



# **Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

June 26, 2024

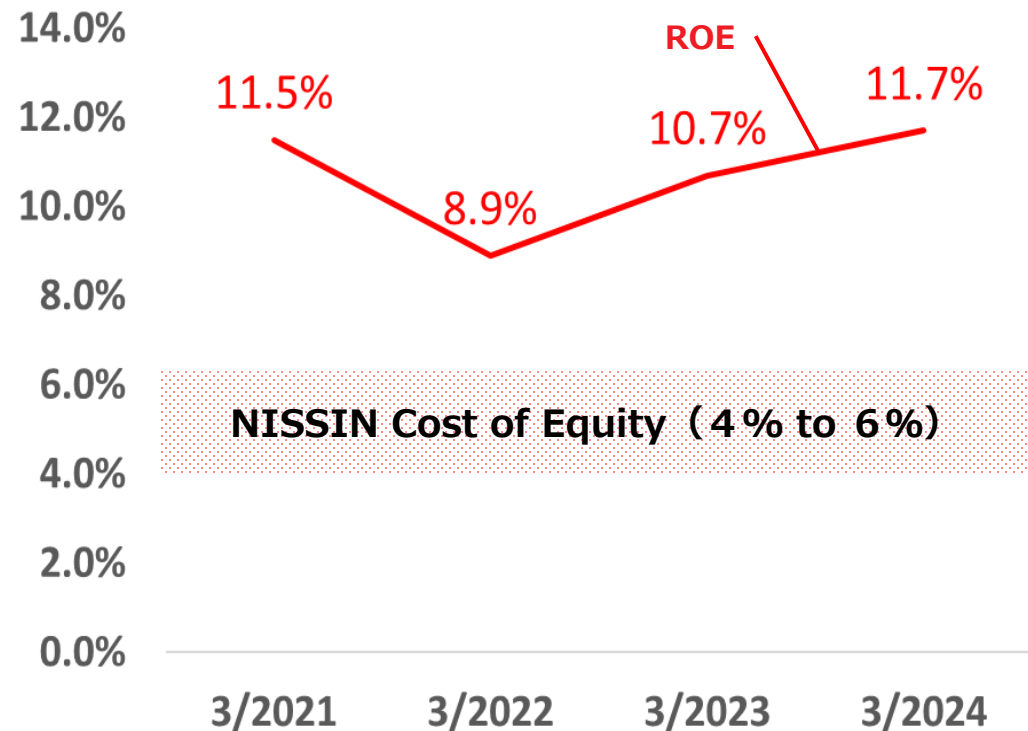
NISSIN FOODS HOLDINGS CO., LTD.

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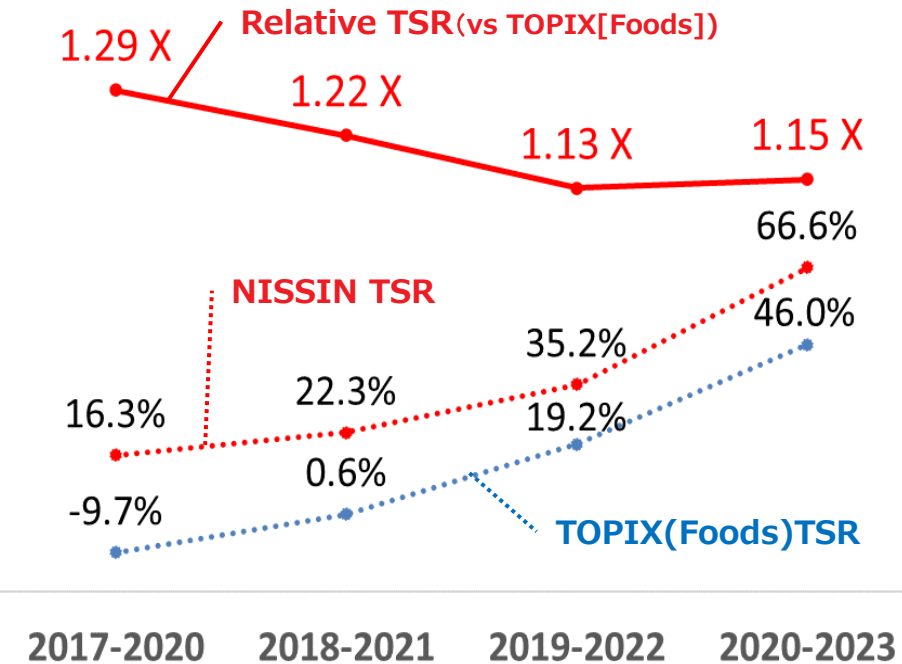
Analysis of Current Situation

- ✓ We use **ROE** as an indicator in Mid- to Long-Term Growth Strategy 2030. We monitor ROE against **our cost of equity of 4% to 6%**
- ✓ In addition to our **progressive dividend policy**, we use **relative TSR** (vs. TOPIX [Foods]) as an indicator of shareholder returns. We monitor relative TSR to determine whether our valuation compares favorably to other companies in the sector

### ROE



### Relative TSR (vs. TOPIX[Foods])



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Policies and Objectives

✓ Pursue the **four economic value targets** (see below) defined in Mid- to Long-term Growth Strategy 2030

- Economic Value Targets**
- ① Sustainable profit growth
  - ② Efficient use of capital
  - ③ Safe use of debt
  - ④ Stable shareholder returns



(Examples of Initiatives)

Implementation of Initiatives

- ✓ **We set hurdle rates by region for significant investments** to ensure capital efficiency. The Investment and Financing Committee conducts preliminary deliberations and post-investment monitoring. The Committee also **reports results of this monitoring to the Board of Directors**
- ✓ **Maximize corporate value and improve ROE through strategic growth investments and capital control**
- ✓ Improve capital efficiency through **financial leverage within our framework of financial discipline (net debt/EBITDA ≤ 2x)**
- ✓ **We link a portion of executive compensation to relative TSR** to align interests with shareholders
- ✓ Improve profitability through asset reduction by selling strategic equity holdings, etc.