

Financial Results for FY 3/2021 Q1
Announced on August 6, 2020



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code: 2897

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- My name is Yokoyama, CFO of NISSIN FOODS HOLDINGS.
- We would like to report on the financial results for the first quarter announced on TDnet on the website of the Tokyo Stock Exchange and our website at 1:15 p.m. yesterday.
- You have prepared “Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2020”, “FY 3/2021 1Q Financial Supplemental Data” and “Financial Results for FY 3/2021 Q1.”
- I would like to start to explain along with the presentation material for the “Financial Results for FY 3/2021 Q1.”

Executive Summary		1
FY 3/2021 Mgmt. Policy	<p style="text-align: center;">Aim to strengthen the business base to achieve the goals of the Medium-Term Business Plan 2021 and further growth</p> <p>Domestic:</p> <ul style="list-style-type: none"> • 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. <p>Overseas:</p> <ul style="list-style-type: none"> • 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. <p>Group-wide:</p> <ul style="list-style-type: none"> • 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). 	
FY 3/2021 Q1 Results	<p>Consolidated: Increased in revenue and operating profit and profit attributable to owners of the parent (Revenue, operating profit and profit attributable to owners of the parent achieved record highs for the first quarter)</p> <ul style="list-style-type: none"> • In response to COVID-19, the stable supply was sought by narrowing down SKU of the product to stay-at-home demand from the end of the previous fiscal year. <p>Domestic: Increased in revenue and operating profit</p> <ul style="list-style-type: none"> • Instant noodle business: Revenue and operating profit increased due to the impact of the price revision implemented in June last year, increased stay-at-home demand due to COVID-19 measures, and control of sales expansion costs. From mid-May, the company has entered WITH and AFTER COVID-19 phases from stay-at-home phase. • Revenue and operating profit also increased in chilled and frozen foods segment and confectionery and beverages segment due to increased in stay-at-home demand resulting from COVID-19 measures. <p>Overseas: Increased in revenue and operating profit</p> <ul style="list-style-type: none"> • The Americas: Strong performance in the U.S., Brazil, and Mexico continued, leading to higher revenue and operating profit (Revenue and operating profit in Brazil decreased in yen currency due to the impact of foreign exchange rates, but both increased significantly in local currency). • 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 Singapore, Thailand and India. Operating profit increased due to contributions from Singapore, India and Vietnam. Gain on investments accounted for using the equity method also contributed to operating profit growth. 	
Summary	<p>Overall, consolidated results were strong.</p> <p>Revenue and operating profit increased in all segments in both domestic and overseas businesses (excluding domestic others). We are going to work as a unified group to achieve the goals of the Medium-Term Business Plan 2021 by responding flexibly to major changes in the operating environment, such as changes in consumer preferences and behaviors and retail sales methods.</p>	
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- We report on our performance in the first quarter of FY 3/2021. See Slide 1, Executive Summary.
- In FY 3/2021, in accordance with the management policy outlined above, we are developing our business with “Aim to strengthen the business base to achieve the goals of the Medium-Term Business Plan 2021 and further growth.”
- Consolidated business results for the first quarter of this fiscal year showed significant increases in both revenue and profits compared with the previous fiscal year. Revenue, operating profit and profit attributable to owners of the parent reached record highs for the first quarter of the fiscal year.
- In the domestic instant noodles segment, revenue and operating profit increased significantly due to the impact of the price revision implemented in June last year and the stay-at-home demand from coronavirus diseases 2019 (COVID-19) measures, in addition to control of sales expansion costs.
- Chilled and frozen foods segment and confectionery and beverages segment increased revenue and operating profit due to stay-at-home demand resulting from COVID-19 measures. As a result, revenue and operating profit increased in all segments except domestic others.
- In the overseas business, the Americas and China including Hong Kong continued to perform well, and EMEA and Asia also performed well. As a result, both revenue and operating profit increased in all regions.

(bil. yen)

	FY 3/2021			FY 3/2020
	Q1 Results	Changes in Amount	Changes in Ratio	Q1 Results
Revenue	120.5	+14.6	+13.9%	105.8
Operating profit	17.4	+8.8	+102.3%	8.6
Profit attributable to owners of the parent	12.0	+6.2	+108.5%	5.8
OP margin	14.5%	+6.3pt	/	8.1%
Profit attributable to owners of the parent margin	10.0%	+4.6pt		5.5%

- Slide 2 is a summary of the results for the first quarter.
- Revenue increased by 14.6 billion yen year on year to 120.5 billion yen.
- Operating profit increased by 8.8 billion yen to 17.4 billion yen.
- Profit attributable to owners of the parent increased by 6.2 billion yen to 12.0 billion yen.
- The operating profit margin and profit attributable to owners of the parent margin are 14.5% and 10.0%, respectively.

Revenue Results by Segment

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(bil. Yen)

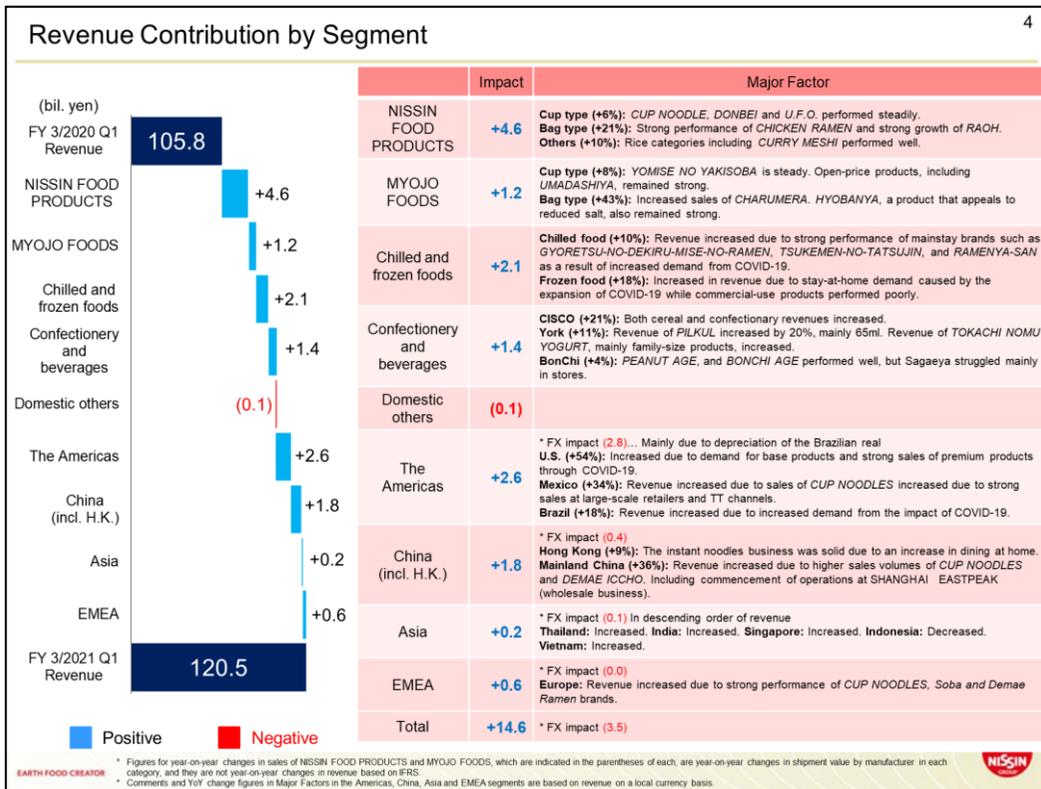
	FY 3/2021			FY 3/2020 Q1 Results
	Q1 Results	Changes in Amount	Changes in Ratio	
Instant noodles	57.7	+5.9	+11.4%	51.8
NISSIN FOOD PRODUCTS	48.0	+4.6	+10.7%	43.4
MYOJO FOODS	9.6	+1.2	+15.1%	8.3
Chilled and frozen foods	15.7	+2.1	+15.7%	13.5
Confectionery and beverages	11.9	+1.4	+14.0%	10.5
Domestic others	0.7	(0.1)	(18.9%)	0.9
Domestic total	86.2	+9.3	+12.2%	76.8
The Americas	17.7	+2.6	+17.3%	15.1
China (incl. H.K.)	11.5	+1.8	+19.5%	9.6
Asia	2.9	+0.2	+7.9%	2.7
EMEA	2.1	+0.6	+40.5%	1.5
Overseas total	34.3	+5.3	+18.3%	29.0
Consolidated revenue	120.5	+14.6	+13.9%	105.8

* 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 3 shows revenue by segment.
- Revenue from domestic business increased by 9.3 billion yen to 86.2 billion yen, while revenue from overseas business increased by 5.3 billion yen to 34.3 billion yen.
- Excluding impact of currency exchange rates of 3.6 billion yen, revenues would increase by 8.9 billion yen.
- I will explain each segment in more detail on the next slide.



- Slide 4 shows revenue by segment.
- Revenue of NISSIN FOODS increased by 4.6 billion yen year on year to 48.0 billion yen.
- Sales of cup-type instant noodles increased by 6% year on year, resulting from solid sales of core brands such as CUP NOODLE, DONBEI and U.F.O.
- Sales of bag-type instant noodles increased by 21% year on year due to strong growth in RAOH, and firm sales of CHICKEN RAMEN and DEMAE ICCHO.
- In the “Others” category, sales of rice categories such as CURRY MESHI were favorable, resulting in increased sales by 10% year on year.
- Revenue of MYOJO FOODS increased by 1.2 billion yen to 9.6 billion yen.
- In cup-type instant noodles, sales of YOMISE NO YAKISOBA was solid and open-price products remained strong, resulting in an 8% increase year-on-year.
- In bag-type instant noodles, sales of CHARUMERA grew and sales of HYOBANYA, which is low-salt products, was strong, reaching a 43% year-on-year increase.
- In chilled and frozen foods segment, revenue of chilled food business increased by 10% year on year, because sales of GYORETSU NO DEKIRU MISE NO RAMEN, TSUKEMEN NO TATSUJIN and RAMENYA SAN were strong.
- Revenue of frozen food business increased by 18% year on year, reflecting stay-at-home demand due to the expansion of COVID-19, while sales of commercial-use products performed poorly. Consequently, revenue in this segment increased by a 2.1 billion yen to 15.7 billion yen.
- In confectionery and beverages segment, revenue increased by 1.4 billion to 11.9 billion yen year on year, and revenue increased in all businesses, NISSIN CISCO, NISSIN YORK, and BonChi.
- Revenue of NISSIN CISCO increased by 21% year on year due to strong sales of both cereals and confectionery.
- NISSIN YORK increased by 11% year on year, in reaction to the fact that revenue of core brand PILKUL increased by 20% year on year, and revenue of TOKACHI NOMU YOGURT, especially family-size products, also increased.
- In BonChi, revenue increased by 4% year on year, thanks to strong sales of PEANUT AGE and BONCHI AGE.

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Operating Profit Results by Segment

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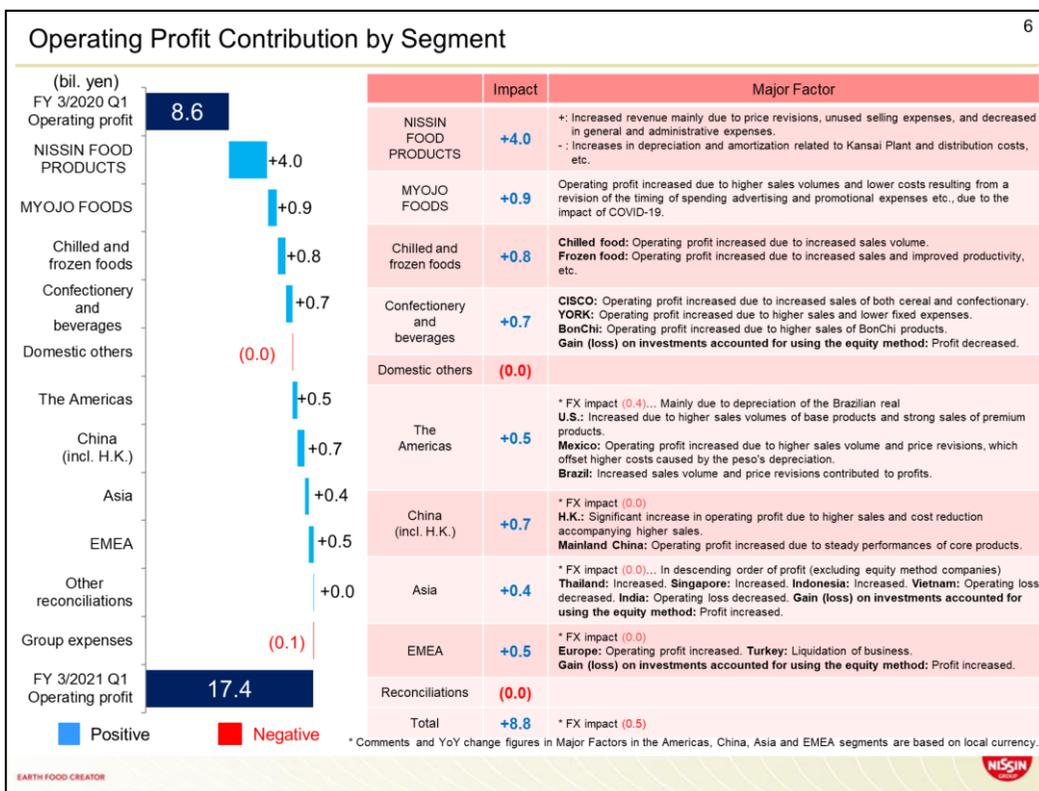
	FY 3/2021			FY 3/2020
	Q1 Results	Changes in Amount	Changes in Ratio	Q1 Results
Instant noodles	10.3	+5.0	95.8%	5.2
NISSIN FOOD PRODUCTS	8.7	+4.0	87.0%	4.6
MYOJO FOODS	1.6	+0.9	162.7%	0.6
Chilled and frozen foods	1.5	+0.8	116.6%	0.7
Confectionery and beverages	1.3	+0.7	123.5%	0.5
Domestic others	0.2	(0.0)	(8.8%)	0.2
Domestic total	13.4	+6.6	96.5%	6.8
The Americas	1.9	+0.5	36.8%	1.3
China (incl. H.K.)	1.6	+0.7	91.6%	0.8
Asia	1.2	+0.4	49.0%	0.8
EMEA	0.7	+0.5	347.2%	0.1
Overseas total	5.4	+2.2	69.6%	3.2
Other reconciliations	(0.0)	+0.0	-	(0.1)
Group expenses	(1.4)	(0.1)	-	(1.3)
Consolidated operating profit	17.4	+8.8	102.3%	8.6

(bil. yen)

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- Revenue in the Americas increased by 2.6 billion yen to 17.7 billion yen. Excluding the impact of foreign exchange rates of 2.8 billion yen, substantial revenue increased by 5.4 billion yen. Revenue in the U.S. increased due to demand for base products and strong sales of premium products through COVID-19. In Mexico, revenue increased due to higher sales of *CUP NOODLES* at large-scale retailers and Traditional Channels. In Brazil, revenue increased due to increased demand from the impact of COVID-19.
- Revenue in China including Hong Kong increased by 1.8 billion yen to 11.5 billion yen. Excluding the impact of foreign exchange rates of 0.4 billion yen, substantial revenue increased by 2.3 billion yen. In Hong Kong, revenue increased by 9% year on year due to the solid instant noodles business driven by an increase in dining at home. Revenue in Mainland China increased by 36% year on year due to higher sales volumes of *CUP NOODLES* and *DEMAE ICCHO*. Also, it included the food and beverage wholesale business of SHANGHAI EASTPEAK, which commenced operations in April, 2020.
- In Asia, revenue increased by 0.2 billion yen to 2.9 billion yen. Revenue increased in Thailand, India, Singapore and Vietnam.
- In EMEA, revenue increased by 0.6 billion yen to 2.1 billion yen due to the strong sales of *CUP NOODLES*, *Soba* and *Demae Ramen* brands.
- Next, I am going to explain the operating profit results by segment. Please turn to Slide 5.
- In the domestic business, operating profit increased by 6.6 billion yen to 13.4 billion yen. In overseas business, operating profit increased by 2.2 billion yen to 5.4 billion yen.
- The impact of foreign exchange rates was 0.5 billion yen in overseas business.
- Consolidated operating profit was 17.4 billion yen after deducting 1.4 billion yen in Group expenses and other expenses.
- Please see slide 6 for operating profit by segment.



- Operating profit of NISSIN FOODS PRODUCTS increased by 4.0 billion yen to 8.7 billion yen. This was attributable to higher revenue due to the impact of price revision in June last year, and stay-at-home demand, in addition to the unused selling and advertising expenses and decreased in general and administrative expenses resulting from impact of COVID-19. It offset higher depreciation and amortization related to Kansai Plant and distribution costs.
- Similarly, operating profit of MYOJO FOODS increased by 0.9 billion yen to 1.6 billion yen thanks to higher sales resulting from price revisions and special demand from COVID-19, as well as lower costs resulting from a revision of the timing of spending advertising and promotional expenses due to the impact of COVID-19.
- In chilled and frozen foods segment, operating profit in the chilled foods business increased thanks to increased sales volume of core products, and operating profit in frozen food business increased thanks to higher sales and improved productivity. Operating profit in this segment increased by 0.8 billion yen to 1.5 billion yen.
- In confectionery and beverages segment, operating profit of NISSIN CISCO, NISSIN YORK and BonChi increased due to stay-at-home demand from COVID-19 measures. Gain (loss) on investments accounted for using the equity method decreased. In this segment, operating profit increased by 0.7 billion yen to 1.3 billion yen.
- Operating profit in the Americas increased by 0.5 billion yen to 1.9 billion yen. Excluding the foreign exchange impact of 0.4 billion yen, the substantial increase is 0.9 billion yen.
- In the U.S., operating profit increased due to higher sales volume of base products and strong sales of premium products.
- In Mexico, higher sales volumes and price revisions absorbed higher costs due to the weak peso, resulted in an increase in operating profit.
- In Brazil, operating profit increased thanks to higher sales volumes and price revisions.
- In China including Hong Kong, operating profit increased by 0.7 billion yen to 1.6 billion yen. In Hong Kong, operating profit increased significantly due to higher sales and cost reduction accompanying higher sales. In Mainland China, operating profit increased thanks to steady performance of core products.

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

	(bil. yen)				
	FY 3/2021 Q1 Results	FY 3/2020 Q1 Results	Difference in operating profit	Difference in non-recurring income and expenses	Main items of non-recurring income and expenses
NISSIN FOOD PRODUCTS	8.7	4.6	+4.0	(0.0)	
MYOJO FOODS	1.6	0.6	+0.9	0.0	
Chilled and frozen foods	1.5	0.7	+0.8	(0.1)	(FY 3/2020) Impact of liquidation of associate +0.4 (FY 3/2021) Impact of liquidation of associate +0.3
Confectionery and beverages	1.3	0.5	+0.7	0.0	
Domestic others	0.2	0.2	(0.0)	(0.0)	
Domestic total	13.4	6.8	+6.6	(0.2)	
The Americas	1.9	1.3	+0.5	(0.0)	
China (incl. H.K.)	1.6	0.8	+0.7	0.0	
Asia	1.2	0.8	+0.4	0.0	
EMEA	0.7	0.1	+0.5	(0.0)	
Overseas total	5.4	3.2	+2.2	0.0	
Other reconciliations	(0.0)	(0.1)	+0.0	0.0	
Group expenses	(1.4)	(1.3)	(0.1)	-	
Consolidated operating profit	17.4	8.6	+8.8	(0.2)	

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

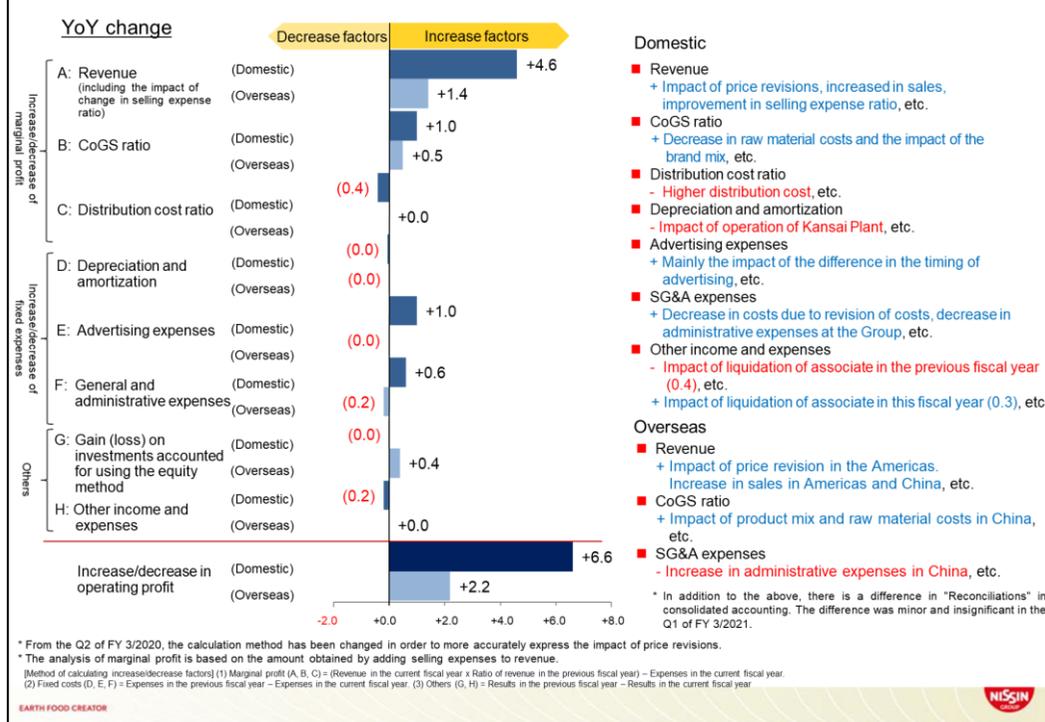
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- In Asia, operating profit increased by 0.4 billion yen to 1.2 billion yen. In Thailand, 10-baht bag-type instant noodles continued to perform well, and operating profit increased. In Singapore, operating profit increased due to significant growth in sales of *MYOJO series* (bag-type) and other products driven by the special demand from COVID-19. Operating profit rose in Indonesia as well, reflecting growth in sales of core products. Operating loss narrowed in Vietnam and India. Gain (loss) on investments accounted for using the equity method was increased.
- In EMEA, operating profit increased by 0.5 billion yen to 0.7 billion yen. Both the businesses in Europe and the Russia, which is associates accounted for using the equity method, posted higher operating profit.
- Please also check the status of the gain (loss) on investments accounted for using the equity method as described on page 10 of the Financial Supplemental Data.
- Slide 7 shows the impact of non-recurring income and expenses. One point is commented on chilled and frozen foods segment.

Analysis of Operating Profit: Consolidated (Domestic / Overseas)

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- Finally, Slide 8 is an analysis of operating profit.
- First, I will explain it in domestic business.
- In addition to the improvement in selling expense ratio, the increase in revenues resulting from price revisions and the impact of COVID-19 contributed to 4.6 billion yen increase in profit. The 1.0 billion yen decrease in CoGS ratio was primarily due to a decrease in raw material costs and the impact of the brand mix.
- Distribution costs ratio increased by 0.4 billion yen due to an increase in distribution costs.
- Depreciation and amortization remained almost unchanged year on year, despite an increase in depreciation and amortization associated with the start of operation of Kansai Plant. The 1.0 billion yen decrease in advertising expenses was mainly due to the impact of the difference in the timing. The 0.6 billion yen decrease in SG&A expenses was due to revision of costs and a decrease in administrative expenses at the Group.
- Finally, other income and expenses declined 0.2 billion yen due to a gain of 0.3 billion yen on liquidation of associate was recorded in the current fiscal year, while there was a gain of 0.4 billion yen on the liquidation of associate recorded in the previous fiscal year.
- Next, I will explain it in overseas business.
- The impacts of price revision in the Americas and increased sales in the Americas and China including Hong Kong resulted in an increase in profit of 1.4 billion yen.
- The effect of the change in CoGS ratio was an increase in profit of 0.5 billion yen, mainly due to the impact of product mix in China and lower raw material costs.
- The 0.2 billion yen increase in SG&A expenses was primarily due to an increase in China including Hong Kong.
- There is a difference in "Reconciliations" in consolidated accounting, but the difference in the first quarter is negligible.
- From the second quarter, we will continue to respond flexibly to major changes in the operating environment, such as changes in consumer preferences and behaviors and retail sales methods. We are going to work as a unified group to achieve the goals of the Medium-Term Business Plan 2021.
- I am pleased to conclude this briefing on our financial results for the first quarter of FY 3/2021.

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- This presentation material is available in the Financial Statements section of our IR website in PDF format. URL: https://www.nissin.com/en_jp/ir/library/materials/
- The amounts in this material are calculated based on thousand yen and rounded down to the nearest 100 million yen; totals may not agree with the sums of their components.
- FY 3/2021 generally means the fiscal year from April 1, 2020 to March 31, 2021.
- The average foreign exchange rates for the period have been applied to translating revenues and expenses at associates overseas.
- The results in China (including H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS CO., LTD. (located in H.K.). The business plan for the China segment specifies targets set solely by NISSIN FOODS HOLDINGS.



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