NISSIN FOODS Group
Medium-Term Business Plan 2021

May 12, 2016

NISSIN FOODS HOLDINGS CO., LTD.
(Stock Code: TSE 2897)

NISSIN FOODS Group Philosophy

- The NISSIN FOODS Group explores various possibilities for food and creates dream-inspiring delicious tastes
- We contribute to society and the earth by gratifying people everywhere with pleasures and delights food can provide

The Spirit of Our Founder

食足世平
“Peace will come to the world when there is enough food”

食創為世
“Create foods to serve society”

美健賢食
“Eat wisely for beauty and health”

食為聖職
“Food-related jobs are a sacred profession”
Executive Summary

Review of our Previous Medium-Term Business Plan (2016)
- Achieved projections for sales, net income and ROE, but fell short on operating income and ordinary income
- Exceeded projected sales for instant noodle business in China, while newly consolidated Nissin Foods do Brasil Ltda. that has high growth potential in the Americas
- Revised prices in order to offset increased raw material costs, due to the weak yen and fluctuating market prices
- Unable to meet operating income targets due to continued investment in human resources in support of global management and capital investment in support of sustained growth, and delays establishing profitability in Asia
- Achieved net income and ROE targets thanks to agile management initiatives

Looking Ahead to our Current Medium-Term Business Plan (2021)
- Achieving recognition as a global company by fiscal 2021
- Focusing on “earning power through operations” and “value in capital markets” under the medium-term plan
- Investing management resources in the interests of sustained growth, as well as achieving numerical management targets
- Sharing our long-term vision with shareholders and working towards market capitalization of ¥1 trillion in fiscal 2021
Changes in the Macroeconomic Environment During the Previous Medium-Term Plan

**Impact on domestic business**
- Trends towards weak yen and high stock prices under “Abenomics”
- Increase in consumption tax (April 2014 onwards)
- Consumers increasingly conscious of safety and security
- Growing demand in emerging countries → Soaring raw material prices

**Impact on overseas business**
- Slowdown of rapid growth in Chinese economy
- Slower than anticipated growth rate across Asian economy
- Currency weakness in emerging countries
- Fall in oil prices

**Impact on management platform**
- Introduction of the Japan’s Stewardship Code and the Japan’s Corporate Governance Code

Positioning of Previous Medium-Term Business Plan

Positioned as a “global evolution phase” on the road to becoming an “EARTH FOOD CREATOR”, marked by active investment in overseas business

- **Pursue global status**
  - Corporate value
  - Sales: JPY 450.0 bn
  - Overseas sales ratio: 20%
  - ROE: 7%

- **Gain a strong global reputation**
  - Overseas sales ratio: Over 30%
  - ROE: Over 8%

- **Becoming an “EARTH FOOD CREATOR”**
  - Overseas sales ratio: Over 50%
  - ROE: Over 10%
We surpassed our sales targets, thanks to results for domestic business significantly exceeding projections, not least in the instant noodle business. In terms of operating income, we had to increase up-front investment in line with changes in the environment, and experienced delays in establishing profitability in Asia. Thanks to agile management initiatives however, we were able to achieve targets for net income and ROE, both of which translate directly into corporate value.

**Summary**

- **Achieved sales target**
  - Significantly exceeded projected domestic sales in the instant noodle business
  - Set out to almost double overseas sales, and were successful thanks to business growth and the impact of exchange rates

- **Fell short of operating income/margin targets**
  - Brought forward investment in systems and human resources for our global management platform support structure
  - Experienced delays in establishing profitability in areas where we are looking to expand or enter new markets (Asia, Turkey)

- **Achieved net income/ROE targets**
  - Posted extraordinary income due to consolidation of Brazil biz.
  - Purchased treasury stock on a flexible basis to improve management efficiency
  - Revised strategic stock holdings

- **Investment/dividend policy**
  - Engaged in up-front investment in improving safety/security, growth, etc.
  - Maintained stable dividends of over 40% on average over three years

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### Targets for Current Medium-Term Business Plan

<table>
<thead>
<tr>
<th>(JPY bn)</th>
<th>FY 2013</th>
<th>FY2016 Plan</th>
<th>Actual</th>
<th>Change</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>382.8</td>
<td>450.0</td>
<td>468.1</td>
<td>+18.1</td>
<td>✓</td>
</tr>
<tr>
<td>(Overseas)</td>
<td>53.5</td>
<td>98.5</td>
<td>100.9</td>
<td>+2.4</td>
<td>✓</td>
</tr>
<tr>
<td>Operating income</td>
<td>24.0</td>
<td>31.0</td>
<td>26.4</td>
<td>-4.6</td>
<td>X</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>31.0</td>
<td>36.0</td>
<td>30.7</td>
<td>-5.3</td>
<td>X</td>
</tr>
<tr>
<td>Net income</td>
<td>18.9</td>
<td>23.0</td>
<td>26.9</td>
<td>+3.9</td>
<td>✓</td>
</tr>
<tr>
<td>Operating income margin</td>
<td>6.3%</td>
<td>6.9%</td>
<td>5.6%</td>
<td>-1.3pt</td>
<td>X</td>
</tr>
<tr>
<td>Ordinary income margin</td>
<td>8.1%</td>
<td>8.0%</td>
<td>6.6%</td>
<td>-1.4pt</td>
<td>X</td>
</tr>
<tr>
<td>ROE</td>
<td>6.4%</td>
<td>7.2%</td>
<td>7.4%</td>
<td>+0.2pt</td>
<td>✓</td>
</tr>
<tr>
<td>Investment over three years</td>
<td>-</td>
<td>115.0</td>
<td>124.4</td>
<td>+9.4</td>
<td>-</td>
</tr>
</tbody>
</table>
Positioning of Current Medium-Term Business Plan

Shift towards “profitability” from the current medium-term plan onwards

- Market capitalization:\* JPY 570.0 bn
- Overseas sales ratio: 22%
- Overseas operating income ratio: 11%
- ROE: 7.4%

Becoming an “EARTH FOOD CREATOR”

- Market capitalization:\* JPY 1 tn
- Overseas operating income ratio: 30% or higher
- ROE: 8% or higher

\*Market capitalization = Share price × Issued shares at end of year (after deduction of treasury shares)
FY2021 Breakdown of Sales and OP (Adjusted OP) Targets

Focusing on “Earning power through operations” and target to achieve 40.0 billion yen in Adjusted Operating Income

<table>
<thead>
<tr>
<th>Earning power through operations</th>
<th>FY2016</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (JPY bn)</td>
<td>468.1</td>
<td>600.0</td>
</tr>
<tr>
<td>Adjusted Operating Income*1</td>
<td>24.7</td>
<td>40.0</td>
</tr>
<tr>
<td>Adjusted Operating Income Margin</td>
<td>5.3 %</td>
<td>6.7 %</td>
</tr>
<tr>
<td>Overseas portion of Adjusted Operating Income</td>
<td>11 %</td>
<td>30% or higher</td>
</tr>
</tbody>
</table>

Businesses in Japan

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2016 (JPY bn)</th>
<th>FY2021 (JPY bn)</th>
<th>Plan Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instant Noodles</td>
<td>Sales 265.2</td>
<td>297.6</td>
<td>+32.4</td>
</tr>
<tr>
<td></td>
<td>OP 25.3</td>
<td>29.5</td>
<td>+4.2</td>
</tr>
<tr>
<td></td>
<td>OPM 9.6%</td>
<td>9.9%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Chilled and Frozen Foods, Confectionery and drinks</td>
<td>Sales 98.4</td>
<td>132.3</td>
<td>+33.9</td>
</tr>
<tr>
<td></td>
<td>OP 2.0</td>
<td>5.2</td>
<td>+3.2</td>
</tr>
<tr>
<td></td>
<td>OPM 2.0%</td>
<td>3.9%</td>
<td>+1.9%</td>
</tr>
</tbody>
</table>

*1 Adjusted operating income = Operating income – Impact of retirement benefit accounting

Businesses (Areas) in Overseas

<table>
<thead>
<tr>
<th>Area</th>
<th>FY2016 (JPY bn)</th>
<th>FY2021 (JPY bn)</th>
<th>Plan Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas</td>
<td>Sales 48.3</td>
<td>80.8</td>
<td>+32.5</td>
</tr>
<tr>
<td></td>
<td>OP 1.1</td>
<td>6.4</td>
<td>+5.3</td>
</tr>
<tr>
<td></td>
<td>OPM 2.2%</td>
<td>7.9%</td>
<td>+5.7%</td>
</tr>
<tr>
<td>China incl. H.K.</td>
<td>Sales 40.9</td>
<td>53.7</td>
<td>+12.8</td>
</tr>
<tr>
<td></td>
<td>OP 4.1</td>
<td>5.1</td>
<td>+1.0</td>
</tr>
<tr>
<td></td>
<td>OPM 10.1%</td>
<td>9.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Asia</td>
<td>Sales 7.2</td>
<td>24.1</td>
<td>+16.9</td>
</tr>
<tr>
<td></td>
<td>OP (2.0)</td>
<td>0.5</td>
<td>+2.5</td>
</tr>
<tr>
<td></td>
<td>OPM (27.9%)</td>
<td>2.2%</td>
<td>+30.1%</td>
</tr>
<tr>
<td>EMEA</td>
<td>Sales 4.6</td>
<td>8.3</td>
<td>+3.7</td>
</tr>
<tr>
<td></td>
<td>OP (0.4)</td>
<td>0.8</td>
<td>+1.2</td>
</tr>
<tr>
<td></td>
<td>OPM (8.0%)</td>
<td>9.4%</td>
<td>+17.4%</td>
</tr>
</tbody>
</table>

The difference between the sum of the figures of each segment and the consolidated figure includes sales and OP at the holding company and other subsidiaries in Japan, etc.

Capital and Business Investment (Policy on M&A)

To achieve market capitalization of JPY 1 trillion in fiscal 2021, engaging in investment for sustained growth from fiscal 2022 onwards throughout the medium-term plan

<table>
<thead>
<tr>
<th>Capital investment</th>
<th>Business investment (M&amp;A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipating investment of approx. JPY 150 billion over five years</td>
<td>Anticipating investment of approx. JPY 100 billion over five years</td>
</tr>
</tbody>
</table>

- **Domestic**
  - Investment aimed at saving labor and strengthening safety/security management in the instant noodle business, in the interests of sustained growth, etc.

- **Overseas**
  - Investment in strengthening production systems in promising growth areas

- **General**
  - Investment in improvements/upgrades

Direct Copy of Table:

<table>
<thead>
<tr>
<th>Area</th>
<th>Domestic</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Advanced markets (Europe, U.S., Hong Kong, Singapore)</td>
<td>Emerging markets (Mainly BRICs)</td>
</tr>
<tr>
<td>Instant noodles</td>
<td>Projects likely to enhance value, revolving around brands</td>
<td>Projects likely to generate synergy with instant noodle business (Confectionery, soups, cereals, etc.)</td>
</tr>
<tr>
<td>Other products</td>
<td>Locations with technology that can be rolled out globally</td>
<td></td>
</tr>
</tbody>
</table>

Advanced Copy of Table:
**FY2021 KPIs and Financial Targets**

Setting out KPI based on “earning power through operations” and “value in capital markets” (market capitalization), as requirements for “recognition as a global company”

<table>
<thead>
<tr>
<th>Earning power through operations</th>
<th>FY2016</th>
<th>FY2021</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>JPY 468.1 bn</td>
<td>JPY 600.0 bn</td>
<td>550.0 bn</td>
</tr>
<tr>
<td>Adjusted operating income*1</td>
<td>JPY 24.7 bn</td>
<td>JPY 40.0 bn</td>
<td>47.5 bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value in capital markets</th>
<th>FY2016</th>
<th>FY2021</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market capitalization*2</td>
<td>JPY 570.0 bn</td>
<td>JPY 1 bn</td>
<td>1 bn</td>
</tr>
<tr>
<td>Net income*3</td>
<td>JPY 26.9 bn</td>
<td>JPY 33.0 bn</td>
<td>8% or higher</td>
</tr>
<tr>
<td>ROE</td>
<td>7.4 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS*4</td>
<td>JPY 196</td>
<td></td>
<td>JPY 330</td>
</tr>
</tbody>
</table>

Payout ratio: 40% or higher on the average for the five-year period

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*1 Adjusted operating income = Operating income – Impact of retirement benefit accounting
*2 Market capitalization = Share price × Issued shares at end of year (after deduction of treasury shares)
*3 “Net income attributable to owners of parent” under Japanese accounting standards, “profit attributable to owners of the parent” under IFRS standards
*4 Adjusted EPS = Adjusted NOPAT*5 ÷ Average issued shares for the period (after deduction of treasury shares)
*5 Adjusted NOPAT = Adjusted operating income + Equity method gains or losses + Amortization of goodwill (including equity method companies) – Net income attributable to non-controlling interests

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Strategy to Achieve Targets
Key Strategy Themes to Achieve Targets

Focusing on five key themes in pursuit of business profitability

<table>
<thead>
<tr>
<th>Platforms</th>
<th>Domestic</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="Image" alt="Promoting Global Branding" /></td>
<td><img src="Image" alt="Focusing on priority overseas locations" /></td>
</tr>
<tr>
<td></td>
<td><img src="Image" alt="Laying stronger foundations for our domestic profit base" /></td>
<td><img src="Image" alt="Establishing a second pillar that generates revenue and profits" /></td>
</tr>
<tr>
<td></td>
<td><img src="Image" alt="Developing and strengthening human resources for global management" /></td>
<td></td>
</tr>
</tbody>
</table>

Strategic Theme 1: Promoting Global Branding

Active rolling out CUP NOODLES, as a high value-added product that makes the most of our strengths, to young people with a certain standard of living, in order to improve overseas profitability.

- **CUP NOODLES**
  - [High margin]
  - CUP NOODLES > Bag-type instant noodles
  - [Expanding target market]
    - Young people with a certain standard of living
  - [NISSIN’s strengths]
    - Production technology and quality control capabilities, based on expertise in noodles, soup, ingredients, containers, etc.

- **Sales price trends in each country**
  - Bag-type: x1.5 - 4
  - CUP NOODLES: 

- **Margin trends in each country**
  - Bag-type: Approx. x2
  - CUP NOODLES: 

- **Worldwide population of young people**
  - No decline in number of young people
  - 2015 2020 2025 2030

- **Middle-income population in emerging countries**
  - Increase of 40% in 10 years
  - 2010 2015 2020

- **Rolling out global flavors (examples)**
  - Seafood
    - Japan
  - Tom Yum Goong
    - Hong Kong
    - Thailand
    - Japan
Strategic Theme 1  Promoting Global Branding > Approach

Approaching clearly defined target markets with initiatives including design, flavor and promotion with the aim of expanding more efficiently and effectively, and increasing overseas CUP NOODLES sales (units) by 50%.

Overseas CUP NOODLES sales (units) in FY2021: Up 50% (Compared to FY2016)

Approach

Promotions to create new experiences and generate empathy
2nd: Global flavors
1st: Fresh new design

Strategic Theme 2  Focusing on Priority Locations: BRICs

As markets continue to grow in scale and standards of living continue to improve, we have earmarked BRICs as priority locations where we expect to achieve growth by harnessing NISSIN’s strengths in each area.

Income*1 to be generated in the priority overseas locations accounts for: Approx. 70% in FY2021
(in income from overseas business)

Total demand for instant noodles (unit basis)*2

BRICs 53%
Others 47%
Total global demand 102.7 billion units

Middle-income population in emerging countries*3

BRICs Approx. 50% increase in 10 years
BRICs Approx. 70%

*1 Income = Operating income + Equity method income
*2 Source: WINA/2014
*3 Source: NISSIN estimates based on data from various sources
Strategic Theme 2  Focusing on Priority Locations: BRICs – China and India

- **China**: Making the most of our leading share of the growing market for upright cup-type noodle products to expand our sales area
- **India**: Stepping up promotion of CUP NOODLES to rapidly growing population of middle-income earners, as well as tapping into growth in bag-type instant noodle products

**China**
- Thriving market for upright cup-type instant noodle products, with significant growth year on year
- Continuing trend towards growth in middle-income earners, particularly in urban areas

- **Opportunities for NISSIN**
  - Holding approx. 60% share of the upright cup-type noodle market
  - Still room for growth through expansion of sales area

![Market share graph](image)

Most popular: Seafood
2nd most popular: Five-spice beef

**India**
- Underlying recovery following a one-off significant contraction due to market turmoil last year
- Anticipated growth in cup-type noodle market in the future due to increase of middle-income earners

- **Opportunities for NISSIN**
  - Our sales up 100% year on year even after the comeback of the leading manufacturer
  - Growth being backed up by food safety initiatives
  - Still small scale, but NISSIN has a leading share of the cup-type noodle market

![India sales growth](image)

**Strategic Theme 2  Focusing on Priority Locations: BRICs – Brazil and Russia**

Establishing strong foundations as market leader in both Brazil and Russia

- **Brazil**: Building on strong foundations to reinforce CUP NOODLES and establish a base of operations for expansion into South America
- **Russia**: Strengthening support structure in order to secure an even greater market share and increase income

**Brazil**
- Total demand of 2.4 billion units (10th place worldwide)
- Cup-type noodle market still accounts for around 4% - plenty of room for further growth

- **Opportunities for NISSIN**
  - Capitalizing on Brazil Nissin’s overwhelming market share to develop cup-type noodle market
  - Plans to launch a new CUP NOODLES promotion project in fall 2016

**Russia**
- Total demand of 2.0 billion units (11th place worldwide)
- Cup-type noodle market accounts for around 25%

- **Opportunities for NISSIN**
  - Mareven Food (JV) has excellent brand recognition
  - Powerful nationwide sales and delivery network
  - Still scope for growth through increased cooperation on technology, product development, etc.
Strategic Theme 3  Laying Stronger Foundations for our Domestic Profit Base

Developing the domestic instant noodle market further, investing in sophisticating plants to improve food safety and production efficiency, and achieving stable profit over the long term.

Operating income from domestic instant noodle business

| JPY 25.3 bn (FY2016 Actual) | JPY 29.5 bn (FY2021 Plan) |

Develop the domestic instant noodle market further

- Product proposals/communication aimed at specific target market
  - Encouraging the “next generation”
    - Successful communication with young generation: trend towards more experience of and interest in eating noodles amongst target market
  - Encouraging female consumers
  - Tapping active seniors

Investing in sophisticating plants

- Rebuilding aging facilities, with an eye to restructuring domestic plants
  - Further improving food safety and security
  - Cutting costs by saving labor, conserving energy and manufacturing in-house
  - Kanto Plant 45 years old
  - Shiga Plant 43 years old
  - Shimonoseki Plant 41 years old
  - Shizuoka Plant 20 years old
  - Using robots to put deep-fried tofu in bowl

Creating a “Century Brand Company”

Strategic Theme 4  Establishing a Second Primary Revenue Source: Confectionary/Cereal Business

As well as growing brands organically, we intend to strengthen cooperation to achieve greater synergy, expand overseas operations and make the most of M&A, with the aim of increasing sales to JPY 100.0 billion, including partners.

- Stepping up cooperation between three existing companies
  - Appointing outside executives to oversee the confectionery business
  - Promoting groupwide cooperation on sales, marketing, procurement, etc.
- Launching overseas expansion initiatives
  - Building on NISSIN’s overseas business foundations to expand confectionery operations
  - Strengthening import and export business
- Making the most of M&A to expand strong brands even further

(Sales)

NISSIN CISCO

<table>
<thead>
<tr>
<th>Bonchi</th>
<th>Frente</th>
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</thead>
<tbody>
<tr>
<td>No.1 best selling cornflakes (unit base)</td>
<td>Brand with over 50 years history</td>
</tr>
<tr>
<td>Rapidly growing major brand</td>
<td>No. 1 for sour flavors</td>
</tr>
<tr>
<td>Brand with over 50 years history</td>
<td>No. 1 for spicy flavors</td>
</tr>
<tr>
<td>No.1 for sour flavors</td>
<td>No. 1 for sour flavors</td>
</tr>
</tbody>
</table>

Organic growth centered around Japan

Approx. JPY 65.0 bn

Additional initiatives

M&A, imports, exports, etc.
Establishing a Second Primary Revenue Source: Chilled and Frozen Food Business/Beverage Business

Building on efforts to establish brands throughout the previous medium-term period in order to increase profit growth domestically

![NISSIN CHILLED FOODS](image)
No.1 value-added ramen noodles
No.1 in Tsukemen (dipping noodles) category
No.1 two-serving yakisoba (fried noodles)

![NISSIN FROZEN FOODS](image)
No.1 in regular category
No.1 in fresh pasta category
No.1 in spicy category

Strategic Theme 5
Developing and Strengthening Human Resources for Global Management

Having established a platform-based support structure, we intend to increase management human resources and accelerate global management in the future, based on both human resource development measures within the group and recruiting externally.

- Expanding our pool of management human resources
  - 100 people (FY2016) ➤ 200 people (FY2021)
- Key posts
  - 43 (FY2021)

![Overseas profits](image)
![Domestic profits](image)

- Strengthening human resources for global management
  - Recruiting external management human resources familiar with local markets
  - Developing local executive employees
  - Strengthening global capabilities amongst management human resources

![Support](image)
12 Platforms

Having established a global support structure built on NISSIN’s expertise
We are determined to contribute to the world and its people by creating food, as an “EARTH FOOD CREATOR.” We go about our work in a Creative and Unique manner every day, and provide enjoyment of food for a Global audience, in order to make people all over the world Happy.
Previous Medium-Term Plan: Numerical Targets: Domestic

Although positive trends have continued across all businesses, particularly the instant noodle business thanks to superior product and brand capabilities, we fell short of our operating income target due to increased spending on group growth and up-front investment in sustained growth.

Summary

- **NISSIN FOODS:** Record high sales (FY2016)
  
- Soared raw material prices due to weak yen and high market prices
  → Offset by price revisions

- Selected and concentrated businesses (transferred restaurant business (AJI-NO-MINGEI))

- Increased investment in growth markets
  - Confectionery: Invested in Goro-Gra advertising and increased production
  - Frozen foods: Investing in increased pasta production in line with continued sales growth

- Investment in sustainable management
  - Invested in safety/security and optimized production
  - Built food research facility ("the WAVE")
  - Restructured domestic instant noodle plants (MYOJO FOODS: Saitama Plant)

- Increased investment and spent on group growth
  - Brought forward investment in ERP systems
  - HD expenses and personnel costs in line with expanding platforms

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Instant noodles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>240.2</td>
<td>252.0</td>
<td>265.2</td>
<td>+13.2</td>
<td>✓</td>
</tr>
<tr>
<td>OP</td>
<td>25.5</td>
<td>27.2</td>
<td>25.3</td>
<td>-1.9</td>
<td>X</td>
</tr>
<tr>
<td>OPM</td>
<td>10.6%</td>
<td>10.8%</td>
<td>9.6%</td>
<td>-1.2pt</td>
<td>X</td>
</tr>
<tr>
<td><strong>Chilled &amp; frozen</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confectionery drinks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Restaurant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>86.6</td>
<td>98.0</td>
<td>98.4</td>
<td>+0.4</td>
<td>✓</td>
</tr>
<tr>
<td>OP</td>
<td>1.4</td>
<td>3.3</td>
<td>2.0</td>
<td>-1.3</td>
<td>X</td>
</tr>
<tr>
<td>OPM</td>
<td>1.4%</td>
<td>3.4%</td>
<td>2.0%</td>
<td>-1.4pt</td>
<td>X</td>
</tr>
</tbody>
</table>
Despite the achievement of targets in China and Hong Kong a year ahead of schedule, we fell short of overall operating income targets as a result of delays in establishing profitability in areas reliant on expanding the scale of our operations or entering new markets (other Asian countries, Turkey).

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY2016 Plan</th>
<th>FY2016 Actual</th>
<th>Change</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Americas</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>25.9</td>
<td>37.8</td>
<td>48.3</td>
<td>+10.5</td>
<td>✓</td>
</tr>
<tr>
<td>OP</td>
<td>0.2</td>
<td>0.8</td>
<td>1.1</td>
<td>+0.3</td>
<td>✓</td>
</tr>
<tr>
<td>OPM</td>
<td>0.9%</td>
<td>2.1%</td>
<td>2.2%</td>
<td>+0.1pt</td>
<td>✓</td>
</tr>
<tr>
<td><strong>China incl. H.K.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>20.8</td>
<td>32.2</td>
<td>40.9</td>
<td>+8.7</td>
<td>✓</td>
</tr>
<tr>
<td>OP</td>
<td>1.8</td>
<td>2.7</td>
<td>4.1</td>
<td>+1.4</td>
<td>✓</td>
</tr>
<tr>
<td>OPM</td>
<td>8.8%</td>
<td>8.5%</td>
<td>10.1%</td>
<td>+1.6pt</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>4.0</td>
<td>18.0</td>
<td>7.2</td>
<td>-10.8</td>
<td>X</td>
</tr>
<tr>
<td>OP</td>
<td>-0.5</td>
<td>0.1</td>
<td>-2.0</td>
<td>-2.1</td>
<td>X</td>
</tr>
<tr>
<td>OPM</td>
<td>(11.3%)</td>
<td>0.6%</td>
<td>(27.9%)</td>
<td>-28.5%</td>
<td>X</td>
</tr>
<tr>
<td><strong>EMEA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2.7</td>
<td>10.5</td>
<td>4.6</td>
<td>-5.9</td>
<td>X</td>
</tr>
<tr>
<td>OP</td>
<td>0.2</td>
<td>1.0</td>
<td>-0.4</td>
<td>-1.4</td>
<td>X</td>
</tr>
<tr>
<td>OPM</td>
<td>7.2%</td>
<td>9.5%</td>
<td>(8.0%)</td>
<td>-17.5%</td>
<td>X</td>
</tr>
</tbody>
</table>

**Summary**

- **The Americas**: Consolidation of Brazil/increased sales costs in the US
  - Brazil: Acquired JV with dominant position in the market as a wholly-owned subsidiary (six-month contribution to FY2016 results)
  - USA: Increased spending on marketing in line with intensifying competition
- **China/Hong Kong**: Increased sales and income beyond plans thanks to success with CUP NOODLES and expansion of market area
  - Expanded sales targeting white collar workers and students in 60 cities with populations over 3 million
- **Asia**: Miscalculated speed of growth and country risks
  - Currently reviewing follower strategy due to over-optimism regarding losing market share amidst competition for dominance
- **EMEA**: Established stable management foundations in Europe, but experiencing delays in developing the instant noodle market in Turkey
  - Despite efforts to create a market in Turkey, the speed of growth remains insufficient in terms of return on investment

### Major Exchange Rates Forming the Basis of Plan

<table>
<thead>
<tr>
<th>Currency</th>
<th>Local exchange rate (yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2016</td>
</tr>
<tr>
<td>US dollar</td>
<td>120.14</td>
</tr>
<tr>
<td>Brazilian real</td>
<td>30.60</td>
</tr>
<tr>
<td>Chinese yuan</td>
<td>18.85</td>
</tr>
<tr>
<td>Hong Kong dollar</td>
<td>15.49</td>
</tr>
<tr>
<td>Euro</td>
<td>134.31</td>
</tr>
</tbody>
</table>
Direction of Businesses:
Achieving Sales and Adjusted Operating Income Targets for FY2021

<table>
<thead>
<tr>
<th>Domestic Business</th>
<th>Overseas Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instant noodles (NISSIN FOOD PRODUCTS)</td>
<td>The Americas</td>
</tr>
<tr>
<td>- Targeting new markets and strengthening brand capabilities, with the aim of creating brands to last 100 years</td>
<td>- Achieve substantial growth in Brazil, capitalizing on cup-type instant noodle growth</td>
</tr>
<tr>
<td>- Capital investment aimed at saving labor, improving safety/security and cutting costs</td>
<td>- Strengthen product sales and brands based on an awareness of diversifying food needs in the U.S.</td>
</tr>
<tr>
<td>MYOJO FOODS</td>
<td>China/Hong Kong</td>
</tr>
<tr>
<td>- Growing core brands and developing new brands</td>
<td>- Maintain overwhelming leading share of the growing premium market</td>
</tr>
<tr>
<td>Chilled and frozen foods</td>
<td>- Optimize balance of investment between expanding market area and increase capacity</td>
</tr>
<tr>
<td>- Building on technical and brand capabilities to expand high value-added products and increase margins</td>
<td>Asia</td>
</tr>
<tr>
<td>Confectionery and drinks</td>
<td>- Target high income earners, revolving around CUP NOODLES</td>
</tr>
<tr>
<td>- Developing confectionery business into a second pillar that generates revenue and profit</td>
<td>- Collaborate with Mitsubishi Corporation</td>
</tr>
<tr>
<td>- Continuing to grow Goro-Gra and expanding lactobacillus drinks in the healthcare market</td>
<td>- Tailor strategies to suit individual countries</td>
</tr>
<tr>
<td>Management platform</td>
<td>EMEA</td>
</tr>
<tr>
<td>- Improving quality of global management human resources</td>
<td>- Transition from stable profit base to revenue and profit growth phase in Europe</td>
</tr>
<tr>
<td>- Shifting towards management based on pursuit of profit</td>
<td></td>
</tr>
</tbody>
</table>

Note: The fiscal term on this material indicate as follows:
FY2015: from April 1, 2014 to March 31, 2015
FY2016: from April 1, 2015 to March 31, 2016
FY2021: from April 1, 2020 to March 31, 2021

NISSIN FOODS HOLDINGS CO., LTD.

The Company’s plans, projections of results and strategies included in this document are forward-looking statements that reflect management’s judgment based on information available at the time of their release. The Company cautions that intensification of price competition in the market, changes in the economic trends in the business environment, significant fluctuations in valuation in capital markets and various other risks and uncertainties may cause these forward-looking statements to differ from actual results.

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email: ir.jp@nissin.com