



# Financial Results for FY 3/2022 1Q

Announced on August 5, 2021

NISSIN FOODS HOLDINGS CO., LTD.

(Stock Code: 2897)

Financial Results Presentation: August 6, 2021

- My name is Takashi Yano, 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. on 5 August 2021.
- You have prepared “Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2021”, “FY 3/2022 1Q Financial Supplemental Data” and “Financial Results for FY 3/2022 1Q.”
- I would like to start to explain along with the presentation material for the “Financial Results for FY 3/2022 1Q.”

# Management Policy for FY 3/2022

## Reboot and Make a Fresh Start

As the first year of our new management plan, we will sprint ahead in three growth strategies, as well as organizational and human resource reforms

### Domestic Existing Businesses

- Instant Noodles Business: Reform our supply chain structure, create new categories and channels, and transition to a new sales approach
- Non-Instant Noodles Business: Accelerate group synergies in both supply and demand (mainly in the confectionery business) to build a foundation for growth and improved profitability

### Overseas Existing Businesses

- Accelerate deeper global branding, which has already begun to produce results. Further solidify competitive advantage as a growth driver
- Pursue steady progress in multi-category and multi-area strategies to leverage business in China and Brazil

### New Businesses

- Launch businesses with a sense of urgency to gain recognition for the wider acceptance of complete nutritional foods
- Launch businesses across five touch points and conduct proof-of-concept tests during FY3/2022: (1) subscription home delivery service (DC2: intensive program), (2) corporate cafeterias, (3) senior, (4) retail sales, and (5) smart cities

### Group Overall

- Leverage the lessons of COVID-19 to transition both work styles and business structures to a new normal through the maximum use of digital technologies
- Respond accurately to consumer behavior and awareness to turn increased demand under the COVID-19 pandemic into sustainable growth drivers

\* China (including H.K.) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS

- I would like to report on our business results for financial results for the first quarter of FY 3/2022.
- Under the concept of “Make A Fresh Start”, this term will be the first year of our Mid- to Long-Term Growth Strategy. It will be a year to make a fresh start and make a dash for the three growth strategies and organizational and human resource reforms.
- By taking advantage of the lessons learned from COVID-19, we will shift both work styles and business structure itself to a new normal through the maximum use of digital technologies. In addition, we will turn the increased demand under the COVID-19 pandemic into sustainable growth drivers by accurately responding to changes in consumer behavior and awareness.

## FY 3/2022 1Q Financial Results Highlights

### FY 3/2022 1Q Results

	Institutional accounting basis		Management accounting basis <sup>*1,*2</sup>		Target level for FY 3/2022
Revenue	132.5 bil. yen	+9.9%	130.4 bil. yen	+17.6%	Double Digit
<b>Core Operating Profit of Existing Businesses</b>	<b>13.2 bil. yen</b>	<b>(22.9%)</b>	<b>13.1 bil. yen</b>	<b>+ 20.5%</b>	<b>Double Digit</b>
Domestic Instant Noodles Business		(22.4%)		+ 35.2%	Mid single Digit
Domestic Non-Instant Noodles Business		(12.6%)		+ 23.8%	Double Digit
Overseas Business		(28.9%)		(11.0%)	Double Digit

### Topics

#### [Institutional accounting basis]

- Revenue: Increased in both domestic and overseas businesses, even before deducting the impact of C-19
- Core Operating Profit of Existing Businesses: Decreased in almost all segments YoY due to the effect of C-19

#### [Management accounting basis] **Good start for Fresh Start**

- Revenue: Increased in revenue in all segments except domestic others and grew by 17.6% on a consolidated basis
- Core Operating Profit of Existing Businesses: The growth rate was +20.5% on a consolidated basis YoY, well above the medium- to long-term target level.

<sup>\*1</sup> Growth rate are calculated by converting foreign currency amounts into yen at the same rate as the previous year, in order to emphasize "real fluctuation / growth on a local currency basis" excluding the effect of exchange rate at the time of consolidation.

<sup>\*2</sup> Excluding the impact of foreign exchange rates and the impact of C-19, which had a significant impact on FY 3/2021 results (e.g., increase in demand, reduction in selling expenses, unused expenses, etc.) the actual YoY change / growth rate.

- Slide 2 shows highlights of financial results for the first quarter of FY 3/2022.
- First of all, on an "Institutional accounting basis" such as in the financial statements, revenue increased in both Domestic and Overseas businesses even before deducting the impact of COVID-19 in the first quarter of 3/2021, resulting in an overall increase by 9.9% year on year to 132.5 billion yen. On the other hand, core operating profit of existing businesses decreased by 22.9% year on year to 13.2 billion yen, due to a decrease in profit in almost all business segments as a reaction to the impact of COVID-19 in the last fiscal year.
- Next, on a "Management accounting basis (Constant currency basis, Less C-19)", which has been introduced as a new indicator from this fiscal year, revenue increased in all segments except the Domestic others, increased by 17.6% to 130.4 billion yen on a consolidated basis. The growth rate of core operating profit of the existing business was 20.5% year on year, far exceeding the mid- and long-term target level of Mid-single Digit and the current fiscal year's plan of 12.2%.
- We have made a good start toward "Make A Fresh Start."

## Consolidated Financial Summary

- Institutional accounting basis: Increase in revenue and decrease in profits, but maintain high growth compared to the FY 3/2020
- Management accounting basis: Significantly higher than in all amounts

bil. Yen	Institutional accounting basis						Management accounting basis (Constant currency basis, Less C-19)			
	FY 3/2022 1Q ①	FY 3/2021 1Q ②	YoY Change		FY 3/2020 1Q ⑤	vs. FY 3/2020 CAGR ⑥	FY 3/2022 1Q ⑦=①-Ex impact	FY 3/2021 1Q ⑧=②-C-19	YoY Change	
			Amount ③=①-②	Ratio ④=③+②					Amount ⑨=⑦-⑧	Ratio ⑩=⑨+⑧
Revenue	132.5	120.6	+ 11.9	+ 9.9%	105.9	+ 11.8%	130.4	110.9	+ 19.5	+ 17.6%
Core operating profit of existing businesses	13.2	17.2	(3.9)	(22.9%)	8.1	+ 28.2%	13.1	10.9	+ 2.2	+ 20.5%
Operating profit	13.2	17.5	(4.2)	(24.1%)	8.6	+ 23.9%	13.1	11.1	+ 2.0	+ 18.0%
Profit attributable to owners of the parent	7.9	12.1	(4.2)	(34.7%)	5.8	+ 16.7%				
Core OP margin of existing businesses	10.0%	14.2%	(4.2pt)		7.6%		10.1%	9.8%	+ 0.2pt	
OP margin	10.0%	14.5%	(4.5pt)		8.1%		10.1%	10.0%	+ 0.0pt	
Profit attributable to owners of the parent margin	6.0%	10.0%	(4.1pt)		5.5%					

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- Slide 3 shows a summary of financial results for the first quarter of FY 3/2022.
- The column on the left is the “Institutional accounting basis.” As I explained earlier, ③ shows an increase in revenue and decrease in profit. However, compared to FY 3/2020 excluding the impact of COVID-19, as shown in ⑥, we have maintained high growth with double-digit CAGRs in all amounts and improved profit margins.
- The right-hand column shows “Management accounting basis (Constant currency basis, Less C-19).”
- Revenue increased by 19.5 billion yen, or 17.6% year on year, to 130.4 billion yen.
- Core operating profit of existing businesses increased by 2.2 billion yen, or 20.5%, to 13.1 billion yen, and operating profit increased by 2.0 billion yen, or 18.0%, to 13.1 billion yen. Revenue, core operating profit of existing businesses and operating profit all increased significantly over the same period last year.
- In conjunction with these results, core operating profit of existing businesses margin and our operating profit margin were both 10.1%.

## Revenue Results by Segment

- Institutional accounting basis: Increased in both Domestic and Overseas Businesses, even though revenue decreased in Domestic Instant Noodle Business and Domestic Others
- Management accounting basis: Increased in all segments except Domestic Others

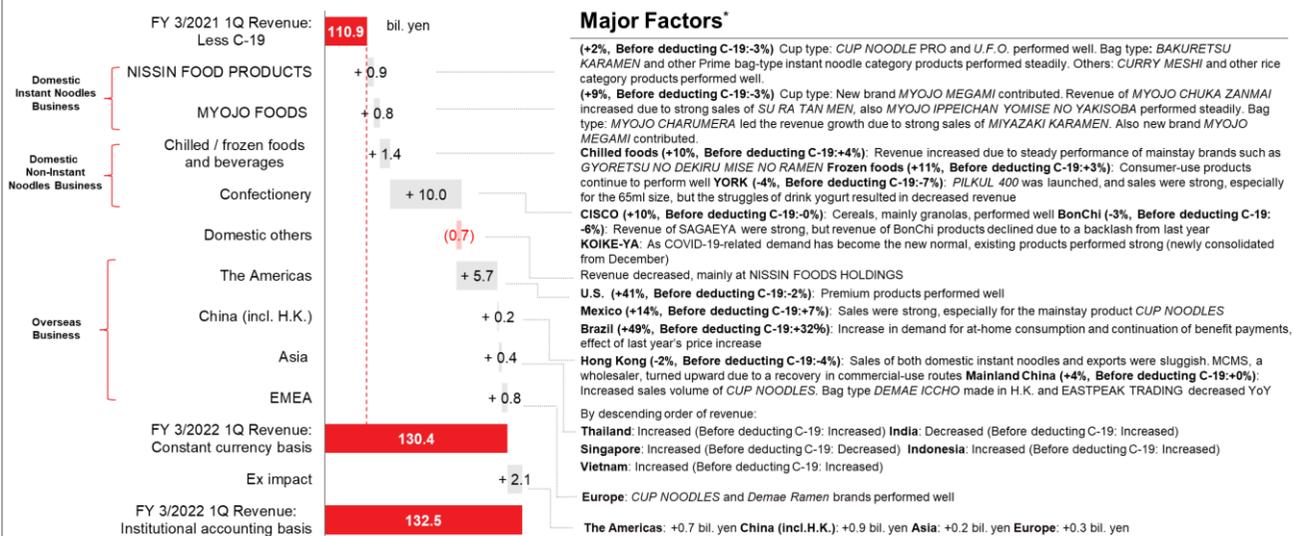
bil. Yen	Institutional accounting basis						Management accounting basis (Constant currency basis, Less C-19)			
	FY 3/2022 1Q	FY 3/2021 1Q	YoY Change		FY 3/2020 1Q	vs. FY 3/2020 CAGR	FY 3/2022 1Q	FY 3/2021 1Q	YoY Change	
			Amount	Ratio					Amount	Ratio
①	②	③=①-②	④=③÷②	⑤	⑥	⑦=①-Ex impact	⑧=②-C-19	⑨=⑦-⑧	⑩=⑨÷⑧	
NISSIN FOOD PRODUCTS	46.6	48.1	(1.5)	(3.1%)	43.4	+ 3.6%	46.6	45.7	+ 0.9	+ 2.0%
MYOJO FOODS	9.4	9.7	(0.2)	(2.6%)	8.4	+ 5.9%	9.4	8.6	+ 0.8	+ 9.4%
<b>Domestic Instant Noodles Business</b>	<b>56.0</b>	<b>57.7</b>	<b>(1.7)</b>	<b>(3.0%)</b>	<b>51.8</b>	<b>+ 4.0%</b>	<b>56.0</b>	<b>54.3</b>	<b>+ 1.7</b>	<b>+ 3.2%</b>
Chilled / frozen foods and beverages	20.2	20.1	+ 0.2	+ 0.8%	17.5	+ 7.5%	20.2	18.8	+ 1.4	+ 7.6%
Confectionery	17.1	7.6	+ 9.4	+ 123.3%	6.6	+ 60.8%	17.1	7.1	+ 10.0	+ 141.2%
<b>Domestic Non-Instant Noodles Business</b>	<b>37.3</b>	<b>27.7</b>	<b>+ 9.6</b>	<b>+ 34.6%</b>	<b>24.1</b>	<b>+ 24.4%</b>	<b>37.3</b>	<b>25.9</b>	<b>+ 11.4</b>	<b>+ 44.1%</b>
Domestic others	0.5	0.8	(0.3)	(37.2%)	1.0	(28.6%)	0.5	1.2	(0.7)	(59.1%)
<b>Domestic total</b>	<b>93.8</b>	<b>86.2</b>	<b>+ 7.6</b>	<b>+ 8.8%</b>	<b>76.9</b>	<b>+ 10.4%</b>	<b>93.8</b>	<b>81.3</b>	<b>+ 12.4</b>	<b>+ 15.3%</b>
The Americas	20.2	17.7	+ 2.5	+ 14.0%	15.1	+ 15.6%	19.5	13.8	+ 5.7	+ 41.4%
China (incl. H.K.)	12.2	11.5	+ 0.7	+ 6.4%	9.6	+ 12.7%	11.4	11.2	+ 0.2	+ 1.6%
Asia	3.4	3.0	+ 0.4	+ 14.8%	2.7	+ 11.3%	3.2	2.8	+ 0.4	+ 15.5%
EMEA	2.8	2.1	+ 0.7	+ 32.4%	1.5	+ 36.4%	2.5	1.8	+ 0.8	+ 42.8%
<b>Overseas total</b>	<b>38.7</b>	<b>34.3</b>	<b>+ 4.3</b>	<b>+ 12.6%</b>	<b>29.0</b>	<b>+ 15.5%</b>	<b>36.6</b>	<b>29.6</b>	<b>+ 7.1</b>	<b>+ 24.0%</b>
<b>Consolidated</b>	<b>132.5</b>	<b>120.6</b>	<b>+ 11.9</b>	<b>+ 9.9%</b>	<b>105.9</b>	<b>+ 11.8%</b>	<b>130.4</b>	<b>110.9</b>	<b>+ 19.5</b>	<b>+ 17.6%</b>

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\* 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.)

- Slide 4 shows our revenue results by segment.
- In the left column, “Institutional accounting basis,” although revenue in the Domestic Instant Noodles Business and Domestic others declined, revenue in both the Domestic and Overseas businesses increased, despite the impact of COVID-19 demand in the last fiscal year. Overall, the Company has achieved an increase in consolidated revenue.
- In addition, compared to FY 3/2020, we have maintained a high level of growth in all business segments, as shown in column ⑥.
- We believe that this indicates that demand for our products has been steadily increasing on a global basis over the COVID-19 period.
- Next, please refer to the right-hand column, “Management accounting basis (Constant currency basis, Less C-19).”
- Domestic Instant Noodle Business revenue increased by 1.7 billion yen, or 3.2%, to 56.0 billion yen, while Domestic non- instant noodle business revenue increased by 11.4 billion yen, or 44.1%, to 37.3 billion yen. As a result, revenue in the Domestic business increased by 12.4 billion yen, or 15.3%, to 93.8 billion yen.
- Revenue in Overseas business increased by 7.1 billion yen, or 24%, to 36.6 billion yen, and revenue in all segments, excluding Domestic others, increased significantly over the previous year.
- We establish a new segment for IR purposes called New Businesses, beginning with FY 3/2022 fiscal results. In addition, in order to strengthen the group synergies of our confectionery business with the consolidation of KOIKE-YA as a subsidiary, the Beverage business was transferred from the Confectionery and beverage business segment to the Chilled and frozen and beverage business, making the Confectionery business its own segment for disclosure.
- As a result of this change, the Confectionery business includes the additional effect of the new consolidation of KOIKE-YA.

# Revenue Contribution by Segment (YoY, Constant currency basis)



\* Please refer to the Financial Supplemental Data for the year-on-year change based on shipment value by manufacturer including the impact of COVID-19 of NISSIN FOOD PRODUCTS and MYOJO FOODS.

- Slide 5 shows details of revenue as “Management accounting basis (Constant currency basis, Less C-19)” by segment.
- Revenue of NISSIN FOOD PRODUCTS increased by 2%, or 0.9 billion yen, year on year, to 46.6 billion yen. In cup-type instant noodles, sales of *CUP NOODLE PRO* and *U.F.O.* were strong. In bag-type noodles, the Prime bag-type instant noodles category, including *BAKURETSU KARAMEN*, performed well. In the Other category, the rice category, including *CURRY MESHI*, performed well.
- Revenue of MYOJO FOODS increased by 9%, or 0.8 billion yen, year on year, to 9.4 billion yen. In the cup-type instant noodles category, the new brand *MYOJYO MEGAMI* contributed to revenue. In the bag type instant noodles category, *CHARUMERA* led the revenue growth due to strong sales of *MIYAZAKI KARAMEN*.
- In Chilled and frozen and beverage business, revenue in the chilled foods business increased by 10% year on year due to steady sales of mainstay brands such as *GYORETSU NO DEKIRU MISE NO RAMEN*. In the frozen foods business, revenue increased by 11% year on year as commercial products continued to perform well. NISSIN YORK launched *PILKUL400* and sales were strong, especially in the 65ml category, but sales decreased by 4% due to the impact of the sluggish sales of drink yogurt. As a result, revenue in Chilled and frozen and beverage business increased by 1.4 billion yen to 20.2 billion yen year on year.
- In Confectionery business, revenue increased due to the revenue of NISSIN CISCO increased by 10% year on year. The revenue of *BonChi* decreased by 3% year on year, the business combination of *KOIKE-YA* contributed to these results, which was newly consolidated in December 2020. As a result, the Confectionery business segment recorded an increase of 10.0 billion yen year on year to 17.1 billion yen.
- In the Americas, revenue in the U.S. increased by 41% year on year due to strong sales of premium products, and revenue in Mexico increased by 14% year on year due to strong sales of the mainstay product *CUP NOODLES*. In Brazil, revenue increased by 49% year on year due to increased demand for at-home consumption, the continuation of benefits payments and effect of last year's price increase. As a result, revenue in the Americas increased by 5.7 billion yen year on year to 19.5 billion yen.
- In China, revenue increased by 0.2 billion yen to 11.4 billion yen year on year. In Hong Kong, revenue of domestic instant noodles turned up, and *MCMS*, a wholesaler, turned upward with a recovery in the commercial-use routes, but revenue declined 2% year on year due to a drop in exports. In Mainland China, revenue increased by 4% year on year, mainly due to an increase in the sales volume of *CUP NOODLES*.
- In Asia, revenue increased in all regions except India, rising 0.4 billion yen to 3.2 billion yen year on year.
- In EMEA, revenue increased by 0.8 billion yen to 2.5 billion yen year on year due to strong sales of *CUP NOODLES*, *Soba* and *Demae Ramen* brands.

## Core OP Results by Segment

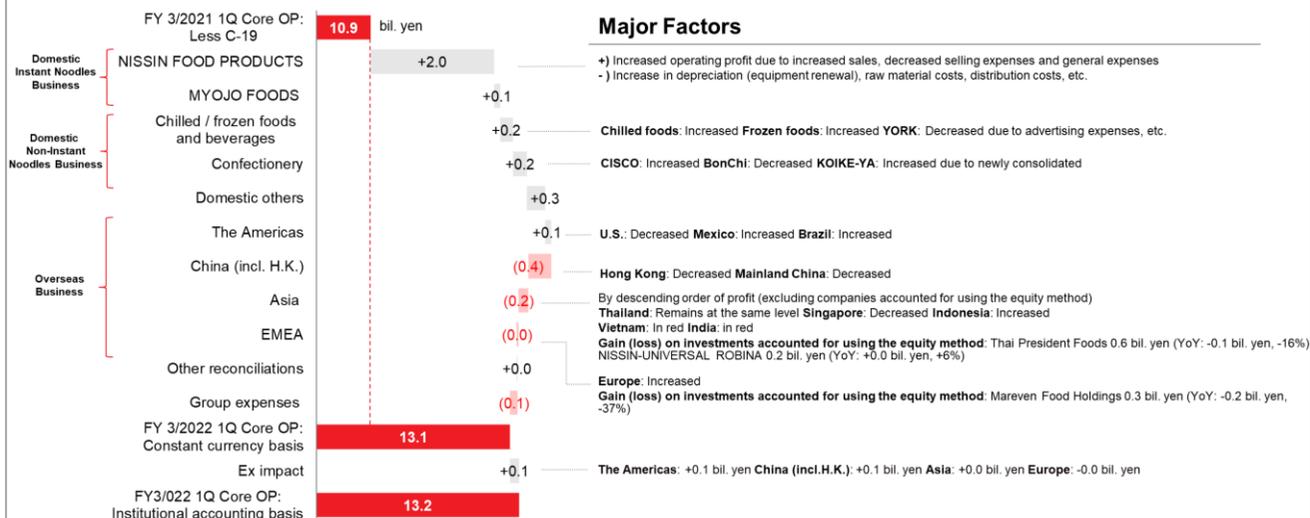
- **Institutional accounting basis:** Decreased in almost all segments, but maintained steady growth compared to FY 3/2020
- **Management accounting basis:** Domestic segments were strong, and the Americas exceeded mid-single digit in overseas businesses.

bil. Yen	Institutional accounting basis								Management accounting basis (Constant currency basis, Less C-19)			
	OP ①	Other Income and Expense ②	FY 3/2022 1Q Core OP (3=1-2)	FY 3/2021 1Q Core OP ④	YoY Change		FY 3/2020 1Q Core OP (7)	vs. FY 3/2020 CAGR (8)	FY 3/2022 1Q Core OP ③=3-Ex impact	FY 3/2021 1Q Core OP ⑩=④-C-19	YoY Change	
			Amount (5=3-4)	Ratio (6=5÷4)	Amount (1)=9-⑩	Ratio (12=⑩÷⑩)						
NISSIN FOOD PRODUCTS	7.0	0.0	7.0	8.7	(1.7)	(19.7%)	4.6	+22.9%	7.0	5.0	+2.0	+39.5%
MYOJO FOODS	1.0	0.0	1.0	1.6	(0.6)	(37.1%)	0.6	+29.1%	1.0	0.9	+0.1	+10.8%
<b>Domestic Instant Noodles Business</b>	<b>8.0</b>	<b>0.0</b>	<b>8.0</b>	<b>10.3</b>	<b>(2.3)</b>	<b>(22.4%)</b>	<b>5.2</b>	<b>+23.6%</b>	<b>8.0</b>	<b>5.9</b>	<b>+2.1</b>	<b>+35.2%</b>
Chilled / frozen foods and beverages	1.3	0.1	1.2	1.6	(0.4)	(23.1%)	0.4	+72.6%	1.2	1.0	+0.2	+20.1%
Confectionery	1.1	0.1	1.0	1.0	+0.0	+4.7%	0.4	+52.9%	1.0	0.8	+0.2	+28.5%
<b>Domestic Non-Instant Noodles Business</b>	<b>2.4</b>	<b>0.1</b>	<b>2.2</b>	<b>2.6</b>	<b>(0.3)</b>	<b>(12.6%)</b>	<b>0.8</b>	<b>+62.8%</b>	<b>2.2</b>	<b>1.8</b>	<b>+0.4</b>	<b>+23.8%</b>
Domestic others	0.6	0.0	0.5	0.2	+0.4	+210.3%	0.2	+80.7%	0.5	0.3	+0.3	+115.5%
<b>Domestic total</b>	<b>11.0</b>	<b>0.2</b>	<b>10.8</b>	<b>13.0</b>	<b>(2.3)</b>	<b>(17.3%)</b>	<b>6.2</b>	<b>+31.4%</b>	<b>10.8</b>	<b>8.0</b>	<b>+2.8</b>	<b>+35.1%</b>
The Americas	1.2	0.0	1.2	1.9	(0.7)	(38.4%)	1.4	(7.3%)	1.1	1.0	+0.1	+9.4%
China (incl. H.K.)	1.1	(0.0)	1.1	1.5	(0.4)	(27.9%)	0.8	+16.6%	1.0	1.4	(0.4)	(26.7%)
Asia	1.0	0.0	1.0	1.2	(0.2)	(17.4%)	0.8	+10.0%	1.0	1.1	(0.2)	(13.5%)
EMEA	0.5	(0.0)	0.6	0.7	(0.2)	(25.3%)	0.2	+83.7%	0.6	0.6	(0.0)	(4.8%)
<b>Overseas total</b>	<b>3.8</b>	<b>(0.0)</b>	<b>3.8</b>	<b>5.4</b>	<b>(1.6)</b>	<b>(28.9%)</b>	<b>3.2</b>	<b>+10.0%</b>	<b>3.7</b>	<b>4.2</b>	<b>(0.5)</b>	<b>(11.0%)</b>
<b>Domestic and Overseas Total</b>	<b>14.8</b>	<b>0.2</b>	<b>14.6</b>	<b>18.4</b>	<b>(3.8)</b>	<b>(20.7%)</b>	<b>9.4</b>	<b>+24.6%</b>	<b>14.5</b>	<b>12.1</b>	<b>+2.3</b>	<b>+19.3%</b>
Other reconciliations	(0.0)	(0.0)	(0.0)	(0.0)	+0.0	-	(0.1)	-	(0.0)	(0.0)	+0.0	-
Group expenses	(1.3)	-	(1.3)	(1.2)	(0.1)	-	(1.3)	-	(1.3)	(1.2)	(0.1)	-
<b>Existing Businesses</b>	<b>13.4</b>	<b>0.2</b>	<b>13.2</b>	<b>17.2</b>	<b>(3.9)</b>	<b>(22.9%)</b>	<b>8.1</b>	<b>+28.2%</b>	<b>13.1</b>	<b>10.9</b>	<b>+2.2</b>	<b>+20.5%</b>
New Businesses	(0.2)	0.1	(0.3)	(0.1)	(0.2)	-	(0.0)	-	(0.3)	(0.1)	(0.2)	-
<b>Consolidated</b>	<b>13.2</b>	<b>0.3</b>	<b>13.0</b>	<b>17.1</b>	<b>(4.1)</b>	<b>(23.9%)</b>	<b>8.0</b>	<b>+27.1%</b>	<b>12.8</b>	<b>10.8</b>	<b>+2.1</b>	<b>+19.3%</b>

\* 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.)

- Slide 6 shows details of core operating profit results by segment.
- First of all, in the left column, "Institutional accounting basis," core operating profit decreased in almost all segments due to a backlash of the impact of COVID-19 in the previous fiscal year. However, the CAGR compared to FY 3/2020 results in all business segments maintaining solid growth as well as revenue.
- Next, please refer to the right-hand column, "Management accounting basis (Constant currency basis, Less C-19)."
- In the Domestic instant noodles business, operating profit increased by 2.1 billion yen, or 35.2% year on year, to 8.0 billion yen. In the Domestic non-instant noodles business, operating profit increased by 0.4 billion yen, or 23.8% year on year, to 2.2 billion yen. As a result, revenue in the domestic business increased by 2.8 billion yen, or 35.1%, to 10.8 billion yen.
- Overseas sales declined by 0.5 billion yen, or 11%, to 3.7 billion yen, and with the addition of reconciliations and group expenses of 1.3 billion yen, core operating profit of existing businesses was 13.1 billion yen. Existing businesses as a whole are expected to grow by 20.5%, far exceeding the planned level of +12.2% for the current fiscal year.
- The New business segment posted a loss of 0.3 billion yen, and consolidated core operating profit increased by 2.1 billion yen, or 19.3% year on year, to 12.8 billion yen.

## Contribution of Core OP of Existing Businesses by Segment (YoY, Constant currency basis)



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- Slide 7 shows details of core operating profit as “Management accounting basis (Constant currency basis, Less C-19)” by segment.
- Core operating profit in NISSIN FOOD PRODUCTS increased by 2.0 billion yen, as higher profits due to increased sales, decreased selling expenses and general expenses offset increases in depreciation and amortization expenses, such as equipment renewal, and raw material and distribution costs.
- In the Americas, operating profit decreased in the U.S. due to the impact of increased material costs, distribution costs, and labor costs, while operating profit increased in Brazil as the impact of continued high prices of key raw materials was offset by increased sales volume and sales unit prices due to price increases in the previous fiscal year. Operating profit in the Americas increased by 0.1 billion yen.
- Operating profit in China including Hong Kong decreased by 0.4 billion yen. In Hong Kong, operating profit decreased due to a decrease in sales, an increase in the cost of sales ratio, and an increase in selling expenses. Operating profit in the Mainland China decreased due to an increase in the cost of sales ratio caused by a sharp rise in raw material prices, despite the steady sales of the mainstay product *CUP NOODLES*.
- In Asia, operating profit decreased by 0.2 billion yen. As for gain (loss) on investments accounted for using the equity method in this segment, operating profit in Thai President Foods decreased by 0.1 billion yen, or 16% year on year, to 0.6 billion yen, and NURC increased by 6% year on year to 0.2 billion yen.
- In EMEA, operating profit increased in Europe. On the other hand, operating profit in Mareven Food Holdings, gain (loss) on investments accounted for using the equity method, decreased by 0.2 billion yen, or 37% year on year, to 0.3 billion yen.

# EARTH FOOD CHALLENGE 2030

Proactively addressed sustainability issues and selected for inclusion in many ESG indices.

## Status of inclusion in ESG indices ( as of August 2021)

### Dow Jones Sustainability World Index (DJSI World) Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

- "DJSI" is a global ESG investment index
- Evaluate companies that have excellent sustainability through research and analysis from both financial and ESG perspectives
- "DJSI World" covers about 2,500 major companies in both developed and emerging countries
- "The DJSI Asia Pacific Index" consists of major companies in the Asia Pacific region

### MSCI World ESG Leaders Index MSCI Japan ESG Select Leaders Index



2020 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

- "MSCI World ESG Leaders Index" is one of the world's leading ESG indices
- "MSCI Japan ESG Select Leaders Index" is comprised of Japanese companies with outstanding ESG performance

### FTSE4Good Index Series FTSE Blossom Japan Index



FTSE4Good



FTSE Blossom  
Japan

- FTSE4Good Index Series is an investment index selected by the London Stock Exchange Group
- Companies with excellent ESG performance are selected as constituent stocks
- "FTSE Blossom Japan Index" selects Japanese companies

Included from June 2021

### SOMPO Sustainability Index



- An index developed by Sompo Asset Management Co., Ltd. that consists of approximately 300 stocks with superior ESG performance

Included from June 2021

\* THE INCLUSION OF NISSIN FOODS HOLDINGS IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NISSIN FOODS HOLDINGS BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

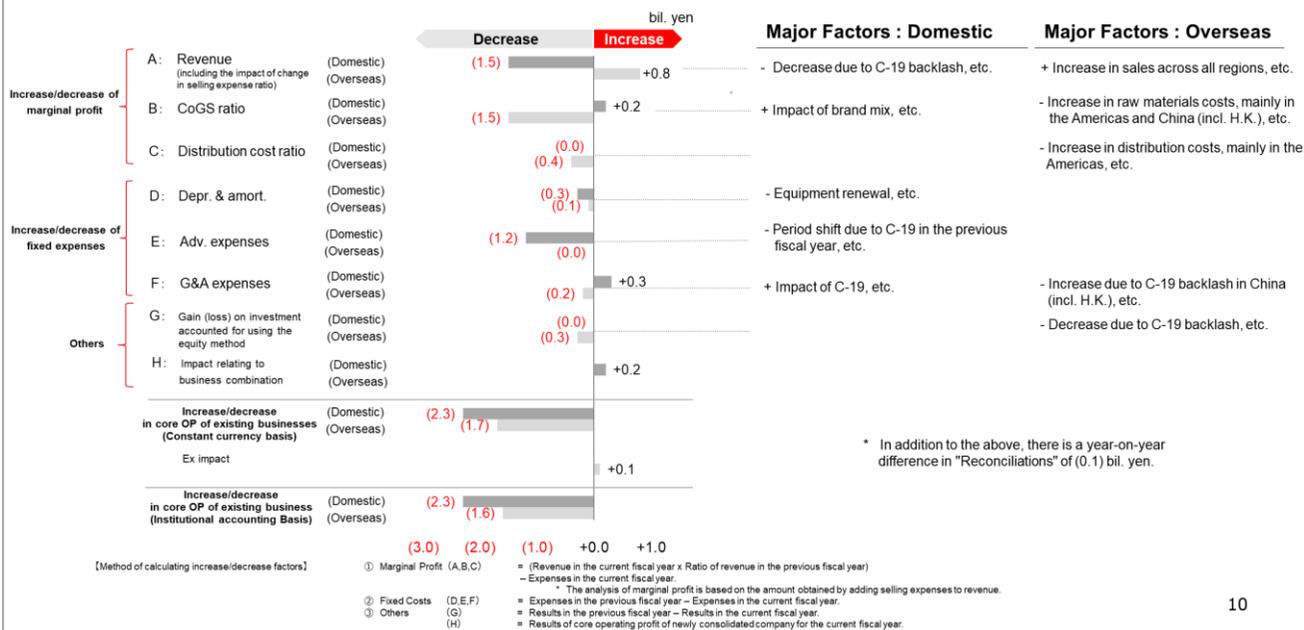
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- Slide 8 shows a summary of the ESG indices in which we are currently included.
- As for progress in the current fiscal year, we were selected for the first time as a constituent stock of the FTSE4Good Index Series, a leading global ESG investment index, and the FTSE Blossom Japan Index in June 2021, which targets Japanese companies. The NISSIN FOODS Group is promoting various initiatives to achieve a sustainable society under its environmental strategy "EARTH FOOD CHALLENGE 2030" and the "CUP NOODLES DO IT NOW!" project. We recognize that we have been selected as a constituent stock of both indices this time because our initiatives on climate change, sustainable procurement and respect for human rights have been highly evaluated.
- In addition, we have been selected as a constituent stock of the "DJSI World" and "DJSI Asia Pacific", the "MSCI Japan ESG Select Leaders Index", which is another ESG investment index adopted by the GPIF, and the "SOMPO Sustainability Index."
- The NISSIN FOODS Group will continue to strive for the realization of a sustainable society and the enhancement of corporate value.
- I am pleased to conclude this briefing on our financial results for the first quarter of FY 3/2022.

# Appendix

<b>I.</b>	<b>FY 3/2022 1Q:Analysis of Core OP of Existing Businesses</b>	<b>..... P10</b>
II.	FY3/2022: Analysis of Core OP Forecast of Existing Businesses	..... P12~13
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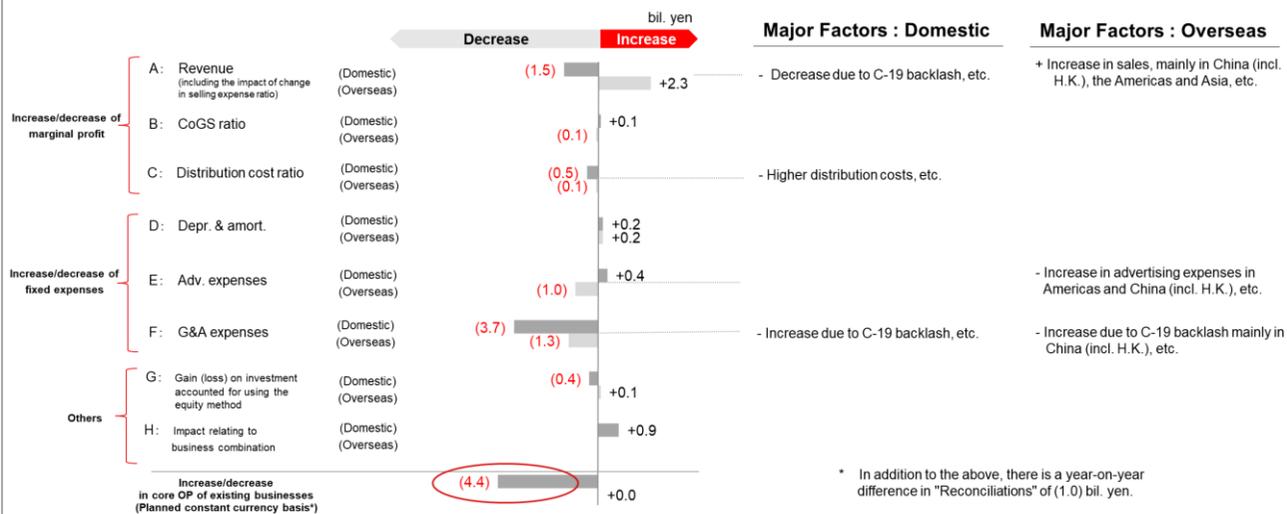
# 1Q: Analysis of Core OP of Existing Businesses (YoY, Constant currency basis, Including C-19 impact)



# Appendix

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# Analysis of Core OP Forecast of Existing Businesses (vs FY 3/2021, Planned constant currency basis, Including C-19 impact)



\* In addition to the above, there is a year-on-year difference in "Reconciliations" of (1.0) bil. yen.

[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 - Forecasts in the current fiscal year.
- \* The analysis of marginal profit is based on the amount obtained by adding selling expenses to revenue.

\* The actual average exchange rates for the April-March period of FY 3/2021 are applied under planned constant currency basis.

## FY 3/2022 Forecasts by Segment

Aiming for significant growth beyond FY3/2021 performance (excluding COVID-19 impact) across many segments

bil. Yen	Revenue (IFRS)						Core Operating Profit (Non-GAAP)							
	FY3/2022 Forecast	PY (FY 3/2021 Results)					FY3/2022 Forecast	PY (FY 3/2021 Results)						
		Revenue	C-19 Impact	Less C-19	YoY change			OP	Other Income and Expense	Core OP	C-19 Impact	Less C-19	YoY Change	
NISSIN FOOD PRODUCTS	207.0	205.6	2.8	202.8	+ 4.2	+ 2.1%	28.0	32.2	0.2	32.0	5.3	26.6	+ 1.4	+ 5.1%
MYOJO FOODS	37.5	37.6	1.4	36.2	+ 1.3	+ 3.6%	2.4	3.2	0.1	3.1	1.0	2.1	+ 0.3	+ 13.5%
<b>Instant noodles</b>	<b>244.5</b>	<b>243.2</b>	<b>4.2</b>	<b>239.0</b>	<b>+ 5.5</b>	<b>+ 2.3%</b>	<b>30.4</b>	<b>35.4</b>	<b>0.3</b>	<b>35.1</b>	<b>6.3</b>	<b>28.8</b>	<b>+ 1.6</b>	<b>+ 5.7%</b>
Chilled / frozen foods and beverages	77.0	77.7	1.8	75.9	+ 1.1	+ 1.5%	3.0	3.6	0.2	3.4	0.9	2.5	+ 0.5	+ 19.7%
Confectionery	65.0	41.1	0.6	40.5	+ 24.5	+ 60.4%	3.1	2.6	0.0	2.6	0.2	2.3	+ 0.8	+ 34.0%
Domestic others	2.5	3.3	(1.4)	4.7	(2.2)	(46.8%)	1.0	0.8	0.0	0.8	0.2	0.6	+ 0.4	+ 60.2%
<b>Domestic total</b>	<b>389.0</b>	<b>365.3</b>	<b>5.2</b>	<b>360.1</b>	<b>+ 28.9</b>	<b>+ 8.0%</b>	<b>37.5</b>	<b>42.5</b>	<b>0.5</b>	<b>41.9</b>	<b>7.7</b>	<b>34.2</b>	<b>+ 3.3</b>	<b>+ 9.6%</b>
The Americas	74.0	70.9	9.6	61.3	+ 12.7	+ 20.8%	3.9	4.0	0.0	4.0	1.8	2.2	+ 1.7	+ 75.3%
China (incl. H.K.)	55.0	48.2	0.5	47.6	+ 7.4	+ 15.5%	5.5	5.8	0.2	5.5	0.5	5.0	+ 0.5	+ 9.9%
Asia	13.5	12.7	0.1	12.5	+ 1.0	+ 7.9%	4.6	4.1	0.1	4.0	0.1	4.0	+ 0.6	+ 16.0%
EMEA	8.5	9.1	1.0	8.1	+ 0.4	+ 4.6%	1.5	1.9	0.0	1.8	0.4	1.5	+ 0.0	+ 2.1%
<b>Overseas total</b>	<b>151.0</b>	<b>140.8</b>	<b>11.3</b>	<b>129.5</b>	<b>+ 21.5</b>	<b>+ 16.6%</b>	<b>15.5</b>	<b>15.7</b>	<b>0.3</b>	<b>15.5</b>	<b>2.8</b>	<b>12.7</b>	<b>+ 2.8</b>	<b>+ 22.4%</b>
<b>Domestic and Overseas Total</b>	<b>540.0</b>	<b>506.1</b>	<b>16.5</b>	<b>489.6</b>	<b>+ 50.4</b>	<b>+ 10.3%</b>	<b>53.0</b>	<b>58.2</b>	<b>0.8</b>	<b>57.4</b>	<b>10.5</b>	<b>46.9</b>	<b>+ 6.1</b>	<b>+ 13.1%</b>
Other reconciliations							(6.0)	4.0	4.1	(0.1)	0.0	(0.1)	(1.0)	-
Group expenses								(4.9)	0.0	(4.9)	0.0	(4.9)	(1.0)	-
<b>Existing Businesses</b>	<b>540.0</b>	<b>506.1</b>	<b>16.5</b>	<b>489.6</b>	<b>+ 50.4</b>	<b>+ 10.3%</b>	<b>47.0</b>	<b>57.3</b>	<b>4.9</b>	<b>52.4</b>	<b>10.5</b>	<b>41.9</b>	<b>+ 5.1</b>	<b>+ 12.2%</b>
New Businesses							(2.5) ~ (4.5)	(1.8)	0.0	(1.8)	0.0	(1.8)	(0.7) ~ (2.7)	-
<b>Consolidated</b>	<b>540.0</b>	<b>506.1</b>	<b>16.5</b>	<b>489.6</b>	<b>+ 50.4</b>	<b>+ 10.3%</b>	<b>44.5</b> ~ 42.5	<b>55.5</b>	<b>4.9</b>	<b>50.6</b>	<b>10.5</b>	<b>40.1</b>	<b>+ 4.4</b> ~ + 2.4	<b>+ 11.0%</b> ~ + 6.0%

\* China (including H.K.) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS CO., LTD. (located in H.K.)

$$=47.0-52.4+1.0=(4.4)$$



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# FY 3/2022 Domestic Instant Noodles Business Policy and Activities by Segment (1)

## NISSIN FOOD PRODUCTS

Generate profit by solidifying core brands and create food cultures by pursuing new value

- Use targeted marketing aimed at three strategic target groups: youth, women and seniors
  - Develop new categories (Prime bag-type instant noodle products, rice, etc.)
- Campaigns for mainstay brands that will be celebrating anniversaries (*CUP NOODLE*, *DONBEI*, *U.F.O.*)
  - 50th anniversary of *CUP NOODLE*, 45th anniversary of *DONBEI* Aim for historic sales records
- Focus on selling products for price-conscious consumers
- Topical communication for young people, tailored to the digital native generation
- Generate new sales by strengthening sales of non-noodle products, e.g., rice products and *TRIPLE BARRIER*

Strengthen brands that will be celebrating anniversaries



Strategic products to suit price-conscious consumers



Products pursuing new value



## FY 3/2022 Domestic Instant Noodles Business Policy and Activities by Segment (2)

### MYOJO FOODS

Pursue new value and address societal demands to build sustainable company growth

#### ■ Pursue new value

- Establish and nurture the new *MEGAMI* brand, making the best use of proprietary non-fry technology
- Expand standards among mainstay products and improve profitability
- Create products for new demand, addressing stay-at-home lifestyles from a new angle



#### ■ Addressing societal demands

- Promote the switch to environmentally friendly FSC® certified paper (forest certified) materials for corrugated cardboard
- Expand range of products using the *Salt Care Cup*
- Pursue measures addressing the *Act on Promotion of Women's Participation and Advancement in the Workplace*



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!

## FY 3/2022 Domestic Non-Instant Noodles Business Policy and Activities by Segment (1)

### Chilled / Frozen Foods and Beverage Business

#### NISSIN CHILLED FOODS

- No.1 market share in the noodles genre
- Expansion of 4K+ plus series of products (4K = easy (*kanben*), individual (*kosyoku*), complete (*kanketsu*), environmentally friendly (*kankyo*))
- Advancement in the Delicious Eco-Noodle Project
- Business expansion in new channels



#### NISSIN YORK

- Build awareness and promote functional understanding of *PILKUL 400*
- Stronger messaging for intestinal function improvement of *TOKACHI NOMU YOGURT* and leading trial purchases

#### NISSIN FROZEN FOODS

- Expand into other areas by strengthening single products as means to greater brand recognition
- Become No.1 in the pasta market
- Enter high-end noodles and pasta markets
- Products and distribution strategies that emphasize profitability



## FY 3/2022 Domestic Non-Instant Noodles Business Policy and Activities by Segment (2)

### Confectionery Business

#### NISSIN CISCO

- Provide high-quality cereals with strong value for health, combined with affordability and variety
- Further strengthen and nurture the *GOROTTO GRANOLA* brand
- Value proposition and product development unique to confectionery under the concept of Unique Functions and Wellness



#### BonChi

- **Strengthen existing brands further and respond to new consumption**
  - Improve sales of major brands, focusing mainly on *PEANUT AGE*, *KARASHI MENTAIKO OGATA AGESEN*, *BONCHI AGE*
  - Enter the snack sales area given growth in at-home consumption
  - Pursue greater cost reductions through productivity improvement projects



#### KOIKE-YA

- Strengthen domestic marketing strategy (Improve presence by promoting shift to premium products and investing in advertising)
- Cut costs through full-scale operations at new plant
- Strengthen overseas business



## FY 3/2022 Overseas Business Policy and Activities by Segment (1)

### The Americas

#### U.S.

- Accelerate sales of premium products and increase revenue ratio
- Reduce costs by improving production efficiency



### China (Incl. H.K.)

- Hong Kong** Expand sales and strengthen earnings base in each business
  - Expand sales and strengthen the earnings base of existing brands
  - Stabilize the earnings base for non-instant noodles businesses



#### Mexico

- Target increased revenue and operating profit growth through aggressive sales promotion activities
- Further increase sales through improved awareness and store turnover rate of *CUP NOODLES Intenso* and *U.F.O.*
- Expand market share by developing new customers and strengthening sales promotion in priority areas



#### Brazil

- Re-position brands, including *Nissin Lámen*
- Further grow and firmly establish *CUP NOODLES*



#### Mainland China

- Increase sales of *CUP NOODLES* and *DEMAE ICCHO* and strengthen respective earnings bases
- Build an earnings base for non-instant noodles businesses



## FY 3/2022 Overseas Business Policy and Activities by Segment (2)

### Asia

#### ■ India

- Expand sales of pivotal products *CUP NOODLES* and *Top Ramen* in the domestic instant noodles business
- Strengthen profits by expanding third-party sales using in-house sales platform
- Strengthen profitability by improving production efficiency



#### ■ Singapore

- Strengthen sales of *CUP NOODLES*, *DEMAE ICCHO* and *MYOJO*
- Expand categories other than instant noodles



#### ■ Thailand

- Create market for high-value-added bag-type instant noodles and expand sales
- Strengthen sales of *CUP NOODLES*



#### ■ Indonesia

- Engage in business management that avoids price competition
- Cultivate *Nissin Ramen* as a second pillar after *Gekikara*



#### ■ Vietnam

- Introduce and expand sales of high-profit products
- Expand target cities and delve deeper into high-profit sales channels



## FY3/2022 Overseas Business Policy and Activities by Segment (3)

### EMEA

- **Europe** Establish stronger presence in the growing European market
  - Strive to expand share of the cup-type and bag-type instant noodles markets based on the Asian Blast concept
  - Implement policies after identifying areas having common attributes, rather than policies by country or by competitor



### Associates accounted for using the equity method

- **NISSIN-UNIVERSAL ROBINA CORP.**
  - Instant noodles business in the Philippines
  - Expand instant noodles business through joint ventures 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 in other CIS countries
- **Thai President Foods PCL**
  - A leading instant noodle company in Thailand



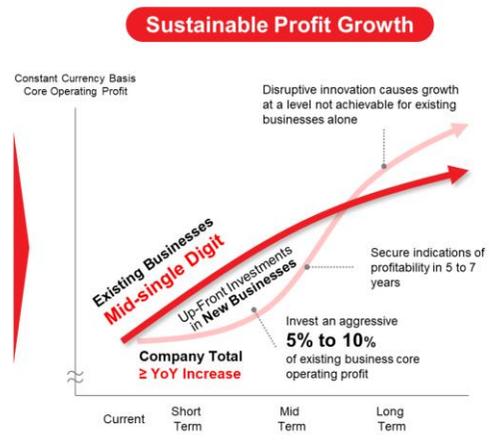
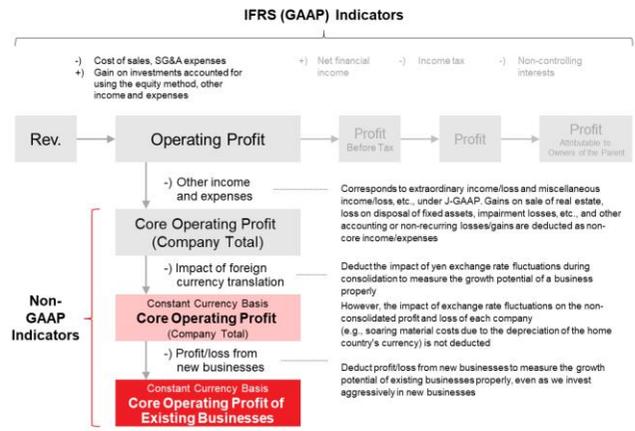


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	<b>and definition of Non-GAAP indicators</b>	.....	<b>P23~25</b>

# Approach to Sustainable Profit Growth

We have defined core operating profit of existing businesses as an indicator showing the real growth of our existing businesses, which serve as the foundation for growth investment. Here, we have set growth in the mid-single digits as our core economic value target



## Major Earnings Forecast Assumptions

Beginning FY 3/2022, we will begin conducting management, making adjusting earnings forecasts, and explaining earnings results based on the following three assumptions

1

### Adoption of non-GAAP profit indicators

Introducing **core operating profit** as a core economic value target

- Shift from IFRS operating profit to indicators excluding other income and expenses as non-recurring profit/loss
- To measure sustainable profit growth not affected by transient, non-core factors such as impairment and extraordinary income

2

### Organizational changes for pursuing new businesses

Transferring New Business Development Dept. from **NISSIN FOODS HD** to **NISSIN FOOD PRODUCTS**

- To efficiently leverage the business foundation of NISSIN FOOD PRODUCTS, the largest business in the group
- To reflect achievements from the New Business Development Dept. in existing businesses in a timely manner and to increase synergy

3

### Changes to disclosure segments

Establish **new businesses segment** and split off **Confectionery business**

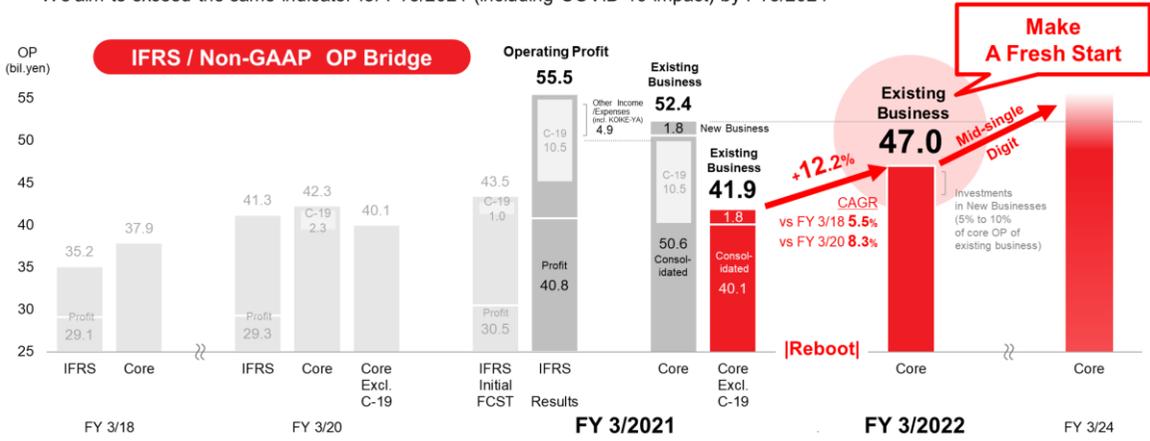
- To clarify the performance of new businesses that require aggressive investment/risk-taking
- Re: independence of the confectionery business, we aim to further drive synergies between businesses in conjunction with making KOIKE-YA a consolidated subsidiary

Toward group performance management and presentation built around the **core operating profit of existing businesses**

# Profit Levels: Launchpad for a Fresh Start

We have set 47 billion yen as the Fresh Start starting line after the reset of our core operating profit of existing businesses base

- This is the equivalent of **double-digit growth** versus core operating profit of existing businesses for FY3/2021, when excluding COVID-19 impact
- We aim to exceed the same indicator for FY3/2021 (including COVID-19 impact) by FY3/2024



Company plans, business forecasts, strategies, and other information contained in this document are based on management judgments derived from information available at the time of this publication. Be aware that these are only future projections, and actual results may differ due to various risks and uncertainties. These risks and uncertainties include intensifying price competition in the market, changes in economic trends surrounding the business environment, exchange rate fluctuations, and significant market fluctuations in the capital markets.

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- Figures in this document are calculated to the thousands of yen, rounded down to the nearest hundred million yen. Therefore, detailed calculations and total amounts may not agree
- As a general rule, fiscal years in this document run from April 1, 20YY through March 31, 20YY, and may be written as FY3/20YY or FYYY
- Results from 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.) .) China (including H.K.) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS



NISSIN FOODS HOLDINGS CO., LTD.