

Financial Results for the First Half
of the Fiscal Year Ending March 31, 2020
Announced on November 7, 2019

This material was released on November 11, 2019 for the results briefing.



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code: 2897

FY2020 Mgmt. Policy

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.

Consolidated: Revenue increased and operating profit and profit attributable to owners of parent decreased

Domestic: Revenue increased and operating profit decreased

- NISSIN FOOD PRODUCTS: Revenue increased, driven by sales of the main brands, particularly *CUP NOODLE*, but operating profit decreased mainly due to higher depreciation.
- MYOJO FOODS: Revenue and operating profit increased, reflecting strong sales of *CHARUMERA* and *HYOBANYA*, among other brands.
- Chilled and frozen foods: Revenue increased but operating profit decreased in the frozen foods business. Revenue decreased and operating profit was on a par with the year-ago level in the chilled foods business.
- Confectionery and beverages: Revenue and operating profit declined at NISSIN CISCO, NISSIN YORK and BonChi.
- The decreased operating profit of domestic business was largely attributable to the impact of a gain on sale of fixed assets of 5.2 billion yen recorded in the previous fiscal year.

Overseas: Both revenue and operating profit increased

- Americas: Revenue rose significantly in Brazil and Mexico. Revenue also increased in the U.S. Operating profit increased significantly in the U.S. and Brazil, also climbing in Mexico.
- China region: Both revenue and operating profit increased in mainland China. In Hong Kong revenue increased slightly, but operating profit declined due to the enhancement of the management division.
- Asia region: Revenue increased due to the contributions of Thailand, India, Indonesia and Singapore. Operating profit rose due to the contribution of Thailand, Indonesia and gain on investments accounted for using the equity method.
- EMEA: Revenue decreased partly due to the liquidation of the business in Turkey. Operating profit declined slightly.

Overall, consolidated results were strong.

In the domestic instant noodles business, the penetration of price revisions is progressing as planned. Other domestic businesses will respond to changes in the environment to achieve the targets of the initial plan.

Overseas business was strong, especially in the Americas, China and Asia.

FY2020 1H Results

Summary of 1H

(bil. yen)

	FY2020			FY2019
	1H Results	YoY Change	YoY Change(%)	1H Results
Revenue	221.4	+6.7	+3.1%	214.7
Operating profit	19.7	-2.8	-12.5%	22.5
Profit attributable to owners of parent	13.5	-1.7	-11.1%	15.2

OP margin	8.9%	-1.6pt	/	10.5%
Profit attributable to owners of parent margin	6.1%	-1.0pt		7.1%

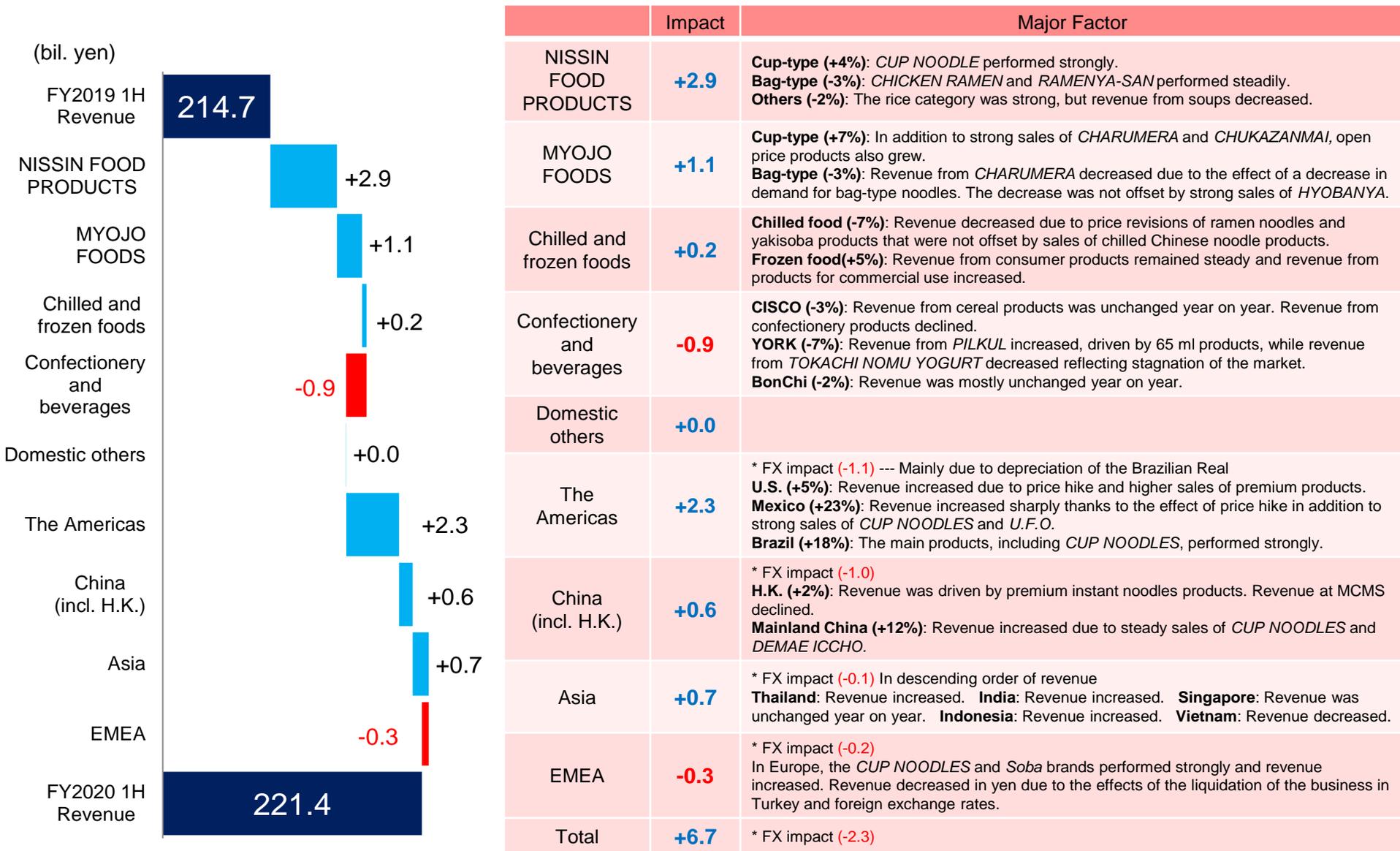
Revenue Results by Segment

(bil. yen)

	FY2020			FY2019
	1H Results	YoY Change	YoY Change(%)	1H Results
Instant noodles	109.6	+4.0	+3.8%	105.6
NISSIN FOOD PRODUCTS	92.5	+2.9	+3.3%	89.6
MYOJO FOODS	17.1	+1.1	+6.8%	16.0
Chilled and frozen foods	27.9	+0.2	+0.9%	27.7
Confectionery and beverages	20.5	-0.9	-4.2%	21.4
Domestic others	2.1	+0.0	+0.7%	2.1
Domestic total	160.0	+3.4	+2.1%	156.7
The Americas	31.6	+2.3	+7.9%	29.3
China (incl. H.K.)	21.0	+0.6	+3.1%	20.3
Asia	5.6	+0.7	+13.4%	4.9
EMEA	3.2	-0.3	-7.3%	3.4
Overseas total	61.3	+3.3	+5.8%	58.0
Consolidated revenue	221.4	+6.7	+3.1%	214.7

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

Revenue Contribution by Segment



■ Positive ■ Negative

* Figures for year-on-year changes in sales of NISSIN FOOD PRODUCTS and MYOJO FOODS, which are indicated in the parentheses of each, are year-on-year changes 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.

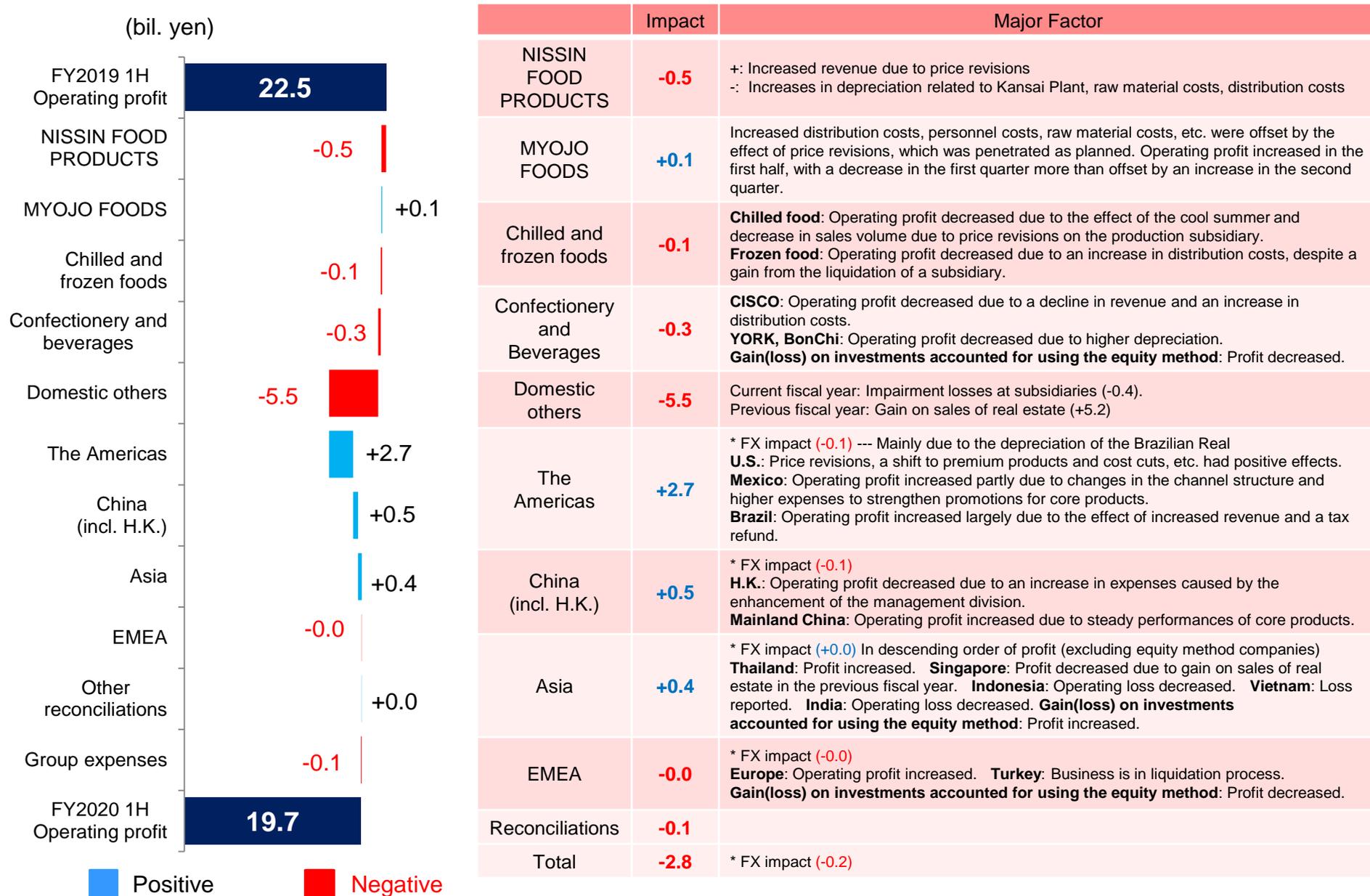
Operating Profit Results by Segment

(bil. yen)

	FY2020			FY2019
	1H Results	YoY Change	YoY Change(%)	1H Results
Instant noodles	13.1	-0.5	-3.4%	13.5
NISSIN FOOD PRODUCTS	11.7	-0.5	-4.3%	12.3
MYOJO FOODS	1.3	+0.1	+5.9%	1.3
Chilled and frozen foods	1.0	-0.1	-12.1%	1.2
Confectionery and beverages	1.1	-0.3	-20.2%	1.4
Domestic others	0.5	-5.5	-91.8%	6.0
Domestic total	15.7	-6.4	-28.8%	22.1
The Americas	2.4	+2.7	-	(0.3)
China (incl. H.K.)	2.3	+0.5	+31.4%	1.7
Asia	1.8	+0.4	+31.3%	1.3
EMEA	0.4	-0.0	-7.9%	0.4
Overseas total	6.8	+3.6	+111.1%	3.2
Other reconciliations	(0.1)	+0.0	-	(0.1)
Group expenses	(2.7)	-0.1	-	(2.6)
Consolidated operating profit	19.7	-2.8	-12.5%	22.5

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Operating Profit Contribution by Segment



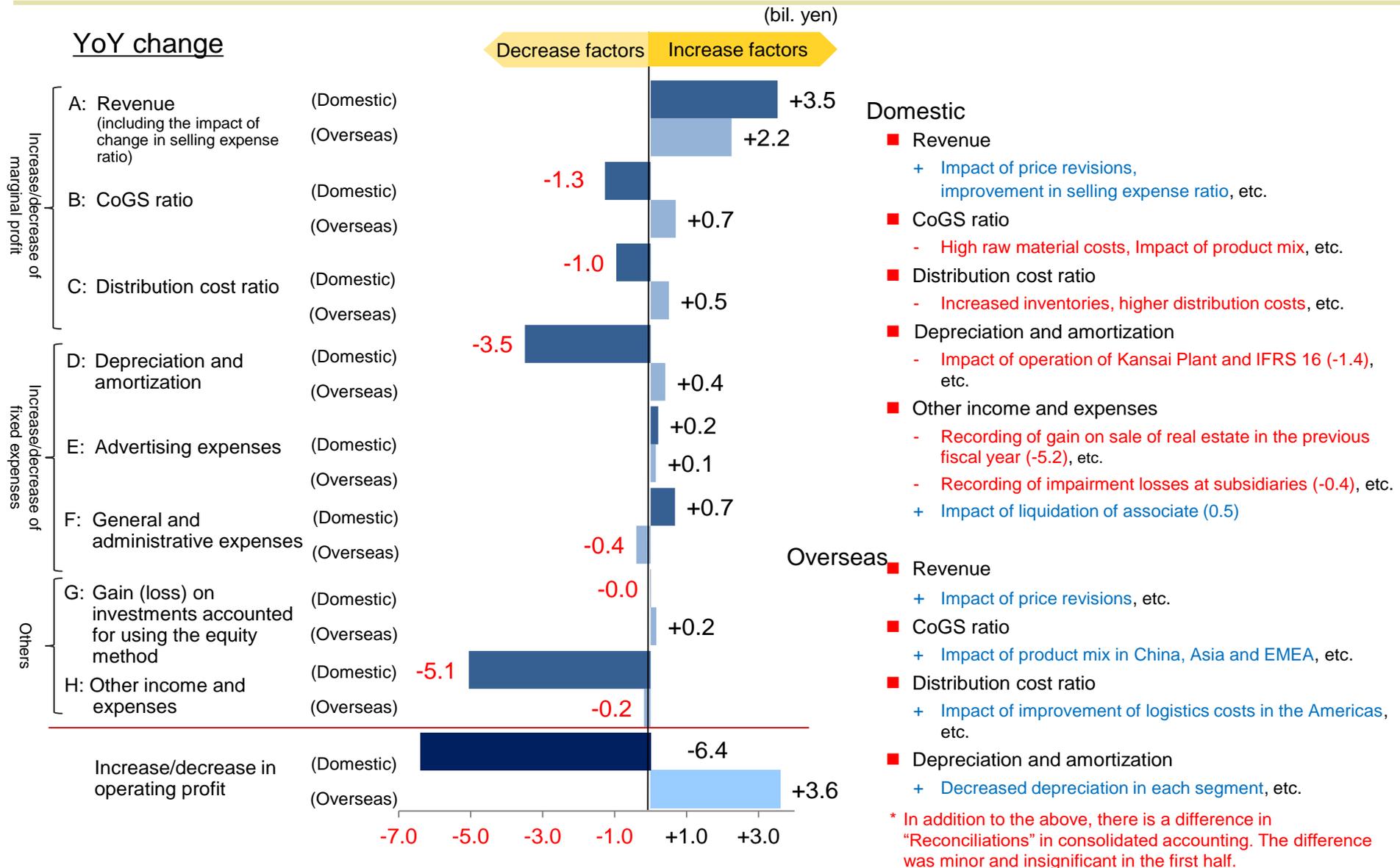
Major Factors for Difference in Operating Profit (Impact of Non-Recurring Income and Expenses) ⁷

(bil. yen)

	FY2020 1H Results	FY2019 1H Results	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and losses
NISSIN FOOD PRODUCTS	11.7	12.3	-0.5	+0.0	
MYOJO FOODS	1.3	1.3	+0.1	-0.0	
Chilled and frozen foods	1.0	1.2	-0.1	+0.5	(FY2020) Impact of liquidation of associate +0.5
Confectionery and beverages	1.1	1.4	-0.3	+0.1	
Domestic others	0.5	6.0	-5.5	-5.6	(FY2019) Gain on sales of real estate +5.2 (FY2020) Impairment loss of property -0.4
Domestic total	15.7	22.1	-6.4	-5.1	
The Americas	2.4	(0.3)	+2.7	+0.0	
China (incl. H.K.)	2.3	1.7	+0.5	+0.0	
Asia	1.8	1.3	+0.4	-0.3	(FY2019) Gain on sales of property +0.3
EMEA	0.4	0.4	-0.0	+0.0	
Overseas total	6.8	3.2	+3.6	-0.2	
Other reconciliations	(0.1)	(0.1)	+0.0	-0.0	
Group expenses	(2.7)	(2.6)	-0.1	-	
Consolidated operating profit	19.7	22.5	-2.8	-5.2	

* Figures in the "Main items of non-recurring income and losses": + Income, - Loss

Analysis of Operating Profit: Consolidated (Domestic / Overseas)



* The analysis of marginal profit is based on the amount obtained by adding selling expenses to revenue.

* From the 1H of FY2020, the calculation method has been changed in order to more accurately express the impact of price revisions.

[Method of calculating increase/decrease factors] (1) Marginal profit (A, B, C) = (Revenue in the current fiscal year x Ratio of revenue in the previous fiscal year) – Expenses in the current fiscal year.
 (2) Fixed costs (D, E, F) = Expenses in the previous fiscal year – Expenses in the current fiscal year. (3) Others (G, H) = Results in the previous fiscal year – Results in the current fiscal year

Progress of Medium-Term Business Plan 2021 and Sustainability

Representative Director, President and CEO
Koki Ando

Mid-term Plan KPIs (IFRS)

	1H Results	FY2020 plan	FY2021 plan	
Earning power through operations	Revenue	221.4 bil. yen	465.0 bil. yen	480.0 bil. yen
	Operating profit	19.7 bil. yen	37.0 bil. yen	42.5 bil. yen
Capital market value	Profit*	13.5 bil. yen	26.0 bil. yen	30.0 bil. yen
	ROE	- %	- %	8 %
	Adjusted EPS**	- yen	245 yen	284 yen

* 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)

FY2021 Targets for Domestic Business

(bil. yen)	1H Results	FY2020	FY2021
Instant noodles	Revenue	109.6	238.0
	Operating profit	13.1	29.5
	%	11.9%	12.4%
Chilled and frozen foods, confectionery and beverages	Revenue	48.4	103.0
	Operating profit	2.1	5.2
	%	4.4%	5.0%
	<u>Rate 1H</u>	<u>Assumed rate</u>	
	USD	108.63	110.00
	BRL	27.56	28.00
	HKD	13.86	14.00
	EUR	121.42	125.00

FY2021 Targets for Overseas Business

(bil. yen)	1H Results	FY2020	FY2021
The Americas	Revenue	31.6	67.5
	Operating profit	2.4	3.7
	%	7.6%	5.5%
China (incl. H.K.)	Revenue	21.0	47.0
	Operating profit	2.3	4.7
	%	10.9%	10.0%
Asia	Revenue	5.6	13.0
	Operating profit	1.8	2.7
	%	31.3%	20.8%
EMEA	Revenue	3.2	7.5
	Operating profit	0.4	1.3
	%	12.5%	17.3%

* The assumed rates are used for the plan for this fiscal year and the FY2021 plan.

2017

2018

2019

Starts to use sustainable palm oil (certified by RSPO)

- From 2013 at NISSIN FOODS (U.S.A.)
- From 2017 at NISSIN Hungary
- From March 2019 at Kansai Plant

Formulates NISSIN FOODS Group Policy on Sustainable Procurement

Participates in the UN Global Compact



Human Rights Policy formulated

"Nutrition and eco-sustainability" were added to the five principles*3 for the development of instant noodles (World Instant Noodles Summit)

Selected as a component of the Asia/Pacific Index of the DJSI*1 (Continued in 2019)

Phase I of construction of Kansai Plant completed*2



Participates in the CLOMA*4



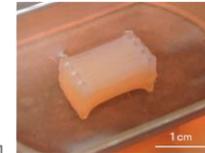
Certified as a Health and Productivity Management Organization (White 500) *5

All-in PASTA, perfect nutritional foods, was launched

Succeeds in the creation of cultured meat (muscle tissue like diced beef steak) *6



EARTH FOOD CHALLENGE 2030
地球のために。未来のために。



Launched sugar content reduced 60%, GOROTTO GRANOLA



Expressed support for the TCFD *7



Develops containers using biomass resources and shifts to those containers

地球と人の未来のために、すぐやろう。

DO IT NOW!

"CUP NOODLE DO IT NOW!" Projects started *8



Launched CUP NOODLE Salt off

Utilizing power generated from waste incineration facilities



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

*1 The Dow Jones Sustainable Indices
*2 Completion of Phase III construction is scheduled for Dec. 2019
*3 Tasty, safe, convenient, preservable and affordable.
*4 The Clean Ocean Material Alliance
*5 In cooperation with the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi
*6 Joint development of the group of Professor Takeuchi of the Institute of Industrial Science of the University of Tokyo
*7 Task Force on Climate-related Financial Disclosures
*8 Projects that address not only prove the good taste but also all sorts of issues, including environmental, disaster-prevention and health issues



EARTH FOOD CHALLENGE 2030

地球のために。未来のために。

Initiative for Earth Food Challenge 2030

1. Replacement with Biomass ECO Cup
2. Utilizing power generated from waste incineration facilities for recycling
3. Plant-derived ingredients for *CUP NOODLE*
4. Development of cultured meat

Instant noodles, including *CUP NOODLE*, have evolved into a sustainable form in all aspects of containers and ingredients.

Climate Change Measures

In 2030
CUP NOODLE

Resource countermeasures

Shift to biomass materials

Changed the material used for *CUP NOODLE* containers to plant-derived plastics

Shift to plant-derived materials

Change to plant-derived ingredients with all assets

Effective use of power generation

Effective utilization of electricity at NISSIN Head Office, which is produced by the waste incineration facility

Development of cultured meat

By utilizing NISSIN Food Tech, develop sustainability materials



地球と人の未来のために、すぐやろう。

DO IT NOW!

We will not only prove the good taste but also address all sorts of issues, including environmental, disaster-prevention and health issues, through *CUP NOODLE*. We will do what is needed immediately for the future of the earth and people.

Biomass ECO Cup



We will provide the industry's first Biomass ECO Cup, 80% or more of which consists of biomass-derived materials.

For *CUP NOODLE*, the cups will be replaced with Biomass ECO Cups from December 2019, to be completed in FY2022.

The amount of petroleum-derived plastic used for a Biomass ECO Cup will be about half of that for the existing ECO Cup. The amount of CO₂ that will be emitted when they are incinerated will be reduced by 16%.

Rollingstock



A disaster prevention set that allows customers to eat warm *CUP NOODLE* at any time, even when electricity, gas, and water are not available due to natural disasters.

Once you apply, 9 meals (3 days' worth of stockpiles) of your choice will be delivered every three months. It is sold in NISSIN FOODS Group Online Store.

<https://store.nissin.com/jp/special/rollingstock/>

Salt Off



I don't feel like reducing salt is a story of the past. The new formula "Chanto Oishii! Salt-off Process" (patent pending) has been applied for approximately 170 types of salt from around the world, and the *CUP NOODLE* flavor and taste of the product has been kept intact, with a 30% reduction in salt content.

People who care about health and salt can enjoy the familiar *CUP NOODLE* flavor.

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- 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 generally means the fiscal year from April 1, 2019 to March 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.