

(Reference Material)

First Quarter
Consolidated Results
Three Months ended June 30, 2017
Announced on August 9, 2017



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code : 2897

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 management base

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

Consolidated: Growth achieved in both sales and profit (operating income, ordinary income, quarterly net income)
Adjusted operating income fell – Delayed expense recognition from Q1 to Q2 in FY2016

Domestic:

- Nissin Food Products Co., Ltd. achieved growth in sales although last year's success made it difficult to achieve growth this year (e.g. anniversary events for main brand products and launch of *CUP NOODLE RICH*). Operating income fell year on year, but in real terms, it achieved growth allowing for the delayed expense recognition for the corresponding quarter of last year.
- Myojo Foods Co., Ltd. suffered from sluggish sales but achieved higher profit, helped by productivity improvement for production operations.
- The chilled and frozen business achieved growth in sales and profit driven by the strong performance of the frozen food business.
- The confectionery and beverage business suffered a decline in profit, reflecting lower profit for Bonchi Co., Ltd. and higher depreciation expenses for Nissin York Co., Ltd., which was partially offset by strong sales and profit achieved by Nissin Cisco Co., Ltd.

Overseas:

- The Americas segment achieved sales growth helped by good business performance in the U.S. Operating income fell slightly.
- China segment achieved sales growth helped by a contribution from MCMS that was newly reflected in the consolidated accounts as well as good sales in mainland China. Operating income fell due to an increase in depreciation costs.
- Asia segment achieved sales growth, reflecting considerable sales growth in Indonesia, partially offset by a decline in sales in India following tax reforms. The level of deficit worsened slightly.
- EMEA segment saw strong business in Europe.

FY2018 1Q Results

Despite slight inconsistencies in the magnitude of sales and profit among business lines, the Company has made a good start to the new fiscal year on a consolidated basis. Keep up with the initial business plan as an absolute minimum target to achieve and aim for further profit growth.

Summary of 1Q

(bil. yen)

	FY2018			FY2017
	3 Months Results	YoY Change	YoY Change (%)	3 Months Results
Sales	119.0	+3.6	+3.1%	115.5
Operating income	7.1	+0.3	+4.3%	6.8
Adjusted operating income*	7.0	-1.0	-12.0%	7.9
Ordinary income	8.5	+1.5	+20.9%	7.1
Net income attributable to owners of parent	5.8	+2.8	+92.0%	3.0
OP margin	6.0%	-	+0.1pt	5.9%
Ordinary income margin	7.2%	-	+1.1pt	6.1%
Net income attributable to owners of parent margin	4.8%	-	+2.2pt	2.6%

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

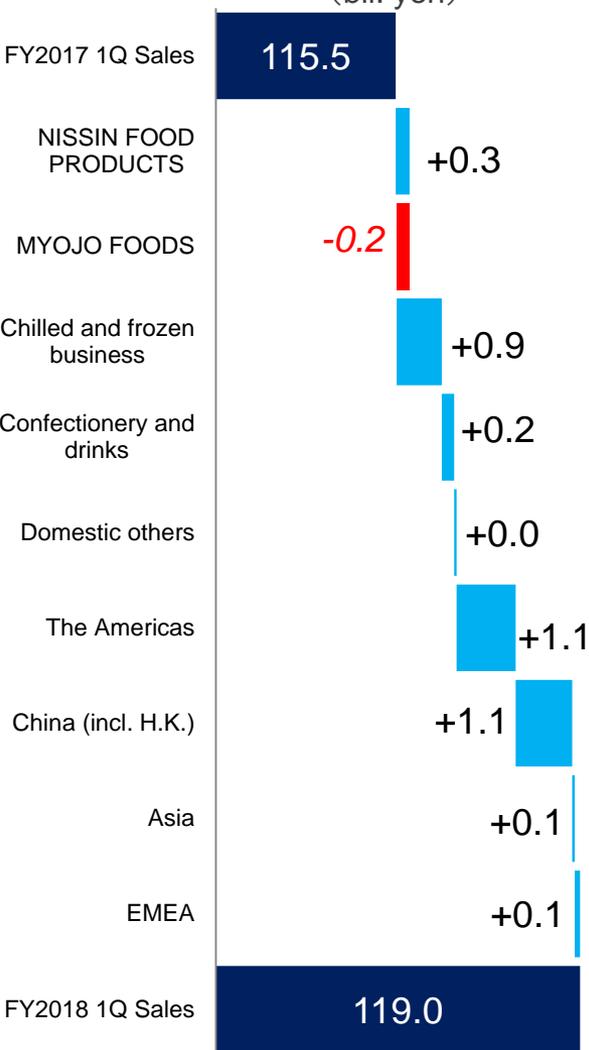
FY2018 Three Months Results: Sales Results by Segment

(bil. yen)

	FY2018			FY2017
	3 Months Results	YoY Change	YoY Change (%)	3 Months Results
Instant Noodles	61.8	+0.0	+0.0%	61.8
NISSIN FOOD PRODUCTS	52.0	+0.3	+0.5%	51.8
MYOJO FOODS	9.7	-0.2	-2.5%	10.0
Chilled and frozen business	15.8	+0.9	+5.8%	15.0
Confectionery and drinks	13.4	+0.2	+1.8%	13.1
Domestic others	1.0	+0.0	+5.1%	0.9
Domestic total	92.0	+1.2	+1.3%	90.8
The Americas	14.0	+1.1	+8.9%	12.8
China (incl. H.K.)	9.5	+1.1	+13.0%	8.4
Asia	2.3	+0.1	+2.2%	2.3
EMEA	1.3	+0.1	+8.2%	1.2
Overseas total	27.1	+2.4	+9.7%	24.7
Consolidated sales	119.0	+3.6	+3.1%	115.5

FY2018 Three Months Results: Sales Contribution by Segment

(bil. yen)



Segment	Impact	Major Factors
NISSIN FOOD PRODUCTS	+0.3	Cup-type(+0%) : Higher sales achieved with the launch of <i>CUP NOODLE NICE</i> and other initiatives, despite the last year saw a significant sales growth (+8% compared to 1Q of FY2016) due to intensive promotions for main brand products Bag-type(-9%) : Sales fell amid challenging market conditions Other (+72%) : <i>BUKKOMI MESH</i> and <i>CURRY MESH</i> both contributed to sales
MYOJO FOODS	-0.2	Cup-type (-4%) : Lower sales of “ <i>Yomise-no-Yakisoba</i> ” Bag-type (+5%) : Continued successful sales promotions for <i>CHARUMERA</i>
Chilled and frozen business	+0.9	Chilled food biz (+2%) : Shipments for business use increased despite challenging market conditions Frozen food biz (+8%) : Sales of pasta and Ramen remained strong
Confectionery and drinks	+0.2	CISCO (+4%) : Strong sales of cereal and confectionery products YORK (-1%) : Sales fell reflecting smaller drink sales space at convenient stores, partially offset by increased shipments to mass retailers Bonchi (+2%) : An increase achieved in sales
Domestic others	+0.0	
The Americas	+1.1	*FX impact: +0.8 U.S. (+8%) : New <i>CUP NOODLES</i> introduction and <i>Top Ramen</i> popularity Mexico (+6%) : Sales grew helped by an increase in volume sales with price increases Brazil (-4%) : Sales fell amid challenging market conditions
China (incl. H.K.)	+1.1	*FX impact: +0.0 H.K. (+22%) : New consolidation of MCMS (distributor) Mainland China (+4%) : Geographical expansion of biz. Area
Asia	+0.1	*FX impact: +0.0 Sales expanded in Indonesia. India saw lower sales following tax reforms.
EMEA	+0.1	*FX impact: -0.1 Europe saw higher sales, helped by expansion of <i>Soba</i> and OEM shipments to Premier Foods Turkey saw higher sales, helped by expansion into ramen business
Total	+3.6	*FX impact: +0.8

Positive Negative

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



FY2018 Three Months Results: Operating Income Results by Segment

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(bil. yen)

	FY2018			FY2017
	3 Months Results	YoY Change	YoY Change (%)	3 Months Results
Instant Noodles	6.2	-0.3	-5.2%	6.5
NISSIN FOOD PRODUCTS	5.6	-0.6	-9.2%	6.1
MYOJO FOODS	0.6	+0.2	+55.6%	0.4
Chilled and frozen business	0.6	+0.0	+4.2%	0.6
Confectionery and drinks	0.8	-0.2	-23.7%	1.0
Domestic others	0.1	-0.2	-70.9%	0.3
Domestic total	7.7	-0.8	-9.0%	8.4
The Americas	0.6	-0.0	-2.4%	0.6
China (incl. H.K.)	0.6	-0.1	-19.1%	0.8
Asia	(0.3)	-0.1	-	(0.2)
EMEA	0.0	-0.0	-70.9%	0.1
Overseas total	1.0	-0.3	-21.7%	1.3
Reconciliations	(1.5)	+1.3	-	(2.9)
Consolidated operating income	7.1	+0.3	+4.3%	6.8
(Ref.) Adjusted operating income	7.0	-1.0	-12.0%	7.9

FY2018 Three Months Results: Operating Income Contribution by Segment

(bil. yen)		Segment	Impact	Major Factors
FY2017 1Q Operating income	6.8			
NISSIN FOOD PRODUCTS	-0.6	NISSIN FOOD PRODUCTS	-0.6	+ : Increased sales, lower CoGS ratio - : Higher promotional cost to sales ratio (reactionary increase following the Kumamoto Earthquake in the last fiscal year), a slight increase in logistics costs, higher depreciation expense, higher advertising expense (due to delayed expense recognition), higher SGA expenses
MYOJO FOODS	+0.2	MYOJO FOODS	+0.2	+ : Lower CoGS ratio (helped by enhanced production efficiency) - : Lower sales, slight increases of depreciation expense and SGA expenses
Chilled and frozen business	+0.0	Chilled and frozen business	+0.0	Chilled food: Operating income dropped slightly, reflecting an increase in the distribution cost to sales ratio and higher SGA expenses. Frozen food: Operating income increased slightly, reflecting an increase in sales and lower CoGS ratio
Confectionery and drinks	-0.2	Confectionery and drinks	-0.2	CISCO: Higher profit achieved, reflecting an increase in sales and an improvement in CoGS ratio. YORK: Higher depreciation charges resulted in lower profit. Bonchi: Suffered a reactionary plunge in profit following a temporary spike experienced last year.
Domestic others	-0.2	Domestic others	-0.2	Higher expenses incurred as more group companies introduced ERP package, higher SGA expenses
The Americas	-0.0	The Americas	-0.0	*FX impact: +0.1 U.S.: Profit helped by higher sales, Mexico: Lower profit, reflecting an increase in marketing expense, Brazil: Profit decreased
China (incl. H.K.)	-0.1	China (incl. H.K.)	-0.1	*FX impact: +0.0 H.K.: Lower profit reflecting heavy depreciation charges for production lines making bag-type noodles. Mainland China: Lower profit reflecting heavy depreciation charges for the Zhejiang Plant, which became operational recently.
Asia	-0.1	Asia	-0.1	*FX impact: -0.0 Lower profit experienced in Indonesia and India
EMEA	-0.0	EMEA	-0.0	*FX impact: +0.0 Start-up cost for a new production plant launched in Hungary
The effect of retirement benefit accounting	+1.3	Reconciliations	+1.3	Impact of retirement benefit accounting: +1.3
Amortization of goodwill and elimination of intersegment transactions	+0.1			
Group expenses	-0.0	Total	+0.3	*FX impact: +0.1
FY2018 1Q Operating income	7.1			

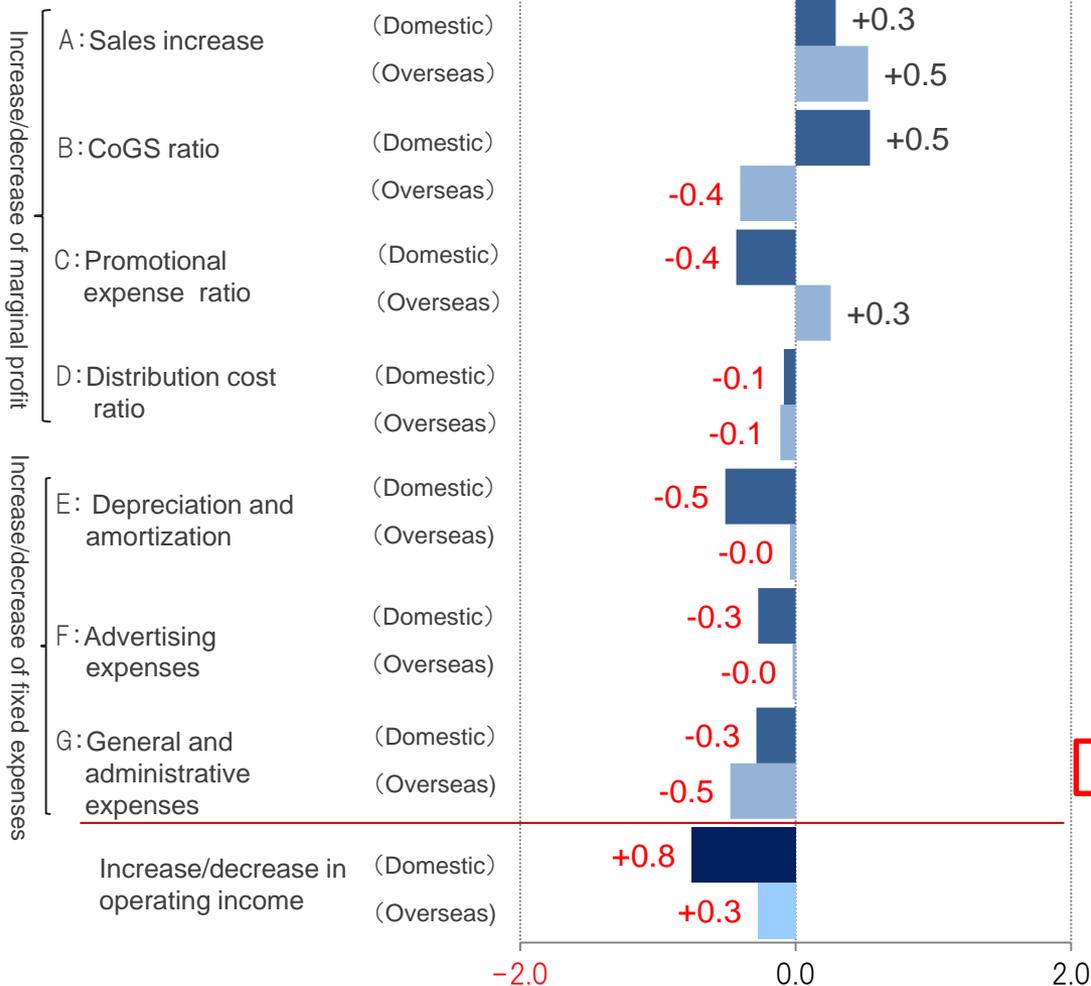
Positive

Negative

• Note: 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)



Domestic

Major reasons

- Change of CoGS Ratio
 - + Lower raw material cost had a positive impact of 0.4 bil. yen on an operating income
 - A Change in business mix
- Change of Promotional Expenses Ratio
 - Last year's earthquake in Kumamoto pref. lowered the promotional expenses in 1Q of FY2017
- Depreciation and Amortization
 - A change of depreciation method in FY2017
 - Increased due to Nissin York Kanto factory
- Advertising Expenses
 - Difference in fiscal quarters when certain portion of expense was charged
- General and Administrative Expenses
 - Increased administrative expenses at subsidiaries
 - Difference in fiscal quarters when certain portion of expense was charged

Overseas

- Change of CoGS Ratio
 - Increased due to newly consolidated MCMS (H.K.) Limited.
- Change of Promotional Expenses Ratio
 - + Decreased due to newly consolidated MCMS (H.K.) Limited
- General and Administrative Expenses
 - Increased administrative expenses at Brazil and China

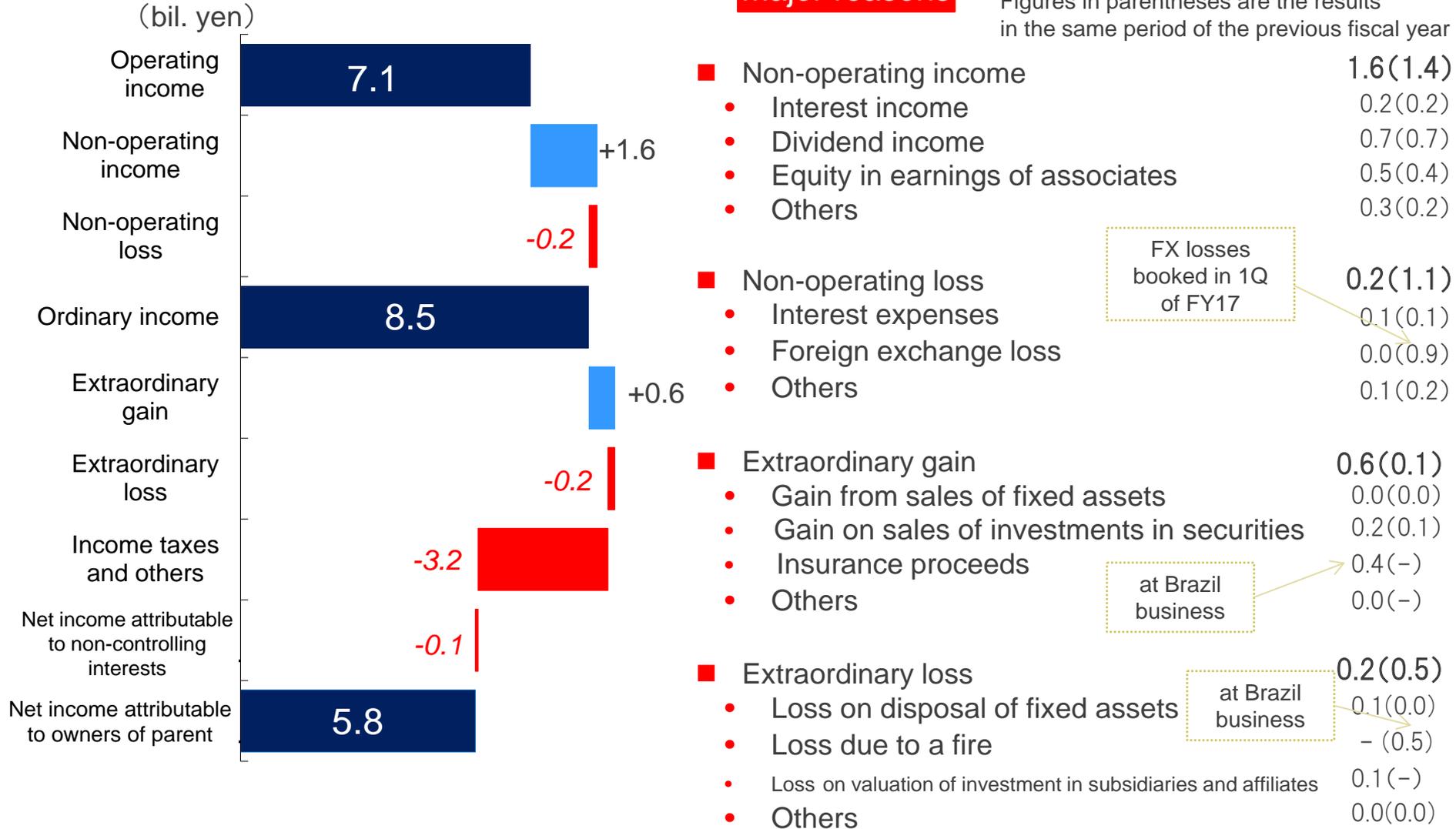
Note: The chart above omits the negative impact of 1.3 billion yen from "Reconciliations."

【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)

Non-operating Income/Expenses and Extraordinary Gain/Loss

(bil. yen)



Positive

Negative

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NISSIN FOODS HOLDINGS CO., LTD.

(Reference) Notes for this Material

- This presentation material is available in the Financial Statements section of our IR website in PDF format. URL: https://www.nissin.com/en_jp/ir/library/materials/
- The amounts in this material are rounded to the nearest 100 million yen; totals may not agree with the sums of their components.
- FY2017 in domestic companies means the fiscal year **from Apr. 1, 2017 to Mar. 31, 2018**.
Note: Fiscal term of consolidation of Bonchi Co. was changed from this fiscal year: **FY2017 covers from Jan. 1 to Dec. 31, 2016**
- FY2018 in overseas companies means the fiscal year **from Apr. 1, 2017 to Mar. 31, 2018**.
Exceptions
 - Thailand, Indonesia, Turkey : **FY2018 covers from Jan 1, 2017 to Dec. 31, 2017**
 - Colombia, Singapore, Vietnam, Germany, Hungary: their fiscal term of consolidation were changed from FY2018. **FY2017 covers from Jan. 1 to Dec. 31, 2016**
- The same \pm notation as used in the Summary of Consolidated Financial Statements has been applied to percentage change in sales and income
- The average foreign exchange rates for the period have been applied to translating revenues and expenses at affiliates overseas.
- Slide numbers appear at the top right of each slide.