



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

June 26, 2025

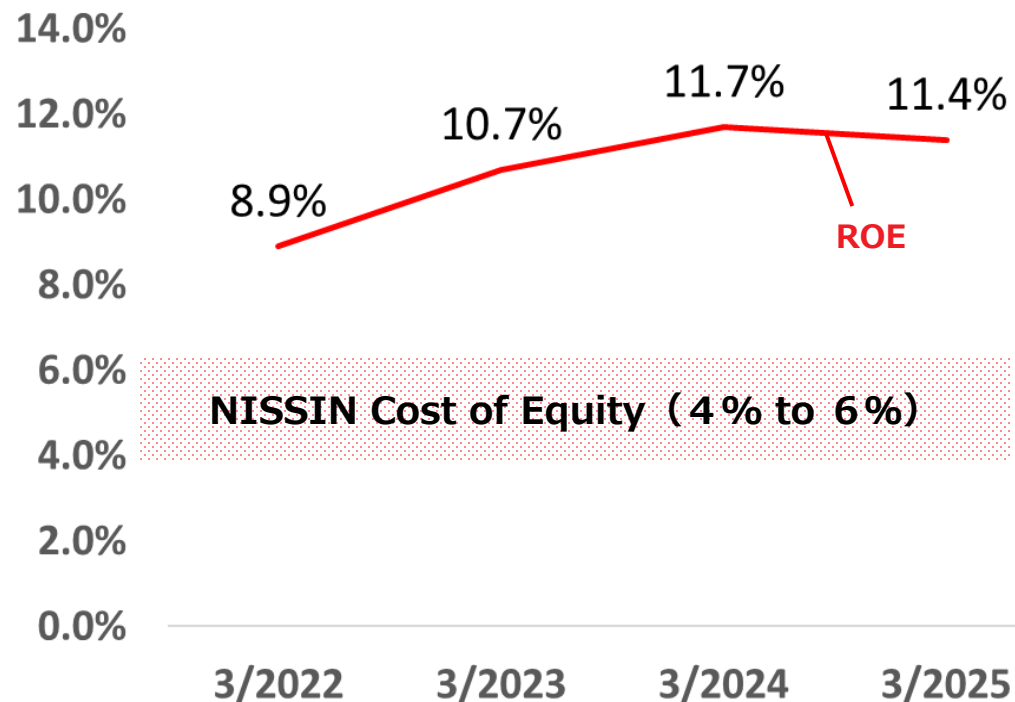
NISSIN FOODS HOLDINGS CO., LTD.

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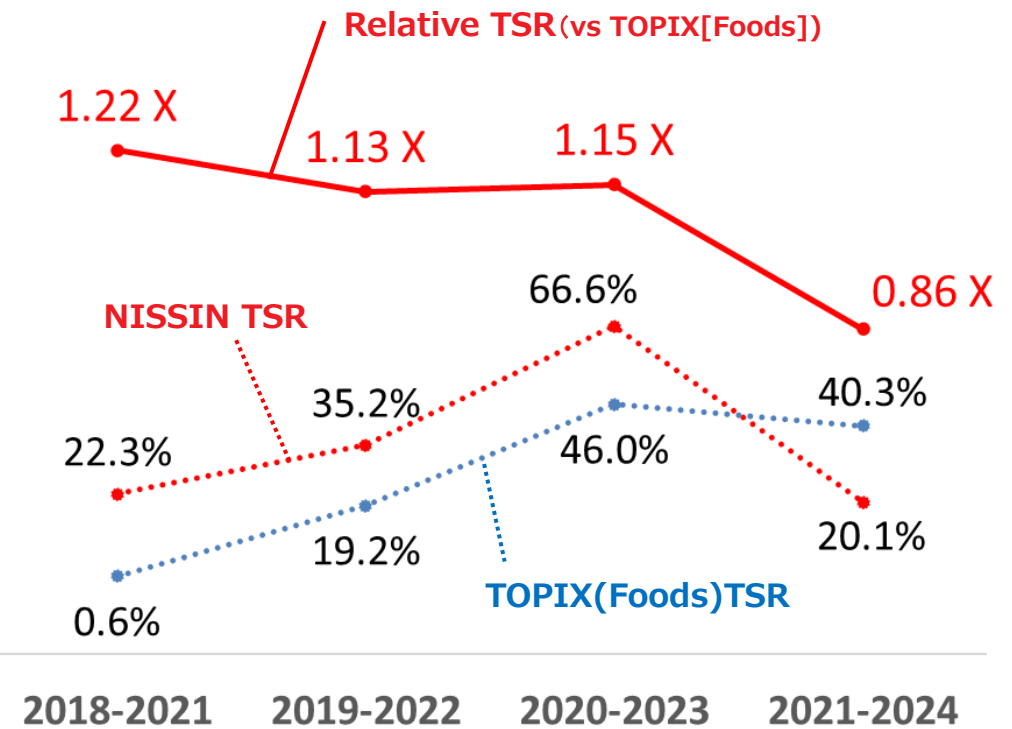
## Analysis of Current Situation

- ✓ 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])



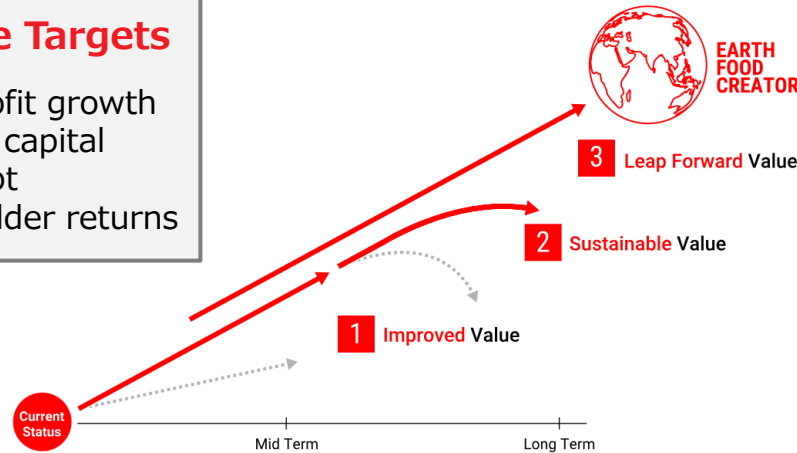
# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## 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



<p>Good for People</p> <p>Good for Society</p> <p>Good for the Earth</p>	<p><b>1 Improved Value</b></p> <p><b>Strengthen Cash Generation Capabilities of Existing Businesses</b></p> <p>Make a significant shift in our profit portfolio through aggressive growth in Overseas and Non-Instant Noodles Businesses, while pursuing sustainable growth</p>	<p><b>3 Leap Forward Value</b></p> <p><b>Pursue New Businesses</b></p> <p>Co-create foods of the future with food science Become a company that provides food and health solutions through technology</p>
	<p><b>2 Sustainable Value</b></p> <p><b>EARTH FOOD CHALLENGE 2030</b></p> <p>A challenge to utilize finite resources effectively and reduce the impact of climate change To extend the life cycle of our existing businesses significantly</p>	

(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.