



Financial Results for FY 3/2022 2Q

Announced on November 5, 2021

NISSIN FOODS HOLDINGS CO., LTD.
(TSE Stock Code: 2897)

Financial Results Presentation: November 8, 2021

- My name is Takashi Yano, and I am the CFO of NISSIN FOODS HOLDINGS.
- My presentation will follow the content related to Financial Results for FY 3/2022 2Q in the presentation materials.
- I will begin by reporting on FY 3/2022 2Q Financial Results. Please refer to slide 3.

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Koki Ando, Representative Director, President and CEO

Noritaka Ando, COO and Executive Vice President,

and President & Representative Director of NISSIN FOOD PRODUCTS CO., LTD.

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FY 3/2022 2Q Financial Results

Management Policy for FY 3/2022

Reboot and Make a Fresh Start

In the first year of our new management plan, we will sprint ahead with 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 towards wider acceptance of complete nutritional foods
- Launch businesses across five touch points and conduct proof-of-concept tests during FY 3/2022: (1) subscription home delivery service (DC2: intensive program), (2) corporate cafeterias, (3) seniors, (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

- As you can see on this slide, six months of FY 3/2022 have passed since the beginning of the first year of our new management plan under the concept of *Make a Fresh Start*.
- By taking advantage of the lessons learned from environmental changes caused by COVID-19, we are maximizing the use of digital technologies to transition both work styles and business structures toward the new normal. In addition, we are responding accurately to consumer behavior and awareness to turn the increased demand under COVID-19 into a driver of sustainable growth.

FY 3/2022 2Q Financial Results Highlights

FY 3/2022 2Q Results	Institutional accounting basis	Management accounting basis ^{*1,*2}	Target level for FY 3/2022
Revenue	275.0 Bil. yen +14.1%	270.5 Bil. yen +18.1%	Double Digit
Core Operating Profit of Existing Businesses	27.1 Bil. yen (14.8%)	26.7 Bil. yen + 12.8%	Double Digit
Domestic Instant Noodles Business	(9.9%)	+ 25.4%	Mid-single Digit
Domestic Non-Instant Noodles Business	+4.7%	+ 31.0%	Double Digit
Overseas Business	(32.7%)	(21.3%)	Double Digit

Summary

(Institutional accounting basis)

- Revenue: Increased in all three businesses, even before deducting the impact of COVID-19
- Core Operating Profit of Existing Businesses: Decreased in YoY due to the effect of COVID-19 despite steady growth compared to FY 3/2020 2Q^{*3}

(Management accounting basis) **Steady progress toward Make a Fresh Start**

- Revenue: Increased in all three businesses and grew by 18.1% on a consolidated basis
- Core Operating Profit of Existing Businesses: The growth rate of 12.8% on a consolidated basis YoY, exceeding the medium-to long-term target

^{*1} Growth rates 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 effect of exchange rate at the time of consolidation.

^{*2} Actual YoY change / growth rate excluding the impact of foreign exchange rates and the impact of COVID-19, which had a significant impact on FY 3/2021 results (i.e. increase in demand, reduction in selling expenses, unused expenses, etc.).

^{*3} Core operating profit of existing businesses vs. FY 3/2020 +7.7 Bil. yen (39.6%)

- Slide 4 shows our FY 3/2022 2Q financial highlights.
- On an institutional accounting basis, which we present in our earnings reports, consolidated revenue rose 14.1% year on year to 275.0 billion yen. This revenue increase was mainly due to revenue growth in the three businesses of Domestic Instant Noodles, Domestic Non-Instant Noodles, and Overseas.
- Consolidated core operating profit of existing businesses decreased 14.8% year on year, amounting to 27.1 billion yen. This result was due to a negative rebound from the impact of COVID-19 in the year-ago period, as well as lower profits in our Domestic Instant Noodles Business and Overseas Business, despite the positive impact of the consolidation of KOIKE-YA in our Domestic Non-Instant Noodles Business.
- On a constant currency basis after deducting the impact of COVID-19 in the previous fiscal year, a measure we have introduced as a new indicator this fiscal year, revenue increased across all three businesses, growing 18.1% on a consolidated basis to 270.5 billion yen.
- Consolidated core operating profit of existing businesses rose 12.8% year on year to 26.7 billion yen, surpassing the medium- to long-term target of mid-single digit growth and our financial plan for the current fiscal year of 12.2%. We have made good progress toward our plan to Make a Fresh Start.

Consolidated Financial Summary

- Institutional accounting basis: Increase in revenue and decrease in profits, but maintained high growth compared to FY 3/2020 2Q
- Management accounting basis: Significantly higher YoY in all categories

Bil. Yen	Institutional accounting basis						Management accounting basis (Constant currency basis, Less COVID-19)			
	FY 3/2022 2Q	FY 3/2021 2Q	YoY change		FY 3/2020 2Q	vs. FY 3/2020 CAGR	FY 3/2022 2Q	FY 3/2021 2Q	YoY change	
			Amount	Ratio					Amount	Ratio
	①	②	③=①-②	④=③+②	⑤	⑥	⑦=①-Fx impact	⑧=②-C-19	⑨=⑦-⑧	⑩=⑨+⑧
Revenue	275.0	241.1	+ 33.9	+ 14.1%	221.4	+ 11.5%	270.5	229.1	+ 41.4	+ 18.1%
Core operating profit of existing businesses	27.1	31.8	(4.7)	(14.8%)	19.4	+ 18.2%	26.7	23.7	+ 3.0	+ 12.8%
Operating profit	26.8	31.8	(5.0)	(15.7%)	19.7	+ 16.7%	26.4	23.7	+ 2.8	+ 11.7%
Profit attributable to owners of the parent	17.1	22.0	(4.9)	(22.1%)	13.5	+ 12.7%				
Core OP margin of existing businesses	9.9%	13.2%	(3.3pt-)		8.8%		9.9%	10.3%	(0.5pt-)	
OP margin	9.8%	13.2%	(3.4pt-)		8.9%		9.8%	10.3%	(0.6pt-)	
Profit attributable to owners of the parent margin	6.2%	9.1%	(2.9pt-)		6.1%					

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- Slide 5 shows a summary of financial results for FY 3/2022 2Q.
- The column on the left represents our results on an institutional accounting basis.
- Year-on-year comparisons are provided in column 3, and as I explained earlier, we recorded an increase in revenue and a decrease in profit.
- On the other hand, compared to FY 3/2020 prior to the impact of COVID-19, as shown in column 6, we maintained high growth, recording double-digit increases across all categories of CAGR over the two-year period.
- The right-hand column shows constant currency basis, less the impact of COVID-19 in the prior year.
- Revenue increased 41.4 billion yen, or 18.1% year on year, to 270.5 billion yen.
- Core operating profit of existing businesses increased 3.0 billion yen, or 12.8% year on year, to 26.7 billion yen, while operating profit increased 2.8 billion yen, or 11.7%, to 26.4 billion yen. Revenue, core operating profit of existing businesses, and operating profit showed significant increases year on year.
- Our full-year plan for core operating profit of existing businesses calls for 47.0 billion yen, so we can say we are making good progress.
- In conjunction with these results, core operating profit of existing businesses and OP margin increased 9.9% and 9.8%, respectively, maintaining a high level of growth compared to FY 3/2020 before the emergence of COVID-19.

Revenue Results by Segment

- Institutional accounting basis: Increased in all segments except Domestic Others, even before deducting the impact of COVID-19
- Management accounting basis: Increased in all segments except Domestic Others

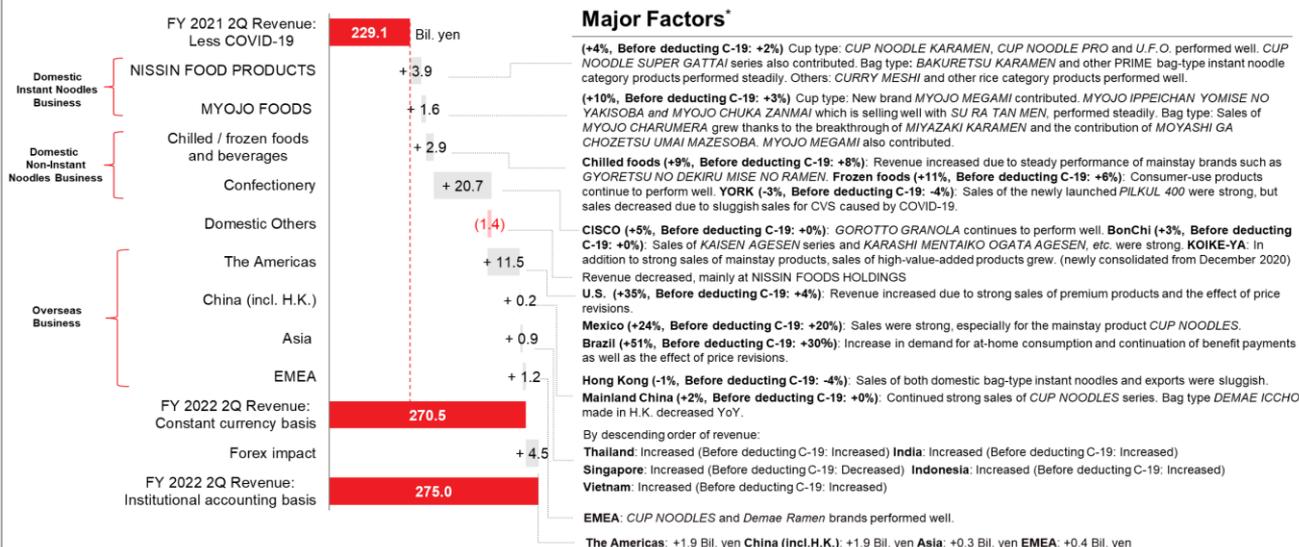
Bil. Yen	Institutional accounting basis						Management accounting basis (Constant currency basis, Less COVID-19)			
	FY 3/2022 2Q (1)	FY 3/2021 2Q (2)	YoY change		FY 3/2020 2Q (5)	vs. FY 3/2020 CAGR (6)	FY 3/2022 2Q (7)=①-Fx impact	FY 3/2021 2Q (8)=②-C-19	YoY change	
			Amount (3)=①-②	Ratio (4)=③÷②					Amount (9)=⑦-⑧	Ratio (10)=⑨÷⑧
NISSIN FOOD PRODUCTS	98.5	97.0	+ 1.5	+ 1.5%	92.5	+ 3.2%	98.5	94.6	+ 3.9	+ 4.1%
MYOJO FOODS	18.7	18.1	+ 0.6	+ 3.2%	17.1	+ 4.6%	18.7	17.1	+ 1.6	+ 9.6%
Domestic Instant Noodles Business	117.2	115.2	+ 2.1	+ 1.8%	109.6	+ 3.4%	117.2	111.7	+ 5.5	+ 4.9%
Chilled / frozen foods and beverages	41.0	39.3	+ 1.7	+ 4.2%	35.5	+ 7.4%	41.0	38.1	+ 2.9	+ 7.6%
Confectionery	34.8	14.7	+ 20.1	+ 136.3%	12.9	+ 64.4%	34.8	14.1	+ 20.7	+ 146.2%
Domestic Non-Instant Noodles Business	75.8	54.1	+ 21.7	+ 40.2%	48.4	+ 25.1%	75.8	52.2	+ 23.6	+ 45.1%
Domestic Others	1.1	1.7	(0.6)	(36.1%)	2.1	(28.3%)	1.1	2.5	(1.4)	(57.0%)
Domestic total	194.1	170.9	+ 23.2	+ 13.6%	160.0	+ 10.1%	194.1	166.4	+ 27.7	+ 16.6%
The Americas	42.4	35.5	+ 6.9	+ 19.4%	31.6	+ 15.9%	40.5	29.0	+ 11.5	+ 39.6%
China (incl. H.K.)	25.9	24.3	+ 1.6	+ 6.6%	21.0	+ 11.1%	24.0	23.7	+ 0.2	+ 0.9%
Asia	7.3	6.2	+ 1.0	+ 16.4%	5.6	+ 13.8%	7.0	6.1	+ 0.9	+ 13.8%
EMEA	5.4	4.2	+ 1.2	+ 27.8%	3.2	+ 30.0%	5.0	3.8	+ 1.2	+ 31.3%
Overseas total	81.0	70.3	+ 10.7	+ 15.2%	61.3	+ 14.9%	76.4	62.7	+ 13.7	+ 21.9%
Consolidated	275.0	241.1	+ 33.9	+ 14.1%	221.4	+ 11.5%	270.5	229.1	+ 41.4	+ 18.1%

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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 6 shows revenue results by segment.
- The column to the left shows results according to the institutional accounting basis. Despite the high bar set in the year-ago period fiscal year due to the increase in demand associated with COVID-19, all segments except for the Domestic Others, reported an increase in revenue. As shown in column 4, our Domestic Businesses increased 13.6% year on year, while our Overseas Businesses rose 15.2%, and we recorded consolidated year-on-year growth of 14.1%. In this way, every segment maintained high growth for the period under review.
- Note that our Overseas Business in particular featured growth exceeding the previous year's level of 10.3%.
- As of the end of the first quarter, certain business segments underperformed the same period last year. However, as of the end of the second quarter, all segments in Japan and overseas, with the exception of Domestic Others, have swung to positive growth year on year.
- Further, as shown in column 6 for two-year CAGR, almost all segments continue to grow at high rates compared to FY 3/2020.
- We believe this indicates that the premium strategy we are pursuing overseas is making good progress, and that the demand for our products and our customer segments are expanding steadily on a global basis throughout the period affected by COVID-19.
- Now, please refer to the right-hand column labeled, *constant currency basis, less COVID-19*.
- The Domestic Instant Noodles Business grew 5.5 billion, or 4.9% year on year, to 117.2 billion yen. Our Domestic Non-Instant Noodles Business rose 23.6 billion yen, or 45.1%, to 75.8 billion yen. And our Domestic Business overall rose 27.7 billion yen, or 16.6%, to 194.1 billion yen.
- Overseas Business increased 13.7 billion yen, or 21.9%, to 76.4 billion yen.
- In FY 3/2022, we changed segments for IR purposes, adding the New Business segment. In conjunction with the addition of KOIKE-YA as a consolidated subsidiary, we moved the Beverage Business from the Confectionery and Beverages segment to the Chilled / Frozen Foods and Beverages Business segment, and we now provide separate disclosure of the Confectionery Business segment.
- The Confectionery Business includes the additional impact of adding KOIKE-YA as a consolidated subsidiary.

Revenue Contribution by Segment (Management accounting 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 7 shows details revenue by segment reflecting constant currency basis after deducting the impact of COVID-19 in the previous fiscal year.
- NISSIN FOOD PRODUCTS reported an increase of 3.9 billion yen, or 4% year on year, to 98.5 billion yen.
- In the category of cup-type instant noodles, new product such as *CUP NOODLE KARAMEN*, *CUP NOODLE PRO*, and the *U.F.O.* product performed well, while the *CUP NOODLE SUPER GATTAI* series, commemorating the 50th anniversary of the launch of *CUP NOODLE*, received favorable reviews and made a significant contribution to results.
- In bag-type instant noodles, *BAKURETSU KARAMEN* and other *PRIME* bag-type instant noodle category products performed steadily. In the Other category, *CURRY MESHII* and other rice category products performed well.
- MYOJO FOODS revenue increased 10% or 1.6 billion yen year on year to 18.7 billion yen. In the cup-type instant noodles category, our new *MEGAMI* brand made a positive contribution, while *MYOJO IPPEICHAN YOMISE NO YAKISOBA* and *MYOJO CHUKA ZANMAI*, which is selling well and *SU RA TAN MEN*, performed steadily.
- In the bag-type noodles category, sales of *CHARUMERA* grew thanks to the breakthrough of *MIYAZAKI KARAMEN* and the contribution of *MOYASHI GA CHOZETSU UMAI MAZESOBA*. Our new product, *MEGAMI*, also contributed.
- In Chilled / Frozen Foods and Beverages Business, Chilled Foods Business revenue rose 9% year on year. This result was mainly due to steady performance in mainstay brands such as *GYORETSU NO DEKIRU MISE NO RAMEN*. In the Frozen Foods Business, consumer-use products continued to perform well, growing 11% year on year. *NISSIN YORK* experienced a 3% revenue decrease due to a rebound from the impact of COVID-19 in the previous year, despite strong 65ml and other sales of the newly launched *PILKUL 400*.
- As a result, Chilled / Frozen Foods and Beverages Business revenue increased 2.9 billion yen year on year to 41.0 billion yen.
- The Confectionery Business recorded a revenue increase of 20.7 billion yen to 34.8 billion yen year on year, owing to a 5% increase in *NISSIN CISCO* sales, a 3% increase in *BonChi* sales, and the add-on impact of *KOIKE-YA*, which became a consolidated subsidiary last December.
- Overseas, revenue in the Americas increased 11.5 billion yen year on year to 40.5 billion yen. In the U.S., revenue increased 35% due to strong sales of premium products, while Mexico recorded an increase of 24% based on strong sales, particularly for the mainstay *CUP NOODLES* product. In Brazil, revenue rose 51% due to an increase in demand for at-home consumption, continued benefit payments, and the impact of price revisions.
- In China including Hong Kong, revenue rose 24.0 billion yen, up 0.2 billion yen year on year. Hong Kong reported a 1% decrease in revenue due to sluggish sales in both domestic and export markets. On the other hand, sales on the mainland increased 2% year on year, mainly due to an increase in volume for the *CUP NOODLES* series, despite a decline in sales of *DEMAE ICCHO* bag-type instant noodles manufactured in Hong Kong.
- Revenue increased in all countries in Asia, rising 0.9 billion yen to 7.0 billion yen year on year.
- In EMEA, revenue rose 1.2 billion yen to 5.0 billion yen year on year, owing to strong sales of the *Soba* and *Demae Ramen* brands.

Core OP Results by Segment

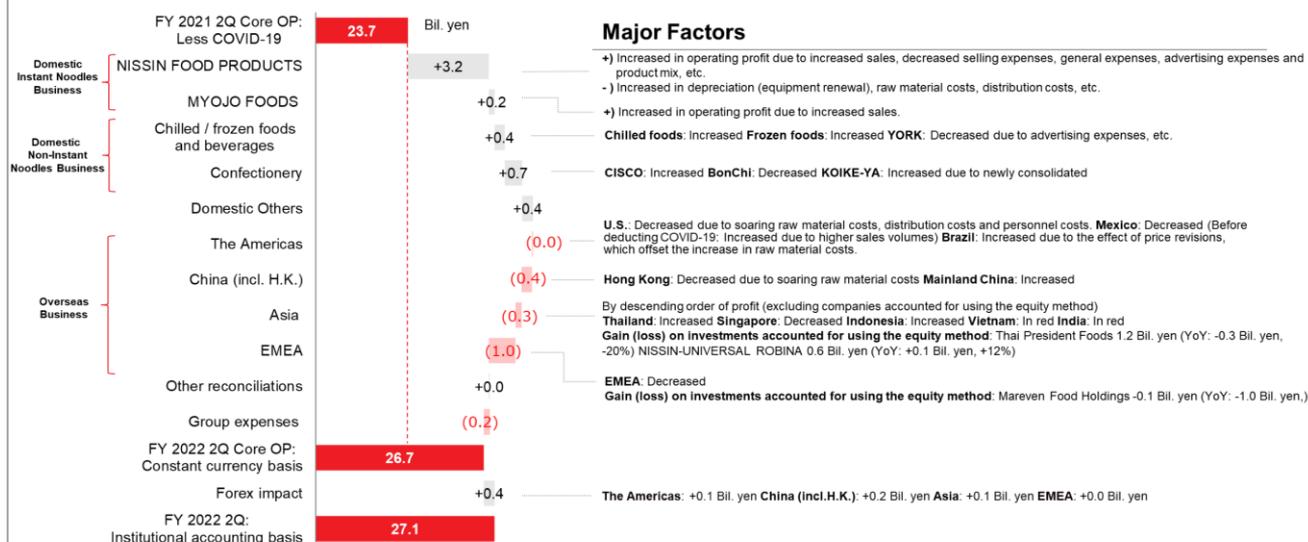
- **Institutional accounting basis:** Decreased in almost all segments, but maintained steady growth compared to FY 3/2020 2Q
- **Management accounting basis:** Domestic segments were strong, and existing businesses as a whole exceeded the planned level for this fiscal year

Bil. Yen	Institutional accounting basis								Management accounting basis (Constant currency basis, Less COVID-19)						
	OP (1)	Other Income and Expense (2)	FY 3/2022 2Q		FY 3/2021 2Q		YoY change		FY 3/2020 2Q Core OP (7)	vs. FY 3/2020 CAGR (8)	FY 3/2022 2Q Core OP (9)=3-Fx impact	FY 3/2021 2Q		YoY change	
			Core OP (3)=(1)-(2)	Core OP (4)	Amount (5)=3-(4)	Ratio (6)=5/(4)	Core OP (10)=4-C-19	Core OP (11)=4-C-19				Amount (12)=9-(10)	Ratio (13)=(11)-(10)		
NISSIN FOOD PRODUCTS	15.4	0.0	15.4	16.6	(1.3)	(7.5%)	11.7	+14.7%		15.4	12.1	+3.2	+26.7%		
MYOJO FOODS	1.7	0.0	1.7	2.3	(0.6)	(26.6%)	1.3	+14.6%		1.7	1.5	+0.2	+14.9%		
Domestic Instant Noodles Business	17.1	0.1	17.1	18.9	(1.9)	(9.9%)	13.0	+14.7%		17.1	13.6	+3.5	+25.4%		
Chilled / frozen foods and beverages	2.7	0.2	2.5	2.8	(0.3)	(9.9%)	0.8	+72.9%		2.5	2.1	+0.4	+19.4%		
Confectionery	2.2	0.1	2.2	1.7	+0.5	+28.5%	0.8	+63.5%		2.2	1.5	+0.7	+47.5%		
Domestic Non-Instant Noodles Business	4.9	0.3	4.7	4.5	+0.2	+4.7%	1.6	+68.3%		4.7	3.6	+1.1	+31.0%		
Domestic Others	1.3	0.0	1.2	0.8	+0.5	+61.2%	0.7	+33.9%		1.2	0.8	+0.4	+51.0%		
Domestic total	23.3	0.3	23.0	24.2	(1.2)	(4.9%)	15.3	+22.5%		23.0	18.0	+5.0	+27.7%		
The Americas	2.2	0.0	2.1	3.4	(1.2)	(36.5%)	2.3	(3.9%)		2.0	2.0	(0.0)	(1.6%)		
China (incl. H.K.)	2.3	(0.1)	2.4	3.1	(0.6)	(20.7%)	2.2	+5.1%		2.2	2.6	(0.4)	(15.4%)		
Asia	2.2	0.0	2.2	2.5	(0.3)	(11.0%)	1.7	+12.0%		2.1	2.4	(0.3)	(10.9%)		
EMEA	0.2	0.1	0.1	1.3	(1.2)	(92.0%)	0.4	(50.7%)		0.1	1.1	(1.0)	(92.8%)		
Overseas total	6.9	0.0	6.9	10.2	(3.3)	(32.7%)	6.7	+1.3%		6.4	8.2	(1.7)	(21.3%)		
Domestic and Overseas Total	30.2	0.4	29.9	34.4	(4.5)	(13.1%)	22.0	+16.4%		29.4	26.2	+3.2	+12.4%		
Other reconciliations	(0.1)	(0.1)	(0.1)	(0.1)	+0.0	-	(0.1)	-		(0.1)	(0.1)	+0.0	-		
Group expenses	(2.7)	-	(2.7)	(2.4)	(0.2)	-	(2.5)	-		(2.7)	(2.4)	(0.2)	-		
Existing Businesses	27.4	0.3	27.1	31.8	(4.7)	(14.8%)	19.4	+18.2%		26.7	23.7	+3.0	+12.8%		
New Businesses	(0.6)	0.1	(0.7)	(0.3)	(0.4)	-	(0.1)	-		(0.7)	(0.3)	(0.4)	-		
Consolidated	26.8	0.4	26.4	31.6	(5.1)	(16.3%)	19.4	+16.9%		26.0	23.4	+2.6	+11.2%		

* 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 8 shows the results of core operating profit by segment.
- On an institutional accounting basis, core operating profit decreased in almost all segments due to the impact of a negative rebound from COVID-19 in the previous year.
- However, the two-year CAGR compared to FY 3/2020 in column 8 shows that the Americas and all segments except Europe, which was significantly affected by the decrease in equity in earnings of affiliates, maintained solid growth.
- Breaking down the decrease of 4.5 billion yen in the Domestic and Overseas Total in column 5 by quarter, we see a decrease of 3.8 billion yen in the first quarter and a decrease of 0.7 billion yen in the second quarter, demonstrating a significant narrowing in the gap with the previous fiscal year.
- In particular, non-consolidated second quarter Domestic Business performance swung to positive growth overall. And taking into account the impact of 0.9 billion yen decrease year on year in profit stemming from equity-method affiliates in the Overseas Business, the non-consolidated second quarter as a whole swung positive in real terms.
- Next, please look at the column titled, *constant currency basis, less COVID-19*.
- Core operating profit in the Domestic Instant Noodles Business grew 3.5 billion, or 25.4% year on year, to 17.1 billion yen. At the same time, the Domestic Non-Instant Noodles Business increased 1.1 billion yen, or 31.0%, to 4.7 billion yen, while the Domestic Business overall grew 5.0 billion yen, or 27.7%, to 23.0 billion yen.
- Overseas, core operating profit decreased 1.7 billion yen, or 21.3%, to 6.4 billion yen year on year. After taking into account other consolidated reconciliations of 0.1 billion yen and group expenses of 2.7 billion yen, core operating profit of existing businesses amounted to 26.7 billion yen.
- Existing businesses as a whole rose 12.8%, outperforming our initial plan of 12.2% growth for the current fiscal year. We see that we are making favorable progress toward our full-year plan of 47.0 billion yen.
- We expect core operating profit for the New Business segment to decline 0.4 billion yen year on year, while consolidated core operating profit should increase 2.6 billion, or 11.2% year on year, to 26.0 billion yen.

Existing Businesses Contribution to Core OP by Segment (Management accounting basis)



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- Slide 9 details the core operating profit of existing businesses by segment, on a constant currency basis and after excluding the impact of COVID-19 in the previous year.
- NISSIN FOOD PRODUCTS recorded core operating profit increase of 3.2 billion yen. This result was due to the impact of higher revenue and improved product mix, as well as the positive impact on profits of decreases in SG&A expenses and advertising expenses. This savings allowed the company to absorb increases in depreciation related to equipment upgrades, higher raw materials costs, and increased logistics costs.
- The Confectionery Business posted an increase of 0.7 billion yen in core operating profit, mainly due to the impact of making KOIKE-YA a consolidated subsidiary.
- The Americas reported a slight decrease in core operating profit due to the impact of increased costs for major raw materials and logistics, caused by a shortage of drivers in the U.S. These developments more than offset the impact of increased sales, including the effect of price hikes in the U.S. and Brazil, and increased sales of premium products.
- China reported an overall decrease of 0.4 billion yen in core operating profit. In Hong Kong, core operating profit declined due to the impact of COVID-19, as the number of tourists has yet to recover and raw material prices have been rising. On the mainland, core operating profit increased due to strong sales of mainstay product *CUP NOODLES*, despite one-off factors such as listing fees related to the change in the diameter of *CUP NOODLES*.
- Asia reported a decrease of 0.3 billion yen. This result was mainly due to the fact that Thai President Foods PCL, an equity-method affiliate in this segment, reported a decrease of 0.3 billion yen, or 20% year on year.
- EMEA reported a decline of 1.0 billion yen in core operating profit. EMEA reported strong sales of *CUP NOODLES*, *Soba*, and *Demae Ramen* brand products. However, the company recorded a small decrease in core operating profit due to the impact of soaring raw materials prices, as well as a 1.0 billion yen decrease in profit at equity-method affiliate Mareven, mainly due to soaring raw material prices and one-off factors.
- This concludes my report of the financial results for FY 3/2022 2Q.
- Next, Mr. Koki Ando, Representative Director, President and CEO of NISSIN FOODS HOLDINGS will discuss current-year initiatives to achieve our Mid- to Long-Term Growth Strategies, addressing Growth Strategy (1) Strengthening the Cash-Generating Capacity of Existing Businesses and Growth Strategy (2) EARTH FOOD CHALLENGE 2030. Mr. Noritaka Ando, COO and Executive Vice President of NISSIN FOODS HOLDINGS will discuss Growth Strategy (3) Pursuing New Business and Pursuing Business Structure Reform in the Digital Era.
- Thank you very much. Now, I will turn the time over to Chief Executive Officer Ando.

Current Year Initiatives to Achieve Our Mid- to Long-Term Growth Strategy

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- My name is Koki Ando, president, representative director, and CEO of NISSIN FOODS HOLDINGS. Thank you for joining us today for our financial results presentation. This fiscal year is the first year of our current Mid- to Long-Term Growth Strategy. We see this year as a year to sprint ahead in three growth strategies, as well as in organizational and human resource reforms. Looking back on the past six months, I believe that we have made a very good start overall.
- Mr. Takashi Yano, our CFO, has already discussed the financial results for the FY 3/2022 Q2, so I will explain the three growth strategies defined in our Mid- to Long-Term Growth Strategy. First, however, I want to address the subject of core operating profit, which we introduced this fiscal year. We calculated that COVID-19 had an annual impact of 16.5 billion yen on revenue and 10.5 billion yen on core operating profit. Of this 10.5 billion yen, the impact on operating profit was 8.2 billion yen. As shown in slide 8 of the presentation, we recorded core operating profit of 23.4 billion yen in the first half of the prior year after eliminating the impact of COVID-19. For the first half of the current fiscal year, we recorded 26 billion yen in core operating profit after eliminating the impact of COVID-19, which was a 2.6 billion yen increase. Considering this fact, I believe we have made a good start in the first year of our mid- to long-term strategy. I ask for your understanding as we plan to proceed using core operating profit as the basis of our financial presentations moving forward.
- Our first growth strategy is to strengthen the cash-generating capacity of existing businesses. Under this topic, I will discuss the global branding of *CUP NOODLES* and overseas business initiatives. Following that, I will address the progress of our science-based targets (SBT) with respect to EARTH FOOD CHALLENGE 2030, our second growth strategy.
- Last, our COO, Mr. Noritaka Ando, will discuss initiatives related to our third growth strategy, pursue new businesses. He will address the NISSIN Business Transformation (NBX) that supports these strategies and by which we will engage in structural reform through fundamental reform initiatives that encompass work styles, jobs, organizations, etc.



Deeper Global Branding

Establish brand propositions tailored to the market, competitive environment, and target preferences in each region, leading to sustained, fast-paced growth

- **Achieved cumulative global sales of 50 billion servings of CUP NOODLES in the 50th year of this famous product**
 - The number of servings sold per year increased approximately 40% (projected) in Japan and overseas during the seven year span beginning with FY 3/2016
- **Japan: Expanding customer reach and depth by developing products tailored to changing living environments and diversifying consumer needs**
 - Aim for a resurgence in cup-type instant noodles, which has experienced declining demand during the COVID-19 pandemic, by promoting the 50th anniversary of CUP NOODLE, the 45th anniversary of DONBEI, and the 45th anniversary of U.F.O. to stimulate demand
 - Introduced CUP NOODLE PRO for health-conscious consumers; introduced a new standard product called CUP NOODLE KARAMEN in response to the spicy food boom
 - Ranked No. 1 among companies at which respondents want to learn marketing (Nikkei Business October 18, 2021)*
- **Overseas: Transplant development capabilities and marketing expertise cultivated in Japan to overseas markets; establish brand propositions designed to meet the market, competitive environment, and target preferences in each region, while still protecting brand core identity**
 - Steady growth in major markets
 - U.S. and Mexico: Premium products contributed to expansion of new customer segments
 - China: Sales of CUP NOODLES Big grew in the mainland
 - Brazil: NISSIN ranked No. 1 in all regions by brand, CUP NOODLES ranked No. 2 (Brazilian Association of Supermarkets ABRAS)

* Questionnaire surveys were conducted on companies that have been nominated multiple times for their products and services in the 'Hit Product Ranking' published annually since 1987 by Nikkei Trendy, and companies that emphasize marketing strategies, such as having a CMO position. 37 companies responded.

Global Brand Initiatives in each country



U.S.
Innovative Premium
Developing the STIR FRY brand



Brazil
Unique and Variety
Continue to appeal to a unique worldview



Asia
Advanced Quality
Mini-expansion strategy launch (India)



EMEA
Authentic Asia
Rebrand CUP NOODLES

- We view the global branding of CUP NOODLES and our Overseas Business as the core growth drivers of our first strategy, which is to strengthen the cash-generating capacity of existing businesses.
- Since we introduced CUP NOODLES, the brand has continued to offer unique, new value to the curious and open-minded youth of the times. This year marks the 50th anniversary of the brand. In that CUP NOODLES has achieved cumulative global sales of 50 billion servings, and the number of servings sold per year has increased by 40% both in Japan and overseas over the seven years FY 3/2016. The brand is sold in 100 countries around the world, with retail sales amounting to about 200 billion yen. Today, CUP NOODLES has surpassed the global brand KPI of billion-dollar seller status, and is poised to become a double-billion-dollar brand.
- In the domestic market, we have expanded customer reach and depth steadily by developing products tailored to changing living environments and diversifying consumer needs. During the COVID-19 pandemic, we experienced a steady increase in total demand, even in Japan where the birthrate is declining and the population is aging, by pursuing product development and sales activities that respond to changes in the behavior patterns of both consumers and retailers. As a result, between FY 3/2018 and FY 3/2021, the CUP NOODLES brand recorded the highest sales for four consecutive fiscal years. In the current fiscal year, we have endeavored to revive and stimulate demand for cup-type instant noodles, which declined during the COVID-19 pandemic. We also introduced new buzz-worthy products that have been well-received, including CUP NOODLE KARAMEN and CUP NOODLE SUPER GATAI SERIES, as well as CUP NOODLE PRO, which is a product for health-conscious consumers. We intend to evolve our brands further in the future. Over the first half of the fiscal year, NISSIN FOOD PRODUCTS and MYOJO FOODS increased earnings and market share, despite a decline in overall market demand compared to last year.
- We are transferring the brand power, development capabilities, and marketing expertise cultivated in Japan to overseas markets, while implementing strategies tailored to the local markets of each country. In this way, we aim to establish a global brand proposition, or in other words, the unique value proposition of CUP NOODLES, while still protecting the core identity of the brand.
- As part of these efforts, we are holding events this year to commemorate the 50th anniversary of the introduction of CUP NOODLES, not only in Japan but also in countries around the world, publicizing the brand on a global basis.

Overseas Business

Continue momentum of growth and build greater presence in overseas businesses by pursuing high value-added products and price revisions

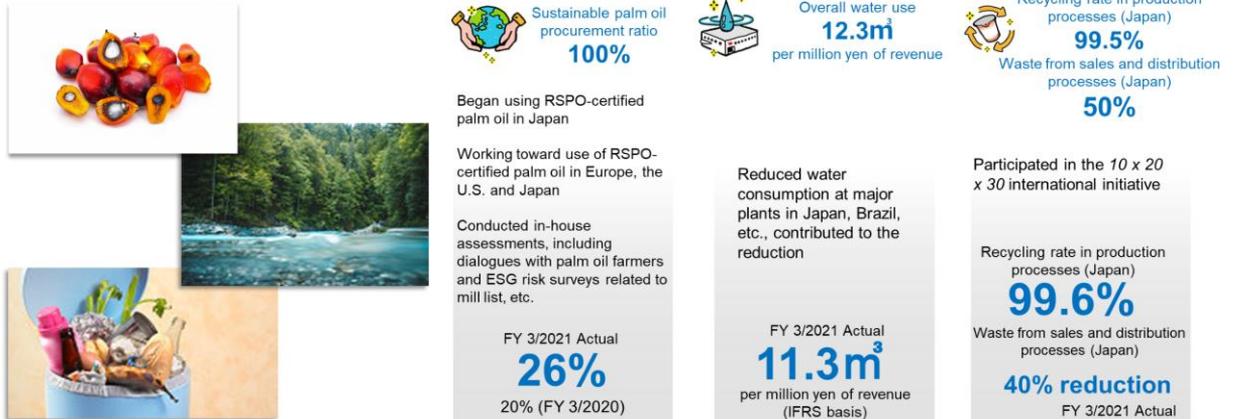


- Given this progress in *CUP NOODLES* global branding and our premium products strategy as core drivers, we have raised our presence in every country overseas. In almost every area, we have experienced revenue and profit growth in the double digits year on year.
- These results stem from the fact that our market-focused product strategy has identified the needs of our customers, and that we have been able to expand our customer base steadily among existing customers and new customers based on increased recognition and the reputation of our products during the COVID-19 pandemic. Once the pandemic has subsided, we believe we will retain a solid base for further growth.
- At the same time, profits have stalled temporarily due to the increase in raw materials prices, logistics costs, and labor costs. We think that these fluctuations in prices will not be a one-time event, but will continue throughout next year and beyond. These fluctuations will combine with TCFD, human rights, and other factors leading to high volatility over the long term.
- However, as shown in this slide, we are taking appropriate measures to cope with cost increases by revising prices and reducing manufacturing costs. Although the timing of the impact of these measures will differ from country to country, we believe that results will surely follow in the future.
- Next, allow me to explain our approach to price revisions in the Domestic Instant Noodles Business. At this point in time, we believe we must first strive to absorb costs on our own, given our strong business performance. We are closely monitoring trends in raw materials prices, but we have not made any concrete decisions on price revisions at this time, as we cannot simply determine price revisions based on rising costs alone.
- From the perspective of *CUP NOODLES* global branding, Asia is still in the early stages of growth for bag-type instant noodles since the introduction of this product, and the ratio of bag-type instant noodle sales is higher than in the Americas, China, and Europe, which represent more mature markets for the product. However, Asia is the largest region in the instant noodle market, and looking ahead to the shift to cup-type instant noodles as the standard of living improves, we believe having a global brand will give us a significant advantage in competing with local manufacturers. We are making the necessary preparations for growth to achieve our goal of 45% overseas profit portfolio by FY 3/2031, as stated in our Mid- to Long-Term Growth Strategy.

EARTH FOOD CHALLENGE 2030

We are generally on track in sourcing sustainable palm oil, conserving water use, and reducing food waste

Our Challenge to Utilize Finite Resources Effectively



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- This slide describes the progress of our EARTH FOOD CHALLENGE 2030 environmental strategy leading to the year 2030. We view our environmental initiatives as part of our Mid- to Long-Term Growth Strategy, and we endeavor to create sustainable societies and raise our corporate value by pursue measures in this context at higher levels.
- The NISSIN FOODS Group is engaged with two major environmental issues: resources and climate change.
- First, with regard to resources, we have set a goal to procure 100% of our palm oil, which is our main raw material, from sustainable sources by 2030. We have made progress in introducing RSPO palm oil certification in Japan. Our ratio increased from 20% last year to 26%. We use RSPO-certified palm oil in the United States, Europe, and Japan.
- We are also building a system to conduct our own assessments of suppliers . By holding dialogues with palm oil plantations in Indonesia, we gain a more detailed understanding of the impact of palm oil production on the human rights of workers and the impact on the local natural environment.
- As one effort to ensure traceability, we confirm ESG risks by obtaining mill lists (palm oil refineries) from palm oil manufacturers.
- There is also the issue of water use and food waste. Our water consumption target of 12.3 m³ per million yen of sales is a challengingly low level for a company to achieve. And we have been able to keep our consumption even lower.
- As for food waste, we maintain a recycling rate in domestic production processes at the target level of 99.5% or higher.
- We reduced waste from domestic sales and distribution processes by 40% last year compared to the base year of 2015.
- We are also participating in the 10 × 20 × 30 initiative. This is an initiative by which ten global logistics companies work with 20 manufacturers each to reduce food waste by half by the year 2030.

EARTH FOOD CHALLENGE 2030

In response to climate change, we aim to achieve the SBT targets, focusing on the use of renewable energy

Our Challenge to Address Climate Change



Scope 1+2
30% reduction
(Vs. FY 3/2019)

Began procuring renewable energy at two plants in Brazil and two plants in Japan

The NISSIN FOODS Group share of renewable energy procurement should reach 20% in FY 3/2022 with the adoption of renewable energy at major plants

FY 3/2021 Actual

Procurement of renewable energy initiated at four major plants



Scope 3
15% reduction
(Vs. FY 3/2019)

Adopted materials with low environmental impact

Use of plant-derived biomass ECO cups for CUP NOODLES containers

Eliminated plastic lid seals to reduce the amount of plastic used

Introduction of Biomass ECO cups

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- I will go over this slide to talk about our efforts to address the climate change issue.
- First, let's look at CO₂ emissions. The NISSIN FOODS Group is pursuing an SBT-certified CO₂ reduction target, and we will announce our progress every year.
- Now I will discuss our own emissions, which are SCOPE 1 and 2 (SCOPE 1 is heat and SCOPE 2 is electricity). Our CO₂ emissions in FY 3/2021 were 438,000 tons, due in part to the growth of our businesses. While this is an increase compared to the base year of FY 3/2019, during which we emitted 416,000 tons, we began procuring renewable energy at two manufacturing plants in Japan and two plants in Brazil in 2021. We will begin disclosing the impact of this effort in the next fiscal year, so we expect a downward trend in emissions beginning in FY 3/2022.
- SCOPE 3 emissions involve a rather broad scope. We have implemented a number of initiatives, but as one example, we are switching to plant-derived biomass ECO cups for CUP NOODLES containers. We plan to complete the switchover by the end of this fiscal year. In this way, we will not only reduce the amount of plastic used, but also contribute to the reduction of CO₂ emissions in terms of life cycle assessment (LCA). We believe that addressing the three management issues of the environment, nutrition, and health are essential parts of our pursuit of corporate ESG. COO Ando will discuss health and nutrition issues, as well as initiatives under the third growth strategy theme, pursue new businesses. He will also talk about structural reform through NBX initiatives.

Major Activities During the First Half of FY 3/2022

1 EC/Intensive

Developed illness prevention program linked to vital data

NISSIN

Delicious Complete Nutrition Meals

Complete Balance Between Delicious Taste and Nutrition

2 Employee Cafeterias

Demonstration experiment developing menus to support health management

3 Seniors

Developed a healthy life span expansion support program

4 Retail Sales (Convenience Stores/Grocery Stores)

Developed products for retailers

5 Smart Cities

Participation in Mori no Machizukuri Project
Developed smart kitchens

Research for Delicious Complete Nutrition Meals Ver.2.0

Conducted joint research with Keio University in the field of molecular nutrition science

Exploration and business development of food tech

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- My name is Noritaka Ando, COO and President & Representative Director of NISSIN FOOD PRODUCTS. Since announcing our financial results in May, our Complete Nutrition Meal project has been covered on TV, in magazines, and in other media.
- The response has exceeded our expectations, and we have already received many inquiries from a wide range of industries, including retailers, food service companies, corporate cafeterias, nursing care companies, hospitals, and more. We are in the process of preparing to commercialize products next year. Clinical trials have shown that the Complete Nutrition Meal offers various benefits. The technology also applies to anti-frailty diets for seniors. In addition to our existing business partners such as supermarkets and convenience stores, we believe we will increase the number of partners in sales channels we have never accessed before.
 - *The term frailty refers to a state of physical and mental deterioration caused by aging. One of the main causes of frailty is the loss of muscle mass due to reduced food intake and low nutrition.
- Using a semiconductor manufacturer as an analogy for our own business model, without the NISSIN FOOD PRODUCTS intellectual property related to Complete Nutrition Meals, we would not be able to work with other partners in developing systems and mechanisms to deal with presymptomatic diseases.
- In addition, we are making concrete progress in the five business domains I addressed when we made our financial results announcement.
- In the area of direct to consumer (e-commerce, etc.), we are developing programs to improve presymptomatic disease by linking health data. We are working with Preferred Networks, Inc. to use clinical trial data we have already accumulated, to conduct analyses and create algorithms for food and health status. We also began a joint research project with Craif Inc. related to the non-invasive early detection of lifestyle-related diseases by analyzing microRNA in urine.
- We are developing employee cafeteria meals to support corporate health management, and we conducted a proof-of-concept test with Itochu Corporation
- and Ryobi Holdings Co., Ltd.
- In our senior target business, we are preparing proof-of-concept tests to verify the effectiveness of meals on frailty prevention. Japan is among the countries with the most advanced aging populations. The gap between average life expectancy and healthy life expectancy has been an issue. We hope to make positive contributions in solving this problem from the vector of food.
- In retail sales, we plan to develop packaged foods, but we also plan to develop beverages and other new products in collaboration with our business partners.
- In terms of smart cities, we are working with Ryobi Holdings on the Mori no Machizukuri Project, and we are scheduled to participate in several other collaborative projects. I am not able to make any further comments on this matter at this time, to maintain the confidentiality of our partners.
- With respect to research and development, we plan to begin joint research with Keio University on looking ahead to personalization of complete nutrition meals for the prevention of presymptomatic disease, based on molecular nutrition science. We conducted an investment in TechMagic, Inc. to create a smart kitchen concept for automating the cooking and serving process using robots. This development aims to provide solutions anticipating the declining population and rising labor costs. This investment in TechMagic signals our judgment that smart kitchen technology will become indispensable for producing Complete Nutrition Meals, which requires more meticulous assembly and measuring during the cooking process than conventional processed foods.
- As mentioned above, we are moving forward to commercialize these technologies. However, we have not defined a clear time frame for the monetization of each business at this point. We are aiming for progress to monetize these technologies within five to seven years. (Go on to the next page.)

Pursuing Business Structure Reform in the Digital Era (1)

NBX (Nissin Business Transformation) :

Leverage digital technology to pursue business structure reform through the seven approaches detailed in our Mid- to Long-Term Growth Strategy for production, logistics, sales, human resources, materials, and other areas



1. Maximize the use of tools/ paperless / eliminate personal seals (Hanko)

Eliminate personal seals (Hanko)
-74,000 times -102,000 sheets

Ratio of working in the office
25%

Paperless
300,000 sheets → **50,000 sheets**

Labor hours
70,000 hours → **30,000 hours**
Spend more time on value creation

Approvals
20 days → **4.4 days**

Create a database of business cards
240,000 cards

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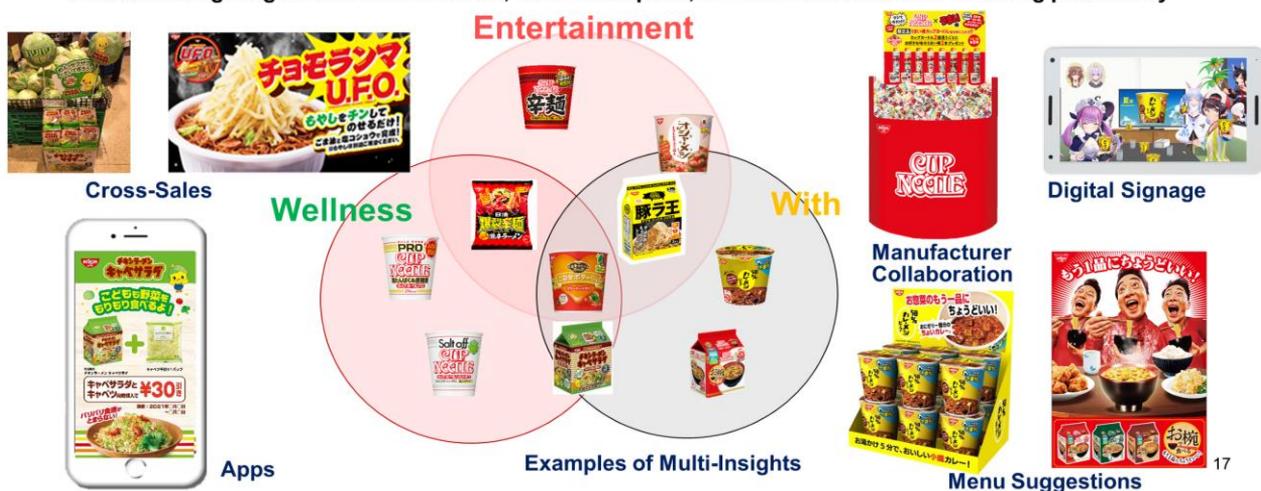
Selected as a DX Company 2020 in 2020, and "DX Companies to Watch 2021" in 2021.

- As mentioned above, we are moving forward to commercialize these technologies. However, we have not defined a clear time frame for the monetization of each business at this point. We are aiming for progress to monetize these technologies within five to seven years.
- NISSIN is pursuing NISSIN Business Transformation, or NBX for short, as a company-wide activity that aims to transform our business model, rather than merely digitizing our businesses.
- In recognition of these DX initiatives, last year we were selected as a DX Company 2020 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This year, we have been selected as a DX Company to Watch 2021.
- Our Mid- to Long-Term Growth Strategy calls for implementing business structure reforms through NBX from seven approaches. Today I will discuss four examples of our major initiatives.
- First, we have implemented structural reforms designed to improve labor productivity. These reforms include maximizing the use of tools, going paperless, and eliminating the use of personal seals. To this end, we have taken used the COVID-19 pandemic as a chance to redevelop the digital environment company-wide, including standardized use of tablets and PCs, online communications, and reformed work structures.
- As a result of these efforts, we established an environment quickly and smoothly for employees to work from home as a general rule during the COVID-19 pandemic. We maintained 25% level of employees working in the head office, even after the declaration of a state of emergency was lifted.
- More specifically, we adopted digital tools for invoices and receipts, as well as reviewing operations and rules in this context. Here, we reduced the number of paper invoices from 300,000 to 50,000 and the number of labor-hours from over 70,000 to 30,000.
- This system also allows approval by smartphone. In the nearly year and a half since adoption in April 2020, more than 130 operations have converted to electronic format, reducing the annual number of approval documents by 102,000 pieces of paper and 74,000 personal seals. The number of days required to approve a decision has also been reduced from roughly 20 days to 4.4 days.
- As a result of these efforts, we reduced and limited costs related to administrative personnel and overhead across the company. General and administrative expenses are lower than prior to the COVID-19 pandemic, which we believe will be effective in generating stable profits in the future. Sales department employees and employees in other departments use the time saved for more productive operations, spending more time on value creation, including planning and working with our business partners.
- We set a goal of 200% productivity, and through NBX, we are striving to achieve this goal, lowering the denominator of the equation through improved efficiencies and maximizing the numerator through value-added creation.

Pursuing Business Structure Reform in the Digital Era (2)

2. Data-Driven/ Solution proposals based on 360-degree consumer understanding (multi-insight strategy) ~Proposals on targeting and sales promotion based on data analysis~

Change the conventional approach to sales in response to environmental changes due to COVID-19 by appealing to value through digital and entertainment, rather than price, to create a structure for ensuring profitability



- In discussing the second structural reform, I will use examples of NISSIN FOOD PRODUCTS solutions that link digital and various contents, combining a 360-degree consumer understanding with data-driven solutions.
- In the wake of the COVID-19 pandemic, we have seen the need to improve efficiencies through digitalization. At the same time, retailers are facing the important issue of adopting new ways to attract customers that do not rely solely on price appeals.
- To address these issues, we have already started proposing solutions that combine digital with a variety of content to promote the value of products and sales areas.
- Examples here include cross-sales leveraging ID-POS data, promoting products on the sales floor using digital signage, app-based sales campaigns and other ways to enhance the value of products and sales areas through the use of digital content and entertainment in sales areas. As another example, instead of simply showing NISSIN FOOD PRODUCTS commercials via digital signage, we link the content to animation and VTuber content that would appeal to the core target of the sales floor. In this way, we have generated a great response on social media sites, which has led to a remarkable increase in sales.
- The keys to this value proposition-based solution is (1) a multi-insight strategy based on a 360-degree consumer understanding driven by data analysis and (2) proposals that utilize digital technology.
- Here, we analyze customer preferences and purchasing patterns based on data, focusing on diverse and fragmented consumer insights that cannot be identified in the context of conventional attributes such as gender, age, and generation. To this end, we will make full use of digital content and other means to create fun sales floors that encourage consumers to buy, or in other words, we make the sales floor a form of entertainment. This is a key point moving forward, and we are observing the actual impact of these efforts.
- This fiscal year, NISSIN FOOD PRODUCTS renamed its Sales Division to the Business Solutions Division. The company is building a system to ensure profitability without focusing excessively on price, doing so by appealing to customers in terms of the value of solutions to the problems they face, in addition to traditional sales.
- In the digital-driven world accelerated by the COVID-19 pandemic, the companies that have more data and offer a more diverse and larger range of products to retailers can also contribute to solutions. We offer the largest number of items on the sales floor and maintain the largest share of the domestic instant noodles market. This puts us in a position to obtain and use a large volume of data to understand customer needs accurately and offer the widest product lineup. By adding digital content, which is one of our strengths, we will demonstrate an even stronger competitive advantage than before.
- This concludes my section of our financial results presentation.

Appendix

I.	FY 3/2022 2Q: Analysis of Core OP of Existing Businesses	P19
II.	FY 3/2022: Analysis of Core OP Forecasts of Existing Businesses	P21-22

2Q: Analysis of Core OP of Existing Businesses (YoY, constant currency basis, including COVID-19 impact)

		Bil. yen		Major Factors: Domestic		Major Factors: Overseas	
		Decrease	Increase				
Increase/decrease of marginal profit	A: Revenue (including the impact of change in selling expense ratio)	(Domestic) (Overseas)	(0.4)	+4.2	- Increased in sales promotion expenses, etc.	+ Increased in sales across all regions, etc. (Including the impact of the Americas price revisions)	
	B: CoGS ratio	(Domestic) (Overseas)	(4.6)	+0.0		- Increased in raw materials costs, mainly in the Americas and China (incl. H.K.), etc.	
	C: Distribution cost ratio	(Domestic) (Overseas)	(0.0) (0.8)			- Increased in distribution costs, mainly in the U.S., etc.	
Increase/decrease of fixed expenses	D: Depr. & amort.	(Domestic) (Overseas)	(0.6) (0.4)		- Equipment renewal, etc.	- Increased in all regions, etc.	
	E: Ad. expenses	(Domestic) (Overseas)	(0.7) (0.1)		- Impact of COVID-19 in the previous fiscal year, etc.		
	F: G&A expenses	(Domestic) (Overseas)	(0.1) (0.9)			- Impact of COVID-19 in the previous fiscal year in China (incl. H.K.), etc.	
	G: Gain (loss) on investment accounted for using the equity method	(Domestic) (Overseas)	(0.1) (1.2)			- Impact of COVID-19 in the previous fiscal year and increased in raw material costs, etc.	
Others	H: Impact relating to business combination	(Domestic) (Overseas)		+0.7			
	Increase/decrease in core OP of existing businesses (Constant currency basis)	(Domestic) (Overseas)	(3.7) (1.2)				
Forex impact				+0.4			
Increase/decrease in core OP of existing businesses (Institutional accounting Basis)		(Domestic) (Overseas)	(3.3) (1.2)				
			(5.0)	(3.0)	(1.0)	+1.0 +3.0 +5.0	

* In addition to the above, there is a year-on-year difference in "Reconciliations" of -0.2 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
② Fixed Costs (D,E,F)	= Expenses in the current fiscal year
③ Others (G,H)	= Results in the previous fiscal year - Expenses in the current fiscal year

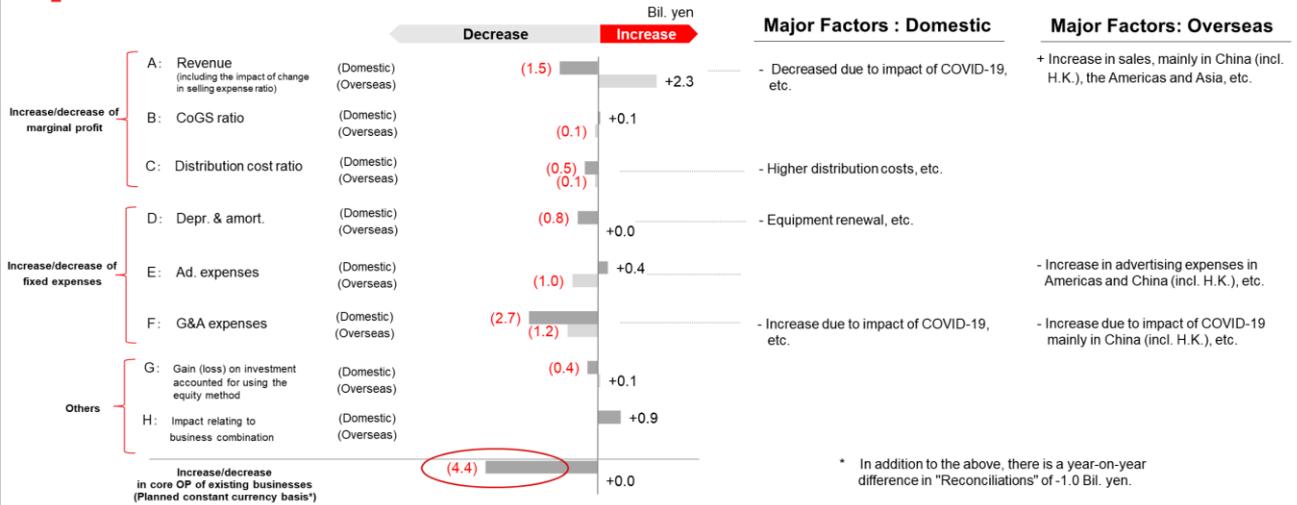
* The analysis of marginal profit is based on the amount obtained by adding selling expenses to revenue.

■ Results of core operating profit of newly consolidated company for the current fiscal year.

Appendix

I.	FY 3/2022 2Q: Analysis of Core OP of Existing Businesses	P19
II.	FY 3/2022: Analysis of Core OP Forecasts of Existing Businesses	P21-22

Analysis of Core OP Forecasts of Existing Businesses (vs FY 3/2021, planned constant currency basis, including C-19 impact)



[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.

* Forecast of core operating profit of newly consolidated company for the current fiscal year-Results of core operating profit of newly consolidated company for the previous fiscal year from the time of business combination.

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

• The amount of Depr. & amort. and G&A expenses has been changed since the current 2nd quarter.

FY 3/2022 Forecasts by Segment

Aiming for significant growth beyond FY 3/2021 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%
Instant noodles	244.5	243.2	4.2	239.0	+ 5.5	+ 2.3%	30.4	35.4	0.3	35.1	6.3	28.8	+ 1.6	+ 5.7%
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%
Domestic total	389.0	365.3	5.2	360.1	+ 28.9	+ 8.0%	37.5	42.5	0.5	41.9	7.7	34.2	+ 3.3	+ 9.6%
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%
Overseas total	151.0	140.8	11.3	129.5	+ 21.5	+ 16.6%	15.5	15.7	0.3	15.5	2.8	12.7	+ 2.8	+ 22.4%
Domestic and Overseas Total	540.0	506.1	16.5	489.6	+ 50.4	+ 10.3%	53.0	58.2	0.8	57.4	10.5	46.9	+ 6.1	+ 13.1%
Other reconciliations								4.0	4.1	(0.1)	0.0	(0.1)		
Group expenses							(6.0)	(4.9)	0.0	(4.9)	0.0	(4.9)	(1.0)	-
Existing Businesses	540.0	506.1	16.5	489.6	+ 50.4	+ 10.3%	47.0	57.3	4.9	52.4	10.5	41.9	+ 5.1	+ 12.2%
New Businesses							(2.5)	(1.8)	0.0	(1.8)	0.0	(1.8)	(0.7)	-
							~(4.5)						~(2.7)	-
Consolidated	540.0	506.1	16.5	489.6	+ 50.4	+ 10.3%	~ 44.5	55.5	4.9	50.6	10.5	40.1	+ 4.4	+ 11.0%
							~ 42.5						~ + 2.4	~ + 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.)

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

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.

The purpose of this document is only to provide information for reference in making investment decisions, and is not a solicitation for investment. Use your own judgment when selecting stocks and making final investment decisions.

- These presentation materials are available in PDF format at our official website, under Financial Statements & Presentation Materials https://www.nissin.com/en_jp/ir/library/materials/
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- As a general rule, fiscal years in this document run from April 1, 20YY through March 31, 20YY, and may be written as FY 3/20YY or FYYY
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