

Financial Results for FY2017 for the fiscal year ended March 31, 2017 Announced on May 12, 2017

This material was released on May 16, 2017 for the results briefing



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code : 2897

Financial Results for FY2017
for the fiscal year ended March 31, 2017
and
Business Plan for FY2018
for the fiscal year ending March 31, 2018

Director, CFO, and Managing Executive Officer
Yukio Yokoyama

FY2017 Mgmt. Policy

Achieve the targets of the first year of the Mid-Term Business Plan 2021 (“MTBP 2021”)

Domestic: Enhance marketing of instant noodles business and lay a foundation of the second pillar of earnings
Overseas: Global expansion based on “CUP NOODLES Strategy” and decrease of operating loss from Asia business

FY2017 Results

Got off a good start in the first year of the MTBP 2021

Results beat the upwardly revised financial plan announced in November 2016

Consolidated : **Marked record-high sales**

Increased yoy in OP, adjusted OP and ordinary income

Net income* decreased due to one-off gain recorded in FY2016

Domestic: **Marked record-high sales**

Higher sales and OP were recorded in each business

Instant noodles: Higher sales contributed by core brand products

Chilled and frozen foods: Enhanced appeal as single item

Confectionery and beverage: Consoli. of Bonchi Co. Ltd. and an improved profitability of existing products

Overseas: **Marked record-high sales and realized a significant improvement in OP**

Consoli. of Brazil business and sales volume increase in Asia business segment

Others: Change of depreciation method and an impact from retirement benefit accounting due to the change of its discount rate adopted

FY2018 Mgmt. Policy

Build firmer foundation for sustained growth, while targeting four-year consecutive record-high sales

Domestic: Enhancement of earning power and investment for future mgmt. base

Overseas: Significant increase in sales and increase in OP in each region based on “CUP NOODLES Strategy.”

*Net income attributable to owners of parent

(bil. yen)	FY2017					FY2016	FY2017
	Results	YoY Change	YoY Change (%)	vs. Revised plan	vs. Revised plan	Results	Revised plan
Sales	495.7	+27.6	+5.9%	-4.3	-0.9%	468.1	500.0
Operating income	28.6	+2.2	+8.4%	+0.8	+2.9%	26.4	27.8
Adjusted operating income*	32.9	+8.2	+33.4%	+0.6	+1.8%	24.7	32.3
Ordinary income	32.9	+2.1	+6.9%	+1.4	+4.3%	30.7	31.5
Net income attributable to owners of parent	23.6	-3.3	-12.4%	+1.1	+4.7%	26.9	22.5
OP margin	5.8%	-	+0.1pt	-	+0.2pt	5.6%	5.6%
Ordinary income	6.6%	-	+0.1pt	-	+0.3pt	6.6%	6.3%
Net income attributable to owners of parent margin	4.8%	-	-1.0pt	-	+0.3pt	5.7%	4.5%
ROE	6.7%	-	-0.7pt	-	-	7.4%	-
Adjusted EPS* (yen)	253.0	57.1	+29.2%	-	-	195.9	-

* Adjusted Operating income = Operating income - Impact from retirement benefit accounting

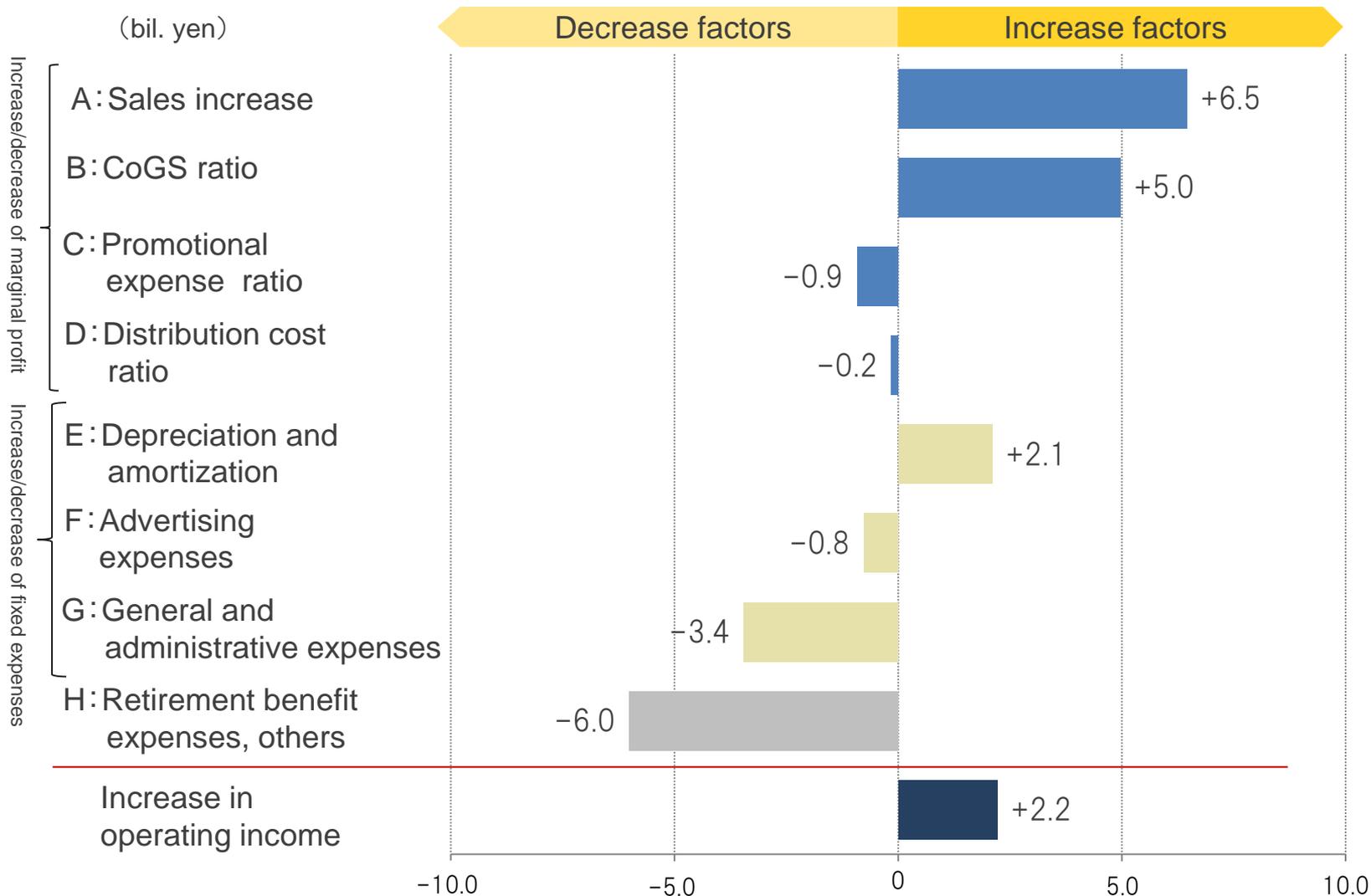
* Adjusted EPS=Adjusted operating income + Equity method gains or losses + Amortization of goodwill (including equity method companies) /Average number of shares outstanding (After deduction of treasury stocks)

(bil. yen)	FY2017			FY2016
	Results	YoY Change	YoY Change (%)	Results
Instant Noodles	269.2	+4.0	+1.5%	265.2
NISSIN FOOD PRODUCTS	228.6	+4.9	+2.2%	223.6
MYOJO FOODS	40.6	-1.0	-2.4%	41.6
Chilled and frozen business	61.8	+2.0	+3.3%	59.8
Confectionery and beverage	51.0	+12.4	+32.2%	38.6
Domestic others	3.7	+0.2	+6.0%	3.5
Domestic total	385.7	+18.6	+5.1%	367.1
The Americas	60.4	+12.1	+25.1%	48.3
China (incl. H.K.)	36.0	-4.9	-12.0%	40.9
Asia	9.0	+1.8	+25.4%	7.2
EMEA	4.6	+0.0	+0.2%	4.6
Overseas total	110.0	+9.1	+9.0%	100.9
Consolidated sales	495.7	+27.6	+5.9%	468.1

(bil. yen)	FY2017			FY2016
	Results	YoY Change	YoY Change (%)	Results
Instant Noodles	29.5	+4.1	+16.3%	25.3
NISSIN FOOD PRODUCTS	27.7	+3.7	+15.5%	24.0
MYOJO FOODS	1.8	+0.4	+30.0%	1.4
Chilled and frozen business	1.9	+1.2	+170.2%	0.7
Confectionery and beverage	2.6	+1.3	+98.8%	1.3
Domestic others	1.5	+1.7	-	(0.2)
Domestic total	35.4	+8.3	+30.5%	27.2
The Americas	2.3	+1.2	+117.8%	1.1
China (incl. H.K.)	3.4	-0.7	-17.8%	4.1
Asia	(1.4)	+0.6	-	(2.0)
EMEA	0.0	+0.4	-	(0.4)
Overseas total	4.3	+1.5	+52.2%	2.8
Reconciliations	(11.1)	-7.5	-	(3.6)
Consolidated operating income	28.6	+2.2	+8.4%	26.4
(Ref.) Adjusted operating income*	32.9	+8.2	+33.4%	24.7

* Adjusted Operating income = Operating income - Impact from retirement benefit accounting

Operating Income 28.6 bil yen (vs. FY2016: +2.2 bil yen)

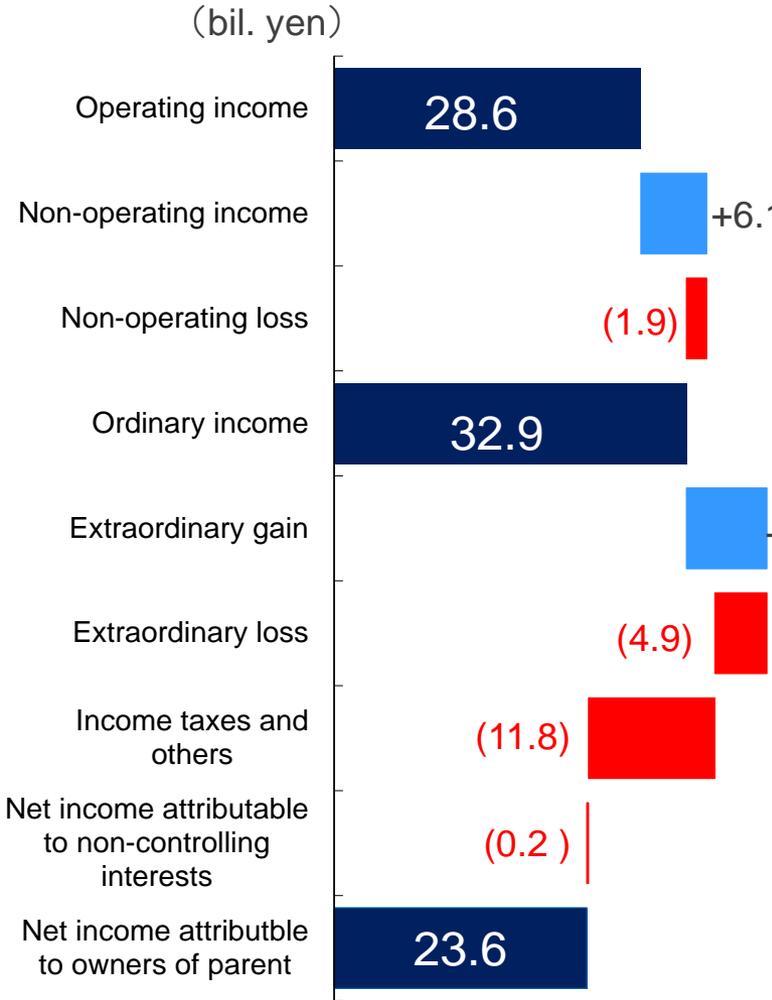


【Calculation method】 (1) Variable costs (A,B,C,D)=(Current FY sales * Previous FY sales ratio)- Current FY costs

(2) Fixed costs (E,F,G)=(Previous FY costs - Current FY costs)

Figures in parentheses are the results of the FY ended Mar. 31, 2016 (bil. yen)

Major reasons



Non-operating income	6.1(6.8)
• Interest income	0.8(0.9)
• Dividend income	1.4(1.4)
• Gain from sales of marketable securities	1.3(0.8)
• Equity in earnings of associates	1.7(2.8)
• Others	0.9(0.9)
Non-operating loss	1.9(2.5)
• Interest expenses	0.4(0.3)
• Foreign exchange loss	0.8(1.4)
• Others	0.8(0.7)
Extraordinary gain	7.5(12.8)
• Gain on sales of investment in securities	6.8(5.1)
• Margin associated with the acquisition in stages	- (6.6)
• Others	0.7(1.0)
Extraordinary loss	4.9(6.6)
• Impairment loss	1.0(1.1)
• Loss due to a fire	0.5(-)
• Settlement payout due to contract change	0.6(-)
• Loss associated with factory closure	0.6(-)
• Loss on sales of investments in capital	- (1.3)
• Others	2.2(4.2)

Positive Negative

Decrease by consolidating Brazil and Bonchi

Acquisition of the rest of equity interests of Brazil JV

Sale of shares of Ono Pharmaceutical Co., Ltd.

Closure of Shanghai factory

Fire at warehouse in Brazil

Transfer the equity of JINMAILANG Group

The 2nd year of the MTBP 2021 is the phase of laying the groundwork for growth, in which an increase in overseas sales is the basis of the strategy.

(bil. yen)	FY2018			FY2015 Results
	Plan	YoY Change	YoY Change (%)	
Sales	520.0	+24.3	+4.9%	495.7
Operating income	34.0	+5.4	+18.8%	28.6
Adjusted operating income*	33.4	+0.5	+1.6%	32.9
Ordinary income	37.0	+4.1	+12.6%	32.9
Net income attributable to owners of parent	24.5	+0.9	+4.0%	23.6
OP margin	6.5%	-	+0.8pt	5.8%
Ordinary income margin	7.1%	-	+0.5pt	6.6%
Net income attributable to owners of parent margin	4.7%	-	-0.0pt	4.8%
ROE	-	-	-	6.7%
Adjusted EPS*(yen)	261	+8	+3.2%	253

- Impact from retirement benefit accounting vs. FY16: +4.9 bil. yen
FY17 Result: Negative 4.3 bil yen
FY18 Plan: Positive 0.6 bil yen
- Increase of depreciation cost vs. FY16: Anywhere btw. +3.6 and +4.6 bil yen
FY17 Result: 15.4 bil yen
FY18 Plan: Anywhere btw. 19.0 and 20.0 bil yen
- Impact from domestic raw material cost
 - Impact: +0.0 (FX used in the estimate: 110 JPY/USD)
 - FX sensitivity for domestic raw material cost*
Approx. 0.2 bil. yen per one JPY change to USD
- Change of accounting period (Jan. to Dec. ⇒ Apr. to Mar.)
 - Bonchi Co., Ltd.
 - Singapore, Vietnam
 - Europe (Hungary and Germany)
 - Columbia

* Note:

In Japan, raw materials are purchased largely through suppliers, which prevents the real-time effect of foreign exchange. The impact generally appears from six months to one year later.

* Adjusted Operating income = Operating income - Impact from retirement benefit accounting

* Adjusted EPS = Adjusted operating income + Equity method gains or losses + Amortization of goodwill (including equity method companies) / Average number of shares outstanding (After deduction of treasury stocks)

(bil. yen)	FY2018			FY2017
	Plan	YoY Change	YoY Change (%)	Results
Instant Noodles	273.3	+4.1	+1.5%	269.2
NISSIN FOOD PRODUCTS	231.3	+2.7	+1.2%	228.6
MYOJO FOODS	42.0	+1.4	+3.4%	40.6
Chilled and frozen business	63.5	+1.7	+2.8%	61.8
Confectionery and beverage	53.7	+2.7	+5.3%	51.0
Domestic others	4.0	+0.3	+6.7%	3.7
Domestic total	394.5	+8.8	+2.3%	385.7
The Americas	67.0	+6.6	+10.9%	60.4
China (incl. H.K.)	41.0	+5.0	+13.9%	36.0
Asia	12.0	+3.0	+33.0%	9.0
EMEA	5.5	+0.9	+19.8%	4.6
Overseas total	125.5	+15.5	+14.1%	110.0
Consolidated sales	520.0	+24.3	+4.9%	495.7

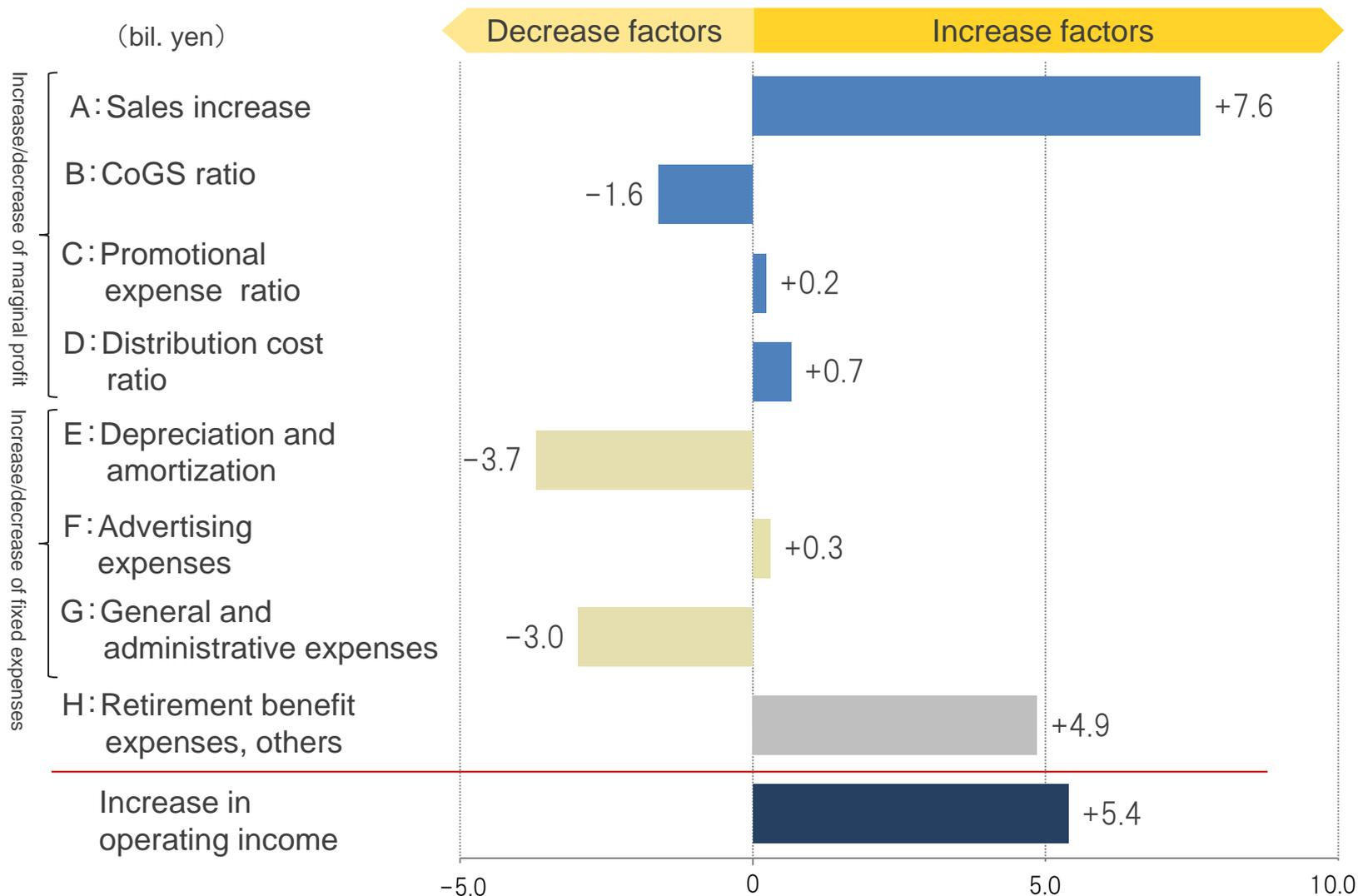
Note: The business plan for China segment specifies targets set solely by Nissin Foods Holdings.

(bil. yen)	FY2018			FY2017
	Plan	YoY Change	YoY Change (%)	Results
Instant Noodles	29.9	+0.4	+1.5%	29.5
NISSIN FOOD PRODUCTS	28.0	+0.3	+1.1%	27.7
MYOJO FOODS	1.9	+0.1	+6.5%	1.8
Chilled and frozen business	1.9	+0.0	+0.2%	1.9
Confectionery and drinks	2.9	+0.4	+14.3%	2.6
Domestic others	0.9	(0.5)	-36.0%	1.5
Domestic total	35.7	+0.3	+0.8%	35.4
The Americas	2.5	+0.2	+9.2%	2.3
China (incl. H.K.)	3.7	+0.3	+8.6%	3.4
Asia	(1.3)	+0.2	-	(1.4)
EMEA	0.1	+0.1	+630.2%	0.0
Overseas total	5.1	+0.8	+18.0%	4.3
Reconciliations	(6.8)	+4.3	-	(11.1)
Consolidated operating income	34.0	+5.4	+18.8%	28.6
(Ref.) Adjusted operating income *	33.4	+0.5	+1.6%	32.9

* Adjusted Operating income = Operating income - Impact from retirement benefit accounting

Note: The business plan for China segment specifies targets set solely by Nissin Foods Holdings.

Operating Income: 34.0 bil. yen (vs. FY2017: +5.4 bil yen)



【Calculation method】 (1) Variable costs (A,B,C,D)=(Current FY sales * Previous FY sales ratio)- Current FY costs

(2) Fixed costs (E,F,G)=(Previous FY costs - Current FY costs)

Capital Investment

Domestic

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

Overseas

- Investment in strengthening production systems in promising growth areas

General

- Investment in improvements/upgrades

(bil. yen)	Plan for Five Year	FY2017	FY2018 (Plan)
Capital Investment	150.0	36.3	65.0-75.0

FY2017 Results

- Nissin Food Products: Cogeneration system equipment
- Nissin York: New Kanto factory
- China business: Hong Kong bag-type noodle production line Zhejiang factory
- Europe business: Reconstruct the existing factory

FY2018 Major Investment Plan

- Nissin Food Products: New Kansai factory
- Bonchi: Yamagata new factory

Depreciation and Amortization

FY2017 Reasons for YoY increase

- Nissin Food Products: Packaging machinery
- MYOJO FOODS: Saitama 2nd factory
- Nissin York: New Kanto factory
- China business: Fujian factory
- New consolidation of Brazil
- New consolidation of Bonchi Co., Ltd.

FY2018 Reasons for YoY increase

- Nissin Food Products: Better quality
- Nissin York: New Kanto factory
- China business: Bag-type noodle production line at Hong Kong
- Europe business: Factory related inv.

(bil. yen)	FY2016	FY2017	FY2018 (Plan)
Declining-balance (Previous)	17.5	19.1	-
Straight-line (Current)	—	15.4	19.0-20.0

Note: Change of depreciation method
The depreciation method of domestic businesses is changed from the declining-balance method to the straight-line method

Strategic Shareholdings

- Plan to reduce the number of shares held in view of increasing capital efficiency
- Sell as appropriate by comprehensively examining the impact on the market, etc.

✓ FY2017 **Sold a portion of the strategic shareholdings**

✓ FY2018 Consider the sale of the strategic shareholdings in view of market and business environment

Shareholder Returns

(Dividends)

- Dividend increase reflecting favorable financial performance, **with an aim for achieving average payout ratio of 40% or above**
- ✓ **FY2017 Dividend increase** 1H: 40 yen, **Year-end : 45 yen (5 yen increase)**
- ✓ **FY2018 Dividend increase** 1H: **45 yen (5 yen Increase)**, Year-end: 45 yen

Note: Determination of dividend increase is to be formally approved at the Ordinary General Meeting of Shareholders scheduled in June.

(bil. yen)	Five-year Plan	FY2017 (Fct.)	FY2018 (Plan)
Dividend per share	Stable dividend	85 yen	90 yen
Payout Ratio	Average 40% or above	38.4%	38.2%

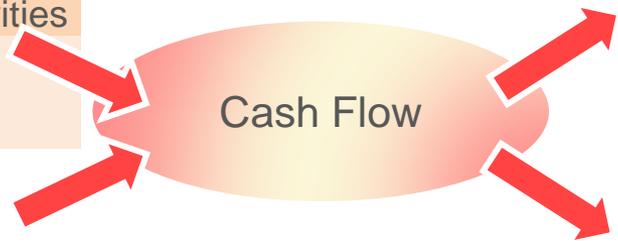
(Stock repurchase)

- Consider stock repurchase with agility according to changes in management and business environments
- ✓ **FY2017 Executed stock repurchase** in Nov. : 4,088,300 shares/ 22,935 mil. yen
- ✓ **FY2018** Continue to consider stock repurchase according to changes in market and business environments

Cash Flow

CF provided by operating activities
Approx. 43.0 bil yen

In the event of a shortfall in capital, usage of cash and deposits, redemption of securities and various type of finance will be considered



Shareholder Returns
Expected dividend payment: 9.4 bil yen
Dividend per share (plan): 90 yen (1H: 45 yen, Year-end :45 yen)

Budget for investment
Capital Investment:
Anywhere btw. 65.0 and 75.0 bil. yen
Business Investment

Medium-Term Business Plan 2021

Review of the First Year and Strategies from the Second Year

Representative Director, President and CEO
Koki Ando

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

		FY2016		FY2017		FY2021			
		Results J-GAAP				Reference J-GAAP		Targets IFRS standards	
Earning power through operations	Sales	468.1	bil. yen	495.7	bil. yen	600.0	bil. yen	550.0	bil. yen
	Adjusted Operating Income*1	24.7	bil. yen	32.9	bil. yen	40.0	bil. yen	47.5	bil. yen
Value in capital markets	Market Capitalization*2	570.0	bil. yen	640.0	bil. yen			1	tri. yen
	Net Income*3	26.9	bil. yen	23.6	bil. yen			33.0	bil. yen
	ROE	7.4	%	6.7	%			8	% or higher
	Adjusted EPS*4	196	yen	253	yen	CAGR 10% or higher		330	yen

Payout ratio: 40% or higher on the average for the five-year period
 Budgeted for capex: 150.0 bil. yen
 Budgeted for business investment: 100.0 bil. yen

*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)

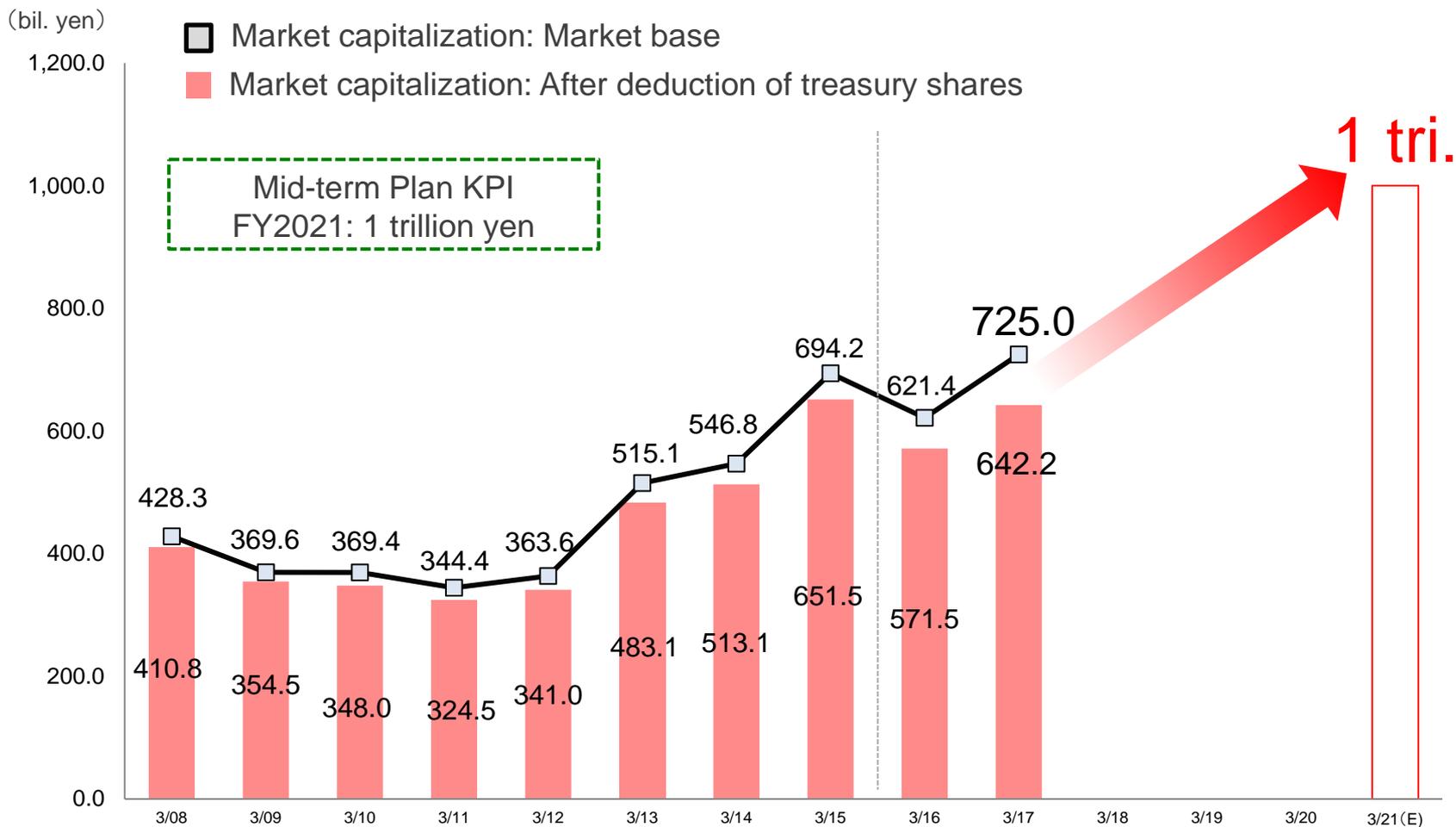
*3 “Net income attributable to owners of parent” under Japanese accounting standards, “profit attributable to owners of the parent” under IFRS standards

*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

Market capitalization

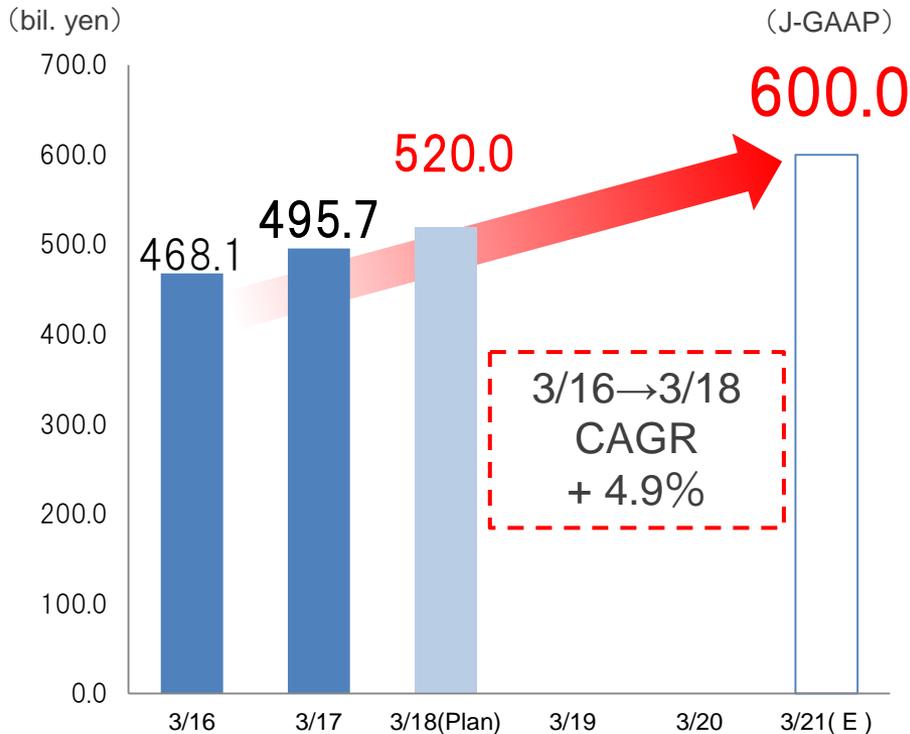
Expanded favorably toward 1 trillion yen in FY2021



■ Sales

Steady growth for FY2021

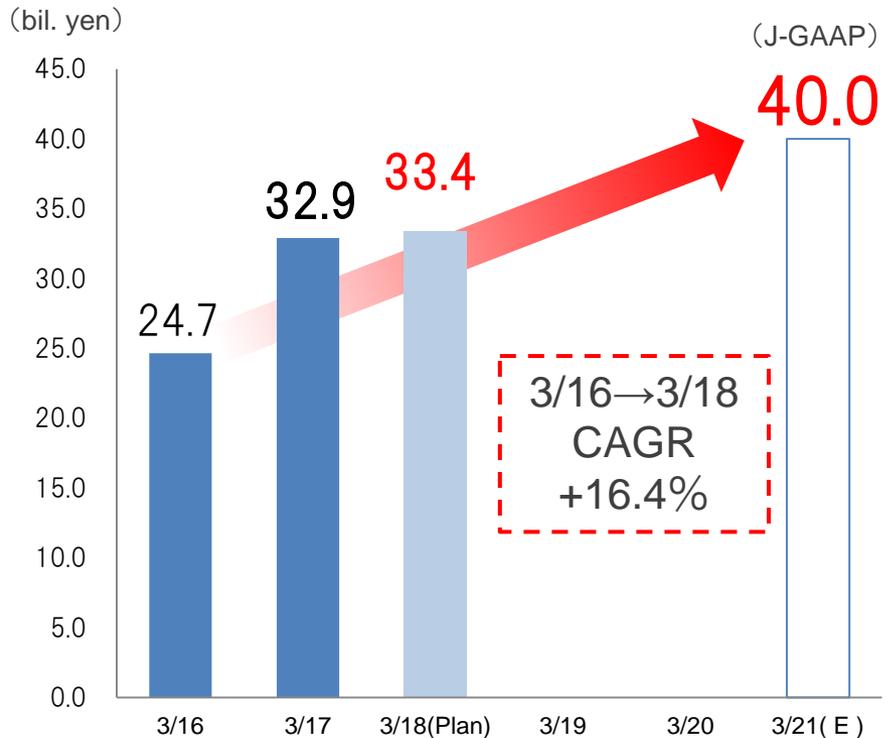
Mid-term Plan KPI
FY2021: 600.0 bil yen



■ Adjusted operating income

Exceeded the plan in FY2017

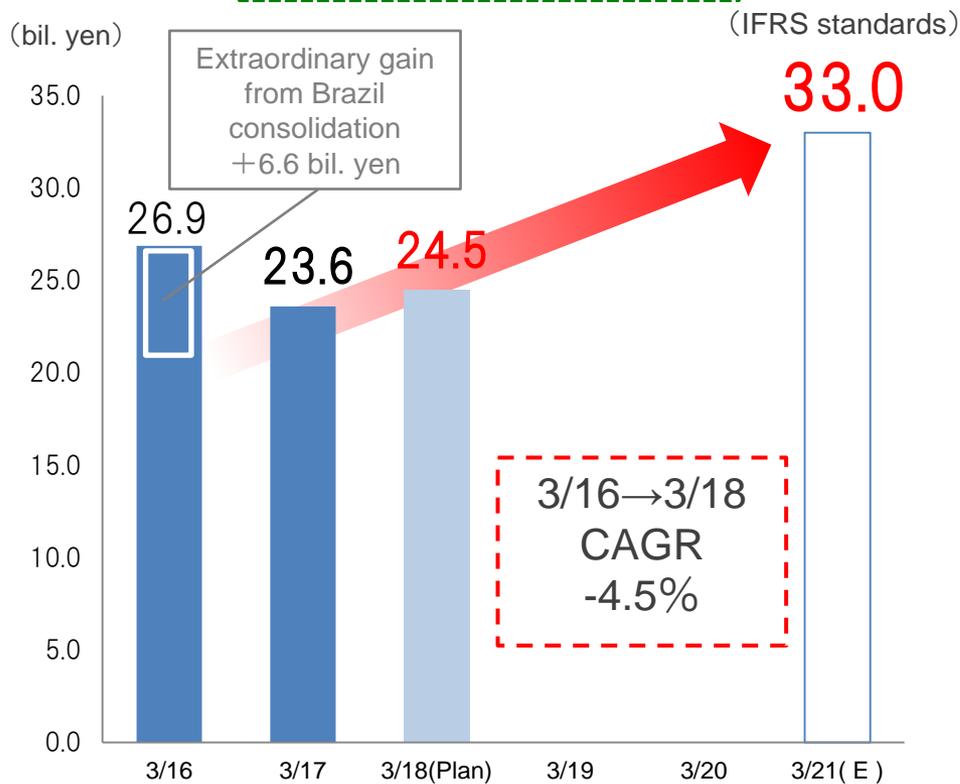
Mid-term Plan KPI
FY2021: 40.0 bil yen



■ Net income

Exceeded the plan in FY2017

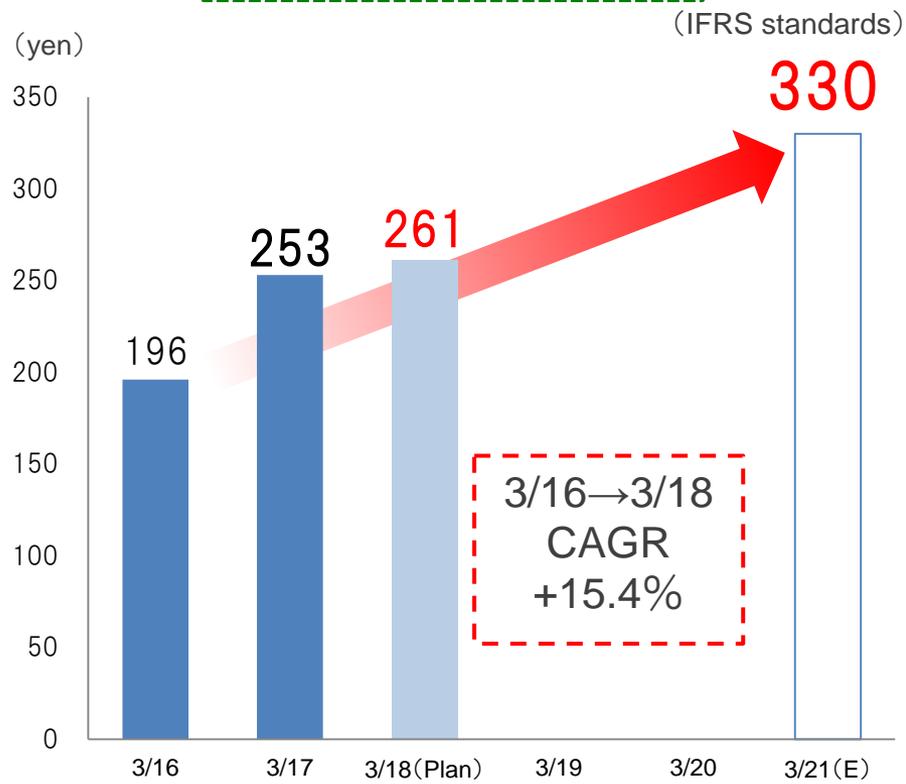
Mid-term Plan KPI
FY2021: 33.0 bil yen



■ Adjusted EPS

Exceeded the plan in FY2017

Mid-term Plan KPI
CAGR 10% or higher

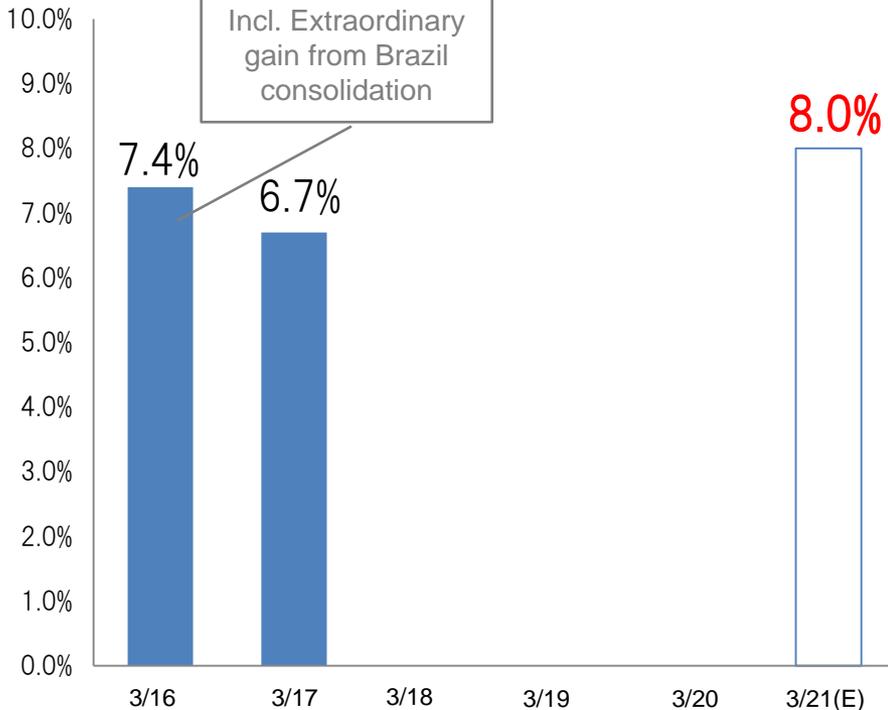


■ ROE

Aim for 8% or higher in FY2021

Mid-term Plan KPI
FY2021: 8.0% or higher

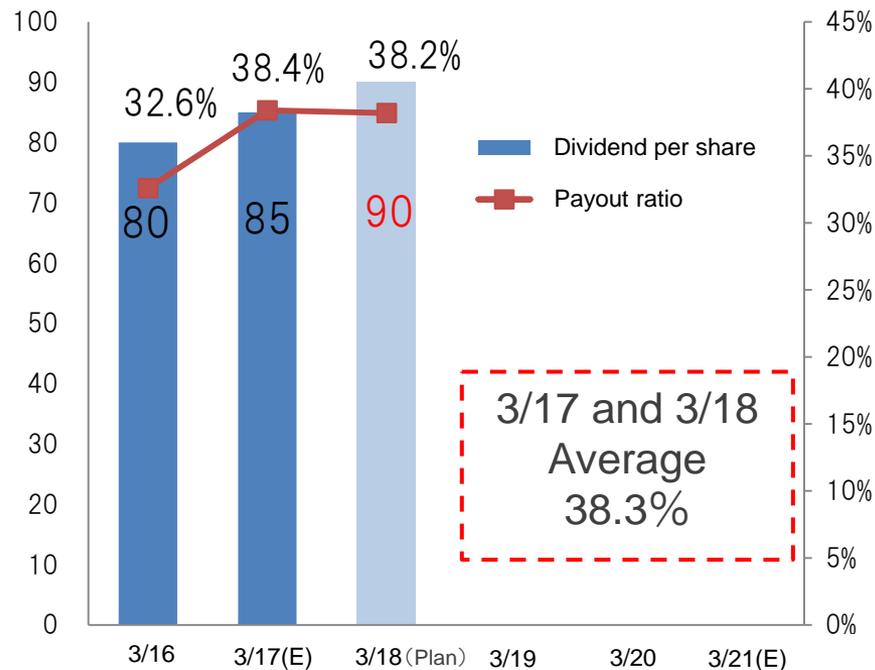
Incl. Extraordinary gain from Brazil consolidation



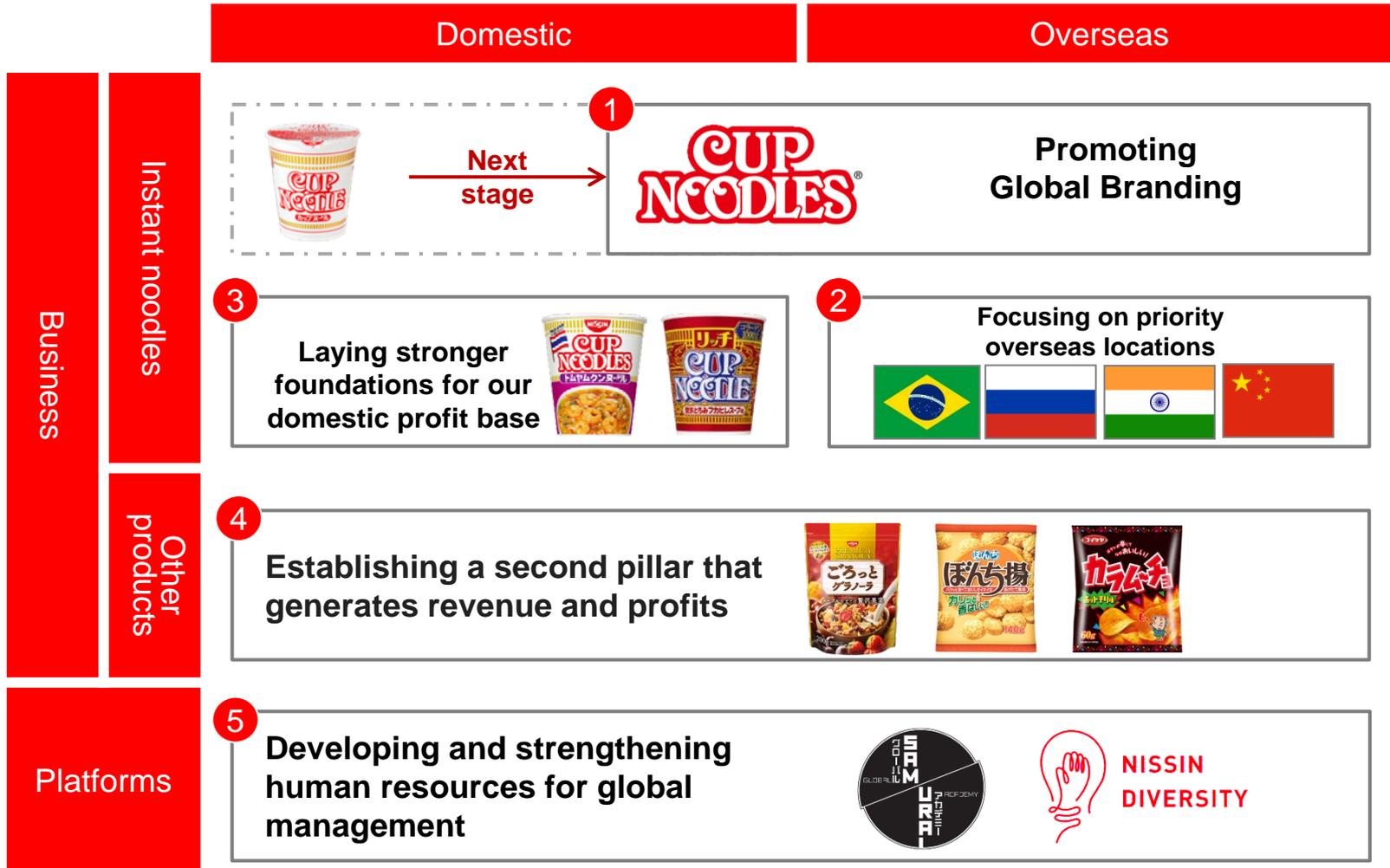
■ Payout Ratio

Aim for 40% or higher in mid-term average

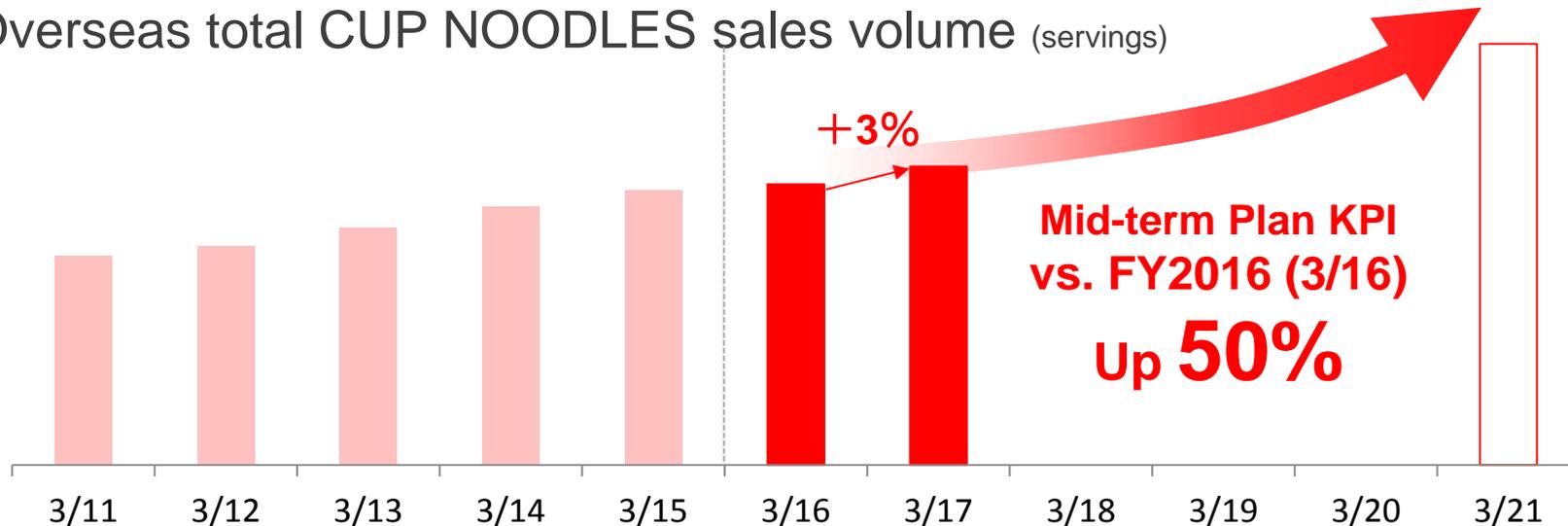
Mid-term Plan KPI
5 years average: 40% or higher



- Focusing on five key themes in pursuit of business profitability



Overseas total CUP NOODLES sales volume (servings)



Mid-term Plan KPI vs. FY2016 (3/16)
Up 50%



India
Renewal in September



Indonesia
Renewal and price revisions in April



Vietnam
Product launched in June



U.S.
Renewal in July



Brazil
Renewal and price revisions in September



Europe
Renewal in July



Plan to launch some initiatives in other countries



Thailand
Renewal and price revisions in November
(Adoption of paper package in Mar. 2016)

■ Europe

- Adopt ECO cup(plan) in Jul. 2017

Upgrade the brand value of CUP NOODLES



■ U.S.

- Product renewal in line with consumer demand in Jul. 2016

(Less sodium. No added MSG*, No artificial flavors)

* Contains small amounts of naturally occurring glutamates

Adoption of our products from one of the major retailers contributed to the U.S. sales



■ India

- Expand sales of “CUP NOODLES” primarily at eight metropolitans
- Increase exposure at public areas such as airports and movie theaters
- GDP/capita: US\$ 1,723

■ Thailand (ECO cup)

- Penetrate products mainly through convenience store channel
- Price revisions in Nov. 2015
- Adopted ECO cup (Paper cup) (Mar. 2016)
- GDP/capita: US\$ 5,899



■ Vietnam

- Launched at major cities in June 2016
- Import the product that manufactured in Thailand
- GDP/capita: US\$ 2,173



■ Indonesia

- Renewal of CUP NOODLES in Apr. 2016
- GDP/capita: US\$ 3,604



■ Brazil (ECO cup)

- New CUP NOODLES was launched in Sep. 2016
- GDP/capita: US\$ 8,727

Work on creating “Cup-type instant noodle market” in Brazil

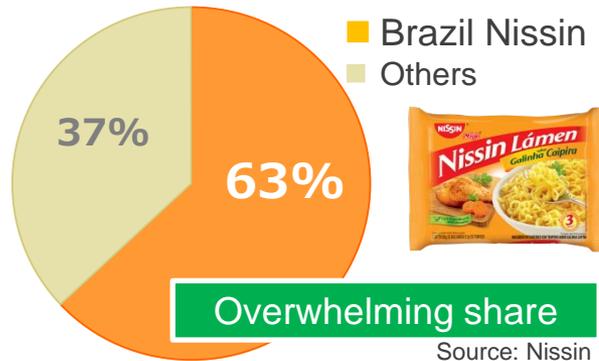


Note:

ECO cup is a Nissin Foods Group's proprietary package which is made of paper. It superiors in design and vividness of color since the package is mostly made of paper. In addition, its surface is covered with Styrofoam so that consumer doesn't feel heat when hold the cup with hands. This ECO cup was firstly adopted by Nissin Food Products in Japan.

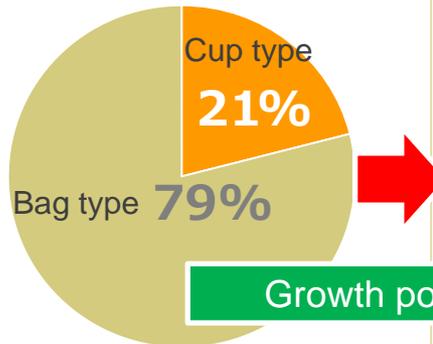
Brazil

Nissin's market share (unit base)

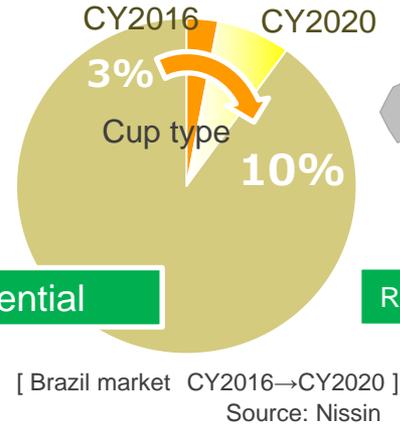


Cup/Bag instant noodle composition (unit base)

Worldwide average



Brazil market



Economy seemed to hit the bottom

New CUP NOODLES was launched in Sept. 2016



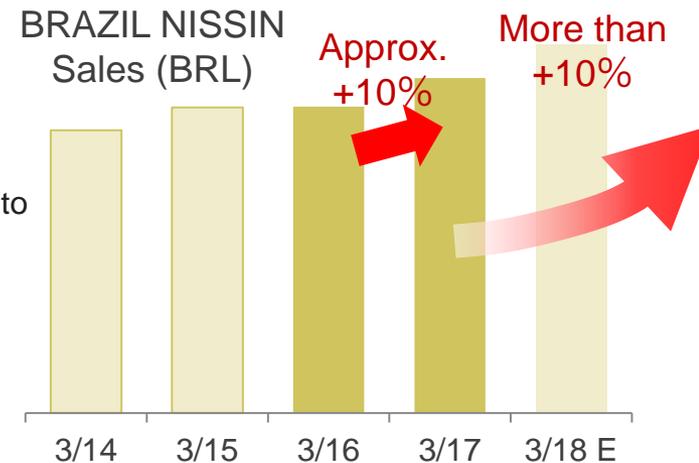
- High name recognition as No. 1 player
- Offer food sampling to have consumers realize its quality and value
- Have consumers feel a sense of familiarity to the product by leveraging social media

Gain a good response and confidence mainly in cities in southeast and south areas

Capabilities in technology and product development

Enhance marketing

Contributed by CUP NOODLES sales expansion



India



1.3 bil. people

Large population

Growth rate 7%

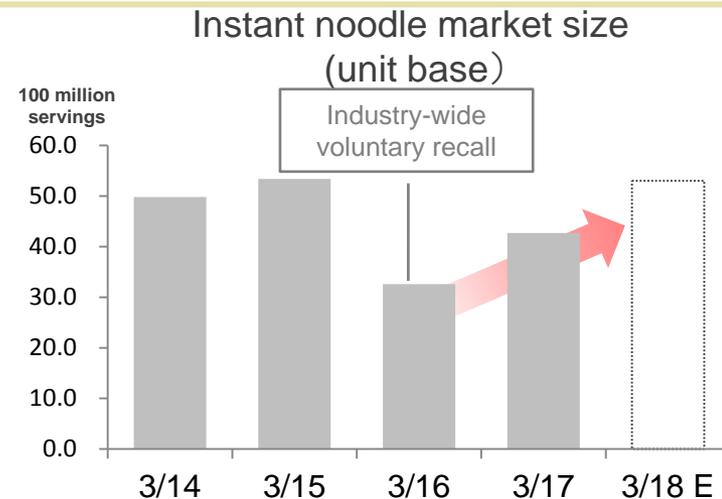
High rate of economic growth

8 metropolitans Population

2011	Extended UA	Population (000' people)
Delhi		21,753
Greater Mumbai		20,748
Kolkata		14,618
Chennai		8,918
Bangalore		8,729
Hyderabad		7,749
Ahmedabad		6,352
Pune		5,050

Source: "INDIA STATS : Million plus cities in India as per Census 2011

Population concentration in metropolitans



Recovery from industry-wide voluntary recall
Expected growth rate: more than 10%

Source: Nissin



Expand sales of bag-type noodles

- Increased coverage ratio after the industry-wide voluntary recall
- Sales growth supported by the large population
- Growth potential seen in the low eating rate

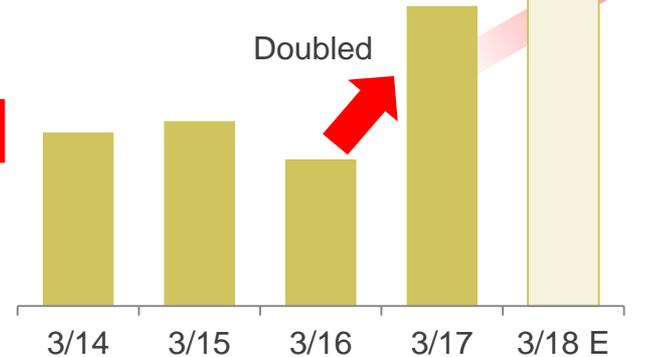


Further penetration of the CUP NOODLES

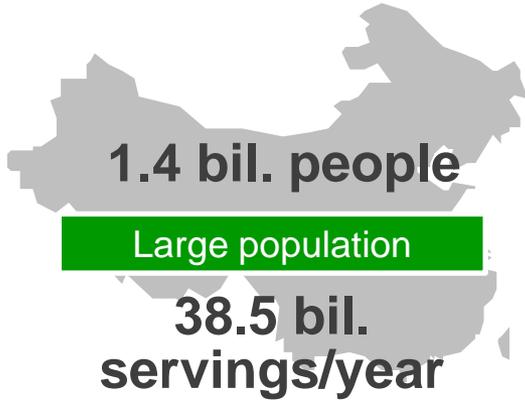
- Expansion in large cities where high and middle income households are concentrated
- Development in public facilities such as airports
- An increase in brand recognition and repeat customers

Aim to achieve better-than-market growth rate

NISSIN INDIA Sales (IDR)

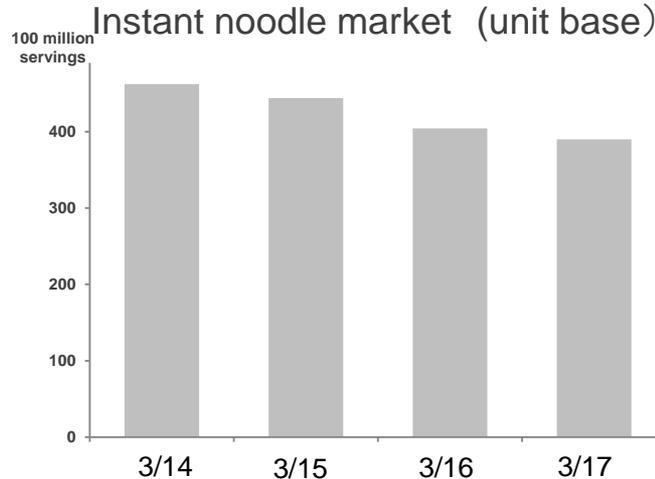


China



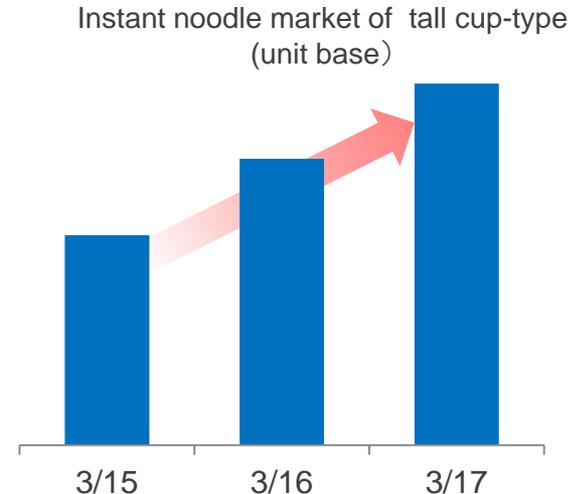
Source: WINA/2016

Large demand (Instant noodles)



Source: WINA/2016

Shrinking instant noodles market



Expanding tall cup-type instant noodles market size

Increased 70% in 2 years

Source: Nissin

Hong Kong

- Further improvement of business base through business diversification



Mainland China

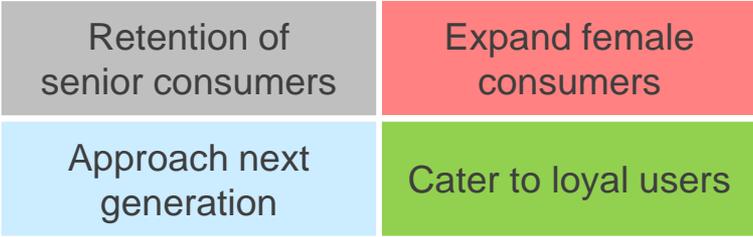
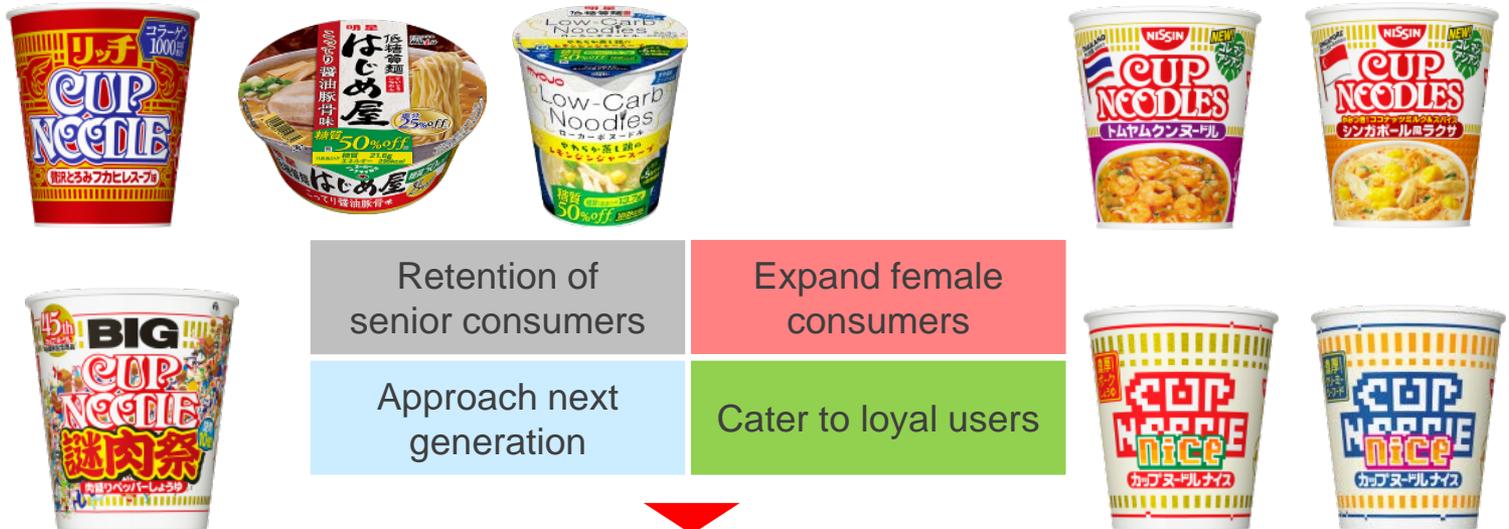
- Brand development in the rapidly growing premium market
- Further penetration of CUP NOODLES brand
- Expansion of sales and distribution networks
- Business diversification (manufacture and sale of potato chips)
- Quality control that is characteristic of a Japanese company



Establish a management system rooted in the local market and aim for further business expansion

Note: Mgmt. policy of China business segment is a role expected by Nissin Foods Holdings

■ Developing the domestic instant noodles market



There still is a lot of room to expand Japanese instant noodles market

• Development of Communication

- ✓ Edgy advertisement
- ✓ Leverage social media
- ✓ Develop younger generation-oriented communication
- ✓ Clarify target consumers



Higher results yoy due to higher sales of core brands

- Investment for upgrade of plant
 - Nissin Food Products: Construct a new Kansai Plant
Total capex amount 57.5 bil. Yen (plan)

Increase production efficiency for medium- and long-term sustainable profit growth

- Automation and streamlining (application of IoT and robot technologies)
 - Increase safety and cost competitiveness through manpower saving
- Standardization and in-house production of machine parts and technologies
 - Application of knowledge to other production bases

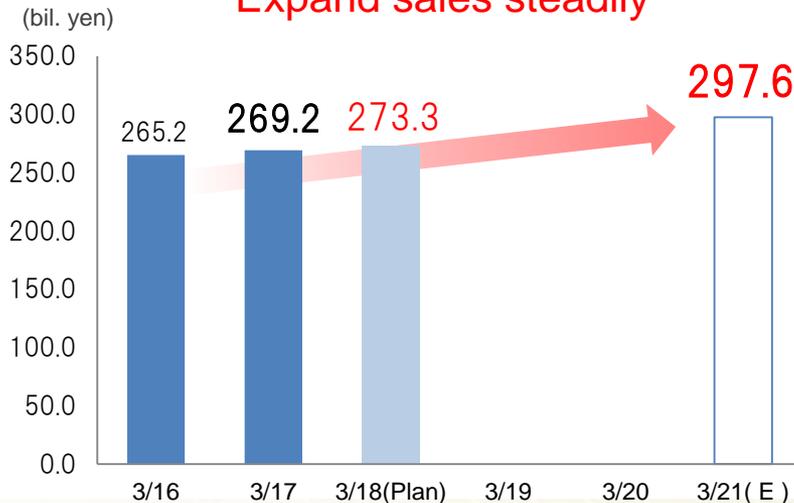


Aim for cost reduction that exceeds the amount of an increase in depreciation expenses

- Site area: 99,865m²
- Floor area: 113,368m²
- 1st phase operation to be started: Aug. 2018
- Scheduled completion date: Dec. 2019(3rd phase)

■ Instant noodles business (Total of NISSIN FOOD PRODUCTS and MYOJO FOODS)

Expand sales steadily



Consider 29.5 bil. yen as a bottom line and target to exceed it



■ Confectionery and Cereal Business

- Comprehensive strength as conf. biz.

- Solidifying presence in the cereal market
 - ✓ Better profitability by premiumizing Granola
 - ✓ Improve proposal capabilities based on the largest production volume of cornflakes in Japan
- Increase earning power through revitalization of “Coconut Sable”



- “Koikeya” reborn
 - ✓ From Sept. 28, 2016
Akira Sato, Executive Officer at Nissin Foods Holdings, in charge of Confectionery business, took office as President & Representative Director, Frente Co., Ltd.
 - ✓ From Oct. 1, 2016
Frente Co., Ltd changed its name to KOIKE-YA Inc.

■ Chilled and frozen Food/ Beverage Business

- Higher productivity by higher sales of core brand products
- Continue to strengthen appeal as single item to increase earning power



Nissin Frozen Foods



Nissin York

- Constant growth of core brand products
- Increase supply capacity through the operation of the new Kanto factory and ensure greater safety and reliability



- Higher sales of high value-added products
- Implement innovation to meet demand for single-serving and easy-to-make food products

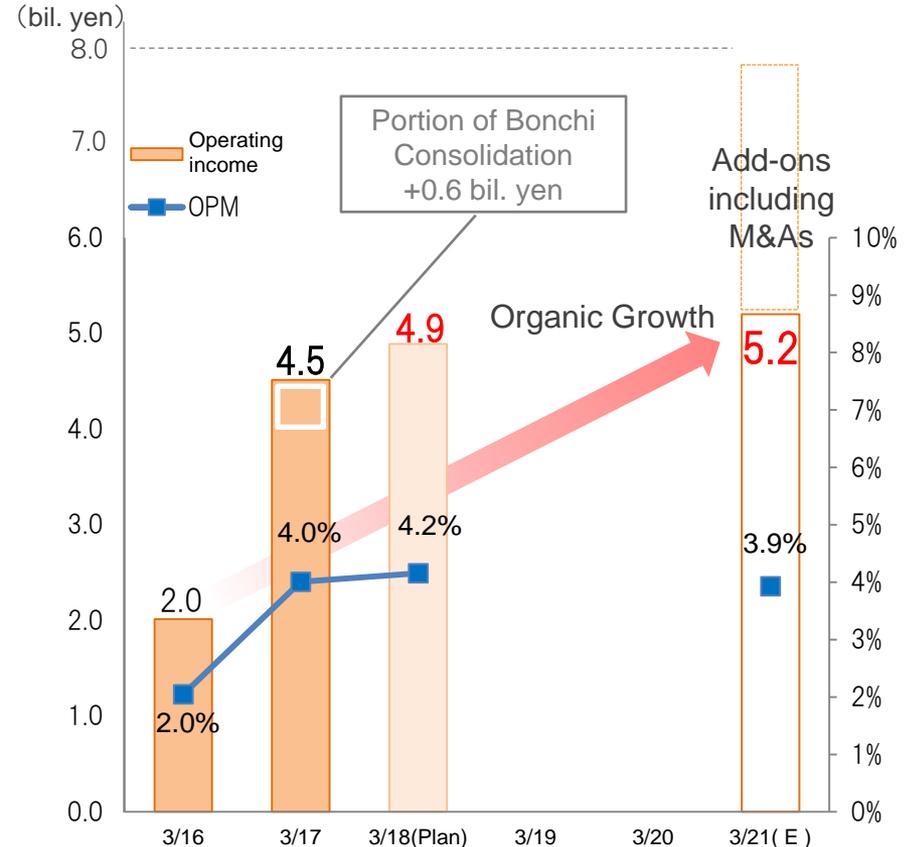
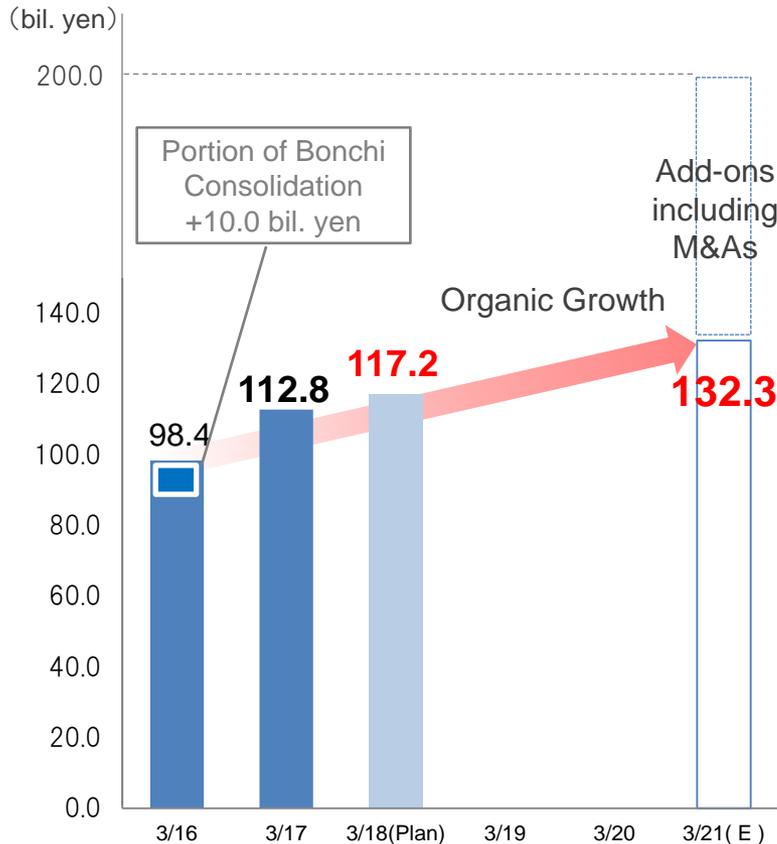


Nissin Chilled Foods



■ Progress of Confectionery, Chilled and frozen Food, Beverage businesses combined

- Target to achieve 132.3 bil. yen sales by organic growth only
- Target to achieve 100.0 bil. yen sales including add-ons such as M&As and exports at Confectionery business
- Target to achieve 100.0 bil. yen sales at Chilled and Frozen, and Beverage businesses combined
- Target to achieve 5.2 bil. yen operating income by organic growth only
- OP margin improved to above 4.0% in FY2017. Target to grow further with maintained profitability



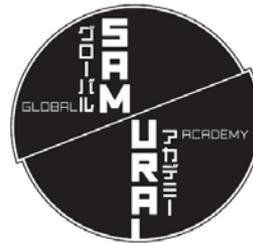
Strategic Theme 5

Developing and Strengthening Human Resources for Global Management

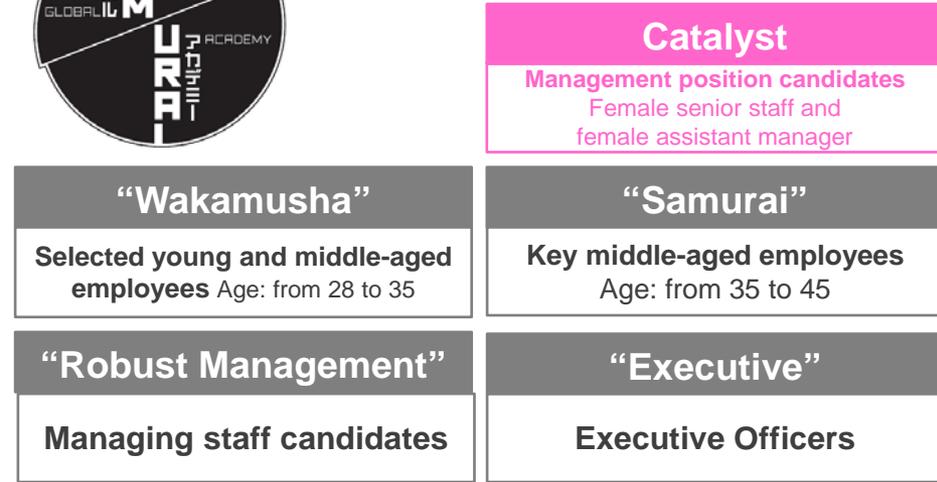
- Development and improvement of global human resources
 - Recruit competent college graduates
 - Develop A-class human resources through employee education
 - Trainee schemes: Send employees to overseas offices, marketing division and advertisement division
 - Mid-career recruitment

Strengthening executive employees for global management

Enlarge employee pool who has management capability
 100 persons (FY2016) **x2** 200 persons (FY2021)



Global "SAMURAI" Academy



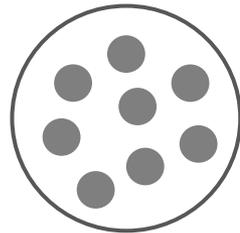
■ NISSIN DIVERSITY

★Oddball

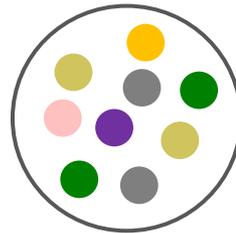
Allow a breakthrough by different types of individuals and open up a path for innovation



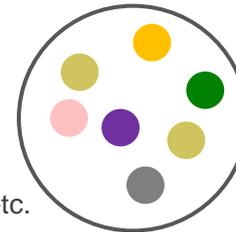
NISSIN DIVERSITY



Homogeneous state
Monoculture



Contains diversity
Nationalities, races, disabilities, age, gender, etc.



Corporate culture filled with creativity

Create Corporate Value

Oddballs and Catalysts promote diversity

◆Catalyst

Women, foreigners, etc. stimulate the organization and create synergy and creativity

Randstad Award 2017 Employer Brand

Ranking of attractiveness as workplace



NISSIN FOODS HOLDINGS



Announcement from Randstad Japan

2016 TV commercial Likability Ranking

Compiled by monthly TV commercial
likability research for 12 months

Food industry



NISSIN FOOD PRODUCTS



Announcement from Tokyo Kikaku, Co., Ltd.

The Third “Japanese companies predicted to survive 100 years from now”

Extracted and surveyed 200 companies
with annual sales of 250 billion yen or
more and 5,000 or more employees



NISSIN FOODS HOLDINGS

No. 5

Announcement from Riskmonster.com

“Brand Japan 2017” B to C brands

Survey of general consumers
for 1,000 brands



No. 5



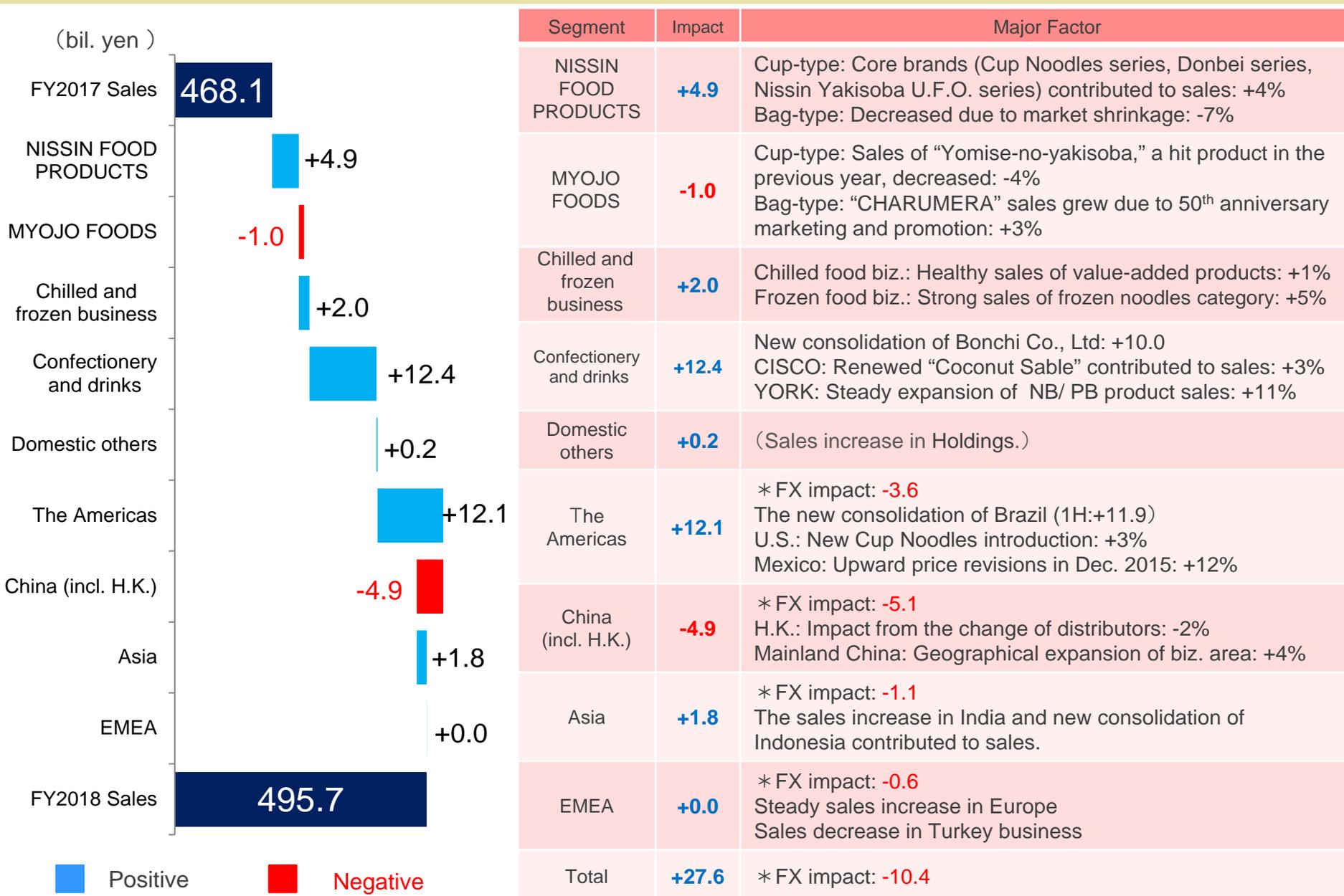
NISSIN FOOD PRODUCTS

No. 6

Announcement
from Nikkei BP Consulting, Inc.
on March 24, 2017

APPENDIX 1

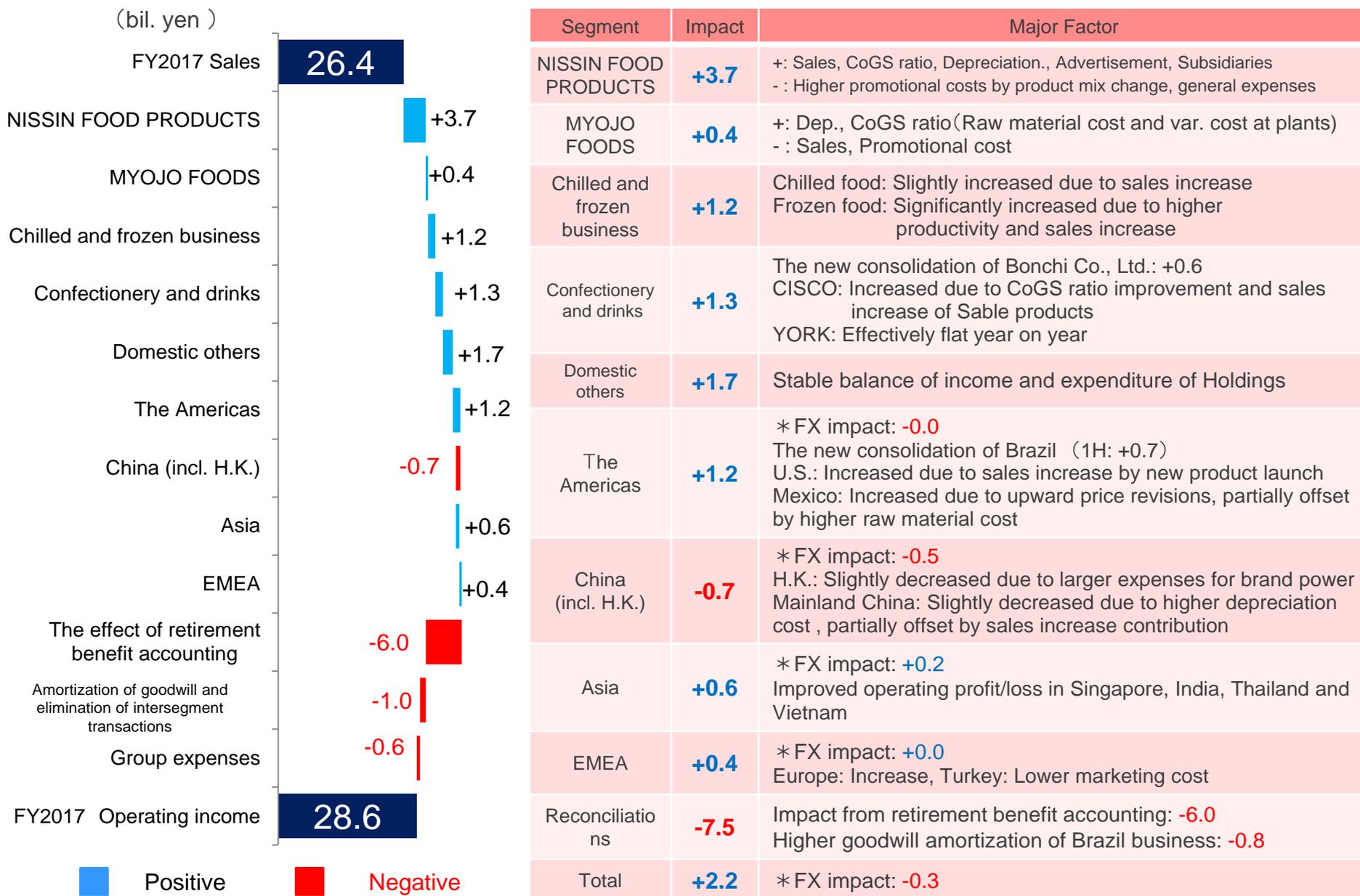
Financial Results for FY2017
(for the fiscal year ended March 31, 2017)
and
Business Plan for FY2018
(for the fiscal year ending March 31, 2018)



Positive Negative

Note: In Nissin Food Products and Myjojo Foods, percentage digits describe yoy change by category (bag or cup)
 Note: Comments and YoY change figures in Major Factors in the Americas, China, Asia and EMEA segments are based on a local currency.





*Comments and YoY change figures in Major Factors in the Americas, China, Asia and EMEA segments are based on a local currency.

YoY change
(bil. yen)

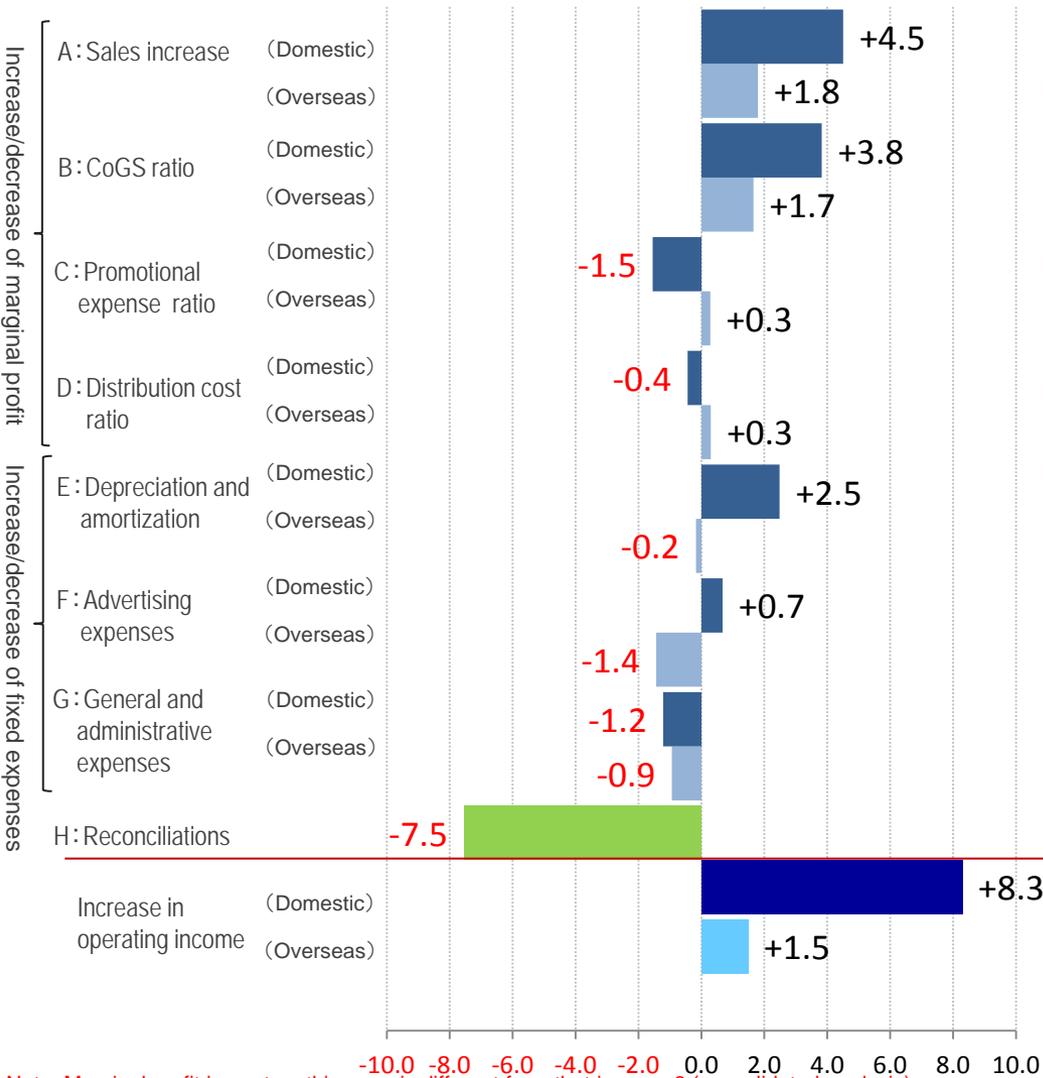
Decrease factors Increase factors

Domestic

- Change of CoGS ratio
+ CoGS ratio improvement: lower raw material(+2.3) and fuel cost, and improved productivity
- Change of Promotional Expenses Ratio
- Nissin Food Products: Product mix change(Higher NB sales)
- Myojo Foods: Product mix and higher promotional expense of bag-type instant noodles
- Depreciation and Amortization
+ Change of depreciation method to straight-line: +3.5
- Incremental capital investments: -1.4
- Advertising Expenses
+ Reduction of advertising exp. at Nissin Food Products: +0.7
- General and Administrative Expenses
- Increased by the consolidation of Bonchi Co. Ltd

Overseas

- Sales Increase
+ Consolidation of Brazil business
- Negative FX impact
- Change of CoGS ratio
+ CoGS ratio improvement by consolidating companies
+ Lower raw material cost
- Advertising Expenses
- Increased by consolidating companies
- Strengthened advertisement in Brazil and the U.S.
- General and Administrative Expenses
- Increased by consolidating Brazil and Indonesia



Note: Marginal profit impact on this page is different from that in page 6 (consolidated analysis), because the amounts are calculated by using ratios instead of actual amounts

[Calculation method] (1) Variable costs (A,B,C,D)=(Current FY sales * Previous FY sales ratio)- Current FY costs
(2) Fixed costs (E,F,G)=(Previous FY costs - Current FY costs)

NISSIN FOOD PRODUCTS

Generate cash and enhance profitability

- Challenge to be a 100-year brand company
 - Enhance major brands of cup-type noodles further
 - Strong promotion of “Chicken Ramen,” with which the company was founded. CY2017 is a year before its 60th anniversary.
 - Propose new value position of bag-type instant noodles
- Beyond Instant Foods
 - Creating new value and new market
- Capital investment to improve profitability
 - Construct a new Kansai plant ←-----
 - Higher product quality and future cost reduction
- Achieve record-high sales for the 3rd consecutive fiscal period.

May 2017: Groundbreaking
 Aug. 2018: Start 1st phase operation
 Dec. 2019: Start 3rd phase operation



CUP NOODLE



Chicken Ramen



Nissin-no-Donbei



Nissin Yakisoba U.F.O.

MYOJO FOODS

Enhance main brands and employ proposal-type marketing strategy

- Strong enhancement of main brands
 - Revamp sales of “Ippeichan Yomise-no-Yakisoba”
 - Continue to pursue the “CHARUMERA” strategy
- Nurture new concept products
 - Establish low-carbohydrate noodles category called “Teitoshitsumen”
- Clarify sales channel strategy



Ippeichan Yomise-no-Yakisoba



CHARUMERA

低糖質麺 シリーズ



Low Carb Noodles



Hajime-ya

Nissin Chilled Foods

Nurture value-added brands and leverage technologies

- Upgrade brand status in a variety of genre
 - Ramen: Value-added products
 - Yakisoba: “Futomen Yakisoba” brand
- Development of next generation products
 - Products should be matched to trends such as single-serving, easy-to-make and healthy-oriented.

Leverage the strengths of chilled noodles and add new benefit on products



Gyoretsu-no-dekiru-mise



Tsuke-men-no-tatsujin



Maze men



Futomen Yakisoba

Nissin Frozen Foods

Focus on growth category, enhance strategic products and develop new sales channel

- Strengthen appeal as single item
 - Grow items to be the No. 1 brand in each category
- Strategy by sales channel
 - Accommodate to growing frozen food category at convenience stores
- Establish stable profit base by concentration and higher efficiency of production.



Spa-O Premium
Tomato cream



Mochitto Nama
Pasta



NISSIN GooTa
Lajao Tan Tan Men



NISSIN GooTa
Chanpon



NISSIN Chuka
Shiru-nashi Tan Tan Men Omori

Nissin Cisco

Promote growth with the growth business (Granola) and the starting business (Confectionery) as a pair of wheels

- Cereal business
 - Differentiate from the competition by promoting “high quality” and “healthiness”
 - Increase product lines as a comprehensive cereal manufacturer
- Confectionery and beverage
 - “Coconut Sable”: Shift to a brand supported by all generations
Redirected targets and enhanced mobility realized by separating the content of the product into small portions with vinyl package inside the external package
 - “Choco Flakes”: Increase product appeal by improving quality



Ciscon BIG



Gorotto Granola



Super omugi Granola



Ichinichi-bunno Syokumotsu Sen-i



Coconut Sable



Choco Flakes

Transformation to a company that promotes product value

Nissin York

Expand sales to cover the incremental depreciation cost arized from starting new Kanto factory operation

- Increase supply capacity and improve productivity through the full-scale operation of the new Kanto factory
- Strengthen marketing for two major brands “Pilkul” and “Tokachi Nomu Yogurt”
 - Increase the promotion of the functional value of “Pilkul” and its store shelf coverage ratio
 - Increase the sales of “Tokachi Nomu Yogurt” by increasing the number of stores that carry the product



Pilkul



Tokachi Nomu Yogurt

Bonchi

Enhance business in Kanto area

- Increase store shelf coverage ratio of main products and penetrate “Bonchi-age” brand
- Develop product lines corresponding to the growing preference for single-serving food products and smaller-sized packages.

The Americas

Cater to changes of the market and enhance CUP NOODLES strategy in Brazil

■ U.S.

- Product development and renewal in line with consumer demand
- Expand sales of existing brands and enhance profit base

■ Mexico

- Activate market by launching new products
- Establish stable profit base by price revisions

■ Brazil

- Work on creating the cup-type noodles market as the market leader
- Strengthen the business base backed by the dominant market share (more than 60%) for bag-type products
- Maintain profitability by executing price revisions against inflation



China

Maintain the growth trend in mainland China business, supported by stable management base of Hong Kong business

■ Hong Kong

- Further strengthen business base by diversification

■ Mainland China

- Further expansion of sales network
- Enhance sales force by leveraging CUP NOODLES and expand sales of Hong kong-made "Demae Iccho"
- Upgrade product availability through expansion and enhancement of factories

Establish a management system rooted in the local market and aim for further business expansion



Note: Mgmt. policy of China business segment is a role expected by Nissin Foods Holdings

Asia

Focus on growth segments and enhance CUP NOODLES brand

■ India

- Expand sales of “CUP NOODLES” primarily at eight metropolitans
- Improve store shelf coverage ratio and turnover ratio of bag-type products



CUP NOODLES



Top Ramen

■ Thailand

- Approach young generation with “CUP NOODLES”
- Develop new stores that deal in our product by proprietary sales force organization



CUP NOODLES (Thailand)

In Asia, our CUP NOODLES strategy is to focus on major cities where high-income consumers reside, since CUP NOODLES is high value-added product.

■ Singapore

- Establish stable profit base



CUP NOODLES (Singapore)

■ Vietnam

- Expand sales of “CUP NOODLES” at metropolitans



CUP NOODLES (Vietnam)



CUP NOODLES (Indonesia)

■ Indonesia

- Cultivate cup-type noodle market in the country, of which instant noodle market size is ranked second following China

EMEA

Penetrate and expand NISSIN brand in European countries

■ Europe

- Expand sales of “Soba”, “CUP NOODLES” and “Demae Ramen” brands
- Collaboration with Premier Foods



Soba



CUP NOODLES



Demae Ramen

Utilize marketing channel in UK (Launched 'soba' in UK through the channel) and started OEM production of cup-type products (“Batchelors Super Noodles Pots”)

■ Turkey

- Launch new products in the ramen market, which is beginning to show signs of growth



Batchelors Super Noodle Pots

YoY change
(bil. yen)

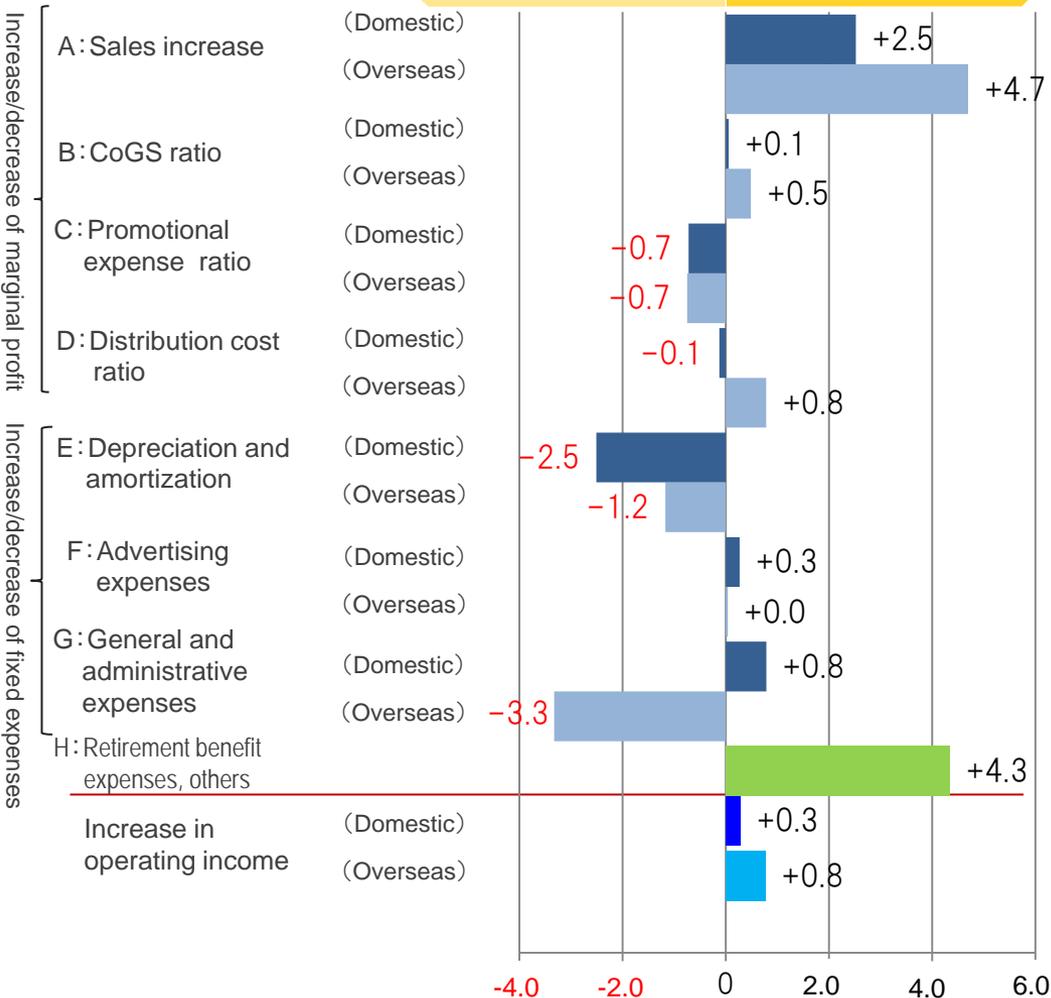
Domestic

- Sales increase
 - + Impact from 8.8 bil. yen sales increase
- Change of CoGS ratio
 - + Raw material cost: +0.0
- Promotional expense ratio
 - Product mix in Instant noodle biz.
- Depreciation and Amortization
 - Capex for better quality, YORK's new Kanto factory
- General and Administrative Expenses
 - + Reduce expenses in domestic biz.

Overseas

- Sales Increase
 - + Impact from 15.5 bil. yen sales increase
- Change of CoGS ratio
 - + Business mix change
- Change of Promotional Expenses Ratio
 - Enhance promotion of CUP NOODLES
- Depreciation and Amortization
 - China new factory in Zhejiang and new production line in Hong Kong
 - Start Europe factory operation
- General and Administrative Expenses
 - FX impact and administration expenses in the U.S., Brazil and China

Decrease factors Increase factors



Note: Marginal profit impact on this page is different from that in page 11 (consolidated analysis), because the amounts are calculated by using ratios instead of actual amounts

[Calculation method] (1) Variable costs (A,B,C,D)=(Current FY sales * Previous FY sales ratio)- Current FY costs

(2) Fixed costs (E,F,G)=(Previous FY costs - Current FY costs)

APPENDIX 2

Medium-Term Business Plan FY2021

Review of the first year and strategy from the second year

■ Safety and security

Core element of food product manufacturer

- Establishing a double-checking system to inspect products from each factory at the Global Food Safety Institute of the WAVE in addition to quality control in factories around the world

*Overseas, only normal temperature products are subject to this double-checking

1. Sending product samples



「the WAVE」
Global Food Safety Institute

2. Check at the Global Food Safety Institute
Factories in the world

■ Low birthrate and graying society in Japan

Growth by creating new targets

- Discover new demand by developing products targeted at female, senior and next generation, even though the population continues to decrease



Female



Senior



Next generation

■ Large-scale natural disasters

BCP

- Supplying products in an emergency is part of the social responsibility of food product manufacturers
- Build a system of supplying products from alternative locations in the event that one establishment becomes dysfunctional
- Diversify suppliers of raw materials as well

■ Changing consumers' mindset for foods

Enhance healthy-oriented products and eliminate psychological barriers for instant noodles

- Develop products in view of eliminating psychological barriers along with the global increase in the health consciousness of consumers



Less sodium
No added MSG
No artificial flavors



Cup Noodle NICE

Fat: 50% off*
Carb: 40% off*
Calorie: 178kcal
Dietary fiber: 4 times as much as lettuce

*Compared to regular cup noodle product

Mid-term Environmental Targets to be achieved by FY2021

Energy conservation and measures to reduce global warming

GHG (CO2) emissions caused by business activities
Reduce 30%^{*1}

Measures for resource saving and recycling

Recycling rate
Maintain at 99.5% or higher

Improvement of environmental management system

Ratio of ISO 14001 certification acquired by the our factories
100%^{*2}

Improved skills of environmental managers (those who have passed the Eco Test)
100%^{*3}

*1. Emission intensity reduction target at applicable facilities in Japan (in comparison to FY2005)

*2. Ratio of certified factories in Japan and overseas (at the time of setting the target)

*3. Alternative qualifications such as environmental planners are established.

Certified palm oil

- The US and Hungary completed a switch to 100% certified palm oil at the end of 2016

Restructuring way of working

To free the workplace of long working hours

- Ensure that all lights are out at 10:00 p.m. on weekdays
- Confirm that comprehensive working hour management is taking place
- Promote “smart working” (effective use of various programs)

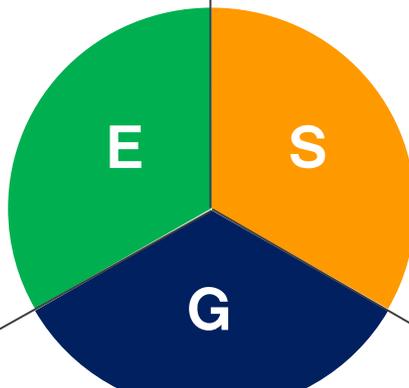
Global support for natural disasters

Domestic

- Kumamoto Earthquake in Apr. 2016
✓ Nissin Foods Group donated approx. 300 thousand cup-type noodles

Overseas (co-operate with WINA)

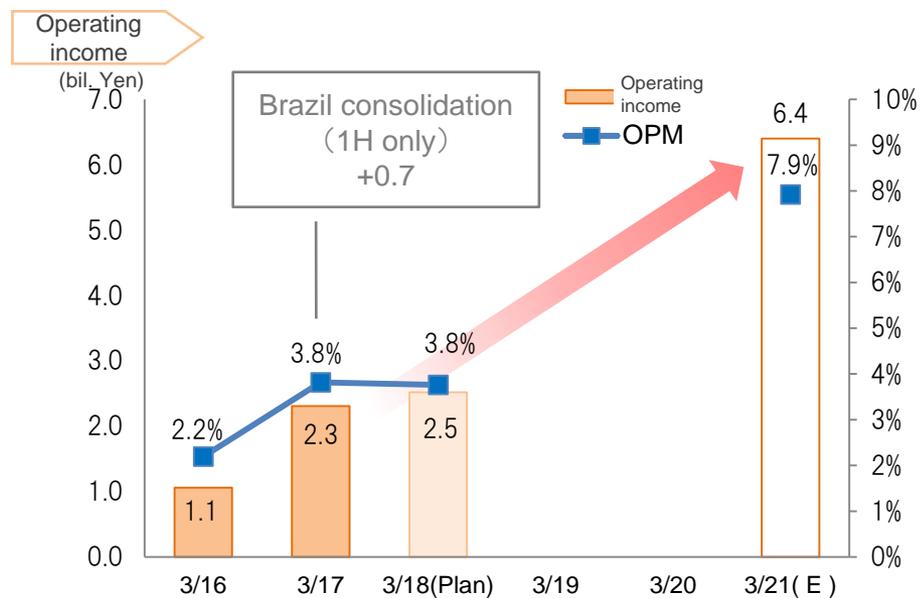
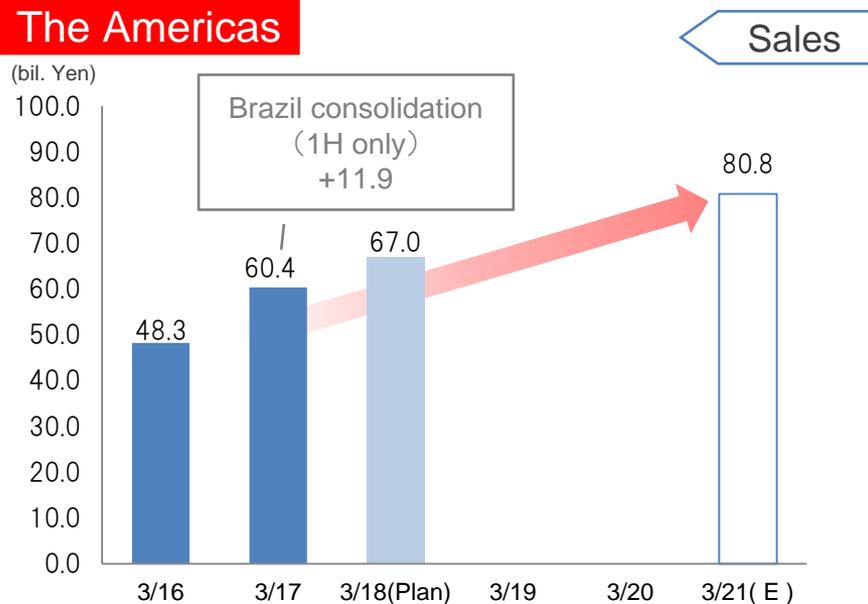
- Ecuador Earthquake in Apr. 2016
✓ U.S. Nissin and WINA donated approx. 100 thousand cup-type noodles
- Haiti Hurricane in Oct. 2016
✓ U.S. Nissin donated approx. 74 thousand cup-type noodles



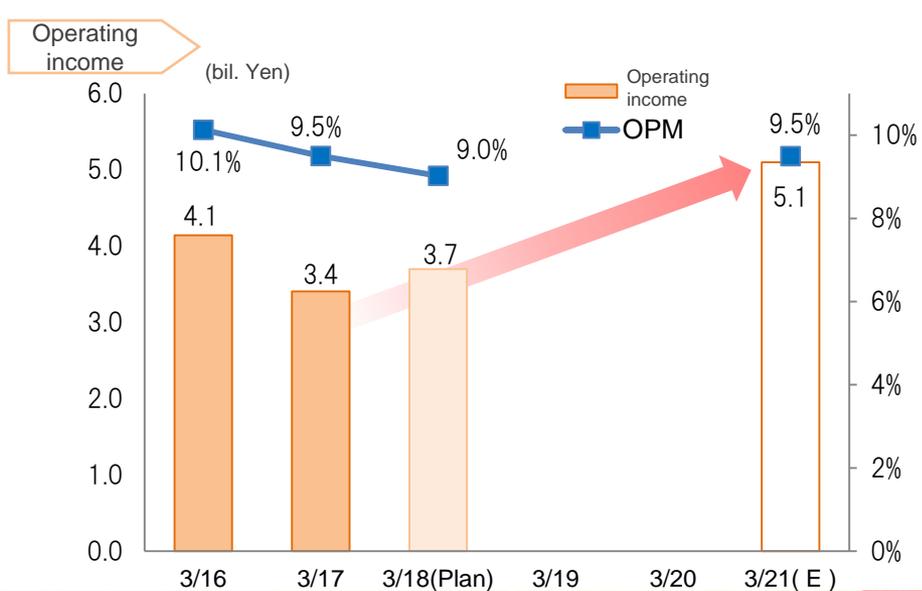
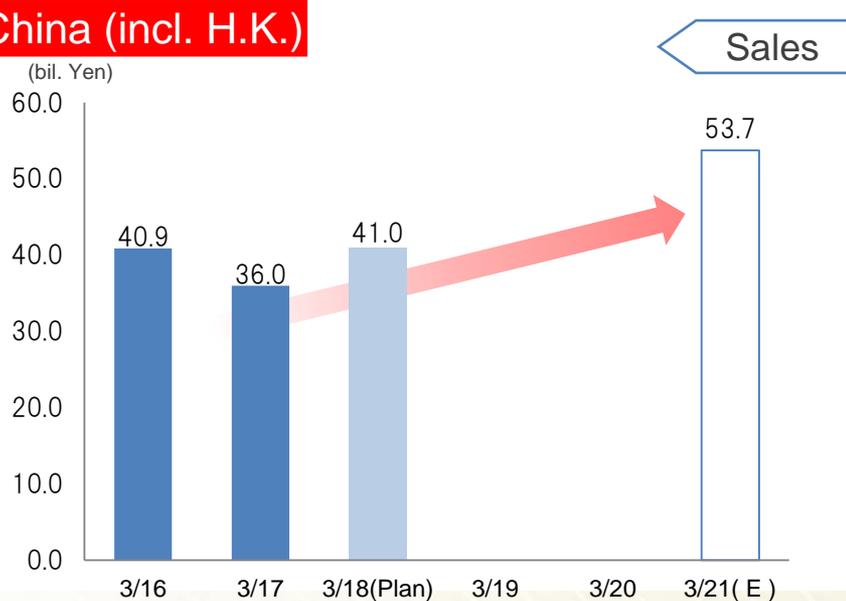
Enhance governance

Date	Name	Purpose	Details
Dec. 2015 (held five times)	Management Advisory Committee	<ul style="list-style-type: none"> • Appointment of directors and evaluation of appropriateness of salaries, etc. 	<ul style="list-style-type: none"> • An advisory body for the board of directors with independent directors comprising more than half of the members
Apr. 2016 (conducted two times)	Self-evaluation of the board of directors	<ul style="list-style-type: none"> • Evaluation of the effectiveness of the board of directors 	<ul style="list-style-type: none"> • Conducts questionnaire on the status of the board of directors
Jun. 2016	Composition of the board of directors	<ul style="list-style-type: none"> • Separation of supervision and implementation of management • Enhancement of supervision function 	<ul style="list-style-type: none"> • Reduced the number of directors from 13 to 8 • 5 outside directors (of which 3 are outside directors)

The Americas

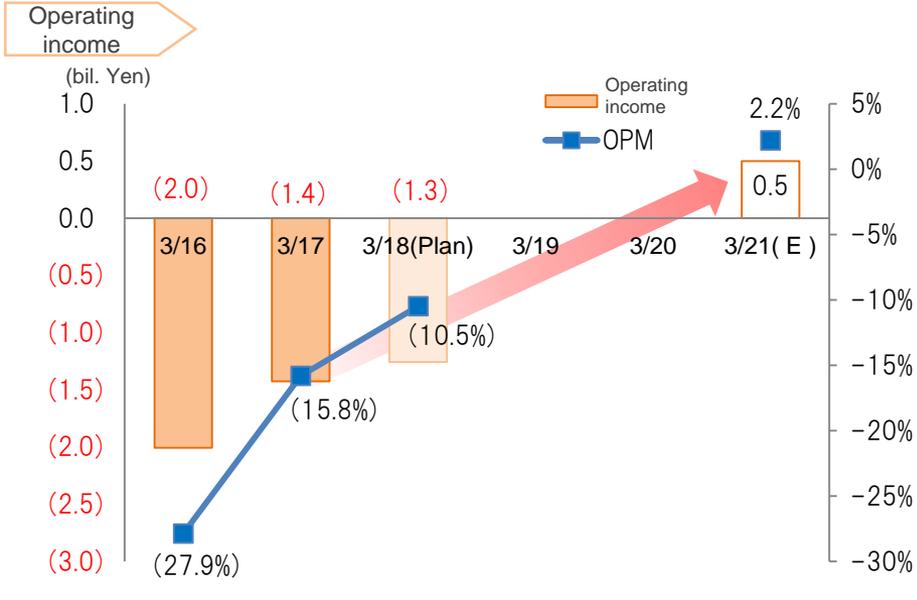
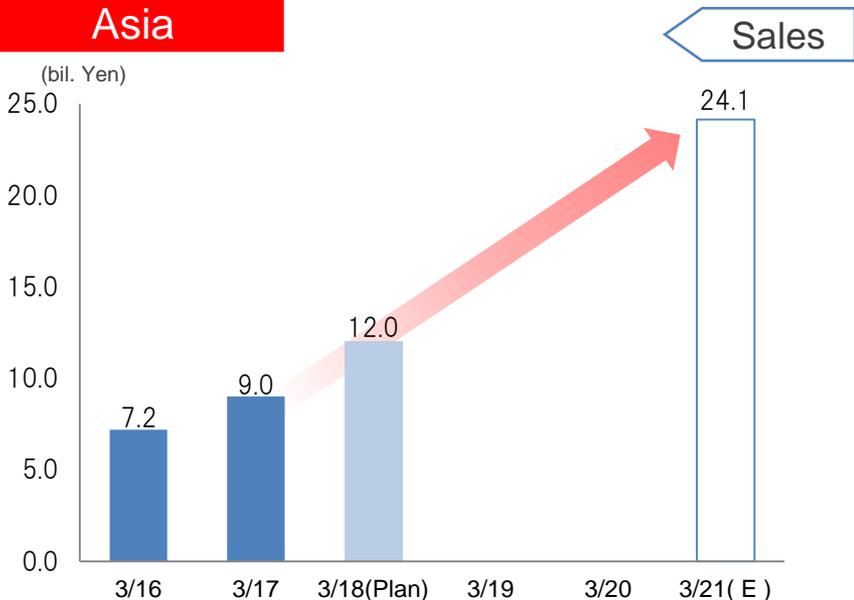


China (incl. H.K.)

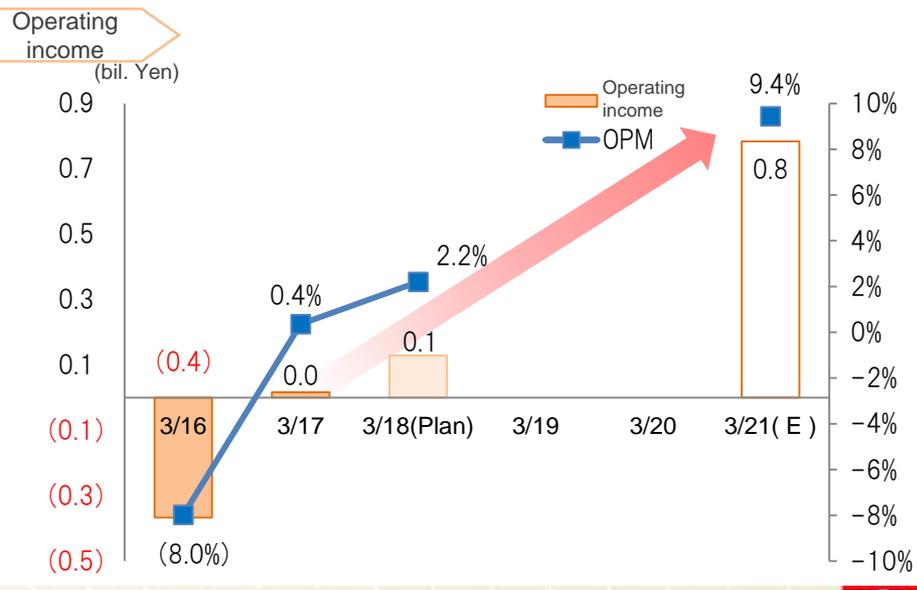
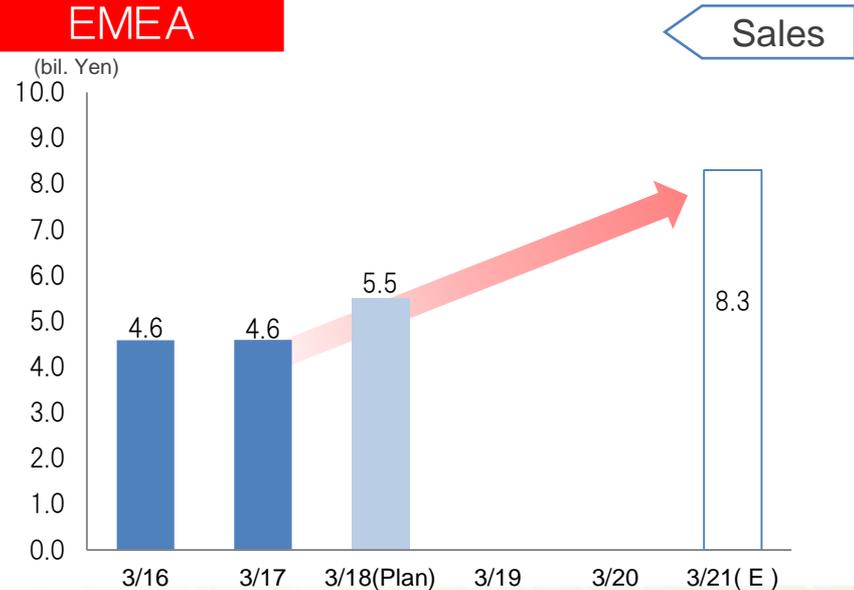


Note: Please understand local currency-based performance in non-Japan countries after subtracting FX impacts, which have huge impacts on JPY-based results, from figures above

Asia



EMEA



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