

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

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.

(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)

(bil. yen)

	FY2018					FY2018 Plan	FY2017 Results
	Results	vs.Plan		YoY Change			
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..

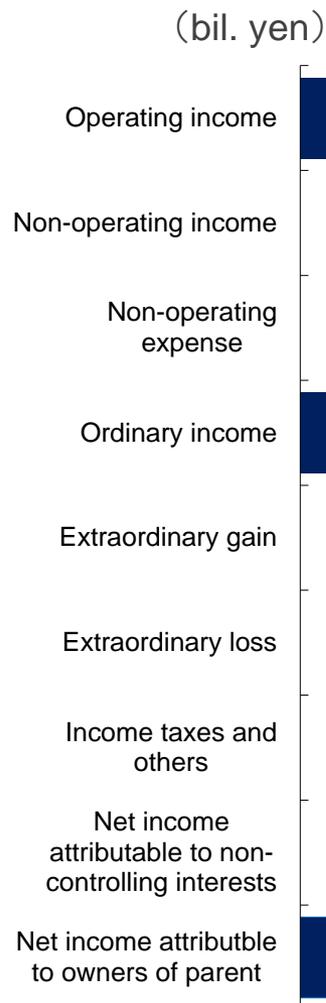
(bil. yen)

	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..

Major reasons

(bil. yen)



■ Non-operating income	7.9 (6.1)
• Interest income	1.2 (0.8)
• Dividend income	1.4 (1.4)
• Gain on sales of marketable securities	0.9 (1.3)
• Equity in earnings of affiliates	2.7 (1.7)
• Others	1.7 (0.9)
■ Non-operating expenses	1.4 (1.9)
• Interest expenses	0.4 (0.4)
• Foreign exchange loss	0.2 (0.8)
• Others	0.8 (0.8)
■ Extraordinary gain	6.8 (7.5)
• Gain on sales of fixed assets	0.8 (0.1)
• Gain on sales of investments in securities	1.1 (6.8)
• Insurance proceeds	0.4 (0.3)
• Gain on change in equity	4.4 (-)
• Others	0.2 (0.2)
■ Extraordinary loss	9.9 (4.9)
• Loss on sales of fixed assets	0.5 (0.1)
• Impairment loss	5.3 (1.0)
• Loss on business of subsidiaries and associates	1.1 (-)
• Loss on valuation of stocks of subsidiaries and affiliates	0.6 (1.1)
• Others	2.4 (2.7)

Sales of shares of Ono pharmaceutical Co., Ltd. (LY)
 Fire at Brazil business
 Gain on change in equity of affiliates
 Domestic plant equipment, overseas plant equipment
 Loss on liquidation associated with business elimination and consolidation
 Settlement money due to contract change (LY)
 Including loss on disposal of fixed assets and provision for allowance for doubtful accounts

■ Positive ■ Negative

Shift to IFRS in the 1st quarter of FY2019

(bil. yen)

	Plan (IFRS)	FY2019		FY2018 Results (IFRS) ^{*1}
		YoY Change		
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

(bil. yen)

FY2018
Results
(IFRS) *1

	Plan (IFRS)	FY2019		
		YoY Change (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.

(bil. yen)

	Plan (IFRS)	FY2019		FY2018 Results (IFRS) ^{*1}
		YoY Change (Change from the previous year's result under IFRS)		
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.

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

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.

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

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

- 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		Reference	
		J-GAAP		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		330 yen
				CAGR 10% or higher	

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.

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

Earning power
through
operations

	FY2021	
(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)

(Overseas)

(bil. yen)	FY2021		FY2021	
	J-GAAP		IFRS	
	Plan		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%	

(bil. yen)	FY2021		FY2021	
	J-GAAP		IFRS	
	Plan		Plan	
The Americas	Revenue	80.8	80.8	
	Operating Profit	6.4	6.4	
	OP margin	7.9%	7.9%	
China (incl. H.K.)	Revenue	53.7	53.7	
	Operating Profit	5.1	5.1	
	OP margin	9.5%	9.5%	
Asia	Revenue	24.1	24.1	
	Operating Profit	0.5	2.0	
	OP margin	2.2%	8.3%	
EMEA	Revenue	8.3	8.3	
	Operating Profit	0.8	2.4	
	OP margin	9.4%	28.9%	

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.

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

1. Increasing dividends

Expected dividends for FY2018

90 yen

(Payout ratio: 32.2% /J-GAAP)

+20 yen

Expected dividends for FY2019

110 yen

(Payout ratio: 44.1% /IFRS)

2. Cancellation of treasury shares

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

Before cancellation

All shares outstanding	117,463,685
Treasury shares	13,329,298

**10%
cancellation**

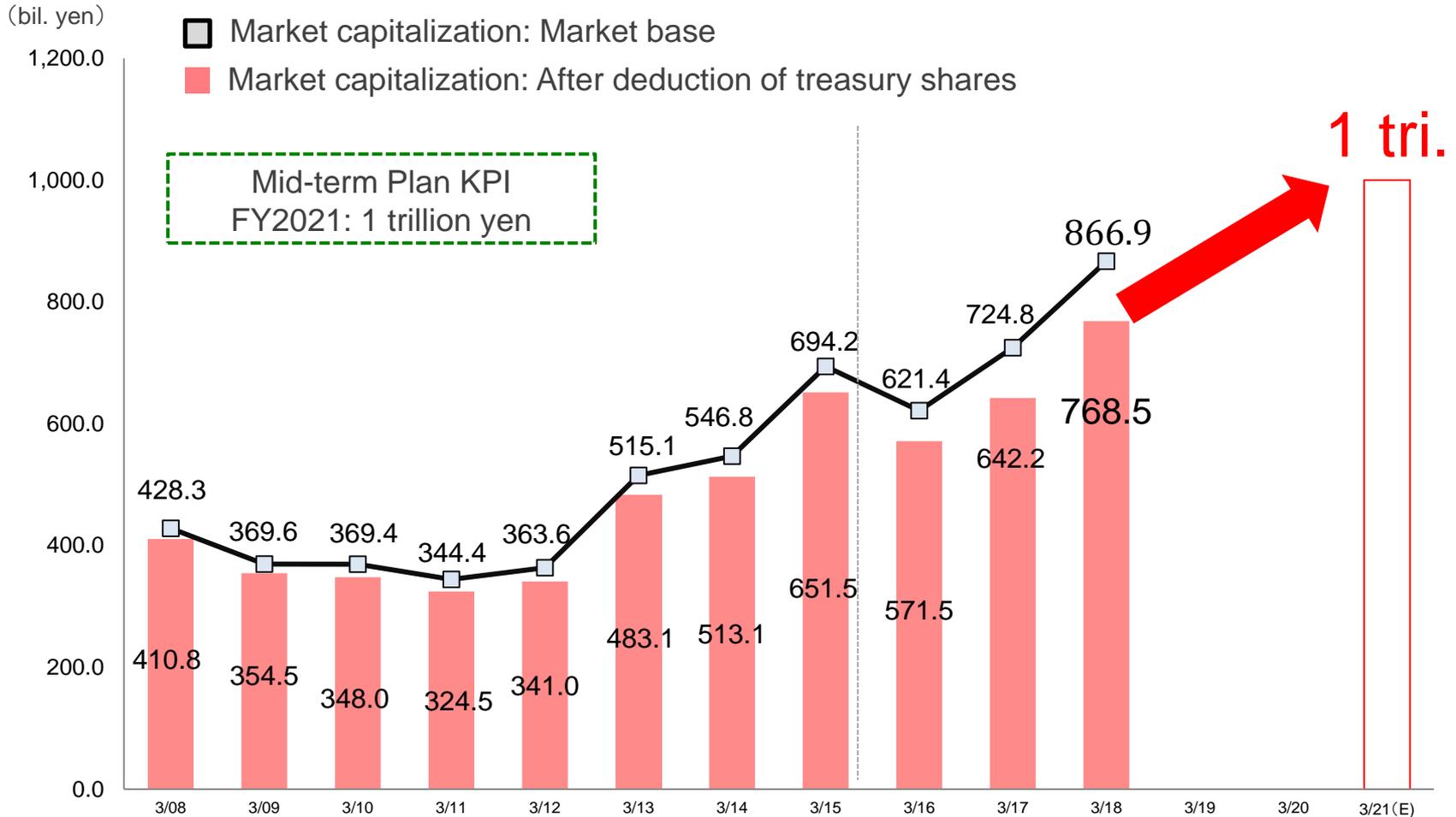
After cancellation

All shares outstanding	105,700,000
Treasury shares	1,565,613

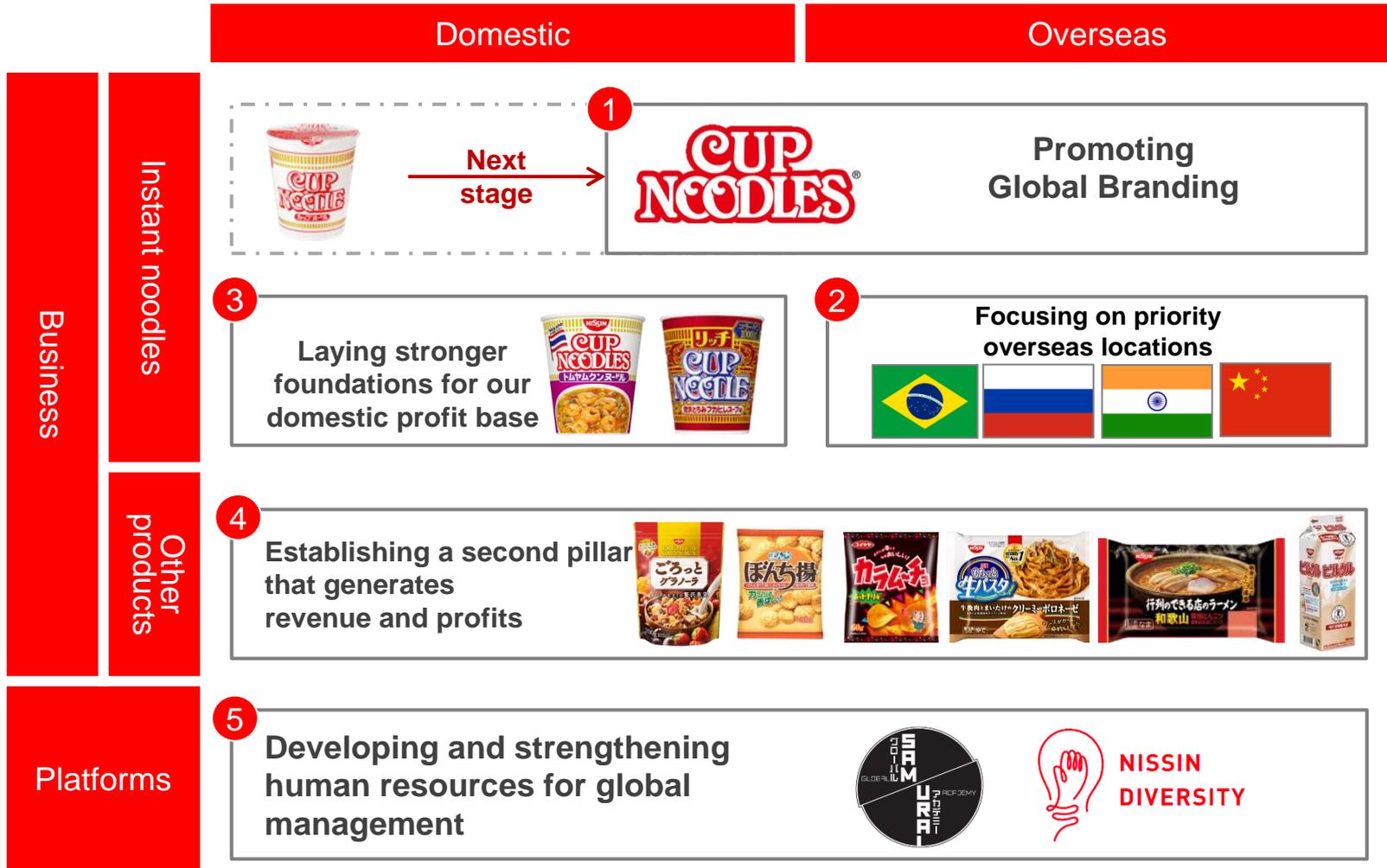
Planned date of cancellation: May 24, 2018

Market capitalization

Expanded favorably toward 1 trillion yen in FY2021

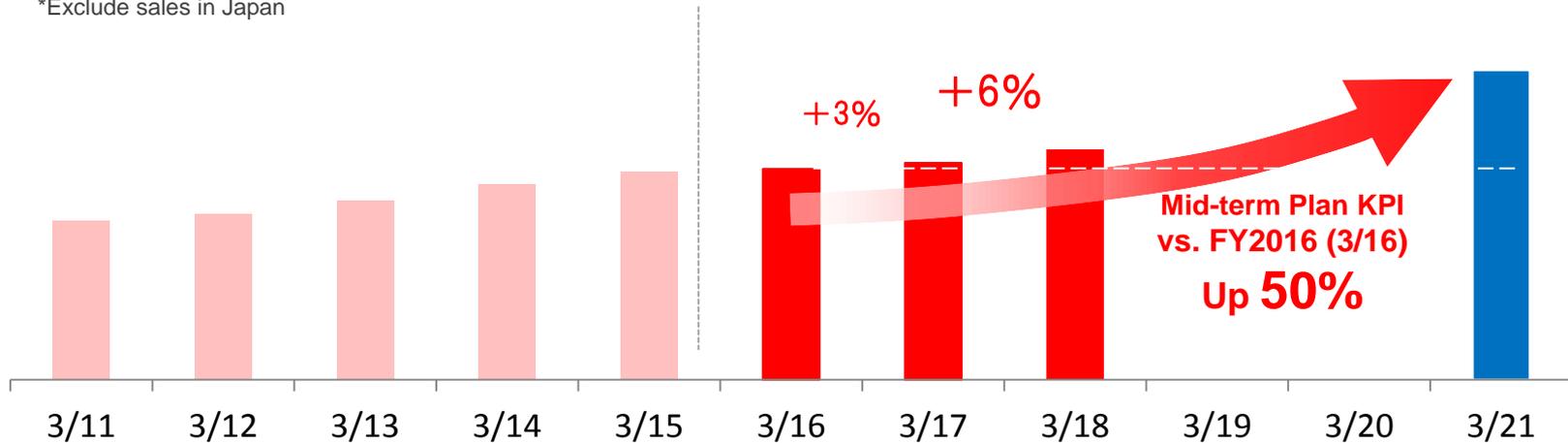


- Focusing on five key themes in pursuit of business profitability



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



UK

- October: Test marketing (UK)



India

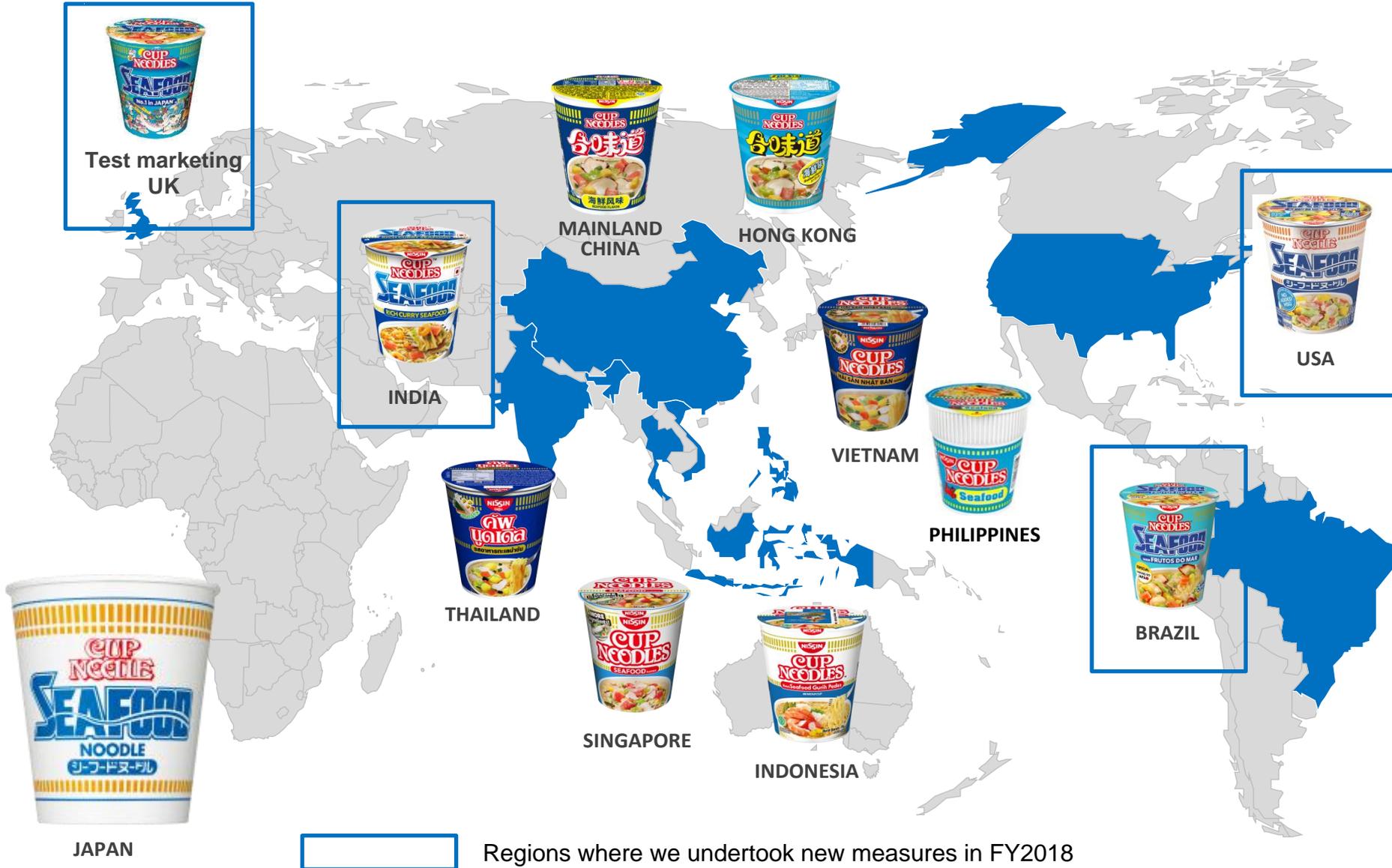
- October: Introduction of “SEAFOOD”, which is a global flavor



Brazil

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

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



Regions where we undertook new measures in FY2018

Strategic Theme 2

Focusing on Priority Locations : BRICs

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 Lamen", 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



Strategic Theme 2 Focusing on Priority Locations: BRICs

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

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

■ 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㎡

■ 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

NISSIN FROZEN FOODS



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

NISSIN YORK



- 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

NISSIN CHILLED FOODS



■ 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**

(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.

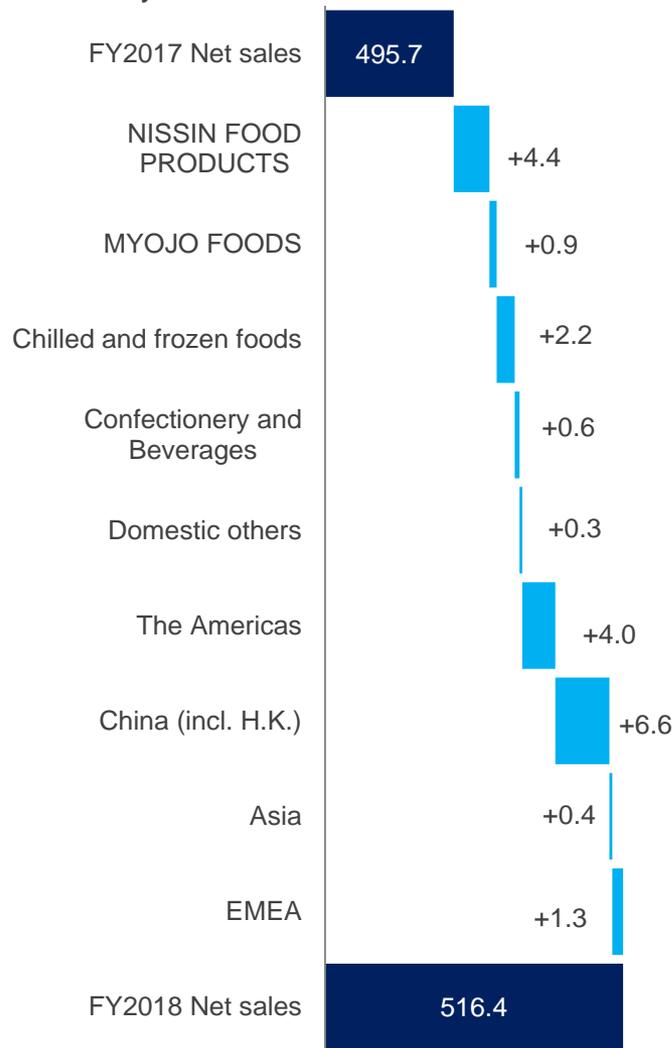


NISSIN FOODS HOLDINGS CO., LTD.



APPENDIX

(bil. yen)



Positive Negative

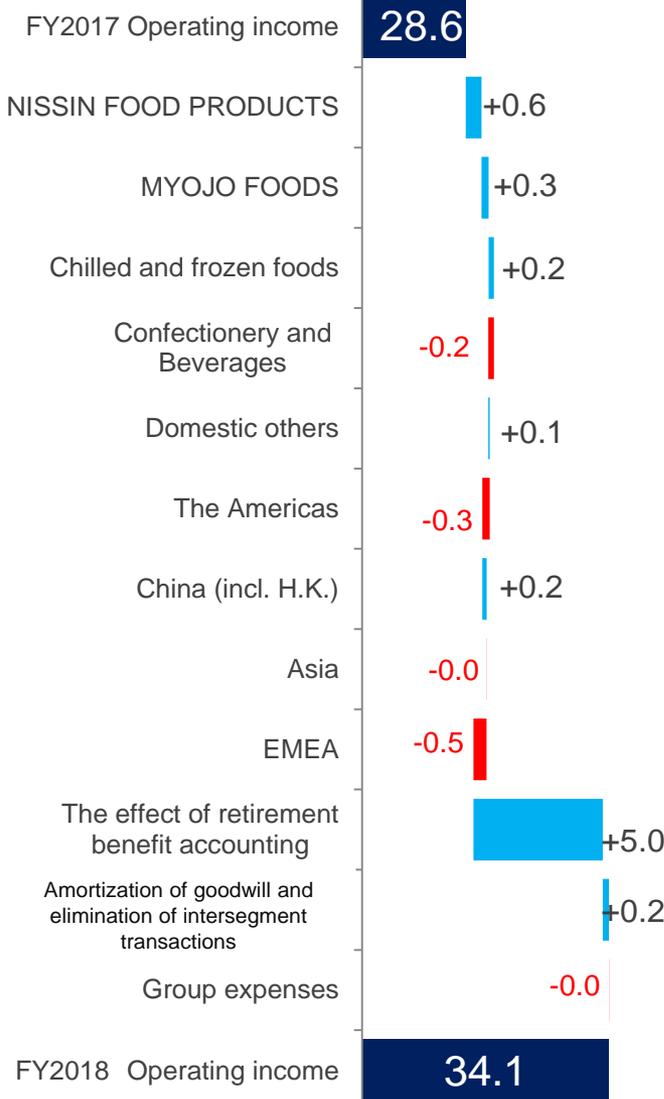
* Comments and YoY change figures in Major Factors in the Americas, China, Asia and EMEA segments are based on local currency.

Segment	Impact	Major Factor
NISSIN FOOD PRODUCTS	+4.4	Cup-type (+1%): Increase from the challenging target of +4% year on year in the previous year, largely due to new products such as "CUP NOODLE NICE" as well as the launch of renewed "MENSHOKUNIN". Sales of "CUP NOODLES" and "DONBEI" also increased year on year. Bag-type (-1%): Suffered a decline of -5% in the first half. However, an increase of +3% was recorded in the Oct-Mar period, thanks in part to the launch of the OWAN series. Others (+44%): Sales of "BUKKOMI MESHI", "CURRY MESHI" and other products increased.
MYOJO FOODS	+0.9	Cup-type (+3%): "Yomise-no-Yakisoba" began to recover in July. Sales were also driven by "Charumera Cup", "Bubuka" and "Umadashiya". Bag-type (+1%): Full-year sales exceeded the previous year's level.
Chilled and frozen foods	+2.2	Chilled food (+1%): Sales exceeded the previous year's level thanks to the strong performance of Ramen for the commercial market and subsidiaries. Frozen food (+5%): Sales of products for the commercial market rose because pasta and Ramen continued to show strong performance. Sales of products for home delivery use and professional use also grew.
Confectionery and Beverages	+0.6	CISCO (+4%): Sales increased because cereal and confectionery products continued to perform well. YORK(-1%): Sales declined due to the impact of smaller chilled drink sales spaces at convenience stores. BONCHI (-1%): Sales remained at the same level as the previous year, reflecting the recovery of sales in the second half from the poor performance in the first half.
Domestic others	+0.3	
The Americas	+4.0	
The Americas	+4.0	* FX impact (+2.2) U.S. (+4%): Sales increased due to higher sales of "CUP NOODLES" and "TOP RAMEN", respectively. Mexico (+7%): Sales grew, reflecting the effect of a price hike, although the increase in the number of units sold was marginal. Brazil (+2%): Sales remained unchanged from the previous year until the 3 rd quarter. The increase in sales in the 4 th quarter made a contribution.
China (incl. H.K.)	+6.6	* FX impact (+1.1) H.K. (+25%): Sales were up significantly due to the new consolidation of MCMS (distributor). Mainland China (+8%): Sales expanded as a result of the contribution of higher sales of high value-added products and the effect of area expansion.
Asia	+0.4	* FX impact (+0.4) in descending order of sales India: Sales decreased. Singapore: Sales increased slightly. Thailand: Sales decreased due to the change of the accounting standards. (Sales increased due to the change of the accounting standards.) Indonesia: Sales rose significantly. Vietnam: Sales increased.
EMEA	+1.3	* FX impact (+0.3) Europe: Sales grew, reflecting the expansion of "Soba" and OEM shipments to Premier Foods.PLC. Turkey: Sales rose thanks to the expansion into the ramen business.
Total	+20.7	* FX impact (+4.1)

* Figures for year-on-year changes in sales of NISSIN FOOD PRODUCTS and MYOJO FOODS, which are indicated in the parentheses of each, are year-on-year changes by category. *Results of BONCHI for the previous fiscal year are for the Jan-Dec period, and those for the current fiscal year are for the Apr-Mar period.

* 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..

(bil. yen)



Segment	Impact	Major Factor
NISSIN FOOD PRODUCTS	+0.6	+ : Increased sales, lower CoGS ratio, and reduction in advertising expenses - : Higher promotional cost to sales ratio (reactionary increase following the Kumamoto earthquakes in the last fiscal year), higher depreciation, and increase in SG&A expenses
MYOJO FOODS	+0.3	+ : Increased sales, lower CoGS ratio (helped by enhanced production efficiency), and reduced promotional cost to sales ratio - : Increases in depreciation and SG&A expenses, etc.
Chilled and frozen foods	+0.2	Chilled food: Operating income decreased slightly, mainly due to a slowdown in sales of products for the commercial market and an increase in general expenses. Frozen food: Operating income increased, supported mainly by higher sales and a lower CoGS ratio due to improved productivity.
Confectionery and Beverages	-0.2	CISCO: Operating income increased slightly (thanks to the effect of increased sales, which was partly offset by the increase in costs attributed to the sales mix). YORK: Depreciation and promotional costs increased. BONCHI: Operating income decreased.
Domestic others	+0.1	Reduced costs > Higher depreciation
The Americas	-0.3	* FX impact (+0.1) U.S.: Distribution costs and personnel costs increased. Mexico: Marketing and administrative expenses increased. Brazil: Profit increased, mainly reflecting the effects of price revisions, lower marketing expenses, and the improved CoGS ratio.
China (incl. H.K.)	+0.2	* FX impact (+0.1) H.K.: Strong sales of "Demae Iccho" offset an increase in depreciation. Mainland China: Increased sales < Rise in depreciation that resulted from the start of the operation of the Zhejiang plant
Asia	-0.0	* FX impact (-0.1) in descending order of profit. Singapore: Profit decreased. Thailand: Restored profitability. Vietnam: Almost at the same level as the previous year. Indonesia: Operating loss increased. India: Operating loss decreased.
EMEA	-0.5	* FX impact (+0.0) Europe: Increased sales < Increase in depreciation of plant and increase of expenses incurred by the delayed start-up of a plant. Turkey: Deficit decreased partly due to the impact of higher sales.
Reconciliations	+5.2	Impact of retirement benefit accounting, in particular (+5.0)
Total	+5.5	* FX impact (+0.2)

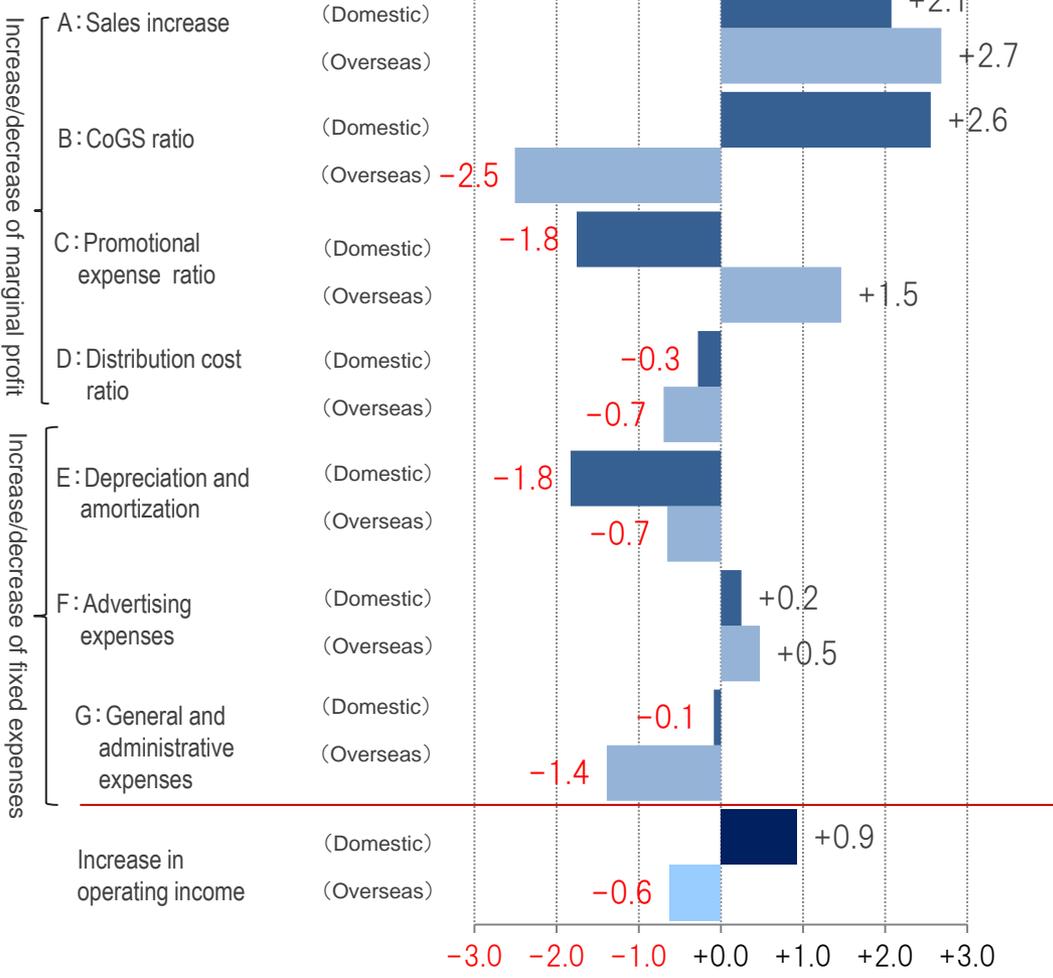
Positive Negative

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

Blue: Positive change from the previous year
Red: Negative change from the previous year

YoY change
(bil. yen)

Decrease factors Increase factors



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
Cost of sales	Cost of sales		1 Deduction of variable consideration from sales, etc. -75.4
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
Non-operating income/expenses (including equity in earnings of subsidiaries)	Financial income/expenses		1 Change in reporting of equity in earnings of affiliates as a component of operating income +2.7
Ordinary income 40.6	-		2 Change in reporting of other income/expenses as a component of operating income -2.9
Extraordinary gain/loss	-		3 Non-amortization of goodwill (including equity method companies) +2.6
Income before income taxes 37.5	Profit before income taxes 37.0	-0.5	4 Others -1.5
Income taxes	Corporate income taxes		
Net income 29.1	Profit 29.0	-0.1	
Net income attributable to non-controlling interests 0.0	Profit attributable to non-controlling interest 0.0	+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		(3) Adjustments to other comprehensive income
Foreign currency translation adjustment	Foreign currency translation adjustments		1 Change in reporting of gains and losses on securities sold as a component of other comprehensive income, etc. +1.3
Remeasurements of defined benefit plans, net of tax	Remeasurements of defined benefit plans		2 Reversal of land revaluation reserve -1.0
Other comprehensive income 4.1	Other comprehensive income 7.8	+3.7(3)	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		(1) Adjustments to current assets	
Part of securities	Other financial assets			
Deferred tax assets (current)	-		1 Reclassification of asset classified as held for sale +3.5	
-	Assets held for sale		2 Reclassification of reporting of deferred tax assets as non-current assets -4.7	
Current assets 170.1	Current assets 169.1	-1.0 (1)	(2) Adjustments to non-current assets	
Deferred tax assets (non-current)	Deferred tax assets			1 Change in evaluation Property, plant and equipment etc. -15.1
Part of property, plant and equipment	Investment property			2 Impairment of goodwill and intangible assets(incl. FX) -30.2
Investment securities	Other non-current financial assets			3 Non-amortization of goodwill (including equity method companies) +2.6
-	Investments accounted for using the equity method		4 Increase in deferred tax assets resulting from adjustment between J-GAAP and IFRS +2.7	
Non-current assets 398.0	Non-current assets 359.6	-38.4 (2)	(3) Adjustments to current liabilities	
Total assets 568.1	Total assets 528.7	-39.4		1 Recognizing of vacation pay liability +2.8
				2 Increase in operating obligation due to adjustment of levy +1.1
Liabilities				
-	Vacation pay liability		(4) Adjustments to non-current liabilities	
Deferred tax liabilities (current)	-			1 Adjustment to retirement benefit -1.3
Current liabilities 130.8	Current liabilities 134.8	+4.0 (3)	2 Decrease in deferred tax liabilities resulting from adjustment between J-GAAP and IFRS -3.3	
Deferred tax liabilities (non-current)	Deferred tax liabilities		(5) Adjustments to equity	
Non-current liabilities 45.5	Non-current liabilities 40.8	-4.7 (4)		1 Difference in foreign currency translation adjustment account +3.2
				2 Change in evaluation property, plant and equipment etc. -11.0
Net assets				
Net assets 391.8	Equity 353.1	-38.7 (5)	3 Impairment of goodwill and intangible assets -321.0	
			4 Non-amortization of goodwill (including equity method companies) +2.6	
Total liabilities and net assets 568.1	Total liabilities and equity 528.7	-39.4		

* 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.*”

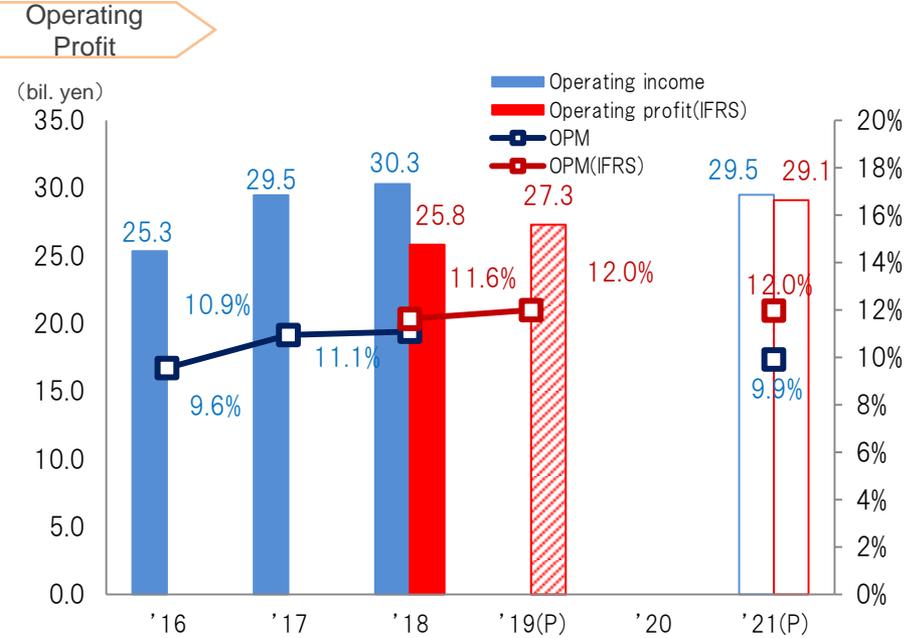
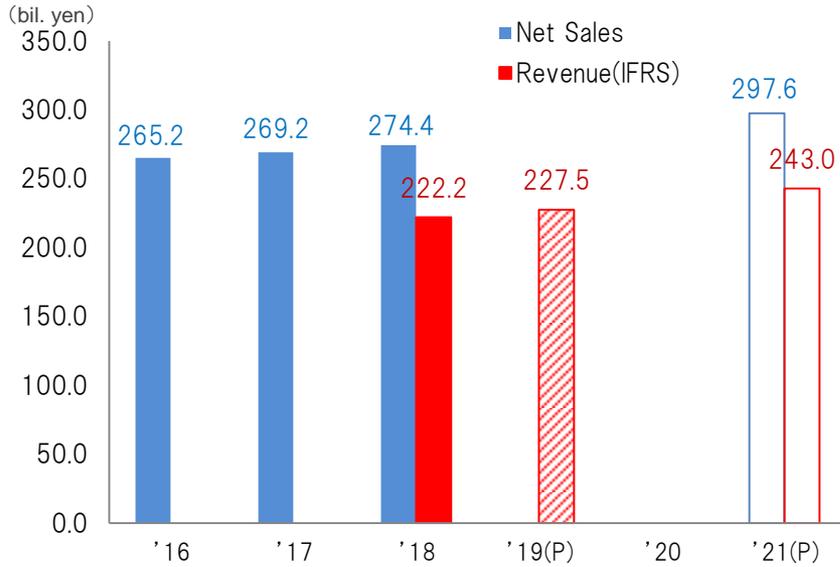
EMEA

Penetrate and expand NISSIN brand in European countries

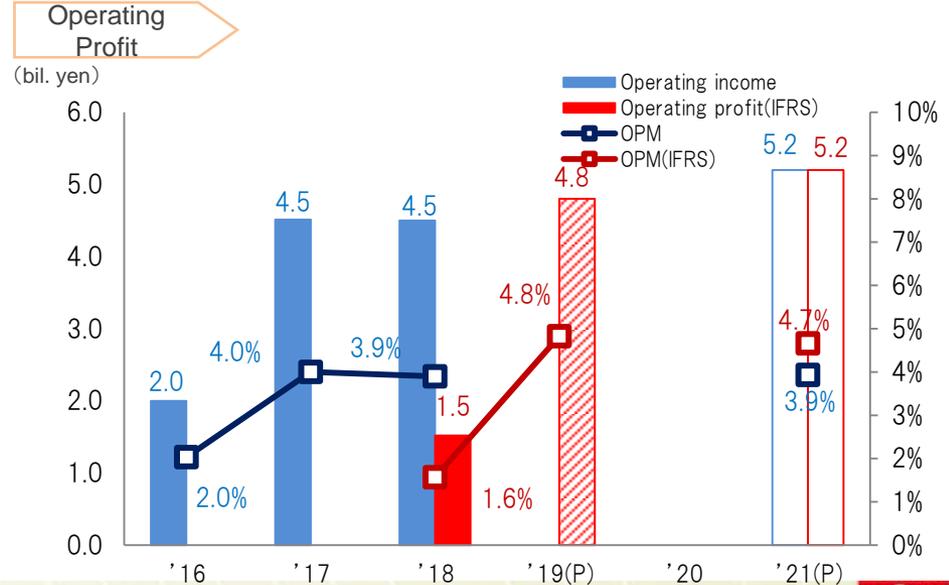
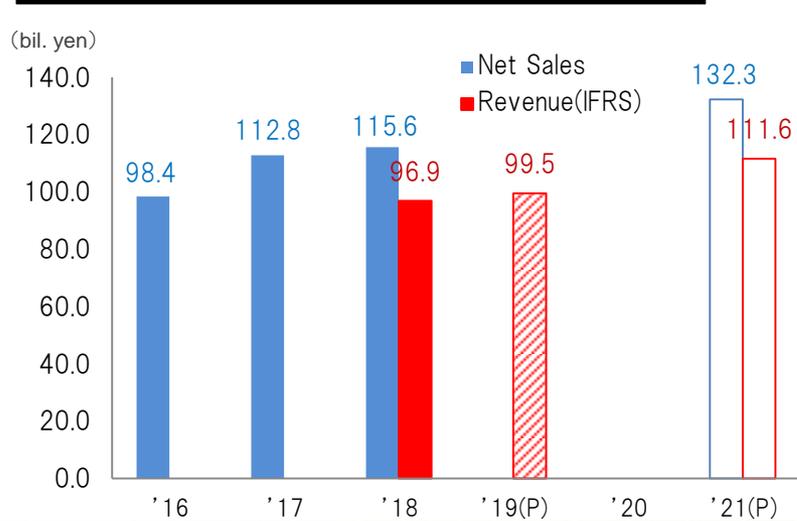
- Europe
 - Expand sales of “*Soba*”, “*Demae Ramen*” and “*CUP NOODLES*” brands
 - Collaboration with Premier Foods
 - Utilize the marketing channel in the UK
 - OEM production of cup-type products (“*Batchelors Super Noodle Pots*”)
- Turkey
 - Expand our position in the ramen market
 - Develop the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

Mid-term Plan Progress of Major Segments (1)

Instant Noodles

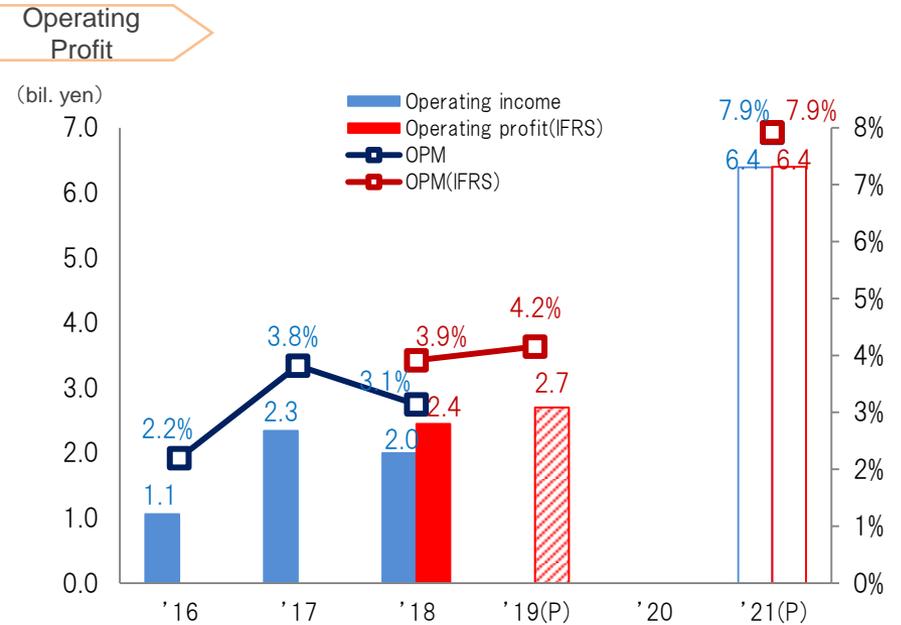
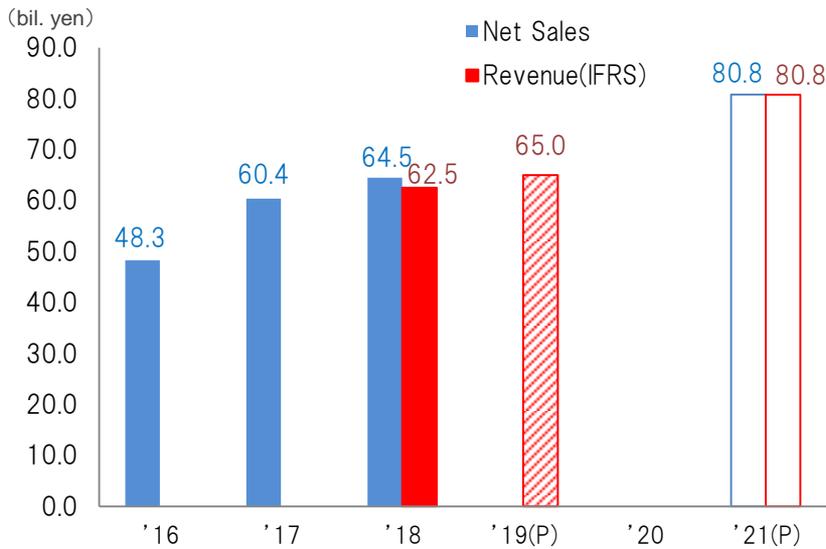


Chilled/ Frozen and Confectionery/ Beverage

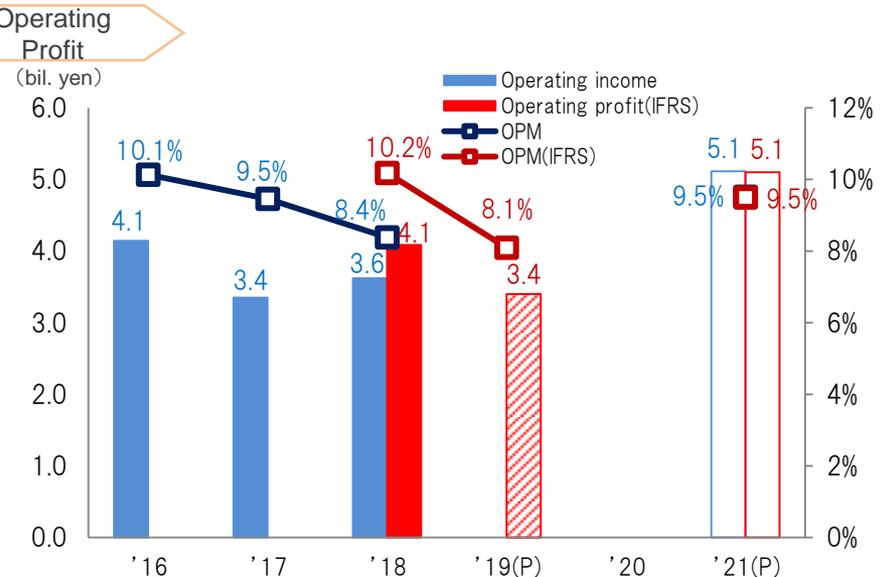
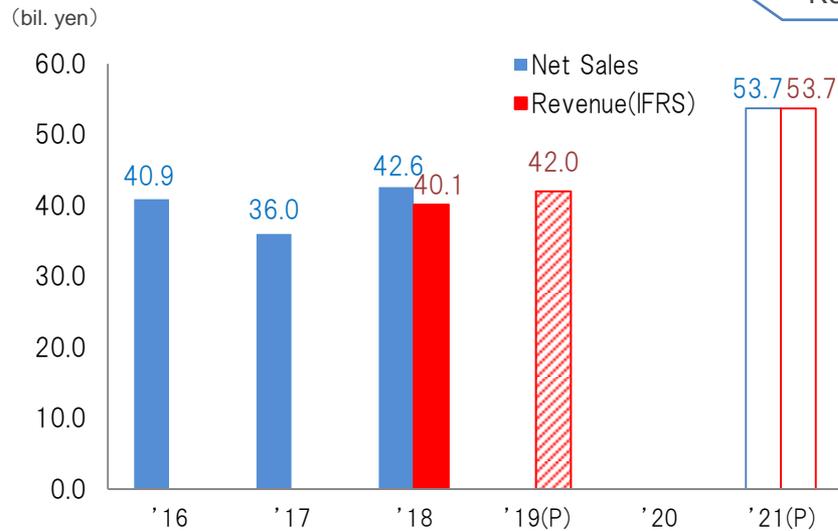


Mid-term Plan Progress of Major Segments (2)

The Americas



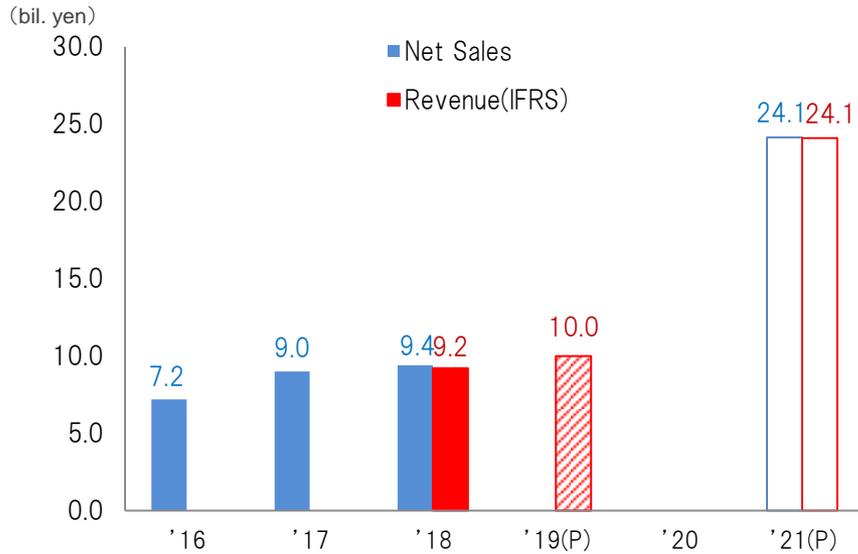
China (incl. H.K.)



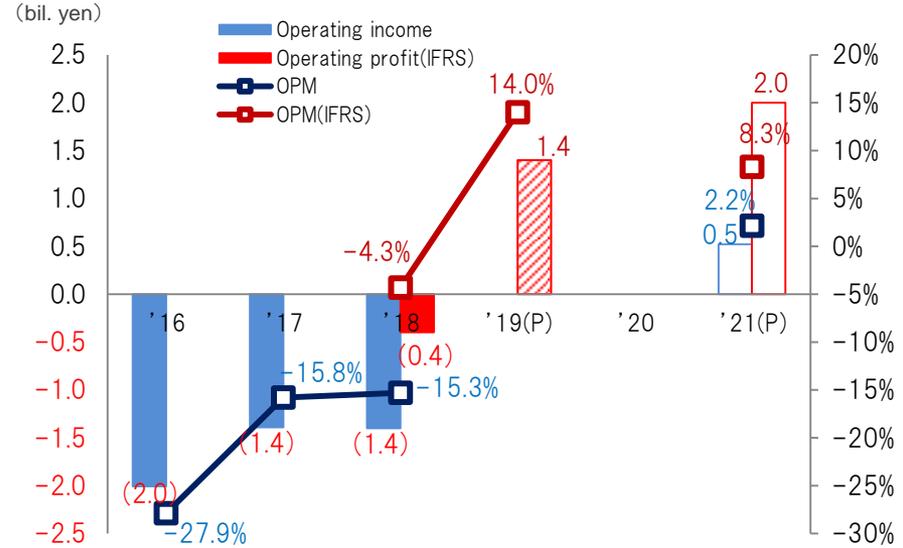
* Please note that the performance in countries other than Japan is calculated in local currency and is therefore influenced significantly by foreign exchange rates. Please understand the performance by subtracting this influence.

Mid-term Plan Progress of Major Segments (2)

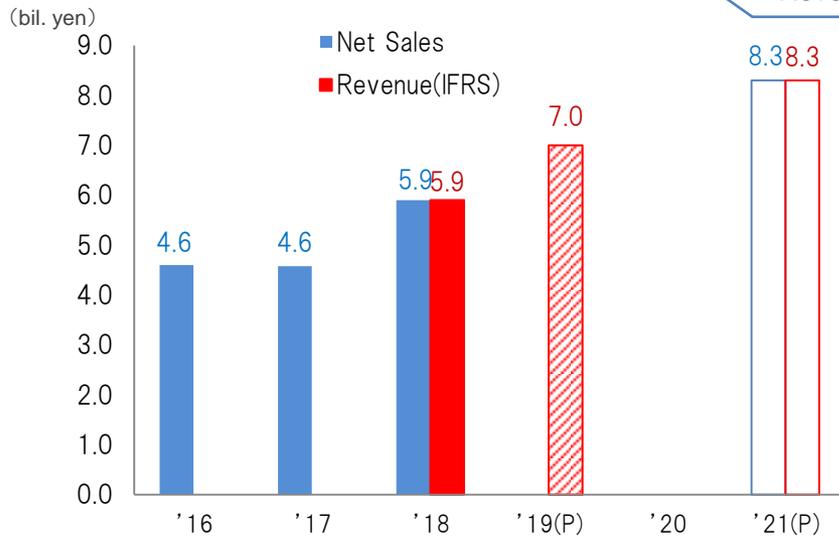
Asia



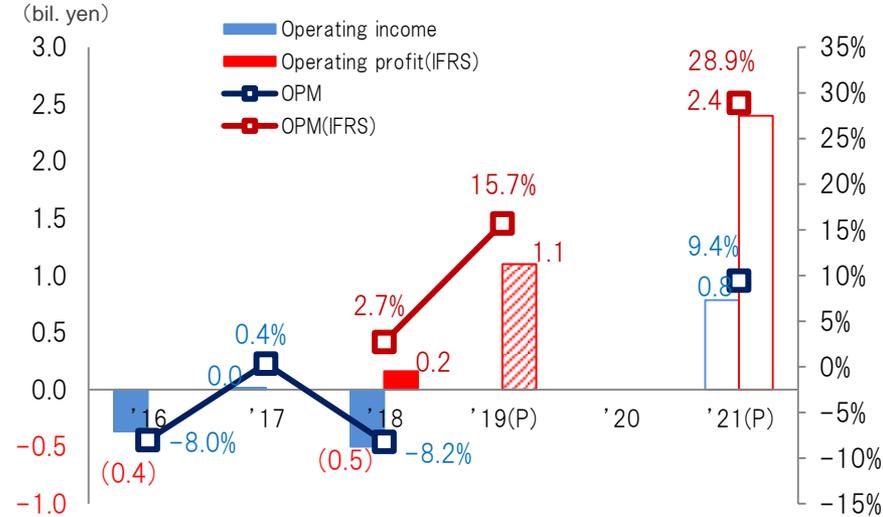
Operating Profit



EMEA



Operating Profit



* 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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