

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

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 confectionary 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.

(bil. Yen)

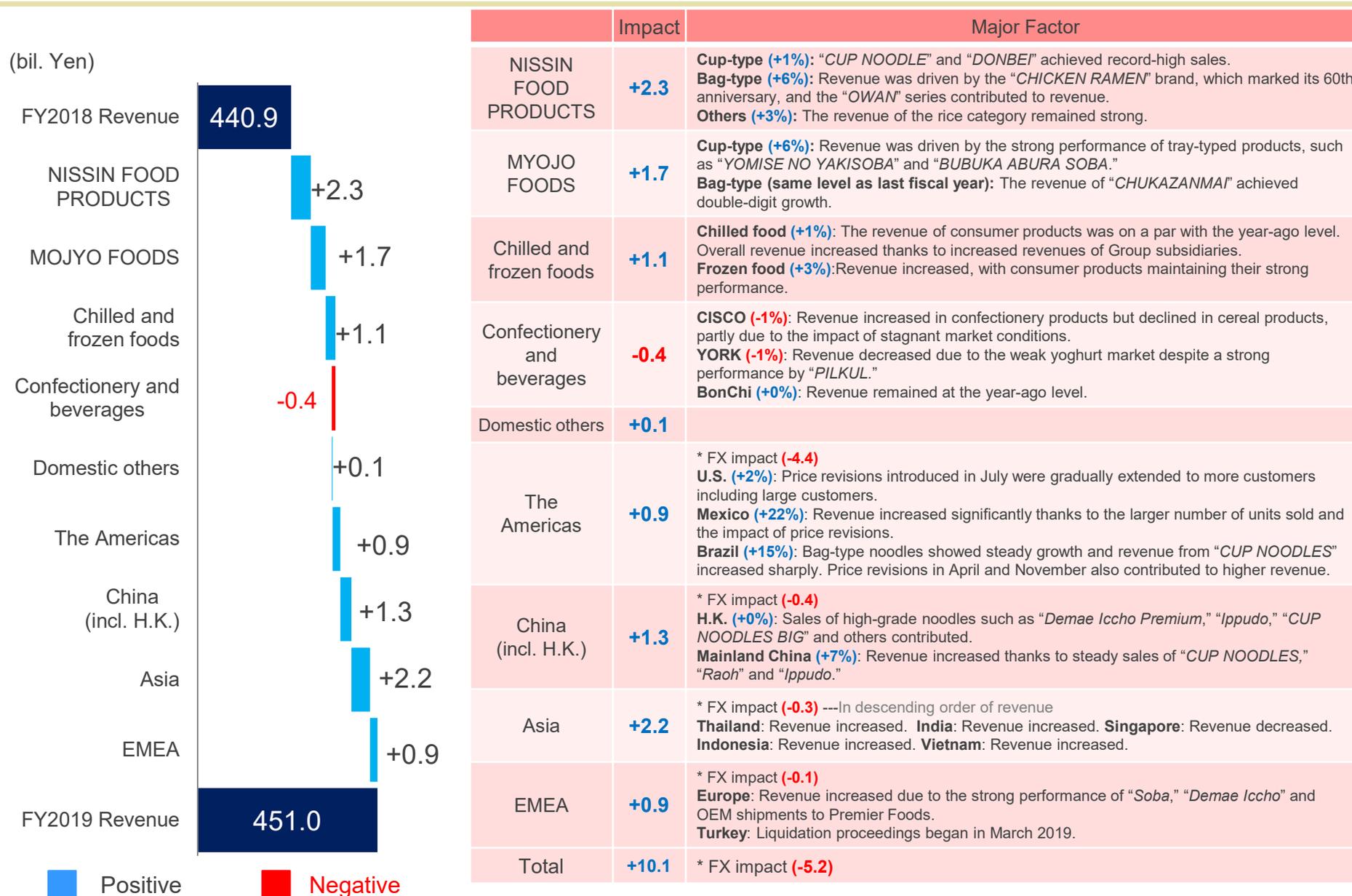
	FY2019					FY2019	FY2018
	Results	Vs. Plan		YoY Change		Plan	Results
Revenue	451.0	-4.0	-0.9%	+10.1	+2.3%	455.0	440.9
Operating profit	29.0	-7.0	-19.5%	-6.2	-17.6%	36.0	35.2
Profit attributable to owners of parent	19.4	-6.6	-25.6%	-9.8	-33.6%	26.0	29.1
OP margin	6.4%	-1.5pt	/	-1.6pt	/	7.9%	8.0%
Profit 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)

(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.).



Positive Negative

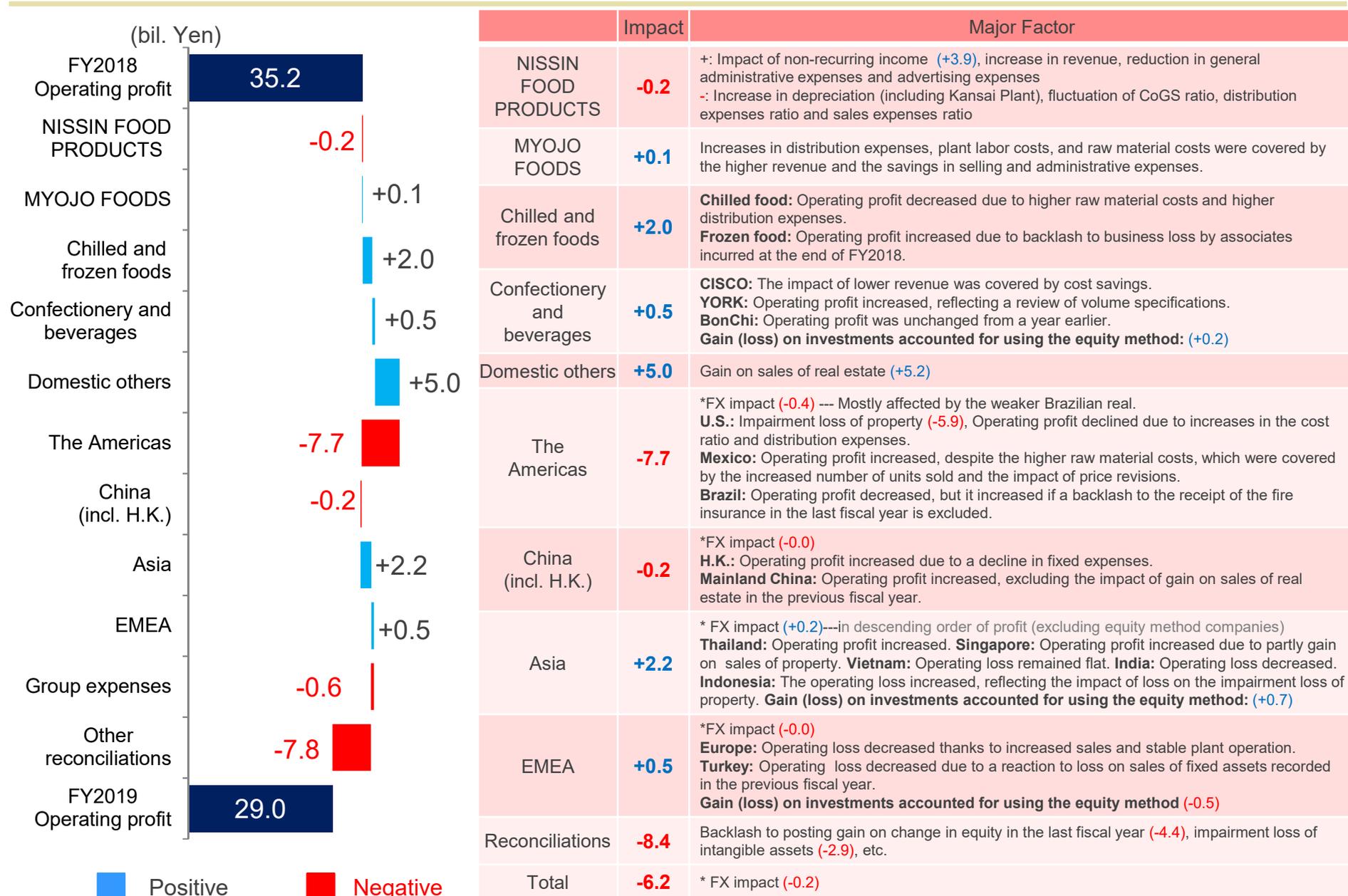
* Figures for year-on-year changes in sales of NISSIN FOOD PRODUCTS and MOYOJO FOODS, which are indicated in the parentheses of each, are year-on-year changes in shipment value by manufacturer in each category, and they are not year-on-year changes in revenue based on IFRS.
* Comments and YoY change figures in Major Factors in the Americas, China, Asia and EMEA segments are based on revenue on a local currency basis.



(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.).

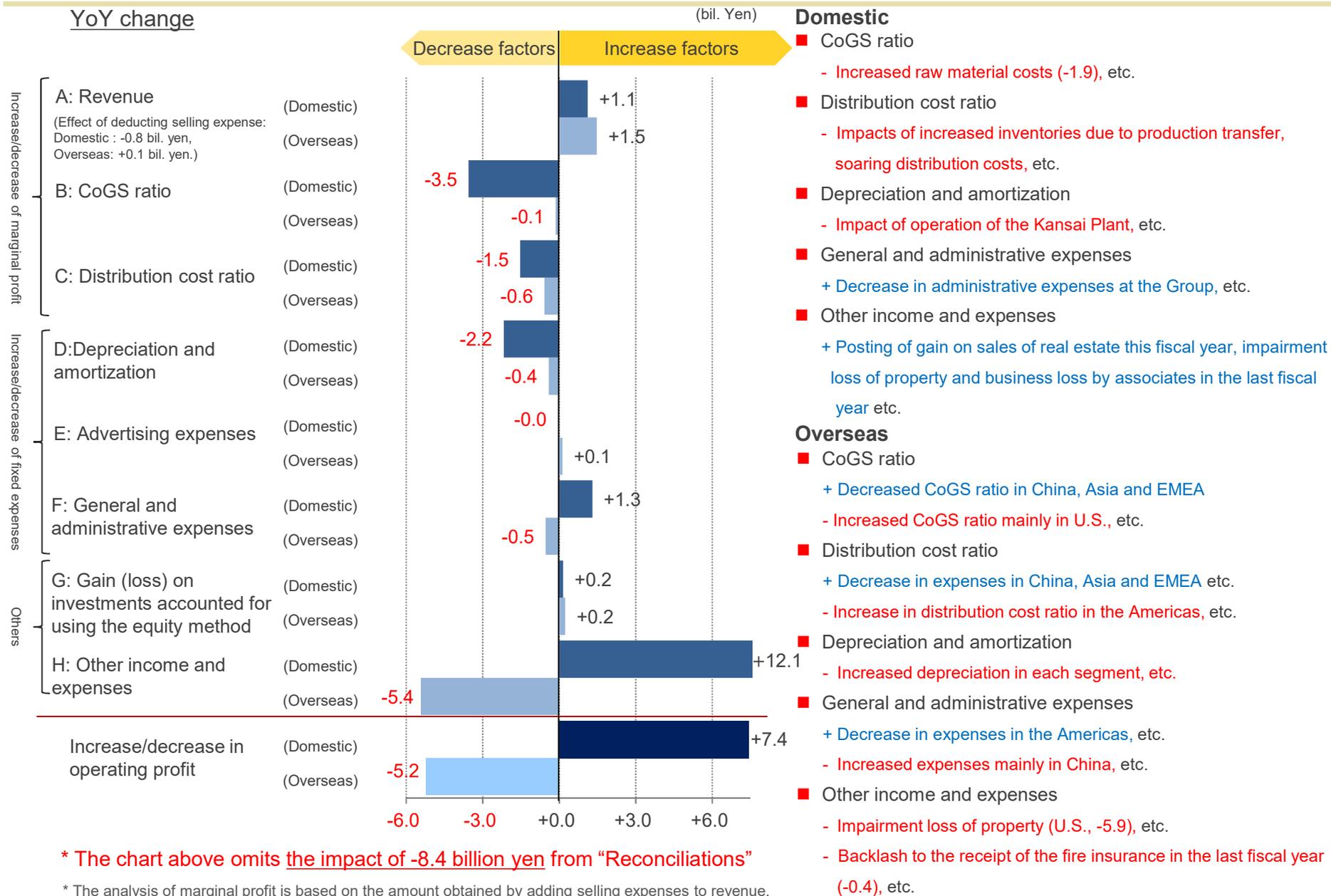


Major Factors for Difference in Operating Profit (Impact of Non-Recurring Income and Expenses)

(bil. Yen)

	FY2019 Results	FY2018 Results	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and expenses
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. (FY2018) Impairment loss of property -1.1 etc.
Asia	1.8	(0.4)	+2.2	+0.8	(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.



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.

(bil. Yen)

	FY2020			FY2019 Results
	Plan	YoY Change		
Revenue	465.0	+14.0	+3.1%	451.0
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%
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

■ Main factors behind higher costs

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.

■ Impacts due to non-recurring income/expenses

FY2019 Impairment of fixed assets (U.S., 5.9)
 FY2019 Impairment of intangible assets (Brazil, 2.9)

*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)

(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.

(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.

Major Factors for Difference in Operating Profit (Impact of Non-Recurring Income and Losses)

(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	

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

(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

Depreciation and Amortization

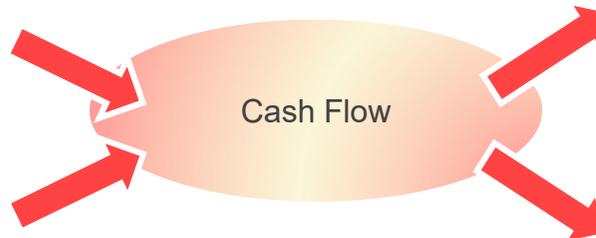
- FY2019 Reasons for YoY increase
 - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I
 - BonChi: New Yamagata Plant
- FY2020 Reasons for YoY increase
 - Increase depreciation due to impacts of application of IFRS 16 (+3.2)
 - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I, II and III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

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

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

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.**

Medium-Term Business Plan 2021 Interim Review and Future Outlook

Representative Director, President and CEO
Koki Ando

- 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)

- 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:		<u>Initial plan</u>	<u>Current assumption</u>
	USD	112.68	110.00
	BRL	28.00	28.00
	HKD	14.53	14.00
	EUR	131.77	125.00

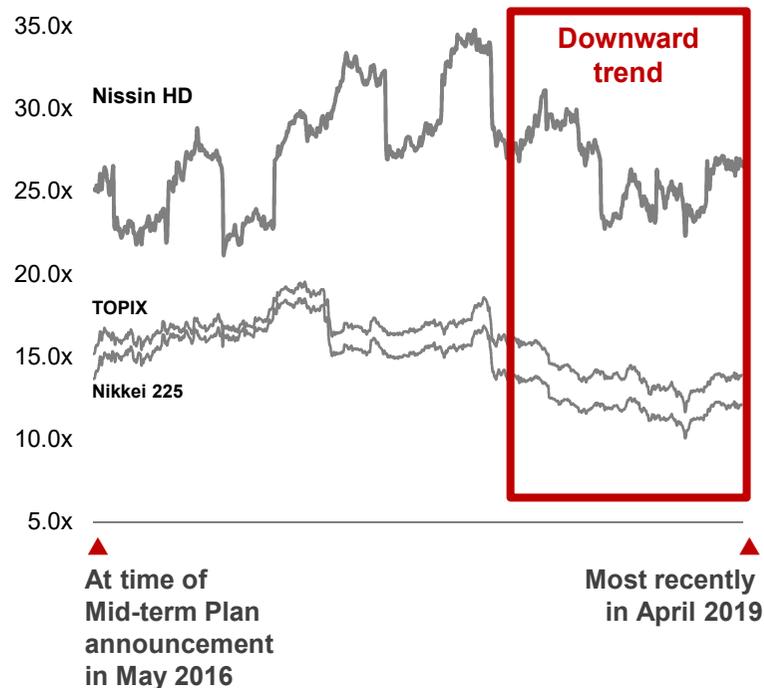
FY2021 Targets for Overseas Business

(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%

- 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.

Strategic Theme	Initial FY2021 Target	FY2019 Results	FY2021 Forecast	Comments
1 Promoting global branding for <i>CUP NOODLES</i>	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 29.1 bil. yen Operating profit target	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.

Bil. yen	<u>Initial plan</u>	<u>FY2019</u>	<u>FY2021</u>	
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.

- 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	● 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.	● Strengthen earnings base through price increases and cost reductions, etc. and develop premium products.
		Brazil	● Develop “CUP NOODLES” brand and strengthen sales of bag-type noodles, which are base of earnings.
		Mexico	Utilize strengths of local production and focus on priority regions. Strengthen profitability through development of premium products.
	China	H.K.	Expand business opportunities through diversification. Strengthen marketing activities in mature instant noodles market.
		Mainland China	Expand market and maximize revenue and profits through high-grade noodles, rather than focusing only on “CUP NOODLES”.
	Asia	Indonesia	● Determine priority regions/channels/segments and improve profit margins. Utilize as production base for HALAL products.
		India	● Determine priority regions/channels/segments and improve profit margins.
		Vietnam	Expand cup-type noodles focusing on urban areas and move plant operations and production departments into profit through OEM within Group.
		Philippines	● Maintain current high growth for “CUP NOODLES” through continuous investment. Also look for multi-branding opportunities.
		Thailand	● Expand and enhance 10-baht bag-type noodles. Continue to invest in “CUP NOODLES”.
		Singapore	Take advantage of position as market leader to strongly leverage “CUP NOODLES”, revitalize bag-type noodles and develop multiple categories.
	EMEA	Europe	Increase sales of major brands and strengthen earning base especially in priority areas, such as Germany and the UK. Liquidation of Turkish business.
		Russia	As market leader, activate Russia’s stagnating market through sales and marketing.

- 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

- 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.

- 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



- 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



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

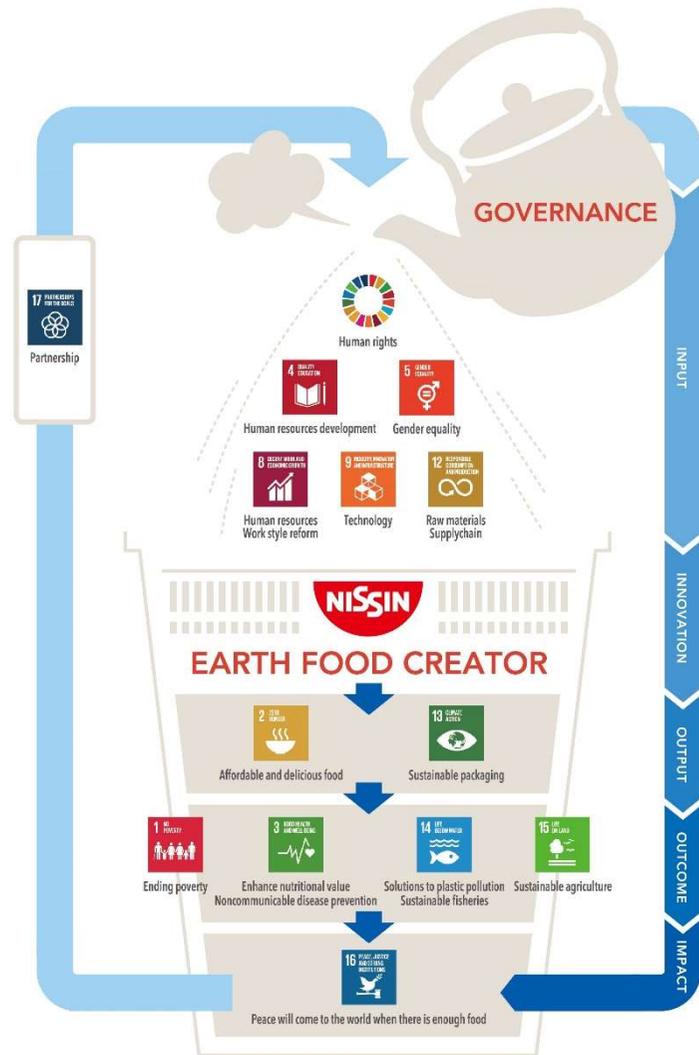
- First Japanese instant noodles manufacturer to use RSPO Certified Palm Oil (at domestic plant)

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.

- 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.

APPENDIX

FY2020 Domestic Business: Policy and Activities by Segment (1)

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

[CUP NOODLE]
Acquiring new users and demand by expanding product lineup



*Miso flavor is temporary sales suspended

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 Shimofurimyajo (comedy duo)



FY2020 Domestic Business: Policy and Activities by Segment (2)

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 combinations



➤ BonChi

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



FY2020 Overseas Business: Policy and Activities by Segment (1)

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 Lamen"
 - 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



FY2020 Overseas Business: Policy and Activities by Segment (2)

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.”



FY2020 Overseas Business: Policy and Activities by Segment (3)

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



Information in this material is not intended to solicit sales or purchase of NISSIN FOODS HOLDINGS stock shares. The comments and estimates in this document are based on the company's judgment at the time of publication and their accuracy is not guaranteed. They are subject to change without notice in the future. The company and its officers and representatives hold no responsibility for any damage or inconvenience that may be caused by any part of this material.

- This presentation material is available in the Presentation Material 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.
- 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 \pm 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.



NISSIN FOODS HOLDINGS CO., LTD.