

Financial Results for FY2020
(Fiscal Year Ended March 31, 2020)
Announced on May 12, 2020

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

Stock Code: 2897

FY2020 Business Report FY2021 Business Plan

Director, CFO, and Managing Executive Officer
Yukio Yokoyama

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- My name is Yokoyama, CFO of NISSIN FOODS HOLDINGS.
- I am pleased to report on the full-year financial results for FY 2020 announced on TDnet on the website of Tokyo Stock Exchange and our website at 1:15 p.m. yesterday.
- You have prepared “Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020”, “Fiscal Year ended March 31, 2020 Supplemental Data”, and “Financial Results for FY2020 (Fiscal Year Ended March 31, 2020) on your hand. I would like to explain in detail by using “Financial Results for FY2020 (Fiscal Year Ended March 31, 2020)” today.
- I would like to start by explaining about the “FY2020 Business Report and FY2021 Business Plan.”

- To begin with, we would like to express our heartfelt sympathy to the people who have suffered from coronavirus diseases 2019 (COVID-19) and their families, and hope that they will recover as quickly as possible. We would also like to thank medical professionals for their deep respect and appreciation for their daily efforts in preventing and treating the spread of infectious diseases.
- In order to fulfill our supply responsibilities as a food manufacturer, we are striving to ensure a stable supply of products in the event of a disaster and in response to the rapid increase in demand caused by such COVID-19.

Executive Summary

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FY2020 Mgmt. Policy	<p>Steadily implement measures in response to changing market environment and work to strengthen profitability</p> <p>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.</p> <p>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.</p> <p>Group-wide: Make group wide efforts to reduce costs and strengthen the financial position.</p>
FY2020 Results	<p>Consolidated: Increased in revenue and operating profit and profit attributable to owners of parent (Both profit achieved record high)</p> <ul style="list-style-type: none">• In response to coronavirus disease 2019 (COVID-19) in March 2020, the stable supply was sought by narrowing down SKU of the product to stay-at-home demand. <p>Domestic: Increased in revenue and decreased in operating profit</p> <ul style="list-style-type: none">• Instant noodles business: Price revisions made in June have penetrated steadily. Despite increases in raw material and distribution costs, along with other cost increases, the increase in stay-at-home demand as a result of measures taken to combat the spread of COVID-19 during the fourth quarter also contributed to profits, resulting in an overall increase in both revenue and operating profit.• Chilled and frozen foods: Revenue increased and operating profit decreased.• Confectionery and beverages: Both revenue and operating profit decreased.• The main factor behind the decline in operating profits in the domestic business was the 5.2 billion yen gain on sales of property recorded in the first quarter of the previous fiscal year. <p>Overseas: Both revenue and operating profit increased</p> <ul style="list-style-type: none">• The Americas: The U.S. business performance recovered. Continued strong performance in Brazil and Mexico, leading to higher revenue and significant operating profit growth. (Profit increased even after excluding U.S. impairment loss of property recorded in the previous fiscal year.)• China: Both revenue and operating profit increased. Higher revenue, particularly in Mainland China, contributed to higher operating profit.• Asia: Revenue increased due to contributions from Thailand, Singapore and India. Operating profit rose due to contributions from Thailand and Indonesia. Gain on investments accounted for using the equity method also contributed to operating profit growth.
Summary of FY2020	<p>Achieved a V-shaped recovery from the previous fiscal year's profit decline.</p> <p>Strong performance of instant noodles business in domestic business.</p> <p>Revenue and operating profit increased in all overseas segments.</p> <p>(Excludes the impact of changes in the accounting periods in FY2019 in Asia)</p>

- We report on our performance in FY2020. See Slide 2, Executive Summary.
- In FY2020, in accordance with the management policy outlined above, we worked to promptly respond to changes in the market environment, enhance profitability, and restore business performance.

As a result, consolidated revenue and profits increased year on year, achieving a V-shaped recovery.

- In the domestic instant noodles segment, revenue and operating profit increased significantly, reflecting the steady penetration of price revisions and the growth in earnings of mainstay brands. In addition, stay-at-home demand for instant noodles increased due to COVID-19 in March, which offset the impact of higher raw materials and distribution costs and depreciation costs for NISSIN FOOD PRODUCTS' Kansai Plant. Excluding special factors such as the gain on sales of real estate in the previous fiscal year, the domestic business as a whole will record increases in both revenue and operating profit.
- In the overseas business, revenue and operating profit increased in all regions, except for the impact of the change in the accounting periods in FY2019 in Asia. This was due to the recovery in the U.S. business performance, stable growth in China and Brazil, as well as steady growth in Europe and Asia.

(bil. yen)

	FY2020					FY2020	FY2019
	Results	vs. Plan		YoY Change		Plan	Results
Revenue	468.9	+3.9	+0.8%	+17.9	+4.0%	465.0	451.0
Operating profit	41.3	+4.3	+11.5%	+12.3	+42.4%	37.0	29.0
Profit attributable to owners of parent	29.3	+3.3	+12.8%	+10.0	+51.5%	26.0	19.4
OP margin	8.8%	+0.8pt		+2.4pt		8.0%	6.4%
Profit attributable to owners of parent margin	6.3%	+0.7pt		+2.0pt		5.6%	4.3%
ROE	9.0%	-		+3.1pt		-	5.9%
EPS (yen)	281	+32		+96		250	186
Adjusted EPS (yen) ^{*1}	278	+33		+53		245	225

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

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- Slide 3 is a summary of FY2020 results.
- Revenue increased by 17.9 billion yen year on year to 468.9 billion yen.
- Operating profit increased by 12.3 billion yen year on year to 41.3 billion yen.
- Profit attributable to owners of parent increased by 10.0 billion yen year on year to 29.3 billion yen.
- The operating profit margin and ROE are 8.8% and 9.0%, respectively.
- Operating profit and profit attributable to owners of parent achieved record profits.

Revenue Results by Segment

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(bil. Yen)

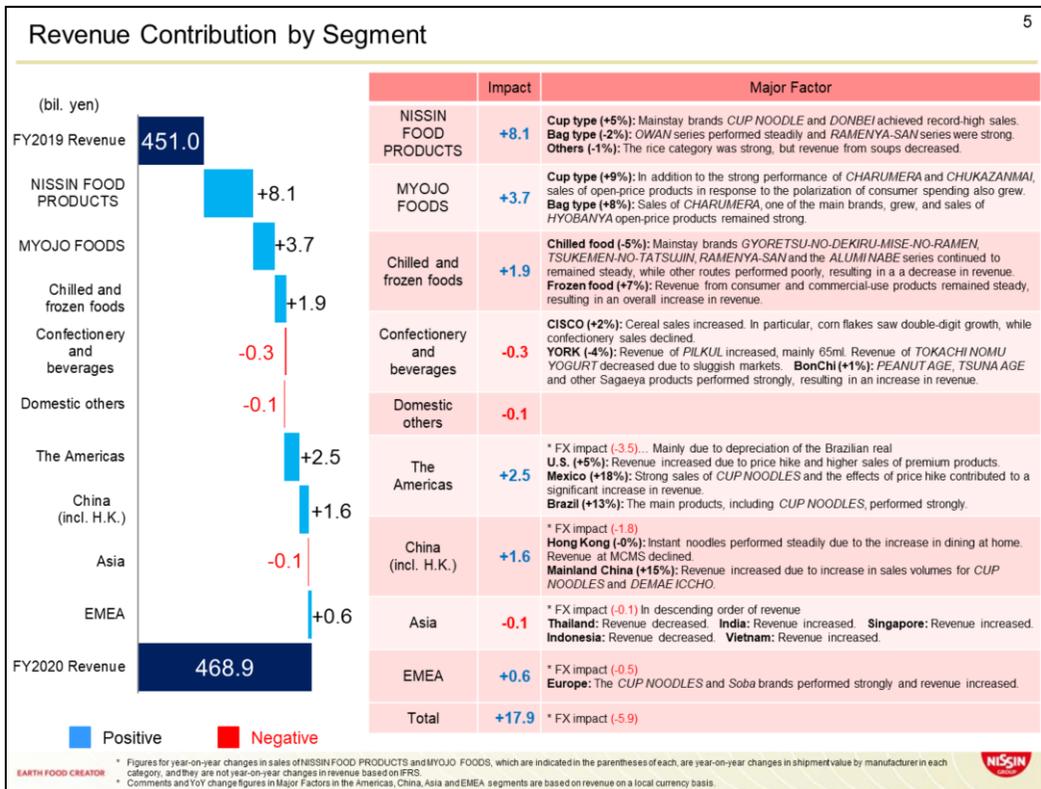
	FY2020					FY2020	FY2019
	Results	vs. Plan		YoY Change		Plan	Results
Instant noodles	237.8	+3.8	+1.6%	+11.7	+5.2%	234.0	226.1
NISSIN FOOD PRODUCTS	201.3	+1.3	+0.7%	+8.1	+4.2%	200.0	193.3
MYOJO FOODS	36.5	+2.5	+7.4%	+3.7	+11.1%	34.0	32.9
Chilled and frozen foods	57.3	+0.3	+0.5%	+1.9	+3.4%	57.0	55.4
Confectionery and beverages	41.9	-1.1	-2.5%	-0.3	-0.6%	43.0	42.2
Domestic others	4.1	+0.3	+8.0%	-0.1	-1.7%	3.8	4.2
Domestic total	341.2	+3.4	+1.0%	+13.2	+4.0%	337.8	327.9
The Americas	65.9	+1.9	+3.0%	+2.5	+3.9%	64.0	63.4
China (incl. H.K.)	43.1	-1.4	-3.2%	+1.6	+3.9%	44.5	41.4
Asia	11.3	-0.4	-3.8%	-0.1	-1.1%	11.7	11.4
EMEA	7.4	+0.4	+6.1%	+0.6	+9.5%	7.0	6.8
Overseas total	127.7	+0.5	+0.4%	+4.6	+3.8%	127.2	123.0
Consolidated revenue	468.9	+3.9	+0.8%	+17.9	+4.0%	465.0	451.0

* 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.).

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- Slide 4 shows sales revenue by segment.
- Revenue from domestic business rose by 13.2 billion yen to 341.2 billion yen, while revenue from overseas business rose by 4.6 billion yen to 127.7 billion yen. Excluding the impact of currency exchange rates, revenue would increase by 10.5 billion yen.
- Please see Slide 5 for operating profit by segment.



- Revenue of NISSIN FOOD PRODUCTS increased by 8.1 billion yen to 201.3 billion yen. Major brands of cup-type instant noodles, *CUP NOODLE* and *DONBEI*, achieved record sales, reaching a 5% year-on-year increase. In the case of bag-type instant noodles, although the *OWAN* series remains firm, sales of bag-type instant noodles as a whole were down 2% year on year, in reaction to the fact that there was a reactivation of the “*Manpuku* (a TV drama)” effect last year. In the “Others” category, sales of rice categories such as *CURRY MESHU* performed well, but overall sales declined.
- Revenue of MYOJO FOODS increased by 3.7 billion yen year on year to 36.5 billion yen. In cup-type instant noodles, sales of *CHARUMERA* and *CHUKAZANMAI* were strong, and sales of open-price products grew steadily, resulting in 9% increase in year-on-year sales. In bag-type instant noodles, sales of *CHARUMERA* and *HYOBANYA*, open-price products, were strong, resulting in sales increased of 8% year-on-year.
- Regarding chilled and frozen foods segment, sales of *GYORETSU NO DEKIRU MISE NO RAMEN*, *TSUKEMEN NO TATSUJIN* and *RAMENYASAN* were solid, but other routes performed poorly, resulting in a 5% decline in revenue. On the other hand, sales of frozen food business increased 7% due to firm sales of both consumer products and commercial-use products. Consequently, in chilled and frozen foods segment, revenue increased by 1.9 billion yen to 57.3 billion yen.
- In confectionery and beverages segment, revenue of NISSIN CISCO increased by 2% due to higher sales of cereals, despite lower sales of confectionery. In NISSIN YORK, sales of the core *PILKUL* brand were steady, but sales of *TOKACHI NOMU YOGURT* declined by 4% due to a sluggish market. BonChi saw a 1% increase in revenue. Revenue in this segment saw 0.3 billion yen decline to 41.9 billion yen.
- Revenue in the Americas increased by 2.5 billion yen to 65.9 billion yen. Excluding the impact of foreign exchange rates of 3.5 billion yen, substantial increase was 6.0 billion yen. Revenue in the U.S. increased due to price hikes and an increase in sales volume of premium products. In Mexico, revenue increased significantly due to the strong performance of *CUP NOODLES Intenso* and the effects of price hikes. In Brazil, sales of mainstay bag-type instant noodles grew, and sales of *CUP NOODLES* grew steadily, resulting in a significant increase in revenue.

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Operating Profit Results by Segment

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(bil. Yen)

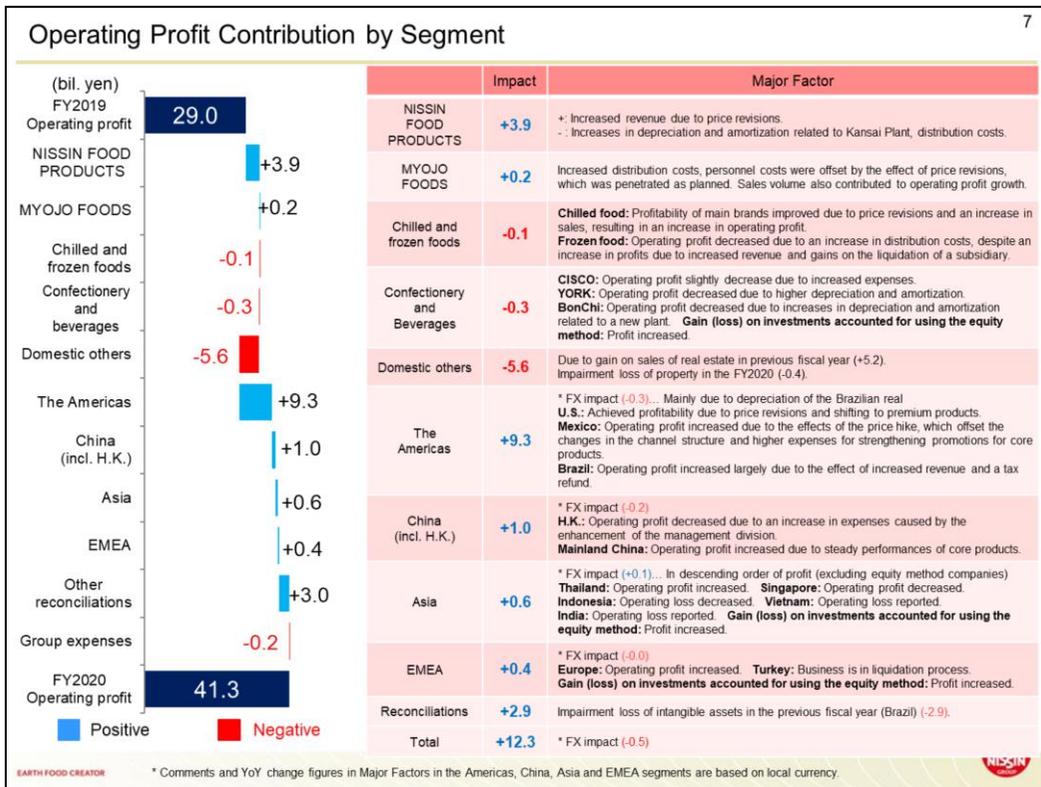
	FY2020					FY2020 Plan	FY2019 Results
	Results	vs. Plan		YoY Change			
Instant noodles	29.8	+2.7	+9.8%	+4.0	+15.6%	27.1	25.7
NISSIN FOOD PRODUCTS	27.6	+2.6	+10.3%	+3.9	+16.3%	25.0	23.7
MYOJO FOODS	2.2	+0.1	+4.5%	+0.2	+7.4%	2.1	2.0
Chilled and frozen foods	1.4	-0.6	-29.5%	-0.1	-8.1%	2.0	1.5
Confectionery and beverages	2.2	-0.4	-15.6%	-0.3	-11.1%	2.6	2.5
Domestic others	1.0	+0.3	+36.6%	-5.6	-85.3%	0.7	6.5
Domestic total	34.3	+1.9	+5.9%	-1.9	-5.3%	32.4	36.3
The Americas	4.1	+1.4	+51.1%	+9.3	-	2.7	(5.2)
China (incl. H.K.)	4.9	+1.1	+28.0%	+1.0	+26.6%	3.8	3.8
Asia	2.4	-0.1	-4.1%	+0.6	+31.6%	2.5	1.8
EMEA	1.1	+0.1	+7.2%	+0.4	+70.0%	1.0	0.6
Overseas total	12.4	+2.4	+24.2%	+11.4	+1069.0%	10.0	1.1
Other reconciliations	(0.1)	-0.1	-	+3.0	-	(0.0)	(3.1)
Group expenses	(5.4)	+0.0	-	-0.2	-	(5.4)	(5.2)
Consolidated operating profit	41.3	+4.3	+11.5%	+12.3	+42.4%	37.0	29.0

* 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.).

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- Revenue in China including Hong Kong increased by 1.6 billion yen to 43.1 billion yen. Excluding the foreign exchange impact of 1.8 billion yen, the substantial increase was 3.5 billion yen. In Hong Kong, overall revenue was on a par with the previous year due to lower MCMS sales in the wholesale business, while business of instant noodles was firm due to the increase in dining at home. Revenue in Mainland China increased by 15% thanks to increased sales of *CUP NOODLES* and *DEMAE ICCHO*.
- In Asia, revenue declined by 0.1 billion yen to 11.3 billion yen. While revenue increased in India, Singapore and Vietnam, revenue decreased in Thailand and Indonesia. The impact of foreign exchange rates was negligible. The previous accounting period of Thailand and Indonesia was a 15-month due to the change in the accounting periods in FY2019. Excluding the impact of this change, revenue in this segment would increase.
- In EMEA, revenue increased 0.6 billion yen to 7.4 billion yen due to the continued strong performance of *CUP NOODLES* and *Soba* in Europe. Excluding the foreign exchange impact of 0.5 billion yen, revenue rose 1.1 billion yen.
- Next, I am going to explain the operating profit results by segment. Please turn to Slide 6.
- In the domestic business, operating profit declined 1.9 billion yen to 34.3 billion yen. This includes a gain of 5.2 billion yen on the sale of real estate recorded in the previous fiscal year. Excluding these special factors, operating profit from domestic businesses records an increase of 3.9 billion yen.
- In overseas business, operating profit increased 11.4 billion yen to 12.4 billion yen.
- Combined with a negative 5.5 billion yen in adjustments between Group companies and other expenses, consolidated operating profit totaled 41.3 billion yen.



- Next, I am going to explain the operating profit contribution by segment. Please turn to Slide 7.
- Operating profit of NISSIN FOODS PRODUCTS rose by 3.9 billion yen to 27.6 billion yen, since higher revenue resulting from price revision implemented in June and increased demand for stay-at-home from COVID-19 in March offset increased depreciation costs of the Kansai Plant, soaring distribution costs and raw material costs.
- Similarly, MYOJO FOODS's operating profit rose by 0.2 billion yen to 2.2 billion yen, as higher revenue resulting from price revisions and increased demand from COVID-19 offsets higher distribution costs and personnel costs.
- In chilled and frozen foods segment, operating profit of chilled food business increased due to higher sales of mainstay chilled foods and improved profitability resulting from price revisions. Frozen food business posted a decline in operating profit, mainly due to an increase in distribution costs, despite an increase in profit from higher sales and a gain on reversal of profit from liquidation of a subsidiary. Segment profit decreased by 0.1 billion yen to 1.4 billion yen.
- In confectionery and beverages segment, segment profit decreased by 0.3 billion yen to 2.2 billion yen. Operating profit for NISSIN CISCO decreased slightly due to an increase in costs. Operating profits for NISSIN YORK and BonChi decreased due to an increase in depreciation and amortization. Gain (loss) on investments accounted for using the equity method also increased.
- In the domestic and others, gains on the sale of real estate amounted to 5.2 billion yen in the previous fiscal year, resulting in a decline of 5.6 billion yen to 1.0 billion yen.
- Segment profit for Americas rose by 9.3 billion yen to 4.1 billion yen. Excluding the foreign exchange impact of 0.3 billion yen, the substantial increase is 9.7 billion yen.
- In the U.S., operating profit moved into the black thanks to price hikes, shifts to premium products, and cost-cutting efforts.
- In Mexico, the effects of the price hike offset changes in the sales channel structure and higher expenses for strengthening promotions, resulting in higher operating profits.
- In Brazil, operating profit rose due to higher sales and tax refunds for previous years.

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Major Factors for Difference in Operating Profit (Impact of Non-Recurring Income and Expenses) ⁸

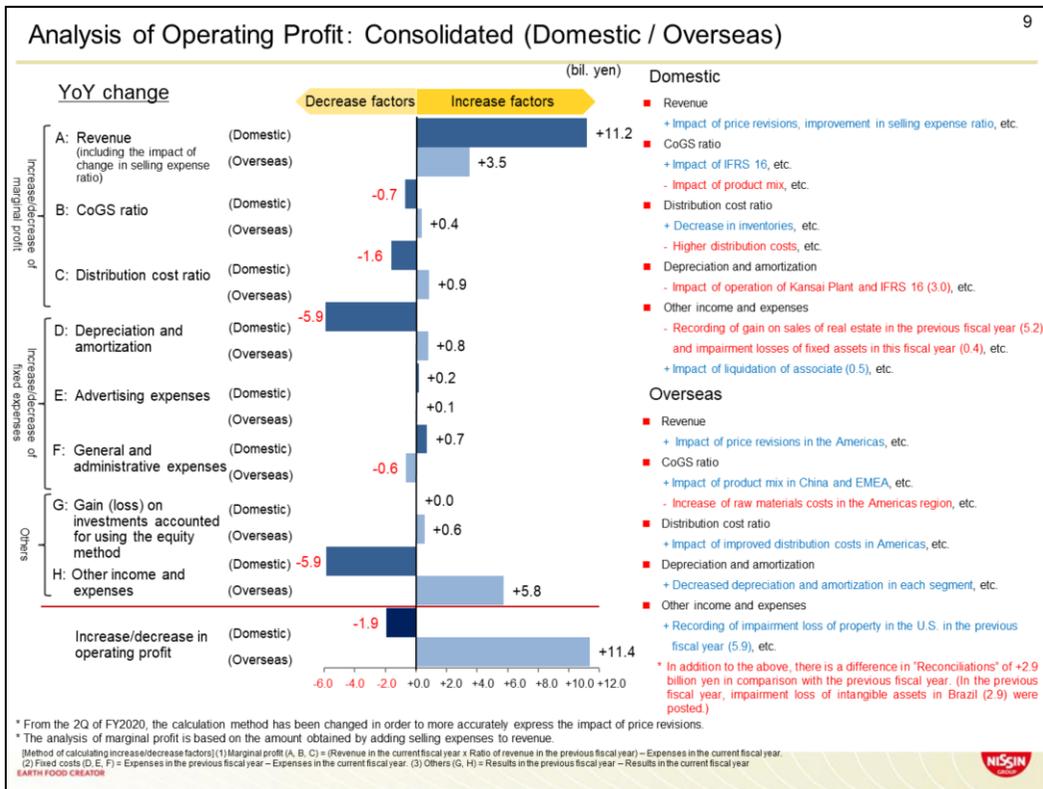
	(bil. Yen)				
	FY2020 Results	FY2019 Results	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and expenses
NISSIN FOOD PRODUCTS	27.6	23.7	+3.9	+0.0	
MYOJO FOODS	2.2	2.0	+0.2	-0.2	
Chilled and frozen foods	1.4	1.5	-0.1	+0.4	(FY2020) Impact of liquidation of associate +0.5
Confectionery and beverages	2.2	2.5	-0.3	-0.1	
Domestic others	1.0	6.5	-5.6	-6.0	(FY2019) Gain on sales of real estate +5.2 (FY2020) Impairment loss of property -0.4
Domestic total	34.3	36.3	-1.9	-5.9	
The Americas	4.1	(5.2)	+9.3	+5.8	(FY2019) Impairment loss of property -5.9
China (incl. H.K.)	4.9	3.8	+1.0	+0.2	
Asia	2.4	1.8	+0.6	-0.3	(FY2019) Impairment loss of property -0.6, Gain on sales of property +0.3 (FY2020) Impairment loss of property -0.7
EMEA	1.1	0.6	+0.4	+0.0	
Overseas total	12.4	1.1	+11.4	+5.8	
Other reconciliations	(0.1)	(3.1)	+3.0	+2.9	(FY2019) Impairment loss of intangible assets -2.9
Group expenses	(5.4)	(5.2)	-0.2	-	
Consolidated operating profit	41.3	29.0	+12.3	+2.8	

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

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- Segment profit for China including Hong Kong increased by 1.0 billion yen to 4.9 billion yen. Excluding the foreign exchange impact of 0.2 billion yen, the substantial increase is 1.2 billion yen. Both Hong Kong and Mainland China saw steady growth in sales of their mainstay products. Mainland China saw an increase in profit, while Hong Kong saw a decrease in profit due to higher costs resulting from the strengthening of administrative divisions.
- In Asia, segment profit rose by 0.6 billion yen to 2.4 billion yen. The impact of foreign exchange rates was negligible. In Thailand, operating profit increased due to continued strong sales of 10-baht bag type instant noodles and stable operation of a factory as a production base in the Asian region. In Singapore, operating profit declined due to a gain on the sale of real estate in the previous fiscal year. In Indonesia, the loss narrowed, but India and Vietnam are still below the surface. Gain (loss) on investments accounted for using the equity method was positive.
- Segment profit in EMEA increased by 0.4 billion to 1.1 billion yen. The impact of foreign exchange rates is negligible. In addition to Europe, Russia, which is accounted for by the equity method, saw an increase in operating profit.
- Please also check the status of the share of profit (loss) of investments accounted for using equity method as described on page 5 of the supplementary material.
- Slide 8 shows the impact of non-recurring income and expenses. The content is basically as explained before.



- Next, we show analysis of operating profit on Slide 9.
- First, I will explain it in domestic businesses.
- The increase in revenue due to the impact of price revisions and COVID-19, and an improvement in the selling expenses ratio contributed to a 11.2 billion yen increase in profit, while changes in the cost of sales ratio resulted in a 0.7 billion yen decline in profit.
- Distribution costs ratio increased by 1.6 billion yen due to the higher distribution costs per unit.
- Depreciation and amortization increased by 5.9 billion yen. Of this amount, 3.0 billion yen was attributable to the adoption of IFRS16. So, this led to a reduction in costs and administrative expenses.
- Finally, other income and expenses declined 5.9 billion yen due to a 5.2 billion yen of gain on the sale of real estate recorded in the previous fiscal year, as well as a 0.4 billion yen of impairment loss on fixed assets and a 0.5 billion yen of gain on liquidation of an associate recorded in FY2020.
- Next, I will explain overseas result.
- The impact of price revisions in the Americas resulted in an increase in profit of 3.5 billion yen.
- The effect of the change in the cost of goods sold ratio was an increase of 0.4 billion yen, mainly due to the impact of product mix in China including Hong Kong and EMEA.
- The 0.9 billion yen decrease in distribution costs ratio was primarily due to the impact of improved distribution costs in the Americas.
- The 0.8 billion yen decrease in depreciation and amortization was due to the decrease in depreciation and amortization in each segment.
- Finally, the 5.8 billion yen increase in other income and expenses was due to a 5.9 billion yen of impairment loss of property in U.S. recorded in the previous year.
- There is a difference in reconciliations of +2.9 billion yen due to the impairment loss of intangible assets in Brazil recorded in the previous fiscal year.

Aim to strengthen the business base to achieve the goals of the Medium-Term Business Plan 2021 and further growth

Domestic:

- Advance DX (Digital Transformation) and seek to expand business operations with a product supply framework that is rock solid even under highly uncertain business conditions.
- Aim to expand revenues and generate profits by further enhancing brand strategy.
- Seek to achieve growth in other business areas (aside from instant noodles) and use them as a basis for future profits.

Overseas:

- Seek to expand sales of added-value products with strategic priority in the U.S. market, which has made a rapid recovery.
- Maintain stable growth in China and Brazil.
- Aim to make businesses in India, Vietnam and Indonesia profitable quickly by focusing on strengthening brands and enhancing profitability.

Group-wide:

- Continue working as a unified group towards achieving the goals of the Medium-Term Business Plan.
- Maintain stable food supply even in the event of an emergency while paying maximum attention to safety and security, including measures against coronavirus disease 2019 (COVID-19).

- Next, I would like to explain our management policy for FY 2021. Please turn to Slide 10.
- In this fiscal year, we will strengthen business base with the aim of achieving the goals of the Medium-Term Business Plan 2021 and strengthening the management foundation for further growth in mind.
- In the domestic businesses, we will advance DX (Digital Transformation) and seek to expand business operations with a product supply framework that is rock solid even under highly uncertain business conditions. Secondly, we will aim to expand revenues and generate profits by further enhancing brand strategy. Finally, we will seek to achieve growth in other business areas (aside from instant noodles) and use them as a basis for future profits.
- In the overseas businesses, we will seek to expand sales of added-value products with strategic priority in the U.S. market, which has made a rapid recovery. Second, we will maintain stable growth in China and Brazil. Finally, we will aim to make businesses in India, Vietnam and Indonesia profitable quickly by focusing on strengthening brands and enhancing profitability.
- Through these efforts, the Group as a whole will continue working as a unified group towards achieving the goals of the Medium-Term Business Plan 2021. In addition, we will maintain stable food supply even in the event of an emergency while paying maximum attention to safety and security, including measures against COVID-19.

	FY2021			FY2020 Results
	Plan	YoY Change		
Revenue	486.0	17.1	+3.7%	468.9
Operating profit	43.5	2.2	+5.4%	41.3
Profit attributable to owners of parent	30.5	1.2	+4.0%	29.3
OP margin	9.0%	+0.2pt	/	8.8%
Profit attributable to owners of parent margin	6.3%	+0.0pt		6.3%
ROE	9.0%	+0.0pt		9.0%
EPS (Yen)	293	+11		281
Adjusted EPS (Yen) ^{*1}	281	+3		278

(bil. Yen)

■ Main factors behind higher costs
Factors

Increases in distribution expenses and raw material costs	4.1 bil. yen Palm oil, cardboard boxes, and seafood, etc.
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*1: Adjusted EPS=(Operating profit ± Other income, expenses - Income tax expense - Profit attributable to non-controlling interests)/
Average number of shares outstanding (excluding treasury shares)

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- Next, see Slide 11. Our business plan for FY2021.
- We aim to achieve 486.0 billion yen in revenue, 43.5 billion yen in operating profit, and 30.5 billion yen in profit attributable to owners of parent. This plan raises the target of the current the Medium-Term Business Plan 2021.
- The operating margin improved 0.2pt to 9.0%.

(bil. yen)

	FY2021			FY2020 Results
	Plan	YoY Change		
Instant noodles	242.5	+4.7	+2.0%	237.8
NISSIN FOOD PRODUCTS	206.0	+4.7	+2.3%	201.3
MYOJO FOODS	36.5	+0.0	+0.0%	36.5
Chilled and frozen foods	59.5	+2.2	+3.8%	57.3
Confectionery and beverages	44.5	+2.6	+6.1%	41.9
Domestic others	3.5	-0.7	-15.8%	4.1
Domestic total	350.0	+8.8	+2.6%	341.2
The Americas	68.0	+2.1	+3.2%	65.9
China (incl. H.K.)	47.0	+3.9	+9.1%	43.1
Asia	13.5	+2.2	+20.0%	11.3
EMEA	7.5	+0.1	+1.0%	7.4
Overseas total	136.0	+8.3	+6.5%	127.7
Consolidated revenue	486.0	+17.1	+3.7%	468.9

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

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- See slide 12, revenue plan by segment.
- The target revenue in the domestic business is 350.0 billion yen.
- The target revenue of NISSIN FOOD PRODUCTS aims for 206.0 billion yen.
- In overseas business, we aim to achieve 136.0 billion yen.
- The Americas is targeted at 68.0 billion yen, the China at 47.0 billion yen, the Asia at 13.5 billion yen, and EMEA at 7.5 billion yen.

(bil. yen)

	Plan	FY2021		FY2020 Results
		YoY Change		
Instant noodles	30.2	+0.4	+1.5%	29.8
NISSIN FOOD PRODUCTS	28.0	+0.4	+1.5%	27.6
MYOJO FOODS	2.2	+0.0	+0.3%	2.2
Chilled and frozen foods	1.7	+0.3	+20.5%	1.4
Confectionery and beverages	2.4	+0.2	+9.4%	2.2
Domestic others	1.2	+0.2	+20.3%	1.0
Domestic total	35.5	+1.1	+3.3%	34.3
The Americas	4.3	+0.2	+5.4%	4.1
China (incl. H.K.)	4.9	+0.0	+0.7%	4.9
Asia	3.4	+1.0	+41.8%	2.4
EMEA	1.4	+0.3	+30.6%	1.1
Overseas total	14.0	+1.6	+12.8%	12.4
Other reconciliations	(0.1)	+0.1	-	(0.1)
Group expenses	(5.9)	-0.5	-	(5.4)
Consolidated operating profit	43.5	+2.2	+5.4%	41.3

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

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- Please turn to Slide 13, operating profit plan by segment.
- Our target operating profit in domestic business is 35.5 billion yen.
- Our target operating profit for NISSIN FOOD PRODUCTS is 28.0 billion yen
- In overseas business, we aim to achieve 14.0 billion yen.
- Targets for the Americas are 4.3 billion yen, 4.9 billion yen for the China, 3.4 billion yen for the Asia, and 1.4 billion yen for EMEA.
- Finally, combined with a negative 6.0 billion yen in adjustments between Group companies and other expenses, consolidated operating profit totaled 43.5 billion yen.

	(bil. Yen)				
	FY2020 Results	FY2021 Plan	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and expenses
NISSIN FOOD PRODUCTS	27.6	28.0	+0.4	-0.1	
MYOJO FOODS	2.2	2.2	+0.0	+0.2	
Chilled and frozen foods	1.4	1.7	+0.3	-0.1	(FY2020) Impact of liquidation of associate +0.5 (FY2021) Impact of liquidation of associate +0.3
Confectionery and beverages	2.2	2.4	+0.2	+0.0	
Domestic others	1.0	1.2	+0.2	+0.7	(FY2020) Impairment loss of property -0.4, etc.
Domestic total	34.3	35.5	+1.1	+0.7	
The Americas	4.1	4.3	+0.2	+0.1	
China (incl. H.K.)	4.9	4.9	+0.0	-0.0	
Asia	2.4	3.4	+1.0	+0.8	(FY2020) Impairment loss of property -0.7
EMEA	1.1	1.4	+0.3	-0.1	
Overseas total	12.4	14.0	+1.6	+0.7	
Other reconciliations	(0.1)	(0.1)	+0.1	+0.1	
Group expenses	(5.4)	(5.9)	-0.5	+0.0	
Consolidated operating profit	41.3	43.5	+2.2	+1.5	

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

- See the slide 14. The impact of non-recurring profit and loss is shown.
- The current planned non-recurring income and loss is only 0.3 billion yen of the liquidation of associate in the chilled and frozen foods segment.

Cash Flow

CF provided by operating activities
Approx. 54.0 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: 11.5 bil. yen
Dividend per share (plan): 110 yen (1H: 55 yen, Year-end: 55 yen)

Budget for investment

Capital investment: 39.4 bil. yen
Business investment: Depends on opportunities

Shareholder Returns

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

41.3% (Estimate): An average of payout ratio over the five years from FY2017 to FY2021

	5-Year Plan	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Plan
Dividend per share	Stable dividend	85 yen	90 yen	110 yen	110 yen	110 yen
Payout ratio	Average 40% or above	38.4% ^{*1}	32.2% ^{*1}	59.2% ^{*2}	39.1% ^{*2}	37.6% ^{*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
- ↳ FY2019: Cancelled 10% of the number of shares outstanding (May 24, 2018, 11,763,685 shares).
- ↳ **FY2021: 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, FY2019 and FY2020.
- ↳ **In FY2021, 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.**

- Please turn to Slide 15, financial and capital policies.
- Cash flow is expected to be approximately 54.0 billion yen in the current fiscal year. In principle, cash flow will be used for shareholder returns, capital expenditures, and business investments. Should a shortfall arise, cash and deposits, the use of investment securities, and various financing methods will be used.
- As disclosed yesterday on a timely basis, we plan to pay a dividend of 110 yen per annum, the same amount as the previous year, and we will continue to aim for a dividend payout ratio of 40% or more in the Medium-Term Business Plan 2021 as our shareholder-oriented dividend policy.
- I have concluded our explanation of our business results for FY2020 and our business plan for FY2021.
- Next, President and Chief Executive Officer, Ando will explain the progress of the Medium-Term Business Plan 2021.

Progress of Medium-Term Business Plan 2021

Representative Director, President and CEO
Koki Ando

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- I am Koki Ando, President and Chief Executive Officer.
- I would like to thank you for participating in our financial results briefing today.
- We have decided to hold this conference on the telephone because COVID-19 is expanding under the circumstance that Japanese government declared state of emergency. We appreciate responding to the change.
- CFO Yokoyama already explained FY2020 business results and FY2021 business plan, so I would like to explain the progress of the Medium-Term Business Plan 2021, the plan for the FY2021 based on the current business environment, the status of our response by COVID-19, and our sustainability activities. This is the final year of the Medium-Term Business Plan 2021, which was launched in 2016. In FY2021, we entered the new fiscal year without seeing any more than usual, but we are working together to achieve this plan.
- This year, we celebrated our 62th anniversary, and operating profit and profit attributable to owners of parent achieved record high.
- Also, this year is the 58th anniversary of our listing in 1963. We are aiming for a market capitalization of 1 trillion yen in this year, the final year of the Medium-Term Business Plan 2021. We are currently approaching 1 trillion yen with a certain reputation.
- As NISSIN FOOD PRODUCTS President Noritaka Ando would say after my presentation, *CUP NOODLE* has grown significantly in Japan as the 100.0 billion yen brand.
- As for overall domestic business, in FY2020, we have had impact of the price revisions and weather fluctuations, such as cool summers and typhoons. In Japan, as the reduced tax rate applied to our products, demand for our products were not affected by the consumption tax hike. We also received favorable results due to favorable demand at the end of the year and the special demand for COVID-19.
- In the overseas business, in addition to some countries that raised prices, demand for *CUP NOODLES* and other bag-type instant noodles increased as a result of stay-at-home demand for COVID-19. As a result, some countries have achieved good financial results. I believe that this was a year in which the evolution of a company's existence value was called into question.

Mid-term Plan KPIs (IFRS)

	FY2020 Results	FY2021 Plan*1	FY2021 Revised Plan	
Earning power through operations	Revenue	468.9 bil. yen	480.0 bil. yen	486.0 bil. yen
	Operating profit	41.3 bil. yen	42.5 bil. yen	43.5 bil. yen
	Ratio of operating profit from overseas business	26.6 %	30 % or higher	28.3 %
Capital market value	Profit*2	29.3 bil. yen	30.0 bil. yen	30.5 bil. yen
	ROE	9 %	8 %	9 %
	Adjusted EPS*3	278 yen	284 yen	281 yen

*1: The Medium-Term Business Plan 2021 was revised and announced on May 9, 2019.

*2: Profit attributable to owners of parent under IFRS

*3: $\text{Operating profit} \pm \text{Other income, expenses} - \text{Income tax expenses} - \text{Profit attributable to non-controlling interests}$ / Average number of shares outstanding during the fiscal year (excluding treasury shares)

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- See page 17 of the slide.
- The business plan for FY2021 does not estimate the impact on COVID-19, but we have analyzed the situation from the start of the current fiscal year up to today and revised the numerical targets for FY2021 based on the latest business environment.
- The main changes from the last year's revised Medium-Term Business plan 2021 to the revised plan in this time are as shown in the middle of the gray table, and revenues have been revised from 480.0 billion yen to 486.0 billion yen.
- Accordingly, operating profit was revised from 42.5 billion yen to 43.5 billion yen, and profit attributable to owners of parent was revised from 30.0 billion yen to 30.5 reviewed billion yen.
- The operating profit ratio in the overseas business was initially set at 30% or more, but it has settled at 28.3% and is expected to slightly fall short of the target.
- As a result, ROE was 9%, unchanged from the previous fiscal year, and adjusted EPS was 281 yen.
- The adjusted EPS for FY2016, just prior to the announcement of the current Medium-Term Business Plan 2021, was 188 yen, so CAGR for the five-year period is expected to be around 8.3%.
- Please turn to following slide.

(bil. yen)	FY2021 Initial plan	FY2021 Plan*1	FY2021 Revised Plan	FY2020 Results
Revenue	550.0	480.0	486.0	468.9
Operating profit	47.5	42.5	43.5	41.3
Profit	33.0	30.0	30.5	29.3
ROE (%)	8% or higher	8% or higher	9%	9%
Payout ratio	Average 40% or higher*2	Average 40% or higher*2	37.6%	39.1%
Adjusted EPS (yen)	330	284	281	278

*1: The Medium-Term Business Plan 2021 was revised and announced on May 9, 2019.

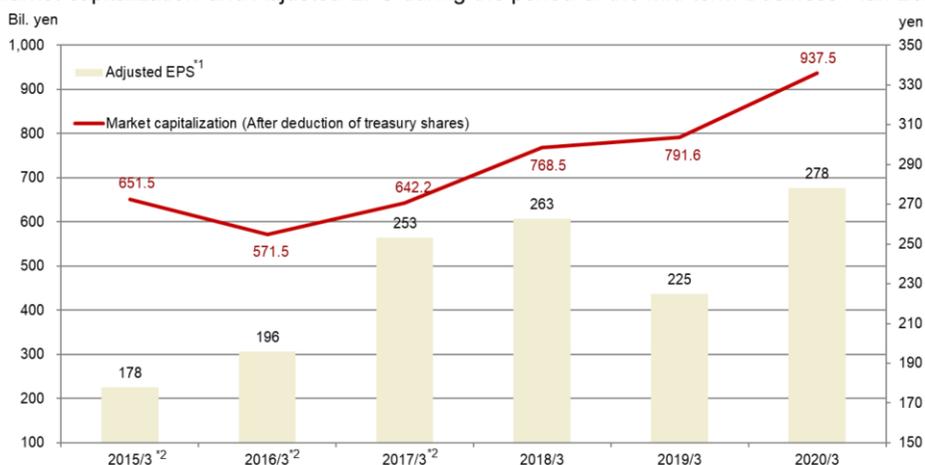
*2: Average payout ratio for the five-year period of the Mid-term Business Plan 2021.

ROE:	Initial plan: <u>8%</u> or higher → FY2021 Revised plan : <u>9%</u>
Average payout ratio :	Initial plan: <u>40%</u> or higher → FY2021 Revised plan : <u>41.3%</u>
CAGR of adjusted EPS:	Initial plan: <u>10%</u> or higher → FY2021 Revised plan : <u>8.3%</u>

- This year is the final year of the Medium-Term Business Plan 2021. I would like to review the progress of it as the plan for FY2021 has become clear.
- The plan announced on May 12, 2016 is shown in the left-hand column of the table. On May 13, 2019, we revised the plan for FY2021 to reflect the situation. “FY2021 Plan*1” is shown on the right. Column for Revenue 480.0 billion yen.
- After reviewing the results of FY2020 and the recent business environment, we have revised our plan for FY2021 again. This is the “FY2021 Revised Plan” in the third column from the left. By achieving this plan, ROE is expected to be 9%, exceeding the 8% target set at the beginning of 2016. The average dividend payout ratio in current Medium-Term Business Plan 2021 is expected to be 41.3%, although we had targeted an average dividend payout ratio of at least 40% during the period. The average growth rate of adjusted EPS was then targeted at 10% or higher, but this is expected to be around 8.3%. I think this is a fairly good rate of return. Under the new Medium-Term Business Plan starting next fiscal year, we aim to achieve sustainable EPS growth by combining further profit growth with financial measures.
- Please use the following slide.

*1: The Medium-Term Business Plan 2021 was revised and announced on May 9, 2019.

• Market capitalization and Adjusted EPS during the period of the Mid-term Business Plan 2021



*1 Calculations differ between J-GAAP and IFRS. The company has applied IFRS from the 1Q of FY2019.
 *J-GAAP: Adjusted EPS = Adjusted NOPAT/Average number of shares outstanding (excluding treasury shares)
 *IFRS: Adjusted EPS = (Operating Profit ± Other income, expenses - Income tax expense - Profit attributable to non-controlling interests) / Average number of shares outstanding (excluding treasury shares)
 *2 J-GAAP

Review of Results (partial)

- Acquisition of Brazil business in the 3Q of FY2016
- Mid-term Business Plan 2021 commenced at FY2017
- The company has applied IFRS from the 1Q of FY2019.
- Domestic instant noodles prices were revised in June 2019.

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- This figure shows changes in the market capitalization and adjusted EPS during the Medium-Term Business Plan 2021. As major related events, the Company hold Nissin Brazil as consolidated subsidiary since the third quarter of FY2016. In May 2016, the Company announced its current Medium-Term Business Plan 2021 and applied IFRS from April 2018. In addition, prices were revised at domestic instant noodles business in June 2019. We will continue to aim for sustainable growth and, as a result, aim to expand market capitalization, which is the market's assessment.
- If the stock price rises to 9,600 yen, the market capitalization will be 1 trillion yen. In order to maintain this, how to grow depends on securing revenues and future growth potential. We understand that a market capitalization of 1 trillion yen is not meaningful in touch-down and is just a milestone.
- We are very grateful to our analysts and investors for the targeted stock price of 10,000 yen, which we have received from them. We intend to achieve a market capitalization of 1 trillion yen during the current fiscal year.

FY2021 Targets for Domestic Business				FY2021 Targets for Overseas Business					
(bil. yen)		FY2020 Results	FY2021 Plan*1	FY2021 Revised Plan	(bil. yen)	FY2020 Results	FY2021 Plan*1	FY2021 Revised Plan	
Instant noodles	Revenue	237.8	238.0	242.5	The Americas	Revenue	65.9	67.5	68.0
	Operating profit	29.8	29.5	30.2		Operating profit	4.1	3.7	4.3
	%	12.5%	12.4%	12.5%		%	6.2%	5.5%	6.3%
Chilled and frozen foods, confectionery and beverages	Revenue	99.2	103.0	104.0	China (incl. H.K.)	Revenue	43.1	47.0	47.0
	Operating profit	3.6	5.2	4.1		Operating profit	4.9	4.7	4.9
	%	3.6%	5.0%	3.9%		%	11.3%	10.0%	10.4%
Foreign exchange rate:		FY2020	FY2021 (Assumed)		Asia	Revenue	11.3	13.0	13.5
	USD	108.74	107.00			Operating profit	2.4	2.7	3.4
	BRL	26.52	26.00			%	21.3%	20.8%	25.2%
	HKD	13.91	14.00		EMEA	Revenue	7.4	7.5	7.5
	EUR	120.82	121.00			Operating profit	1.1	1.3	1.4
						%	14.4%	17.3%	18.7%

*1: The Medium-Term Business Plan 2021 was revised and announced on May 9, 2019.
 * The business plan targets for the China region were set independently by NISSIN FOODS HOLDINGS.

- See page 20 of the slide.
- This page contains similar information in detail on page 4 of the Supplemental Data.
- Figures are officially announced by this segment information, and figures for each company in this breakdown are not disclosed. Regarding revenue and operating profit, please understand that the approximate percentage changes will be made.
- I would like to explain the revised plan for business results by segments.
- Domestic instant noodles business will add 4.5 billion yen to its revenue target, with a new goal of 242.5 billion yen. We aim to increase operating profit by 0.7 billion yen to 30.2 billion yen.
- Chilled and frozen foods, confectionery and beverages segment will add 1.0 billion yen to its revenue target to 104.0 billion yen. Operating profit will be revised by 1.1 billion yen to 4.1 billion yen.
- As the Americas is performing well, mainly in Brazil, we will add 0.5 billion yen to our revenue to 68.0 billion yen. Operating profit will be 4.3 billion yen, 0.6 billion yen added.
- As China including Hong Kong to maintain a stable earnings structure, both revenue and operating profit will be similar to the previous year. Revenue will be 47.0 billion yen and operating profit will be added 0.2 billion yen to 4.9 billion yen.
- Considering the current situation in Asia, we will add 0.5 billion yen to our revenue target to 13.5 billion yen. Operating profit will be increased by 0.7 billion yen to 3.4 billion yen, considering the increase in equity in earnings of affiliates.
- Revenue in EMEA will be 7.5 billion yen as planned, but operating profit will be added 0.1 billion yen to 1.4 billion yen.
- The sum of these figures will be greater than the 43.5 billion yen operating profit in the revised plan. The reason for this is that the 6.0 billion yen of administrative expenses are not included, but all segments saw increases in both revenue and profits. In particular, we would like to achieve 14.0 billion yen in operating profit in the overseas business.

Strategic Theme	FY2021 Target	FY2020 Results	FY2021 Estimate	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"> ✓ Progress was slightly slow due to the impact of price revisions and a shift to premium products in the U.S. business. ✓ Progress remained solid in Brazil, China and India, among BRICs.
2 Focusing on priority locations (BRICs)	Operating profit generated in priority overseas locations accounts for 70%	63%	Around 63%	<ul style="list-style-type: none"> ✓ As overseas businesses were generally strong, performance remained steady, particularly in areas other than BRICs.
3 Laying stronger foundations for domestic profit base	NISSIN FOOD PRODUCTS + MYOJO FOODS 29.5 bil. yen Operating profit target	29.8 bil. yen	30.2 bil. yen	<ul style="list-style-type: none"> ✓ Full-scale operation of Kansai Plant (improvement of production efficiency, safety and security) ✓ Further enhancing the value of core brands ✓ Aim to further strengthen the foundations by reducing SKU and concentrating on 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 Cereal business increased its market presence and value. ✓ In particular, revenue in the Frozen Foods business grew due to market growth and increased demand for single-serving food products. ✓ A shift to more profitable business is needed.
5 Human resources for global management	Pool of management human resources x 2 (200 people)	x 1.9 (Around 190 people)	x 2 (200 people)	<ul style="list-style-type: none"> ✓ The pool of human resources is almost full. ✓ Systematic rotation and education opportunities are being enhanced to improve the quality of the pool of human resources.

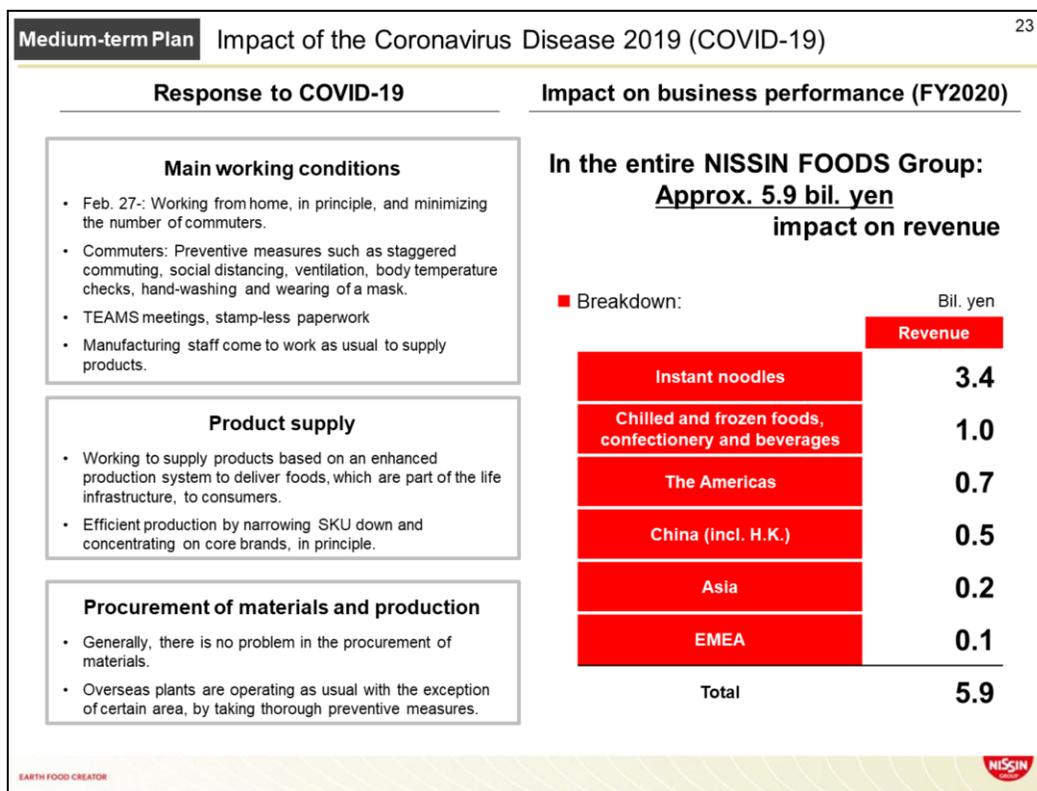
- Next, I would like to review of the five key strategic themes in the Medium-Term Business Plan 2021.
- In the first strategic theme, “Promoting global branding for *CUP NOODLES*,” we are targeting 1.5 times increase in *CUP NOODLES* from FY2016. In FY2020, it increased by more than 6% from the previous year, increasing by 1.2 times from FY2016, and is expected to increase by about 1.3 times by the end of this fiscal year. Therefore, it is difficult to reach our initial target of 1.5 times.
- The sales volume is a crucial target for nurturing *CUP NOODLES* as a global brand. However, for example, in the U.S. we are revising the price of *CUP NOODLES* which is sold at low prices and shifting to premium type of *CUP NOODLES* rather than simply tracking volume. I believe that the results of our efforts to strengthen our brand power are clearly reflected in our results.
- In BRICs, where we are focusing our efforts on Brazil, China, and India, sales of *CUP NOODLES* brand are growing steadily. At the same time, we believe that we need to prioritize growth opportunities for premium products regardless of *CUP NOODLES* in areas where we can expect growth in the markets for high-quality bag type noodles and noodles without soup.
- As the previous fiscal year, we expect this change to stabilize the growth rate in FY2021, which is 1.3 times that of FY2016. However, we will continue to strengthen the “promoting global branding for *CUP NOODLES*.”
- In the second strategic theme, “focus on priority locations,” the overseas business overall performed smoothly, and regional results outside of BRICs were also strong. As a result, we expect to post an operating profit ratio of 63% in main regions for FY2021. Originally, we targeted BRICs accounts for 70% of the operating profit in the overseas business. The overseas business is doing well overall, especially, operating profit outside BRICs such as Thailand, the Philippines, and U.S. is increasing. So, BRICs itself is achieving its targets, but it is not reaching its target percentage relatively.
- The third strategic theme, the “laying stronger foundations for domestic profit base,” will be the start of full-scale operations of NISSIN FOOD PRODUCTS’ Kansai Plant from FY2021 aimed at a labor-saving and improving production efficiency in preparation for a future decline in the workforce. We will work to further stabilize our earnings base by applying the knowledge gained from this initiative to other plants.

(Go on to the next page.)

Mid-term Plan		Review of Investment, etc. and Future Policy					22						
Bil. yen	Initial plan	FY2017	FY2018	FY2019	FY2020	FY2021							
Capital investment	150.0 bil. yen over 5 years	36.3* ¹	52.0	57.6	39.7	Around 39.4	(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.) The expansion of overseas lines: BonChi Yamagata Plant, Nissin Brazil, and new warehouse contracts that have arisen associated with IFRS16, etc.						
Depreciation and amortization	Around 19.0 bil. yen (FY2021)	15.4* ¹	17.8	20.3	25.2	Around 25.4	Impact of approximately 3.0 bil. yen due to the adoption of IFRS16 is included in the FY2020						
*1 FY2017 standards are based on J-GAAP													
Review of capital investment				Review of business investment									
<ul style="list-style-type: none"> ✓ Expansion of investment in safety and security ✓ Expansion of investment aimed at improving production efficiency and saving labor ✓ Expansion of facilities for growing categories 				<table border="1"> <thead> <tr> <th></th> <th>Initial plan</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Business investment</td> <td>100.0 bil. yen over 5 years</td> <td>24.6 bil. yen over 4 years</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ✓ Major investments up to FY2020 included Investment in Premier Foods, investment in Thai President Foods and Zhuhai Nissin Packaging Company ✓ We are still examining M&A deals. 					Initial plan	FY2020	Business investment	100.0 bil. yen over 5 years	24.6 bil. yen over 4 years
	Initial plan	FY2020											
Business investment	100.0 bil. yen over 5 years	24.6 bil. yen over 4 years											
<p>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.</p>													

- In addition, we will continue to cultivate our brand by strengthening our core brands, increasing added value, and developing attractive products that are simpler and more targeted. MYOJO FOODS has also developed into major brands such as *CHARUMERA* and *CHUKA ZANMAI*.
- Through these business activities, we expect to surpass our initial target of operating profit for FY2021 in our domestic instant noodle business.
- The fourth strategic theme, “establishing a second primary revenue source”, we have not achieved concrete results at this point with regard to M&A, which we had initially factored in. However, we will continue to proactively consider M&A if there are good deals in the future. In the cereal and frozen food business, we believe that our presence in the market has been greatly enhanced. Profitability is still lower than that of instant noodles, so we will continue to focus on strengthening the brand and enhancing profitability.
- Finally, “human resources for global management” about 190 employees were assigned to. The pool of human resources has almost been satisfied. We will continue to improve the quality of our human resources pool through systematic rotation and training.
- Next, I would like to review of investment-related matters on page 22.
- In the business investment, we invested a total of approximately 24.6 billion yen over four years in Premier Foods in the United Kingdom, in Thai President Foods, and in Zhuhai Nissin Packaging Company in China during the Medium-Term Business Plan 2021.
- Our investment in Premier Foods in the U.K. resulted in increased sales of our European brand *Soba* using Premier Foods’ distribution network and an increase in sales of Premier Foods through OEM contracts. *CUP NOODLES* for the U.K. market, which was launched in earnest in the first quarter of FY2020, is a small but increase by 471% year on year.
- Investment in Thai President Foods contributed to an increase in gain on investments accounted for using the equity method. Zhuhai Nissin Packaging Company was acquired by NISSIN FOODS (NISSIN HK) as a company that manufactures instant noodle packaging materials. We will continue to consider projects that will lead to our growth.

(Go on to the next page.)



- Capital investments have exceeded the initial five-year cumulative budget amount of 150.0 billion yen over a four-year period. Consequently, the cumulative five-year landing is expected to be around 225.1 billion yen. Please refer to the table for major excess items.
- Therefore, depreciation and amortization has exceeded our initial plan, and we expect to exceed our plan by about 6.4 billion yen in FY2021. However, approximately 3.0 billion yen of this increase was due to the impact of the adoption of IFRS 16, which resulted from the recalculation of leased assets as depreciation. This is expected to be increased by about 3.4 billion yen substantially.
- We have been investing primarily in measures to ensure safety and security, resolving issues related to the shrinking labor population, and investing in growth categories until today.
- Looking ahead, we will intend to control the total amount of investment including M&A and capital investment, and to manage expenditure by putting investment in order to priority with discipline based on factors such as ROI.
- I have heard that the plan for FY2021 is conservative from analysts and investors. This may be a matter of our company's tendency, but please understand that we will only say what we can, and we will strive to do more.
- As we enter the final year of Medium-Term Business Plan 2021, we aim to achieve our goals of 486.0 billion yen in revenue, 43.5 billion yen in operating profit, 30.5 billion yen in profit, a ROE 9% and average payout ratio during the period of 40% or more. We will strive to achieve our goal of achieving a market capitalization of 1 trillion yen with a reputation from our stakeholders.
- Next, I will explain how COVID-19 is being addressed, which is becoming more serious.
- Regarding our response to COVID-19, we have been working from home in Japan, in principle, since February 27. As a business base, we have promoted the use of TEAMS conference systems, including Microsoft Office 365, as well as we are doing paperwork without personal seals by electronic decision-making systems. As a result, about 70-80% employees excluding production line are working from home.
- In order to provide consumers with foods as our lifestyle infrastructure, we are working to increase production by narrowing down SKU of the product and concentrating on core brands to conduct efficient production.

(Go on to the next page.)

EARTH FOOD CHALLENGE 2030

NISSIN FOODS GROUP
Mid-to Long-Term Environmental Strategy



EARTH FOOD CHALLENGE 2030
For the Earth, For the Future.

This is the NISSIN FOODS Group's own medium- to long-term environmental strategy. By taking on critical environmental issues and increasing its ability to coexist with the environment, the Group will sustain its business life cycle over the longer term by avoiding the risk of existing businesses declining in the future.

Efforts to raise awareness of emergency stockpiling were recognized

The Group received the Grand Prix in the corporate and industrial division of the 6th Japan Resilience Award, recognized for its efforts to raise awareness of emergency stockpiling through the "Hyakufukushi Project": Project No.25 "Keep Your Pantry Stocked for an Emergency: The Rolling Stokers Project," which encourages general customers to practice "rolling stock"¹, as well as through the sale of "CUP NOODLE Rolling Stock Set,"² which make it easy to practice "rolling stock" at home.



¹: A method of always keeping a certain stockpile of food at home by consuming stockpiled food on a routine basis and regularly purchasing stocks.
²: NISSIN FOOD PRODUCTS, a Group company of NISSIN FOODS HOLDINGS, sells it.

International ESG reputation

Selected for the second consecutive year 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 health management

NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS and NISSIN FROZEN FOODS were certified by METI and Nippon Kenko Kaigi as 2020's White 500 for strategic health and productivity management for the second consecutive year.



Evaluation of empowerment of women

Selected for the second consecutive year 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.



- We are also striving to supply products without major problems in material procurement.
- The impact of COVID-19 on revenue for FY2020 was calculated to be approximately 5.9 billion yen on a groupwide basis. This means that revenue increased by about 5.9 billion yen compared to the initial project.
- Please look the following slide.
- We are actively pursuing initiatives aimed at sustainable growth.
- We are going to start "EARTH FOOD CHALLENGE 2030" by 2030. This is a medium-to long-term environmental initiative unique to NISSIN FOODS Group. By taking on the challenge of high-priority environmental issues and enhancing our ability to coexist in harmony with the environment, we will avoid future business risks and sustain the business life cycle over the long term. I would like to explain this in more detail at other opportunities. In the near future, we will disclose our targets in accordance with the standards of setting targets in line with science ; SBT(Science Based Targets), and work toward this challenge.
- In relation to this, our efforts to raise awareness of disaster-related stockpiling through the sales of *CUP NOODLE Rolling Stock Set*, which we launched last fiscal year, were recognized with the highest award in the corporate and industrial sectors of the 6th Japan Resilience Award. I am confident that we have a strong business structure to deal with contingencies.
- In addition, based on TCFD recommendations, we have summarized the impact of climate change on our management and plan to announce it soon. Scenario analysis indicates that the impact is relatively small, particularly in the raw materials procurement field.
- Also, for the second consecutive year, we have been included in Asia/Pacific Index component of DJSI, a global ESG index.
- As an evaluation of health management, the Japan Health Conference and the METI also certified 2020 (White 500), a good health management company, for the second consecutive year.
- For the second consecutive year as well, we have been selected as "Semi-Nadeshiko Brand" in the "Nadeshiko Brand," which is an evaluation of the active participation of women by domestic companies. We will continue to promote the active participation of women in the workplace.
- Thank you for your attention.

APPENDIX

NISSIN FOOD PRODUCTS Generate profit by solidifying core brands and create food culture by pursuing new added value

- Aiming for the fourth consecutive year of *CUP NOODLE* and the sixth consecutive year of record sales for *NISSIN NO DONBEI*
- Use targeted marketing aimed at three strategic target groups, such as young consumers, women and price-conscious consumers.
 - Develop new categories (prime bag-type instant noodle products, rice, etc.)
- Increase corporate value through brand communication
 - Further strengthen and improve profitability of core brands
- Improve productivity through DX (Digital Transformation) and train human resources.
 - Reform personnel and training schemes
 - Reform distribution / logistics structure

Target Marketing

Seniors	Housewives	Young men	Young women
 Bowl size 3 servings Ingredients included <i>OWANI series</i>	 Normal size 2 servings Rich soup <i>GOHOBI RAOH</i>	 Normal size 3 servings Ingredients included <i>AKUMA & GORILLA</i>	 Normal size 3 servings Ingredients included <i>TABI SURU ETHNIC</i>



Further strengthening of core brands



Strategic products for price-conscious

NEW! Families in the "Reiwa" Era  <i>NISSIN RAOH HYACHU</i> - Launched March 30, 2020 - RRP: 285 yen Normal size x 3 servings	NEW! (Young) Men  <i>BUTAZONO</i> - Launched March 16, 2020 - RRP: 368 yen Ramen kit (1 serving)
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MYOJO FOODS Build new brands based on proprietary technology, strengthen core brands and contribute to health

- Develop new core brands making effective use of proprietary non-fried noodle technologies
- Strengthen major brands by nurturing mainstay products
 - Enhance soup-less / tray-type products, primarily *IPPEICHAN YOMISE NO YAKISOBA* and *BUBUKA ABURA SOBA*.
 - Revitalize by expanding the customer base of *CHUKAZANMAI*
 - Enhance strategies centered on the *SYOYU* and *BARIKATA MEN* varieties of *CHARUMERA*, and release products that make use of regional culinary culture



- Expand range of products that contribute to health
 - Create products focusing on salt, sugars and fat; introduce new proposal "Salt Care Cup"



The design enables consumers to see how much salt they have consumed when the level of the remaining soup reaches the 150ml line, cleverly enabling them to reduce their salt intake while at the same time maintaining the same delicious taste!

Chilled and frozen foods/Confectionery and Beverages

➤ **NISSIN CHILLED FOODS**

- Aim to maintain sustainable business growth and create new markets
- Strengthen noodles genre, which is core domain and has high profit margins
- Promote a "5K" product strategy offering easy (*kanben*), individual (*kosyoku*), complete (*kanketsu*), healthy (*kenko*), environmentally friendly (*kanryo*) meals for people dining alone
- Increase profitability by rationalizing and streamlining production



➤ **NISSIN CISCO**

- Evolve the value of confectionery and cereal businesses
- Continue to offer new value proposals for deliciousness and health
- New product development centered on nuts
- Further strengthen and nurture the long-selling confectionery brand



➤ **BonChi**

- Expand sales channels in the Kanto area and revitalize existing brands
- Focus on fried rice crackers which are its specialty
- Expand sales channels in the Kanto area, which accounts for 1/3 of the Japanese domestic market
- Use the opportunity of the 60th anniversary of *BONCHI-AGE* to revitalize the Kinki area.



➤ **NISSIN FROZEN FOODS**

- Accelerate creation of a profit-centric business model
- Increase strength of single items by strengthening brand
- Bolster supply capabilities and reduce costs through effective utilization of high-speed production lines

No.1 sales in fresh pasta category in frozen food



➤ **NISSIN YORK**

- Achieve continuous growth of core brands
- Increase perceived quality of *PILKUL* and roll out more variations
- Significantly renew *TOKACHI NOMU YOGURT* to mark 50th anniversary of launch
- Renew Foods with Functional Claims, adopting a container with a one-step cap



The Americas

➤ **U.S.**

Improve earnings structure and accelerate sales of premium products

- Improve earnings structure
- Increase premium products' share of sales
- Work to implement thorough cost cutting and increase productivity
- Accelerate sales in the premium product category
- CUP NOODLES STIR FRY, CHOW MEIN, Hot&Spicy
- TOP RAMEN BOWL, NISSIN RAOH



➤ **Mexico**

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



➤ **Brazil**

Further invigorate the instant noodle market and expand overall demand

- Revitalize Nissin Lámen through communication
- Further grow and firmly establish the CUP NOODLES
- Develop markets in South America



China

➤ **Hong Kong**

Expand sales and strengthen the earnings base of each business

- Sales expansion of existing brands and strengthening of the earnings base
- Stabilize earnings base for non-instant noodles business



➤ **Mainland China**

Expand sales and strengthen the earnings base of each business

- Increase sales of CUP NOODLES and DEMAE ICCHO and strengthen earnings base
- Build an earnings base for the non-instant noodles business



Asia

➤ **India**

- Expand sales of pivotal products *CUP NOODLES* and *Top Ramen* in the domestic instant noodles business



➤ **Singapore**

Establish a presence as a leader company and improve profitability

- Cup-type instant noodles products strengthens *CUP NOODLES*, *U.F.O.*, and *Myjo*, while bag-type instant noodles products strengthens *DEMAE ICCHO* and *Myjo*



➤ **Vietnam**



➤ **Thailand**

Expand investment for further growth

- Expand *CUP NOODLES* market share
- Invest in production lines and enhance and expand product items with a view to growth of the *GEKI*, which has strong sales



➤ **Indonesia**

- Expand *CUP NOODLES* market share
- Renew pivotal product *Gekikara* and introduce new products



EMEA

➤ **Europe**

- Further increase presence in growth markets (i.e. Asian noodles)
- Roll out and enhance marketing with the new "Asian Blast" concept
- Appeal to consumers with high added-value products (especially CUP NOODLES and Soba)
- Maintain the UK, Germany and France as the most important key markets while expanding coverage in other countries and regions



Affiliates accounted for using the equity method

➤ **KOIKE-YA Co., Ltd.**

- To invigorate brands that appeal to added value
- Development of new markets through the development of new products



➤ **NISSIN-UNIVERSAL ROBINA CORP.**

- Instant noodles business in the Philippines
- Seek to expand instant noodles 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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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.