

Consolidated Results for FY2019
(Fiscal Year Ended March 31, 2019)
Announced on May 9, 2019

This material was released on May 13, 2019 for the results briefing.

 **NISSIN FOODS HOLDINGS CO., LTD.**

Stock Code: 2897

FY2019 Business Report
FY2020 Business Plan

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.
- We will now report on our full-year results for the fiscal year ended March 31, 2019.
- I will explain our business results for fiscal 2019 and our business plan for fiscal 2020.
- Prior to this briefing, the Company had already released the Notice of Revision of Financial Results Forecast, Posting of Impairment Loss in Consolidated Financial Statements and Posting of Extraordinary Loss in Individual Financial Statements on April 25, and the Summary of Consolidated Financial Statements and Supplemental Information for the Fiscal Year Ended March 31, 2019 on May 9. We therefore consider that many of you already know the details of our financial results for the fiscal year ended March 2019 and our business plan for the fiscal year ended March 2020, so I will only explain the key points.
- Please turn to Slide 2 of the material provided to each of you.

FY2019
Mgmt.
Policy

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*
 - 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

- Revenue increased by 10.1 billion yen, driven by the instant noodle business in Japan and the China business/Asia region overseas.
- Operating profit decreased by 6.2 billion yen, reflecting the deterioration/loss on impairment of property in the U.S. business and loss on impairment of intangible assets in Brazil.

Domestic: Both revenue and operating profit increased.

- "*CHICKEN RAMEN*", which marked its 60th anniversary, "*CUP NOODLE*" and "*DONBEI*" achieved record-high revenue.
- NISSIN FOOD PRODUCTS' Kansai Plant went into operation upon completion of Phase I (Oct. 2018) and Phase II (Mar. 2019) construction.
- NISSIN FOOD PRODUCTS, MYOJO FOODS and the chilled and frozen foods business posted increased revenue, and MYOJO FOODS, the chilled and frozen foods and confectionery and beverages businesses recorded increased profits.
- A gain on sales of real estate was recorded.

Overseas: Revenue increased and operating profit decreased.

- A loss on the impairment of property due to deterioration of U.S. business was recorded, while Brazil business/Mexico business showed substantial growth (local currency basis).
- China business maintained steady growth.
- The Asia region achieved revenue growth and improvement in profitability, driven by Thailand in particular.
- In the EMEA region, proceedings for the dissolution and liquidation of a Turkish JV began.

Others:

- A loss on impairment of intangible assets in Brazil was recognized.

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NISSIN

- I will now briefly explain the overview of our results for fiscal 2019.
- For the consolidated financial year 2019, sales increased and profit decreased from the previous fiscal year, but neither sales nor profit reached their targets.
- Revenue marked a record high for the 10th consecutive year, but it was not official because we adopted the International Financial Reporting Standards (IFRS) starting from this fiscal year. On the other hand, operating profit and profit attributable to owners of parent both decreased year on year, mainly reflecting an impairment loss of property due to the deterioration of the U.S. business and an impairment loss of intangible assets which we realized when a Brazilian company became our wholly-owned subsidiary.
- Domestically, both revenue and operating profit increased, marking new record highs.
- In the instant noodles business, in particular, the core brands "*CHICKEN RAMEN*", "*CUP NOODLE*" and "*DONBEI*" achieved record-high revenues.
- NISSIN FOOD PRODUCTS' Kansai Plant completed the second phase of construction and commenced operation. The third construction which is the final phase of construction is scheduled to be completed next fiscal year.
- MYOJO FOODS and the chilled and frozen foods business posted increased revenue and profits. Although sales in the confectionery and beverages business remained almost unchanged from the previous fiscal year, profit increased due to a change in the sales mix.
- In the overseas businesses, sales reached a new record high, but unfortunately profit decreased, mainly because of an impairment loss of property due to the deterioration of the U.S. business.
- The Brazil and Mexico businesses grew significantly, and the China business continued to grow steadily.
- In Asia, the Thai business, in particular, achieved increases in revenue and profit, serving as a driving force in Asia.
- In EMEA, we liquidated the Turkish business, but revenue and profit rose in the entire area.
- Please turn to the next slide.

(bil. Yen)

	FY2019					FY2019 Plan	FY2018 Results
	Results	Vs. Plan		YoY Change			
Revenue	451.0	-4.0	-0.9%	+10.1	+2.3%	455.0	440.9
Operating profit	29.0	-7.0	-19.5%	-6.2	-17.6%	36.0	35.2
Profit attributable to owners of parent	19.4	-6.6	-25.6%	-9.8	-33.6%	26.0	29.1
OP margin	6.4%	-1.5pt		-1.6pt		7.9%	8.0%
Profit attributable to owners of parent margin	4.3%	-1.4pt		-2.3pt		5.7%	6.6%
ROE	5.9%	-		-3.3pt		-	9.2%
EPS (Yen)	186	-64		-94		250	280
Adjusted EPS (Yen) ^{*1}	225	-22		-38		247	263

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

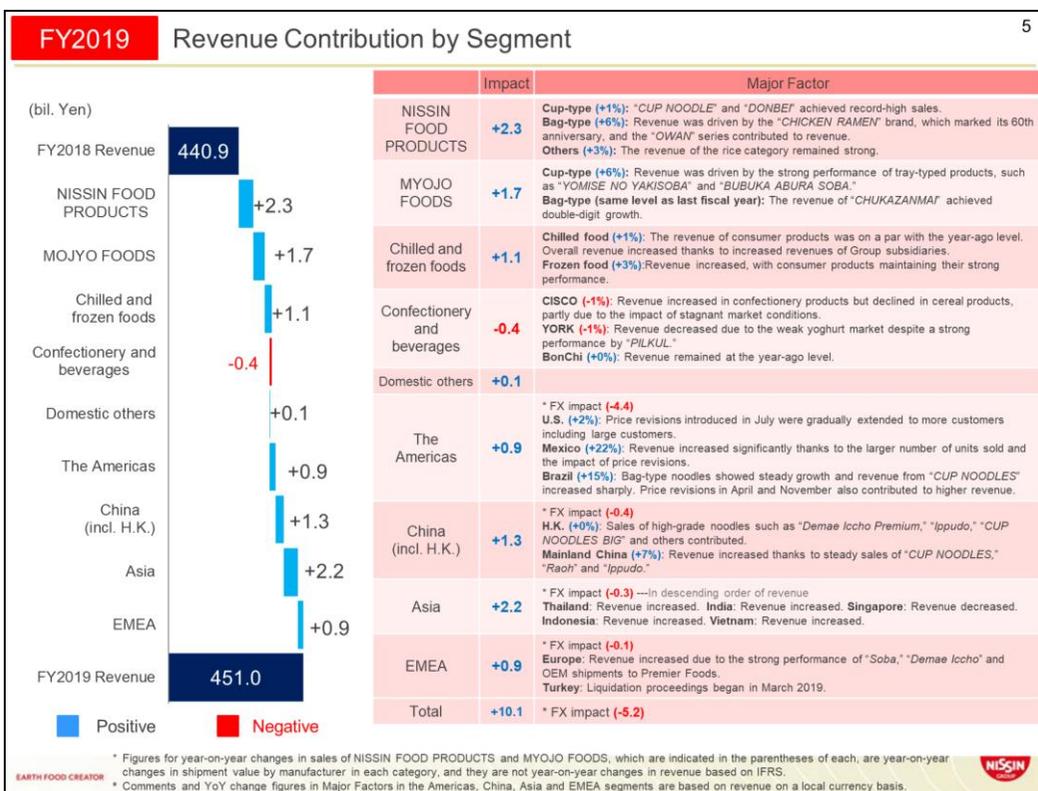
- Revenue increased 10.1 billion yen year on year, to 451.0 billion yen.
- On the other hand, operating profit decreased 6.2 billion yen year on year, to 29.0 billion yen, mainly due to an impairment loss of property in the U.S. and an impairment loss of intangible assets in Brazil, which totaled 9.5 billion yen.
- Profit attributable to owners of parent also declined 9.8 billion yen year on year, to 19.4 billion yen, due to the impact of impairment losses.
- As a result, the operating margin was 6.4% and ROE was 5.9%.
- Please turn to the next slide.

(bil. Yen)

	FY2019					FY2019 Plan	FY2018 Results
	Results	Vs. Plan		YoY Change			
Instant noodles	226.1	-1.4	-0.6%	+4.0	+1.8%	227.5	222.1
NISSIN FOOD PRODUCTS	193.3	-1.7	-0.9%	+2.3	+1.2%	195.0	191.0
MYOJO FOODS	32.9	+0.4	+1.2%	+1.7	+5.6%	32.5	31.2
Chilled and frozen foods	55.4	-0.1	-0.1%	+1.1	+2.1%	55.5	54.3
Confectionery and beverages	42.2	-1.8	-4.1%	-0.4	-1.0%	44.0	42.6
Domestic others	4.2	+0.2	+4.5%	+0.1	+1.9%	4.0	4.1
Domestic total	327.9	-3.1	-0.9%	+4.8	+1.5%	331.0	323.1
The Americas	63.4	-1.6	-2.4%	+0.9	+1.4%	65.0	62.5
China (incl. H.K.)	41.4	-0.6	-1.3%	+1.3	+3.3%	42.0	40.1
Asia	11.4	+1.4	+13.8%	+2.2	+23.4%	10.0	9.2
EMEA	6.8	-0.2	-3.0%	+0.9	+15.0%	7.0	5.9
Overseas total	123.0	-1.0	-0.8%	+5.2	+4.5%	124.0	117.8
Consolidated revenue	451.0	-4.0	-0.9%	+10.1	+2.3%	455.0	440.9

* 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 CO., LTD. (located in H.K.).

- Next, I will explain the revenue results by segment.
- First, revenue from the domestic businesses rose 4.8 billion yen from the previous fiscal year, to 327.9 billion yen.
- Revenue from the overseas businesses increased 5.2 billion yen, to 123.0 billion yen.
- In terms of the breakdowns of these figures, I will explain them as revenue contribution by segment on the next slide.



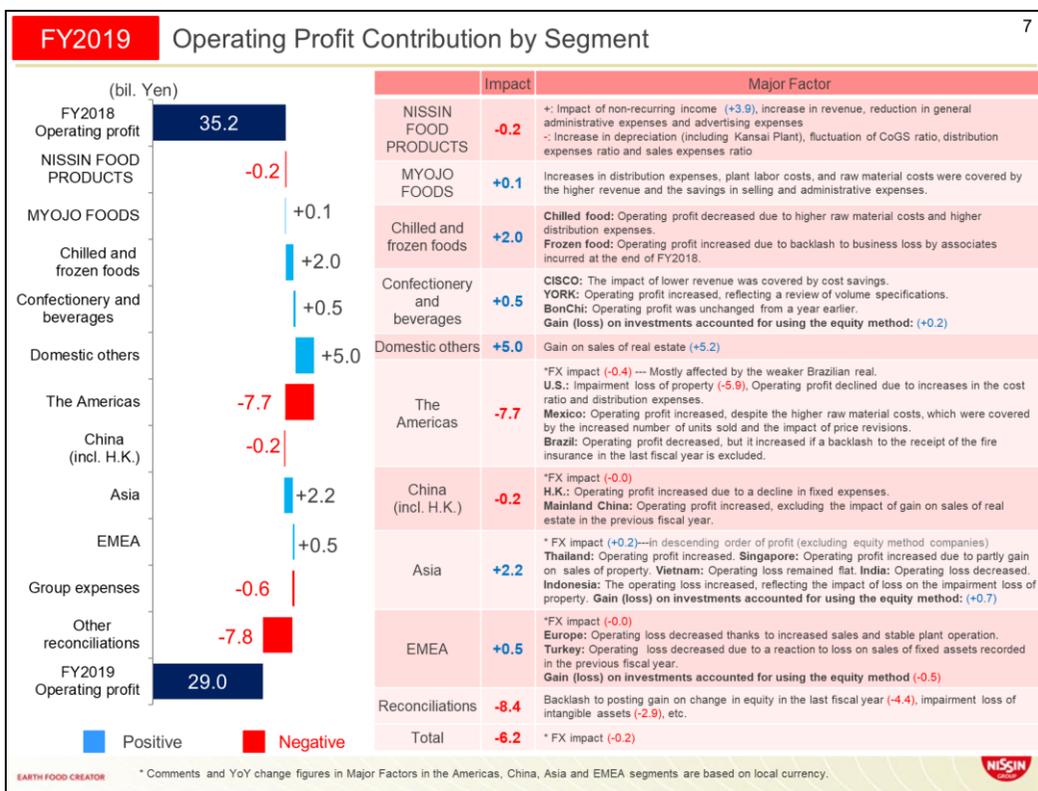
- Regarding the main points, NISSIN FOOD PRODUCTS continued to achieve favorable results from its marketing activities. Its main brands "CHICKEN RAMEN", "CUP NOODLE" and "DONBEI" exceeded their previous year's results, and instant rice such as "CURRY MESH" continued to perform well, with revenue increasing 2.3 billion yen year on year, to 193.3 billion yen.
- Sales at MYOJO FOODS increased 1.7 billion yen, to 32.9 billion yen, driven by strengthened efforts with convenience stores, tray-typed products such as "YOMISE NO YAKISOBA" and "BUBUKA ABURA SOBA", as well as "CHUKAZANMAI".
- Revenue from the chilled and frozen business were driven by the frozen foods business, increasing 1.1 billion yen, to 55.4 billion yen.
- Revenue in the Americas rose 0.9 billion yen year on year, to 63.4 billion yen. Revenue in the U.S., Mexico and Brazil all increased in both local currency and yen terms.
- Revenue from our businesses in China, including Hong Kong, rose 1.3 billion yen year on year, to 41.4 billion yen. Even in local currency terms, revenue increased significantly in both Hong Kong and mainland China.
- In Asia, revenue increased 2.2 billion yen, to 11.4 billion yen. Revenue increased in most areas, and particularly in Thailand revenue rose considerably, thanks to strong sales of differentiated value-added products, mainly "CUP NOODLES".
- Please turn to the next slide.

(bil. Yen)

	FY2019					FY2019 Plan	FY2018 Results
	Results	Vs. Plan		YoY Change			
Instant noodles	25.7	-1.6	-5.7%	-0.1	-0.3%	27.3	25.8
NISSIN FOOD PRODUCTS	23.7	-1.6	-6.3%	-0.2	-0.8%	25.3	23.9
MYOJO FOODS	2.0	+0.0	+2.1%	+0.1	+6.0%	2.0	1.9
Chilled and frozen foods	1.5	-0.7	-30.2%	+2.0	-	2.2	(0.4)
Confectionery and beverages	2.5	-0.1	-5.1%	+0.5	+27.1%	2.6	1.9
Domestic others	6.5	+1.5	+30.2%	+5.0	+331.9%	5.0	1.5
Domestic total	36.3	-0.8	-2.3%	+7.4	+25.7%	37.1	28.8
The Americas	(5.2)	-7.9	-	-7.7	-	2.7	2.4
China (incl. H.K.)	3.8	+0.4	+13.0%	-0.2	-5.9%	3.4	4.1
Asia	1.8	+0.4	+30.2%	+2.2	-	1.4	(0.4)
EMEA	0.6	-0.5	-42.7%	+0.5	+290.8%	1.1	0.2
Overseas total	1.1	-7.5	-87.6%	-5.2	-83.1%	8.6	6.3
Other reconciliations	(3.1)	+1.4	-	-7.8	-	(4.5)	4.7
Group expenses	(5.2)	-0.0	-	-0.6	-	(5.2)	(4.7)
Consolidated operating profit	29.0	-7.0	-19.5%	-6.2	-17.6%	36.0	35.2

* 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 CO., LTD. (located in H.K.).

- Here, I will explain the operating profit results by segment.
- In the domestic business, operating profit increased 7.4 billion yen year on year, to 36.3 billion yen.
- In the overseas business, operating profit decreased 5.2 billion yen year on year, to 1.1 billion yen, partly due to an impairment loss of property in the U.S. business.
- As a result, consolidated operating profit decreased 6.2 billion yen year on year, to 29.0 billion yen.
- I will explain the breakdowns of these figures as operating profit contribution by segment on the next slide.

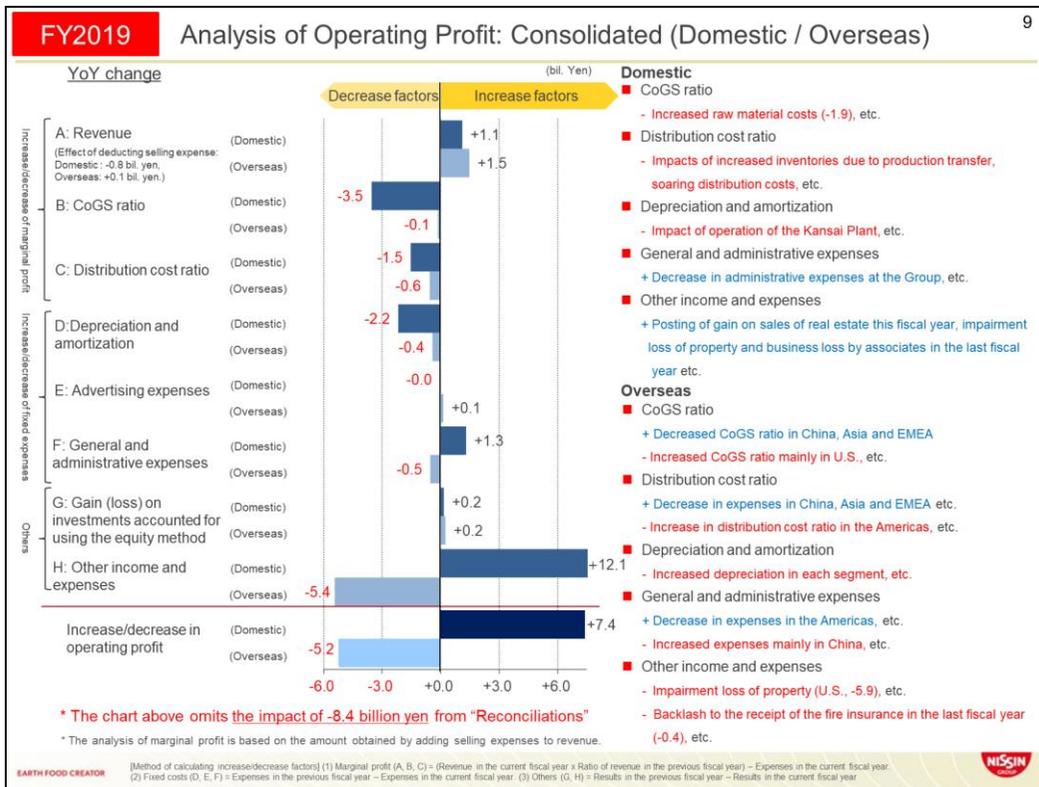


- Regarding NISSIN FOOD PRODUCTS, sales of its flagship brands “CHICKEN RAMEN”, “CUP NOODLE” and “DONBEI” were particularly strong, and operating profit declined 0.2 billion yen year on year, primarily due to soaring raw material costs, and depreciation expenses of Kansai Plant.
- In the chilled and frozen foods business, NISSIN CHILLED FOODS posted a decline in operating profit, chiefly due to soaring raw material costs, but NISSIN FROZEN FOODS posted increased operating profit due to the impact of the business loss by affiliates recorded in the previous fiscal year. As a result, operating profit rose 2.0 billion yen year on year, to 1.5 billion yen.
- Next, with regard to our overseas businesses, we posted an operating loss of 5.2 billion yen in the Americas, down 7.7 billion yen year on year, because NISSIN FOODS (U.S.A.) posted 5.9 billion yen in the impairment loss of property. In the Brazil and Mexico businesses, operating profit increased, excluding non-recurring income/expenses.
- In China including Hong Kong, operating profit increased, excluding the effect of the gain on sales of real estate posted as non-recurring income in the previous fiscal year.
- Asia achieved a significant increase in operating profit because of the strong performance of Nissin Foods (Thailand) and Thai President Foods, an equity-method affiliate. In addition, gain on sales of plant in Singapore was also included as non-recurring income.
- Aside from the domestic and overseas divisions, operating profit was affected by a decline of 7.8 billion yen in operating profit due to the impairment loss of intangible assets in Brazil in the fourth quarter and the reaction to the profit from a change in the equity of Thai President Foods in the previous fiscal year.
- As a result, consolidated operating profit decreased 6.2 billion yen, to 29.0 billion yen.
- Please turn to the next slide.

	FY2019 Results	FY2018 Results	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and expenses
					(bil. Yen)
NISSIN FOOD PRODUCTS	23.7	23.9	-0.2	+3.9	(FY2018) Impairment loss of property (Shiga Plant) -3.8 etc.
MYOJO FOODS	2.0	1.9	+0.1	+0.1	(FY2018) Loss on disposal of property -0.1, etc.
Chilled and frozen foods	1.5	(0.4)	+2.0	+2.4	(FY2018) Business loss by associates -2.6, etc.
Confectionery and beverages	2.5	1.9	+0.5	+0.4	(FY2018) Recall expenses -0.3, etc.
Domestic others	6.5	1.5	+5.0	+5.3	(FY2019) Gain on sales of real estate +5.2, etc.
Domestic total	36.3	28.8	+7.4	+12.1	
The Americas	(5.2)	2.4	-7.7	-6.3	(FY2018) Receipt of fire insurance +0.4 etc. (FY2019) Impairment loss of property (U.S.) -5.9, etc.
China (incl. H.K.)	3.8	4.1	-0.2	-0.5	(FY2018) Gain on sales of property +0.7 etc.
Asia	1.8	(0.4)	+2.2	+0.8	(FY2018) Impairment loss of property -1.1 etc. (FY2019) Impairment loss of property -0.6, Gain on sales of property +0.3 etc.
EMEA	0.6	0.2	+0.5	+0.6	(FY2018) Loss on sales of property -0.5 etc., Impairment loss of property -0.1 etc.
Overseas total	1.1	6.3	-5.2	-5.4	
Other reconciliations	(3.1)	4.7	-7.8	-7.8	(FY2018) Gain on change in equity +4.4 etc. (FY2019) Impairment of intangible assets (Brazil) -2.9 etc.
Group expenses	(5.2)	(4.7)	-0.6	-	
Consolidated operating profit	29.0	35.2	-6.2	-1.1	

*+ and - figures of "Main items of non-recurring income and losses" represent gain and loss.

- This slide shows year-on-year comparisons of operating profit by segment and the main items of non-recurring income and expenses included in it.
- I will now explain the main non-recurring income and expenses incurred in fiscal 2019.
- “Domestic others” includes 5.2 billion yen in gain on sales of real estate.
- As I explained earlier, the Americas recorded 5.9 billion yen in the impairment loss of property as a result of poor performance.
- In “Other reconciliations,” an impairment loss of 2.9 billion yen was recorded for the intangible assets recognized when Nissin Brazil became a subsidiary due to a decline in revenue compared to the initial forecast.
- Please turn to the next slide.



- I will now explain the analysis of operating profit.
- Domestically, positive factors included the effects of changes in the product mix, efforts to reduce general and administrative expenses, and gain on sales of real estate.
- On the other hand, negative factors included rising raw material costs, soaring distribution costs, and increased depreciation expenses for the Kansai Plant.
- Overseas, there were positive impacts of reduced distribution costs in China, Asia, and EMEA, as well as reduced general and administrative expenses in the Americas.
- However, there were also negative factors such as increased raw material costs, mainly in the U.S., and increased general and administrative expenses in China.
- Please turn to the next slide.

Steadily implement measures in response to changing market environment
and work to strengthen profitability

Domestic:

- Seek to stabilize earnings base by hitting back at headwind of higher costs with price revisions.
- Aim to expand revenues and profits through highly unique brand strategy.
- Quickly achieve higher productivity at the Kansai Plant (NISSIN FOOD PRODUCTS) and use this as basis for future profits.

Overseas:

- Quickly improve profits in the U.S. by carrying out structural reforms (price review, cost reductions, and review of product portfolio).
- Maintain stable growth in China.
- Aim to make businesses in India and Indonesia profitable quickly by focusing on strengthening brands and profitability.

Group-wide:

- Make group-wide efforts to reduce costs and strengthen the financial position.

- I will now explain our management policy for fiscal 2020.
- In the current fiscal year, we will move forward with our business development under our management policy of “Steadily implement measures in response to changing market environment and work to strengthen profitability .”
- Domestically, we aim to generate our basis for future profits, by stabilizing the earnings base with price revisions, further reinforcing the brand strategy, and the swift achievement of higher productivity at the Kansai Plant.
- Overseas, we aim to work on brand reinforcement and profitability enhancement for the purpose of structural reforms of the U.S. business, maintaining stable growth in China, and swiftly turning the businesses into black in India and Indonesia.
- Group-wide, we aim to strengthen the financial position through cost reduction.
- Please turn to the next slide.

	FY2020			FY2019 Results							
	Plan	YoY Change									
Revenue	465.0	+14.0	+3.1%	451.0	<p>■ Main factors behind higher costs</p> <table border="1"> <thead> <tr> <th colspan="2">Factors</th> </tr> </thead> <tbody> <tr> <td>Increased material prices</td> <td>Increased wheat, cardboard boxes, and seafood, etc. (+1.7)</td> </tr> <tr> <td>Depreciation</td> <td>Increased approx. 6.0 billion yen, impacts of Kansai Plant and application of IFRS 16 (+3.2), etc.</td> </tr> </tbody> </table>	Factors		Increased material prices	Increased wheat, cardboard boxes, and seafood, etc. (+1.7)	Depreciation	Increased approx. 6.0 billion yen, impacts of Kansai Plant and application of IFRS 16 (+3.2), etc.
Factors											
Increased material prices	Increased wheat, cardboard boxes, and seafood, etc. (+1.7)										
Depreciation	Increased approx. 6.0 billion yen, impacts of Kansai Plant and application of IFRS 16 (+3.2), etc.										
Operating profit	37.0	+8.0	+27.7%	29.0							
Profit attributable to owners of parent	26.0	+6.6	+34.3%	19.4							
OP margin	8.0%	+1.5 pt		6.4%	<p>■ Impacts due to non-recurring income/expenses</p> <p>FY2019 Impairment of fixed assets (U.S., 5.9) FY2019 Impairment of intangible assets (Brazil, 2.9)</p>						
Profit attributable to owners of parent margin	5.6%	+1.3 pt		4.3%							
ROE	-	-		5.9%							
EPS (Yen)	250	+64		186							
Adjusted EPS (Yen) ^{*1}	245	+20		225							

(bil. Yen)

*1 Adjusted EPS = (IFRS Operating profit ± Other income, expenses – Income tax expenses – Profit attributable to non-controlling interests) / Average number of shares outstanding during the fiscal year (excluding treasury shares)

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- I will now explain the target figures.
- The target revenue for fiscal 2020 is 465.0 billion yen, up 14.0 billion yen or 3.1% year on year.
- The target operating profit is 37.0 billion yen, up 8.0 billion yen or 27.7% year on year.
- Profit attributable to owners of parent will increase 6.6 billion yen, to 26.0 billion yen.
- In addition, the target operating profit margin is 8.0%, up 1.5 percentage points year on year.
- Please turn to the next slide.

(bil. Yen)

	FY2020			FY2019 Results
	Plan	YoY Change		
Instant noodles	234.0	+7.9	+3.5%	226.1
NISSIN FOOD PRODUCTS	200.0	+6.7	+3.5%	193.3
MYOJO FOODS	34.0	+1.1	+3.4%	32.9
Chilled and frozen foods	57.0	+1.6	+2.8%	55.4
Confectionery and beverages	43.0	+0.8	+1.9%	42.2
Domestic others	3.8	-0.4	-9.0%	4.2
Domestic total	337.8	+9.9	+3.0%	327.9
The Americas	64.0	+0.6	+0.9%	63.4
China (incl. H.K.)	44.5	+3.1	+7.4%	41.4
Asia	11.7	+0.3	+2.8%	11.4
EMEA	7.0	+0.2	+3.1%	6.8
Overseas total	127.2	+4.2	+3.4%	123.0
Consolidated revenue	465.0	+14.0	+3.1%	451.0

* The business plan targets for the China region were set independently by NISSIN FOODS HOLDINGS.

- I will now talk about the main revenue plan by segment.
- The target revenue from the domestic business is 337.8 billion yen, up 9.9 billion yen or 3.0% from the previous fiscal year.
- The target revenue of NISSIN FOOD PRODUCTS is 200.0 billion yen, up 6.7 billion yen or 3.5% year on year.
- For our overseas business, we aim to increase revenue by 4.2 billion yen or 3.4% to 127.2 billion yen.
- The target figure for the Americas is 64.0 billion yen, up 0.6 billion yen or 0.9% year on year.
- The figure for China including Hong Kong is 44.5 billion yen, up 3.1 billion yen or 7.4% year on year.
- For Asia, it is 11.7 billion yen, up 0.3 billion yen or 2.8% year on year.
- For EMEA, it is 7.0 billion yen, up 0.2 billion yen or 3.1% year on year.
- Please turn to the next slide.

(bil. Yen)

	FY2020			FY2019 Results
	Plan	YoY Change		
Instant Noodles	27.1	+1.4	+5.3%	25.7
NISSIN FOOD PRODUCTS	25.0	+1.3	+5.5%	23.7
MYOJO FOODS	2.1	+0.1	+2.9%	2.0
Chilled and frozen foods	2.0	+0.5	+30.3%	1.5
Confectionery and beverages	2.6	+0.1	+5.3%	2.5
Domestic others	0.7	-5.8	-89.2%	6.5
Domestic total	32.4	-3.9	-10.6%	36.3
The Americas	2.7	+7.9	-	(5.2)
China (incl. H.K.)	3.8	-0.0	-1.1%	3.8
Asia	2.5	+0.7	+37.2%	1.8
EMEA	1.0	+0.4	+58.6%	0.6
Overseas total	10.0	+8.9	+841.5%	1.1
Other reconciliations	(0.0)	+3.1	-	(3.1)
Group expenses	(5.4)	-0.2	-	(5.2)
Consolidated operating profit	37.0	+8.0	+27.7%	29.0

* The business plan targets for the China region were set independently by NISSIN FOODS HOLDINGS.

- I will now talk about our main operating profit plan by segment.
- Our target operating profit for the domestic businesses is 32.4 billion yen, down 3.9 billion yen or 10.6% year on year. This is because of gain on the sale of real estate of 5.2 billion yen in the previous fiscal year. Excluding this, the target operating profit will increase.
- Our target operating profit for NISSIN FOOD PRODUCTS is 25.0 billion yen, up 1.3 billion yen or 5.5% year on year.
- For the chilled and frozen foods business, it is 2.0 billion yen, up 0.5 billion yen or 30.3% year on year.
- For the overseas business, we aim to achieve 10.0 billion yen, up 8.9 billion yen or 841.5%.
- Our target operating profit for the Americas is 2.7 billion yen, up 7.9 billion yen year on year.
- For China including Hong Kong , it is 3.8 billion yen, same level as the previous fiscal year.
- For Asia, it is 2.5 billion yen, up 0.7 billion yen from the previous fiscal year.
- Finally, expenses of 5.4 billion yen were incurred as reconciliations, and these were recorded as group expenses.
- Please turn to the next slide.

(bil. Yen)

	FY2020 Plan	FY2019 Results	Difference in operating profit	Difference in non- recurring income and expenses	Main items of non-recurring income and expenses
NISSIN FOOD PRODUCTS	25.0	23.7	+1.3	-0.1	
MYOJO FOODS	2.1	2.0	+0.1	-0.0	
Chilled and frozen foods	2.0	1.5	+0.5	+0.4	(FY2020) Impact of liquidation of associate +0.4
Confectionery and beverages	2.6	2.5	+0.1	-0.1	
Domestic others	0.7	6.5	-5.8	-5.9	(FY2019) Gain on sales of property +5.2
Domestic total	32.4	36.3	-3.9	-5.7	
The Americas	2.7	(5.2)	+7.9	+5.9	(FY2019) Impairment loss of property -5.9, etc.
China (incl. H.K.)	3.8	3.8	-0.0	+0.0	
Asia	2.5	1.8	+0.7	+0.4	(FY2019) Impairment loss of property -0.6, Gain on sales of property +0.3, etc.
EMEA	1.0	0.6	+0.4	-0.0	
Overseas total	10.0	1.1	+8.9	+6.4	
Other reconciliations	(0.0)	(3.1)	+3.1	+3.0	(FY2019) Impairment loss of intangible assets -2.9, etc.
Group expenses	(5.4)	(5.2)	-0.2	+0.0	
Consolidated operating profit	37.0	29.0	+8.0	+3.6	

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- This shows the main non-recurring income and losses included in operating profit in fiscal 2020 and the previous fiscal year.
- Currently, there is no non-recurring income or losses expected in fiscal 2020.
- Please turn to 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, etc.
- Overseas
 - Investment in strengthening production systems in promising growth areas, etc.
- Group-wide
 - Investment in improvements/upgrades

Depreciation and Amortization

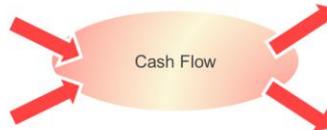
- FY2019 Reasons for YoY increase
 - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I
 - BonChi: New Yamagata Plant
- FY2020 Reasons for YoY increase
 - Increase depreciation due to impacts of application of IFRS 16 (+3.2)
 - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I, II and III
 - NISSIN FOOD PRODUCTS: Ingredients plant
 - NISSIN FOOD PRODUCTS: Chilled and frozen foods Shizuoka plant

Cash Flow

CF provided by operating activities

Approx. 48.0 bil. yen

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



Shareholder Returns

Expected dividend payment: 11.4 bil. yen
Dividend per share (plan): 110 yen
(1H: 55 yen, Year-end: 55 yen)

Budget for investment

Capital investment: 49.2 bil. yen

Business investment: Depends on deals

(bil. Yen)	5-Year Plan	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
Capital Investment	150.0	36.3	52.0	57.6	49.2

FY2019 Results

- NISSIN FOOD PRODUCTS: Kansai Plant Phase I and Phase II
- BonChi: New Yamagata Plant

FY2020 Plan

- NISSIN FOOD PRODUCTS: Kansai Plant Phase III
- NISSIN FOOD PRODUCTS: Ingredients plant
- NISSIN FOOD PRODUCTS: Frozen foods Shizuoka plant
- Overseas : Production line enhancement through production increase

(bil. Yen)	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
J-GAAP	15.4	17.9	-	-
IFRS	-	17.8	20.3	26.3

- Capital investment is expected to total about 49.2 billion yen due to the third-phase construction cost of NISSIN FOOD PRODUCTS' Kansai Plant that continues to be incurred this fiscal year, among others.
- Depreciation and amortization is expected to increase by around 6.0 billion yen in total, due mainly to the start of the operation of some lines at the Kansai Plant and the increased depreciation of lines at the Hungary Plant and other overseas plants, as well as a change in the accounting policy on lease transactions following the adoption of IFRS 16 "New Lease Standard."
- Regarding cash flow, we expect cash flow provided by operating activities of approximately 48.0 billion yen in the current fiscal year. We will use this cash to meet the demand for the funds that are necessary for shareholder returns, capital investment, and business investment, and compensate for the shortfall with cash and deposits, the redemption of investment securities, and various finances.
- Please turn to the next slide.

Shareholder Returns

(Dividends)

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

- 📄 FY2018 1H: 45 yen, Year-end: 45 yen, Total: 90 yen
- 📄 FY2019 1H: 55 yen (10 yen Increase), Year-end: 55 yen (10 yen Increase), Total 110 yen (20 yen Increase)
- 📄 **FY2020 1H: 55 yen, Year-end: 55 yen, Total 110 yen (Plan)**

	5-Year Plan	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
Dividend per share	Stable dividend	85 yen	90 yen	110 yen	110 yen
Payout ratio	Average 40% or above	38.4% ^{*1}	32.2% ^{*1}	59.2% ^{*2}	44.1% ^{*2}

^{*1} Based on J-GAAP ^{*2} Based on IFRS

(Treasury stock)

- 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: Not executed
- 📄 FY2019: Cancelled 10% of the number of shares outstanding (May 24, 2018, 11,763,685 shares).
- 📄 **FY2019: Consider the timing of stock repurchase, taking the market environment and business environment into consideration.**

Strategic shareholdings

- 📄 Plan to reduce the number of shares held in view of increasing capital efficiency, and sold some of the shares in FY2017, FY2018 and FY2019
- 📄 **In FY2020, the Group 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.**

- With regard to the dividend for fiscal 2020, as we disclosed in a timely manner on May 9, we plan to pay an annual dividend of 110 yen per share, the same amount as in the previous year.
- We intend to maintain our current dividend policy, which focuses on shareholders.
- That concludes my presentation.

Medium-Term Business Plan 2021 Interim Review and Future Outlook

Representative Director, President and CEO
Koki Ando

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- As CFO Yokoyama explained earlier, the performance of this fiscal year was such a result due to impairment losses that were incurred in fiscal 2019.
- As for fiscal 2020, we would like to work according to the plan stated on page 11 of this material.
- Profit attributable to owners of parent was 19.4 billion yen in fiscal 2019, and we would like to increase it to at least 26.0 billion yen in fiscal 2020.
- Given the impairment losses incurred in the previous fiscal year (FY2019), we need to make a V-shaped recovery, and we intend to improve profit attributable to owners of parent to 26.0 billion yen and operating profit to 37.0 billion yen.

- Mainly revision to reflect actual situation of overseas business and went outside the M&A budget.

		Revised Mid-term Plan KPIs	
		Before review	After review
Earning power through operations	Revenue	550.0 bil. Yen	480.0 bil. Yen
	Operating profit	47.5 bil. Yen	42.5 bil. Yen
Capital market value	Profit*	33.0 bil. Yen	30.0 bil. Yen
	ROE	8 %	8 %
	Adjusted EPS**	330 Yen	284 Yen
	Market capitalization***	1 tri. Yen	See page 20

* Profit attributable to owners of parent under IFRS

** (Operating profit ± Other income, expenses - Income tax expenses - Profit attributable to non-controlling interests) / Average number of shares outstanding during the fiscal year (excluding treasury shares)

*** Market capitalization = Stock price x Number of shares outstanding at the end of the fiscal year (excluding treasury shares)

- I will now explain the revision of our Medium-Term Business Plan 2021. There are two reasons for this revision: to reflect the actual situation of the overseas business, and to exclude the originally included M&A from the budget. We revised operating profit down from 47.5 billion yen to 42.5 billion yen and revised profit down from 33.0 billion yen to 30.0 billion yen. We at least aim to achieve operating profit of 42.5 billion yen and profit of 30.0 billion yen by fiscal 2021.
- In addition, we revised revenue down from 550.0 billion yen to 480.0 billion yen. We maintained ROE at 8% and aim to achieve adjusted EPS of 284 yen.

- In light of changes in the business environment and the issues of each region/business, we have revised segment targets.

FY2021 Targets for Domestic Business

(bil. Yen)		Before review	After review
Instant Noodles	Revenue	243.0	238.0
	Operating profit	29.1	29.5
	%	12.0%	12.4%
Chilled and frozen foods, confectionery and beverages	Revenue	111.6	103.0
	Operating profit	5.2	5.2
	%	4.7%	5.0%
Foreign exchange rate assumptions:		Initial plan	Current assumption
	USD	112.68	110.00
	BRL	28.00	28.00
	HKD	14.53	14.00
	EUR	131.77	125.00

FY2021 Targets for Overseas Business

(bil. Yen)		Before review	After review
The Americas	Revenue	80.8	67.5
	Operating profit	6.4	3.7
	%	7.9%	5.5%
China (incl. H.K.)	Revenue	53.7	47.0
	Operating profit	5.1	4.7
	%	9.5%	10.0%
Asia	Revenue	24.1	13.0
	Operating profit	2.0	2.7
	%	8.3%	20.8%
EMEA	Revenue	8.3	7.5
	Operating profit	2.4	1.3
	%	28.9%	17.3%

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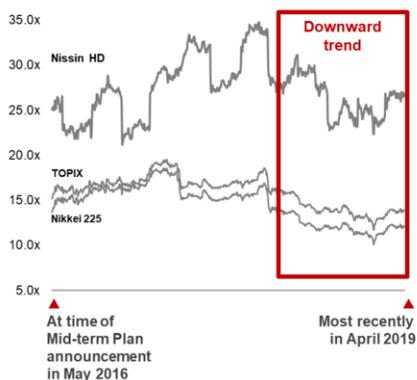


- We will now explain the revised targets by segment.
- In the domestic instant noodles business, we revised revenue down by 5.0 billion yen, to 238.0 billion yen, and revised operating profit up by 0.4 billion yen, to 29.5 billion yen.
- As for the chilled and frozen foods, confectionery, and beverages businesses, we revised revenue down by 8.6 billion yen, to 103.0 billion yen, and kept operating profit at 5.2 billion yen as originally planned.
- In the overseas business, for the Americas, given the situation in the U.S., we revised revenue down by 13.3 billion yen, to 67.5 billion yen, and also revised operating profit down by 2.7 billion yen, to 3.7 billion yen.
- China including Hong Kong continues to maintain a stable earnings structure, but considering the future maturity of the market, we set a new revenue target of 47.0 billion yen, down 6.7 billion from the previous target, and a new operating profit target of 4.7 billion yen, down 0.4 billion yen.
- In Asia, we revised revenue down by 11.1 billion yen, to 13.0 billion yen, in light of the current situation, and revised operating profit up by 0.7 billion yen, to 2.7 billion yen, given an increase in investment returns by the equity method.
- For EMEA, we revised revenue down by 0.8 billion yen, to a new target of 7.5 billion yen, and operating profit down by 1.1 billion yen, to a new target of 1.3 billion yen, considering the effects of the liquidation of the Turkish business.
- Although not stated here, in this revision we excluded an increase of approximately 3.0 billion yen in operating profit from M&A included in our initial plan. These are all targets by segment.

- The Group will steadily aim for market capitalization of JPY 1 trillion as a target to be achieved along the way regardless of timing.
- The Group will aim for improvement of corporate value by focusing on initiatives from a CSV perspective.

Stock market trend: Changes in PER

The PER of Japanese stocks has generally been in a downward trend since 2018 and market conditions make our initial forecast of PER ≥ 30 unlikely.



Initiatives to improve corporate value

Initiatives and achievements from CSV perspective

- (1) Achievements
 - ✓ Selected as a component of the Asia/Pacific Index of the Dow Jones Sustainability Indices
 - ✓ Certified as an organization recognized under the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)
 - ✓ Selected as a semi Nadeshiko Brand company for fiscal 2019
- (2) Environment-Friendly Management
 - ✓ Introduction of ECO cups (paper-made containers)
 - ✓ Commenced the application of certified palm oil (RSPO) at domestic plant
- (3) Initiatives for new Earth Foods
 - ✓ Launch of basefood (All-in PASTA)
 - ✓ Research on "cultured steak"

→ We will endeavour to further accelerate and expand such initiatives to increase corporate value.

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- Market capitalization of 1 trillion yen can be achieved if PER is 35 times higher, and we think that this is a rather high level. We will aim for it steadily as a continuous target, which is a target to be achieved along the way regardless of timing.
- In addition, we will aim to improve our corporate value by focusing on initiatives from the perspective of CSV.
- As stated on the slide, last year we were selected as a component of the Asia/Pacific Index of the Dow Jones Sustainability Indices, a global ESG rating agency.
- Moreover, we were certified as "the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White500)" and as "Semi Nadeshiko Brand company for fiscal 2019" in Japan.
- We have been focusing on environmentally friendly management. Eleven years ago, we changed the cups for "CUP NOODLE" from styrofoam to ECO cups, paper-made containers, and this enabled us to cut CO2 emissions by about 22%.
- Furthermore, we started using RSPO certified palm oil at our domestic plant, following the U.S. and Europe.
- These initiatives are all part of our sustainability program.
- In addition, as a new dietary initiative, we are promoting the launch of "All-in Pasta," a highly nutritional product, and research into "cultured steak." We would like to promote this area as a CSV theme, including future global environmental issues.

Strategic Theme	Initial FY2021 Target	FY2019 Results	FY2021 Forecast	Comments
1 Promoting global branding for CUP NOODLES	Up 50% compared to FY2016 (units)	Up 20%	Up around 30%	<ul style="list-style-type: none"> Overall progress was slightly slow partly due to the impact of price revisions in U.S. business. Growth in Brazil and Asia is expected. Depending on market conditions, we will not just focus on "CUP NOODLES" and will look out for growth opportunities for premium products.
2 Focusing on priority locations (BRICs)	Operating profit generated in priority overseas locations accounts for 70%	-	Around 70%	<ul style="list-style-type: none"> Target is expected to be reached.
3 Laying stronger foundations for domestic profit base	NISSIN FOOD PRODUCTS + MYOJO FOODS Operating profit target 29.1 bil. yen	25.7 bil. yen	29.5 bil. yen	<ul style="list-style-type: none"> Operation of Kansai Plant (improvement of production efficiency, safety and security) Stabilization of earnings base through price revision (in response to unexpectedly high costs) Further enhancement of value of core brands
4 Establishing a second primary revenue source (confectionary, cereals, chilled and frozen foods)	As well as growing brands organically, make the most of M&A	We went outside the budget for M&A deals. We will continue to examine favourable M&A proposals.		<ul style="list-style-type: none"> The Confectionary business grew steadily. The Cereal business increased its market presence and value. In particular, revenue in the Chilled and Frozen Foods business grew due to market growth and increased demand for single-serving food products. Shift to more profitable business is necessary.
5 Human resources for global management	Pool of management human resources x 2 (200 people)	x 1.8 (Around 180 people)	x 2 (200 people)	<ul style="list-style-type: none"> The list is becoming more satisfactory. A plan for systematic personnel changes needed to be created.

- I will now review our five key themes.
- As for “promoting global branding for CUP NOODLES,” we set a target of 1.5 times the number of units compared to fiscal 2016, but we expect to achieve 1.2 times in fiscal 2019 (compared to fiscal 2016) and approximately 1.3 times in fiscal 2021. It is important to pursue quantity, but our strategy has changed somewhat since fiscal 2016 to shift “CUP NOODLES” to premium products. A typical example is seen in NISSIN FOODS (U.S.A.), and premium-typed “CUP NOODLES” have also spread to other countries such as China and India. It is important to increase the quantity, but we are also raising some prices.
- Regarding “focusing on priority locations,” our target is that BRICs will account for 70% of operating profit generated in priority overseas locations, which means that BRICs will account for 70% of our fiscal year 2021 operating profit target of 12.4 billion yen.
- As for “laying stronger foundations for domestic profit base,” our operating profit target was 29.1 billion yen, but following a review in the fiscal year 2021, we decided to increase it to 29.5 billion yen. To achieve this, we will basically operate the Kansai Plant and revise prices to stabilize earnings. In addition, we will continue to enhance the value of our core brands by strengthening them as a basic measure. Despite rising depreciation, etc., NISSIN FOOD PRODUCTS and MYOJO FOODS aim to achieve a total target of 29.5 billion yen.
- With regard to “establishing a second primary revenue source,” M&As that were initially included were omitted because of their uncertainty. The confectionery business is growing steadily, and the value of the cereal business is also increasing in the market. Revenue from granola is falling slightly, but that from corn flakes is growing. The frozen foods business is expanding in response to increasing needs for individual meals. We are scheduled to add production lines at the Shizuoka Plant, and we intend to expand the frozen foods business significantly. In addition, we can expect the growth potential of lactobacillus beverages at NISSIN YORK, and we would also like to increase functional beverages.
- As for global human resources, we set a target of 200, and they have now grown by about 180 employees. We feel that more than 200 global resources will be needed by 2020.

Bil. yen	Initial plan	FY2019	FY2021	
Business investment	100.0 bil. yen over 5 years	23.5 bil. Yen over 3 years	-	(Major investments) Investment in Premier Foods, investment in Thai President Foods
Capital investment	150.0 bil. yen over 5 years	146.0 bil. Yen over 3 years	215.0 bil. Yen over 5 years	(Reasons for extra investment) NISSIN FOOD PRODUCTS (increased investment in Kansai Plant, shift to in-house manufacturing of materials, chilled and frozen food plant, etc.) BonChi Yamagata Plant, Nissin Brazil, expansion of overseas lines, etc.
Depreciation and amortization	Around 19.0 bil. yen (FY2021)	20.3 bil. yen	Around 24.5 bil. Yen*	* The FY2021 forecast includes impact of application of IFRS 16 of around 3.0 bil. yen.

Review of business investment

- ✓ We are still examining M&A deals.

Review of capital investment

- ✓ Expansion of investment in safety/security
- ✓ Expansion of investment aimed at improving production efficiency and saving labor
- ✓ Expansion of facilities for growing categories

Although our operating profit target on an organic basis remains the same, improvement in terms of ROI is needed.

The total amount of investment, including M&A, needs to be controlled. We will manage expenditure by putting investments in order of priority based on factors such as ROI.

- I will now reflect on our investments and explain our future policy.
- In terms of business investment, we initially planned to invest 100.0 billion yen, and we have invested 23.5 billion yen to date. We invested the 23.5 billion yen in Premier Foods and Thai President Foods.
- With regard to capital investment, we initially planned to invest 150.0 billion yen. We have invested 146.0 billion yen to date, and the amount will reach around 215.0 billion yen in the next two years. The reasons for the extra investment are, as stated on the slide, NISSIN FOOD PRODUCTS, BonChi, Nissin Brazil, the expansion of overseas production lines, and so on.
- Depreciation and amortization will be 24.5 billion yen by fiscal 2021. This amount includes the impact of the adoption of IFRS 16 of approximately 3.0 billion yen in our fiscal 2021 plan, because lease-related expenses, etc. will be converted into fixed assets and amortized. We intend to make profits while conducting this level of depreciation and amortization. Although capital investments by NISSIN FOOD PRODUCTS, etc. will increase significantly in fiscal 2020, the amount will decrease slightly in fiscal 2021 and beyond, and depreciation and amortization are expected to be stable.

- Moving forward, we will continue to implement the policy of promoting global branding. At the same time, we will address specific issues according to the competition environment and market characteristics and make sure that we establish an order of priority for investment.

Domestic	Instant noodles	<ul style="list-style-type: none"> • Respond to higher costs with price revisions. Respond to labor saving and labor population issue in the medium and long-term through operation of Kansai Plant. 	
	Frozen food	Be sure to tap into growth opportunities for noodles with ingredients and fresh pasta. Strengthen proposals to growing channels.	
	Chilled food	Focus on high added value domains and pursue profitability.	
	Confectionery	Maximize revenue and profit by brushing up core brands and new value products.	
	Beverages	Expand a stable source of earnings through strengthen channels.	
Overseas	The Americas	U.S.	<ul style="list-style-type: none"> • Strengthen earnings base through price increases and cost reductions, etc. and develop premium products. • Develop "CUP NOODLES" brand and strengthen sales of bag-type noodles, which are base of earnings.
		Brazil	Utilize strengths of local production and focus on priority regions. Strengthen profitability through development of premium products.
		Mexico	Expand business opportunities through diversification. Strengthen marketing activities in mature instant noodles market.
	China	H.K.	Expand market and maximize revenue and profits through high-grade noodles, rather than focusing only on "CUP NOODLES".
		Mainland China	Determine priority regions/channels/segments and improve profit margins. Utilize as production base for HALAL products.
	Asia	Indonesia	Determine priority regions/channels/segments and improve profit margins.
		India	Expand cup-type noodles focusing on urban areas and move plant operations and production departments into profit through OEM within Group.
		Vietnam	Maintain current high growth for "CUP NOODLES" through continuous investment. Also look for multi-branding opportunities.
		Philippines	Expand and enhance 10-baht bag-type noodles. Continue to invest in "CUP NOODLES".
		Thailand	Take advantage of position as market leader to strongly leverage "CUP NOODLES", revitalize bag-type noodles and develop multiple categories.
	EMEA	Singapore	Increase sales of major brands and strengthen earning base especially in priority areas, such as Germany and the UK. Liquidation of Turkish business.
Europe		As market leader, activate Russia's stagnating market through sales and marketing.	
	Russia		

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- I will now explain the issues and policies by region and business.
- We will revise the prices of instant noodles to address the issue of increased costs. In addition, we will respond to a labor-saving and a labor population issue from a mid-term perspective by operating the Kansai Plant.
- I will omit the issues of the chilled and frozen foods, confectionery, and beverages businesses here, as they overlap with what I already explained earlier.
- In the United States, we have raised prices since the previous fiscal year. To improve our financial base, the manufacture and sales of high value-added products are needed, so we are considering the development of premium products. We created a plan under which sales of "1-dollar premium products" would exceed sales of "CUP NOODLES" in fiscal 2020. After we get this on track, NISSIN FOODS (U.S.A.) will be able to improve its financial base.
- Regarding "CUP NOODLES" in Brazil, because I think many of you have specific questions, COO Ando will probably provide an explanation later, and I expect that "CUP NOODLES" will grow well. In Brazil, sales of bag-type noodles, etc. provide a strong earnings base, and I am certain that they will lead to profits.
- For Indonesia, we would like to raise profit from negative to zero if possible by the end of this fiscal year.
- I think that India will still take time, but we will work to improve earnings. Although the share of bag-type noodles is not high, that of cup-type noodles has become No. 1.
- In the Philippines, business is stable and is making a significant contribution to profits.
- Thailand is also contributing to profits.

- Shift to sturdier management structure that will allow us to focus on our core operations, through initiatives in response to DX

Initiatives already implemented

Achievement of Smartwork 2000

- Improvement of productivity through workstyle reforms and reduction of labor costs
- Expansion of scope for creative work

Reduction of expenses

- Review of expenses on a groupwide basis
- Elimination of waste and improvement of work efficiency

Initiatives to reduce distribution expenses

- Improvement of transport efficiency through pallet transportation
- Improvement of delivery efficiency through two day delivery service

New future initiatives

Steering toward DX

- Review of business processes
- Utilization of RPA and AI to save labor in simple tasks
- Expansion of scope for creative work



Power BI

- Unite operating system
Reduce documentation process, visualize action assignments, and improve portability in working environment

Smart Factory

- Manufacturing Execution System (MES)
Aim automation in various manufacturing processes
- Nissin Automated Surveillance Administration (NASA)
Enable monitoring whole manufacturing process from central controlling room

DX = Digital Transformation

RPA = Robotic Process Automation

BI = Business Innovation

- In terms of our other initiatives, I will explain those “For Realization of a Sturdier Management Structure.”
- As shown on the slide, we achieved “Smartwork 2000.” The workstyle reform has taken hold, and our focus is now shifting to expanding the scope of creative work.
- We are also focusing on cost reductions. In terms of initiatives to reduce distribution expenses, we are working to improve our transport efficiency through pallet transportation and delivery efficiency with a two-day delivery service.
- As for DX, which means Digital Transformation, we are reviewing its business process and are proceeding with labor-saving efforts utilizing RPA and AI. In any case, we are in the process of expanding the scope of creative work.

- Initiatives to enhance corporate value for sustainable growth

International reputation

Selected as a component of the Asia/Pacific Index of the Dow Jones Sustainability Indices, a group of global stock price indices of ESG investments



Evaluation of empowerment of women

Selected as "Semi-Nadeshiko Brand" in the "Nadeshiko" initiative run by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange to recognize enterprises that are outstanding in terms of encouraging the empowerment of women in the workplace.



Evaluation of health management

Certified as 2019's White 500 for Outstanding Health and Productivity Management

NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS and NISSIN FROZEN FOODS were certified by METI and Nippon Kenko Kaigi as 2019's White 500 for Outstanding Health and Productivity Management.

- Initiatives for new Earth Food

- Launch of basefood (All-in PASTA)
 - ✓ New "simple nutritious meal" that facilitates daily intake of essential nutrients
 - ✓ Manufacturing by the newly developed "nutrient retention press manufacturing method" (patent pending)
- Step towards commercialization of "cultured steak" with the texture of real meat
 - ✓ Successfully created the world's first beef sinews in a diced steak form



- Environment-Friendly Management

■ Introduction of ECO cups

Using eco-friendly containers over the last 11 years

Introduced ECO cups (paper-made containers) in 2008. Reduced CO2 emissions by 22% compared and also contributes to reduced consumption of plastics



* CO2 emissions are estimated through life-cycle assessment (LCA).

■ First Japanese instant noodles manufacturer to use RSPO Certified Palm Oil (at domestic plant)

NISSIN FOOD PRODUCTS began using sustainable "Certified Palm Oil*" at its Kansai Plant (from March 2019).



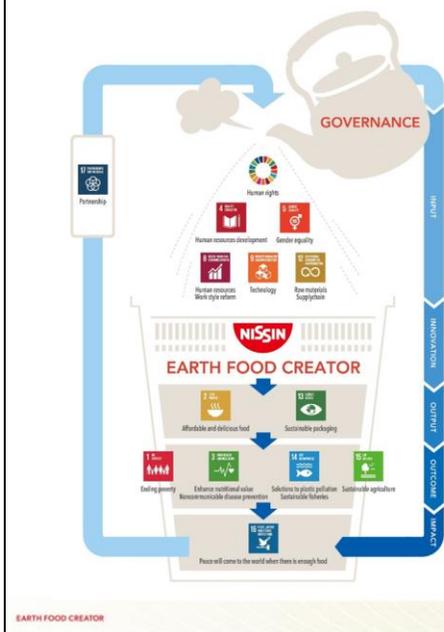
* RSPO-certified palm oil is a type of palm oil that is produced and processed by considering the prevention of deforestation, preservation of biodiversity, and protection of human rights.

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- With regard to our initiatives for enhancing corporate value, we and two other Japanese food companies have been selected as components of the Asia/Pacific Index of the Dow Jones Sustainability Indices.
- As I mentioned earlier, we have also been certified as "the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White500)".
- We are therefore working on a variety of internal initiatives.

- Set value creation process to realize NISSIN Group philosophy
- Connect our value creation process with SDGs



Our impacts on society (examples)

Eradication of poverty	We help give people equal access to safe food and reduce poverty in disaster-stricken areas by supporting food security and donating part of revenues through organizations such as WINA and WFP.
Promotion of prevention of non-infectious diseases	We help prevent non-infectious diseases by improving consumers' quality of life through the provision of products that meet social needs such as products with zero sugar, reduced salt or products for the elderly.
Enhancement of nutritional value	We will help enhance the nutritional value we provide to consumers by providing products such as the "All-in Series" of basefood, meat protein substitute (Soy meat), lactic acid bacteria, and nutritional supplements.
Measures against marine plastic pollution	We are a member and a managing enterprise of CLOMA (Clean Ocean Material Alliance), which tackles the problem of marine plastic waste, and we are promoting the development of eco-friendly packaging materials in collaboration with government and other enterprises.
Promotion of sustainable agriculture	We help our suppliers engage in sustainable agriculture by using raw materials, such as palm oil, that have been produced and processed with consideration for protection of forests and biodiversity and respect for human rights.

- Regarding the SDGs, there are 17 goals in the agenda, and our business falls under 13 of these. We feel that we meet a considerable number of them.
- We believe that this is because our business structure and product structure have social value.
- Thank you for your attention.

APPENDIX

NISSIN FOOD PRODUCTS Generate cash and enhance profitability

- Strive to become a Century Brand Company
 - Actively target three strategic groups: young consumers, women and the elderly
 - Capture new users through innovative promotions
 - Propose new value to bag-type noodles market
- Invest in facilities to improve earning capacity in the future
 - Kansai Plant in full-scale operation after completion of Phase III of construction work
- Aim to set new revenue record for the fifth consecutive fiscal year
- Improve profitability through price revisions



MYOJO FOODS Strengthen core brands and develop new products for the future

- Strengthening major brands by nurturing key products
 - Enhance tray-typed products, mainly "IPPEICHAN YOMISE NO YAKISOBA" and "BUBUKA ABURA SOBA."
 - Revitalize by expanding the customer base of "CHUKAZANMAI."
 - Enhance the strategy centered on the "SYOYU" and "BARIKATA MEN" of "CHARUMERA" and collaborative efforts with cup-type noodles.
 - Entrench low-carb noodles (promote a section for these noodles and enhance their quality).
- Newsy CM and social media
 - Suzu Hirose (heroine of NHK's morning TV drama) and Shimofurimyoyo (comedy duo)



Chilled and frozen foods/Confectionery and Beverages

➤ NISSIN CHILLED FOODS

- Strengthen noodles genre, which is core domain and has high profit margins
- Improve profitability through price revisions
- Propose products that pursue convenience



➤ NISSIN FROZEN FOODS

- Increase strength of single items by strengthening brand
- Maximize profits through consolidation at Shizuoka Plant and introduction of new lines



➤ NISSIN CISCO

- Further develop products that are No. 1 in their category
- Propose products with improved/developed ingredient combinations



➤ NISSIN YORK

- Continuous growth of the core brand (improvement of the perceived quality)
- Strengthen CVS by offering products in anticipation of seasons



➤ BonChi

- Focus on fried rice crackers which are its specialty
- Further strengthen operations in Kanto and Kinki, which account for 60% of domestic market



EARTH FOOD CREATOR



The Americas

➤ U.S.

- Improve earnings structure
 - Reap benefits from penetration of price revisions
 - Increase premium products' share of sales
 - Thoroughly review cost structure
- Actively expand Premium Product category
 - "CUP NOODLES", "CHOW MEIN", "NISSIN RAOH", etc.



➤ Mexico

- Offer new flavors under the "CUP NOODLES" and "U.F.O." brands
- Strengthen brand recognition targeting young consumers
- Seek to strengthen counter exposure and increase the distribution rate



➤ Brazil

- Accelerate "CUP NOODLES" growth through product renewal
- Further expand sales of "Nissin Lamén"
- Aim for further growth through expansion of sales channels



China

➤ Hong Kong

- Sales expansion of existing brands and strengthening of the earnings base
- Revitalization of the market through proposals for high-priced/high-quality products



➤ Mainland China

- Sales expansion of existing brands and strengthening of the earnings base
- Revitalization of the market through proposals for high-priced/high-quality products



Asia

➤ India

- Actively pursue an expansion in sales of "CUP NOODLES" to further strengthen the position as leader in the cup-type noodles market
- Improve product mix of "Top Ramen" (bag-type noodles) to increase profitability
- Strengthen base of confectionary business as third pillar



➤ Singapore

- Product strategy focusing on priority brands



➤ Vietnam

- Sales of "CUP NOODLES" in large cities

➤ Thailand

- Expand sales of differentiated added value products such as "CUP NOODLES"
- Differentiate sales channels
- Strengthening of sales of bag-type noodles at 10 baht



➤ Indonesia

- Increase in the ability to propose products in the country with the second highest consumption of instant noodles after China
- Strengthening of sales of "Gekikara" and "U.F.O."



EMEA

➤ Europe

- Actively roll out NB and OEM products in key markets in Germany and the UK.
- Roll out and enhance marketing under the concept of Authentic Asia.
- Strive to obtain the No.1 position in "CUP NOODLES" and "Soba" at Asian segment.
- Roll out UK version of "CUP NOODLES" in collaboration with Premier Foods plc.



Affiliates accounted for using the equity method

➤ KOIKE-YA Co., Ltd.

- Expand and develop ever-popular products such as "KARAMUCHO"
- Firmly establish high added value products



➤ NISSIN-UNIVERSAL ROBINA CORP.

- Instant noodle business in the Philippines
- Seek to expand instant noodle business through joint venture with local partner

➤ Mareven Food Holdings Ltd.

- Holding company with firms in Russia, Ukraine, and Kazakhstan.
- The largest firm in Russia's instant noodle market, which has been expanding its business in other CIS countries.

➤ Thai President Foods PCL

- A leading instant noodle company in Thailand



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- The amounts in this material are rounded to the nearest 100 million yen; totals may not agree with the sums of their components.
- FY2020 in domestic companies means the fiscal year from Apr. 1, 2019 to Mar. 31, 2020.
- FY2020 in overseas companies generally means the fiscal year from Apr. 1, 2019 to Mar. 31, 2020.
- The same ±notation as used in the Summary of Consolidated Financial Statements has been applied to percentage change in revenue and profit.
- The average foreign exchange rates for the period have been applied to translating revenues and expenses at associates overseas.
- 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 CO., LTD. (located in H.K.). The business plan for the China segment specifies targets set solely by NISSIN FOODS HOLDINGS.



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