

Financial Results for FY 3/2021 2Q
Announced on November 10, 2020



NISSIN FOODS HOLDINGS CO., LTD.

Stock Code: 2897

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 2021.
- 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).

Consolidated: Increased in revenue and operating profit (Revenue, operating profit and profit attributable to owners of the parent achieved record highs for the second quarter)

- The impact of the COVID-19 peaked in the first quarter and settled down during the July-September period, but revenue increased due to higher base demand. Operating profit increased due to control of advertising expenses and SG&A expenses.

Domestic: Increased in revenue and operating profit

- 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.

Overseas: Increased in revenue and operating profit

- The Americas: Strong performance in the U.S., Brazil, and Mexico continued, leading to higher revenue and operating profit (Revenue decreased, operating profit increased in Brazil in yen currency due to the impact of foreign exchange rates, but both increased significantly in local currency).
- China: Revenue and operating profit increased in both Hong Kong and Mainland China.
- Asia: Increased in revenue and operating profit. Revenue increased due to contributions from Singapore, Thailand and India. Operating profit increased due to contributions from India, Singapore and Thailand. Gain on investments accounted for using the equity method also contributed to operating profit growth.

Overall, consolidated results were strong.

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.

FY 3/2021
Mgmt.
Policy

FY 3/2021
2Q
Results

Summary

(bil. yen)

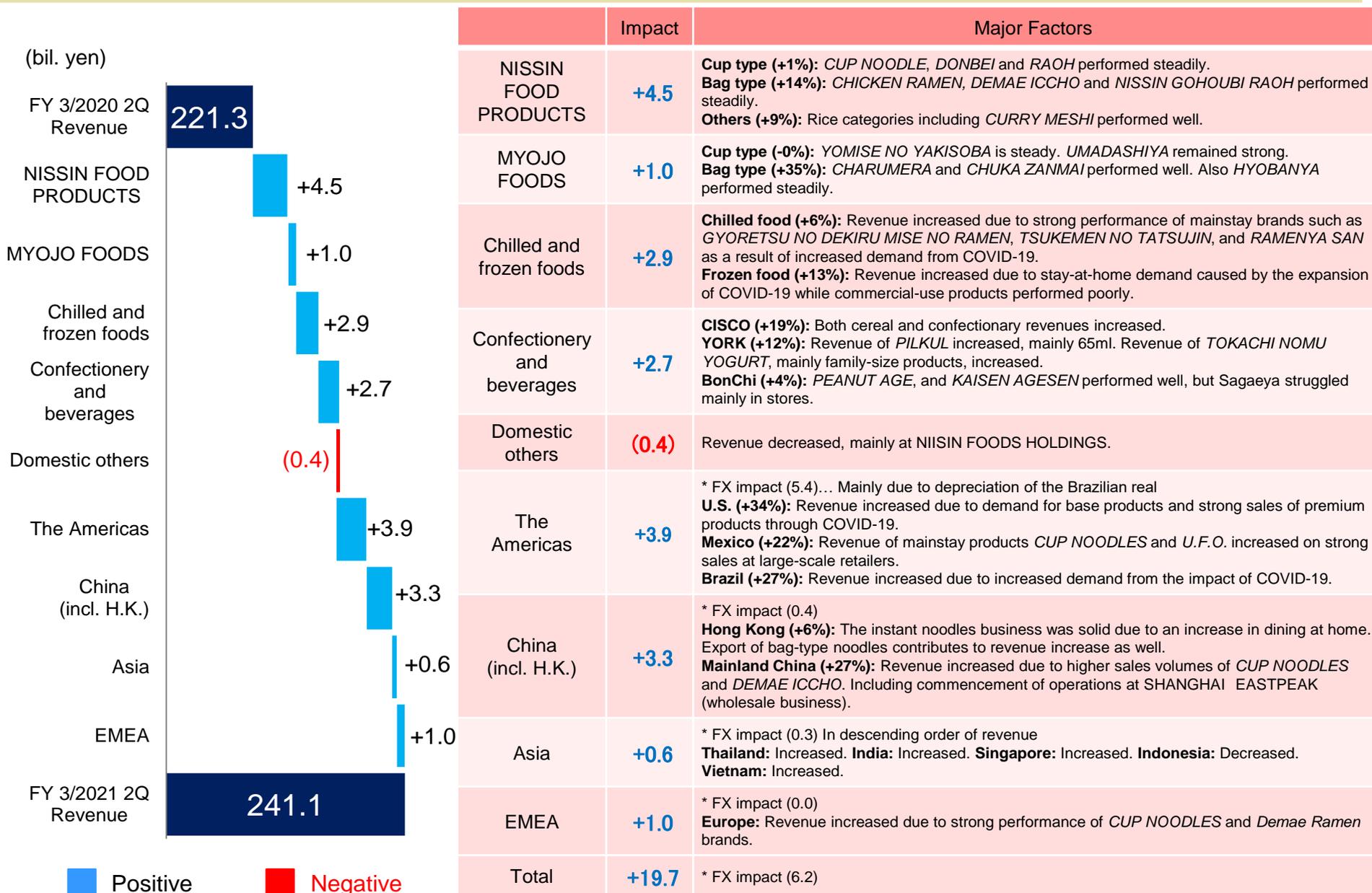
	FY 3/2021			FY 3/2020
	2Q Results	Changes in Amount	Changes in Ratio	2Q Results
Revenue	241.1	+19.7	+8.9%	221.3
Operating profit	31.8	+12.1	+61.5%	19.7
Profit attributable to owners of the parent	21.9	+8.5	+63.1%	13.4
OP margin	13.2%	+4.3pt		8.9%
Profit attributable to owners of the parent margin	9.1%	+3.0pt		6.1%

Revenue Results by Segment

(bil. Yen)

	FY 3/2021			FY 3/2020
	2Q Results	Changes in Amount	Changes in Ratio	2Q Results
Instant noodles	115.1	+5.5	+5.1%	109.5
NISSIN FOOD PRODUCTS	97.0	+4.5	+4.9%	92.4
MYOJO FOODS	18.1	+1.0	+6.0%	17.0
Chilled and frozen foods	30.8	+2.9	+10.4%	27.9
Confectionery and beverages	23.2	+2.7	+13.4%	20.4
Domestic others	1.6	(0.4)	(19.4%)	2.0
Domestic total	170.8	+10.8	+6.8%	160.0
The Americas	35.5	+3.9	+12.5%	31.5
China (incl. H.K.)	24.2	+3.3	+15.8%	20.9
Asia	6.2	+0.6	+11.3%	5.6
EMEA	4.2	+1.0	+32.2%	3.1
Overseas total	70.2	+8.9	+14.5%	61.3
Consolidated revenue	241.1	+19.7	+8.9%	221.3

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 year-on-year change figures in Major Factors in the Americas, China, Asia and EMEA segments are based on revenue on a local currency basis.

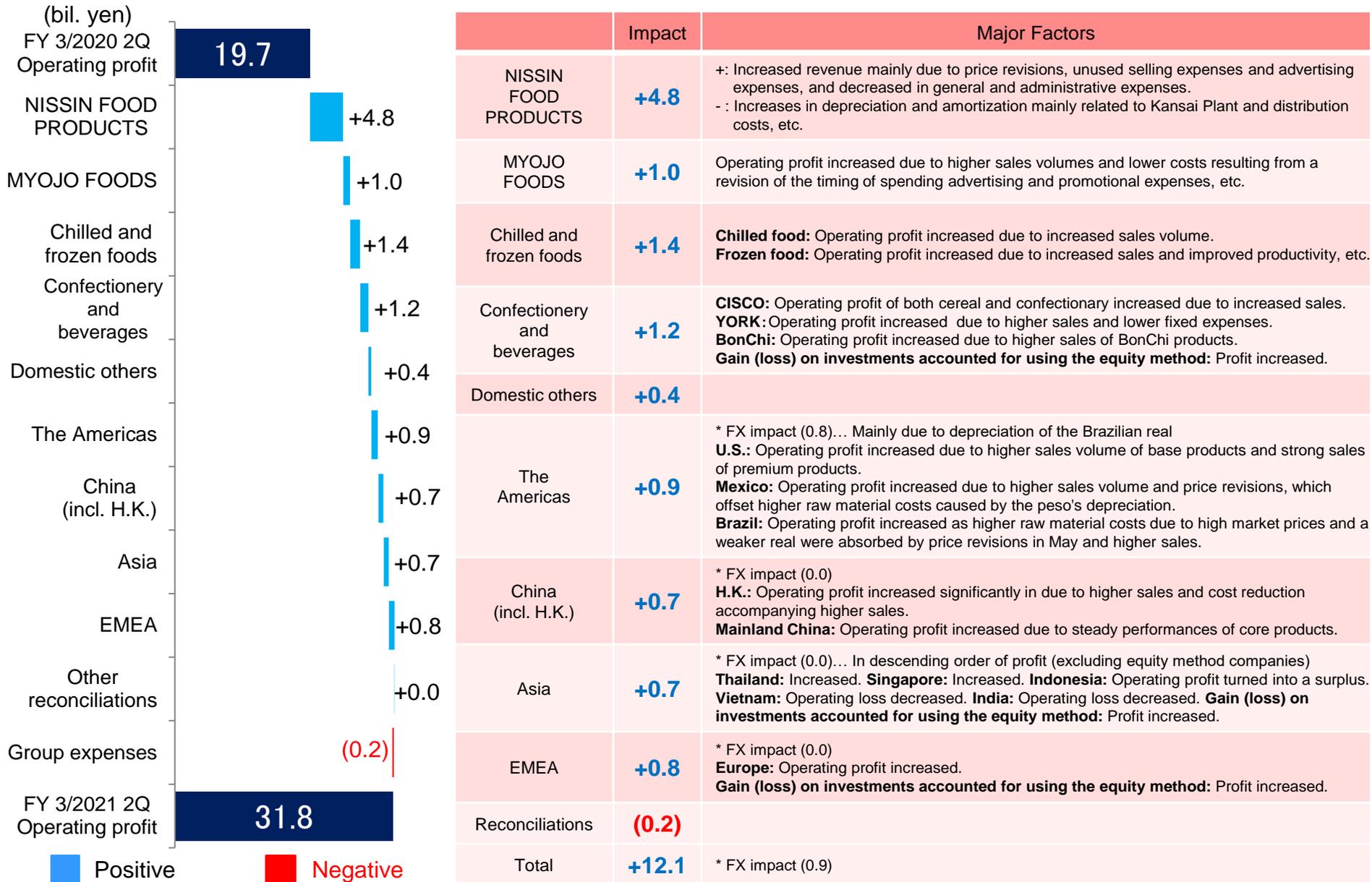


Operating Profit Results by Segment

(bil. yen)

	FY 3/2021			FY 3/2020
	2Q Results	Changes in Amount	Changes in Ratio	2Q Results
Instant noodles	18.9	+5.8	+44.7%	13.0
NISSIN FOOD PRODUCTS	16.5	+4.8	+41.0%	11.7
MYOJO FOODS	2.3	+1.0	+77.3%	1.3
Chilled and frozen foods	2.4	+1.4	+140.7%	1.0
Confectionery and beverages	2.3	+1.2	+108.4%	1.1
Domestic others	0.9	+0.4	+90.4%	0.4
Domestic total	24.6	+8.9	+56.9%	15.6
The Americas	3.4	+0.9	+41.6%	2.4
China (incl. H.K.)	3.0	+0.7	+34.7%	2.2
Asia	2.5	+0.7	+42.5%	1.7
EMEA	1.2	+0.8	+212.7%	0.3
Overseas total	10.2	+3.3	+49.5%	6.8
Other reconciliations	(0.1)	+0.0	-	(0.1)
Group expenses	(2.9)	(0.2)	-	(2.6)
Consolidated operating profit	31.8	+12.1	+61.5%	19.7

Operating Profit Contribution by Segment

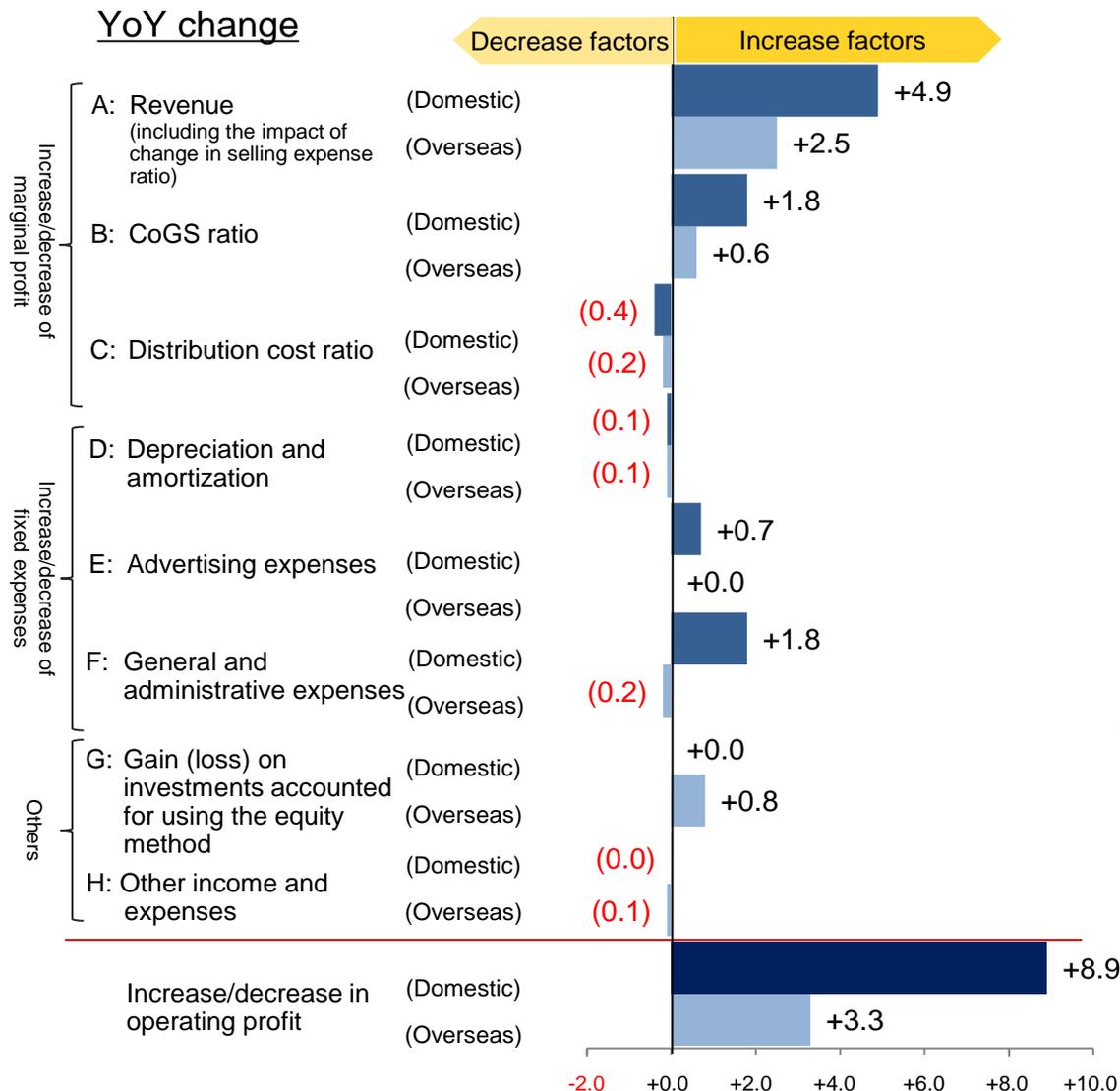


Major Factors for Difference in Operating Profit (Impact of Non-Recurring Income and Expenses) ⁷

(bil. yen)

	FY 3/2021 2Q Results	FY 3/2020 2Q Results	Difference in operating profit	Difference in non-recurring income and expenses	Major factors of non-recurring income and expenses
NISSIN FOOD PRODUCTS	16.5	11.7	+4.8	(0.1)	(FY 3/2021) Impairment loss of property (0.1)
MYOJO FOODS	2.3	1.3	+1.0	+0.0	
Chilled and frozen foods	2.4	1.0	+1.4	(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	2.3	1.1	+1.2	(0.0)	
Domestic others	0.9	0.4	0.4	+0.2	(FY 3/2020) Impairment loss of property (0.3)
Domestic total	24.6	15.6	+8.9	(0.0)	
The Americas	3.4	2.4	+0.9	(0.0)	
China (incl. H.K.)	3.0	2.2	+0.7	(0.0)	
Asia	2.5	1.7	+0.7	+0.0	
EMEA	1.2	0.3	+0.8	(0.0)	
Overseas total	10.2	6.8	+3.3	(0.1)	
Other reconciliations	(0.1)	(0.1)	+0.0	+0.0	
Group expenses	(2.9)	(2.6)	(0.2)	-	
Consolidated operating profit	31.8	19.7	+12.1	(0.1)	

YoY change



Domestic

- Revenue
 - + Impact of price revisions, increased in sales, improvement in selling expense ratio, etc.
- CoGS ratio
 - + Decrease in raw material costs and the impact of the brand mix, etc.
- Distribution cost ratio
 - Higher distribution cost, etc.
- Depreciation and amortization
 - Impact of operation of Kansai Plant, etc.
- Advertising expenses
 - + Mainly the impact of the difference in the timing of advertising, etc.
- G&A expenses
 - + Decrease due to expense review, decrease in administrative expenses at the Group, etc.
- Other income and expenses
 - Impact of liquidation of associate in the previous fiscal year (0.4), etc. Impairment loss of property in this fiscal year (0.1).
 - + Impairment loss of property in the previous fiscal year (0.3). Impact of liquidation of associate in this fiscal year (0.3), etc.

Overseas

- Revenue
 - + Increase in sales in all regions, etc.
- CoGS ratio
 - + Impact of product mix in China and EMEA. Decrease in raw material costs, etc.
- Distribution cost ratio
 - Increase in distribution cost in the Americas, etc.
- G&A expenses
 - Increase in administrative expenses in China, etc.

* In addition to the above, there is a difference in "Reconciliations" in consolidated accounting. The difference was minor and insignificant in the FY 3/2021 2Q.

* From the FY 3/2020 2Q, the calculation method has been changed in order to more accurately express the impact of price revisions.

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

[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)

		FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan
Earning power through operations	Revenue	468.8 bil. yen	241.1 bil. yen	486.0 bil. yen
	Operating profit	41.2 bil. yen	31.8 bil. yen	43.5 bil. yen
	Ratio of operating profit from overseas business	26.6 %	29.4 % or higher	28.3 %
Capital market value	Profit attributable to owners of the parent	29.3 bil. yen	21.9 bil. yen	30.5 bil. yen
	ROE	9 %	- %	9 %
	Adjusted EPS*	278 yen	- yen	281 yen

* (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)

Domestic Business

(bil. yen)		FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan
Instant noodles	Revenue	237.8	115.1	242.5
	Operating profit	29.7	18.9	30.2
	%	12.5%	16.4%	12.5%
Chilled and frozen foods, confectionery and beverages	Revenue	99.2	54.0	104.0
	Operating profit	3.6	4.7	4.1
	%	3.6%	8.9%	3.9%
Foreign exchange rate :		<u>FY 3/2020</u>	<u>FY 3/2021 2Q</u>	<u>FY2021 (Assumed)</u>
	USD	108.74	106.92	107.00
	BRL	26.52	19.87	26.00
	HKD	13.91	13.80	14.00
	EUR	120.82	121.30	121.00

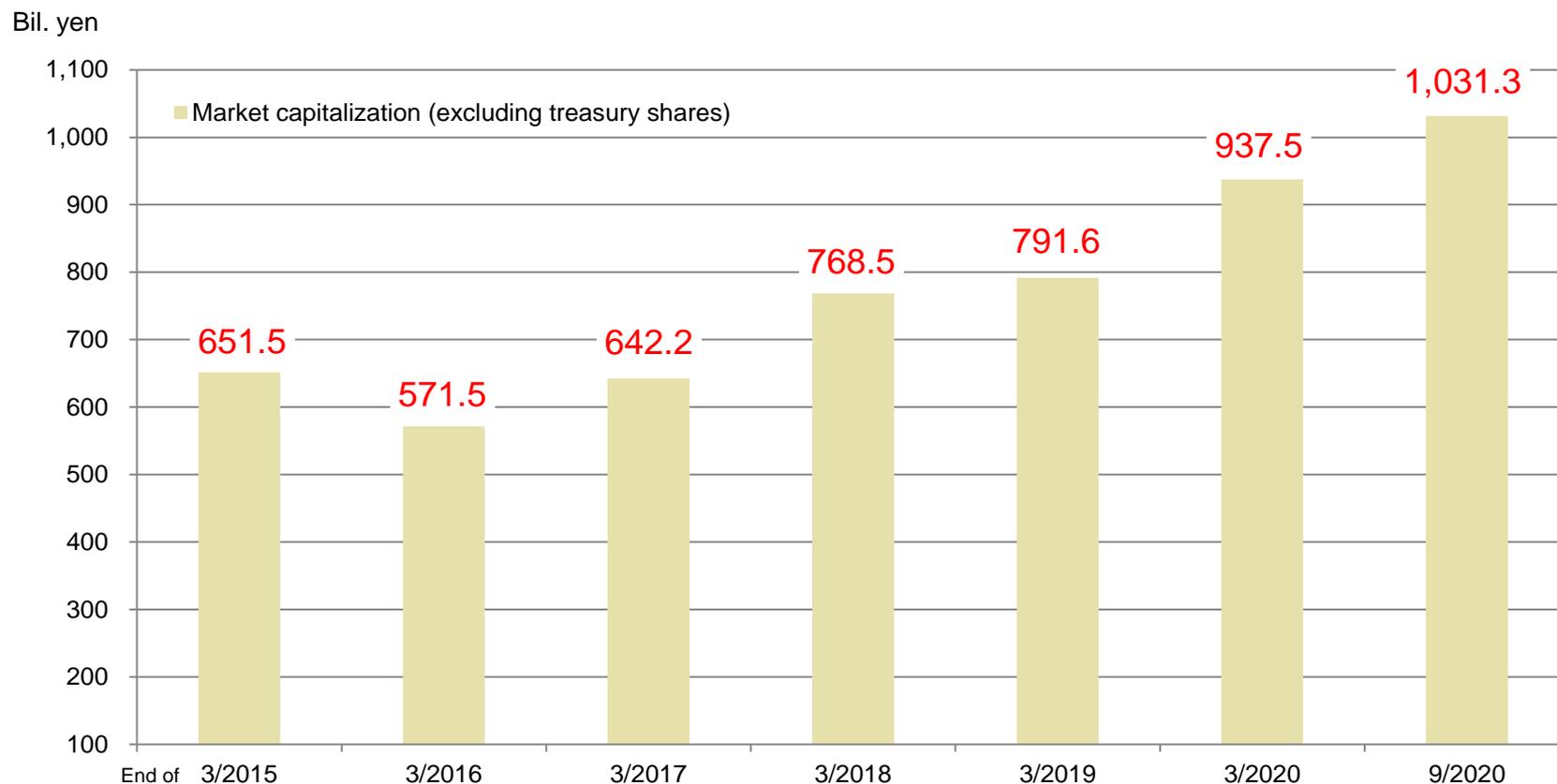
Overseas Business

(bil. yen)		FY 3/2020 Results	FY 3/2021 2Q Results	FY 3/2021 Plan
The Americas	Revenue	65.9	35.5	68.0
	Operating profit	4.0	3.4	4.3
	%	6.2%	9.6%	6.3%
China (incl. H.K.)	Revenue	43.0	24.2	47.0
	Operating profit	4.8	3.0	4.9
	%	11.3%	12.7%	10.4%
Asia	Revenue	11.2	6.2	13.5
	Operating profit	2.3	2.5	3.4
	%	21.3%	40.1%	25.2%
EMEA	Revenue	7.4	4.2	7.5
	Operating profit	1.0	1.2	1.4
	%	14.4%	29.5%	18.7%

Strategic Theme	FY 3/2021 Target	FY 3/2021 2Q Results	FY 3/2021 Estimate	Comments
1 Promoting global branding for <i>CUP NOODLES</i>	Up 50% compared to FY 3/2016 (units)	-	 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%	57%	 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	18.9 bil. yen	 30.2 bil. yen	<ul style="list-style-type: none"> ✓ Increase in demand due to COVID-19. ✓ 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.

* Confectionery and cereal business targets to achieve 100.0 billion yen. Profit growth of domestic businesses contributed by Chilled, frozen and beverage businesses.

Market capitalization during the period of the Mid-term Business Plan 2021



On June 30, 2020, we reached our target of a market capitalization of 1 trillion yen^{*1} with a maximum share price of 9,600 yen.

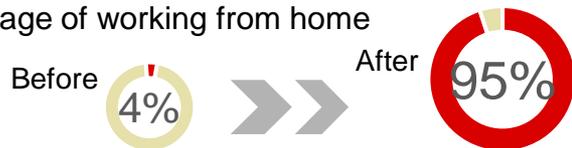
On August 5, 2020, we joined the 10 Billion-Dollar Company^{*2} with a closing share price of 10,350 yen.

*1: Market capitalization = Share price x Number of shares outstanding at the end of the period (excluding treasury shares)

*2: A company with a market capitalization over \$10 billion (Calculated at \$1 = 107 yen)

Change in work style

Percentage of working from home



* NISSIN FOOD PRODUCT* working from home rate (Excluding factory workers, as of the end of August)

DX initiatives that were effective against COVID-19

There were significant effects on systemization that we have been working on, during working from home is encouraged due to COVID-19.

Example:

Hardware

- Unified to Tablet PC (From 2018/10)

Software

- Implementing Cloud Services (From 2013/4)
- Implementing ERP (From 2015/4)
- Systemization for paperless and stampless (From 2018/9)
- Implementing RPA (From 2018/11)
- Implementing AI chatbot (From 2019/3)

- In addition to system implementation, initiatives such as the elimination of legacy systems also contributed significantly.

Impact on business performance (FY 3/2021 2Q)

**In the entire NISSIN FOODS Group:
Approx. 11.9 bil. yen
impact on revenue**

Breakdown:	Revenue	Bil. yen
Instant noodles		3.4
Chilled and frozen foods, confectionery and beverages		1.7
The Americas		6.5
China (incl. H.K.)		0.5
Asia		0.1
EMEA		0.3
Total*		11.9

* The total includes domestic others.

■ EARTH FOOD CHALLENGE 2030



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

SBT*1 Initiative Certification

The NISSIN FOODS Group's greenhouse gas emission reduction targets were certified by the SBT Initiative on April 9, 2020, as scientifically based targets to keep average global temperatures well below the global average temperature increase.*2



Scenario analysis in line with TCFD*

We implemented a scenario analysis for the impact of climate change on business activities, based on the TCFD recommendations published in 2017. We focused analysis on climate change related risks that strongly impact our businesses.

The result of this analysis, there is little possibility that risks associated with the procurement of major raw materials.

* The Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board.

■ List of Award and Recognition

Received the "Action for Climate Change, Minister of Environment Award" from the Ministry of Environment. (NISSIN FOODS HOLDINGS)



Received the "Minister of Agriculture, Forestry and Fisheries Award" at the "3rd Eco-Pro Awards" (NISSIN FOODS HOLDINGS)



Selected as one of the "Digital Transformation Stocks 2020" (NISSIN FOODS HOLDINGS)



Received the "Grand Prix" at the "6th Japan Resilience Awards" (NISSIN FOODS HOLDINGS)



Selected as a component of the "Asia/Pacific Index" of the "Dow Jones Sustainability Indices" (NISSIN FOODS HOLDINGS)



Certified as 2020's White 500 for strategic health and productivity management (NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS and NISSIN FROZEN FOODS)



Selected as "Semi-Nadeshiko Brand" in the "Nadeshiko" initiative (NISSIN FOODS HOLDINGS)



Certified as "Platinum Kurumin" (NISSIN FOOD PRODUCTS)



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

Further strengthening of core brands



Strategic products for price-conscious



Target Marketing

Seniors



Bowl size
3 servings
Ingredients included

OWAN series

Housewives



Normal size
2 servings
Rich soup

GOHOBI RAOH

Young men



Normal size
3 servings
Ingredients included

AKUMA & GORILLA

Young women



Normal size
3 servings
Ingredients included

TABI SURU ETHNIC



NEW! Families in the "Reiwa" Era



NISSIN RAOH HIYACHU
- Launched March 30, 2020
- RRP: 285 yen
Normal size x 3 servings

NEW! (Young) Men



BUTAZONO
- Launched March 16, 2020
- RRP: 368 yen
Ramen kit (1 serving)

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 *SOYU* 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 (*kankyō*) 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 *Myojo*, while bag-type instant noodles products strengthens *DEMAE ICCHO* and *Myojo*



➤ 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



Associates 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

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

- This presentation material is available in the 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.



NISSIN FOODS HOLDINGS CO., LTD.