

ハウス食品グループ本社株式会社

自己株式取得の株主提案

提案内容：280億円、発行済株式総数の約10%の自己株式取得の実施

2023年5月

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優良事業

安定事業

- 国内カレー・シチュー市場でトップシェアの製品を多数保有
- ブランド力があり小売り企業に対して高い価格競争力を持つ
- 日本で圧倒的トップシェアのカレーショップ「ココイチ」を運営

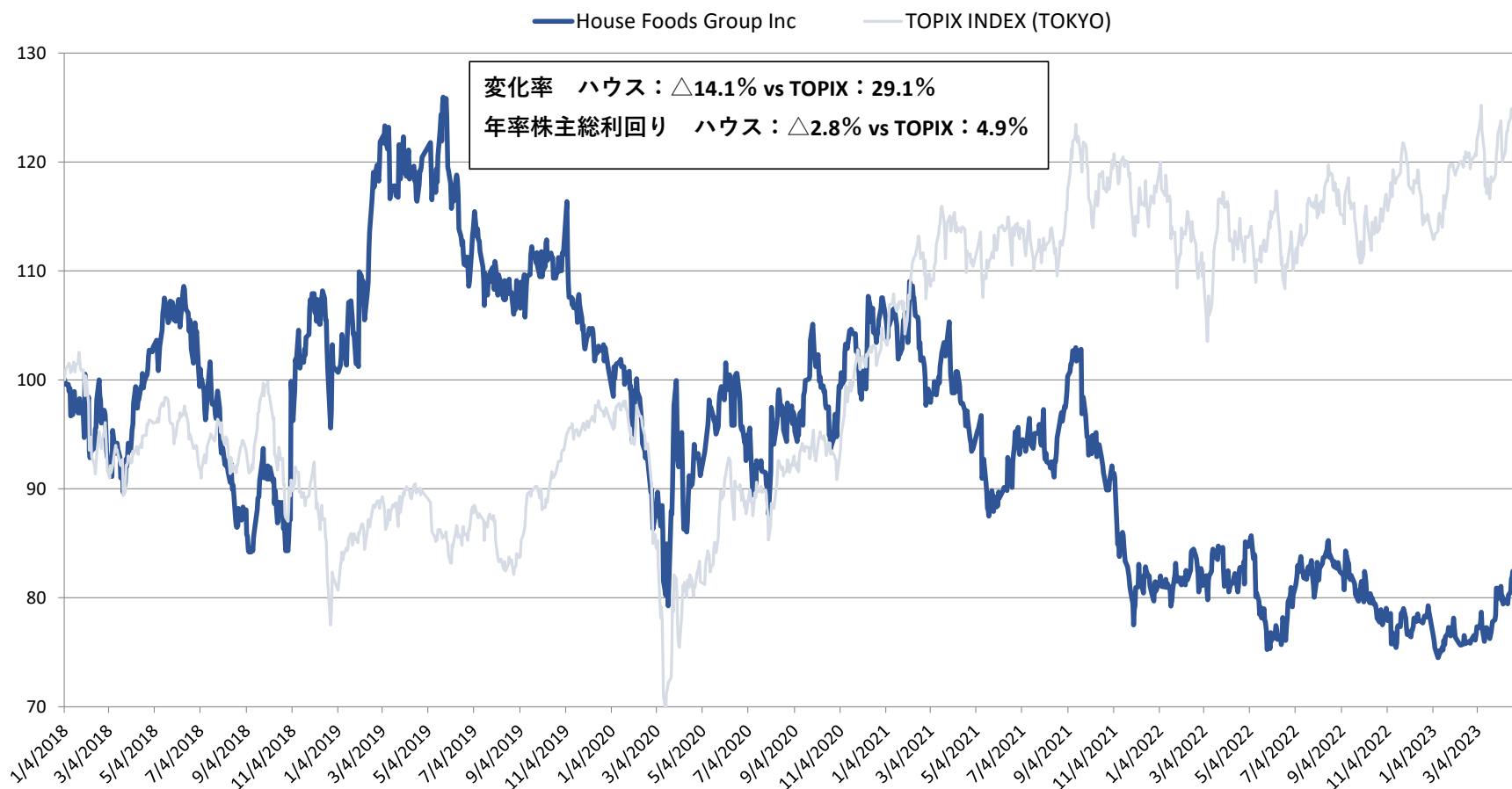
成長事業

- 中国の日本式カレー事業、米国の豆腐事業、アセアンのビタミン飲料事業である海外食品事業が高い成長ポテンシャル
- 海外食品事業は日本事業より高い利益率を確保し業績に貢献

TSR（株主総利回り）はTOPIXに大きく劣後

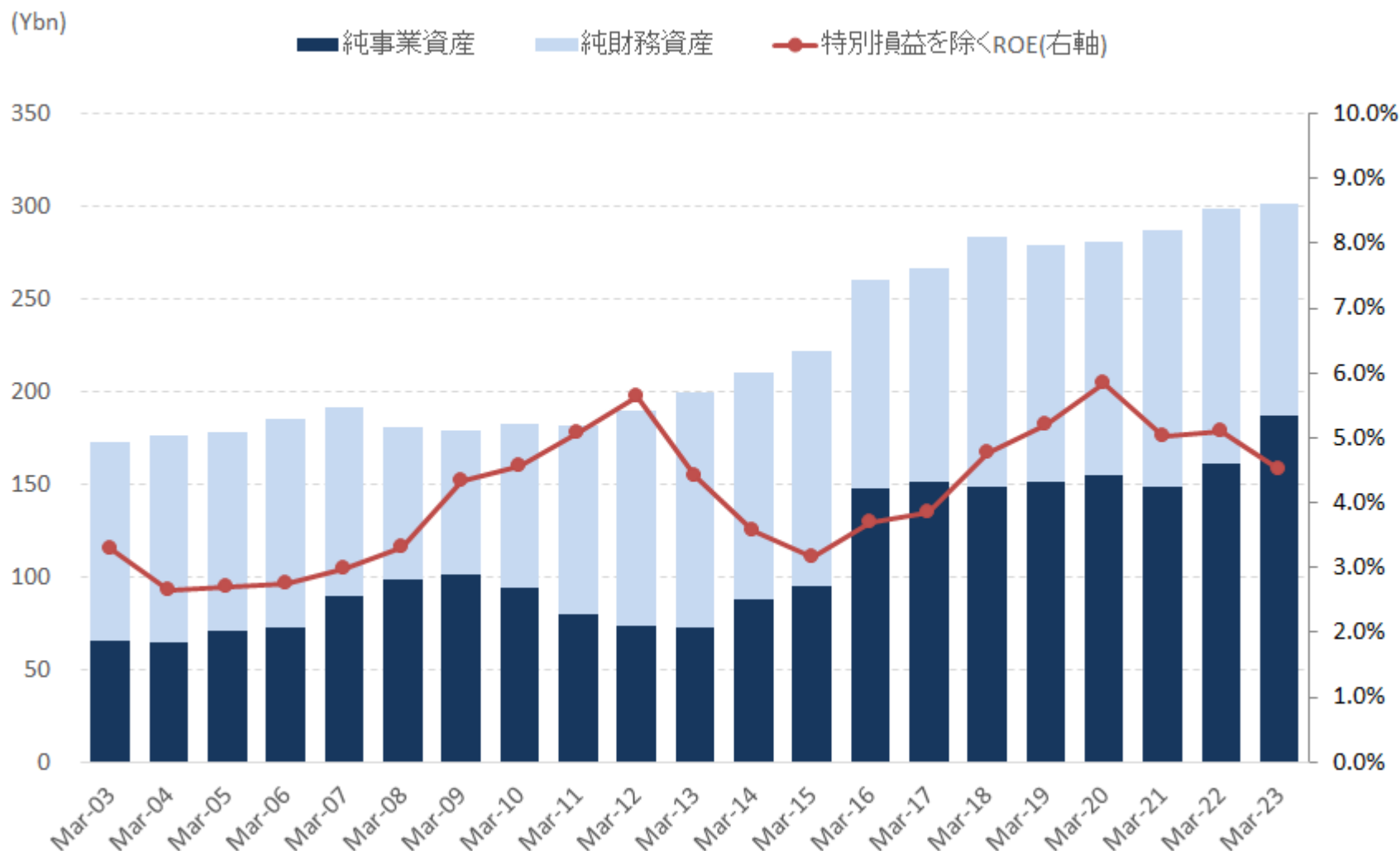
2021年以降、少額の自己株式取得しか実施しておらず株主総利回りはTOPIXより大きく劣後している

過去5年間の株主総利回り（株価変化率＋配当）



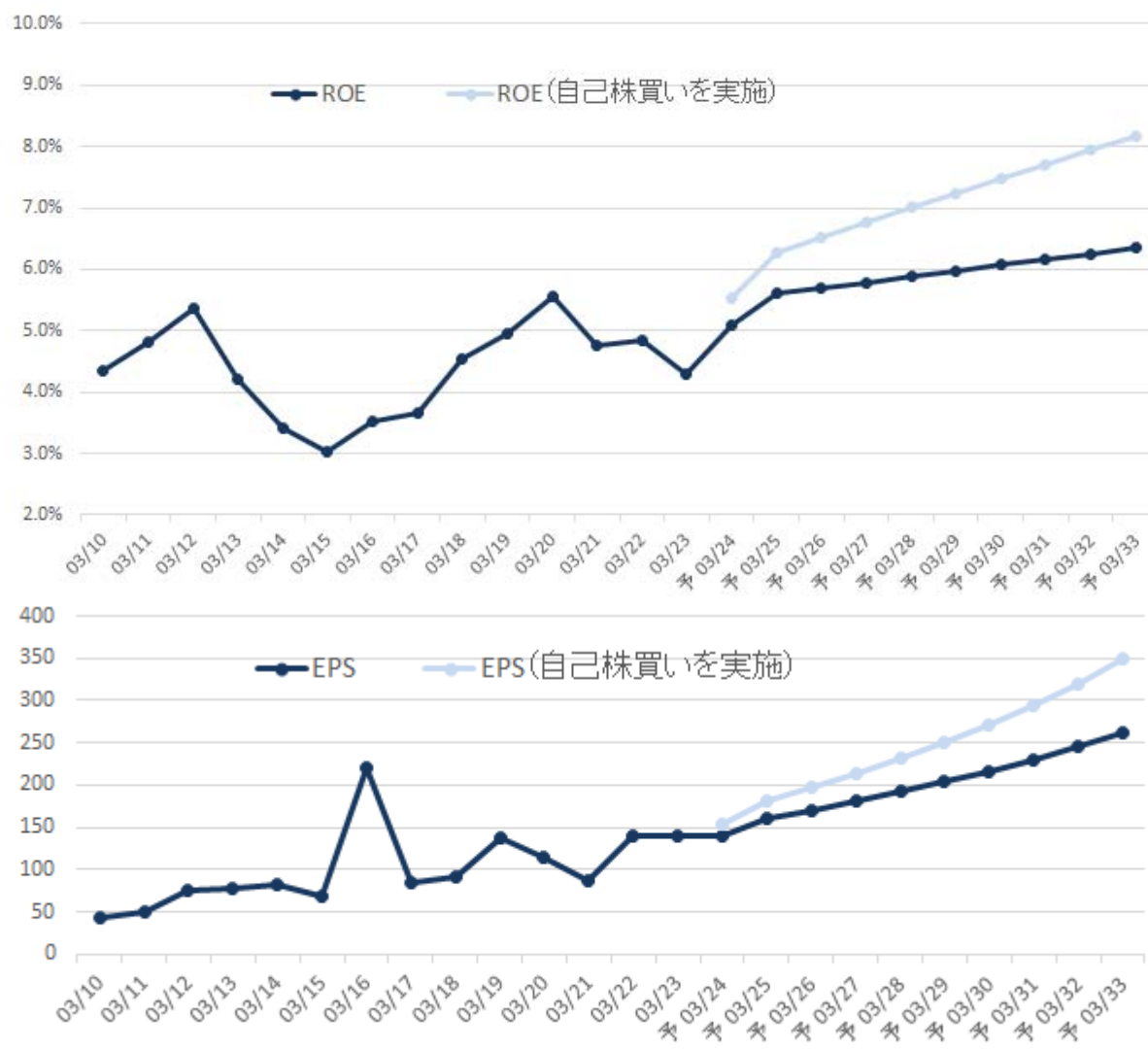
出所：ブルームバーグ

余剰な現金資産の影響で資本効率（ROE）が継続して5%前後の水準で推移し、株主資本コストを下回っている



出所：有価証券報告書、ブルームバーグ

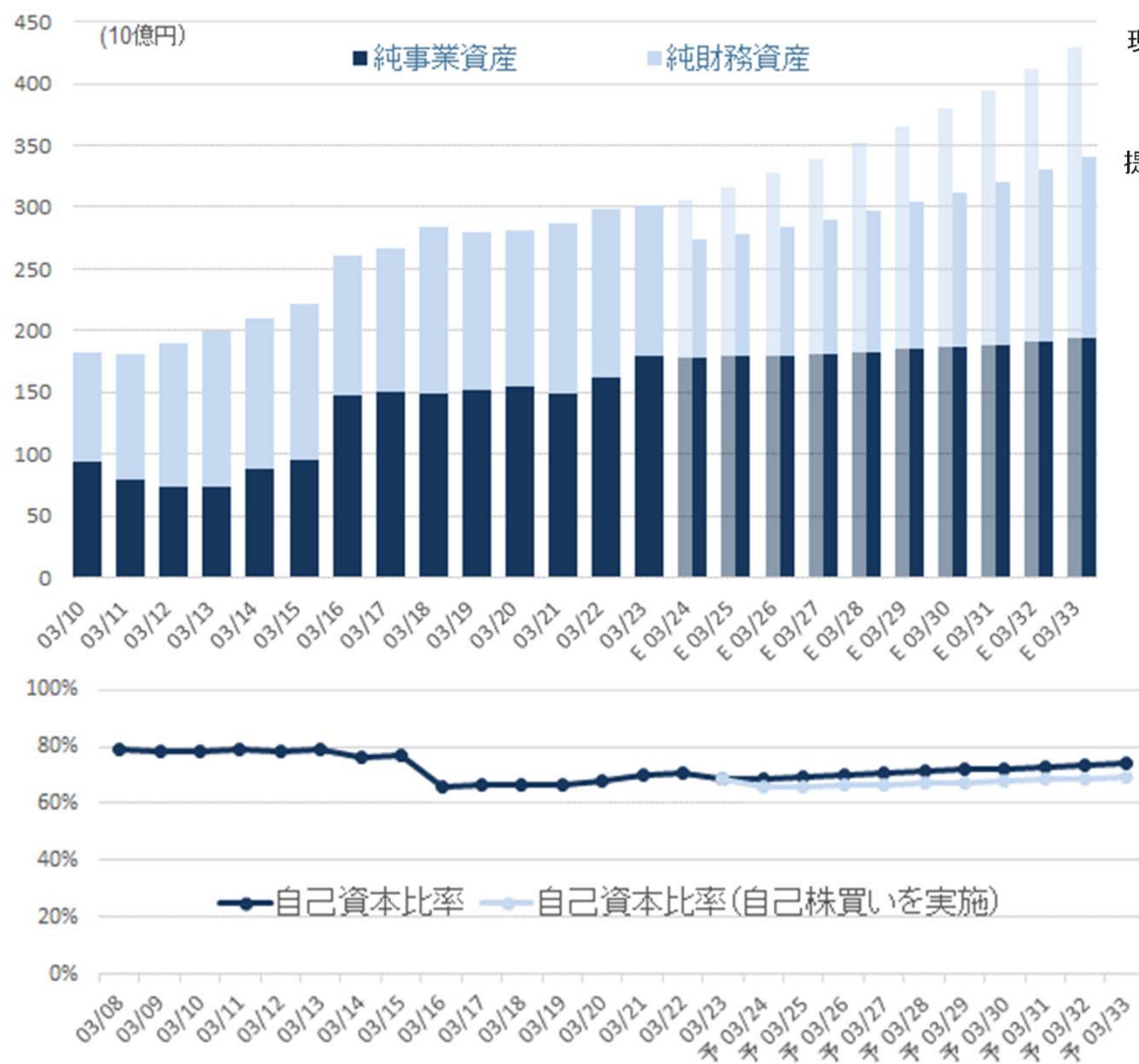
株主提案による自己株式取得の効果の試算



出所：有価証券報告書、ブルームバーグ

- 試算では、03/24期に発行済株式総数10%の自己株式取得を実施し、その後発行済株式総数2%の自己株式取得を毎年実施していくことを想定。
- 会社の実施してきた自己株式取得のみのケースではROEが一般に投資家が要求している資本コスト8%以下のままを推移。
- 上記自己株式取得によってROEは8%超まで増加トレンドに。一株当たり利益（EPS）の成長は大幅に加速。

株主提案による自己株式取得の効果の試算（続き）



出所：有価証券報告書、ブルームバーグ

現状維持

- 前頁と同等の試算

提案の水準

- 03/24期に一時的に純財務資産の金額が減少するもののいまだ約1,000億円の純財務資産を保有し、株主価値を毀損せず十分な純財務資産の水準を確保することが可能

○

- 将来的には純財務資産が積み上がっていくことにより、成長投資の余力や将来のリスクに備え事業継続するために必要な資金である事業運営資金も十分確保できる。

- 自己資本比率は過去と比較しても70%前後の高い水準を維持

参考：純財務資産及び純事業資産

- 純事業資産：事業に必要な資産

(流動資産 - 現預金)

+ (非流動資産 - 有価証券 - 関連会社株式を除く投資有価証券)

- (総負債 - 借入金)

- 純財務資産：それ以外の資産

現預金 + 有価証券

+ 関連会社株式を除く投資有価証券 - 借入金

- 純事業資産 + 純財務資産 = 純資産 = 総資産 - 総負債 - 少数株主持分

HOUSE FOODS GROUP INC.

Shareholder Proposal for Share Buyback

Proposal Detail: Share Buyback of JPY 28 Billion or Approximately 10% of
Outstanding Shares

MAY 2023

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Good Business

STABLE

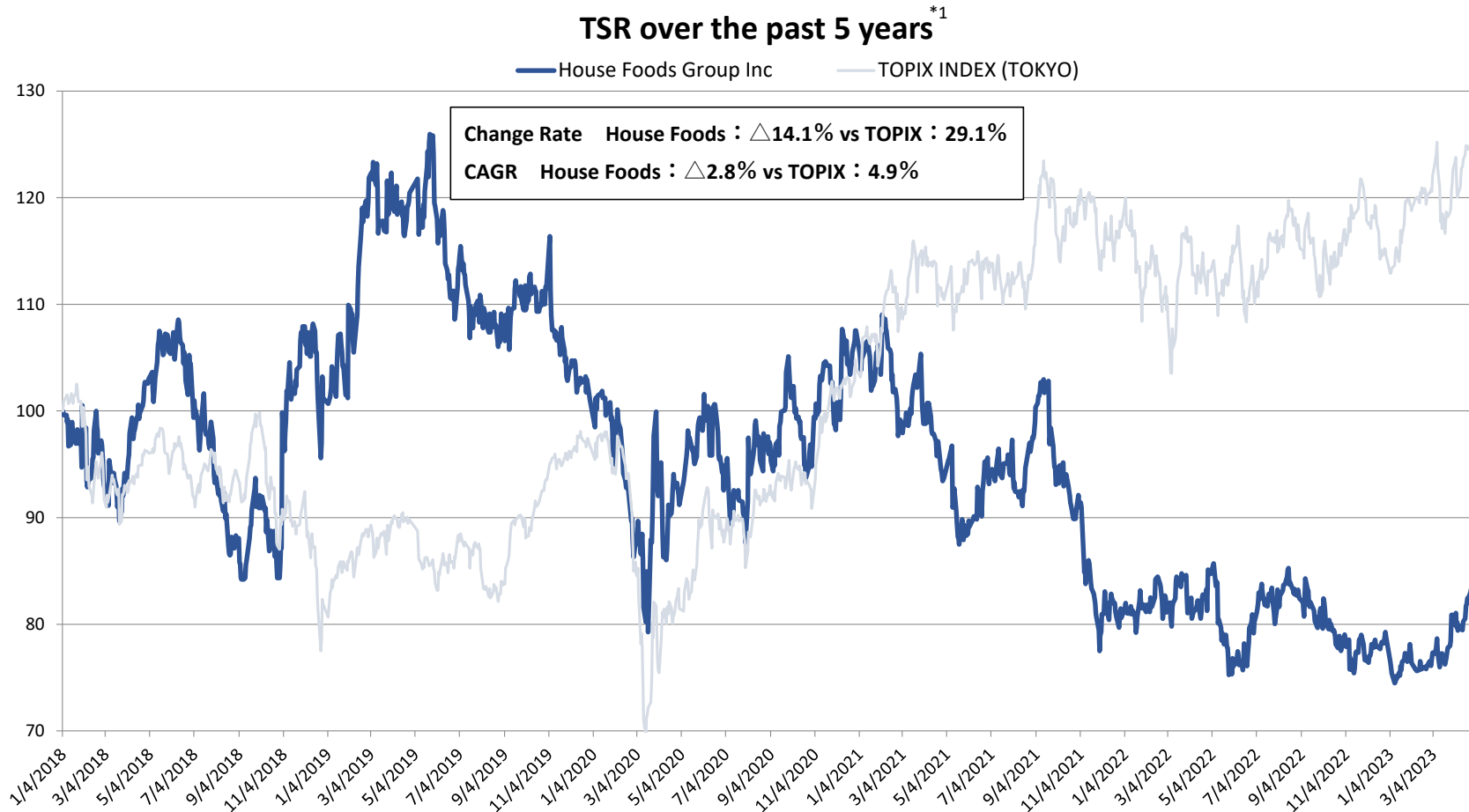
- Many of the company's products have the top share in the domestic curry and stew market
- High price competitiveness amongst retailers because of strong brand recognition
- Operates "CoCoI CHI" curry store, which has the dominant share of the Japanese market

GROWING

- High growth potential in overseas food businesses, such as Japanese-style curry business in China, tofu business in the U.S., and vitamin beverage business in ASEAN
- Overseas food business contributes positively to earnings with a higher profit margin than the Japanese business

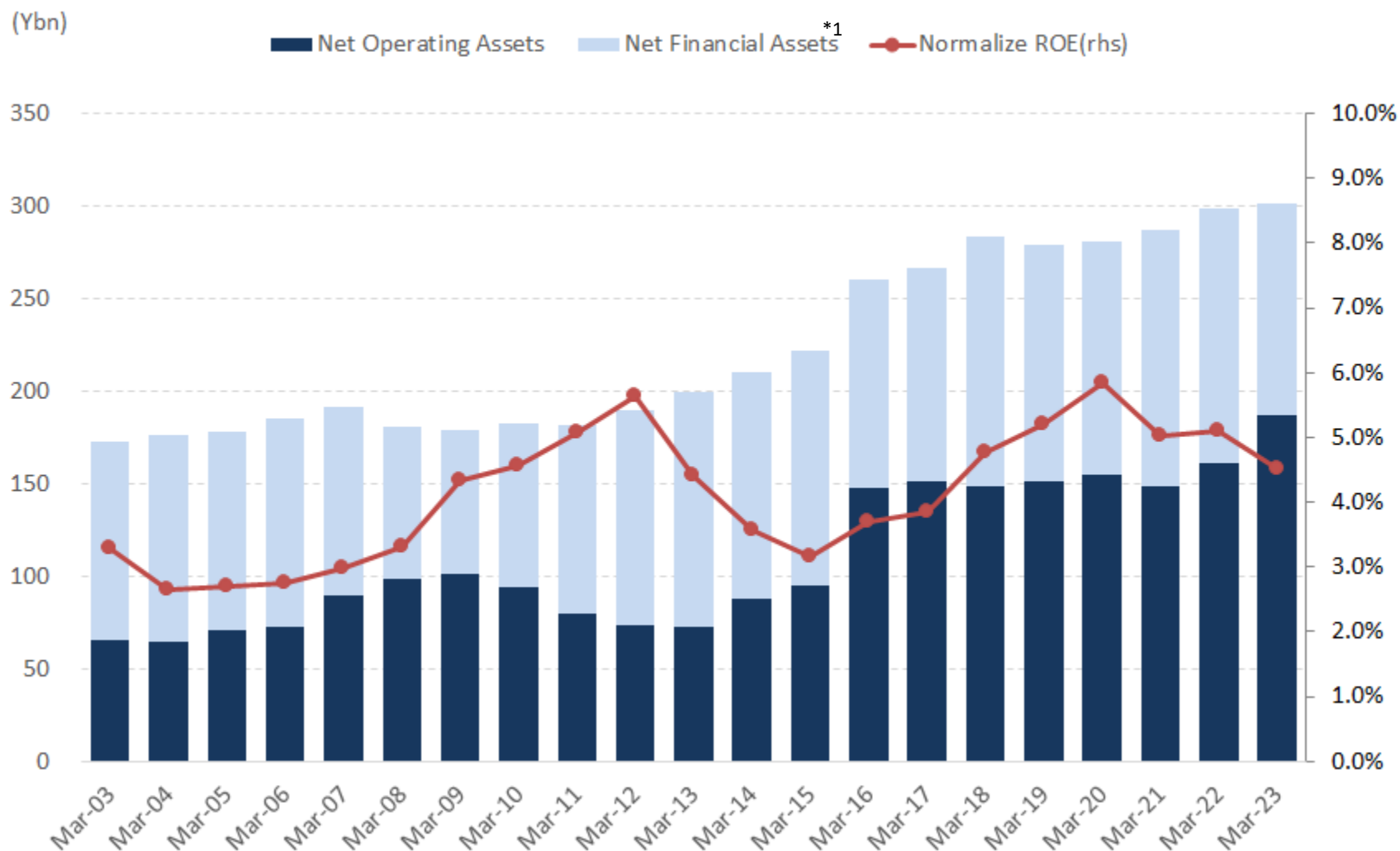
TSR (Total Shareholder Return) Significantly Underperforms TOPIX

Since 2021, only a small amount of share buybacks have been implemented, and TSR significantly lags behind TOPIX.



Source: Bloomberg Note 1: The ratio of the return (dividends and capital gains) earned on a stock investment divided by the amount invested (stock price).

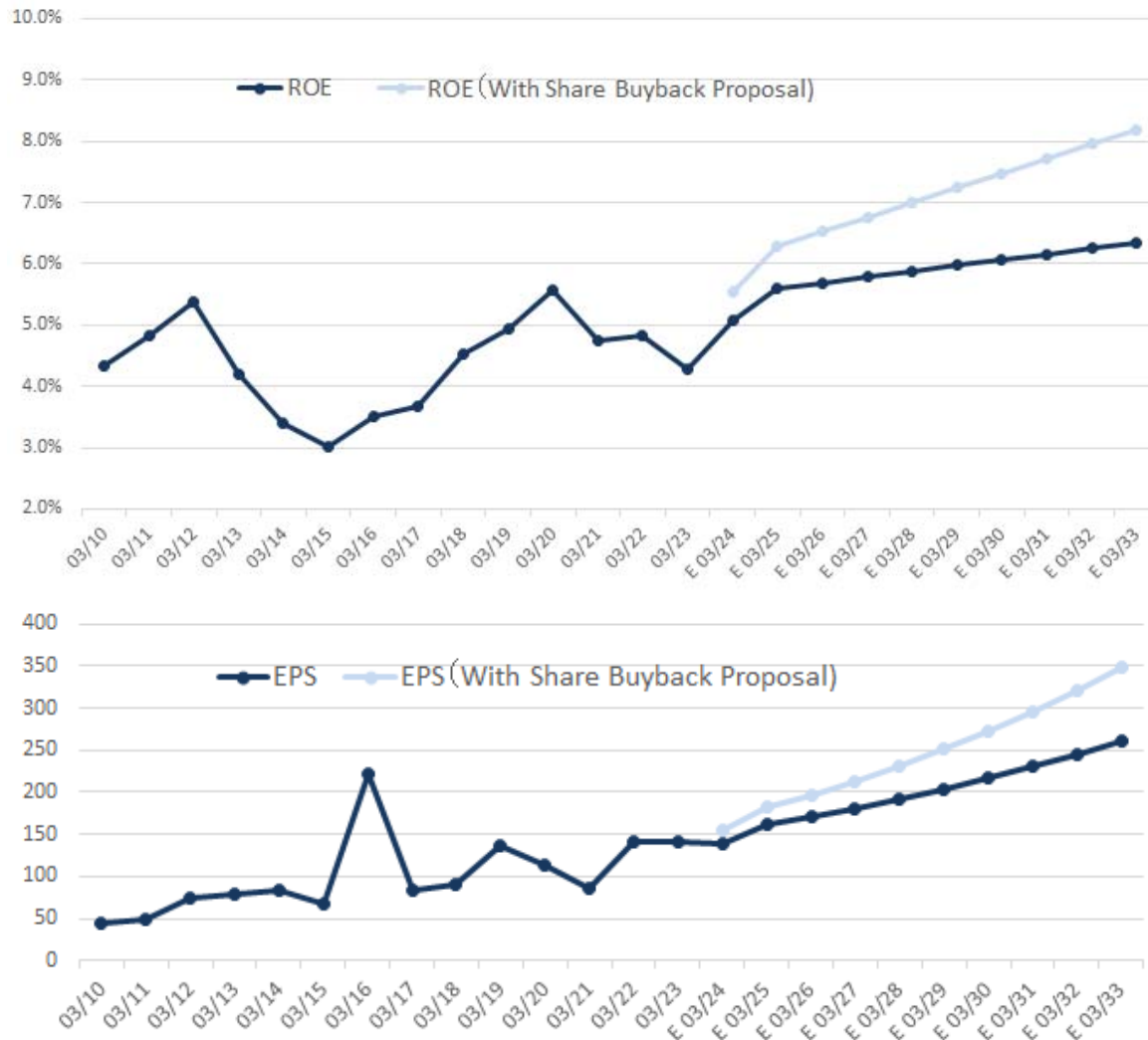
Excess Cash Has Kept Capital Efficiency (ROE) Around 5% On An Ongoing Basis And Below The Cost Of Equity



Source: Annual reports, Bloomberg

Note 1: See page 7 for the calculation of net financial assets.

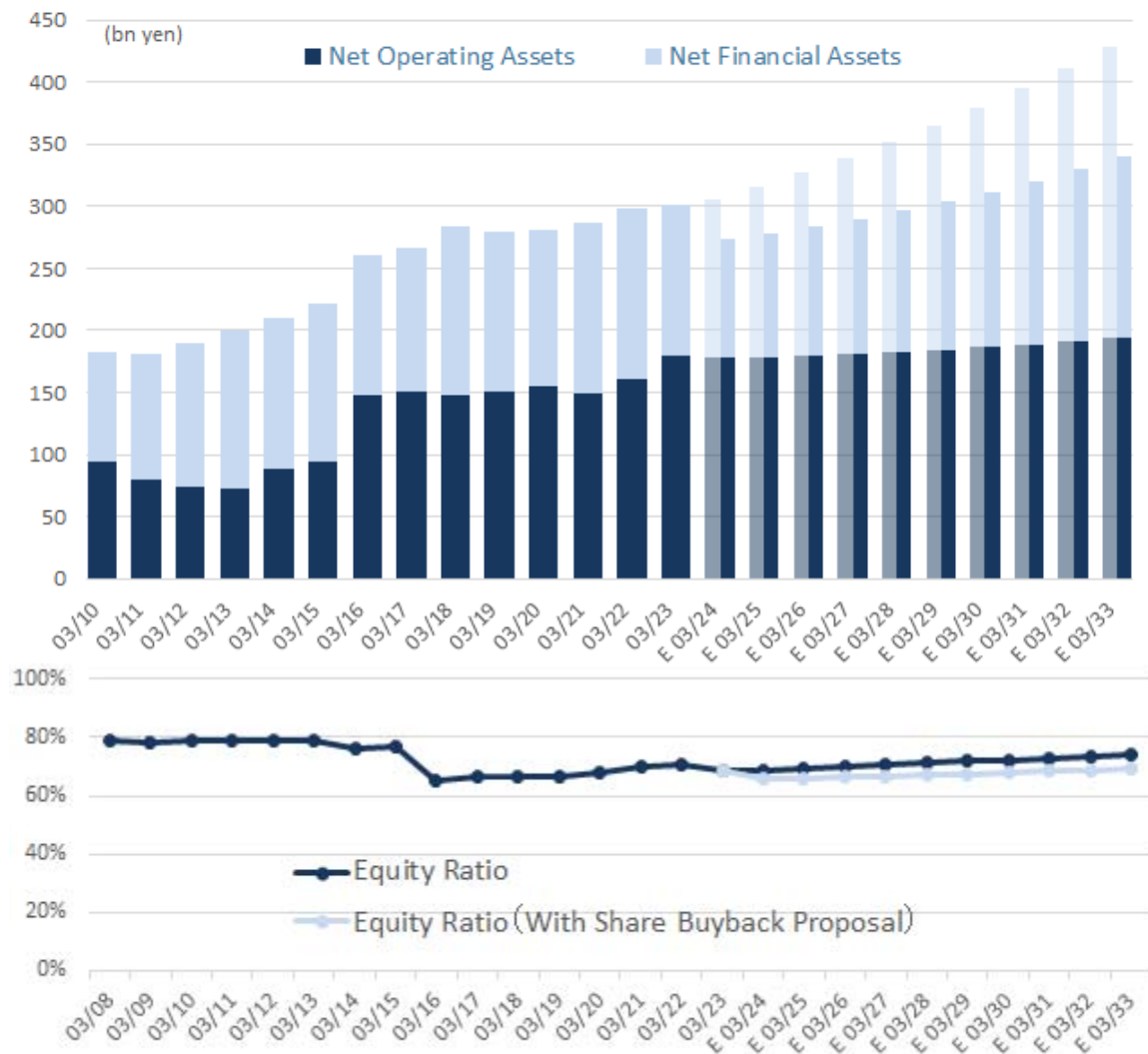
Estimated Effect Of The Proposed Share Buyback



- The estimate assumes that the company will repurchase 10% of its outstanding shares in FY03/24, followed by annual share repurchases of 2% of outstanding shares
- In the case of the share repurchase that the company is implementing, ROE would remain below the 8% cost of capital which is generally required by investors
- With the proposed share buyback, ROE would go over 8% and would continue to trend higher. Also, earnings per share (EPS) growth would be accelerated significantly

Source: Annual reports, Bloomberg, Dalton estimates

Estimated Effect Of The Proposed Share Buyback (Cont'd)



Without Proposal

- Same estimates as on previous page

With Proposal

- Although the amount of net financial assets would temporarily decrease in FY03/24, the company would be able to secure sufficient net financial assets of approximately ¥100 billion without damaging shareholder value
- The increase in net financial assets would provide sufficient funds for future growth investments and for business operations
- Equity ratio would remain high at around 70%

Source: Annual reports, Bloomberg, Dalton estimates

Reference: Net Operating Assets And Net Financial Assets

- Net Operating Assets: Assets Required for Business
 - (Current Assets — Cash)
 - + (Noncurrent Assets — Short-term Investments — Long-term Investments excluding Investments in Equity Affiliates)
 - (Total Liabilities — Interest Bearing Debts)

- Net Financial Assets: Other Assets
 - Cash + Short-term Investments + Long-term Investments excluding Investments in Equity Affiliates
 - Interest Bearing Debts

- Net Operating Assets + Net Financial Assets = Net Assets = Total Assets — Total Liabilities — Non-controlling Interests