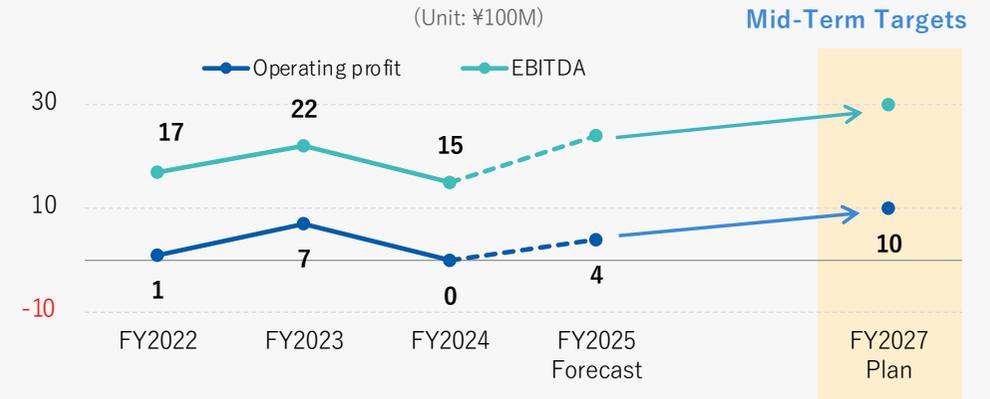
# Processed Foods

## Initiatives Under the Three-Year Plan

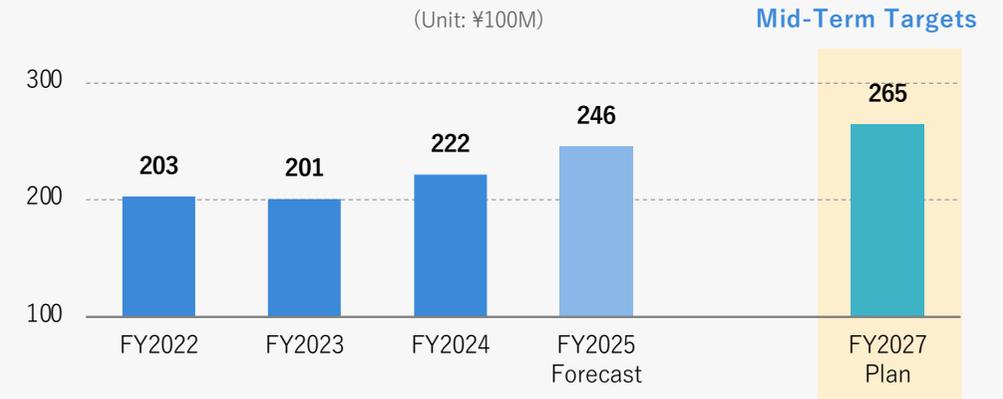
- Achieve stable and sustainable sales growth by leveraging product characteristics such as shelf life and convenience
- Strengthen the development of value-added products that address health consciousness and increasingly diverse lifestyles
- Focus on developing products that emphasize convenience and time efficiency, while enhancing our ability to respond to changing demand
- Continue strategic capital investments aimed at medium- to long-term growth



## Operating Profit and EBITDA



## Net Sales



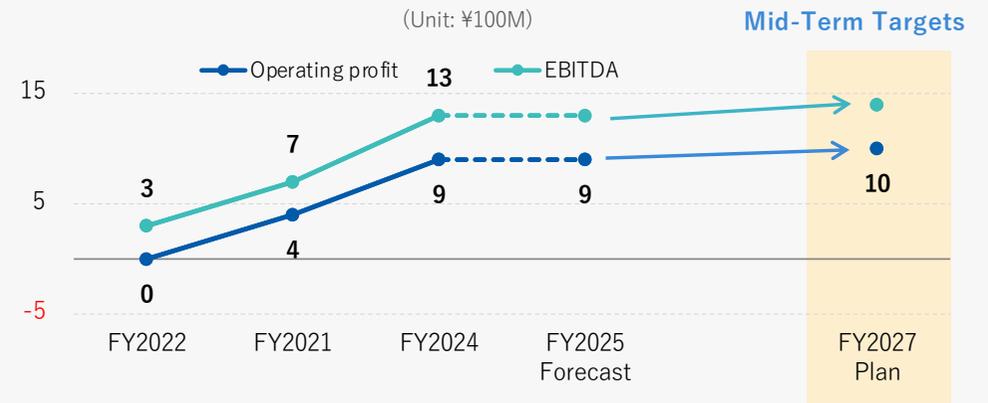
# Seafood

## Initiatives Under the Three-Year Plan

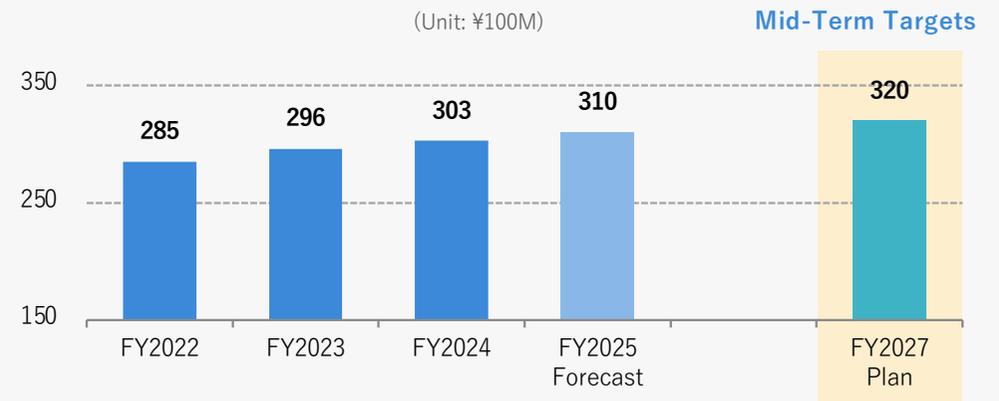
- Further growth and expansion of key fish species
- Create new demand for seafood consumption
- Enhance cooperation and efficiency within the seafood group to improve profitability



## Operating Profit and EBITDA



## Net Sales



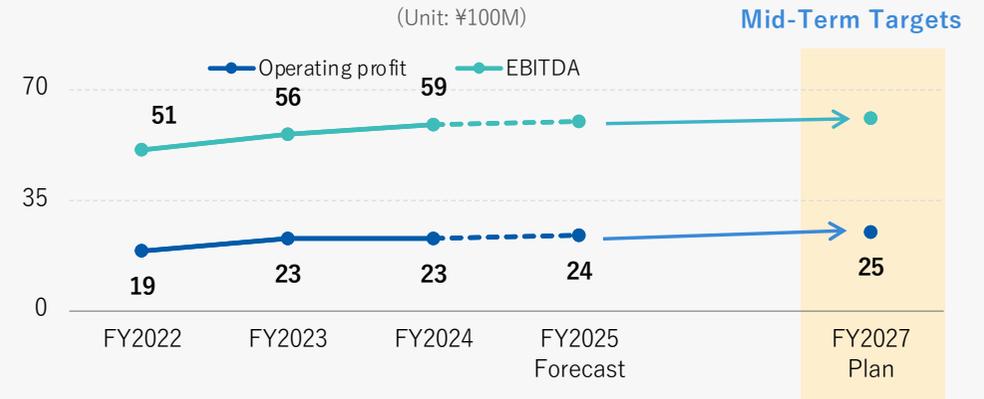
# Cold Storage

## Initiatives Under the Three-Year Plan

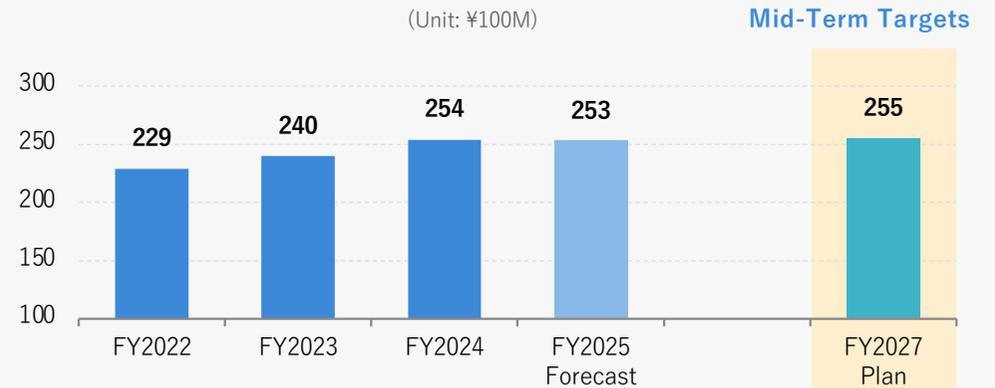
- Pursue expansion in food product handling and the creation of new value
- Promote safety, efficiency, and labor savings, and deliver advanced, appealing logistics services that customers can use with confidence
- Address environmental and logistics-related social issues, aiming for sustainable growth



## Operating Profit and EBITDA



## Net Sales



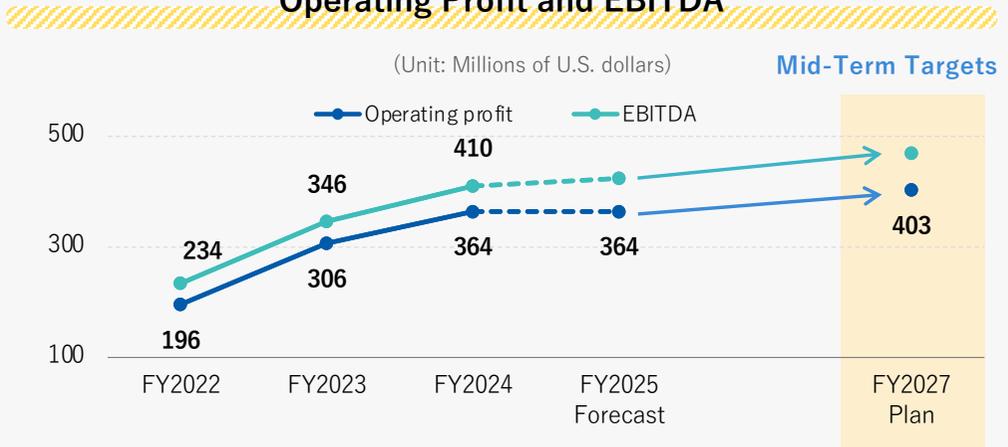
# Overseas Instant Noodles

## Initiatives Under the Three-Year Plan

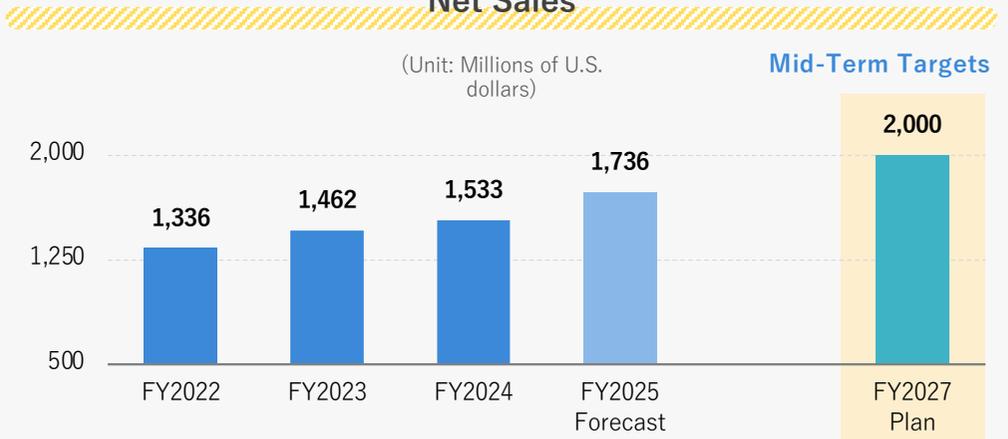
- Regain market share through sales expansion strategies by generation and region, based on analysis of consumer, retail, and competitor trends
- Cultivate new customer segments by expanding sales of premium products such as *Yakisoba*, *Bowl*, and *GOLD*
- Promote the expansion of paper cup products in Mexico as part of environmental initiatives



## Operating Profit and EBITDA



## Net Sales



## **Forward-Looking Statements**

The plans, forecasts, and other statements contained in this document, other than historical facts, are all forward-looking statements and include various uncertainties.

Please be aware that actual results may differ from these forecasts due to various factors.

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