



# Financial Results for FY 3/2023 2Q

Announced on November 10, 2022

NISSIN FOODS HOLDINGS CO., LTD.

(TSE Stock Code: 2897)

Financial Results Presentation: November 11, 2022

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Appendix

- My name is Takashi Yano, CFO of NISSIN FOODS HOLDINGS.
- I will begin by reporting on FY 3/2023 2Q financial results.

## FY 3/2023 2Q Consolidated Financial Summary

- Revenue: Overall revenue achieved double-digit growth on a consolidated basis, driven overall by the Overseas Business, record high for the first half of the year
- Core Operating Profit of Existing Businesses: Increased due to price revisions and improved product mix, etc., which offset cost increases
- New Businesses: Strong sales of KANZEN MEAL, surpassing 4 million servings in 4 months after launch

	<u>2Q Results</u>		<u>FY 3/2023 Forecasts</u>	
		YoY		YoY
Revenue	<b>317.0</b> Bil.yen	<b>+ 15.2%</b>	595.0 Bil.yen	+ 4.4%
<b>Core Operating Profit of Existing Businesses</b>	<b>28.3</b> Bil.yen	<b>+ 4.4%</b>	<b>52.0</b> Bil.yen	<b>+ 4.9%</b>
Domestic Instant Noodles Business	<b>16.5</b> Bil.yen	<b>(3.6%)</b>	34.0 Bil.yen	+ 2.9%
Domestic Non-Instant Noodles Business	<b>3.0</b> Bil.yen	<b>(36.2%)</b>	7.1 Bil.yen	+ 9.7%
Overseas Business	<b>10.8</b> Bil.yen	<b>+ 56.8%</b>	16.0 Bil.yen	+ 17.2%

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- As shown here, both revenue and core operating profit of existing businesses increased year on year.
- Revenue, in particular, was a record-high for a first half.
- And as shown on the following page, core operating profit of existing businesses, operating profit, and profit attributable to owners of the parent all rose year on year.
- This performance stands against a backdrop of an unstable global macroeconomic environment that has persisted for the past several years. First, global demand for instant noodles has been increasing, triggered by the COVID-19 pandemic. Second, we revised prices for products to appropriate levels both domestically and internationally in response to the advancement of inflation. And last, we demonstrated resilience in the form of affordability in the midst of down-trading related to food products. This factor was appreciated highly by consumers, and we believe this has been a major factor in our growth. This trend continues today, with extremely strong sales in Japan and overseas.
- We have increased profit despite headwinds on the cost front, which include the global rise in raw materials prices and other expenses, as well as the ongoing weakening of the yen.
- As I mentioned earlier, our Overseas Business drove the overall increase in revenue, which reached a record high of 317.0 billion yen, up 15.2%, or 41.9 billion yen, year on year.
- Core operating profit of existing businesses, which excludes new businesses from operating profit, increased 4.4%, or 1.2 billion yen, to 28.3 billion yen. Here, price revisions and increased sales of high-value-added products offset the downward pressure of rising costs.
- In new businesses, sales of KANZEN MEAL products, which we launched at the end of May, surpassed sales of 4 million units in just four months. The product is sold in more than 40,000 stores—unprecedented for a brand-new product—and we consider this a good start toward our sales target of 3 billion yen for the current fiscal year.
- To the right, you see our annual plan, published at the beginning of the fiscal year. With the weakening yen and accelerating inflation, it is difficult to evaluate performance against forecast based on the exchange rates predominant in the previous year. And given this highly uncertain macroeconomic environment, including uncertainties in economic and exchange rate trends, we have decided to leave our full-year performance forecast unchanged for now. We intend to revise forecasts as necessary, once we have a clearer view of the future situation.

- We expect the cost environment to remain difficult throughout the second half of the year, particularly in Japan, given the current surge in raw materials and utility prices, the widespread impact of the weak yen, and the extremely high Japan domestic corporate goods price index of 9.7% recorded for September.
- However, we expect the Overseas Business, including the impact of foreign exchange rates, to remain strong. Price revisions have been accepted well by the markets, both domestically and internationally, and according to the latest IMF global economic outlook, global growth is expected to slow further in 2023. This, we believe, will fuel ongoing strong demand for relatively value-priced and cost-effective instant noodles. Due to these factors, we expect our businesses to remain on a strong growth trajectory.

## FY 3/2023 2Q Consolidated Financial Summary

Bil. yen	Institutional accounting basis			Constant currency basis		
	FY 3/2023 2Q	YoY change		FY 3/2023 2Q	YoY change	
		Amount	Ratio		Amount	Ratio
<b>Revenue</b>	317.0	+ 41.9	+ 15.2%	297.6	+ 22.6	+ 8.2%
<b>Core operating profit of existing businesses</b>	28.3	+ 1.2	+ 4.4%	26.8	(0.3)	(1.3%)
<b>Operating profit</b>	27.0	+ 0.2	+ 0.7%	25.4	(1.4)	(5.3%)
<b>Profit attributable to owners of the parent</b>	17.4	+ 0.3	+ 1.5%	16.2	(0.9)	(5.5%)
<b>Core OP margin of existing businesses</b>	8.9%	(0.9pt)		9.0%	(0.9pt)	
<b>OP margin</b>	8.5%	(1.2pt)		8.5%	(1.2pt)	
<b>Profit attributable to owners of the parent margin</b>	5.5%	(0.7pt)		5.4%	(0.8pt)	

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- This page provides a more detailed look of the summary from the previous page. The main components are as I just explained.

## Financial Summary by Segment

Revenue increased across all three businesses, with substantial growth overseas and steady demand in Japan  
Overseas profit increased significantly, while domestic profit decreased mainly due to cost increases

### Domestic Instant Noodles Business

Revenue increased, both at NISSIN FOOD PRODUCTS and MYOJO FOODS due to price revisions

Profit decreased mainly due to cost increases caused by the yen's depreciation and raw materials price hikes



### Domestic Non-Instant Noodles Business

Revenue increased due to Frozen Foods, Beverages and Confectionery Business performance

Profit decreased mainly due to cost increases caused by the yen's depreciation and raw materials price hikes



### Overseas Business

Revenue increased by double digits across all regions (+56% in the Americas)

Profit increased, despite increase in costs



(Bil. yen)

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- The Domestic Instant Noodles Business posted a 3.3% increase in sales and a 3.6% decrease in profit year on year. While NISSIN FOOD PRODUCTS and MYOJO FOODS reported higher sales due to price revisions, MYOJO FOODS experienced a significant decline in profits, even though NISSIN FOOD PRODUCTS profits remained at the same level as the previous year, due mainly to the effect of price revisions in the face of higher costs stemming from soaring raw materials prices and the impact of the weak yen.
- Our Domestic Non-Instant Noodles Business saw a general increase in sales due to higher sales in Frozen Foods Business, YORK, BonChi, and KOIKE-YA. However, profit decreased 1.7 billion yen, or 36.2%, year on year, partly due to higher costs.
- The Overseas Business, saw a revenue increase of 44.3% year on year and a profit increase of 56.8%, due in part to exchange rate factors. All regions, and the Americas in particular, achieved significant growth in performance.

## Revenue Results by Segment

Revenue increased across all segments due to steady demand in domestic business, particularly in the Overseas Business, which recorded a large jump in sales

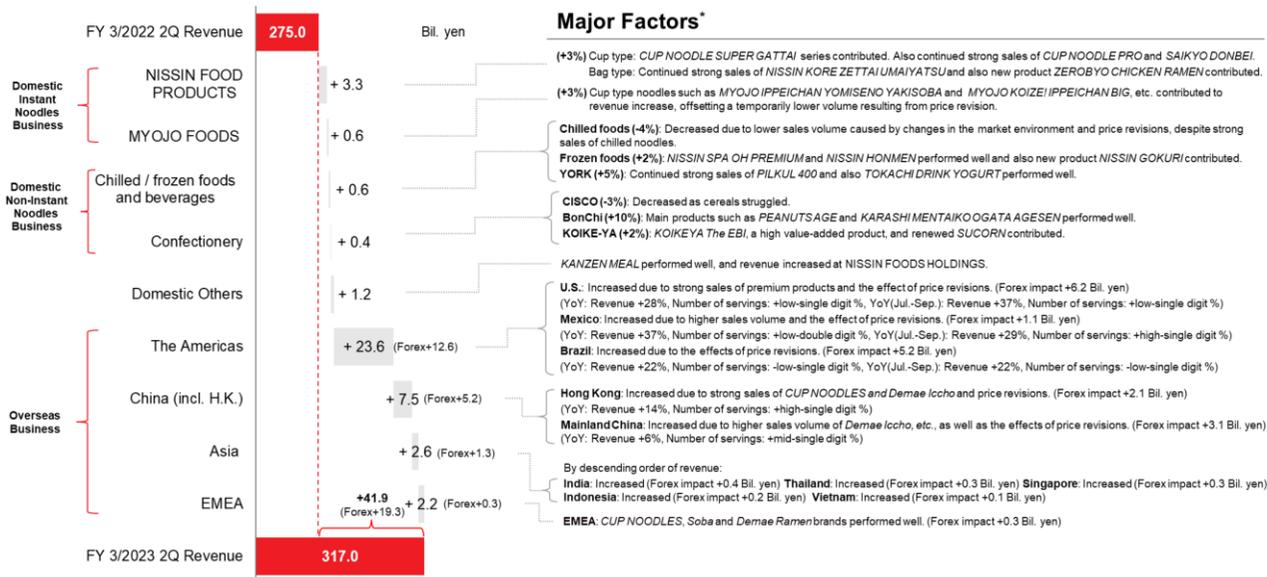
Bil. yen	Institutional accounting basis			Constant currency basis		
	FY 3/2023 2Q	YoY change		FY 3/2023 2Q	YoY change	
		Amount	Ratio		Amount	Ratio
NISSIN FOOD PRODUCTS	101.9	+ 3.3	+ 3.4%	101.9	+ 3.3	+ 3.4%
MYOJO FOODS	19.3	+ 0.6	+ 3.1%	19.3	+ 0.6	+ 3.1%
<b>Domestic Instant Noodles Business</b>	<b>121.1</b>	<b>+ 3.9</b>	<b>+ 3.3%</b>	<b>121.1</b>	<b>+ 3.9</b>	<b>+ 3.3%</b>
Chilled / frozen foods and beverages	41.6	+ 0.6	+ 1.5%	41.6	+ 0.6	+ 1.5%
Confectionery	35.2	+ 0.4	+ 1.2%	35.2	+ 0.4	+ 1.2%
<b>Domestic Non-Instant Noodles Business</b>	<b>76.8</b>	<b>+ 1.0</b>	<b>+ 1.3%</b>	<b>76.8</b>	<b>+ 1.0</b>	<b>+ 1.3%</b>
Domestic Others	2.2	+ 1.2	+ 109.6%	2.2	+ 1.2	+ 109.6%
<b>Domestic Business total</b>	<b>200.2</b>	<b>+ 6.1</b>	<b>+ 3.1%</b>	<b>200.2</b>	<b>+ 6.1</b>	<b>+ 3.1%</b>
The Americas	66.0	+ 23.6	+ 55.6%	53.5	+ 11.0	+ 26.0%
China (incl. H.K.)	33.3	+ 7.5	+ 28.8%	28.2	+ 2.3	+ 8.8%
Asia	9.8	+ 2.6	+ 35.4%	8.6	+ 1.3	+ 17.7%
EMEA	7.6	+ 2.2	+ 41.0%	7.3	+ 1.9	+ 35.2%
<b>Overseas Business total</b>	<b>116.8</b>	<b>+ 35.8</b>	<b>+ 44.3%</b>	<b>97.5</b>	<b>+ 16.5</b>	<b>+ 20.4%</b>
<b>Consolidated</b>	<b>317.0</b>	<b>+ 41.9</b>	<b>+ 15.2%</b>	<b>297.6</b>	<b>+ 22.6</b>	<b>+ 8.2%</b>

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\* Results in China (Incl. 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.)

- This is a breakdown of revenue results by segment.
- All segments recorded revenue growth, but the Overseas Business demonstrated the most significant growth. All regions achieved double-digit revenue growth in the range of 30% to 50%. Overall, we saw a significant revenue increase of 44.3% compared with the previous year. Growth in the Americas was particularly strong, driving the growth of the Overseas Business.
- As a result, Overseas Business accounted for 37% of consolidated revenue. This performance was due to strong sales of high-value-added products having high unit prices, in addition to continued strong demand overseas, even after price revisions.
- The Domestic Instant Noodles Business posted a 3.3% increase in revenue. NISSIN FOOD PRODUCTS revenue increased 3.4% year on year, reflecting firm demand after the June price revisions and strong sales of high-value-added products.
- NISSIN FOOD PRODUCTS revenue recovered to the same level as the previous August, not only in terms of value, but also in terms of the number of servings. Performance has remained in the positive growth area year on year since September. See page 24 of the presentation materials for revenue and price trends.
- MYOJO FOODS increased sales volume, even after price revisions, resulting in a 3.1% year-on-year increase in revenue.
- Domestic Non-Instant Noodles Business revenue increased 1.3% year-on-year due to higher sales in the frozen foods and beverages, and confectionery businesses.

# Revenue Contribution by Segment (YoY, Institutional accounting basis)



\* Comments and year-on-year change figures in Main Factors in the Americas, China (Incl. H.K.), Asia and EMEA segments are based on revenue on a local currency basis.

- Here are the details of each segment's contribution to revenue and profit.
- The largest contributor was the Overseas Business, shown in the middle row on the left. The Overseas Business accounted for nearly 90% of the 41.9 billion yen increase in overall revenue.
- In particular, we expect the Americas to continue to drive revenue and profit, owing to the effect of price revisions implemented in late August. In addition, we project growth in premium product lines in the U.S. and firm demand in Brazil and Mexico.
- In China and Hong Kong, Asia, and EMEA, we see a continued growth trend for revenue.
- NISSIN FOODS CUP NOODLES SUPER GATAI series in the Domestic Instant Noodles Business, as well as CUP NOODLE PRO, SAIKYO DONBEI, and ZERO-BYO CHICKEN RAMEN, which are all relatively high-margin products, contributed to revenue growth. Rice products also contributed to sales growth, and we are building a higher presence in the market. The diversification of the product portfolio is having a positive effect.
- In the Domestic Non-Instant Noodles Business, in addition to the Frozen Foods Business, sales of mainstay products such as NISSIN YORK PILKUL 400 and BonChi PEANUT AGE were strong, resulting in an increase in revenue.

## Core OP Results by Segment

Performance in the Americas led the Overseas Business, expanding profit increase

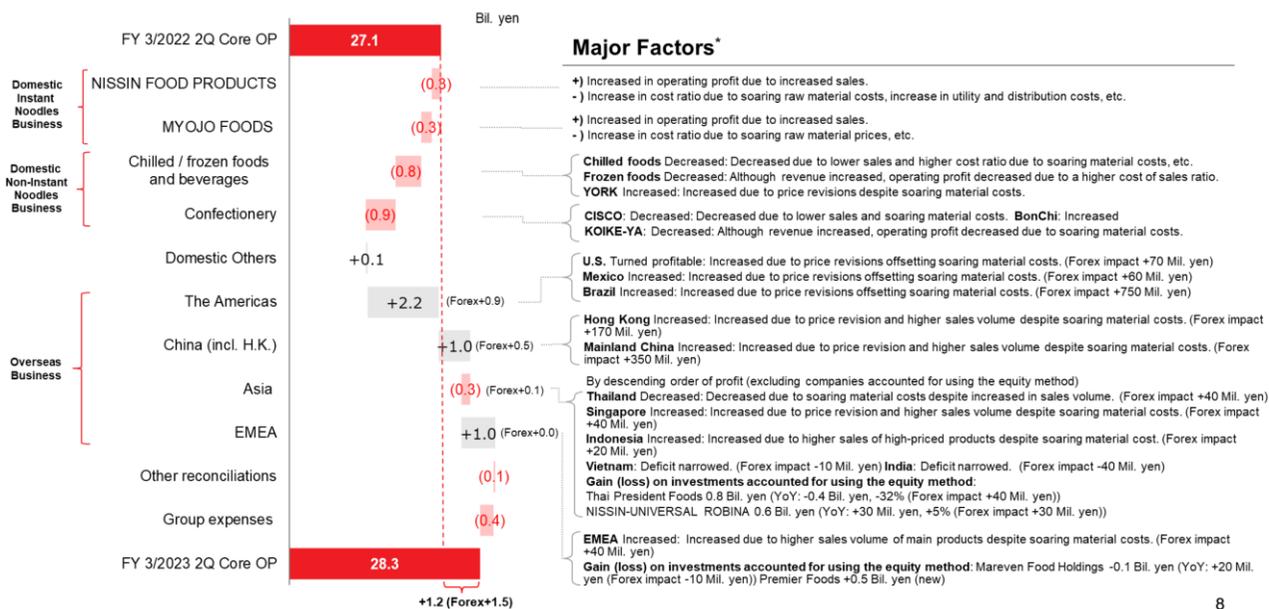
Bil. yen	FY 3/2023 2Q Institutional accounting basis					FY 3/2023 2Q Constant currency basis		
	OP	Other Income and Expense	Core OP	YoY change		Core OP	YoY change	
				Amount	Ratio		Amount	Ratio
NISSIN FOOD PRODUCTS	15.1	(0.0)	15.1	(0.3)	(1.9%)	15.1	(0.3)	(1.9%)
MYOJO FOODS	1.4	0.0	1.4	(0.3)	(18.6%)	1.4	(0.3)	(18.6%)
<b>Domestic Instant Noodles Business</b>	<b>16.5</b>	<b>(0.0)</b>	<b>16.5</b>	<b>(0.6)</b>	<b>(3.6%)</b>	<b>16.5</b>	<b>(0.6)</b>	<b>(3.6%)</b>
Chilled / frozen foods and beverages	1.6	(0.2)	1.7	(0.8)	(31.1%)	1.7	(0.8)	(31.1%)
Confectionery	1.3	0.0	1.3	(0.9)	(41.9%)	1.3	(0.9)	(41.9%)
<b>Domestic Non-Instant Noodles Business</b>	<b>2.8</b>	<b>(0.2)</b>	<b>3.0</b>	<b>(1.7)</b>	<b>(36.2%)</b>	<b>3.0</b>	<b>(1.7)</b>	<b>(36.2%)</b>
Domestic Others	1.3	0.0	1.3	+0.1	+4.2%	1.3	+0.1	+4.2%
<b>Domestic Business total</b>	<b>20.6</b>	<b>(0.2)</b>	<b>20.7</b>	<b>(2.2)</b>	<b>(9.7%)</b>	<b>20.7</b>	<b>(2.2)</b>	<b>(9.7%)</b>
The Americas	4.3	(0.0)	4.3	+2.2	+101.3%	3.4	+1.3	+60.5%
China (incl. H.K.)	3.9	0.5	3.4	+1.0	+39.7%	2.9	+0.4	+18.4%
Asia	1.9	(0.0)	1.9	(0.3)	(12.5%)	1.8	(0.4)	(18.0%)
EMEA	1.0	(0.1)	1.1	+1.0	+1,005.1%	1.1	+1.0	+973.4%
<b>Overseas Business total</b>	<b>11.1</b>	<b>0.4</b>	<b>10.8</b>	<b>+3.9</b>	<b>+56.8%</b>	<b>9.2</b>	<b>+2.4</b>	<b>+34.3%</b>
<b>Domestic and Overseas Businesses total</b>	<b>31.7</b>	<b>0.2</b>	<b>31.5</b>	<b>+1.7</b>	<b>+5.6%</b>	<b>30.0</b>	<b>+0.1</b>	<b>+0.4%</b>
Other reconciliations	(0.1)	(0.0)	(0.1)	(0.1)	-	(0.1)	(0.1)	-
Group expenses	(3.1)	-	(3.1)	(0.4)	-	(3.1)	(0.4)	-
<b>Existing Businesses</b>	<b>28.5</b>	<b>0.2</b>	<b>28.3</b>	<b>+1.2</b>	<b>+4.4%</b>	<b>26.8</b>	<b>(0.3)</b>	<b>(1.3%)</b>
New Businesses	(1.5)	(0.0)	(1.5)	(0.8)	-	(1.5)	(0.8)	-
<b>Consolidated</b>	<b>27.0</b>	<b>0.2</b>	<b>26.8</b>	<b>+0.4</b>	<b>+1.5%</b>	<b>25.3</b>	<b>(1.1)</b>	<b>(4.3%)</b>

\* Results in China (incl. H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS CO., LTD. (located in H.K.)

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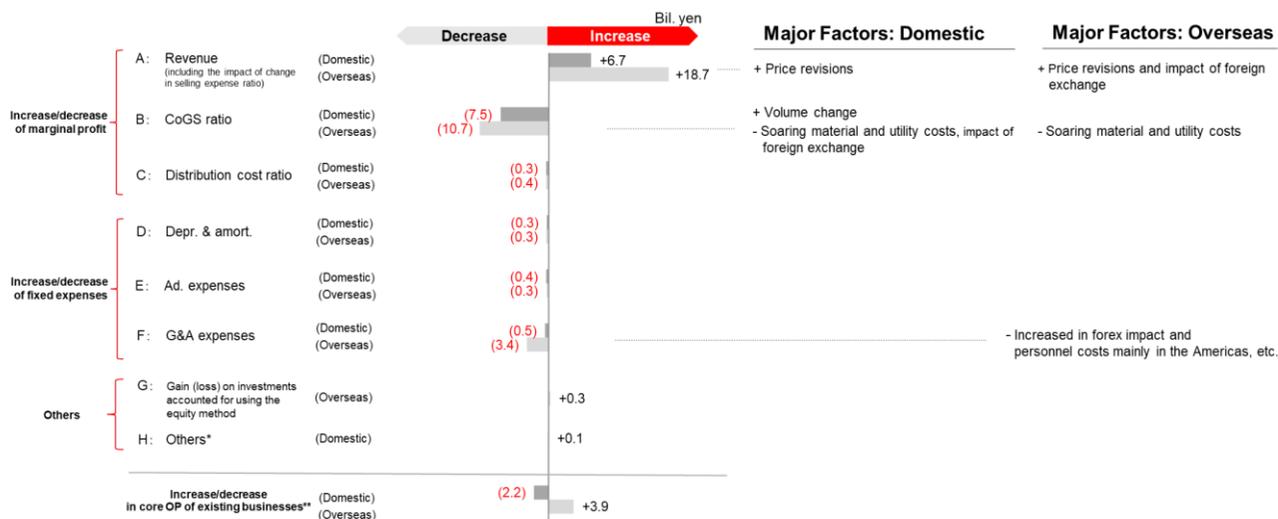
- This section shows core operating profit results by segment.
- Consolidated core operating profit increased 1.2 billion yen, or 4.4%, year on year to 28.3 billion yen. This result was due to the impact of foreign exchange rates, as well as increased sales, helping offset a wide range of cost pressures.
- The Domestic Business saw a decrease in profit, mainly due to increased costs resulting from the weak yen. However, this decrease was offset by a significant contribution from the Overseas Business, the Americas in particular, resulting in an overall increase in profit. As a result, the overseas ratio of core operating profit of existing businesses rose to 34%.
- In particular, NISSIN FOODS U.S.A. revised prices by an average of 36% in August. I recall that when I mentioned this figure at the 1Q results presentation, it was greeted with considerable surprise by investors and analysts. However, we confirmed that even this level of price revisions will be accepted without undue resistance by U.S. consumers and demand continues to be strong. In addition, sales of premium products have been strong, helping to fully absorb cost increases due to raw materials price hikes. NISSIN FOODS U.S.A. returned to the black on a non-consolidated basis in 2Q, earlier than expected, posting a profit for the first half of the year. We will continue to focus on premium products, while responding to demand for base products to establish a more robust profit structure.
- The EMEA also posted an increase due to the steady performance of our business in Europe, as well as the fact that Premier Foods became an equity-method affiliate. The region recorded 0.5 billion yen in revenue for 2Q and an increase in profit.

## Existing Businesses Contribution to Core OP by Segment (YoY, Institutional accounting basis)



- Here is our analysis of contribution to core operating profit of existing businesses.
- While the Domestic Business posted lower profits due to soaring raw materials prices, the Overseas Business, mainly the Americas, absorbed cost increases with price revisions and strong demand, resulting in higher profits.

## Analysis of Core OP of Existing Businesses (YoY, Institutional accounting basis)



\* Increase/decrease in core operating profit in the Domestic Others segment is included in H: Others  
 \*\* In addition to the above, there is a year-on-year difference in "Reconciliators" of -0.5 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) = The analysis of marginal profit is based on the amount obtained by adding selling expenses to revenue.

③ Others (G, H) = Expenses in the previous fiscal year - Expenses in the current fiscal year.

= Results in the previous fiscal year - Results in the current fiscal year.

= Changes in core operating profit of the Domestic Others segment.

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- This slide shows a high-altitude view of the factors behind the changes in core operating profit of existing businesses.
- The major changes were due to changes in Domestic and Overseas business revenue and cost of sales ratios.
- The main factor behind CoGS ratio fluctuations was the impact of raw materials price hikes. Other factors include raw materials price fluctuations, product mix, and utility costs.
- As you can see, the increase in cost of sales in the Overseas Business was offset by the increase in revenue. At the same time, the increase in cost of sales in the Domestic Business was not fully offset by the increase in revenue, partly due to the weak yen, which is a factor unique to Japan.
- We experienced a significant increase in general and administrative expenses in the Overseas Business segment, but this was mainly due to the impact of foreign exchange rates and higher labor costs, mainly in the United States.
- Last, I want to address the status of share buybacks briefly.
- In September, we completed the share buyback announced on February 3, 2022, with 1,360,800 shares repurchased for a purchase price of approximately 12 billion yen. The Company also announced that the Board of Directors today approved a resolution to retire all treasury stock acquired during this period on November 30, 2022.

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

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- My name is Koki Ando, President and CEO of NISSIN FOODS HOLDINGS.
- I will provide a review of the first half of FY 3/2023 and discuss the future direction of the company, focusing on the situation in the Americas and China. I will also go over the progress of our environmental strategy, EARTH FOOD CHALLENGE 2030. After my presentation, COO Noritaka Ando will discuss the status of NISSIN FOODS and the progress of our new businesses.

# FY 3/2023 First Half Review and Future Prospect

## Our Resilient Businesses

- Basic demand for instant noodles, which has risen worldwide due to the COVID-19 pandemic, continues to be strong amid rapidly rising prices
- Regarding our products, price revisions have spread globally due to brand strength and relative affordability

## Approach to Product and Pricing Strategy

- We are leveraging the group's unique technological and brand strengths to develop markets for high-value-added products and continue to improve profitability
- We continue to incorporate raw materials price hikes and other factors into prices when we cannot cover the gap through corporate efforts

## EARTH FOOD CHALLENGE 2030 (EFC2030) Initiatives

- We have committed to achieving net-zero carbon by the year 2050, and we are accelerating EFC2030 initiatives

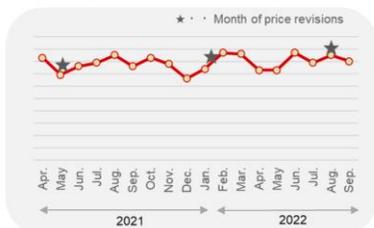
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- Let's look at the first half of the year and future prospects.
- First, we see that our businesses have abundant resilience. The instant noodles business continues to enjoy strong demand even under rapidly rising prices for commodities. The price revisions we made for our products have been widely accepted globally given the strength of our brand and relative affordability. In our approach to product and pricing strategies, we continue to leverage the group's unique technological and brand strengths to develop markets for high value-added products and improve profitability.
- We continue to incorporate raw materials price hikes and other factors into prices when we cannot cover the gap through corporate efforts.
- Last, we are accelerating our efforts with a commitment to achieve carbon net zero by 2050 under our EARTH FOOD CHALLENGE 2030.
- We are building a system that responds flexibly to any contingency, including natural disasters, changes in world affairs arising from the Russia-Ukraine issue, and environmental changes in the midst of the COVID-19 pandemic. In addition to ensuring food safety, we are considering how to respond to soaring raw materials prices and changes in the environment. At the same time, we are striving to build a structure that generates profits in any circumstances. To this end, we are preparing for response emergencies, as well as developing new products and strengthening marketing during normal times of business.

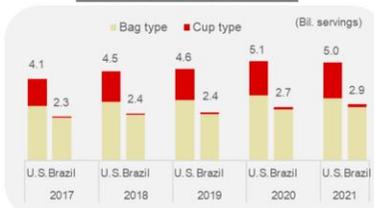
# The Americas

In the U.S., strong demand continued after the August price revisions; volume exceeded the same period in the previous year. Swung to a profit earlier than expected. We created demand for instant noodles in Brazil as the leader in that market. Launched *U.F.O.*, a new cup category, aiming to expand our presence in the cup-type instant noodles market.

Trends in Number of Servings Sold by Nissin Foods U.S.A. (monthly shipment basis)



Instant Noodles Demand



\*WINA (World Instant Noodles Association) website, compiled by NISSIN

## First Half Results

## Initiatives in the Second Half and Beyond

### United States

- **Response to rising costs**  
**Efforts to return to profitability**  
➢ Implemented price revisions at an average **36%**
- **Expand ratio of premium products**
- **Strengthen stable revenue base further**
- **Expand sales of premium products**  
Expand sales of premium products to 50% of total sales within the next few years

#### Dramatic growth in premium products following the launch of *CUP NOODLES STIR FRY*

FY 3/2023 2Q	Premium Products	
Sales	year on year	Double-digit growth
Volume	year on year	Single-digit growth



*Fire Wok*  
Hot & Spicy



*CN STIR FRY*  
Rice with Noodles

### Brazil

- **Price revision acceptance, reduction of cost impact**
- **Encouraging the consumption of new cup-type instant noodles via new products**  
➢ Stimulate demand by linking marketing and sales strategies  
➢ *U.F.O.* Launch. Create a new cup market
- **Developing the market for cup-type instant noodles**
- **Strengthen production capacity further**



*CUP NOODLES*



*NISSIN Yakisoba U.F.O.*



- The Americas business saw extremely strong demand, even in the wake of price revisions. Combined with strategies in each country, this region has become a strong driving force for the group. We achieved favorable results in all countries in which we operate, including the U.S., Brazil, and Mexico. I want to comment on the situation in the U.S. and Brazil, since these markets are particularly large and of interest to you.
- The graph on the upper left of the slide shows the number of meals sold in the United States. The months in which we introduced price revisions are marked with a star. As you can see, even after a price revision of 36% on average in August, there was no significant decrease in volume, and our products were well accepted by customers. The middle section of the slide indicates first half results and initiatives for the second half and beyond. We will continue to focus on the sales composition ratio of premium products to reach our target of 50%.
- In Brazil, we are in a position to foster an instant noodle culture as the market leader, boasting a market share of over 60%. With the launch of *U.F.O.* in August, we are focusing on creating a cup-type instant noodle market in concert with *CUP NOODLES*. We expect business performance to grow steadily, and we will continue to focus on strengthening our supply chain to respond firmly to demand.

# China (Incl. H.K.)

While the unstable market environment continued, **CUP NOODLES** performed well based on an established premium position.

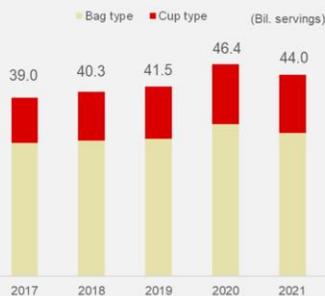
We will continue to maximize profit-earning opportunities by strengthening brands in the Instant Noodles Business and by expanding our Non-Instant Noodles Businesses.

## Instant Noodles Demand

## First Half Results

## Initiatives in the Second Half and Beyond

### Mainland China/Hong Kong



\*WNA (World Instant Noodles Association) website, compiled by NISSIN

- Expanded sales areas and strengthening the **CUP NOODLES** brand amid a growing market for high-value-added products on the mainland China
- Expand sales network and sales area
- Expand premium instant noodles
- Sales on the mainland China continued to grow after the March price revisions, particularly for the **DEMAE ICCHO** brand
- Pursue multi-categorization, including confectionery, beverage, and frozen foods businesses; introduce new products in response to changing lifestyles
- Demand remained strong in Hong Kong, even after the April price revisions. In addition to the **CUP NOODLES** brand and other Instant Noodles Business products, frozen foods and other Non-Instant Noodles Business products contributed to earnings.
- Strengthen cost competitiveness through in-house production of packaging materials



- Next, I will discuss China and Hong Kong. In terms of the market environment, demand in FY 3/2022 was lower year on year due to a negative rebound from the increase in demand associated with COVID-19 in FY 3/2021. Looking over the past five years, however, we see demand has been trending upward. Under these circumstances, both volume and value are firmly exceeding previous-year levels in China and Hong Kong. We believe our brand strategy of pursuing safe and reliable products, rich ingredients, and delicious quality is bearing fruit.
- In mainland China, which is home to enormous local companies, we pursue a differentiation strategy focused on expanding sales regions and strengthening the premium CUP NOODLES brand. We will continue to build a solid revenue base by responding firmly to demand for **DEMAE ICCHO** and other products, which performed well in the first half of the year.
- In Hong Kong, where we are the market leader, we will maintain and strengthen the CUP NOODLES brand. We will also pursue multi-category expansion, including the confectionery, beverage, and frozen foods businesses, to respond to changing lifestyles with agility.



# EARTH FOOD CHALLENGE 2030 (EFC2030) Initiatives

# EARTH FOOD CHALLENGE 2030 Results

Trends align with forecasts: despite a slight increase due to the business growth, absolute CO<sub>2</sub> emissions have decreased



- Next, I will discuss the progress of our environmental strategy, EARTH FOOD CHALLENGE 2030.
- Looking from the top left of the slide, we recorded progress of 36% in 2021 sustainable palm oil procurement target toward our ultimate goal of 100%. This result is up 10% over last year, thanks to the use of RSPO in CUP NOODLE.
- We achieved our target of 11.3 m<sup>3</sup> of water per million yen of sales in water use, compared to our target of 12.3 m<sup>3</sup> per million yen of sales.
- We also achieved a 99.7% recycling rate of food waste generated in the production process in Japan, compared to our target of 99.5% or greater. I am also happy to say we are close to our goal of halving the amount of food waste generated in the sales and distribution processes in Japan, achieving a 47% reduction currently.
- Looking at our efforts to tackle climate change issues, we have reduced the absolute values of Scope 1 and 2, which represent our own emissions. At the same time, our businesses have grown overall, resulting in an increase of 2.7% compared to the base year 2018. Scope 3 emissions, which represent emissions from our supply chain, increased 7.6% compared to 2018.

# The Carbon-Neutral Declaration of NISSIN FOODS Group

**NISSIN FOODS Group commits to building sustainable societies with a Nature-Positive approach, aiming to achieve carbon neutrality by 2050**

## Restoring biodiversity while achieving net neutral CO<sub>2</sub> emissions

In April 2020, the NISSIN FOODS Group launched EARTH FOOD CHALLENGE 2030, a new environmental strategy through which the group commits to CO<sub>2</sub> emissions reduction targets. The strategy also defines other initiatives such as increased use of renewable energy sources.

In recent years companies have been required to strengthen efforts towards the reduction of CO<sub>2</sub> emissions across the entire supply chain. With the growing emphasis on biodiversity, Nature-Positive is seen as the next global goal and international movement for the environment.

The NISSIN FOODS Group is engaged in a variety of Nature-Positive initiatives, and we aim to achieve "carbon neutrality" by reducing CO<sub>2</sub> emissions to virtually zero by 2050. Examples of these Nature-Positive initiatives are: reducing the environmental impact of raw materials by increasing the proportion of plant-based ingredients\*<sup>1</sup> used in our products; effectively utilizing resources by upcycling\*<sup>2</sup> food ingredients discarded along the production process; reforestation\*<sup>3</sup> of areas in which the palm oil is harvested, an important ingredient used for manufacturing instant noodles and other products.

The NISSIN FOODS Group commits to keep addressing the conservation and restoration of biodiversity along with climate change as priority issues for our management. Through the aforementioned initiatives and others, we will continue striving to create sustainable societies.

\*1 Foods derived from plants, which include grains, beans, vegetables, mushrooms, fruits, seaweeds, and foods that are derived from them. The production process of them has less environmental impact compared to foods derived from animals.

\*2 To make a new product by re-using something that was meant to be discarded in a way that either keeps or increases the value of the original product.

\*3 To purposefully restore forests and woodlands that have been depleted due to deforestation through several means, including the thinning of trees which allows for more light entering the forests, forest tree seedling cultivation, and afforestation.

- Amid these circumstances, we aim to achieve carbon neutrality by 2050, when our CO<sub>2</sub> emissions will be effectively zero.
- In addition, we will step up Nature Positive initiatives. The Nature Positive concept is covered on the next page of the presentation.

# Relationship between Nature-Positive and Carbon Neutrality

Nature-Positive initiatives lead to significant reductions and absorption of CO<sub>2</sub> as well as the restoration of biodiversity.

## Nature Positive

Halts the loss of nature and increases gains in nature (compared to the year 2020)



## Carbon Neutral

Reduces overall CO<sub>2</sub> emissions to zero

Contribution to Nature-Positive

Contribution to Carbon Neutrality

Food companies that depend on agriculture, forestry, and fisheries have particularly significant matters to address

(Through forest conservation and management)  
**Healthy growth of natural forests**

(Through afforestation)  
**Increase in forest area**

(Through regenerative agriculture and carbon farming\*)  
**Soil recovery**

**Forests absorb more CO<sub>2</sub>**

**Storing more CO<sub>2</sub> in the ground**

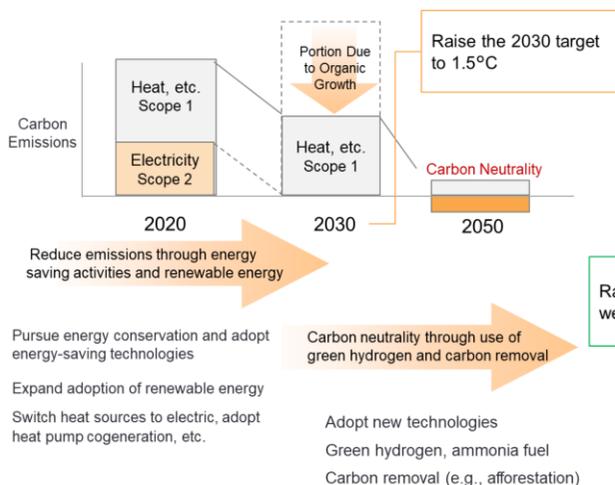
\*1: Carbon farming refers to an agricultural system that manages carbon sequestration, flows, and GHG fluxes (the amount of carbon entering and leaving the atmosphere from a unit area per unit time) at the farm level for the purpose of mitigating climate change.

- Nature Positive is an initiative to halt the loss of nature and increase the net volume of nature by conserving biodiversity, for example.
- Nature Positive and Carbon Neutral are closely related ideas. We believe they are most effective when the two gears mesh, and that we must pursue both.

# Strategic Direction for Achieving Carbon Neutrality

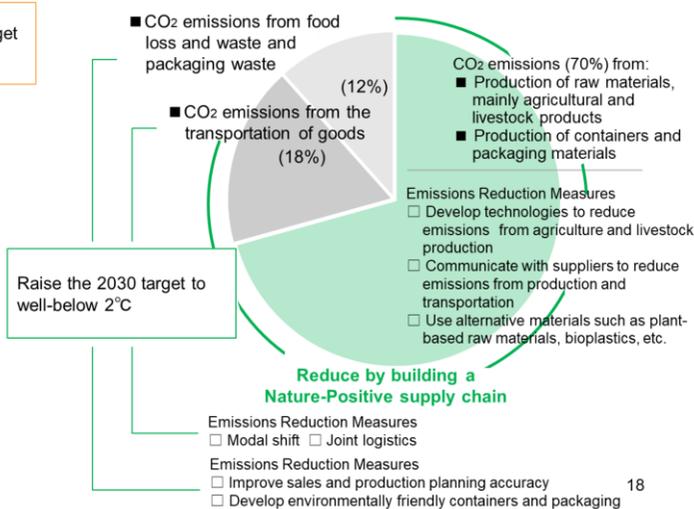
## Scope 1+2: Initiatives at Production Plants

Phased adoption of available carbon reduction technologies



## Scope 3: Initiatives in the Supply Chain

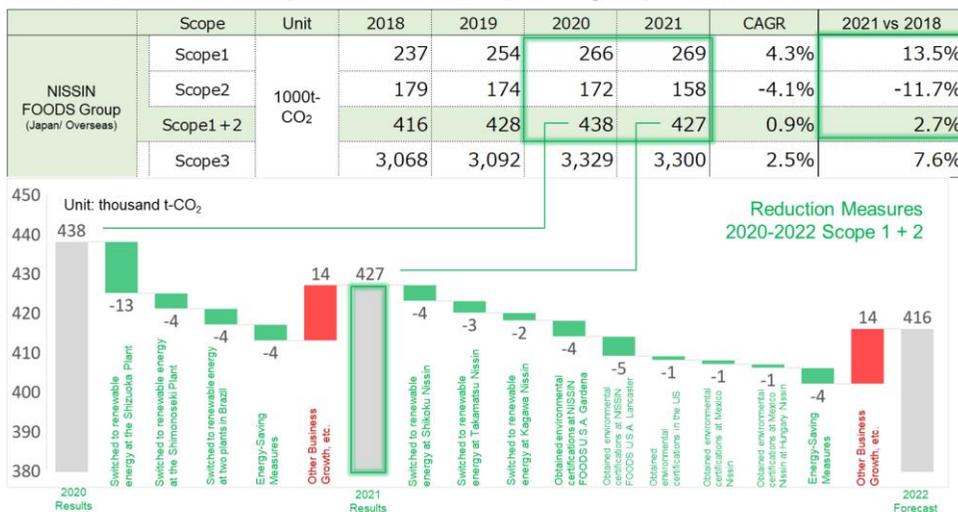
Aiming to build a Nature-Positive supply chain, focusing on emissions from procurement, which account for a large share of total emissions



- To achieve carbon neutrality, we are working to reduce Scope 1 and 2 emissions by 30%, and Scope 3 emissions by 15% by the year 2030.
- Adopting new technologies, such as the use of green hydrogen and ammonia fuel will be important to achieve carbon neutrality. We must consider the use of these technologies proactively.
- Our Scope 3 CO<sub>2</sub> emissions are significant in connection with the production of raw materials, mainly agricultural and livestock products, as well as the production of containers and packaging materials. We believe it is important to build on our efforts one by one to reduce these emissions.

## Scope 1+2 Progress

Despite several measures, chief among them being the increased switch to renewable energy options, business growth has still outpaced our CO<sub>2</sub> reduction trends. We recorded a 2.7% increase in 2021 compared to 2018, expecting improvements in 2022.



- This slide shows our progress in Scope 1 and 2 emissions.
- Actual emissions in 2018 was 416,000 tons. In 2020 emissions were 438,000 tons. In 2021, emissions were 427,000 tons. This was a slight decrease compared to 2020, but an increase compared to 2018.
- In 2022, we expect emissions related to business growth to be about 416,000 tons, which was the level in 2018 level. Here, we will see the contribution of the switchover to renewable energy at several plants in Japan.

## Scope 3 Progress

Scope 3 comprises a wide range of initiatives such as the Biomass ECO Cup, joint transportation, and switching to pallets made from marine plastic waste.

	Scope	Unit	2018	2019	2020	2021	CAGR	2021 vs 2018
NISSIN FOODS Group (Japan/ Overseas)	Scope1	1000t-CO <sub>2</sub>	237	254	266	269	4.3%	13.5%
	Scope2		179	174	172	158	-4.1%	-11.7%
	Scope1 + 2		416	428	438	427	0.9%	2.7%
	Scope3		3,068	3,092	3,329	3,300	2.5%	7.6%

Initiatives for CUP NOODLE and other products that contribute to Scope 3 reductions



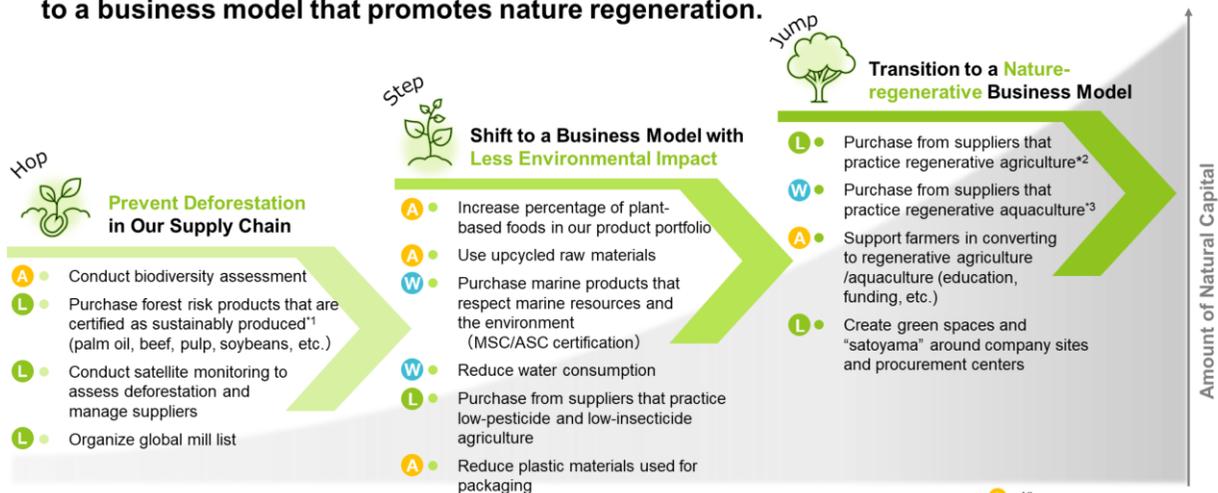
Comprehensive efforts across the value chain



- Next, let's look at progress in Scope 3 emissions.
- We are working to reduce CO2 emissions, focusing on the use of plant-derived biomass ECO cups, eliminating plastic lid stickers, using alternative food technologies, and increasing the use of sustainable palm oil.
- We also believe it is important to work extensively with other companies on joint transportation and joint work with suppliers and raw materials producers.

# A Path towards Nature-Positive

By focusing on preventing deforestation in the supply chain first, then followed by a gradual shift to a business model with less environmental impact, we plan to transition to a business model that promotes nature regeneration.



<sup>\*1</sup> : Forest risk commodities refer to globally traded goods and raw materials that are responsible for deforestation.  
<sup>\*2</sup> : Regenerative agriculture refers to a model of farming that conserves and restores the soil and its ecosystem.  
<sup>\*3</sup> : Regenerative aquaculture refers to a model in which aquaculture is conducted while marine and freshwater resources are regenerated.

**A** All  
**L** Forest and farmland  
**W** Sea and river

- This is the direction of our efforts to achieve Nature Positive.
- We describe it as a hop, step, and jump process. We are still in the hop stage. And we will continue to move forward, step by step, toward achieving Nature Positive, aiming for a business model with less environmental impact that increases nature.
- First, we will achieve our 2030 target. Beyond that, we are aiming to achieve carbon neutrality by the year 2050.

# Progress in Sustainable Palm Oil Initiatives

We have disclosed information on palm oil mills procured by the Japanese group, based on which satellite monitoring and dialogues with farmers in high-risk areas followed. We strive to be Nature-Positive with sustainable palm oil initiatives as our starting point.

## Organize and disclose information on 723 palm oil mills (Japan)

NISSIN FOODS Group  
 Palm Oil Mills (2021)  
[https://www.nissin.com/jp/sustainability/environment/business/procurement/pdf/PalmOilMills\\_2021.pdf](https://www.nissin.com/jp/sustainability/environment/business/procurement/pdf/PalmOilMills_2021.pdf)

No.	Parent Company	Mill Name	Country	Latitude	Longitude	UMLD
1	apa management	sedemak	malaysia	1.730858	103.638323	PO1000000019
2	ind indosawit subur	buatan i	indonesia	0.434444	101.825	PO1000000021
3	jamor estates (sabah)	jamor sabah	malaysia	6.004311	117.396389	PO1000000052
4	musim mas	batang kulim	indonesia	0.077043	102.030838	PO1000000054
5	some darby plantation	binuang (sou 28)	malaysia	4.704457	118.060186	PO1000000063
6	some darby plantation	meroh (sou 20)	malaysia	4.369347	117.832905	PO1000000064
7	some darby plantation	bandahan bay (sou 26)	malaysia	5.847362	118.166668	PO1000000065
8	sabahmas plantation	sabahmas	malaysia	5.179162	118.405246	PO1000000066
720	merkung oli bestari	merkung oli bestari	indonesia	-1.208837	103.273177	PO1000011506
721	surya sawit sejahtera	surya sawit sejahtera	indonesia	-2.587869	120.58728	PO1000011557
722	kasmar malano persada	kasmar malano persada	indonesia	-2.541361	120.303444	PO1000011558
723	balimanta agro nusantara	balimanta agro nusantara	indonesia	0.676298	117.227312	PO1000011591



Satellite monitoring based on information from the mill list



Dialogue with palm oil farmers in areas of high environmental risk March 2022



Verify the risk of forest and peatland destruction in areas where mills and surrounding oil palm plantations are located using satellite monitoring tools provided by the World Resources Institute (WRI)

**Current-Year Initiatives to Achieve  
Mid- to Long-Term Growth Strategy  
NISSIN FOOD PRODUCTS · New Businesses**

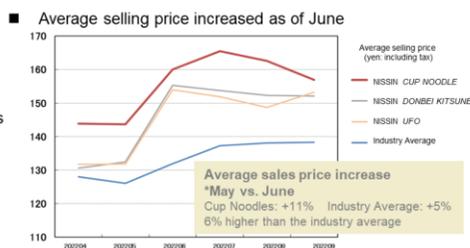
- My name is Noritaka Ando. I will begin my part of the presentation with a review of Domestic Instant Noodles Business performance.

# Domestic Instant Noodles Business (NISSIN FOOD PRODUCTS)(1)

## Market Trends Through the First Half of the Year

- Since retail price of NISSIN rose ahead of competitors in June and also due to temperature reasons, sales decreased temporarily both on volume and value basis
- Sales volume in August recovered to the same level as the previous year. In September it exceeded the previous year contributing to increase the revenue. As a result, year-on-year increase in Q2(3M) revenue was up from that of Q1(3M) revenue
- The CUP NOODLE anniversary month of September saw an increase in sales beyond last year's 50th anniversary of the product (CUP NOODLE series products), owing to successful brand communications
- Demand recovery appeared to be faster than our last price revision (2019)

YoY	Price Revisions					
	April	May	June	July	August	September
NISSIN Value Basis	+8%	+10%	-10%	-4%	+4%	+10%



Source: NISSIN research, also published in FY3/2023 2Q Financial Supplemental Data

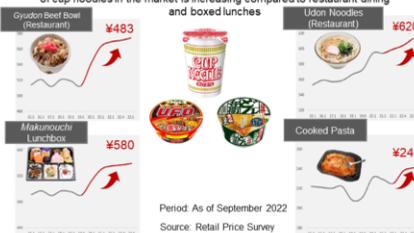
## Market Trends in the Second Half and Beyond

### - Changing Consumer Insights and Consumption Trends -

Decline of in-home consumption and rising prices

- Decrease in shopping frequency
- Buying only what is necessary for daily life
- Increased consideration of the value of the items purchased

With rising savings consciousness among consumers, the relative value of cup noodles in the market is increasing compared to restaurant dining and boxed lunches



## Initiatives

### - Diverse Value Appeals for Instant Noodles to Enhance Brand Value Further -

Appeal to product value in an easy-to-understand manner according to the insights gained about the target consumer

- Sales floor entertainment x data-driven
- Create value through value-added products

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- First, let's look at the market trends over the first half of the year.
- As shown in the graph at the top right, we revised prices ahead of our competitors, and actual retail prices rose in June and July immediately after the price revisions.
- This quick uptake in retail prices, combined with the temperature requirements due to the extremely hot summer, caused our performance to decline temporarily. However, volume and value began recovering in August and September.
- In October, sales volume and value were still favorable. September is the anniversary month of CUP NOODLE, and is usually a month of high product sales. With the successful implementation of the CUP NOODLE Quest Campaign and brand communications including the launch of a second version in the CUP NOODLE SUPER GATAI series, which was a big hit last year, brand sales volume hit records surpassing that of the 50th anniversary campaign in the previous year.
- Including these results, we feel one of the major success points with the price revisions was the relatively quick turnaround to year-on-year growth in sales volume after the revisions.
- Looking at the market trends in the second half of the year and beyond, we must close attention to changes in consumer insights and consumption trends due to changes in the external environment, including a decline in at-home consumption and rising prices.
- At the same time, even amid rising prices for all manner of goods, we feel the relative cost performance of cup-type instant noodles across the food category, including restaurants, will continue to demonstrate the resilience of instant noodles in the second half. Based on these factors, we expect to achieve sales as planned in the second half of the year.
- Our policy for future initiatives is to pursue the diverse value appeal of instant noodles to enhance our brand value further. We communicate product value clearly and in line with insights into our target customers, selling CUP NOODLE PRO, high-unit bag-type instant noodles and other value-added products, while creating value through highly entertaining in-store promotions, which is one of our strengths.

# Domestic Instant Noodles Business (NISSIN FOOD PRODUCTS) (2)

## First Half Results

## Initiatives in the Second Half and Beyond

### Core Brands

- **CUP NOODLE** Brand Total (1H YoY): +5% \*Shipped basis
- Despite a temporary shift to lower-priced products, sales of regular products are recovering, and higher-priced products are contributing to the recovery
- **DONBEI** Brand Total (1H YoY): +5% \*Shipped basis



April 2021 Launch  
March 2022 Launch:  
Chili Tomato flavor

### Value-Added Products

- **CUP NOODLE PRO** (1H YoY): +24% \*Shipped basis
- **CUP NOODLE PRO** and **SAIKYO DONBEI**: Favorable sales despite the price revision, appeal to new value
- **ZEROBYO CHICKEN RAMEN**: New occasions to eat instant noodles



### Data-Driven x Entertainment Projects

- Execute in-store sales promotions based on consumer sales data
- \*Measures focusing on the affinity between **CUP NOODLE PRO** and health-conscious-related alcoholic beverages, etc.

### Cup-Type Instant Rice

- Cup-Type Instant Rice (Total 1H YoY): +20% \*Shipped basis



Toward six consecutive years of record-high sales!

Toward eight consecutive years of record-high sales!

Tasting Experience Expanded Recognition Effective Exposure

Start of **DONGITSUNE** Animated Project!



How to Earn Points

Pursuing entertainment through new initiatives

Further reinforcement of last year's highly popular East vs. West Dashi Taste Test using high-profile packaging and TV commercials



- Let's look at first-half results in greater detail and discuss initiatives for the second half.
- In the first half of the year, our core **CUP NOODLE** brand grew 5% year on year (shipped basis). We are on track to reach record-high sales for the sixth consecutive year.
- And despite a temporary shift to lower-priced **ASSARI OISHII CUP NOODLE** in the wake of price revisions, demand for regular products recovered generally by September. The higher-priced **CUP NOODLE PRO** also contributed to total brand sales. **DONBEI** brand sales increased 5% year on year (shipped basis), and are on track to reach a new record high for an eighth consecutive year.
- In terms of value-added products, **CUP NOODLE PRO**, which launched in April 2021, is performing very well. **CHILI TOMATO CUP NOODLE**, the third flavor in the series launched in March 2022, has also been successful, moving quickly to 24% year-on-year growth (shipped basis). **SAIKYO DONBEI** also continued to perform well. **ZEROBYO CHICKEN RAMEN**, a product that can be eaten as-is, provides a new eating option to customers. Owing to these efforts, sales of bag-type instant noodles increased in the first half of the year. We believe these value-added products create unique value in the market.
- To communicate the value of these products in line with insights from target customers, we continue to produce in-store sales promotions based on consumer sales data through data-driven marketing and entertainment campaigns. These efforts have been very well received by retailers, and we have also received many positive requests from our clients.
- Cup-type instant rice products continue to perform well, with sales having tripled over the last five years. Total cup-type instant rice sales rose 20% (shipped basis) year on year in the first half.
- Initiatives over the second half of the year include the aforementioned **CUP NOODLE Quest Campaign**. In this campaign, customers can win unique prizes typical of the **NISSIN** identity. The campaign is boosting sales of the **CUP NOODLE** brand. In addition, the animated **DONGITSUNE** Series based on our **DONBEI** brand has been very well received by fans. **NISSIN** was ranked No. 1 in the food industry for 17 consecutive months in the CM Data Bank October favorability survey. The unique brand communications in which we engage make a significant contribution to sales.
- At the same time, the recent surge in raw materials and utility prices is having a significant impact on profits. Although our top line grew steadily and we achieved the same level of profit as the previous first half, we feel a sense of urgency that rising costs will have more of an impact in the future.

- We always consider the possibility of more price revisions as an option to ensure profitability.

## Breakthrough of the **KANZEN MEAL** Brand - Strong Start Toward 3 Billion Yen in Current Fiscal-Year Sales -

### Packaged Foods Progress



**One Sold Every  
Three Seconds!**



**Over  
4 million  
meals in just  
four months!**

Sale at over 40,000 stores, which is exceptional for new product line! Nationwide rollout in September; sales exceeded 4 million servings in four months!

### Further Expansion of **KANZEN MEAL**

A New Era of *Anpan*, Sweet bean bun, Beginning August 25, 2022!



**Strong Sales!**  
(300% vs. Budget for First Month)

Traditional Taste With  
Good Balance of 33 Nutrients:  
**KANZEN MEAL ANPAN** Now on Sale!

#### Five Products in the Frozen **KANZEN MEAL** Series

Sold on the Nissin Online Store Beginning September 26, 2022  
Delivering a perfect balance of 33 nutrients and great taste!  
Easy to cook in the microwave!

Filling and Tasty! Enjoy guilt-free meals and get healthy!

Recommended by  
97% of  
registered dietitians!



\*Survey method: Survey of 283 dietitians at medical institutions across Japan  
July 2022 Question: Would you recommend Frozen KANZEN MEAL to people who tend to eat out or eat at convenience stores, and who find it difficult to improve their diet on their own?  
A total of 97% answered "Yes"  
Products evaluated: Frozen KANZEN MEAL KATSUDON/BOLOGNESE Survey conducted by Foundry, Inc.

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- In terms of new businesses, the five **KANZEN MEAL** SKUs, shown at the top left, went on sale nationwide in September.
- Sales began with placement on the NISSIN online store at the end of May. By September, we surpassed 4 million servings, equivalent to one serving sold every 3 seconds\*<sup>1</sup> of this highly attractive product. The product line is available in more than 40,000 retail stores, which is an unprecedented number for a new product. We believe we are well on our way toward our sales plan of 3 billion yen for the current fiscal year.
- The products have been highly regarded for taste by the market, by consumers, and by retailers. This is an unprecedented product that not only offers the deep taste of junk food, similar to instant products, but also offers good nutritional balance.
- Another noteworthy development is the high rate of repeat sales. Our online store is seeing a 19% repeat rate for **KANZEN MEAL** products. As a comparison, the repeat rate for the recent **CUP NOODLE PRO** hit product is about 10%, so we are looking at nearly double the repeat rate. This is a new concept long awaited by instant food consumers, and as a result, the high repeat rate has continued for four months.
- Another interesting development is the absence of cannibalization. We were concerned that **KANZEN MEAL** products and our regular **CURRY MESHI** might cannibalize each other. But we have not seen a drop in the volume of **CURRY MESHI** sales. At the same time, volume for **KANZEN MEAL CURRY MESHI** is almost the same that of the regular **CURRY MESHI** product, which we believe is a very positive trend.
- Next, let's look at how we intend to expand **KANZEN MEAL** in the future, addressed on the right side of the slide. We developed a unique product in collaboration with Kimuraya Sohonten. This product is sold only at Kimuraya Sohonten stores and online, but the **KANZEN MEAL ANPAN** is doing very well, selling 300% over plan.
- We began selling five SKUs of frozen **KANZEN MEAL** products, as shown to the right, which are only available only at our online store for now. The frozen **KATSUDON**, **GYUDON**, **BEEF CURRY RICE**, **BOLOGNESE**, **SHIRUNASHI TANTANMEN** are very comforting and taste delicious. Further, 97% of registered dietitians recommend the **KATSUDON** and **BOLOGNESE** products\*<sup>2</sup>. We believe these products are gradually becoming a movement that will overturn conventional ideas related to instant food.

\*<sup>1</sup>Calculated based on total number of shipments of *KANZEN MEAL* series products between May 28, 2022 and July 20, 2022 (NISSIN FOOD PRODUCTS research).

\*<sup>2</sup> Evaluation Method: Survey of 253 registered dietitians working at medical institutions nationwide. July 2022 survey question: Would you recommend frozen *KANZEN MEAL* products to people who dine out frequently or buy food at convenience stores on a daily basis, and who find it difficult to improve their diet on their own?

A total of 97% respondents answered "Yes". Products evaluated: frozen *KANZEN MEAL KATSUDON* and *BOLOGNESE*. Research organization: Fundely Co., Ltd.

## Healthcare Cooperation and Development of Complete Nutrition Meals for the Elderly

### 29th International Society of Hypertension

#### Lecture on the Complete Nutrition Meal Project

Researchers, doctors, and other experts from Japan and abroad showed great interest in Complete Nutrition Meals



### Healthcare Cooperation

#### Striving to improve the quality of life for diabetics, hypertensives, etc.

A total of 137 diabetics, hypertensives, etc., are trying Complete Nutrition Meals; PoC at clinics is underway.

- It is the best food for me, because I want to reduce salt and calories.
- I am surprised that I can eat junk food like this and still live a healthy life.
- Excellent nutritional balance, low in calories, but good in taste, appearance, and cooking method.



### Elderly Support

#### Aiming to extend healthy life expectancy through an effective and healthy approach to the elderly

Clinical trials for the elderly through complete nutrition meals



\* 1 Graphic prepared based on Xue QL, Bandeen-Roche K, Varadhan R, et al. Initial manifestations of frailty criteria and the development of frailty phenotype in the Women's Health and Aging Study II. J Gerontol A Biol Sci Med Sci 2008; 63: 27

- This slide covers the development of the Complete Nutrition Meal business related to medical facilities and support for the elderly.
- I gave a presentation at the 29th International Society of Hypertension in October this year. As described in the section about healthcare cooperation at the bottom left, patients with diabetes and hypertension have a very low dietary quality of life due to dietary restrictions. The Complete Nutrition Meal consists of ingredients safe for these patients to eat.
- Currently, clinics nationwide have begun testing Complete Nutrition Meals for patients with diabetes and hypertension. My presentation discussed how the development of Complete Nutrition Meals could offer a significant solution to improving the quality of life for patients. Attendees from overseas, including doctors and other experts showed a great deal of interest, asking when the product would be available in their countries and whether the formulations would change, for example, in the U.S. or Europe.
- Looking at the bottom right of the slide, I'm sure you know that Japan is regarded as a super-aging society. One of the most significant issues here is the increase in social security-related costs, including nursing care and medical expenses.
- There is a 10-year gap between life expectancy and healthy life expectancy that gives rise to this issue. And since the cost of nursing care and medical care is borne by people who are bedridden or in need of nursing care, we have received a great deal of attention regarding the possibility of extending healthy life expectancy with Complete Nutrition Meal technology. We are also conducting research on diets based on Complete Nutrition Meals in connection with frailty prevention.

## Acquisition of Land for a Plant in Ken-O Expressway Interpark Tsukubamirai

Acquired land in Ibaraki Prefecture for the construction of a new plant to serve as a flagship center for new food culture.

Plans to build one of the largest production centers in Japan, also aiming to research and develop cutting-edge food technology.

New Challenges and Flagship Center



Attractive Features of Tsukubamirai City, Ibaraki Prefecture

### Overview

### Location

- Construction of a new production plant offering the largest production capacity in Japan
- Construction of a research and development center for cutting-edge food technology, etc.

- Area: 33 hectares
- Scheduled start of operations: FY 3/2027

Located along the Tsukuba Express line, with easy access to the Tokyo metropolitan area



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- As announced recently, we acquired land for a plant in Ibaraki Prefecture called Ken-O Expressway Interpark Tsukubamirai.
- This is a very large site of 33 hectares, which is three times the size of our Kansai Plant. We receive many questions about our intentions for the new plant, but since we are still in the internal review stage for the overall picture, we are not in a position to disclose specific details or the scale of the amount of money involved. We will provide details when they are finalized, but we expect this to be the largest production facility in Japan for our company.
- Our acquisition of the Ken-O Expressway Interpark Tsukubamirai site was the result of various considerations, including business continuity and transportation convenience.
- In addition, demand for instant noodles in Japan is strong, and we are running out of capacity in our current production facilities. Some lines in the existing plants are aging and have low production efficiency. In light of future new business development, we believe a significant capital investment would be necessary at some point in the future.
- We are looking to begin operations at the plant in 2026. In the future we hope to make this a production center not only for instant noodles, but also for frozen foods, confectionery, and Complete Nutrition Meals. Significant capital investments and depreciation expenses will arise after 2026, but we expect demand to grow across various categories, and that these costs are necessary from a medium- to long-term perspective.

# Appendix

## Full-Year Consolidated Earnings Forecasts for FY 3/2023 (Excluding Russia/Ukraine impact)

Aiming for 52.0 billion yen in core operating profit of existing businesses. We expect IFRS operating profit to be between 47.0 billion yen and 49.5 billion yen, driven by ongoing aggressive investment in new businesses

<b>Revenue</b>	<b>595.0</b> Bil. yen	<ul style="list-style-type: none"> <li>In principle this is revenue from existing businesses</li> </ul>
<b>Core Operating Profit of Existing Businesses</b>	<b>52.0</b> Bil. yen	<ul style="list-style-type: none"> <li>Does not include impact of the situation in Russia/Ukraine</li> <li>Equivalent to +5% growth (considered mid-single digits)</li> </ul>
<b>Operating Profit</b>	<b>47.0 ~ 49.5</b> Bil. yen	<ul style="list-style-type: none"> <li>New business investment at 5% to 10% of core operating profit of existing businesses</li> <li>We do not expect other income/expenses (impairment or extraordinary gains, etc.)</li> </ul>
<b>Profit attributable to owners of the parent</b>	<b>31.0 ~ 33.0</b> Bil. yen	<ul style="list-style-type: none"> <li>As with operating profit, we are forecasting on a range basis</li> </ul>
<b>EPS</b>	<b>303 ~ 322</b> Yen/Share	<ul style="list-style-type: none"> <li>Number of shares (excluding treasury shares): 102 million shares assumed</li> <li>However, we continue to explore opportunistic acquisitions of treasury shares</li> </ul>

\* Yen-based presentation of earnings forecasts are based on actual exchange rates for FY 3/2022

## FY 3/2023 Forecasts by Segment

**Aim for increase revenues and operating profits in all business segments from FY 3/2022 results**

Bil. yen	Revenue (IFRS)				Core Operating Profit (Non-GAAP)			
	FY 3/2023 Forecasts	FY 3/2022 Results			FY 3/2023 Forecasts	FY 3/2022 Results		
		Revenue	YoY change			Core OP	YoY change	
NISSIN FOOD PRODUCTS	218.0	210.8	+ 7.2	+ 3.4%	31.5	30.6	+ 0.9	+ 3.0%
MYOJO FOODS	39.0	37.9	+ 1.1	+ 2.8%	2.5	2.4	+ 0.0	+ 1.8%
<b>Domestic Instant Noodles Business</b>	<b>257.0</b>	<b>248.7</b>	<b>+ 8.3</b>	<b>+ 3.3%</b>	<b>34.0</b>	<b>33.0</b>	<b>+ 1.0</b>	<b>+ 2.9%</b>
Chilled / frozen foods and beverages	83.0	80.9	+ 2.1	+ 2.6%	3.5	3.3	+ 0.2	+ 5.5%
Confectionery	71.5	69.0	+ 2.5	+ 3.6%	3.6	3.2	+ 0.4	+ 14.0%
<b>Domestic Non-Instant Noodles Business</b>	<b>154.5</b>	<b>149.9</b>	<b>+ 4.6</b>	<b>+ 3.1%</b>	<b>7.1</b>	<b>6.4</b>	<b>+ 0.6</b>	<b>+ 9.7%</b>
Domestic Others	2.5	2.2	+ 0.3	+ 15.1%	1.0	1.9	(0.9)	(46.5%)
<b>Domestic Business total</b>	<b>414.0</b>	<b>400.8</b>	<b>+ 13.2</b>	<b>+ 3.3%</b>	<b>42.0</b>	<b>41.3</b>	<b>+ 0.7</b>	<b>+ 1.7%</b>
The Americas	93.5	87.3	+ 6.2	+ 7.1%	3.5	2.9	+ 0.6	+ 18.8%
China (incl. H.K.)	59.0	55.5	+ 3.5	+ 6.3%	6.5	6.1	+ 0.4	+ 5.7%
Asia	17.0	14.8	+ 2.2	+ 15.0%	4.6	4.1	+ 0.5	+ 11.3%
EMEA	11.5	11.4	+ 0.1	+ 1.2%	1.4	0.4	+ 1.0	+ 228.6%
<b>Overseas Business total</b>	<b>181.0</b>	<b>168.9</b>	<b>+ 12.1</b>	<b>+ 7.1%</b>	<b>16.0</b>	<b>13.6</b>	<b>+ 2.3</b>	<b>+ 17.2%</b>
<b>Domestic and Overseas Businesses total</b>	<b>595.0</b>	<b>569.7</b>	<b>+ 25.3</b>	<b>+ 4.4%</b>	<b>58.0</b>	<b>54.9</b>	<b>+ 3.1</b>	<b>+ 5.6%</b>
Other reconciliations						(5.4)		
Group expenses					(6.0)	0.0	(0.6)	-
<b>Existing Businesses</b>	<b>595.0</b>	<b>569.7</b>	<b>+ 25.3</b>	<b>+ 4.4%</b>	<b>52.0</b>	<b>49.6</b>	<b>+ 2.4</b>	<b>+ 4.9%</b>
New Businesses					(2.5)	(2.9)	+ 0.4	-
					~ (5.0)		~ (2.1)	
<b>Consolidated</b>	<b>595.0</b>	<b>569.7</b>	<b>+ 25.3</b>	<b>+ 4.4%</b>	<b>47.0</b>	<b>46.6</b>	<b>+ 0.4</b>	<b>+ 0.8%</b>
					~ 49.5		~ + 2.9	~ + 6.1%

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

## FY 3/2023 Price Revisions (Domestic)

Company Name	Main Products	Price Revision Date	Price Revision Rate
NISSIN FOOD PRODUCTS	Bag-type instant noodles, cup-type instant noodles, cup-type instant rice, cup-type instant soup	Beginning with June 1, 2022 shipments	5%-12% increase in suggested retail price
MYOJO FOODS	Bag-type instant noodles, cup-type instant noodles, cup-type instant soup	Beginning with June 1, 2022 shipments	6%-12% increase in suggested retail price
	Open-price products		11%-14% increase in shipped price
NISSIN CHILLED FOODS	Various types of chilled noodles (prices of certain products to remain unchanged)	Beginning with March 1, 2022 deliveries	6%-12% increase in suggested retail price
NISSIN FROZEN FOODS	Certain frozen noodles products	Beginning with March 1, 2022 deliveries	6%-13% increase in shipped price
NISSIN YORK	Lactobacillus beverages and yogurt drinks	Beginning with June 5, 2022 shipments	5%-14% increase in shipped price
NISSIN CISCO	<i>GORO GURA</i> series	Beginning with release date on June 13, 2022	Reduce volume by 7%-14%
	<i>COCONUT SABLE</i> series, etc.	Beginning with release date on September 5, September 20, and October 3, 2022	Reduce volume by 13%-47%
	<i>CISCORN</i> series	Beginning with November 1, 2022 deliveries	10%-20% increase in shipped price
KOIKE-YA	Various potato chips products (excluding certain products)	February 1 and April 1, 2022	6%-11% increase
	<i>SLIM BAG</i> series, etc.	Beginning with release date on June 6, 2022	Reduce volume by 6%-9%
	Various potato chips products (excluding certain products)	After September 1, 2022	Revision rate 4%-9%
	<i>ANYTIME ZIP</i> series, etc.	After November 1, 2022	Revision rate 4%-9%
BonChi	<i>TSUNAGE ARARE</i> and <i>PONSUKE</i> brands	Beginning with April 1, 2022 shipments	Reduce volume by 6%-11%
	Rice cracker products (19 items in total)	Beginning with September 5, 2022 and October 3, 2022 shipments	Revision rate 3%-17%

## FY 3/2023 Price Revisions (Overseas)

The Americas	Main Products	Price Revision Date
U.S.	Bag-type instant noodles, cup-type instant noodles	August 2022
Brazil	Bag-type instant noodles, cup-type instant noodles	May 2022

China (Incl. H.K.)	Main Products	Price Revision Date
Hong Kong	<i>DEMAE ICCHO, CUP NOODLES, U.F.O.</i>	April 2022
	Certain bag-type instant noodles	September 2022

Asia	Main Products	Price Revision Date
Singapore	Bag-type instant noodles, cup-type instant noodles	July 2022
India	Bag-type instant noodles	April 2022
Vietnam	Bag-type instant noodles	June 2022
	Bag-type instant noodles	July 2022
Thailand	Bag-type instant noodles	September 2022
Indonesia	Bag-type instant noodles, cup-type instant noodles	June 2022
	Bag-type instant noodles, cup-type instant noodles	September 2022

EMEA	Main Products	Price Revision Date
EMEA	Bag-type instant noodles, cup-type instant noodles	January - April 2022

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 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 FY 3/20YY or FYYY
- Results from China (Incl. 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 (Incl. H.K.) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS



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