

Financial Results for FY2018
for the fiscal year ended March 31, 2018
Announced on May 10, 2018

This material was released on May 15, 2018 for the results briefing.



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code : 2897

Consolidated Results for FY2018 and Outline
of the FY2019 Business Plan
(Shift to the International Financial Reporting
Standards (IFRS))

Director, CFO, and Managing Executive Officer
Yukio Yokoyama

EARTH FOOD CREATOR



- My name is Yukio Yokoyama, and I am the CFO of NISSIN FOODS HOLDINGS.
- Thank you very much for taking the time to come to our results briefing session today.
- I would like to explain our full-year results for the fiscal year ended March 31, 2018 based on the material for the results briefing.
- I will only explain the key points of the results, because we already disclosed our financial results on May 10. Now, please look at Slide 2 of the material.

Attain steady growth to achieve the Medium-Term Business Plan

Consolidated : **Marked record-high sales**

Operating income and adjusted operating income exceeded the previous year's level.

Ordinary income and net income* marked a new record-high.

Domestic: **Marked record-high sales**

The instant noodles business achieved growth in sales and operating income, partly reflecting the contribution of the growth of core brand products and instant rice.

The chilled and frozen foods business registered increased sales growth and increased profit, driven by the frozen food business.

The confectionery and beverages business achieved sales growth driven by NISSIN CISCO Co., Ltd.. With regard to operating income, BONCHI Co., Ltd. and NISSIN YORK Co., Ltd. struggled.

Overseas: **Marked record-high sales**

Sales increased significantly due in part to the strengthening of sales of high value-added products such as *CUP NOODLES* and the new consolidation of a distributor in Hong Kong.

Operating income decreased, partly reflecting an increase in depreciation, which is attributed to the completion of a new plant and the commencement of the operation of a new production line, and the delay in the start-up of the plant in Hungary.

- In fiscal 2018, which is the second year of the Medium-Term Business Plan, we achieved increases in both sales and profit thanks to the healthy results of the domestic businesses and the steady progress of overseas expansion. We marked record-high sales in both the domestic and overseas businesses.
- On a consolidated basis, sales, ordinary income, and net income marked new record highs.
- Regarding the domestic businesses, the growth of core brand products and instant rice contributed to the results of the instant noodles business. We achieved growth in sales and profit in the chilled and frozen food business, which was driven by the frozen food business, and in the confectionery and beverages business, which was driven by NISSIN CISCO Co., Ltd.
- Above all, NISSIN FOOD PRODUCTS, which is the core company, achieved growth in sales and profit for three consecutive years.
- In the overseas businesses, we marked record sales. We achieved significant increases in sales due to the strengthening of sales of high value-added products, including the globalization of *CUP NOODLES* as one of key strategies under the Medium-Term Business Plan, which was combined with the effect of the consolidation of MCMS in Hong Kong. On the other hand, profit decreased, due in part to an increase in depreciation, which is attributed to the completion of a new plant and the commencement of the operation of new production lines in China, Europe, and other regions, and a cost increase attributed to the delay in the start-up of the plant in Hungary.
- Please take a look at the next slide.

(bil. yen)

	FY2018					FY2018 Plan	FY2017 Results
	Results	VS. Plan		YoY Change			
Net sales	516.4	-3.6	-0.7%	+20.7	+4.2%	520.0	495.7
Operating income	34.1	+0.1	+0.3%	+5.5	+19.2%	34.0	28.6
Adjusted operating income ^{*1}	33.4	+0.0	+0.0%	+0.5	+1.6%	33.4	32.9
Ordinary income	40.6	+3.6	+9.7%	+7.7	+23.5%	37.0	32.9
Net income attributable to owners of parent	29.1	+4.6	+18.8%	+5.5	+23.5%	24.5	23.6
OP margin	6.6%	+0.1pt		+0.8pt		6.5%	5.8%
Ordinary income	7.9%	+0.7pt		+1.2pt		7.1%	6.6%
Net income attributable to owners of parent margin	5.6%	+0.9pt		+0.9pt		4.7%	4.8%
ROE	8.2%	-		+1.5pt		-	6.7%
EPS (yen)	279.5	+44.2		+58.2		235.4	221.3
Adjusted EPS (yen) ^{*2}	272.2	+11.1		+19.2		261.1	253.0

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

* 2: Adjusted EPS=Adjusted Operating income after tax + Equity earnings of affiliate companies + Amortization of goodwill (Including those contained in the equity method subsidiaries) - Net income attributable to non-controlling interests /Average number of shares outstanding (excluding treasury stocks)

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- Net sales increased 20.7 billion yen year on year, to 516.4 billion yen. Net sales of the Group crossed the 500 billion yen mark for the first time.
- Operating income increased 5.5 billion yen from the previous fiscal year's level, to 34.1 billion yen. Adjusted operating income, which is a KPI for the Medium-Term Business Plan, increased 0.5 billion yen year on year, to 33.4 billion yen.
- Net income attributable to owners of parent was 29.1 billion yen, up 5.5 billion yen year on year.
- Net income includes gain on change in equity attributed to the merger of an overseas affiliate, which is approximately 4.4 billion yen. Even without this positive factor, net income increased by 0.2 billion yen.
- As a result, the operating margin was improved by 0.8 percentage points, to 6.6%. ROE was also improved by 1.5 percentage points, to 8.2%.
- Please take a look at the next slide.

(bil. yen)

	FY2018					FY2018	FY2017
	Results	vs. Plan		YoY Change		Plan	Results
Instant Noodles	274.4	+1.1	+0.4%	+5.2	+1.9%	273.3	269.2
NISSIN FOOD PRODUCTS	232.9	+1.6	+0.7%	+4.4	+1.9%	231.3	228.6
MYOJO FOODS	41.5	-0.5	-1.2%	+0.9	+2.2%	42.0	40.6
Chilled and frozen foods	64.0	+0.5	+0.8%	+2.2	+3.6%	63.5	61.8
Confectionery and beverages	51.6	-2.1	-4.0%	+0.6	+1.1%	53.7	51.0
Domestic others	4.1	+0.1	+2.4%	+0.3	+9.3%	4.0	3.7
Domestic total	394.1	-0.4	-0.1%	+8.4	+2.2%	394.5	385.7
The Americas	64.5	-2.5	-3.8%	+4.0	+6.7%	67.0	60.4
China (incl. H.K.)	42.6	+1.6	+3.9%	+6.6	+18.3%	41.0	36.0
Asia	9.4	-2.6	-21.8%	+0.4	+4.0%	12.0	9.0
EMEA	5.9	+0.4	+7.3%	+1.3	+28.6%	5.5	4.6
Overseas total	122.3	-3.2	-2.5%	+12.3	+11.2%	125.5	110.0
Consolidated sales	516.4	-3.6	-0.7%	+20.7	+4.2%	520.0	495.7

* The results in China (including H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS (H.K.) CO., LTD..

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- I will now explain the sales results by segment.
- Sales from the domestic businesses increased 8.4 billion yen year on year, to 394.1 billion yen.
- NISSIN FOOD PRODUCTS achieved favorable results from its marketing activities again. *CUP NOODLES* and *DONBEI*, as its main brands, exceeded the previous year's results, while *MENSHOKUNIN*, which was renewed, and instant rice such as *CURRY MESH* also performed with satisfactory result. As a result, sales increased 4.4 billion yen year on year, to 232.9 billion yen.
- Sales at MYOJO FOODS increased 0.9 billion yen, to 41.5 billion yen, driven by strengthened cooperation with convenience stores and products including *Umadashiya* and *Charumera*.
- Sales from the chilled and frozen foods business continued to be driven by the frozen foods business, increasing 2.2 billion yen, to 64.0 billion yen.
- Sales from the confectionery and beverages business increased 0.6 billion yen, to 51.6 billion yen, mainly reflecting the performance of NISSIN CISCO, which enjoyed a steady increase in sales from both cereal and confectionery products.
- Sales from the overseas businesses increased 12.3 billion yen, to 122.3 billion yen.
- Sales in the Americas increased 4.0 billion yen year on year, to 64.5 billion yen. Sales in the U.S., Mexico, and Brazil all increased in both local currency terms and yen terms.
- Sales from our businesses in China, including Hong Kong, increased 6.6 billion yen from the previous fiscal year's level, to 42.6 billion yen. Sales increased significantly in both Hong Kong and mainland China in local currency terms as well.
- In Asia, sales increased 0.4 billion yen, to 9.4 billion yen. Sales increased in most areas but declined only in India, where we avoided price competition with top manufacturers.
- Sales in EMEA increased 1.3 billion yen, to 5.9 billion yen. Sales increased steadily in both Europe and Turkey.
- The detailed results of each segment are provided on slide 28 of this material. Please check them later.
- take a look at the next slide.

(bil. yen)

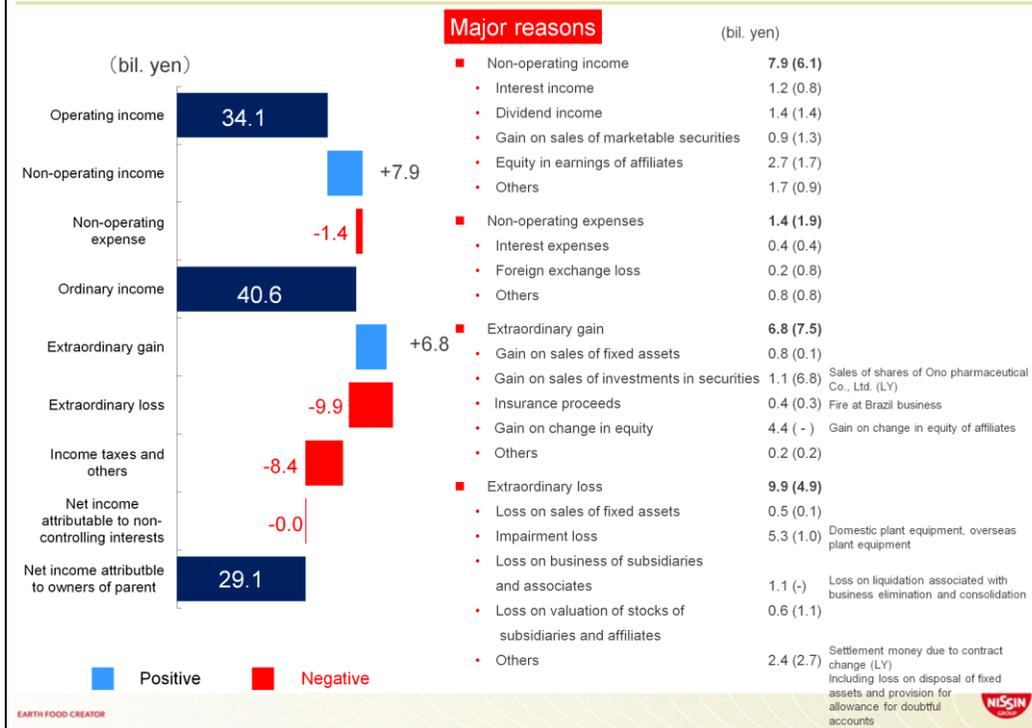
	FY2018					FY2018 Plan	FY2017 Results
	Results	vs. Plan		YoY Change			
Instant Noodles	30.3	+0.4	+1.5%	+0.9	+3.0%	29.9	29.5
NISSIN FOOD PRODUCTS	28.3	+0.3	+1.0%	+0.6	+2.2%	28.0	27.7
MYOJO FOODS	2.1	+0.2	+8.2%	+0.3	+15.2%	1.9	1.8
Chilled and frozen foods	2.1	+0.2	+10.6%	+0.2	+10.7%	1.9	1.9
Confectionery and beverages	2.4	-0.6	-19.9%	-0.2	-8.4%	2.9	2.6
Domestic others	1.5	+0.6	+62.3%	+0.1	+3.9%	0.9	1.5
Domestic total	36.4	+0.7	+1.8%	+0.9	+2.6%	35.7	35.4
The Americas	2.0	-0.5	-19.7%	-0.3	-12.4%	2.5	2.3
China (incl. H.K.)	3.6	-0.1	-3.5%	+0.2	+4.8%	3.7	3.4
Asia	(1.4)	-0.2	-	-0.0	-	(1.3)	(1.4)
EMEA	(0.5)	-0.6	-	-0.5	-	0.1	0.0
Overseas total	3.7	-1.4	-27.6%	-0.6	-14.6%	5.1	4.3
Reconciliations, Others	(5.9)	+0.9	-	+5.2	-	(6.8)	(11.1)
Consolidated operating income	34.1	+0.1	+0.3%	+5.5	+19.2%	34.0	28.6
(Ref.) Adjusted operating income	33.4	+0.0	+0.0%	+0.5	+1.6%	33.4	32.9

* The results in China (including H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS (H.K.) CO., LTD..

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- Next, I will explain the operating income results by segment.
- Operating income from the domestic businesses increased 0.9 billion yen year on year, to 36.4 billion yen.
- Operating income of NISSIN FOOD PRODUCTS increased 0.6 billion yen, to 28.3 billion yen, with increased sales of the main brands contributing to the profit growth.
- MYOJO FOODS also enjoyed an increase in operating income of 0.3 billion yen, to 2.1 billion yen, which is attributed to the improvement of production efficiency and increased sales.
- Operating income from the chilled and frozen foods business grew 0.2 billion yen, to 2.1 billion yen, with continued increased sales and production efficiency improvements in the frozen foods business.
- In the confectionery and beverages business, the profit of NISSIN CISCO increased slightly, due mainly to increased sales. However, Bonchi and NISSIN YORK saw declines in profit. Consequently, operating income from this business decreased 0.2 billion yen, to 2.4 billion yen.
- Operating income from the overseas businesses declined 0.6 billion yen, to 3.7 billion yen, mainly reflecting a profit decline in the Americas and EMEA.
- Operating income in the Americas decreased 0.3 billion yen, to 2.0 billion yen, despite an increase in profit in Brazil, which was offset by the rising distribution and personnel costs in the United States and an increase in marketing and other expenses in Mexico.
- Operating income in China, including Hong Kong, increased 0.2 billion yen, to 3.6 billion yen. There was a rise in depreciation attributed to the start of the operation of the Zhejiang plant and line for bag-type noodle products in Hong Kong. However, the cost increase was offset by increased sales in mainland China and Hong Kong.
- The result in Asia was almost unchanged from the previous year's level, with an operating loss of 1.4 billion yen. Major negative factors were the impact of the worsened competition environment in India and increased marketing expenses in Indonesia. On the other hand, we restored profitability in Thailand due to higher sales of 10-baht products and the stable operation of the factory as a production base.
- EMEA saw a decline in operating income of 0.5 billion yen, to minus 0.5 billion yen, because businesses in Europe ran a deficit due to the delay in the start-up of the plant in Hungary.
- Reconciliations increased 5.2 billion yen year on year, resulting in minus 5.9 billion yen. This includes 5.0 billion yen as the difference that resulted from the impact of retirement benefit expenses.
- As a result of the above, consolidated operating income stood at 34.1 billion yen, up 5.5 billion yen year on year.
- Detailed explanations of operating income and the "Analysis of Operating Income" are provided on slides 29 and 30, respectively. Please check them later.
- Please take a look at the next slide.



- I will now explain each income level.
- Non-operating income increased 1.7 billion yen, to 7.9 billion yen. This is attributed mainly to the increase of equity in earnings of affiliates of 1.0 billion yen. Equity in earnings of Mareven Food increased by 0.8 billion yen, and that of THAI PRESIDENT FOODS increased by 0.2 billion yen.
- Non-operating expenses decreased by 0.5 billion yen, to 1.4 billion yen, because foreign exchange loss, which was 0.8 billion yen in the previous year, was reduced to 0.2 billion yen.
- As a result, ordinary income was 40.6 billion yen, up 7.7 billion yen year on year. This is a record high.
- Next, extraordinary gain decreased 0.7 billion yen, to 6.8 billion yen. This is attributed to the reduction in gain on sales of investments in securities from 6.8 billion yen in the previous fiscal year, to 1.1 billion yen. It also reflects the generation of extraordinary gain of 4.4 billion yen in the fiscal year under review due to the change in equity of affiliates.
- Extraordinary loss increased 5.0 billion yen, to 9.9 billion yen, mainly reflecting the impairment of an instant noodle plant in Japan and overseas plant equipment.
- As a result, extraordinary loss exceeded extraordinary gain by 3.1 billion yen. Income before income taxes stood at 37.5 billion yen, while net income attributable to owners of parent was 29.1 billion yen.
- Please take a look at the next slide.

Shift to IFRS in the 1st quarter of FY2019

(bil. yen)

	Plan (IFRS)	FY2019 YoY Change		FY2018 Results (IFRS) ^{*1}
Revenue	455.0	+14.0	+3.2%	441.0
Operating profit	36.0	+1.0	+2.8%	35.0
Profit attributable to owners of parent	26.0	-3.0	-10.5%	29.0
OP margin	7.9%	-0.0pt		7.9%
Profit attributable to owners of parent margin	5.7%	-0.9pt		6.6%
ROE	-	-		9.3%
EPS(yen)	249.7	-29.2		278.9
Adjusted EPS(yen) ^{*2}	246.9	-15.7		262.6

■ Major factors for the increase in costs

	Change	Factor
Domestic material costs	+1.2	Rising prices of wheat, cardboard and seafood, and other factors
Depreciation expense	+3.0	Domestic: +2.7 Mainly at the Kansai Plant and others
Advertising expense	+0.5	Domestic: -0.1 Overseas: +0.6

■ Major Factor for the decline in net income

Impact of the gain on the change in equity in affiliates (4.4 billion yen) that was posted in FY2018

*1: IFRS will be adopted from 1Q of FY2019. FY2018 results (IFRS) are ones before audit.

*2: Adjusted EPS=(IFRS Operating profit ± Other income, expenses - Tax expense - Profit attributable to non-controlling interests/ Average number of shares outstanding (excluding treasury stocks)

* Deleted from the list of main KPIs in FY2019

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- I will now explain our plan for fiscal 2019.
- We have decided to adopt IFRS starting from the 1st quarter of fiscal 2019. We therefore announce the plan for the fiscal year based on IFRS.
- Because time is limited today, I will omit explanations of the changes from J-GAAP to IFRS. The main changes are described on slides 31 to 33. Please check the details.
- I will now explain the numerical values.
- The target revenue for fiscal 2019 is 455.0 billion yen, up 14.0 billion yen year on year.
- The target operating profit is 36.0 billion yen, up 1.0 billion yen year on year.
- Adjusted operating income, which we position as an important KPI under the Medium-Term Business Plan, will cease to be a KPI due to the adoption of IFRS. Hereafter, we will check the operating profit under IFRS as an important KPI.
- Profit attributable to owners of parent will decrease 3.0 billion yen, to 26.0 billion yen. This is attributed to the impact of a change in the tax rate and a gain on change in minor equity. However, profit is planned to increase if special factors are offset.
- In addition, operating profit margin will remain at the previous fiscal year's level of 7.9%.
- Please take a look at the next slide.

	FY2019			(bil. yen)
	Plan (IFRS)	YoY Change		FY2018 Results (IFRS)*1
		(Change from the previous year's result under IFRS)		
Instant Noodles	227.5	+5.3	+2.4%	222.2
NISSIN FOOD PRODUCTS	195.0	+4.0	+2.1%	191.0
MYOJO FOODS	32.5	+1.3	+4.3%	31.2
Chilled and frozen foods	55.5	+1.2	+2.2%	54.3
Confectionery and beverages	44.0	+1.4	+3.3%	42.6
Domestic others	4.0	-0.1	-2.5%	4.1
Domestic total	331.0	+7.8	+2.4%	323.2
The Americas	65.0	+2.5	+3.9%	62.5
China (incl. H.K.)	42.0	+1.9	+4.7%	40.1
Asia	10.0	+0.8	+8.4%	9.2
EMEA	7.0	+1.1	+18.6%	5.9
Overseas total	124.0	+6.2	+5.3%	117.8
Consolidated revenue	455.0	+14.0	+3.2%	441.0

*1: IFRS will be adopted from 1Q of FY2019. FY2018 results (IFRS) are ones before audit.
* The business plan for the China segment specifies targets set solely by NISSIN FOODS HOLDINGS.

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- This is our revenue plan by business segment.
- We aim to achieve revenue from the domestic businesses of 331.0 billion yen, up 7.8 billion yen from the previous fiscal year.
- The planned revenue of NISSIN FOOD PRODUCTS is 195.0 billion yen, up 4.0 billion yen year on year.
- We plan to increase the revenue of MYOJO FOODS by 1.3 billion yen year on year, to 32.5 billion yen.
- Revenue from the chilled and frozen foods business is planned to increase 1.2 billion yen year on year, to 55.5 billion yen.
- Our target revenue from the confectionery and beverages business is 44.0 billion yen, up 1.4 billion yen year on year.
- We aim to increase the revenue from overseas businesses by 6.2 billion yen year on year, to 124.0 billion yen.
- The figure for the Americas is 65.0 billion yen, an increase of 2.5 billion yen year on year.
- That for China including Hong Kong is 42.0 billion yen, up 1.9 billion yen year on year.
- As for Asia, it is 10.0 billion yen, up 0.8 billion yen year on year.
- We aim to achieve revenue in EMEA of 7.0 billion yen, up 1.1 billion year on year.
- Please take a look at the next slide.

(bil. yen)

	Plan (IFRS)	FY2019 YoY Change (Change from the previous year's result under IFRS)		FY2018 Results (IFRS) ^{*1}
Instant Noodles	27.3	+1.5	+5.7%	25.8
NISSIN FOOD PRODUCTS	25.3	+1.4	+5.9%	23.9
MYOJO FOODS	2.0	+0.1	+3.7%	1.9
Chilled and frozen foods	2.2	+2.6	-	(0.4)
Confectionery and beverages	2.6	+0.7	+34.2%	1.9
Domestic others	5.0	+3.5	+237.9%	1.5
Domestic total	37.1	+8.3	+28.7%	28.8
The Americas	2.7	+0.3	+10.3%	2.4
China (incl. H.K.)	3.4	-0.7	-16.8%	4.1
Asia	1.4	+1.8	-	(0.4)
EMEA	1.1	+0.9	+581.7%	0.2
Overseas total	8.6	+2.3	+36.6%	6.3
Reconciliations, Others	(9.7)	-9.6	-	(0.1)
Consolidated operating profit	36.0	+1.0	+2.8%	35.0

*1: IFRS will be adopted from 1Q of FY2019. FY2018 results (IFRS) are ones before audit.
* The business plan for the China segment specifies targets set solely by NISSIN FOODS HOLDINGS.

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- This is our operating profit plan by business segment.
- Our target operating profit for the domestic businesses is 37.1 billion yen, up 8.3 billion yen year on year.
- That for NISSIN FOOD PRODUCTS is 25.3 billion yen, up 1.4 billion yen year on year.
- For MYOJO FOODS, we plan to achieve an increase in operating profit by 0.1 billion yen year on year, to 2.0 billion yen.
- We aim to achieve an operating profit from the chilled and frozen foods business of 2.2 billion yen, up 2.6 billion yen year on year,
- and from the confectionery and beverages business of 2.6 billion yen, up 0.7 billion yen year on year.
- In the overseas businesses, we aim to achieve an increase in operating profit of 2.3 billion yen year on year, to 8.6 billion yen.
- Our target operating profit in the Americas is 2.7 billion yen, up 0.3 billion yen year on year.
- Operating profit in China including Hong Kong is expected to decrease by 0.7 billion yen, to 3.4 billion yen. In this region, we posted an extraordinary gain of 0.7 billion yen, partly because we sold the land-use rights of the Shanghai Plant last year. The increased cost for reinforcing the system and other purposes related to the listing will also be a negative factor. We aim to achieve an increase in profit from our main businesses, excluding these special factors.
- In Asia, we aim to increase operating profit by 1.8 billion yen year on year, to 1.4 billion yen. The high rate of change is attributed to the impairment that existed in our businesses in Asia in the previous fiscal year.
- In EMEA, we aim to achieve an increase of 0.9 billion yen from the previous fiscal year. There was an increase in costs in the last fiscal year due to the delay in the start-up of the plant in Hungary. We believe that this will be resolved from now on.
- Finally, expenses of 9.7 billion yen as reconciliations will be generated. This is because we have allocated 5.2 billion yen as reconciliations between groups and about 4.5 billion yen to prepare for unexpected impairment risk and other risks.
- Please take a look at the next slide.

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	FY2019 (Plan)
Capital Investment	150.0	36.3	52.0	64.0

- FY2018 Results
 - Nissin Food Products: New Kansai factory, etc.
 - Bonchi: Yamagata New factory
 - China business: Increasing production line/developing production infrastructure, etc.
 - Europe business: Hungary factory, etc.
- FY2019 Major Investment Plan
 - Nissin Food Products: New Kansai factory, etc.
 - Bonchi: New Yamagata factory
 - Others: Investment in improvements/upgrades, etc.

Depreciation and Amortization

- FY2018 Reasons for YoY increase
 - NISSIN FOOD PRODUCTS: Better quality
 - China business: Zhejiang factory, Bag-type noodle production line at Hong Kong
 - Europe business: Hungary factory
- FY2019 Reasons for YoY increase
 - Nissin Food Products: Kansai factory
 - Europe business: Hungary factory, Investment in improvements/upgrades

(bil. yen)	FY2017	FY2018	FY2019 (Plan)
J-GAAP	15.4	17.9	-
IFRS	-	17.8	20.7

Cash Flow

CF provided by operating activities

Approx. 42.0 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: 11.4bil. yen
Dividend per share (plan): 110yen
(1H :55yen, Year-end: 55yen)

Budget for investment

Capital Investment: 64.0bil. yen
Business investment: Depend on matters

- Capital investment is expected to be around 64.0 billion yen because the cost of the construction of the Kansai factory of NISSIN FOOD PRODUCTS will be generated this year again.
- Depreciation and amortization is expected to increase by around 3.0 billion yen in total, due in part to the planned commencement of the operation of the first line of the Kansai factory and overseas lines, including one in Hungary.
- Concerning cash flow, we expect cash flow provided by operating activities of approximately 42.0 billion yen in the current fiscal year. We will use this cash to meet the demand for funds for shareholder returns, capital investment, and business investment, and compensate for the shortfall by the cash and deposits, redemption of securities, and with various finances.
- Please take a look at the next slide.

Shareholder Returns

(Dividends)

■ Dividend increase reflecting favorable financial performance, **with an aim for achieving average payout ratio of 40% or above**

- 👉 FY2017 1H: 40 yen, Year-end: 45 yen Total: 85 yen
- 👉 FY2018 1H: 45 yen, Year-end: 45 yen Total: 90 yen
- 👉 FY2019 Dividend increase(Plan)
1H:55 yen(10 yen Increase), Year-end:55 yen(10 yen Increase)

(bil. yen)	Five-year Plan	FY2017	FY2018	FY2019 (Plan)
Dividend per share	Stable dividend	85 yen	90 yen	110 yen
Payout Ratio	Average 40% or above	38.4% ^{*1}	32.2% ^{*1}	44.1% ^{*2}

*1 Based on J-GAAP *2 Based on IFRS

(Treasury stocks)

■ 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: Yet to be executed
- 👉 FY2019: Plan to cancel 10% of the number of shares outstanding

Strategic Shareholdings

- 👉 Plan to reduce the number of shares held in view of increasing capital efficiency, and sold some of the shares in both FY2017 and FY2018
- 👉 In FY2019, we will continue to consider the sale of strategic shareholdings in view of the market and business environment. In accordance with internal investment rules, the Board of Directors is consulted over whether to continue to hold the individual stocks.

- Concerning dividends, we will increase the amount for fiscal 2019 by 20 yen, resulting in an annual amount of 110 yen, as we disclosed in a timely manner on May 10.
- Regarding treasury stocks, we plan to cancel about 10% of the number of shares outstanding on May 24. (*Cancelled on May 24, 2018 as scheduled.)
- We will continue to maintain capital policies that attach importance to shareholders.
- Before concluding my presentation, I would like to explain our view of net operating profit and core profits as indicators, because many of you have asked us why we don't use such indicators.
- We do not create materials under the J-GAAP because we have shifted to IFRS. We believe that having double standards will obscure the Group's targets and complicate the evaluation of our business performance.
- Neither do we take into account net operating profit and core profits as non-GAAP indicators. This is because we would like to factor extraordinary gains and losses, equity earnings, and other indicators into operating profit from the viewpoint of ensuring that we control them from a management perspective.
- However, we will fully explain the factors that have a major impact on our operating profit so as to allow investors to evaluate our business continuity.
- We would also like to disclose materials that will allow investors to analyze our business continuity.
- I think that our shift to IFRS will cause you confusion regarding the numbers. We are planning to disclose information in the form of FAQ at a later date. I would appreciate your understanding.
- This is the end of my presentation.

Medium-Term Business Plan 2021
Review of the Second Year and Basic
Strategies for the Current Fiscal Year

Representative Director, President and CEO
Koki Ando

Our CFO has explained the numerical results and plans in detail. I will now tell you about this year's position in our Medium-Term Business Plan.

Aim to make a further leap forward in the milestone year of the 60th anniversary of the birth of instant noodles!

Domestic: “Heat up” the Japanese market through the strong enhancement of long-selling brands

- Aim to maximize sales by enhancing products that will celebrate their anniversaries, including the 60th anniversary of “*Chicken Ramen*” as the first instant noodle, the 55th anniversary of “*Nissin Yakisoba*”, the 50th anniversary of “*Demae Iccho*”, the 55th anniversary of “*Ciscorn*”, the 50th anniversary of “*Choco Flakes*”, the 40th anniversary of “*Choco Crisp*”, and the 25th anniversary of “*Pilkul*”
- Make a strategic move toward medium- and long-term sustained growth with the construction of the Kansai Plant

Overseas: “Boil” the global market based on the *CUP NOODLES* Strategy

- Make innovative changes occur in the market by proposing high value-added products, with a focus on the globalization of “*CUP NOODLES*”
- Detect changes in the market environment accurately and accelerate area strategies

- We will celebrate our 60th anniversary this year. This means that 60 years have passed since *Chicken Ramen* was introduced as the first instant noodle.
- In this situation, we would like to aim for record net sales of *Chicken Ramen* at NISSIN FOOD PRODUCTS in the current fiscal year. Domestic demand is extremely stable at present, and we would like to carry out a sales promotion with a focus on *Chicken Ramen* at this time.
- In addition, we will also celebrate the 55th anniversary of *Nissin Yakisoba* and the 50th anniversary of *Demae Iccho*. Many other products will celebrate their anniversaries, including the 55th anniversary of *Ciscorn*, the 50th anniversary of *Choco Flakes*, the 40th anniversary of *CRISP CHOCO* and the 25th anniversary of *Pilkul*. We are planning to implement measures for taking the anniversaries of these products as an opportunity to promote their sales at each company.
- Regarding the Kansai Plant, we believe that it will be extremely useful in the medium term. We are therefore planning to make a strategic move toward our sustained growth.
- As for the overseas business, we position the *CUP NOODLES* Strategy as the basis. We are promoting measures for developing *CUP NOODLES* into a global brand. We are making it the basis of the strategy without changing its position as a high value-added product.

- The targets of the overall Group will not be changed in response to the shift to IFRS.
- The method of calculating adjusted EPS for FY2016, which serves as a benchmark for the mid-term plan, was changed in response to the adoption of IFRS, and the value was corrected retroactively.

		FY2016		FY2021	
		Results J-GAAP		(Reference) (J-GAAP) Targets IFRS	
Earning power through operations	Sales/ Revenue	468.1	bil. yen	(600.0)	550.0 bil. yen
	Adjusted Operating Income ^{*1}	24.7	bil. yen	(40.0)	- bil. yen
	(IFRS) Operating Profit				47.5 bil. yen
Value in capital markets	Market Capitalization ^{*2}	570.0	bil. yen		1 tri. yen
	Net Income ^{*3}	26.9	bil. yen		33.0 bil. yen
	ROE	7.4	%		8 % or higher
	(J-GAAP) Adjusted EPS ^{*4}	196	yen		- yen
	(IFRS) Adjusted EPS ^{*5}	189	yen	CAGR 10% or higher	330 yen

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

*1: Only under the J-GAAP: Adjusted operating income = Operating income under the J-GAAP - Impact of retirement benefit expenses

*2: Market capitalization = Share price × Shares outstanding at end of year (excluding treasury stocks)

*3: "Net income attributable to owners of parent" under the Japanese GAAP, "Profit attributable to owners of the parent" under IFRS

*4: Adjusted EPS(J-GAAP)=Adjusted Operating income after tax + Equity earnings of affiliate companies + Amortization of goodwill (including those contained in the equity method subsidiaries) - Net income attributable to non-controlling interests /Average number of shares outstanding (excluding treasury stocks)

*5: Adjusted EPS = (IFRS Operating profit ± Other income, expenses - Tax expense - Profit attributable to non-controlling interests) / Average number of shares outstanding (excluding treasury stocks)

The FY2016 values were estimated because there is no individual data.

- We developed a five-year plan that commenced in fiscal 2017. As this slide shows, we will shift from J-GAAP to IFRS in the first quarter of fiscal 2019. The planned values as shown in this table were set two years ago. Among them, the value for adjusted EPS was partially changed.
- As a result of recalculation under IFRS, adjusted EPS is 189 yen (fiscal 2016).
- We have set annual average growth of adjusted EPS of 10% or more as our target. We have finished the second year and are now entering the third year. We are promoting measures online so that CAGR will be just 10%. The figure for fiscal 2019 is as explained earlier today, and we will keep going straight in FY2020. This is what I would like you to understand.

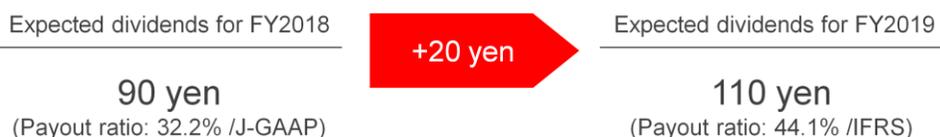
Medium-Term Business Plan: Change in KPIs (Segment Information)

		FY2021					
Earning power through operations	(IFRS) Revenue	550.0	bil. yen				
	(IFRS) Operating Profit	47.5	bil. yen				
	OP margin	8	% or higher				
	Ratio of operating profit from overseas business	30	% or higher				
			(Domestic)				
	(bil. yen)	FY2021 J-GAAP Plan	FY2021 IFRS Plan		(bil. yen)	FY2021 J-GAAP Plan	FY2021 IFRS Plan
Instant Noodles	Revenue	297.6	243.0				
	Operating Profit	29.5	29.1				
	OP margin	9.9%	12.0%				
Chilled/ Frozen, Confectionery, Beverage	Revenue	132.3	111.6				
	Operating Profit	5.2	5.2				
	OP margin	3.9%	4.7%				
Key currency exchange rates assumed in the plan							
	Currency	Exchange rate (yen per unit of currency)					
		FY2016	FY2021				
	US\$	120.14	112.68				
	BRL	30.60	28.00				
	CNY	18.85	17.39				
	HK\$	15.49	14.53				
	EURO	134.31	131.77				
* Based on exchange rates as of the date of the creation of the mid-term plan							
* The values for targets for the China segment are those expected by NISSIN FOODS HOLDINGS.							

- This segment information, which is also included in the supplementary data, shows the IFRS figures for the final year of the five-year plan, which were revised from the ones under J-GAAP that we disclosed initially.
- Revenue has been changed because net sales were used for the domestic businesses. However, revenue from the overseas businesses has remained almost unchanged.
- Operating profit has changed significantly under IFRS.
- We would like to aim for these targets.

- Increase dividends and cancel treasury shares as shareholder returns while the mid-term plan makes steady progress

1. Increasing dividends



2. Cancellation of treasury shares

Plan to cancel 11,763,685 shares, equivalent to 10% of all shares outstanding

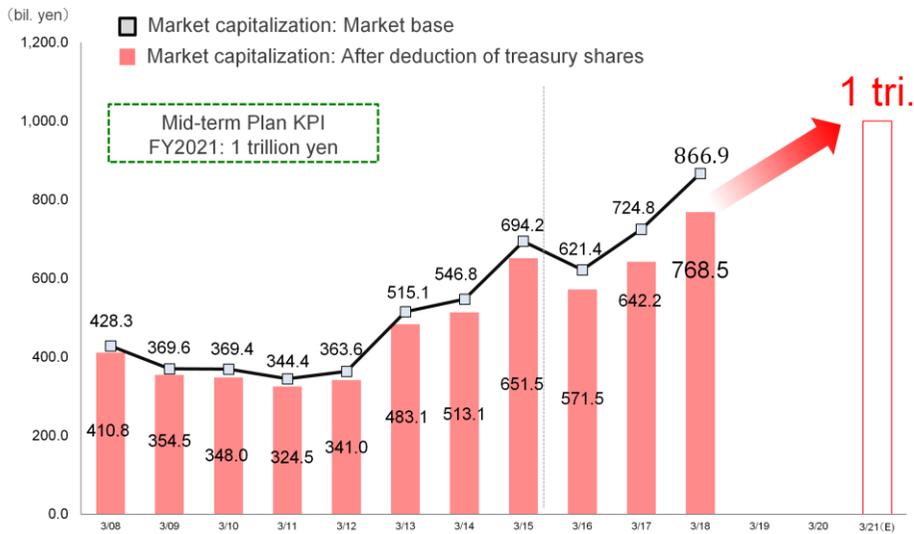
Before cancellation			After cancellation	
All shares outstanding	117,463,685		All shares outstanding	105,700,000
Treasury shares	13,329,298		Treasury shares	1,565,613

Planned date of cancellation: May 24, 2018

- Regarding the capital policies on page 16, the other day (May 10, 2018) we announced that we will increase dividends and proceed with the cancellation of treasury shares because revenue and profit have increased.
- We will increase dividends by 20 yen, from 90 yen to 110 yen. The payout ratio is about 4% above the targeted value of 40%. We have decided to increase the amount to 110 yen to compensate for the insufficient amount in the past. We also judged the amount to be appropriate in light of our cash situation.
- Regarding the cancellation of treasury shares, we thought a lot about what to do with such shares. Judging that we would no longer use them, we cancelled 10% of them, as a result of which the number of all shares outstanding became 105,700,000. I think that this figure will be used for calculations from May 24 onward. (*Cancelled on May 24, 2018 as scheduled.)

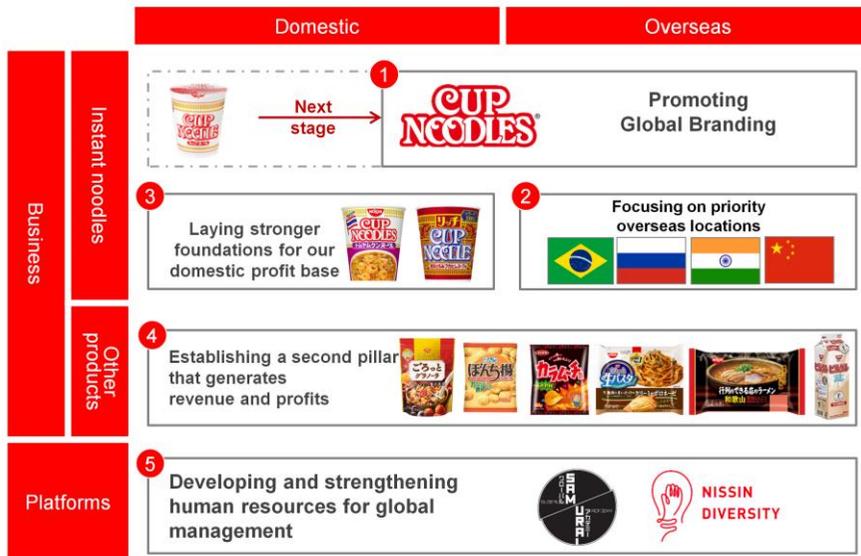
Market capitalization

Expanded favorably toward 1 trillion yen in FY2021



- As for the major KPIs, market capitalization as of March 31, 2018 was 768.5 billion yen when calculated after the deduction of treasury shares.
- The share price was 8,260 yen in the morning session of today, May 15. This means that our market capitalization is 873.1 billion yen when calculated based on 105,700,000 as the number of all shares outstanding. Concerning our one trillion yen vision, it will be achieved if the share price is about 9,500 yen, as you will discover through back calculation.
- I thoroughly appreciate that fact that investors are interested in us. In the composition that I showed you earlier (page 14), PER is 30 times. I believe that it will be difficult to maintain this figure of 30 times unless growth factors such as the global strategy have dream elements. We would like to take comprehensive measures to achieve this.

- Focusing on five key themes in pursuit of business profitability

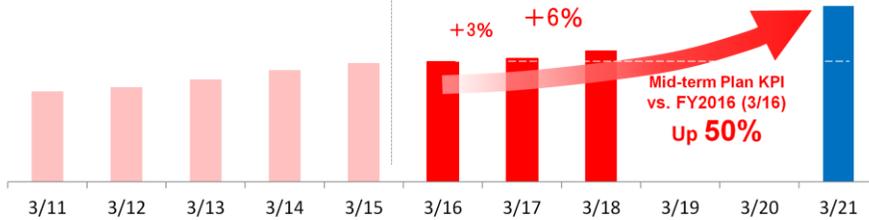


- The information on the page 18, has been explained repeatedly.
- First of all, we are giving top priority to global branding, followed by a focus on BRICs.
- We will then lay stronger foundations for our domestic profit base.
- Regarding the establishment of a second pillar that generates revenue and profits in this figure, the three on the left are related to confectionery, while the three on the right are related to chilled and frozen foods and beverages from NISSIN FROZEN FOODS, NISSIN CHILLED FOODS, and NISSIN YORK. We would like to aim for 100 billion yen in each of these fields.
- We are also strengthening measures for developing human resources for global management.

Strategic Theme 1 Promoting Global Branding > Globalize CUP NOODLES

Overseas total CUP NOODLES sales volume (servings)

*Exclude sales in Japan



Activities in FY2018



U.S.

- August: Introduction of "Very Veggie"
- October: Introduction of "SEAFOOD", global flavor and "CURRY"



Europe

- July: Adoption of ECO cup
- October: Test marketing (UK)



Brazil

- November: Introduction of "GALINHA CAIPIRA PICANTE", a new flavor
- March: Introduction of "SEAFOOD", which is a global flavor



UK

- October: Introduction of "SEAFOOD", which is a global flavor



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- Please move on to page 19.
- At the results briefing session last year, I told you that we were aiming to achieve real growth of 6% to 8% in fiscal 2018. The actual growth rate was 6%, which was slightly above the bottom line of the target.
- I think that the growth rate in the current fiscal year will be 8.5% to 9%. I believe that we will achieve this level of growth because the foundation has mostly been developed.
- We will promote global branding with the aim of achieving a 50% increase from the FY2016 level in FY2021.
- The lower part of the page shows the products that we introduced in FY2018.
- In the United States, we introduced a product named "Very Veggie." It is a one-dollar product, and products like this have begun to sell well in that country. We also began to sell the global flavors *SEAFOOD* and *CURRY*, which are same as those we sell in Japan, in the United States.
- In Brazil, we introduced *GALINHA CAIPIRA PICANTE*, a hot chicken flavor. In March, we introduced *SEAFOOD* as a global flavor. This product is extremely popular, and its over-the-counter sales seems to be high.
- In Europe, we adopted the ECO (paper) cup. In the United Kingdom, where we have a tie-up with Premier Foods and have made capital investment in the company, we have decided to have the company sell *CUP NOODLES* in this sales channel, and we have undertaken test marketing. The products are selling well, so we would like to commence full-scale sales.
- We introduced *SEAFOOD* in India as well.

■ Globalization/Expansion of "SEAFOOD" as a global flavor



- As the next page shows, the blue-colored areas have become fairly wide. The ones in the boxes are the products (*SEAFOOD*) that we introduced in fiscal 2018.
- It has grown into a product that sells very well in the Philippines, not to mention China. We are steadily implementing measures for developing *SEAFOOD NOODLES* into a global brand.
- In addition to *SEAFOOD*, products related to *Yakisoba* (fried noodles) have also begun to sell well. We will promote comprehensive globalization (by including products other than *CUP NOODLES* as well), but our symbolic product is *CUP NOODLES* after all. We would like to promote *SEAFOOD NOODLES* as the main product to make it widely prevalent.

Brazil

Relatively high GDP per capita

US\$9,895

Signs of economic recovery

	2016	2017	2018 (estimate)
GDP	-3.5%	+1.0%	+3.0%
Inflation rate	+6.3%	+2.9%	+3.8%

CUP NOODLES

- Strengthen sales promotions mainly in the Southeast, South, and Midwest regions, where economic recovery is remarkable (Enhance sampling sales)
- Develop flavors that suit the tastes of the local young people "GALINHA CAIPIRA PICANTE", a spicy hot chicken soup
- Introduction of "SEAFOOD", which is a global flavor



Bag-type noodle products

- The market of bag-type noodle products, which was on a downward trend, reversed due to the improvement of the economic environment.
- Try to increase sales of "Nissin Lamem", the core product, in the Southeast, South, and Midwest regions, where economic recovery is remarkable.
- Aim to expand sales with a focus on "Nosso Sabor", an affordable product, in regions where economic recovery is delayed (North and Northeast regions).



Russia, CIS, etc.

Relatively high GDP per capita

US\$10,608 (Russia)

Total demand

Russia	1.78 billion servings
Ukraine	0.33 billion servings

Collaboration with Mareven

- Provision of advice on management policy
- Cooperation aimed at improving production efficiency
- Provision of support for marketing, including a project for joint product development



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NISSIN

- Regarding Brazil, as Mr. Yokoyama, our CFO, told you earlier today, the country's economic conditions have been improving, and we believe that CUP NOODLES will begin to sell well. We deploy them mainly in urban areas, and I think we can expect good results in fiscal 2019.
- In Russia, we are collaborating with Mareven. The products of this POAATOH(Rollton) brand are also selling well.

■ India

Large population

1.3 billion people

High rate of economic growth

Growth rate: 7%

Recovery of total demand for instant noodles

2016	4.27 billion servings
2017	5.42 billion servings

Enhance our presence in the market by improving proposal capabilities with high value-added products that will not be involved in price competition.

Bag-type noodle products

- Growth potential seen in the low eating rate
- Increasingly fierce price competition among top manufacturers
- Operate a product strategy that pursues value



CUP NOODLES

- Offer the products in large cities where high and middle income households are concentrated
- Offer them in public facilities such as airports
- Increase brand recognition and win repeat customers



■ China Listed on the Hong Kong Stock Exchange Main Board (December 11, 2017)

Hong Kong

- Further improvement of business base through business diversification



Instant noodles



Frozen Foods Potato chips



Joint venture with Kagome, a fruit beverage manufacturer

Mainland China

- Brand development in the rapidly growing premium market. Further penetration of CUP NOODLES brand
- Fostering "RAOH"
- Strengthen marketing for Demae Iccho
- Increase sales by expanding sales activities and marketing channels
- Business diversification (manufacture and sale of potato chips)
- Quality control that is characteristic of a Japanese company



Ensure faster decision-making and reinforce the system for responding to changes immediately by being listed

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*The management policy of the China segment is a role expected by NISSIN FOODS HOLDINGS.



- Let's look at India on the next page.
- The total demand in India in fiscal 2016 was 3.26 billion servings. The demand had been around 5.0 billion servings before 2015, when it declined, due in part to the problems of MSG, labeling, and lead contamination. In 2017, however, the total demand reached a record high of 5.42 billion servings. In addition, per-capita consumption in India is still 4.1 servings, so I believe we can expect further market growth.
- Amid such trends, the top manufacturer shifted to a price strategy to a considerable degree in fiscal 2018 for both bag-type instant noodle products and cup-type instant noodle products. As a result, we did not achieve significant growth. I think we can be hopeful about our expansion in India this year, as the total demand is expected to increase further.
- In mainland China, the demand recovered after a long interval in the Chinese market, to 38.96 billion servings. The market has thus been expanding. The demand is shifting to cup-type instant noodle products in the high price range rather than low-priced ones. I therefore expect our products to achieve further growth from now on.
- This page also says "joint venture with Kagome." Last year, we took a stake in a wholesaler called MCMS. We reached an agreement with Kagome to sell products using this channel and promote the project in the form of a joint venture.
- In mainland China, in addition to this product called CUP NOODLES, one called RAOH is currently selling well. We have also introduced Ippudo. Products like this have also begun to sell well in China.

■ Developing the domestic instant noodles market



Birthday: August 25



Manpuku (A TV drama that will begin airing on NHK in October)



Aim to make a further leap forward in the milestone year of the 60th anniversary of the birth of instant noodles

Think Industry



Explore the needs of senior citizens, women and young people and health-related needs and boost demand

■ Investment for upgrade of plant

- Nissin Food Products: Construct a new Kansai Plant
Total capex amount 57.5 bil. Yen ⇒ 65.5 bil. Yen

Aim to build a world-leading plant

- Increase production efficiency for medium- and long-term sustainable profit growth
- Expand the floor area for the further optimization of the production line
 - Get the container factory ready to respond to the increase in demand and strengthen its functions (reduce procurement costs)
 - Enhance incidental facilities for the further improvement of quality and further safety and security
 - Further evolution of IoT
 - Strengthen measures for creating an open plant that develops ties with consumers and stakeholders

- 1st phase operation to be started in August 2018
- 2nd phase operation to be started in March 2019
- 3rd phase operation to be started in December 2019 (completion)



Floor area: 113,368㎡ ⇒ 118,928㎡

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- We will now go on to the next page. I would like to move quickly.
- I will now explain NISSIN FOOD PRODUCTS, MYOJO FOODS, and our domestic businesses. President Noritaka Ando will explain the details of NISSIN FOOD PRODUCTS later. This TV drama entitled *Manpuku* will begin airing in NHK in October as a morning drama. It is a drama about my mother, not the founder, who I believe is disappointed. It is themed on *naijo no ko* (the husband's success owing to the support and sacrifices of his wife) in the era of women. The process of the invention of instant noodles involved *naijo no ko*, and her management struggles appeared to be a factor for their success. I hear that this aspect of her will be evaluated.
- Anyway, the founder invented *Chicken Ramen* at the age of 48 and *CUP NOODLES* when he was 61 years old. He also invented *Space Ram*, or noodles as space food, at the age of 94. He is therefore a very unique person.
- Because my mother supported such a unique person, her life has been dramatized. I would appreciate it if the drama is found useful by people, but I am also concerned that my mother may be portrayed differently from what she was actually like, or as if she were a different person.
- Anyway, I feel very grateful for the fact that the drama will continue to focus on instant noodles for six months.
- I will ask President Ando to provide an explanation of this plant later.

■ Confectionery Business

Collaboration between the three companies

- Increase comprehensive strength as a confectionery business
- Human resource exchange
- Strengthen support from HD
- Share sales offices
- Co-procurement



- Promote growth with the starting business (Confectionery) and the growth business (Cereal) as a pair of wheels
- Maximize sales revenues and increase profits with brands that will celebrate their anniversaries



- Maximize sales of *Bonchi-age*, the core brand
- Strengthen the business further in the East Japan area, where it is satisfactory



- Entrench and expand high value-added products such as "PRIDE POTATO"
- Constructive expansion of popular regular products such as "KARAMUCHO"
- Reduce and optimize costs thoroughly in the overall SCM

■ Chilled and Frozen Foods Business and Beverage Business



- Strengthen appeal as single items/Create a virtuous circle
- Product and distribution strategies with the emphasis placed on profitability
- Focus on products with high marginal profit



- Constant growth of core brand products (improvement of perceived quality)
- Maximize sales of "Pilkul", a brand that is celebrating its anniversary



- Develop more products that are number one in each category
- Strengthen measures for proposing easy-to-prepare, single-serving food products
- Expand highly profitable products



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- We will operate the confectionery-related business as a collaboration of three companies. NISSIN CISCO, Bonchi, and KOIKEYA will operate the business jointly.
- The total demand for Granola has been a little sluggish, but cornflakes are now growing. Ciscorn is virtually the top product in the cornflakes industry. Cornflakes used to be sold in boxes, but now they are mostly sold in this standing pouch.
- Among them, the product named "Ichinichi-bun no Super Omugi Glanola," which uses BARLEYmax, had an agrochemical problem. We have recalled and replaced them all. I thought that it was a major problem, but retailers asked us to resume selling it, saying that they had saved space for the product. As expected, functional foods like this have enduring popularity with some consumers. It appears that the brand will survive, and we will be able to revitalize it.
- Regarding the chilled and frozen foods business, frozen foods are very strong. Among them, this fresh pasta is the No.1 product in the field of fresh pasta and sells very well. In addition, Tantanmen with soup and a version without soup are unique, and demand for these products has grown high and remains stable. As for chilled foods, we sell products like *Futomen Yakisoba*, *Gyoretsu-no-Dekiru-Mise-no-Ramen*, and *Ramenya-San*. We also sell *Fly-pan Hitotsu-de Chanpon*. Concerning Pilkul, which has celebrated its 25th anniversary, the new plant has been completed, which means that we have production facilities in both East and West Japan. I believe that this fermented milk drinks business will enjoy sales growth.

■ Appointment of a German president in Europe



NISSIN FOODS GmbH President: Wolfgang Haak Since April 2018

He had a long career at a German cosmetics company, serving as the VP in the personal care business, the VP in charge of corporate planning, etc. He was the president of a Turkish company before accepting his current position. He has also resided in Japan in a JV with a Japanese company.



ESG Initiatives

■ Strengthening governance (G)

- **Abolishment of anti-takeover measures:** December 6, 2017
The resolution was passed at the meeting of the Board of Directors after deliberations by the Management Advisory Committee, and the measures were abolished on the day.

■ Contribution to sustainability (E)

- **Formulation of a sustainable procurement policy**
- **Joining the Roundtable on Sustainable Palm Oil (RSPO):**
Application submitted in September and approval given in October
- **Preservation of biodiversity:**
Hyakufukushi Project No.19: Komoro Endangered Bugs Biotope Project

■ Work style reform (S)

- **Smart Work 2000:**
An office renewal project based on the concepts of super flex time, incentives, extended lunch breaks, eased requirements for work from home, *Casual Fridays*, *Casual Tuesdays*, and activity-based working (ABW)
[Related measure] *Hyakufukushi* Project No.21: "Sleep Smart, Work Smart," 60th Anniversary 60-Year Sleep Project
- **Information Technology Award:**
Our "Legacy system *Shuryo* Project", which contributes to the efficacy of tasks by reviewing work process and saving waste of work process through IT utilization, was highly regarded by Japan Institute of Information Technology.

■ Active participation of women (S)

- **Diversity Award:** First winner under the internal awards program Works of Nade CISCO (a cross-sectoral project implemented by female employees of Nissin CISCO)
- **Catalyst course of the Global SAMURAI Academy:**
A training program implemented for female employees as candidates for managerial positions
- **Sister program and participation in the program of Eijyo College:**
Support for the career development of young female sales personnel

■ Initiatives regarding SDGs

- **Participation in the UN Global Compact:** July 2017
- **Support for WFP**

- Regarding human resources for global management, we have non-Japanese CEOs in the United States, Mexico, and India. And this time, we have appointed non-Japanese CEOs in Germany and the EU as well.
- It is good to appoint a Japanese to the top position. However, we feel that a local CEO is better after all when we consider issues including those related to local distribution and relationships with retailers. We think that the parts that differ from our corporate culture are very good for promoting globalization, and we are reorganizing the system accordingly.
- As I explained before, we have a total of 25 presidents in Japan and other countries, and 12 platforms that support them.
- We have four local CEOs, while Kiyotaka Ando, who had the company listed in Hong Kong, is also a CEO. In Indonesia, we have a CEO from Mitsubishi Corporation. When promoting management with diverse human resources, chief officers who serve as platforms support all of these profit centers. We believe that the power of these chief officers as the platforms is important for supporting local CEOs.
- In addition, as this page shows, we also think about ESG initiatives in a forward-looking manner. With regard to sustainability issues, we have decided to use sustainable palm oil certified by an organization called RSPO.
- We are also proactive regarding work style reform. We promote measures for the active participation of women, including the in-house Diversity Award.
- With regard to SDGs, we have just begun to take initiatives. We are determined to advance these initiatives in a comprehensive manner.
- This concludes my explanations.

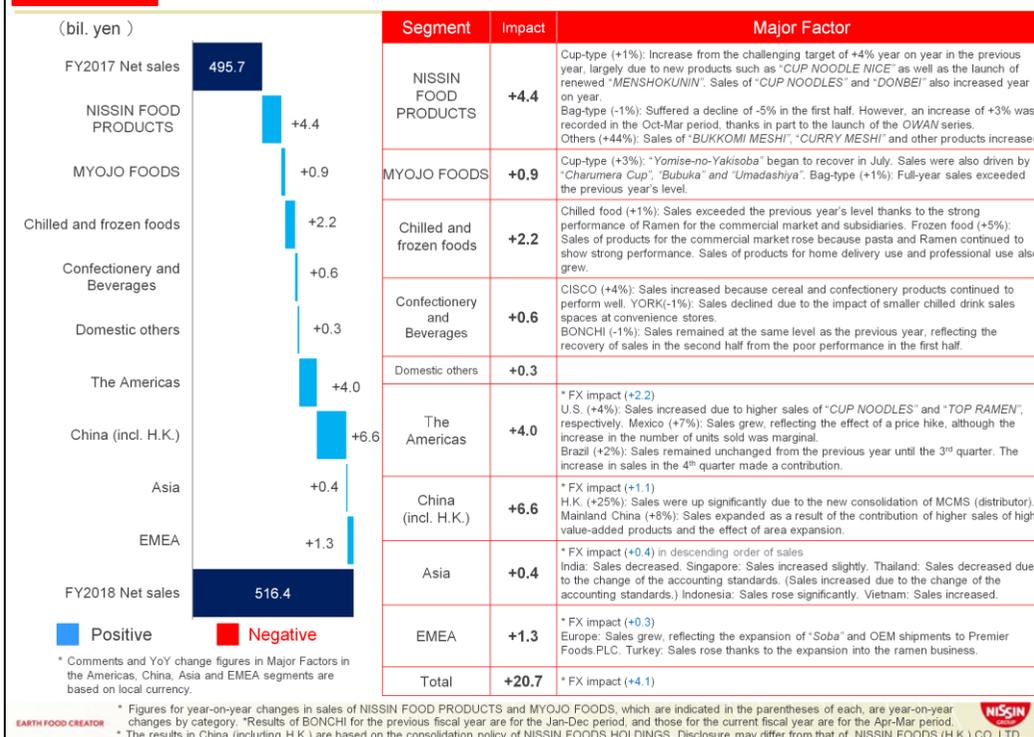
(Reference) Notes for this Material

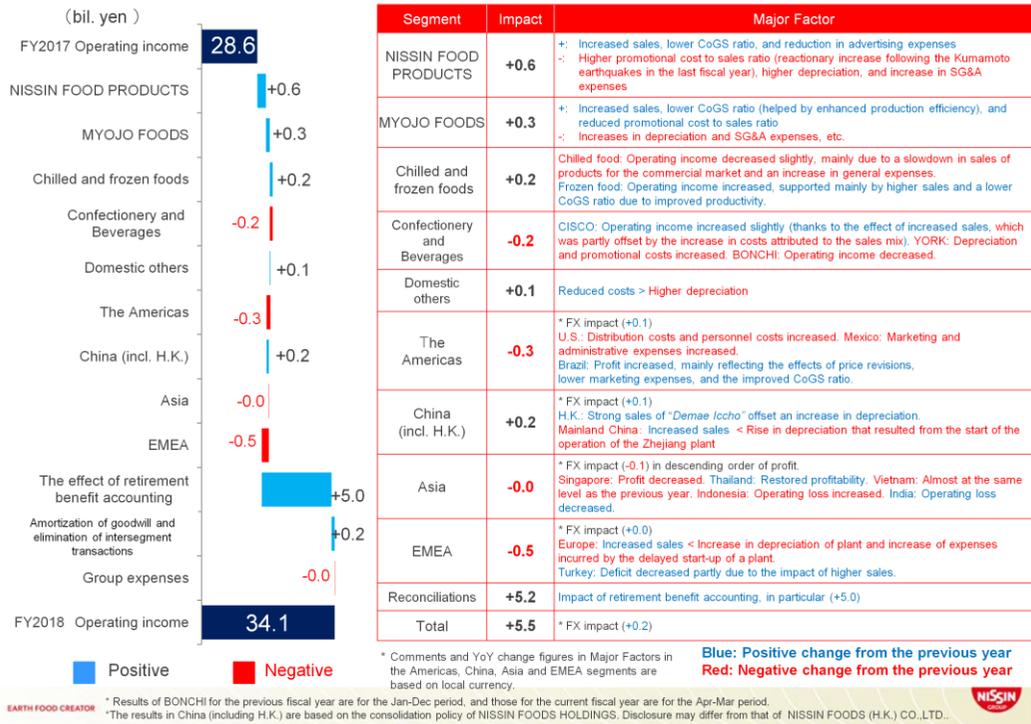
- This presentation material is available in the Financial Statements section of our IR website in PDF format.
URL: https://www.nissin.com/en_jp/ir/library/materials/
- The amounts in this material are rounded to the nearest 100 million yen; totals may not agree with the sums of their components.
- FY2019 in domestic companies means the fiscal year from April 1, 2018 to March 31, 2019.
- FY2018 in overseas companies generally means the fiscal year from April 1, 2018 to March 31, 2019.
- 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 of right of each slide.

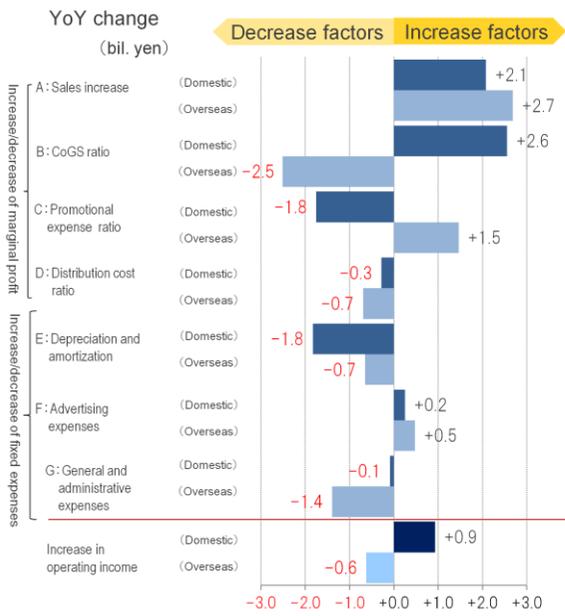


NISSIN FOODS HOLDINGS CO., LTD.









Note: The chart above omits the negative impact of 5.2 billion yen from "Reconciliations."

■ Domestic

- CoGS ratio
 - + Reduction of material costs (+1.5), impacts of change in the breakdown of products by category, improved production efficiency in the chilled and frozen foods business, etc.
 - Impacts of change in the business portfolio, etc.
- Promotional expense ratio
 - Increase in promotional expenses in reaction to restraint of promotions due to Kumamoto earthquakes in 2016, enhanced sales measures, etc.
- Depreciation and amortization
 - Impacts of the depreciation method revised in the previous year. "OWAN" manufacturing line, increased depreciation for NISSIN YORK's Kanto plant, ERP investment, etc.
- Advertising expenses
 - + Reduction in expenses mainly at NISSIN FOOD PRODUCTS Co., Ltd., etc.
- General and administrative expenses
 - Increases in administrative expenses at group companies, etc.

■ Overseas

- CoGS ratio
 - Higher ratio due to the consolidation of MCMS (in Hong Kong) and losses incurred when the plant in Hungary started operation, etc.
- Promotional expense ratio
 - + Lower ratio mainly due to the consolidation of MCMS (in Hong Kong), etc.
- Distribution cost ratio
 - Impacts of a surge in distribution charges in the United States, subsidiarization of MCMS in China, etc.
- Depreciation and amortization
 - China (Line for bag-type noodle products, Zhejiang plant) and the plant in Hungary, etc.
- General and administrative expenses
 - In China, the Europe and Brazil, etc.

FY2018 results (changes to the P/L statement reflecting the change of the standards)

(bil. yen)

J-GAAP	IFRS ¹	Difference	Major adjustments between J-GAAP and IFRS
(Consolidated Statement of Income)			
Trading commissions (deducted from sales)	Variable consideration (deducted from sales)		
Net sales 516.4	Revenue 441.0	-75.4(1)	(1) Adjustments to revenue 1 Deduction of variable consideration from sales, etc. -75.4
Cost of sales	Cost of sales		
SG&A expenses	SG&A expenses		
	Other income/expenses		
	Equity in earnings of affiliates		
Operating income 34.1	Operating profit 35.0	+0.9(2)	(2) Adjustments to operating profit 1 Change in reporting of equity in earnings of affiliates as a component of operating income +2.7 2 Change in reporting of other income/expenses as a component of operating income -2.9 3 Non-amortization of goodwill (including equity method companies) +2.6 4 Others -1.5
Non-operating income/expenses (including equity in earnings of subsidiaries)	Financial income/expenses		
Ordinary income 40.6	-		
Extraordinary gain/loss	-		
Income before income taxes 37.5	Profit before income taxes 37.0	-0.5	
Income taxes	Corporate income taxes		
Net income 29.1	Profit 29.0	-0.1	
Net income attributable to non-controlling interests	Profit attributable to non-controlling interest	+0.0	
Net income attributable to owners of parent 29.1	Profit attributable to owners of parent 29.0	-0.1	
(Other comprehensive income)			
Valuation difference on available-for-sale securities	Net changes in the fair value of FVTOCI		
Foreign currency translation adjustment	Foreign currency translation adjustments		
Remeasurements of defined benefit plans, net of tax	Remeasurements of defined benefit plans		
Other comprehensive income 4.1	Other comprehensive income 7.8	+3.7(3)	(3) Adjustments to other comprehensive income 1 Change in reporting of gains and losses on securities sold as a component of other comprehensive income, etc. +1.3 2 Reversal of land revaluation reserve -1.0 3 Difference in foreign currency translation adjustment +3.2 4 Adjustments to unrecognized actuarial differences +0.2

* This chart shows major adjustment between J-GAAP and IFRS.
*1: IFRS will be adopted from 1Q of FY2019. FY2018 results (IFRS) are ones before audit.

FY2018 results by segment under IFRS and comparison with results under J-GAAP

- ↳ Revenue: Deduction of variable consideration from sales
- ↳ Operating profit: Non-amortization of goodwill (including equity method companies), inclusion of equity method gains or losses, and inclusion of extraordinary gains and losses

Revenue/ Net sales			Operating profit/ Operating income		
	(bil. yen)			(bil. yen)	
	FY2018 Results (IFRS) ^{*1}	FY2018 Results J-GAAP		FY2018 Results (IFRS) ^{*1}	FY2018 Results J-GAAP
Instant Noodles	222.2	274.4	Instant Noodles	25.8	30.3
NISSIN FOOD PRODUCTS	191.0	232.9	NISSIN FOOD PRODUCTS	23.9	28.3
MYOJO FOODS	31.2	41.5	MYOJO FOODS	1.9	2.1
Chilled and frozen foods	54.3	64.0	Chilled and frozen foods	(0.4)	2.1
Confectionery and Beverages	42.6	51.6	Confectionery and Beverages	1.9	2.4
Domestic others	4.1	4.1	Domestic others	1.5	1.5
Domestic total	323.2	394.1	Domestic total	28.8	36.4
The Americas	62.5	64.5	The Americas	2.4	2.0
China (incl. H.K.)	40.1	42.6	China (incl. H.K.)	4.1	3.6
Asia	9.2	9.4	Asia	(0.4)	(1.4)
EMEA	5.9	5.9	EMEA	0.2	(0.5)
Overseas total	117.8	122.3	Overseas total	6.3	3.7
Consolidated sales revenue	441.0	516.4	Reconciliations/other	(0.1)	(5.9)
			Consolidated operating profit	35.0	34.1

*1: FY2018 results (IFRS) are ones before audit. IFRS will be adopted from 1Q of FY2019.

* The results in China (including H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS (H.K.) CO.,LTD..

FY2018 results (Changes to the balance sheet statement reflecting the change of the standards)

(bil. yen)

J-GAAP	IFRS ^{*1}	Difference	Major adjustments between J-GAAP and IFRS
Assets			
Part of cash and deposits	Cash and cash equivalents		
Part of securities	Other financial assets		
Deferred tax assets (current)			
-	Assets held for sale		
Current assets 170.1	Current assets 169.1	-1.0 (1)	(1) Adjustments to current assets
Deferred tax assets (non-current)	Deferred tax assets		1 Reclassification of asset classified as held for sale +3.5
Part of property, plant and equipment	Investment property		2 Reclassification of reporting of deferred tax assets as non-current assets -4.7
Investment securities	Other non-current financial assets		
-	Investments accounted for using the equity method		
Non-current assets 398.0	Non-current assets 359.6	-38.4 (2)	(2) Adjustments to non-current assets
Total assets 568.1	Total assets 528.7	-39.4	1 Change in evaluation Property, plant and equipment etc. -15.1
			2 Impairment of goodwill and intangible assets (incl. FX) -30.2
			3 Non-amortization of goodwill (including equity method companies) +2.6
			4 Increase in deferred tax assets resulting from adjustment between J-GAAP and IFRS +2.7
Liabilities			
-	Vacation pay liability		
Deferred tax liabilities (current)			
Current liabilities 130.8	Current liabilities 134.8	+4.0 (3)	(3) Adjustments to current liabilities
Deferred tax liabilities (non-current)	Deferred tax liabilities		1 Recognizing of vacation pay liability +2.8
Non-current liabilities 45.5	Non-current liabilities 40.8	-4.7 (4)	2 Increase in operating obligation due to adjustment of levy +1.1
Net assets			
Net assets 391.8	Equity 353.1	-38.7 (5)	(4) Adjustments to non-current liabilities
			1 Adjustment to retirement benefit -1.3
			2 Decrease in deferred tax liabilities resulting from adjustment between J-GAAP and IFRS -3.3
Total liabilities and net assets 568.1	Total liabilities and equity 528.7	-39.4	(5) Adjustments to equity
			1 Difference in foreign currency translation adjustment account +3.2
			2 Change in evaluation property, plant and equipment etc. -11.0
			3 Impairment of goodwill and intangible assets -321.0
			4 Non-amortization of goodwill (including equity method companies) +2.6

* This chart shows major adjustment between J-GAAP and IFRS.

*1: IFRS will be adopted from 1Q of FY2019. FY2018 results (IFRS) are ones before audit.

NISSIN FOOD PRODUCTS Generate cash and enhance profitability

- Challenge to be a 100-year brand company
 - Aggressive approach to the three strategic targets of young people, women and senior citizens
 - Aim for record net sales upon the 60th anniversary of the introduction of “Chicken Ramen”
 - Propose new value position of bag-type instant noodles
 - Develop and enhance the category of rice products
- Capital investment for enhancing earning power in the future (see page 23)
 - Construction of the Kansai Plant (1st phase operation to be started in August 2018 and 3rd phase operation to be started in December 2019)
- Target four-year consecutive record-high sales



MYOJO FOODS Enhance and foster brands

- Enhancement of main brands
 - Enhance tray-type products with a focus on “Ippeichan Yomise-no-Yakisoba” and “Bubuka Aburasoba”
 - Continue to pursue the CHARUMERA strategy
 - Revitalize “CHUKAZANMAI” by expanding the customer base
- Nurture new concept products
 - Establish low-carbohydrate noodles category called “Teitoshitsumen”



Chilled and Frozen Foods, and Confectionery and Beverages

(see page 24)

The Americas Handle changes of the market and enhance *CUP NOODLES* strategy in Brazil

- U.S.
 - Expand sales of existing brands and enhance profit base
 - Activate the market by proposing high-priced, high-quality products
- Mexico
 - Activate market by launching new products
 - Establish stable profit base by price revisions
- Brazil (see page 21)

China

Establish a management system rooted in the local market and aim for further business expansion (see page 22)

Asia

 Focus on growth segments and enhance *CUP NOODLES* brand

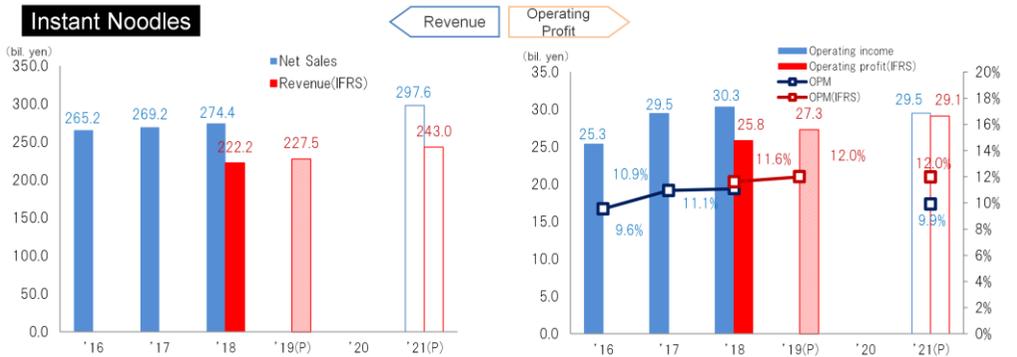
- India (see page 22)
- Singapore
 - Boost demand by introducing high value-added products
- Thailand
 - Enhance sales of 10-baht bag-type noodle products
 - Approach young people with "*CUP NOODLES*"
- Vietnam
 - Expand sales of "*CUP NOODLES*" at metropolitans
- Indonesia
 - Improve proposal capabilities in the country, whose instant noodle market size is ranked second following China
 - Enhance sales of "*Gekikara*", and "*U.F.O.*"

EMEA

 Penetrate and expand *NISSIN* brand in European countries

- Europe
 - Expand sales of "*Soba*", "*Demae Ramen*" and "*CUP NOODLES*" brands
 - Collaboration with Premier Foods
 - Utilize the marketing channel in the UK
 - OEM production of cup-type products ("*Batchelors Super Noodle Pots*")
- Turkey
 - Expand our position in the ramen market
 - Develop the instant pasta market

Instant Noodles



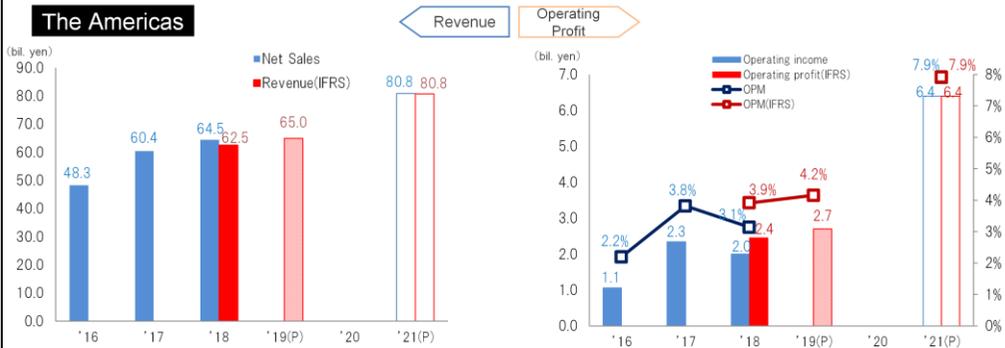
Chilled/ Frozen and Confectionery/ Beverage



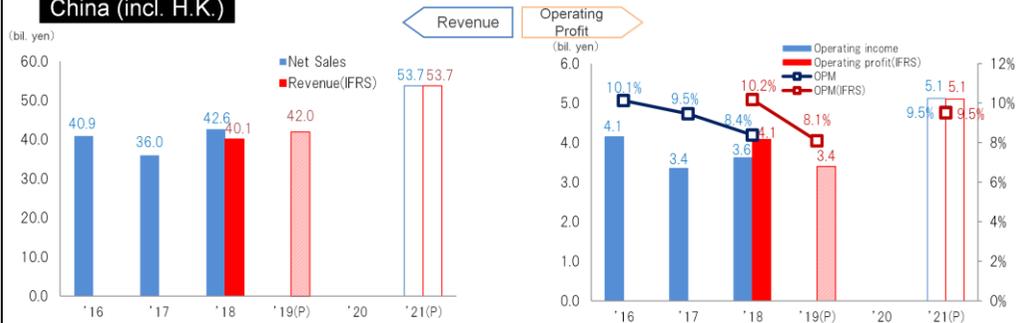
EARTH FOOD CREATOR



The Americas



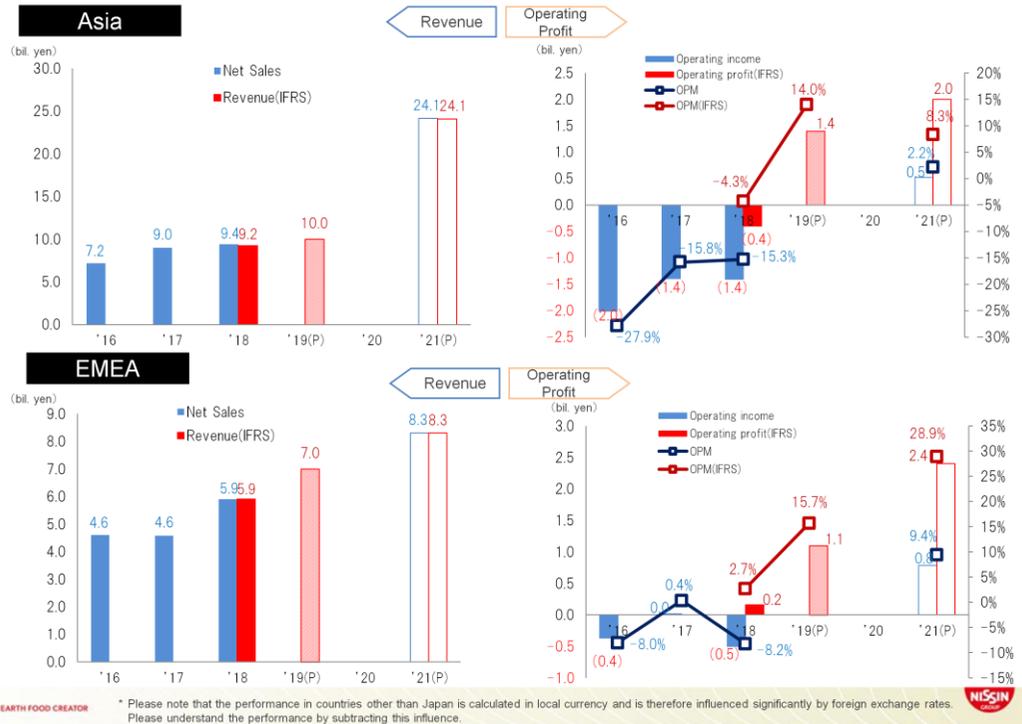
China (incl. H.K.)



EARTH FOOD CREATOR

* Please note that the performance in countries other than Japan is calculated in local currency and is therefore influenced significantly by foreign exchange rates. Please understand the performance by subtracting this influence.





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NISSIN FOODS HOLDINGS CO., LTD.