



# Corporate Value Maximization



**NISSIN FOODS HOLDINGS CO., LTD.**

Stock Code: TSE 2897

May 2019



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# Section 1

## Mid-Term Business Plan FY2021



# MTPB2021

## Interim Review and Future Outlook



- Mainly revision to reflect actual situation of overseas business and went outside the M&A budget.

## Revised Mid-term Plan KPIs

		Before review	After review
Earning power through operations	Revenue	550.0 bil. Yen	480.0 bil. Yen
	Operating profit	47.5 bil. Yen	42.5 bil. Yen
Capital market value	Profit*	33.0 bil. Yen	30.0 bil. Yen
	ROE	8 %	8 %
	Adjusted EPS**	330 Yen	284 Yen
	Market capitalization***	1 tri. Yen	See page 5

\* "Profit attributable to owners of parent" under IFRS

\*\* (Operating profit ± Other income, expenses - Income tax expenses - Profit attributable to non-controlling interests)/ Average number of shares outstanding during the fiscal year (excluding treasury shares)

\*\*\* Market capitalization = Stock price x Number of shares outstanding at the end of the fiscal year (excluding treasury shares)

# Review of Targets by Segment

- In light of changes in the business environment and the issues of each region/business, we have revised segment targets.

## FY2021 Targets for Domestic Business

(bil. Yen)		Before review	After review
Instant Noodles	Revenue	243.0	238.0
	Operating profit	29.1	29.5
	%	12.0%	12.4%
Chilled and frozen foods, confectionery and beverages	Revenue	111.6	103.0
	Operating profit	5.2	5.2
	%	4.7%	5.0%
Foreign exchange rate assumptions:		<u>Initial plan</u>	<u>Current assumption</u>
	USD	112.68	110.00
	BRL	28.00	28.00
	HKD	14.53	14.00
	EUR	131.77	125.00

## FY2021 Targets for Overseas Business

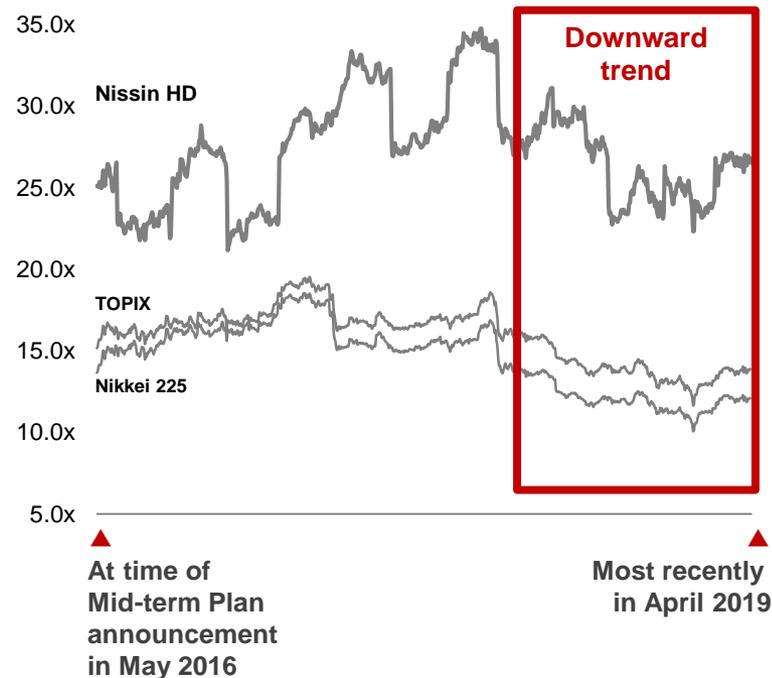
(bil. Yen)		Before review	After review
The Americas	Revenue	80.8	67.5
	Operating profit	6.4	3.7
	%	7.9%	5.5%
China (incl. H.K.)	Revenue	53.7	47.0
	Operating profit	5.1	4.7
	%	9.5%	10.0%
Asia	Revenue	24.1	13.0
	Operating profit	2.0	2.7
	%	8.3%	20.8%
EMEA	Revenue	8.3	7.5
	Operating profit	2.4	1.3
	%	28.9%	17.3%

# Regarding Market Capitalization of JPY 1 Trillion

- The Group will steadily aim for market capitalization of JPY 1 trillion as a target to be achieved along the way regardless of timing.
- The Group will aim for improvement of corporate value by focusing on initiatives from a CSV perspective.

## Stock market trend: Changes in PER

The PER of Japanese stocks has generally been in a downward trend since 2018 and market conditions make our initial forecast of PER  $\geq 30$  unlikely.



## Initiatives to improve corporate value

### Initiatives and achievements from CSV perspective

#### (1) Achievements

- ✓ Selected as a component of the Asia/Pacific Index of the Dow Jones Sustainability Indices
- ✓ Certified as an organization recognized under the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)
- ✓ Selected as a semi Nadeshiko Brand company for fiscal 2019

#### (2) Environment-Friendly Management

- ✓ Introduction of ECO cups (paper-made containers)
- ✓ Commenced the application of certified palm oil (RSPO) at domestic plant

#### (3) Initiatives for new Earth Foods

- ✓ Launch of basefood (All-in PASTA)
- ✓ Research on “cultured steak”

→ We will endeavour to further accelerate and expand such initiatives to increase corporate value.

Strategic Theme	Initial FY2021 Target	FY2019 Results	FY2021 Forecast	Comments
<b>1</b> Promoting global branding for <i>CUP NOODLES</i>	<b>Up 50%</b> compared to FY2016 (units)	<b>Up 20%</b>	 <b>Up around 30%</b>	<ul style="list-style-type: none"> <li>✓ Overall progress was slightly slow partly due to the impact of price revisions in U.S. business.</li> <li>✓ Growth in Brazil and Asia is expected.</li> <li>✓ Depending on market conditions, we will not just focus on “<i>CUP NOODLES</i>” and will look out for growth opportunities for premium products.</li> </ul>
<b>2</b> Focusing on priority locations (BRICs)	Operating profit generated in priority overseas locations accounts for <b>70%</b>	-	 <b>Around 70%</b>	<ul style="list-style-type: none"> <li>✓ Target is expected to be reached.</li> </ul>
<b>3</b> Laying stronger foundations for domestic profit base	NISSIN FOOD PRODUCTS + MYOJO FOODS <b>29.1 bil. yen</b> Operating profit target	<b>25.7 bil. yen</b>	 <b>29.5 bil. yen</b>	<ul style="list-style-type: none"> <li>✓ Operation of Kansai Plant (improvement of production efficiency, safety and security)</li> <li>✓ Stabilization of earnings base through price revision (in response to unexpectedly high costs)</li> <li>✓ Further enhancement of value of core brands</li> </ul>
<b>4</b> Establishing a second primary revenue source (confectionary, cereals, chilled and frozen foods)	As well as growing brands organically, make the most of M&A	We went outside the budget for M&A deals. We will continue to examine favourable M&A proposals.		<ul style="list-style-type: none"> <li>✓ The Confectionary business grew steadily.</li> <li>✓ The Cereal business increased its market presence and value.</li> <li>✓ In particular, revenue in the Chilled and Frozen Foods business grew due to market growth and increased demand for single-serving food products.</li> <li>✓ Shift to more profitable business is necessary.</li> </ul>
<b>5</b> Human resources for global management	Pool of management human resources <b>x 2</b> (200 people)	<b>x 1.8</b> (Around 180 people)	 <b>x 2</b> (200 people)	<ul style="list-style-type: none"> <li>✓ The list is becoming more satisfactory.</li> <li>✓ A plan for systematic personnel changes needed to be created.</li> </ul>

Bil. yen	<u>Initial plan</u>	<u>FY2019</u>	<u>FY2021</u>	
<b>Business investment</b>	100.0 bil. yen over 5 years	23.5 bil. Yen over 3 years	–	(Major investments) Investment in Premier Foods, investment in Thai President Foods
<b>Capital investment</b>	150.0 bil. yen over 5 years	146.0 bil. Yen over 3 years	215.0 bil. Yen over 5 years	(Reasons for extra investment) NISSIN FOOD PRODUCTS (increased investment in Kansai Plant, shift to in-house manufacturing of materials, chilled and frozen food plant, etc.) BonChi Yamagata Plant, Nissin Brazil, expansion of overseas lines, etc.
<b>Depreciation and amortization</b>	Around 19.0 bil. yen (FY2021)	20.3 bil. yen	Around 24.5 bil. Yen*	* The FY2021 forecast includes impact of application of IFRS 16 of around 3.0 bil. yen.

## Review of business investment

- ✓ We are still examining M&A deals.

## Review of capital investment

- ✓ Expansion of investment in safety/security
- ✓ Expansion of investment aimed at improving production efficiency and saving labor
- ✓ Expansion of facilities for growing categories

**Although our operating profit target on an organic basis remains the same, improvement in terms of ROI is needed.**

The total amount of investment, including M&A, needs to be controlled. We will manage expenditure by putting investments in order of priority based on factors such as ROI.

# Issues and Policies by Region/Business

- Moving forward, we will continue to implement the policy of promoting global branding. At the same time, we will address specific issues according to the competition environment and market characteristics and make sure that we establish an order of priority for investment.

Domestic		Instant noodles	● Respond to higher costs with price revisions. Respond to labor saving and labor population issue in the medium and long-term through operation of Kansai Plant.
		Frozen food	Be sure to tap into growth opportunities for noodles with ingredients and fresh pasta. Strengthen proposals to growing channels.
		Chilled food	Focus on high added value domains and pursue profitability.
		Confectionery	Maximize revenue and profit by brushing up core brands and new value products.
		Beverages	Expand a stable source of earnings through strengthen channels.
Overseas	The Americas	U.S.	● Strengthen earnings base through price increases and cost reductions, etc. and develop premium products.
		Brazil	● Develop <i>CUP NOODLES</i> brand and strengthen sales of bag-type noodles, which are base of earnings.
		Mexico	Utilize strengths of local production and focus on priority regions. Strengthen profitability through development of premium products.
	China	H.K.	Expand business opportunities through diversification. Strengthen marketing activities in mature instant noodles market.
		Mainland China	Expand market and maximize revenue and profits through high-grade noodles, rather than focusing only on <i>CUP NOODLES</i> .
	Asia	Indonesia	● Determine priority regions/channels/segments and improve profit margins. Utilize as production base for HALAL products.
		India	● Determine priority regions/channels/segments and improve profit margins.
		Vietnam	Expand cup-type noodles focusing on urban areas and move plant operations and production departments into profit through OEM within Group.
		Philippines	● Maintain current high growth for <i>CUP NOODLES</i> through continuous investment. Also look for multi-branding opportunities.
		Thailand	● Expand and enhance 10-baht bag-type noodles. Continue to invest in <i>CUP NOODLES</i> .
		Singapore	Take advantage of position as market leader to strongly leverage “ <i>CUP NOODLES</i> ”, revitalize bag-type noodles and develop multiple categories.
	EMEA	Europe	Increase sales of major brands and strengthen earning base especially in priority areas, such as Germany and the UK. Liquidation of Turkish business.
Russia		As market leader, activate Russia’s stagnating market through sales and marketing.	

## For Realization of a Sturdier Management Structure

- Shift to sturdier management structure that will allow us to focus on our core operations, through initiatives in response to DX

### Initiatives already implemented

#### Achievement of Smartwork 2000

- Improvement of productivity through workstyle reforms and reduction of labor costs
- Expansion of scope for creative work

#### Reduction of expenses

- Review of expenses on a groupwide basis
- Elimination of waste and improvement of work efficiency

#### Initiatives to reduce distribution expenses

- Improvement of transport efficiency through pallet transportation
- Improvement of delivery efficiency through two day delivery service

### New future initiatives

#### Steering toward DX

- Review of business processes
- Utilization of RPA and AI to save labor in simple tasks
- Expansion of scope for creative work



#### Power BI

- Unite operating system  
Reduce documentation process, visualize action assignments, and improve portability in working environment

#### Smart Factory

- Manufacturing Execution System (MES)  
Aim automation in various manufacturing processes
- Nissin Automated Surveillance Administration (NASA)  
Enable monitoring whole manufacturing process from central controlling room

DX = Digital Transformation

RPA = Robotic Process Automation

BI = Business Innovation

# Initiatives to Enhance Corporate Value (1)

- Initiatives to enhance corporate value for sustainable growth

## International reputation

Selected as a component of the Asia/Pacific Index of the Dow Jones Sustainability Indices, a group of global stock price indices of ESG investments



## Evaluation of empowerment of women

Selected as “Semi-Nadeshiko Brand” in the “Nadeshiko” initiative run by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange to recognize enterprises that are outstanding in terms of encouraging the empowerment of women in the workplace.



## Evaluation of health management

Certified as 2019's White 500 for Outstanding Health and Productivity Management

NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS and NISSIN FROZEN FOODS were certified by METI and Nippon Kenko Kaigi as 2019's White 500 for Outstanding Health and Productivity Management.

## Environment-Friendly Management

### Introduction of ECO cups

Using eco-friendly containers over the last 11 years

Introduced ECO cups (paper-made containers) in 2008. Reduced CO2 emissions by 22% compared and also contributes to reduced consumption of plastics



## Initiatives for new Earth Food

### Launch of basefood (All-in PASTA)

- ✓ New “simple nutritious meal” that facilitates daily intake of essential nutrients
- ✓ Manufacturing by the newly developed “nutrient retention press manufacturing method” (patent pending)



### Step towards commercialization of “cultured steak” with the texture of real meat

- ✓ Successfully created the world’s first beef sinews in a diced steak form



### \* CO2 emissions are estimated through life-cycle assessment (LCA).

### First Japanese instant noodles manufacturer to use RSPO Certified Palm Oil (at domestic plant)

NISSIN FOOD PRODUCTS began using sustainable “Certified Palm Oil\*” at its Kansai Plant (from March 2019).

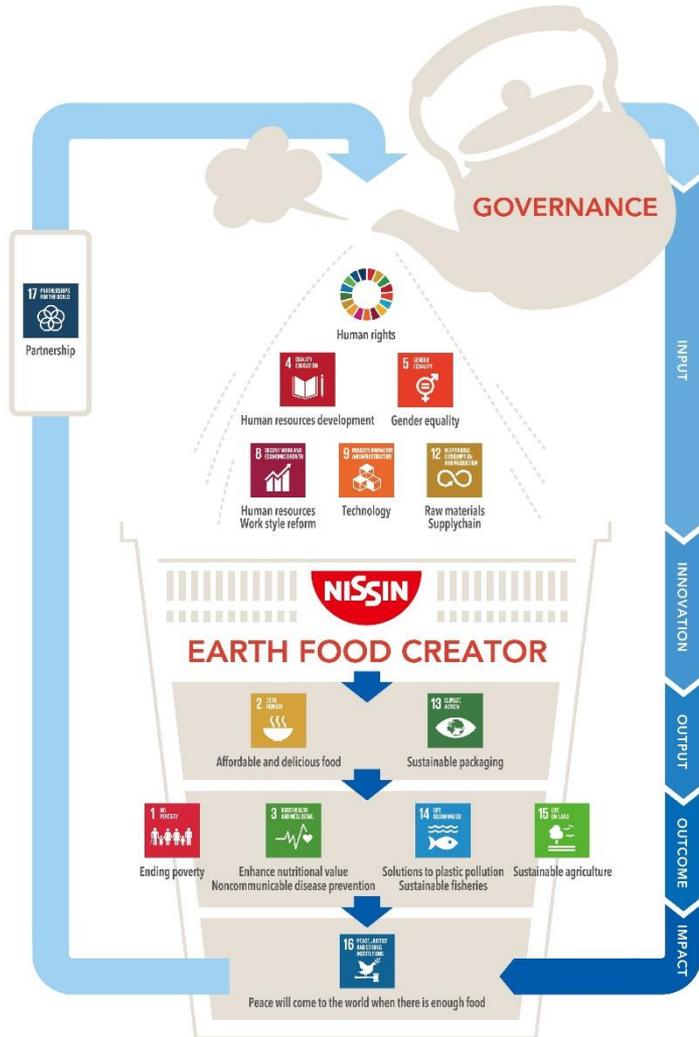


\* RSPO-certified palm oil is a type of palm oil that is produced and processed by considering the prevention of deforestation, preservation of biodiversity, and protection of human rights.

# Initiatives to Enhance Corporate Value (2)

- Set value creation process to realize NISSIN Group philosophy
- Connect our value creation process with SDGs

## Our impacts on society (examples)



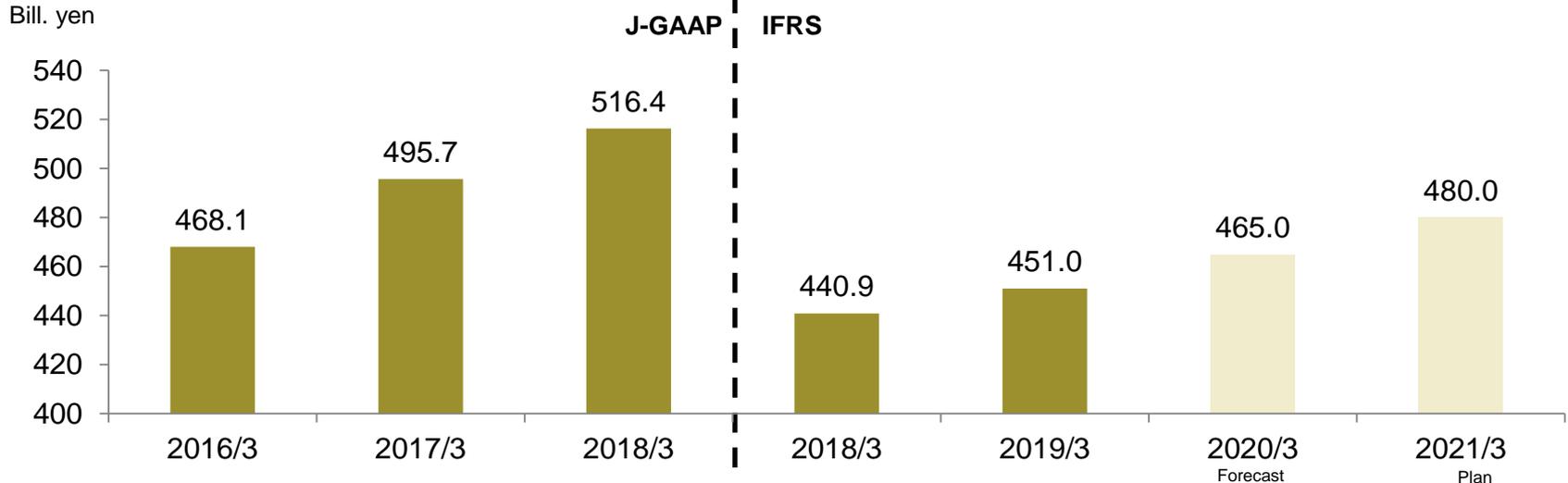
Eradication of poverty	We help give people equal access to safe food and reduce poverty in disaster-stricken areas by supporting food security and donating part of revenues through organizations such as WINA and WFP.
Promotion of prevention of non-infectious diseases	We help prevent non-infectious diseases by improving consumers' quality of life through the provision of products that meet social needs such as products with zero sugar, reduced salt or products for the elderly.
Enhancement of nutritional value	We will help enhance the nutritional value we provide to consumers by providing products such as the "All-in Series" of basefood, meat protein substitute (Soy meat), lactic acid bacteria, and nutritional supplements.
Measures against marine plastic pollution	We are a member and a managing enterprise of CLOMA (Clean Ocean Material Alliance), which tackles the problem of marine plastic waste, and we are promoting the development of eco-friendly packaging materials in collaboration with government and other enterprises.
Promotion of sustainable agriculture	We help our suppliers engage in sustainable agriculture by using raw materials, such as palm oil, that have been produced and processed with consideration for protection of forests and biodiversity and respect for human rights.

# Achievements of the 3<sup>rd</sup> year of the MTBP FY2021 (Fiscal Year Ended March 31, 2019)

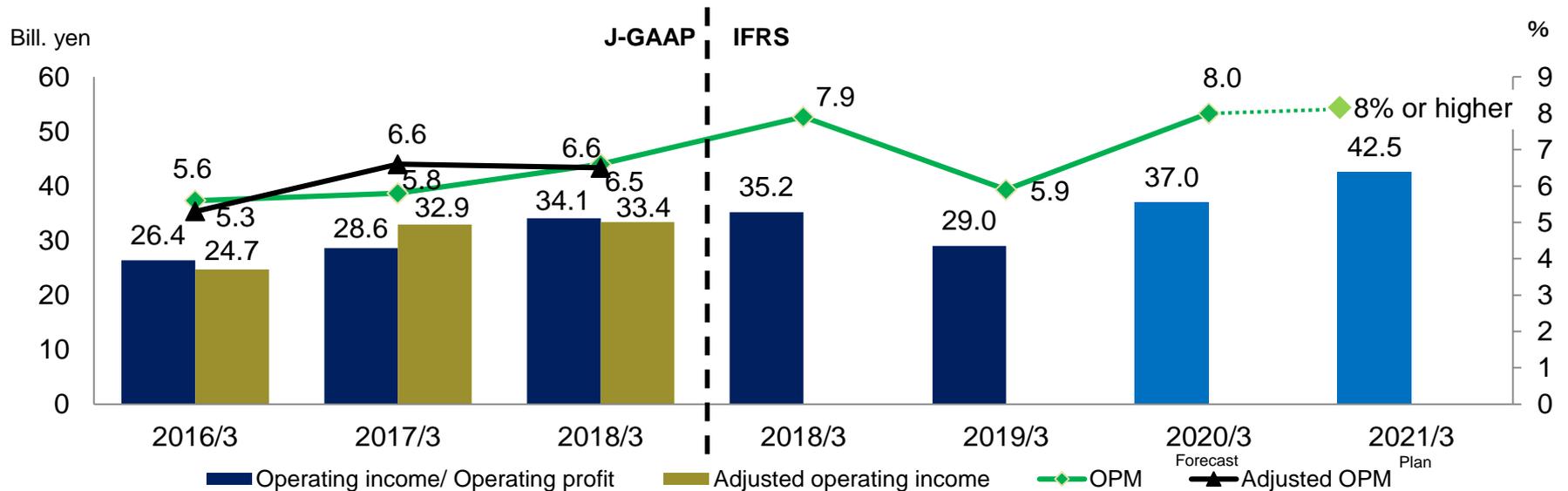


# Sales/Revenue, Operating Income/Profit & OPM - Consolidated

## Sales/ Revenue



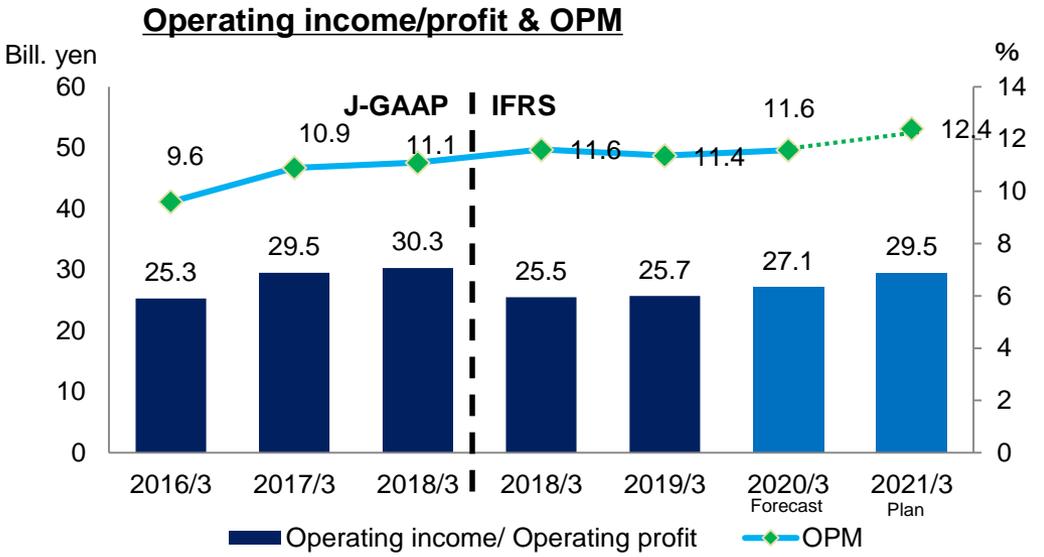
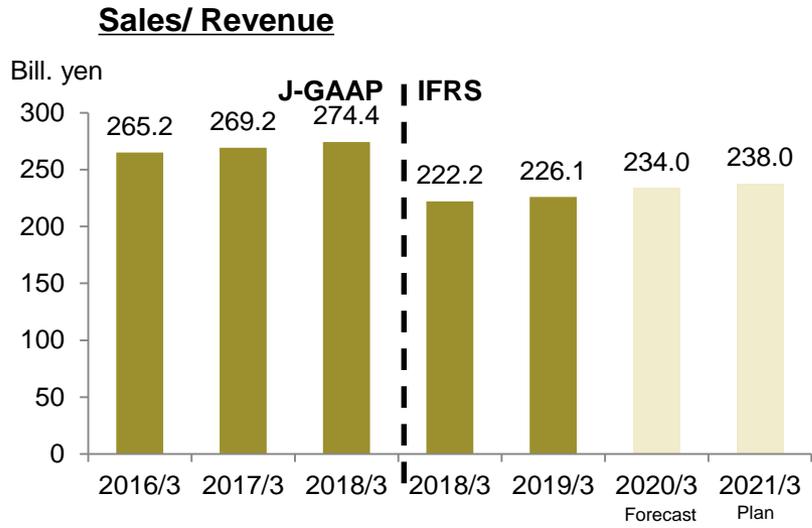
## Operating income/Operating profit/Adjusted operating income/OPM/Adjusted OPM



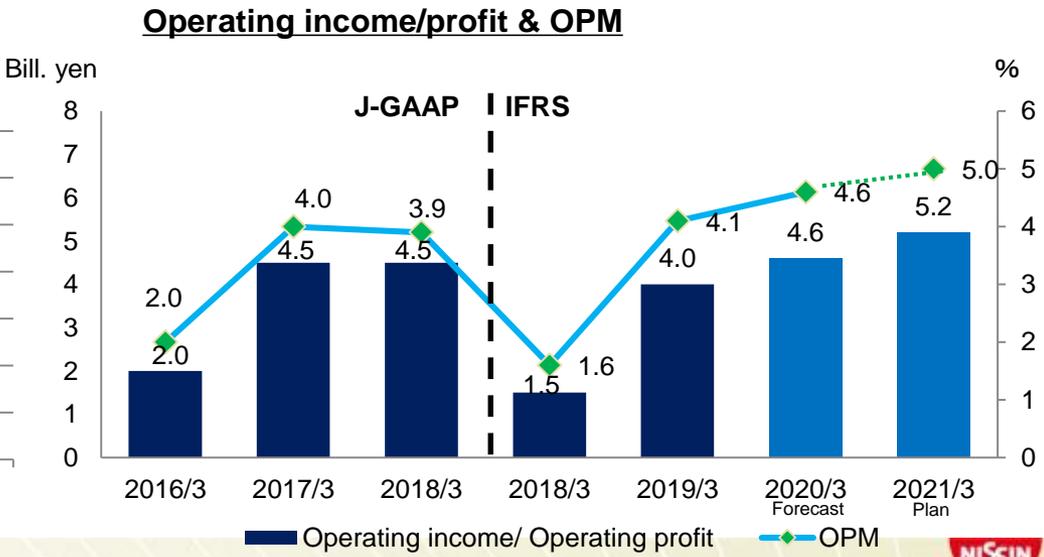
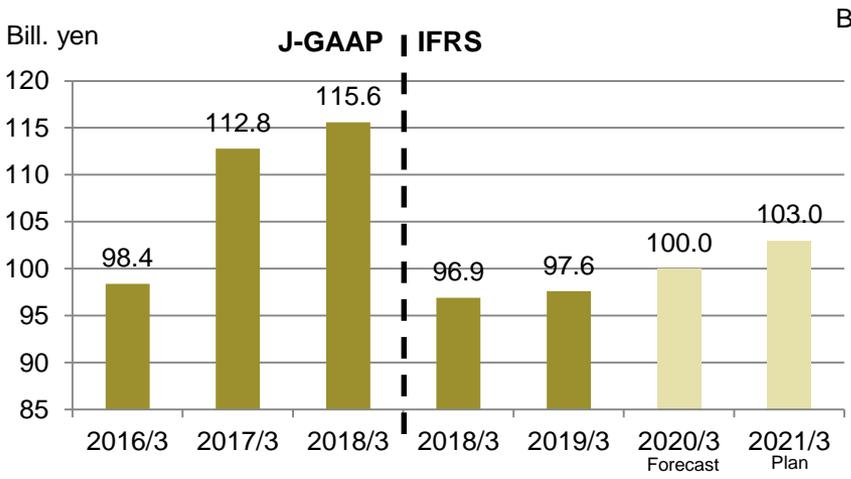
\* Adjusted Operating income = Operating income - Impact from retirement benefit accounting

\* Due to the introduction of IFRS, Adjusted Operating income as KPI was abolished and (IFRS) Operating Profit is KPI.

## Instant Noodles (NISSIN FOOD PRODUCTS&MYOJYO FOODS)

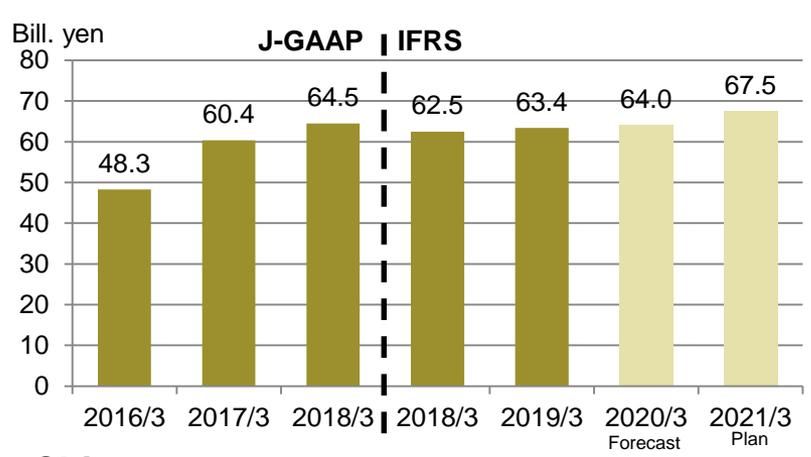


## Chilled and Frozen, Confectionery and Beverages Sales/ Revenue

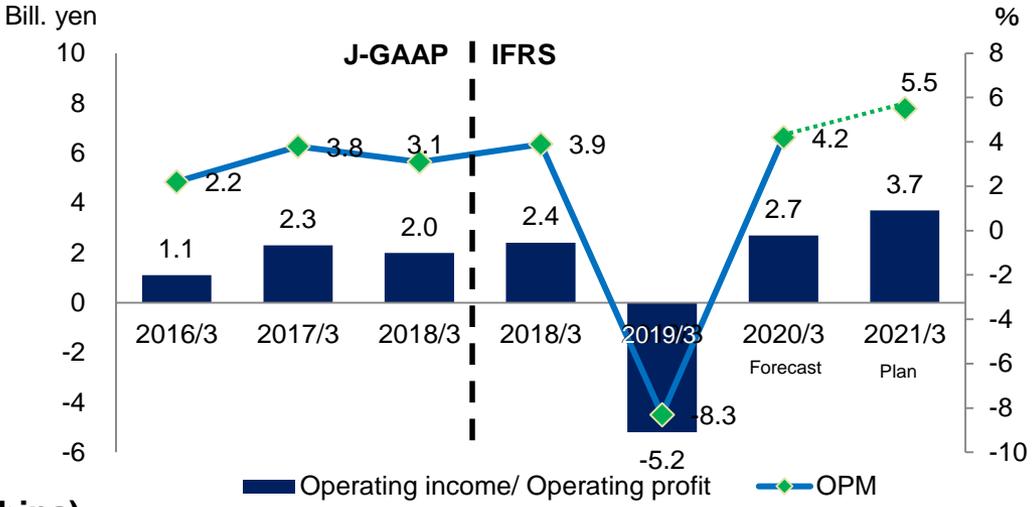


**The Americas**  
(Instant noodles in the U.S., Brazil, and Mexico)

Sales/ Revenue

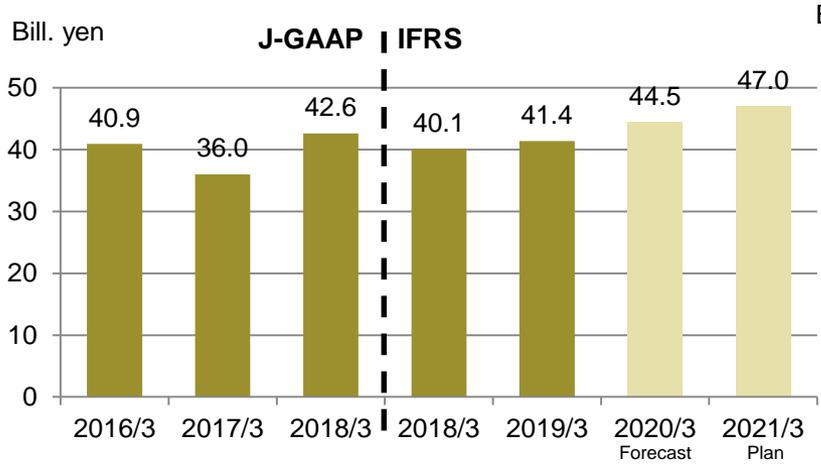


Operating income/profit & OPM

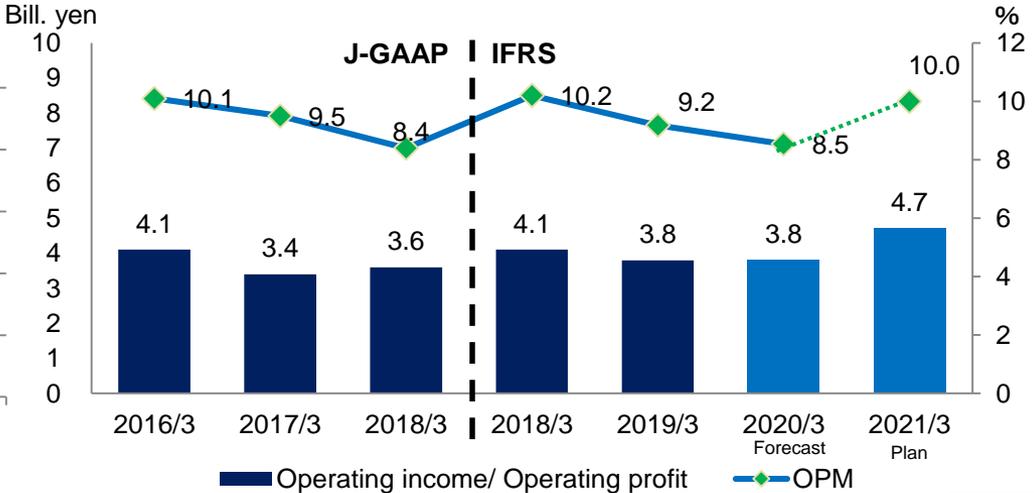


**China**  
(Instant noodles in Hong Kong and Mainland China)

Sales/ Revenue

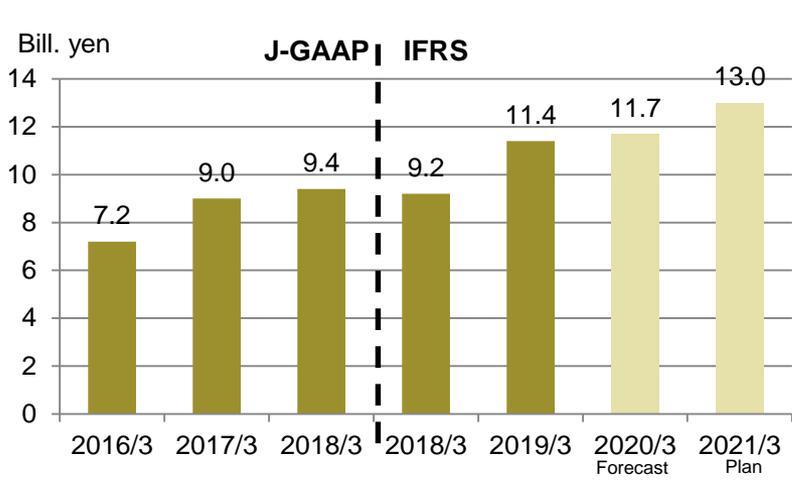


Operating income/profit & OPM

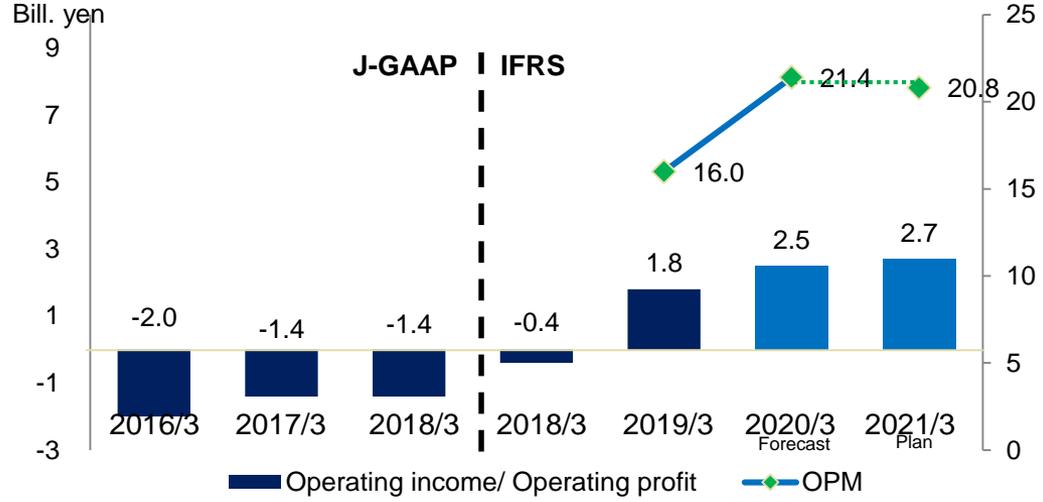


**Asia**  
(Instant noodles in India, Thailand, Indonesia, Viet Nam, and Singapore)

Sales/ Revenue

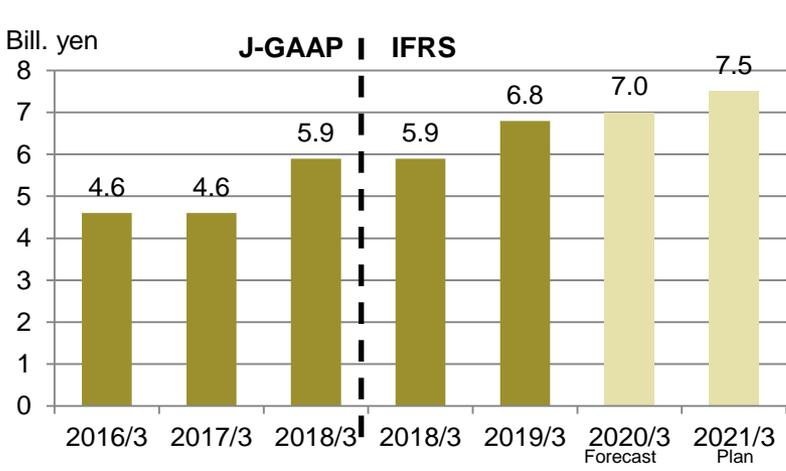


Operating income/profit & OPM

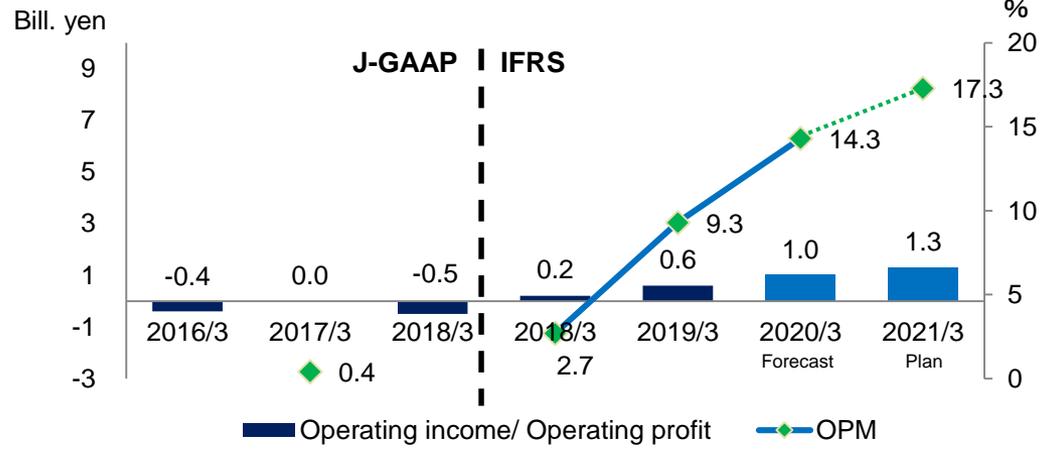


**EMEA**  
(Instant noodles in Europe and Turkey)

Sales/ Revenue



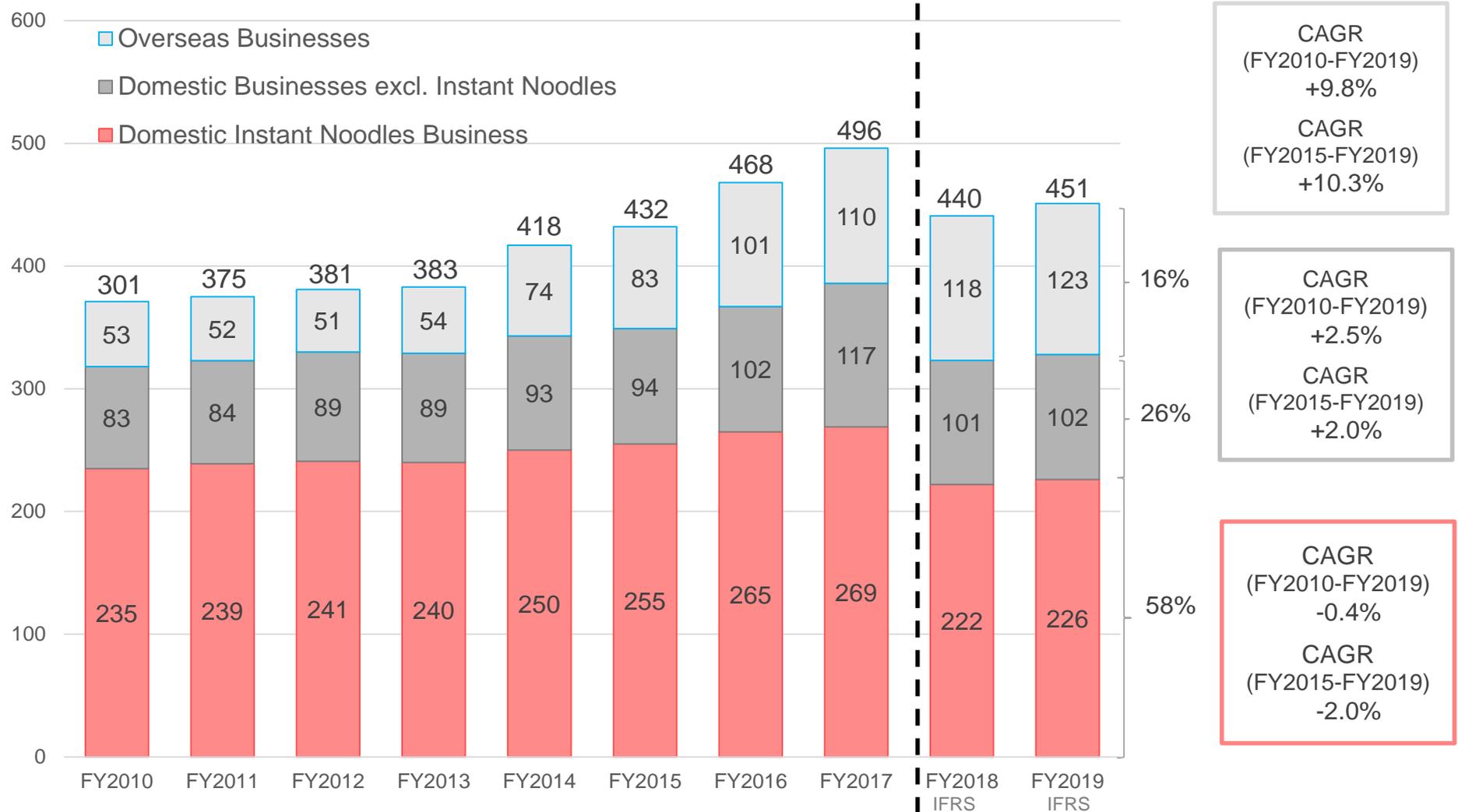
Operating income/profit & OPM



# Growth Trend of Instant Noodles Business

## Consolidated Sales Trend

(bil. Yen)



# Investment Plan, and Financial and Capital Policies (1)

## Capital Investment

- Domestic
  - Investment aimed at saving labor and strengthening safety/security management in the instant noodle business, in the interests of sustained growth, etc.
- Overseas
  - Investment in strengthening production systems in promising growth areas, etc.
- Group-wide
  - Investment in improvements/upgrades

## Depreciation and Amortization

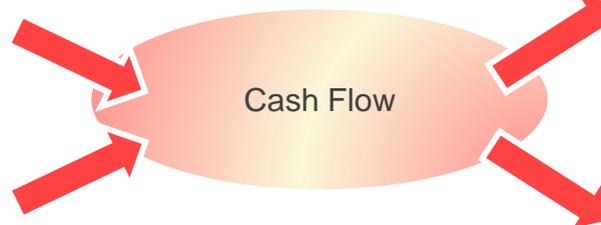
- FY2019 Reasons for YoY increase
  - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I
  - BonChi: New Yamagata Plant
- FY2020 Reasons for YoY increase
  - Increase depreciation due to impacts of application of IFRS 16 (+3.2)
  - NISSIN FOOD PRODUCTS: Operation of Kansai Plant Phase I, II and III
  - NISSIN FOOD PRODUCTS: Ingredients plant
  - NISSIN FOOD PRODUCTS: Chilled and frozen foods Shizuoka plant

## Cash Flow

CF provided by operating activities

Approx. 48.0 bil. yen

In the event of a shortfall in capital, usage of cash and deposits, redemption of investment securities and various type of finance will be considered



(bil. Yen)	5-Year Plan	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
Capital Investment	150.0	36.3	52.0	<b>57.6</b>	<b>49.2</b>

### ■ FY2019 Results

- NISSIN FOOD PRODUCTS: Kansai Plant Phase I and Phase II
- BonChi: New Yamagata Plant

### ■ FY2020 Plan

- NISSIN FOOD PRODUCTS: Kansai Plant Phase III
- NISSIN FOOD PRODUCTS: Ingredients plant
- NISSIN FOOD PRODUCTS: Frozen foods Shizuoka plant
- Overseas : Production line enhancement through production increase

(bil. Yen)	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
J-GAAP	15.4	17.9	-	-
IFRS	-	17.8	<b>20.3</b>	<b>26.3</b>

## Shareholder Returns

Expected dividend payment: 11.4 bil. yen  
Dividend per share (plan): 110 yen  
(1H: 55 yen, Year-end: 55 yen)

## Budget for investment

Capital investment: 49.2 bil. yen  
Business investment: Depends on deals

# Investment Plan, and Financial and Capital Policies (2)

## Shareholder Returns

(Dividends)

- Dividend increase reflecting favorable financial performance, with an aim for achieving **average payout ratio of 40% or above**.

- 👉 FY2018 1H: 45 yen, Year-end: 45 yen, Total: 90 yen
- 👉 FY2019 1H: 55 yen (10 yen Increase), Year-end: 55 yen (10 yen Increase), Total 110 yen (20 yen Increase)
- 👉 **FY2020 1H: 55 yen, Year-end: 55 yen, Total 110 yen (Plan)**

	5-Year Plan	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Plan
Dividend per share	Stable dividend	85 yen	90 yen	110 yen	110 yen
Payout ratio	Average 40% or above	38.4% <sup>*1</sup>	32.2% <sup>*1</sup>	59.2% <sup>*2</sup>	44.1% <sup>*2</sup>

\*1 Based on J-GAAP

\*2 Based on IFRS

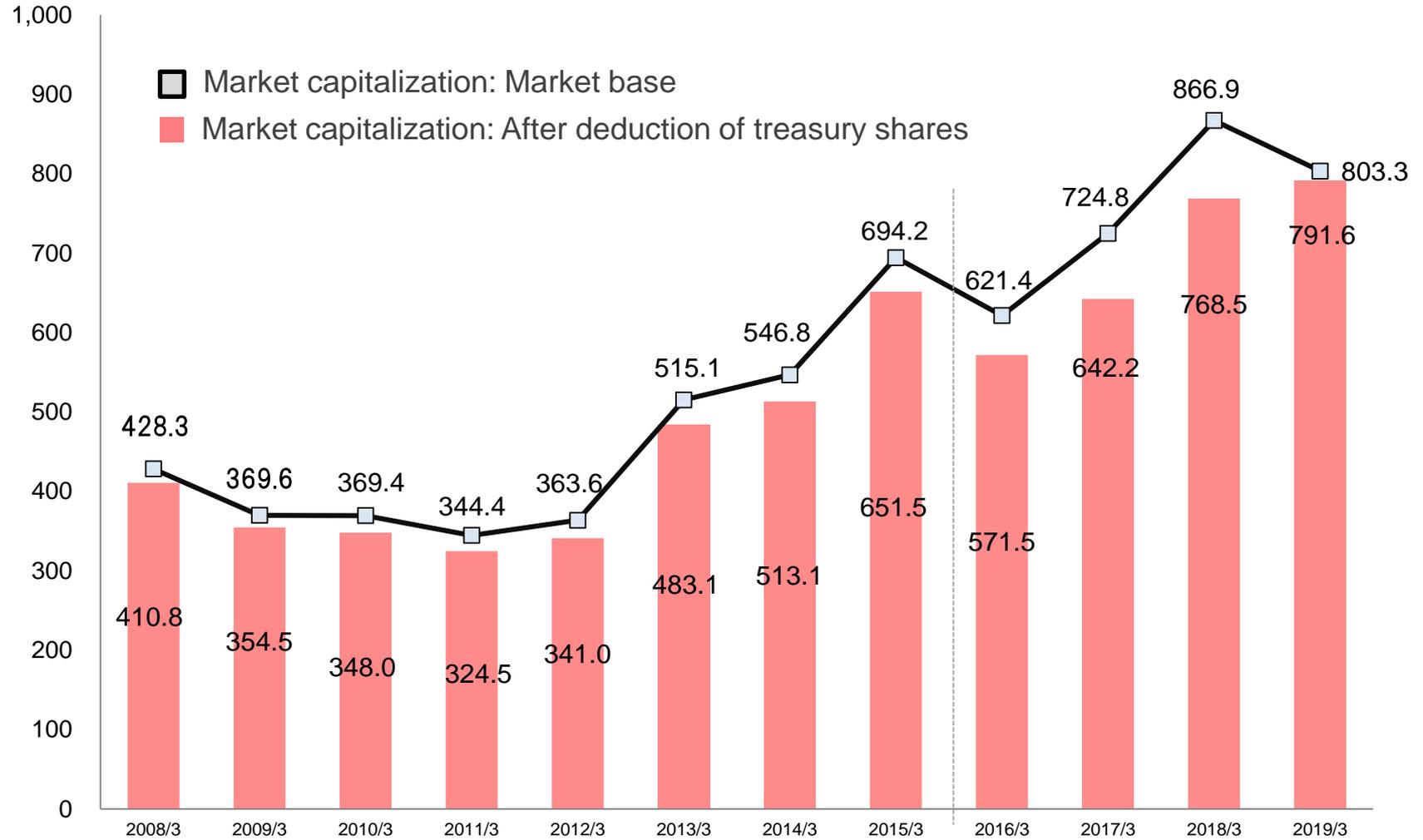
(Treasury stock)

- Consider stock repurchase with agility according to changes in management and business environments
- 👉 FY2017 Executed stock repurchase in Nov.: 4,088,300 shares/ 22,935 mil. yen
- 👉 FY2018: Not executed
- 👉 FY2019: Cancelled 10% of the number of shares outstanding (May 24, 2018, 11,763,685 shares).
- 👉 **FY2019: Consider the timing of stock repurchase, taking the market environment and business environment into consideration.**

## Strategic shareholdings

- 👉 Plan to reduce the number of shares held in view of increasing capital efficiency, and sold some of the shares in FY2017, FY2018 and FY2019
- 👉 **In FY2020, the Group will continue to consider the sale of strategic shareholdings in view of the market and business environment. In accordance with internal investment rules, the Board of Directors is consulted over whether to continue to hold the individual stocks.**

(bil. yen)



# Essence of the MTBP FY2021(Initial)





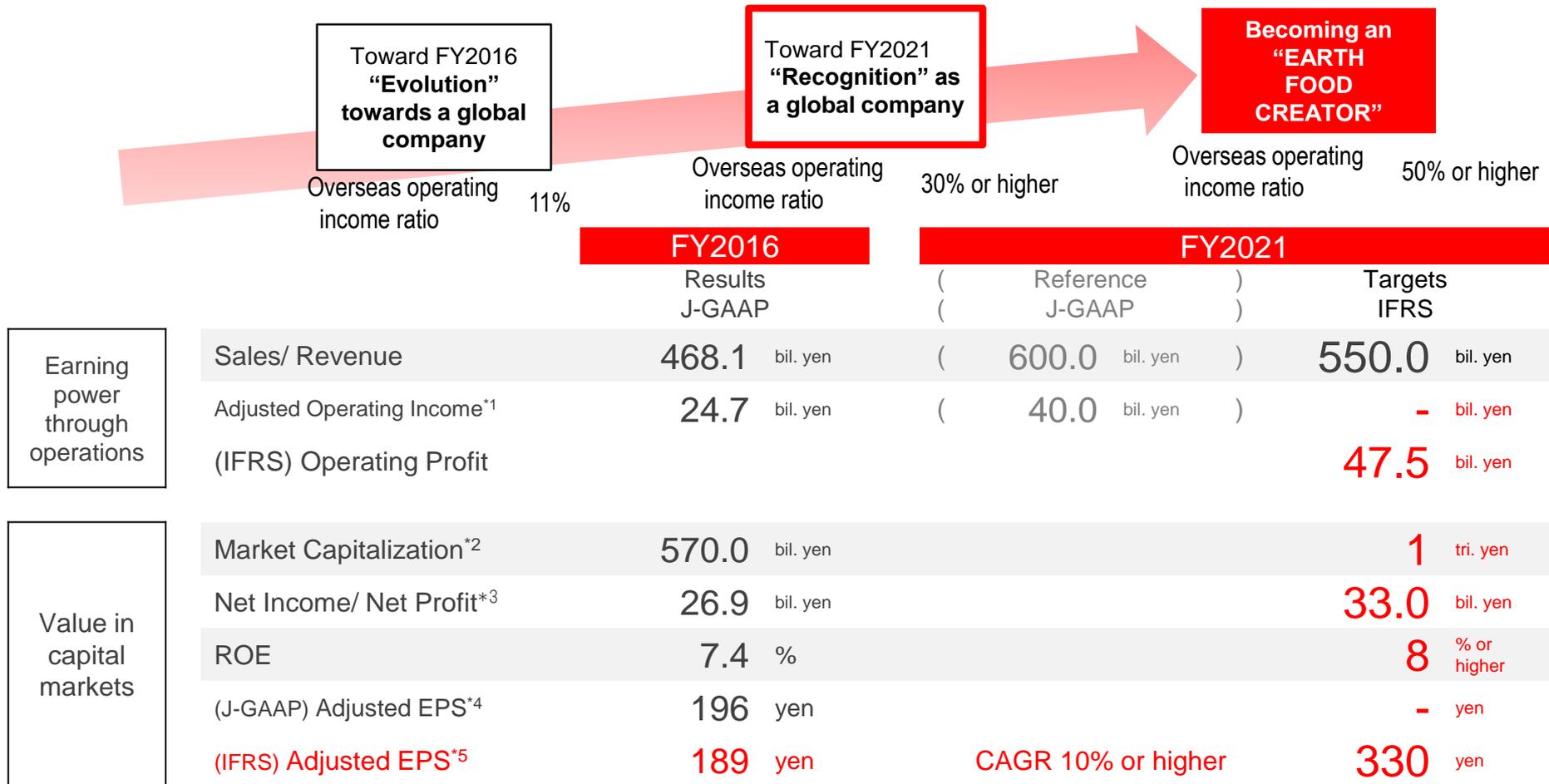
Nissin: 1 Trillion Yen Market Cap in 2020



1,000,000,000,000 YEN

We can do it!

Shift towards “profitability” from the current medium-term plan onwards



Payout ratio: 40% or higher on the average for the five-year period

\*1: Only under the J-GAAP: Adjusted operating income = Operating income under the J-GAAP - Impact of retirement benefit expenses

\*2: Market capitalization = Share price × Shares outstanding at end of year (excluding treasury stocks)

\*3: “Net income attributable to owners of parent” under the Japanese GAAP, “Profit attributable to owners of the parent” under IFRS

\*4: Adjusted EPS(J-GAAP)=Adjusted Operating income after tax + Equity earnings of affiliate companies + Amortization of goodwill (Including those contained in the equity method subsidiaries) - Net income attributable to non-controlling interests /Average number of shares outstanding (excluding treasury stocks)

\*5: Adjusted EPS = (IFRS Operating profit ± Other income, expenses - Tax expense - Profit attributable to non-controlling interests) / Average number of shares outstanding (excluding treasury stocks)

The FY2016 values were estimated because there is no individual data.

# Medium-Term Business Plan FY2021: Change in KPIs (Segment Information)

- Changes to Segment Targets Associated with the Shift to the International Financial Reporting Standards (IFRS) from Q1, FY2019

Earning power  
through  
operations

	FY2021	
(IFRS) Revenue	550.0	bil. yen
(IFRS) Operating Profit	47.5	bil. yen
OP margin	8	% or higher
Ratio of operating profit from overseas business	30	% or higher

(Domestic)

(Overseas)

	(bil. yen)	FY2021			FY2021			
		J-GAAP	IFRS		J-GAAP	IFRS		
		Plan	Plan		Plan	Plan		
Instant Noodles	Revenue	297.6	<b>243.0</b>	▶	Revenue	80.8	<b>80.8</b>	
	Operating Profit	29.5	<b>29.1</b>		The Americas	Operating Profit	6.4	<b>6.4</b>
	OP margin	9.9%	<b>12.0%</b>		OP margin	7.9%	<b>7.9%</b>	
Chilled/ Frozen, Confectionery, Beverages	Revenue	132.3	<b>111.6</b>	▶	Revenue	53.7	<b>53.7</b>	
	Operating Profit	5.2	<b>5.2</b>		China (incl. H.K.)	Operating Profit	5.1	<b>5.1</b>
	OP margin	3.9%	<b>4.7%</b>		OP margin	9.5%	<b>9.5%</b>	
Key currency exchange rates assumed in the plan				▶	Revenue	24.1	<b>24.1</b>	
					Asia	Operating Profit	0.5	<b>2.0</b>
					OP margin	2.2%	<b>8.3%</b>	
				Revenue	8.3	<b>8.3</b>		
				EMEA	Operating Profit	0.8	<b>2.4</b>	
				OP margin	9.4%	<b>28.9%</b>		

\* Based on exchange rates as of the date of the creation of the mid-term plan

\* The values for targets for the China segment are those expected by NISSIN FOODS HOLDINGS.

# Medium-Term Business Plan FY2021: Investment

## Investment

Use capex and business investment by controlling them within the total amount of 250.0 billion yen for the five-year period of the medium-term plan

## Capital Investment

**FY2017-FY2021 (Plan) 150.0 bn yen**

(Policy)

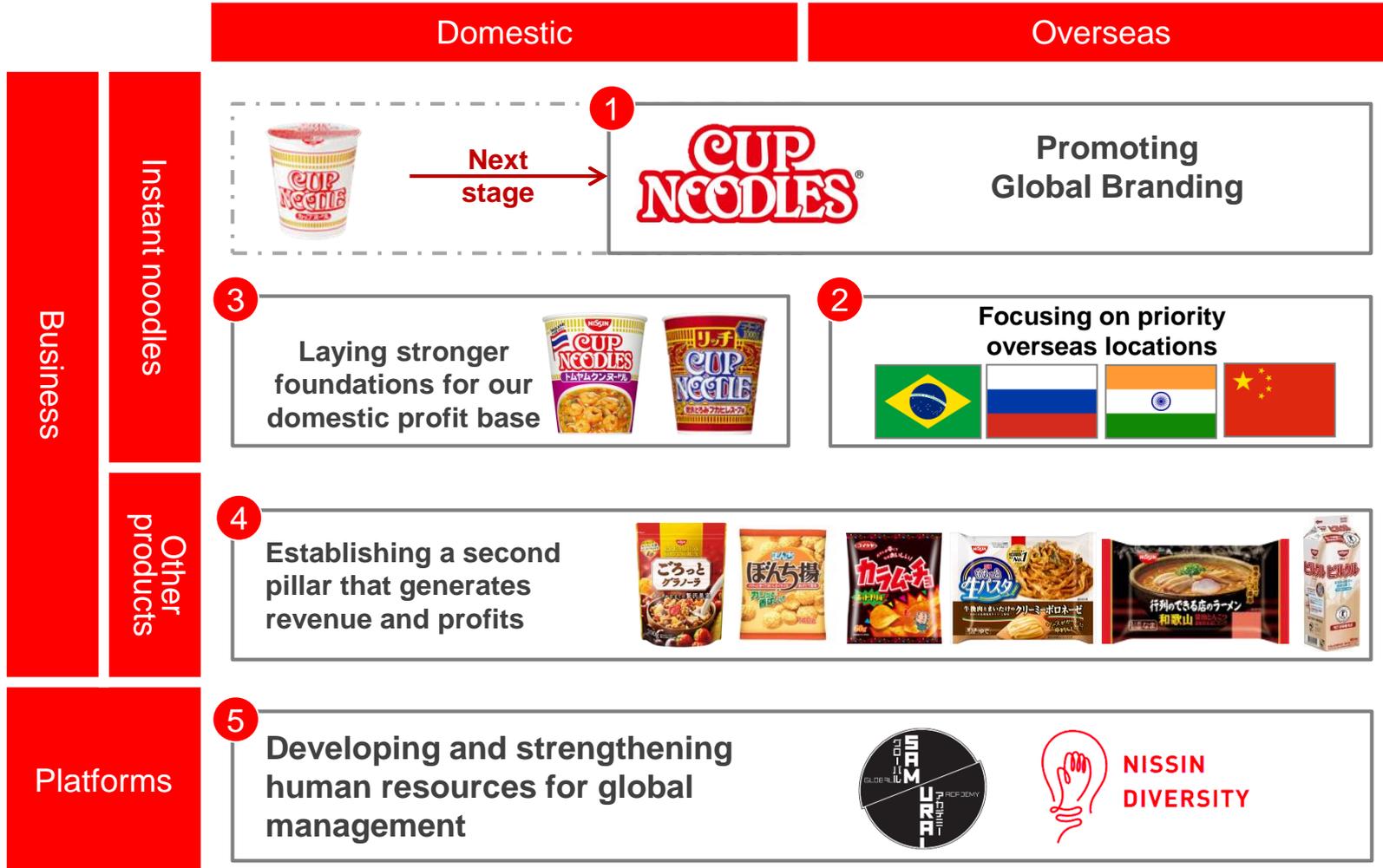
- Domestic: Investment aimed at saving labor and strengthening safety/security management in the instant noodle business, in the interests of sustained growth, etc.
- Overseas: Investment in strengthening production systems in promising growth areas
- General: Maintenance and upgrades

## Business Investment (M&A)

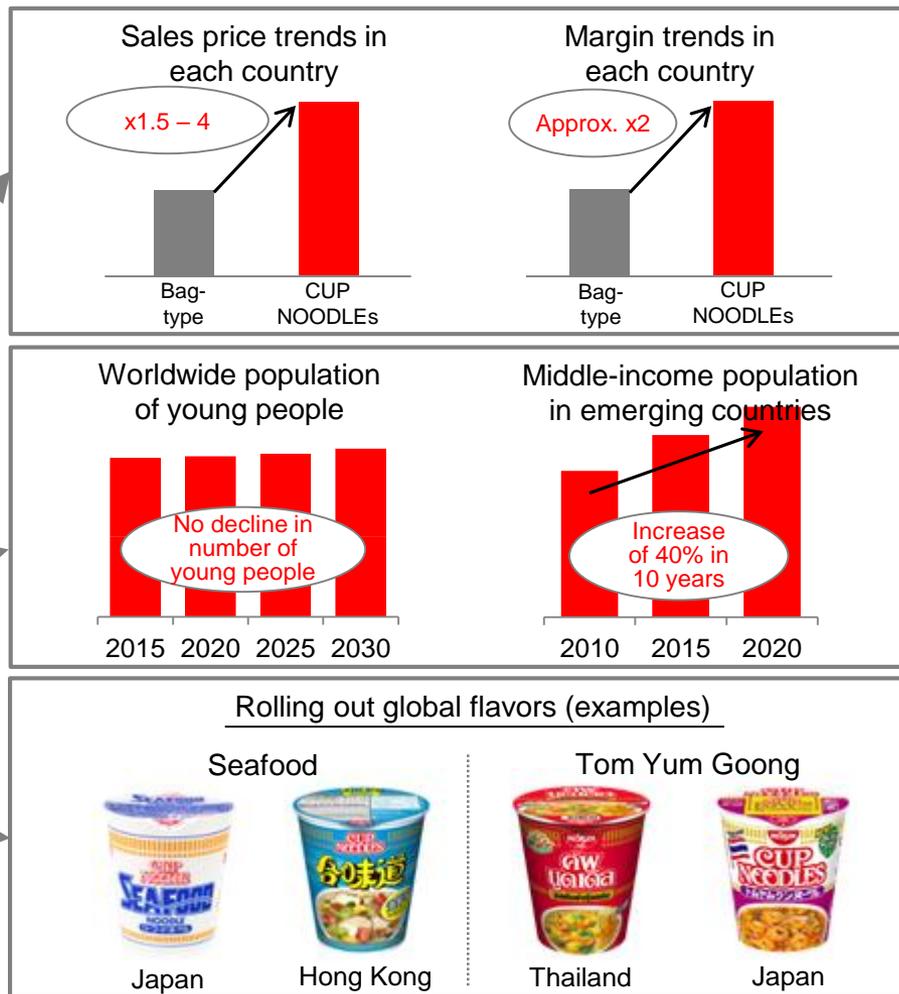
**FY2017-FY2021 (Plan) 100.0 bn yen**

		Overseas	
		Advanced markets (Europe, U.S., Hong Kong, Singapore)	Emerging markets (Mainly BRICs)
Instant noodles	Domestic	Projects likely to enhance value, revolving around brands	
	Other products	Projects to strengthen competitiveness, revolving around confectionery	Projects likely to generate synergy with instant noodle business (Confectionery, soups, cereals, etc.)
		Locations with technology that can be rolled out globally	

- Focusing on five key themes in pursuit of business profitability



Actively rolling out CUP NOODLES, as a high value-added product that makes the most of our strengths, to young people with a certain standard of living, in order to improve overseas profitability



- Approaching clearly defined target markets with initiatives including design, flavor and promotion with the aim of expanding more efficiently and effectively, and increasing overseas CUP NOODLES sales (units) by 50%

Overseas CUP NOODLES sales (units) in FY2021: **Up 50%**  
(Compared to FY2016)



- As markets continue to grow in scale and standards of living continue to improve, we have earmarked BRICs as priority locations where we expect to achieve growth by harnessing NISSIN's strengths in each area.

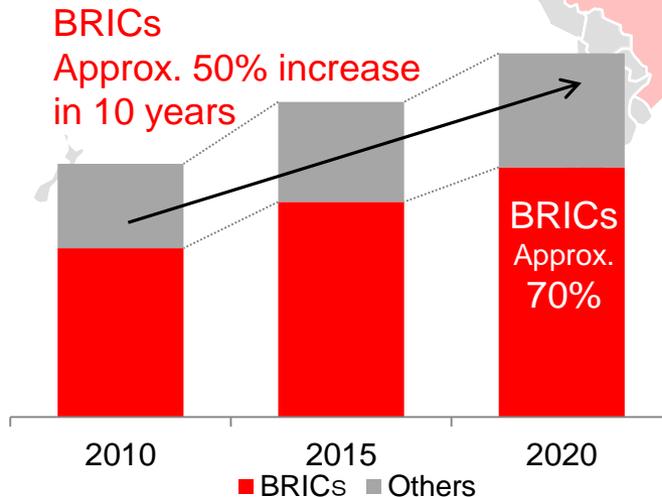
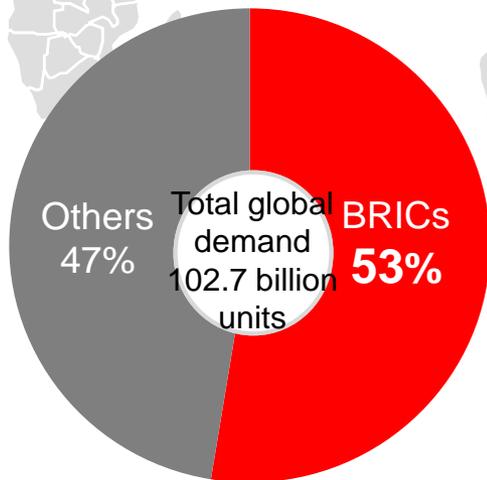
Income\*1 to be generated in the priority overseas locations accounts for: (in income from overseas business)

Approx. 70% in FY2021



Total demand for instant noodles (unit basis)\*2

Middle-income population in emerging countries\*3



\*1 Income = Operating income + Equity method income \*2 Source: WINA/2014

\*3 Source: NISSIN estimates based on data from various sources

- ✓ **China:** Making the most of our leading share of the growing market for upright cup-type noodle products to expand our sales area
- ✓ **India:** Stepping up promotion of CUP NOODLES to rapidly growing population of middle-income earners, as well as tapping into growth in bag-type instant noodle products

## China

## India

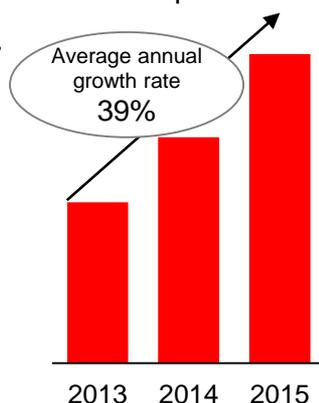
### Market environment

- Thriving market for upright cup-type instant noodle products, with significant growth year on year
- Continuing trend towards growth in middle-income earners, particularly in urban areas

### Opportunities for NISSIN

- Holding approx. 60% share of the upright cup-type noodle market
- Still room for growth through expansion of sales area

Scale of market for upright cup-type noodle products\*1



Most popular: Seafood

2<sup>nd</sup> most popular: Five-spice beef

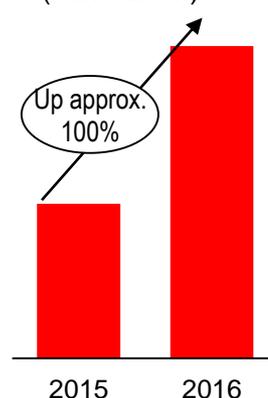
### Market environment

- Underlying recovery following a one-off significant contraction due to market turmoil last year
- Anticipated growth in cup-type noodle market in the future due to increase of middle-income earners

### Opportunities for NISSIN

- Our sales up 100% year on year even after the comeback of the leading manufacturer
- Growth being backed up by food safety initiatives
- Still small scale, but NISSIN has a leading share of the cup-type noodle market

Indo Nissin sales (units) year on year\*2 (Jan-March)



TOP RAMEN



CUP NOODLES

\*1 Source: Nielsen 2015

\*2 Source: Internal data

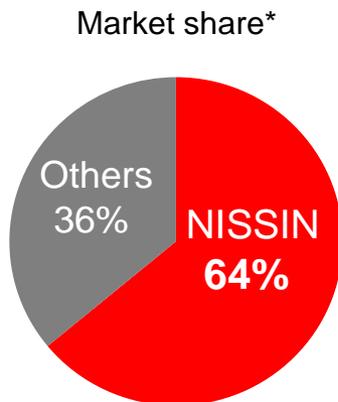
- Establishing strong foundations as market leader in both Brazil and Russia
- ✓ **Brazil:** Building on strong foundations to reinforce CUP NOODLES and establish a base of operations for expansion into South America
- ✓ **Russia:** Strengthening support structure in order to secure an even greater market share and increase income

## Brazil

## Russia

### Market environment

- Total demand of 2.4 billion units (10<sup>th</sup> place worldwide)
- Cup-type noodle market still accounts for around 4% - plenty of room for further growth



### Opportunities for NISSIN

- Capitalizing on Brazil NISSIN's overwhelming market share to develop cup-type noodle market
- Plans to launch a new CUP NOODLES promotion project in fall 2016



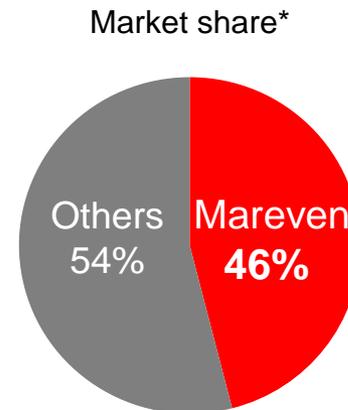
Nissin Lamens



CUP NOODLES

### Market environment

- Total demand of 2.0 billion units (11<sup>th</sup> place worldwide)
- Cup-type noodle market accounts for around 25%



### Opportunities for NISSIN

- Mareven Food (JV) has excellent brand recognition
- Powerful nationwide sales and delivery network
- Still scope for growth through increased cooperation on technology, product development, etc.



Rollton (bag)



Rollton (tray)

\*Source: Nielsen 2015

Developing the domestic instant noodle market further, investing in sophisticating plants to improve food safety and production efficiency, and achieving stable profit over the long term

Operating income from domestic instant noodle business

JPY 25.3 bn  
(FY2016 Actual)



JPY 29.5 bn\*  
(FY2021 Plan)

## Develop the domestic instant noodle market further

Product proposals/communication aimed at specific target market

- Encouraging the “next generation”  
Successful communication with young generation: trend towards more experience of and interest in eating noodles amongst target market



- Encouraging female consumers
- Tapping active seniors

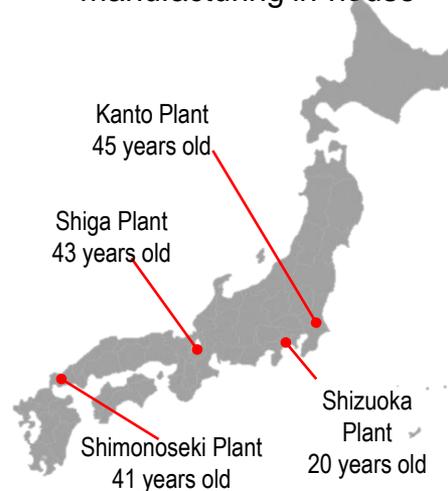


... etc.

## Investing in sophisticating plants

Rebuilding aging facilities, with an eye to restructuring domestic plants

- Further improving food safety and security
- Cutting costs by saving labor, conserving energy and manufacturing in-house



Using robots to put deep-fried tofu in bowl

# Creating a “Century Brand Company”

\*Operating income for FY2021 Plan is based on J-GAAP. IFRS will be adopted from 1Q of FY2019. So, based on IFRS, operating profit for FY2021 Plan is JPY 29.1 bn.

# Establishing a Second Primary Revenue Source: Confectionery/Cereal Business

- As well as growing brands organically, we intend to strengthen cooperation to achieve greater synergy, expand overseas operations and make the most of M&A, with the aim of increasing sales to JPY 100.0 billion, including partners.

**NISSIN 日清シスコ**  
NISSIN CISCO



No.1 best selling cornflakes (unit base)      Rapidly growing major brand      Brand with over 50 years history

**ほんち**  
Bonchi



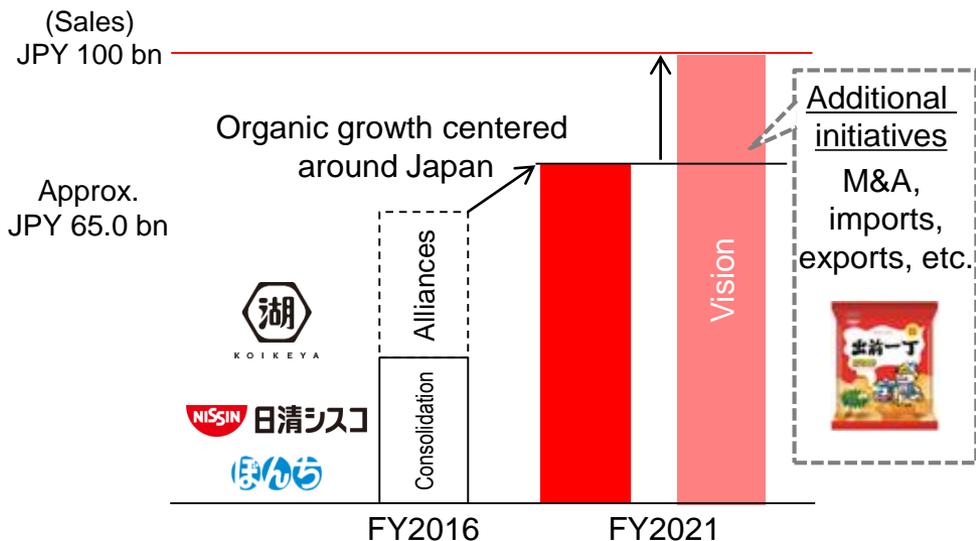
Brand with over 50 years history

**湖** KOIKE-YA Inc.



No.1 for spicy flavors      No. 1 for sour flavors

- Stepping up cooperation between three existing companies
  - Appointing outside executives to oversee the confectionery business
  - Promoting groupwide cooperation on sales, marketing, procurement, etc.
- Launching overseas expansion initiatives
  - Building on NISSIN's overseas business foundations to expand confectionery operations
  - Strengthening import and export business
- Making the most of M&A to expand strong brands even further



- Building on efforts to establish brands throughout the previous medium-term period in order to increase profit growth domestically

## NISSIN 日清食品チルド

### NISSIN CHILLED FOODS



No.1 value-added ramen noodles



No.1 in *Tsukemen* (dipping noodles) category



No.1 two-serving *yakisoba* (fried noodles)

## NISSIN 日清ヨーク

### NISSIN YORK



No.1 in convenience store channel



Japan's first drinking yoghurt

## NISSIN 日清食品冷凍

### NISSIN FROZEN FOODS



No.1 in regular category



No.1 in fresh pasta category



No.1 in spicy category

Having established a platform-based support structure, we intend to increase management human resources and accelerate global management in the future, based on both human resource development measures within the group and recruiting externally.

Expanding our pool of management human resources

100 people (FY2016) **x2** 200 people (FY2021)

- Selection-based in-house university program
- Promoting diversity
- Overseas trainee schemes etc.



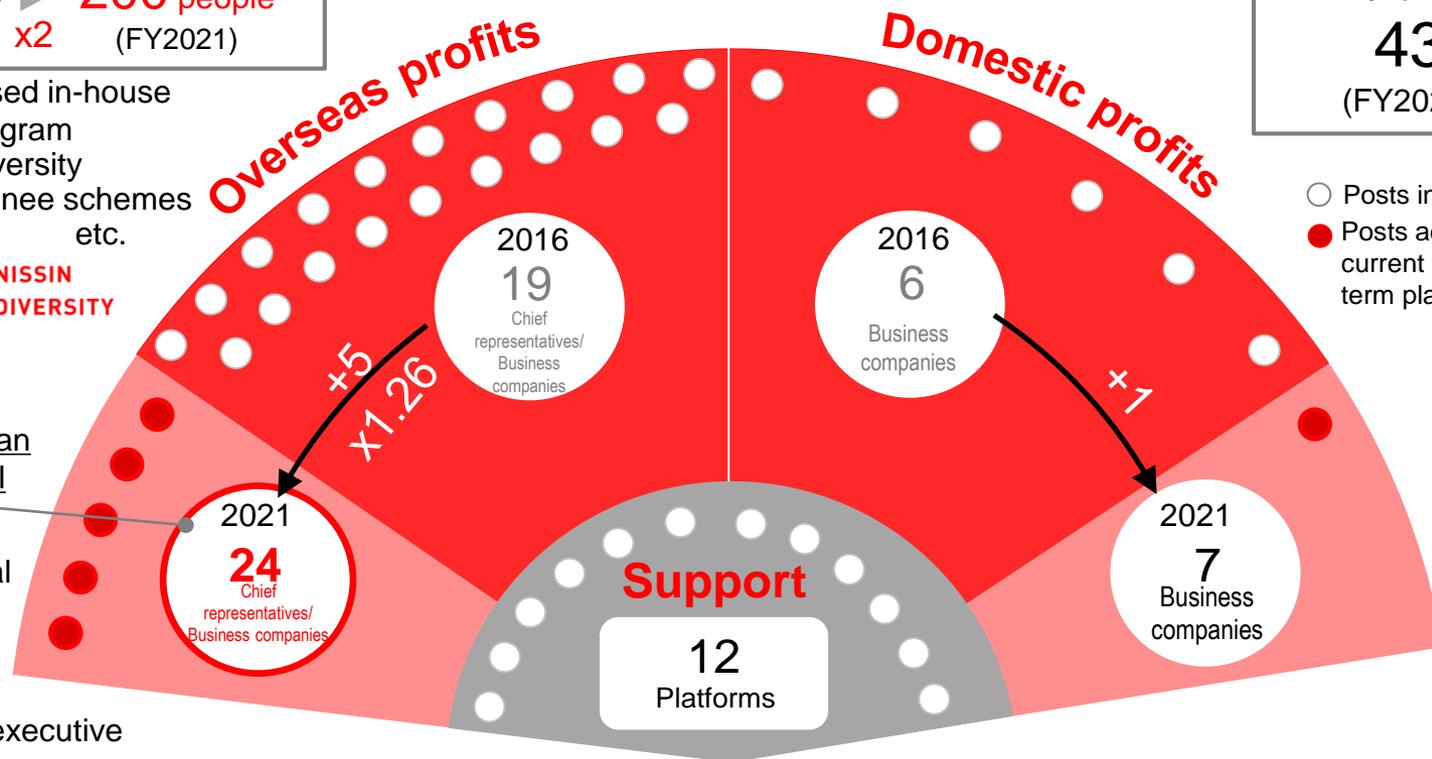
NISSIN DIVERSITY

Key posts  
**43**  
(FY2021)

- Posts in FY2016
- Posts added under current medium-term plan

Strengthening human resources for global management

- Recruiting external management human resources familiar with local markets
- Developing local executive employees
- Strengthening global capabilities amongst management human resources



Having established a global support structure built on NISSIN's expertise

# Section 2

## Domestic Business Strategy

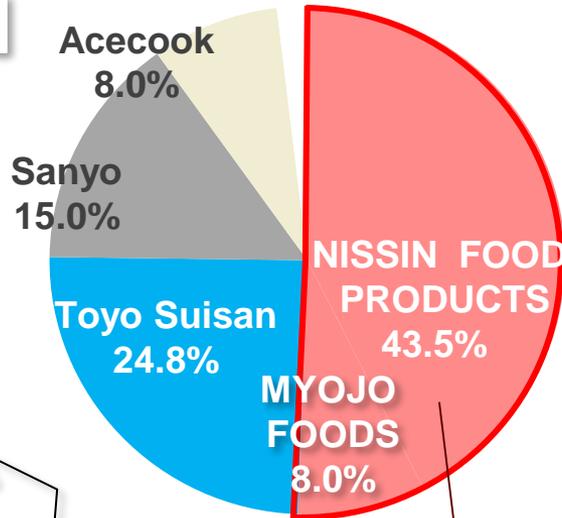


# NISSIN's Position in Instant Noodles Industry in Japan

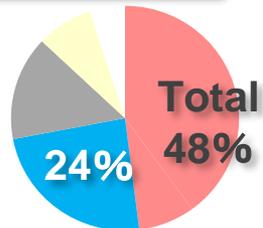
**Market Share of NISSIN FOODS GROUP: 52%**

Sales base, the year ended March 31, 2018

**FY2018**



**FY2013**

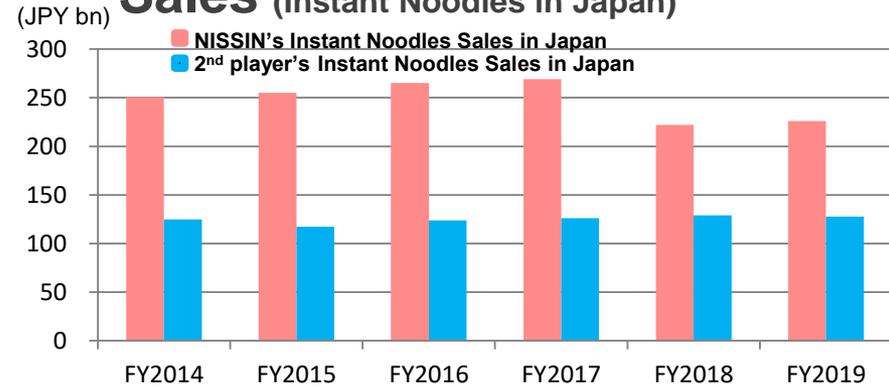


**NISSIN FOODS Group Total 51.5%**

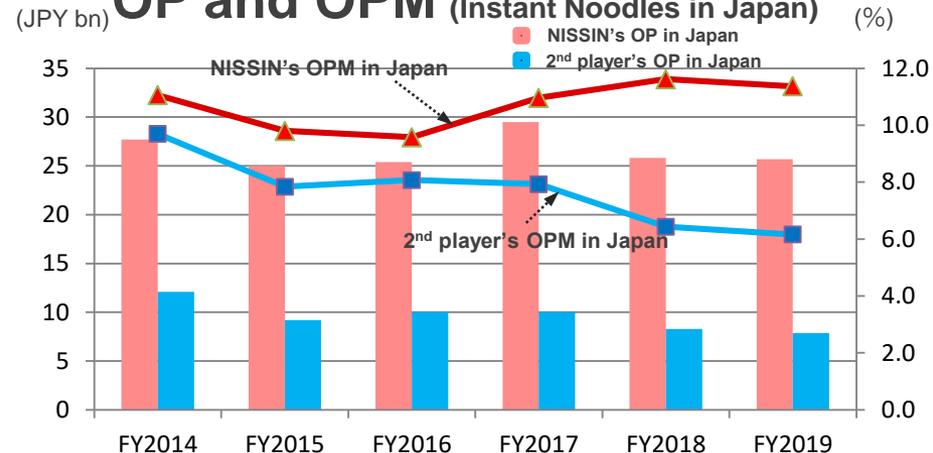
Note: MYOJO FOODS is a 100% subsidiary of NISSIN FOODS  
(Source: Nikkei Value Search)

**NISSIN's Domestic Instant Noodles Biz Twice as much as 2nd player's**

## Sales (Instant Noodles in Japan)



## OP and OPM (Instant Noodles in Japan)



(Sources: NISSIN: NFP+MYOJO, 2nd Player: Domestic instant noodles segment)

Fiscal Year (FY) ended at March 31 of each year, J-GAAP bases

**Annual demand in volume: 5.78 billion, Annual consumption in Japan : 45.7 servings/person**  
(Population of Japan: 126.5 mil Source: WINA (January 2018 - December 2018) ,IMF(population))

# Power of NISSIN's Brands in Japan

## NISSIN is ranked No. 3 in Japan Brand Recognition Ranking

Consumer Market (B to C), appraised by general consumers in 2019

Brand ranking	
1	Amazon
2	YouTube
3	NISSIN
4	MUJI
5	Google
6	TOYOTA
7	NITORI
8	DAISO
9	SUNTORY
10	Rakuten



2010: 11th  
2011: 5th  
2012: 8th  
2013: 9th  
2014: 17th  
2015: 3rd  
2016: 25th  
2017: 6th  
2018: 7th  
2019: 3rd

2010: 30th  
2011: 27th  
2012: 14th  
2013: 15th  
2014: 21st  
2015: 24th  
2016: 7th  
2017: 5th  
2018: 52th  
2019: 22nd

**Among 1,000 brand names**, “Brand Japan,” a renowned survey company, makes a ranking list by using four indicators: Friendliness, Convenience, Uniqueness and Innovativeness

Source: Brand Japan,  
NIKKEI BP Consulting

## TV Commercial Success

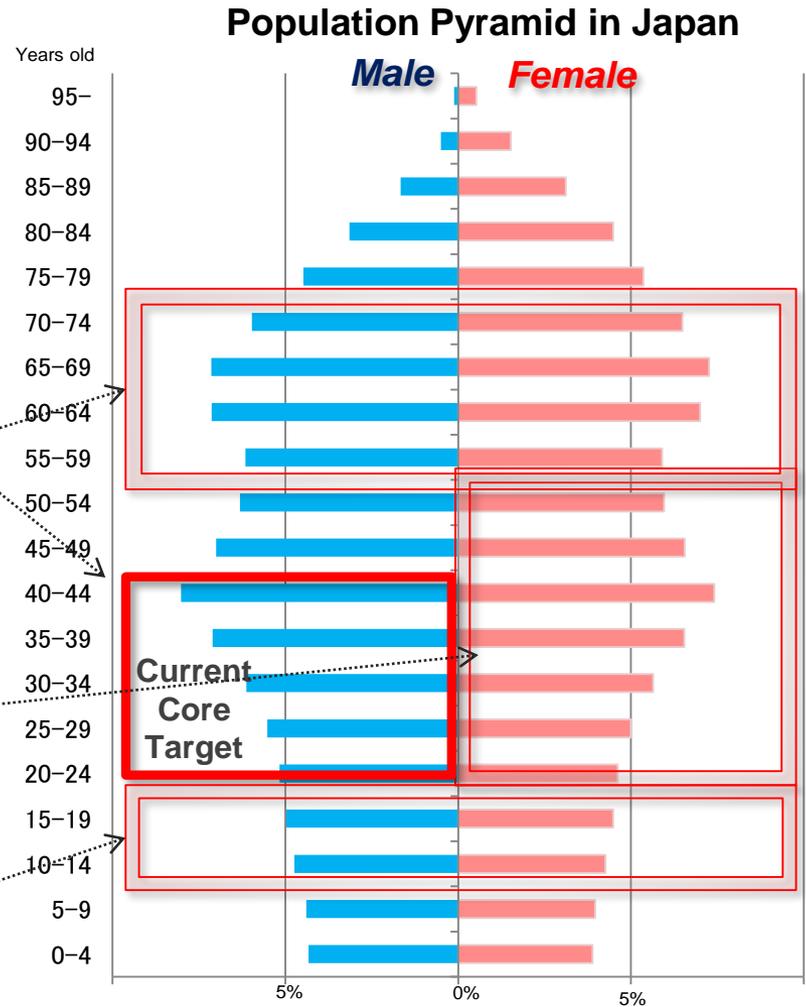
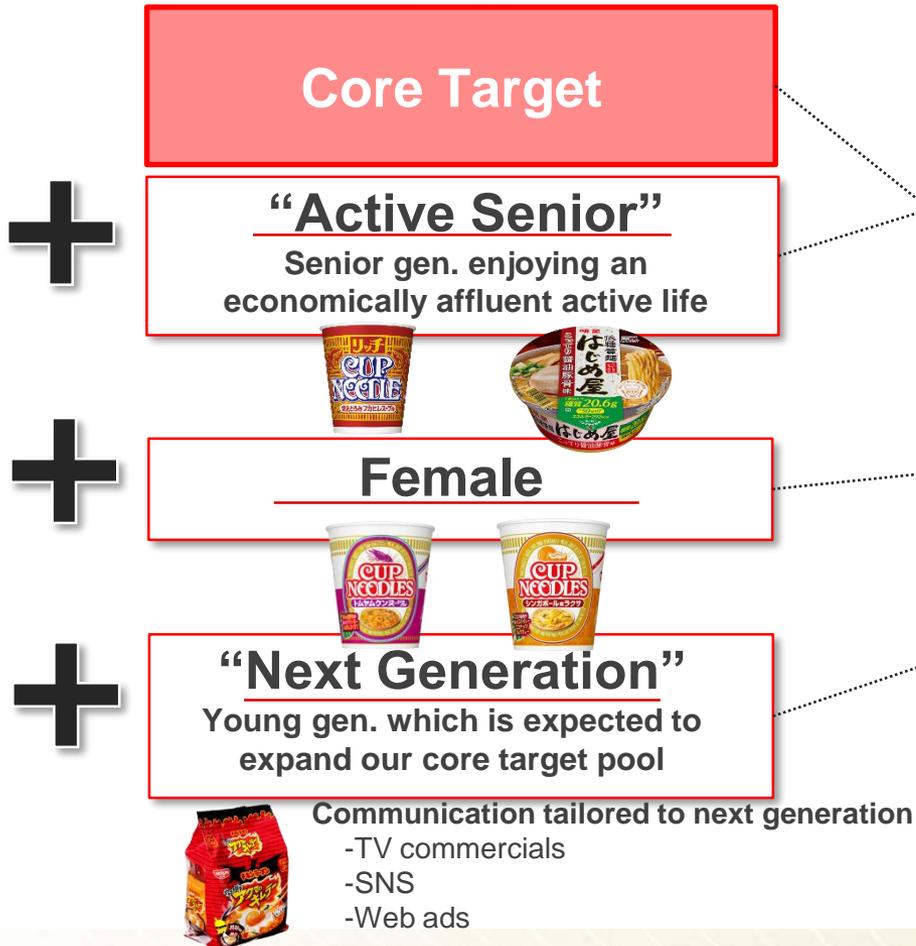
TV Commercial Likability  
Rating in FY2019  
(April 2018 - March 2019)

Corporate	
1	KDDI
2	SoftBank
3	NTT docomo
4	Coca-Cola
5	Kao
6	NISSIN FOODS
7	P&G
8	Recruit
9	Hazuki Company
10	Kirin

Source: CM Soken Consulting

## Solid growth opportunities

- ✓ Increase core target pool and approach to new customer targets of cup-type noodles



%: Population of each bracket / Population total  
Source: Bureau of Statistics, Ministry of Internal Affairs and Communications. Figures in Oct. 1<sup>st</sup>, 2014

# Growth Strategy of Instant Noodles Business-2

## “Active Senior”

Senior gen. enjoying an economically affluent active life



Targeting for active senior and health conscious consumers

## Female



Featuring ethnic flavor targeting at female

## “Next Generation”

Young gen. which is expected to expand our core target pool

Communication tailored to next generation

- TV commercials
- SNS
- Web ads



## Core Target



Brand extension

*CHICKEN RAMEN, CUP NOODLE and DONBEI* achieved  
Record-high revenue for FY2019.

## チキンラーメン

Since 1958



## CUP NOODLE

カップヌードル

Since 1971



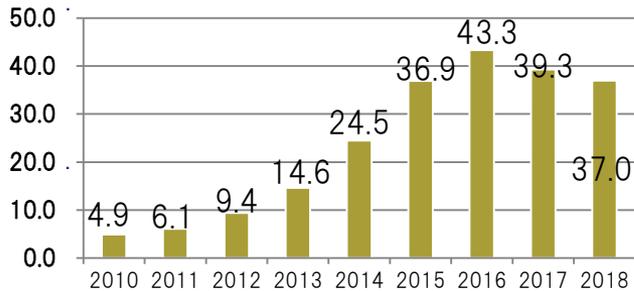
Since 1976



# Growth Strategy of NISSIN's Domestic Other Businesses

## Confectionery and Cereal

### Granola



Source: Japan Snack Cereal Foods Association



### Biscuit (sablé)

Long-seller product since 1965 with renewed brand image.

Granola and biscuit businesses are operated by NISSIN CISCO Co., Ltd.



### Deep-fried rice cakes

Making "BonChi Co.," one of the major rice cracker companies, a consolidated company since the 1<sup>st</sup> quarter of this fiscal year ended March 31, 2017



### Potato chips

Owning 34.53% of "KOIKE-YA Inc." a second largest potato chips player and joining forces to expand its business.



## Chilled and Frozen Noodles

Focusing on high value-added products in competitive markets by leveraging our accumulated noodle-related expertise.



Chilled and frozen noodles are businesses operated by NISSIN CHILLED and NISSIN FROZEN, respectively.

## Beverages

### Lactobacillus and yogurt drink

Cultivate value strategy to add an appeal with "Food for Specified Health Uses"

The first drink yogurt launched in Japan and still growing



Beverage business is operated by NISSIN YORK Co., Ltd.

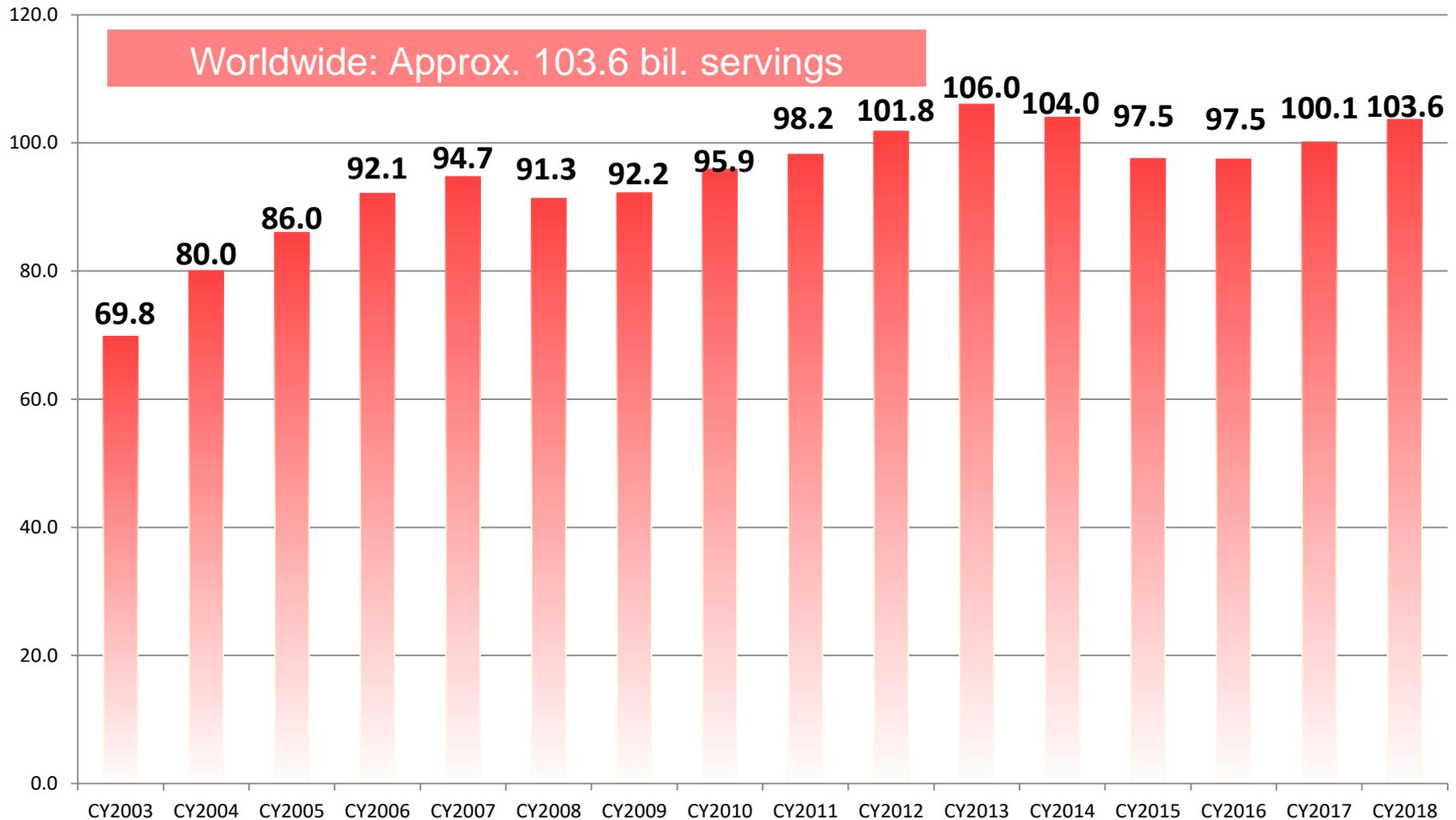
# Section 3

## Overseas Business Strategy



# Global Demand Trend of Instant Noodles

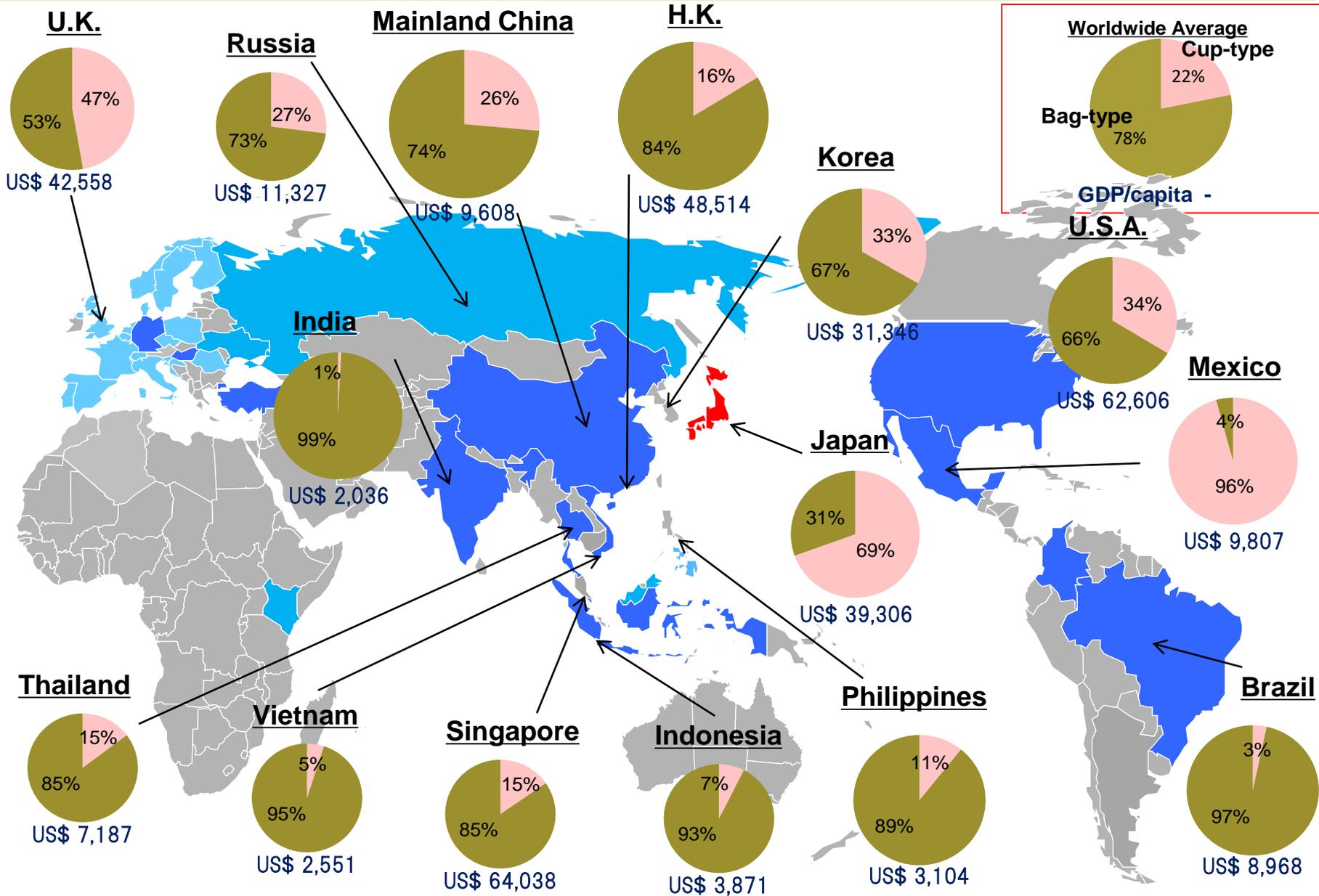
Unit: Billion servings



(Source: World Instant Noodles Association) (Jan.- Dec.)

Figures up to CY2013 might not be exactly correct since WINA restates and endorses only past five years including the latest year.

# Cup Composition Rates and GDP/Capita

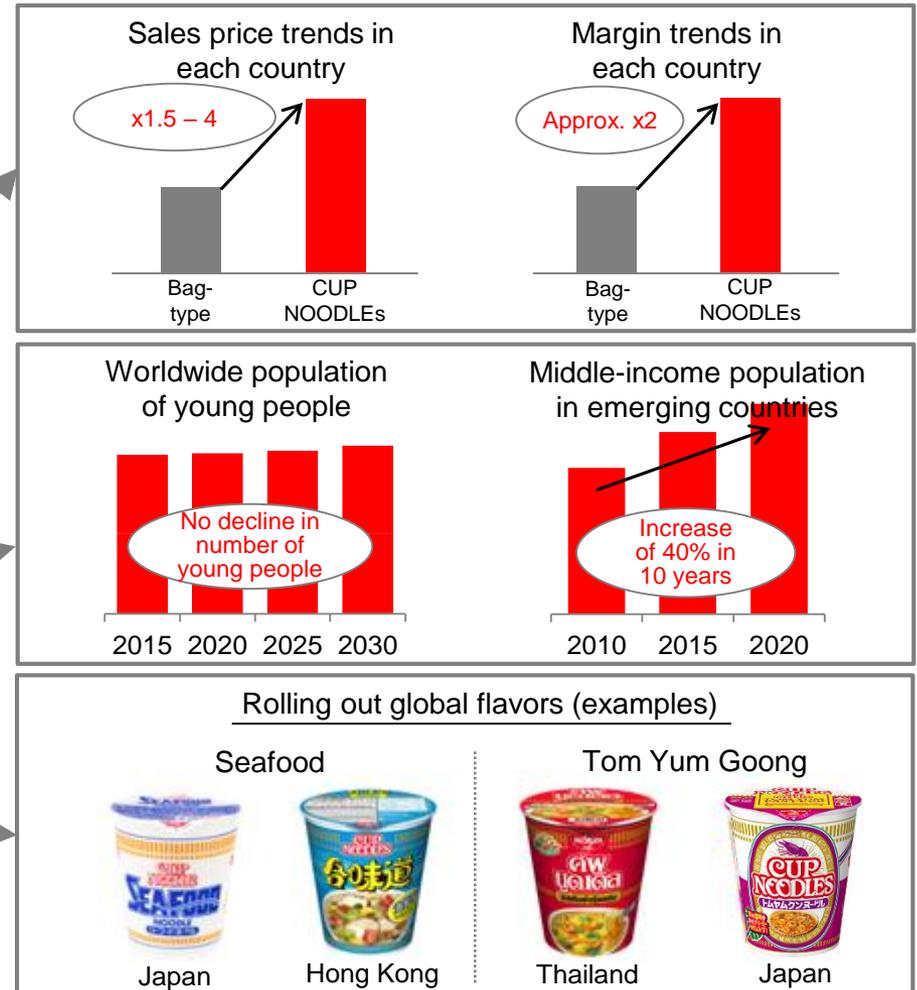


(Volume Base, Source: World Instant Noodles Association in CY2018) (Jan.- Dec.)



# CUP NOODLES Strategy- 1

Actively rolling out *CUP NOODLES*, as a high value-added product that makes the most of our strengths, to young people with a certain standard of living, in order to improve overseas profitability



## CUP NOODLES Strategy- 2

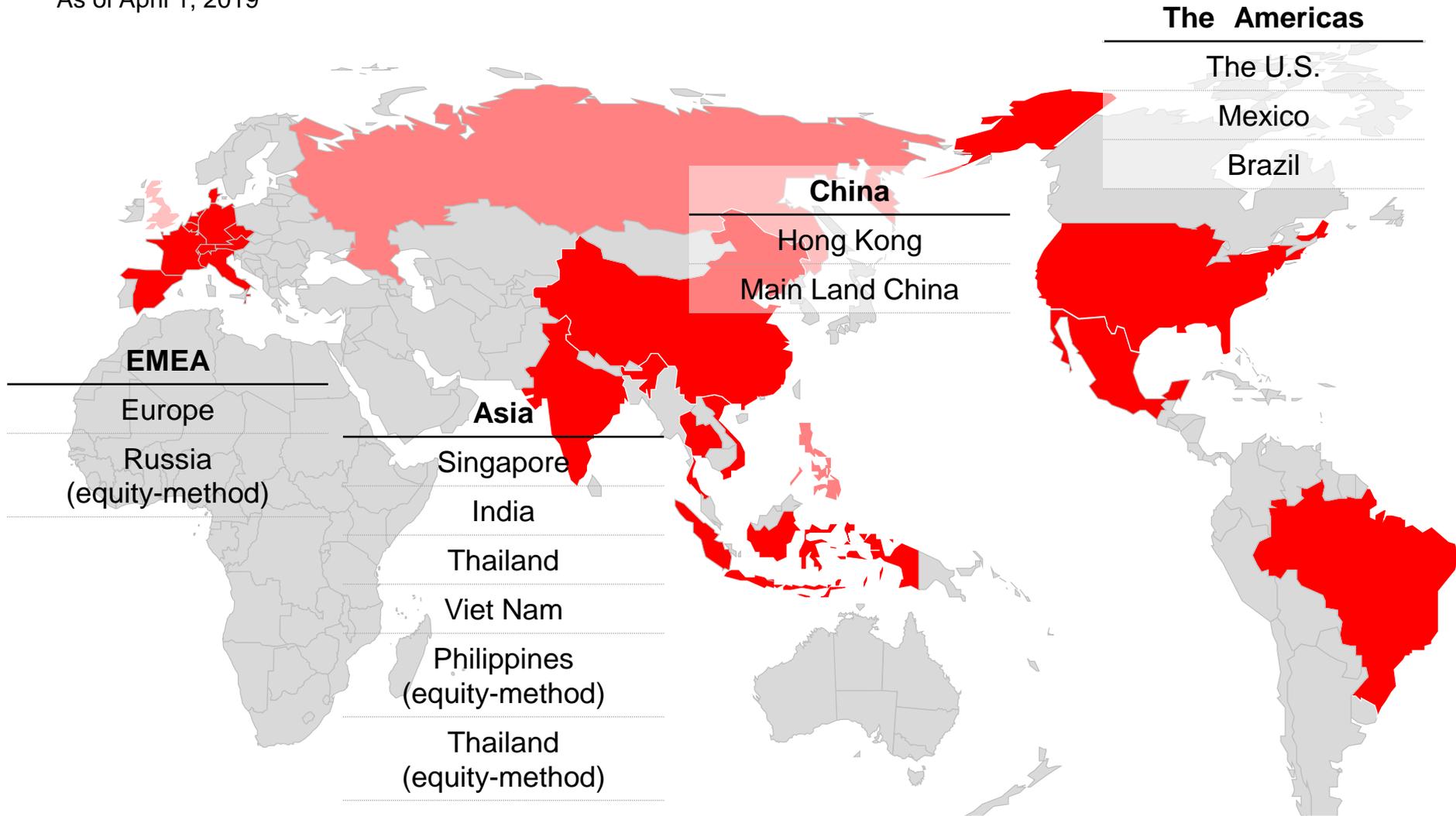
- Approaching clearly defined target markets with initiatives including design, flavor and promotion with the aim of expanding more efficiently and effectively, and increasing overseas *CUP NOODLES* sales (units) by 50%

Overseas *CUP NOODLES* sales (units) in FY2021: **Up 50%**  
(Compared to FY2016)



# Overseas Expansion(wholly-owned/equity-method/investing)

As of April 1, 2019



Due to the adaption of IFRS from Q1 FY2019, operating profit includes non-amortization of goodwill (including affiliates accounted for using equity method), gain (loss) on investments accounted for using the equity method, and extraordinary gains and losses.

# Relationship with Premier Foods plc



- **March 24, 2016**

**Entered into a conditional co-operation agreement with Premier Foods plc**

: on utilization by both parties of their respective distribution networks, joint development of products, cooperation in research and development, manufacture by one party of the other party's products and others.

- Pursuant to the terms of the conditional co-operation agreement, NISSIN FOODS HOLDINGS has the right to appoint a non-executive director to the Board of Premier for so long as it holds an interest in shares representing 15 percent or more of the ordinary issued share capital of Premier.
  - As of March 23, 2018, Shinji Honda is appointed as a non-executive director and as NISSIN's managing executive officer(CSO).
  - Percentage of shares acquired: 19.6% (As of March, 2019)

- **February 2017**

**Super Noodle in Pots is one of the first successes of NISSIN's collaboration with Premier Foods.** They are available in the classic Super Noodles flavors - Chicken, Curry, Bacon and BBQ Beef.



## Outline of Premier Foods

Name:	Premier Foods plc
Location:	Hertfordshire, UK
Business:	Production and distribution of processed foods, cooking source and confectionary

# Growth Drivers by Geographical Area

(JPY bn)

Fiscal Year		March 2016 (Actual) J-GAAP	March 2017 (Actual) J-GAAP	March 2018 (Actual) J-GAAP	March 2018 (Actual) IFRS	March 2019 (Actual) IFRS	March 2020 (Forecast) IFRS	March 2021 (Mid-term Plan) IFRS	Growth Drivers
The Americas	Sales/Revenue	48.3	60.4	64.5	62.5	63.4	64.0	<b>67.5</b>	<b>Brazil:</b> ✓ Significant growth by expanding cup-type noodle market through CUP NOODLES strategy
	OP/OI	1.1	2.3	2.0	2.4	-5.2	27	<b>3.7</b>	
China (incl. H.K.)	Sales/Revenue	40.9	36.0	42.6	40.1	41.4	44.5	<b>47.0</b>	<b>Mainland China:</b> ✓ Secure dominant market share in the growing premium instant noodle market
	OP/OI	4.1	3.4	3.6	4.1	3.8	3.8	<b>4.7</b>	
Asia	Sales/Revenue	7.2	9.0	9.4	9.2	11.4	11.7	<b>13.0</b>	<b>India:</b> Growth potential backed up by vast population and middle-income earners at 8 metropolitan cities <b>Thailand:</b> CUP NOODLES sales grow thanks to the change of retail industry
	OP/OI	(2.0)	(1.4)	(1.4)	(0.4)	1.8	2.5	<b>2.7</b>	
EMEA	Sales/Revenue	4.6	4.6	5.9	5.9	6.8	7.0	<b>7.5</b>	✓ Under the transition period from stable profit base to expansion of sales and profit
	OP/OI	(0.4)	0.0	(0.5)	0.2	0.6	1.0	<b>1.3</b>	

CUP NOODLES Strategy

In light of changes in the business environment and the issues of each region/business, we have revised segment targets for March 2021.

## History of Brazil Business

1965 Local instant noodles company was established by Taiwanese (Named "MIOJO ALIMENTOS")

1972 Capital injection from Ajinomoto Co., Ltd.

1975 Capital injection from NISSIN FOODS HOLDINGS →JV btw. Ajinomoto & NISSIN (55:45)

1983 Change in ownership (50:50) and name: NISSIN AJINOMOTO ALIMENTOS LTDA.

2002 Started to manufacture cup-type instant noodles

2013 Started operation of new factory, "Gloria do Goita"

2015 (October) Became a 100% subsidiary of NISSIN by acquiring 50% for 32.5 billion yen

## Financial Performances of NFB\*1

(Million Brazilian Real)

FY	Dec. 2014 (J-GAAP)	March 2019 (IFRS)
Sales	Approx. 700.0	Approx. × 1.2

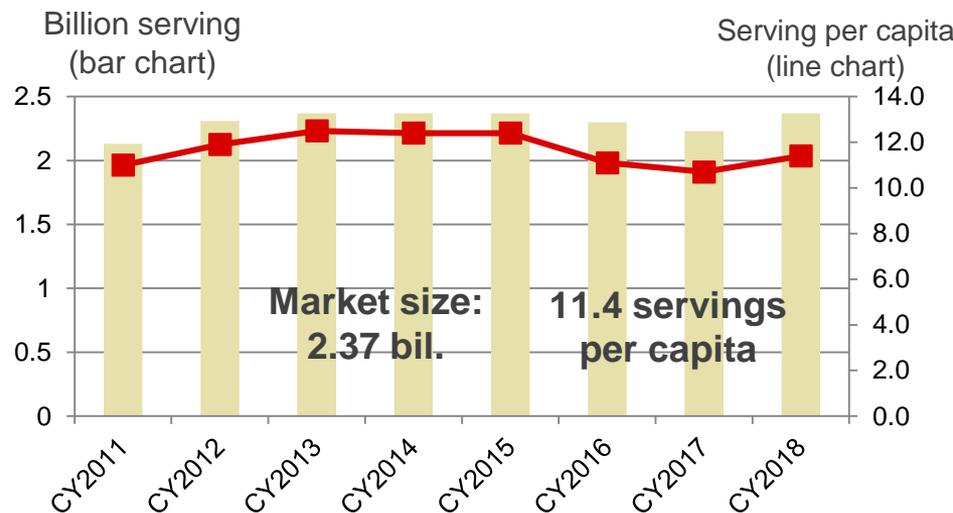
\*1: NFB =NISSIN FOODS DO BRASIL LTDA.

The operating income margin is expected to be above 9% in the fiscal year ended March 2020. We target to achieve 10% for the medium term.

Note: Up until FY2015, fiscal years of NFB had been from Jan. to Dec. From FY2016, its fiscal term has been changed to "from April to March"

## Instant Noodles Market Transition

(Source: World Instant Noodles Association) (Jan.- Dec.)



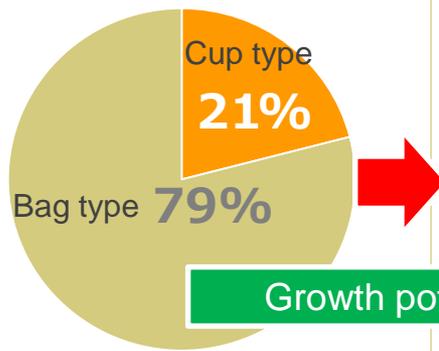
## NISSIN's market share (unit base)



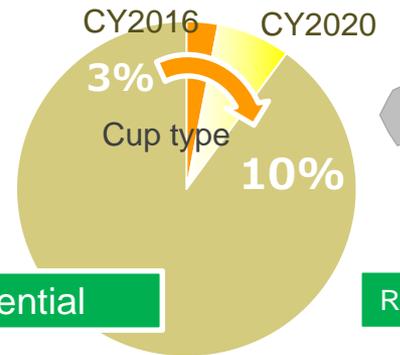
Economy seemed to hit the bottom

## Cup/Bag instant noodle composition (unit base)

### Worldwide average



### Brazil market



New **CUP NOODLES** was launched in Sept. 2016

Contributed by **CUP NOODLES** sales expansion

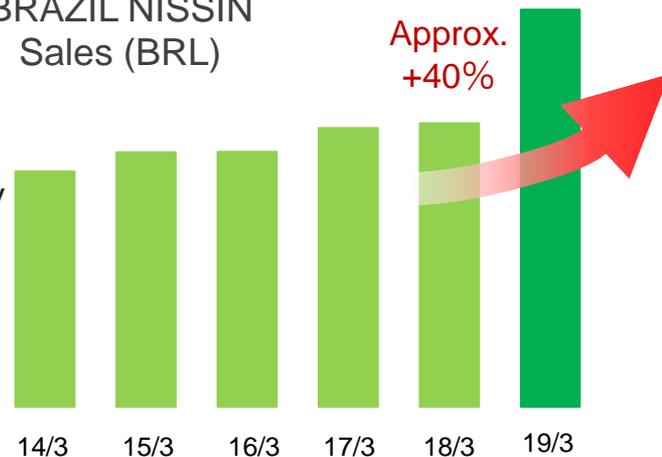
- High name recognition as No. 1 player
- Offer food sampling to have consumers realize its quality and value
- Have consumers feel a sense of familiarity to the product by leveraging social media

Gain a good response and confidence mainly in cities in southeast and south areas

Capabilities in technology and product development

Enhance marketing

## BRAZIL NISSIN Sales (BRL)



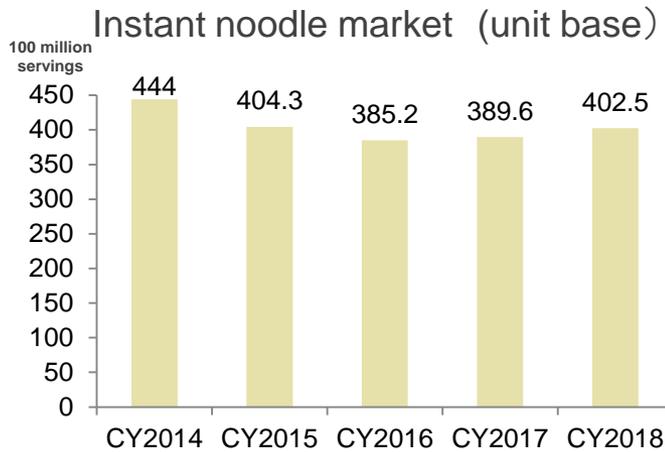
**1.4 bil. people**

**Large population**

**40.3 bil. servings/year**

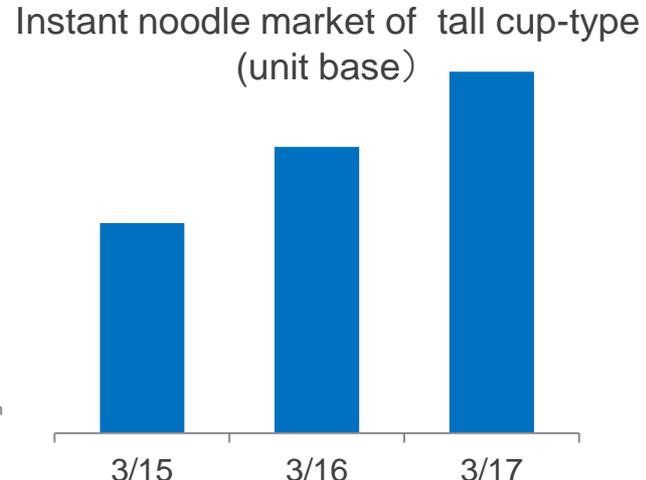
Source: WINA/2018

**Large demand (Instant noodles)**



Source: WINA/2018

**Getting Shrinking-instant noodles market moving again**



**Expanding tall cup-type instant noodles market size**

**Increased 70% in 2 years**

Source: NISSIN

## Hong Kong

- Further improvement of business base through business diversification



Instant noodles

Frozen Foods

Potato chips

Joint venture with Kagome, a fruit beverage manufacturer (from July 2018)

## Mainland China

- Brand development in the rapidly growing premium market
- Further penetration of *CUP NOODLES* brand
- Expansion of sales and distribution networks
- Business diversification (manufacture and sale of potato chips)
- Quality control that is characteristic of a Japanese company



**Listed on the Hong Kong Stock Exchange Main Board (December 11, 2017)**

- 35 sales offices and 6 admin. offices in distributor's offices as of March 2019

Large portion of each amount below is to be appropriated for capital investment.



**Zhejiang Plant**  
(浙江日清)

**Fujian Plant**  
(福建日清)

**Guangdong Plant**  
(広東日清)

**Dongguan Plant**  
(東莞日清)

**Winner Plant**  
(永南食品)

Manufacture instant noodles  
Completed in May 2017  
**Approx. 5.7 bil. yen**

Manufacture instant noodles  
In operation from April 2016  
**Approx. 4.0 bil. yen**

Manufacture packaging materials  
In operation from May 2015  
**Approx. 2.4 bil. yen**

**Zhuhai Plant**  
(珠海永南)

**NISSIN Plant in H.K. (Cup)**  
(香港日清 グラノーラ)

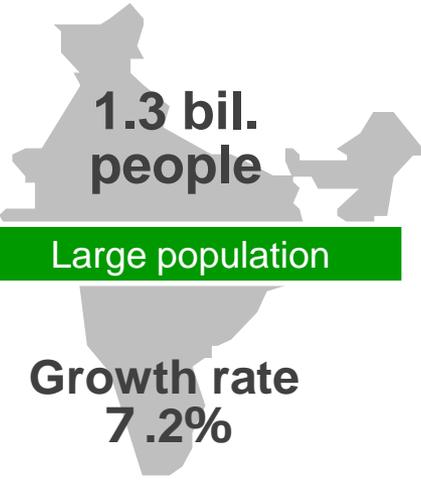
Manufacture granola with products sales having commenced in January 2019

**HK\$30.0 million**

**NISSIN Plant in H.K. (Cup)**  
(香港日清 カップ麺)

**NISSIN Plant in H.K. (Bag)**  
(香港日清 袋)

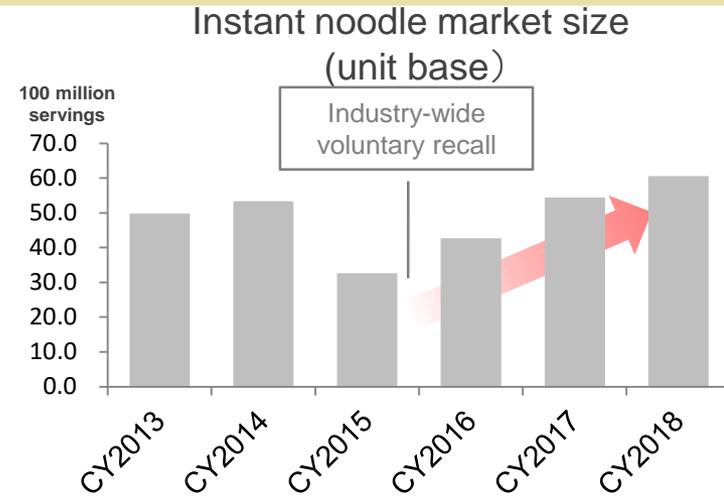
Manufacture instant noodles  
In operation from April 2017  
**Approx. 6.0 bil. yen**



8 metropolitans		Population
2011	Extended UA	(000' people)
Delhi		21,753
Greater Mumbai		20,748
Kolkata		14,618
Chennai		8,918
Bangalore		8,729
Hyderabad		7,749
Ahmedabad		6,352
Pune		5,050

Source: "INDIA STATS : Million plus cities in India as per Census 2011"

**Population concentration in metropolitans**



**Recovery from industry-wide voluntary recall**

**Expected growth rate: more than 10%**

Source: WINA/2018



10INR      20INR



50INR



40INR

## Expand sales of bag-type noodles

- Increased coverage ratio after the industry-wide voluntary recall
- Sales growth supported by the large population
- Growth potential seen in the low eating rate

## Further penetration of the CUP NOODLES

- Expansion in large cities where high and middle income households are concentrated
- Development in public facilities such as airports
- An increase in brand recognition and repeat customers

## Cup Noodles with Japanese quality launched

- Introduction of "SEAFOOD", which is a global flavor, in October 2017



Seafood  
50INR

Build local area-based strategies based on management familiar with culture and business customs, etc.



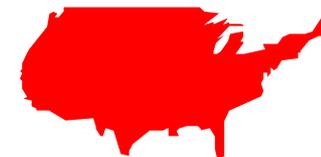
INDO NISSIN FOODS PRIVATE LTD. President: Gautam Sharma Since Jan. 2014

He has worked for several global consumer goods manufacturers and until recently served as the president of a local Indian subsidiary of a leading U.S. manufacturer. He has enormous connections in India and developing more attractive new products tailored to local tastes.



NISSIN FOODS (U.S.A.) CO., INC. President: Michael J. Price Since Oct. 2018

He worked for a leading food company in the U.S. for many years. Served as the general manager of divisions for the beauty and restaurant businesses. Joined NISSIN FOODS (U.S.A.) in 2015. Served as Vice President in charge of the sales division. Took office as president.



NISSIN FOODS DE MEXICO S.A. DE C.V. President: Luis Javier Gomez Martinez Since Sep. 2017

He worked in sales, logistics and marketing for many years at a food and consumer goods manufacturer in Mexico. He also has extensive management experience.



# Developing and Strengthening Human Resources for Global Management

## ■ “Future Leader Session (FLS)” course (July 12 – 14, 2017)

- Hold selective training in Japan for the purpose of cultivating global managers, for 8 executives at overseas companies.

## ■ Global training, etc. of the NISSIN FOODS Group

### “Brand marketing in the digital age” (2016 - )

- It consists of three parts: “What is CUP NOODLE?” “Mechanism of brand marketing in the digital age” and “Workshop.”
- We provide the training by visiting Brazil, the United States, India, Mexico and Asia.

### “Global IT meeting 2018” (July 10-11, 2018)

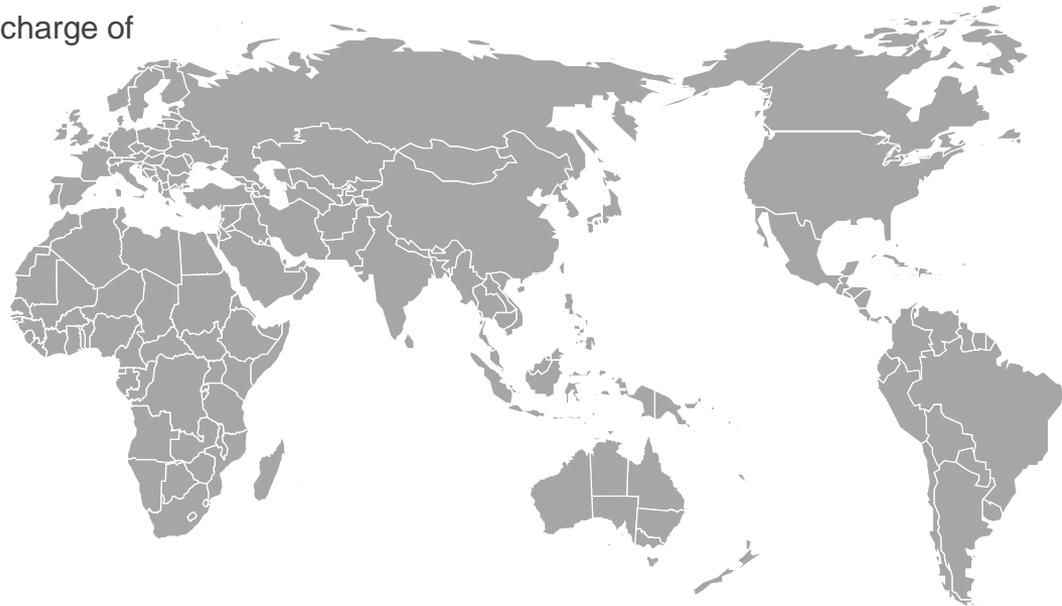
- Seven overseas employees including those in charge at overseas companies discuss their activities and issues in sessions related to IT vision, IT strategy, and security.

### “Survival training on a deserted island” for new management level employees (Aug.30-Sep.1, 2018)

- 21 new management-level employees of Group companies in Japan, and 5 management-level employees in local subsidiaries in the China/Hong Kong segment participated in the training on a deserted island.

### “Global Finance meeting 2018” (Nov. 12 – 15, 2018)

- Financial training for 15 employees including those in charge of accounting overseas.



# Section 4

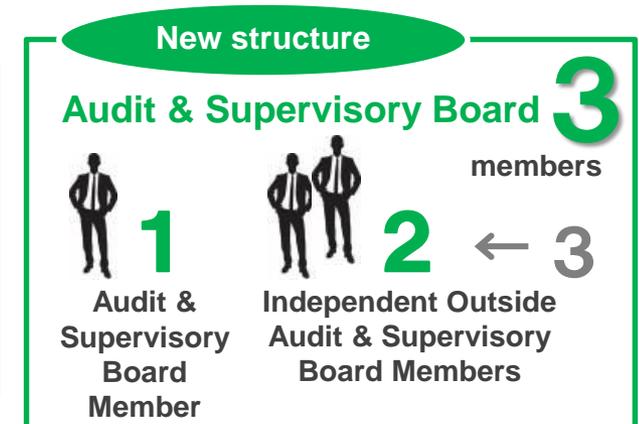
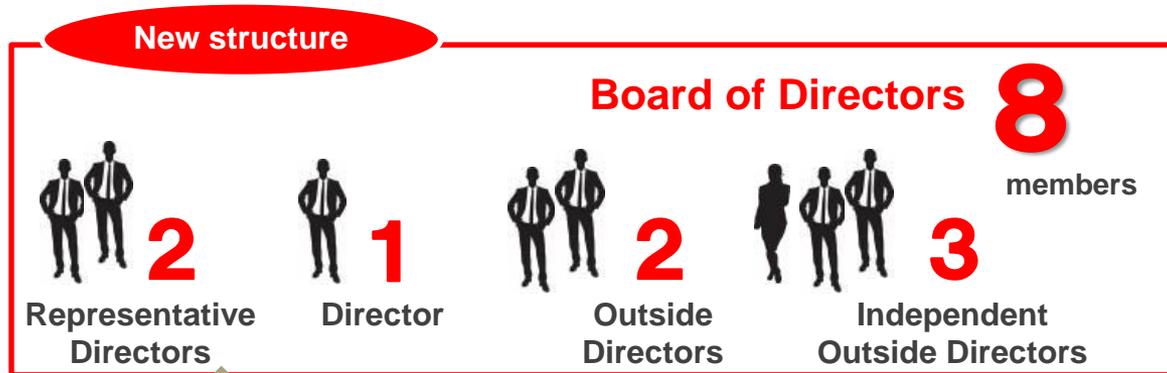
## Corporate Governance for Sustainable Growth



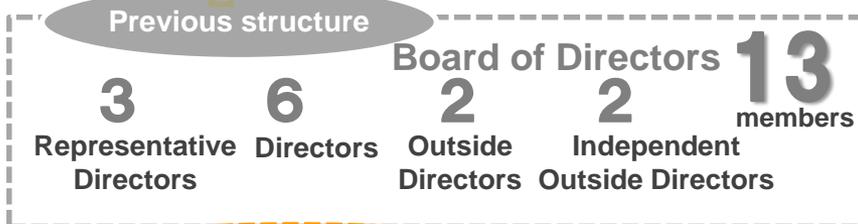
# Management centered on Corporate Governance

## Enhancement of Corporate Governance

- Clearly segregate management oversight from business execution and enhance supervisory function by the board of directors
- Reflect opinions from outside directors at the board of directors, and verify the validness of management strategies and check if the strategies are properly executed from stakeholders' point of view



These structures will be effective upon approval at the Ordinary General Meeting of Shareholders to be held on June 28, 2016.



**Effective Nov. 2015**

### Liaison conference of Independent Outside Directors and Audit & Supervisory Board Members

To supplement the lack of information of Independent Outside Directors, Audit & Supervisory Board established "Liaison conference of Independent Outside Directors and Audit & Supervisory Member" (New conference body)

**Effective Nov. 2015**

### Management Advisory Committee

- Members**
- Representative Directors
  - Independent Directors
  - Independent Audit & Supervisory Board Members

The Company newly established an advisory organ of the Board of Directors, the majority of which were Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, to ensure transparency and fairness in nomination, remuneration, and governance

# Major Achievements of the effective Board of Directors

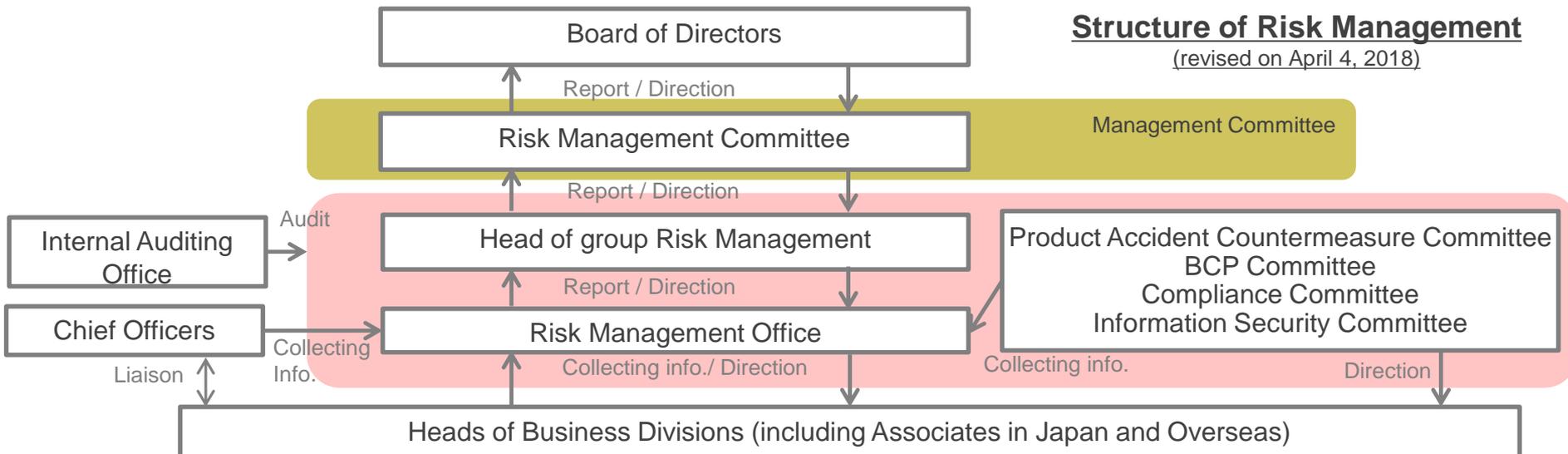
## ■ Abolition of the Takeover Defense Measures: December 6, 2017

The resolution was passed at the meeting of the Board of Directors after deliberations by the Management Advisory Committee, the majority of which are Independent Directors/Audit & Supervisory Board Members, and the measures were abolished on the day.

## ■ Set up “Risk Management Committee” : February, 2008

### Strengthen of the function: April, 2018

- The Company set up a “Risk Management Committee” with Executive Vice President & Representative Director, COO serving as chairperson to prevent, identify, manage, and address against various risks in regard to NISSIN FOODS Group; Especially, it focusses on 4 crucial risks of the group: 1) Product accident, 2) BCP, 3) Compliance, 4) Information security. It covers not only domestic, but also overseas subsidiary companies.
- 4 committees of the above crucial risks are required to report incidents and countermeasures to the Board of Directors once a year respectively.
- The committee makes a report and submits to the Boards of Directors once a year.



# Section 5

## Overview of NISSIN



# Origin of NISSIN FOODS

- ✓ In 1958, the world's first instant noodles, CHICKEN RAMEN, was invented by Momofuku Ando, the founder of NISSIN FOODS. It is reasonably priced and tasty noodles that can be prepared simply by pouring boiled water.
- ✓ In 1971, the world's first cup-type instant noodles, CUP NOODLE, was introduced.
- ✓ Domestic instant noodle industry size has grown to be 5.8 billion servings and NISSIN Group has No.1 market share: approximately 50%.
- ✓ Instant noodles, which we had invented, penetrated throughout the globe and worldwide market size reached 100.0 billion servings.



食 SHOKU	足 SOKU	世 SE	平 HEI
食 SHOKU	創 SOU	為 YI	世 SEI
美 BI	健 KEN	賢 KEN	食 SHOKU
食 SHOKU	為 YI	聖 SEI	職 SHOKU

## Chicken Ramen is the origin of NISSIN

### ✓ Founder's Spirit

“Peace will come to the world when there is enough food”

“Create foods to serve society”



■ Food Safety

“Eat wisely for beauty and health”



■ Research of health foods & lactobacillus

“Food related job is a sacred profession”



## CUP NOODLE is the symbol of innovation

### ✓ Product Development Technology

1: Noodle Making



■ Chilled and Frozen Noodles

2: Frying



■ Confectionery

3: Drying

■ Cereal

4: Baking

### ✓ Marketing and Branding



## Domestic

### ■ NISSIN FOOD PRODUCTS CO.,LTD.

Instant Noodles      Instant Rice  
Health Foods      Soup

### ■ MYOJO FOODS CO., LTD.

Instant Noodles

### ■ NISSIN CHILLED FOODS CO., LTD.

Chilled Noodles & Soup

### ■ NISSIN FROZEN FOODS CO., LTD.

Frozen Noodles, Rice and Snack

### ■ NISSIN CISCO CO., LTD.

Confectionery      Cereal

### ■ BonChi CO., LTD.

Rice cracker

Note: Equity interest held by NISSIN in is 51%

### ■ NISSIN YORK CO., LTD.

Health foods & Lactobacillus Drinks

7 operating companies

## Headquarters

- Management
- Strategy development
- Supporting operations by 12 platforms

## R&D center



- Innovation
- Product Development Technology
- Food Safety

## Overseas

### ■ The Americas

U.S.A.      Brazil

Mexico

### ■ China

Mainland China      Hong Kong

### ■ Asia

Singapore      India

Thailand      Vietnam

Indonesia

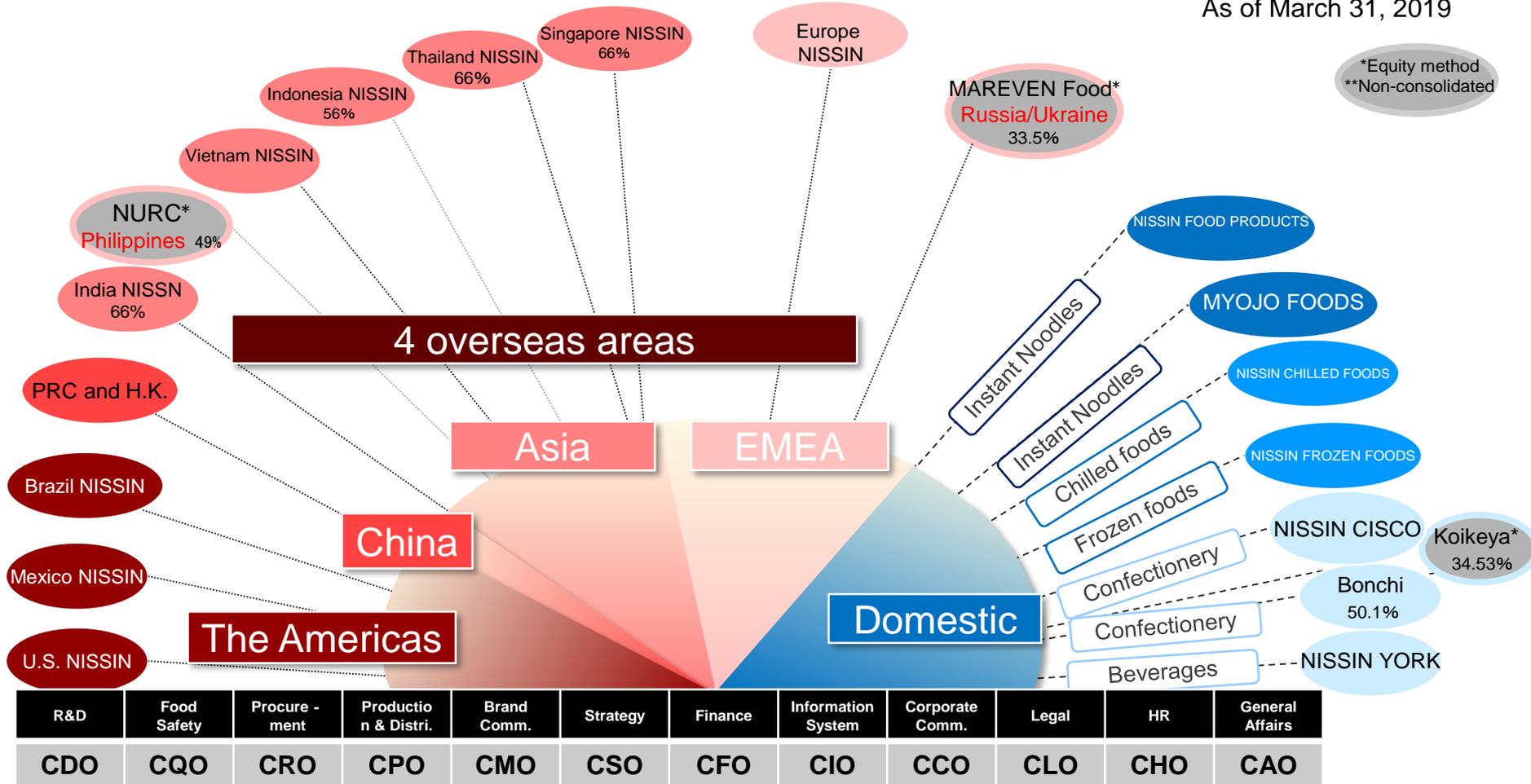
### ■ EMEA

Europe

4 operating areas

# Structured Above the Holding Company (Platform Management)

As of March 31, 2019



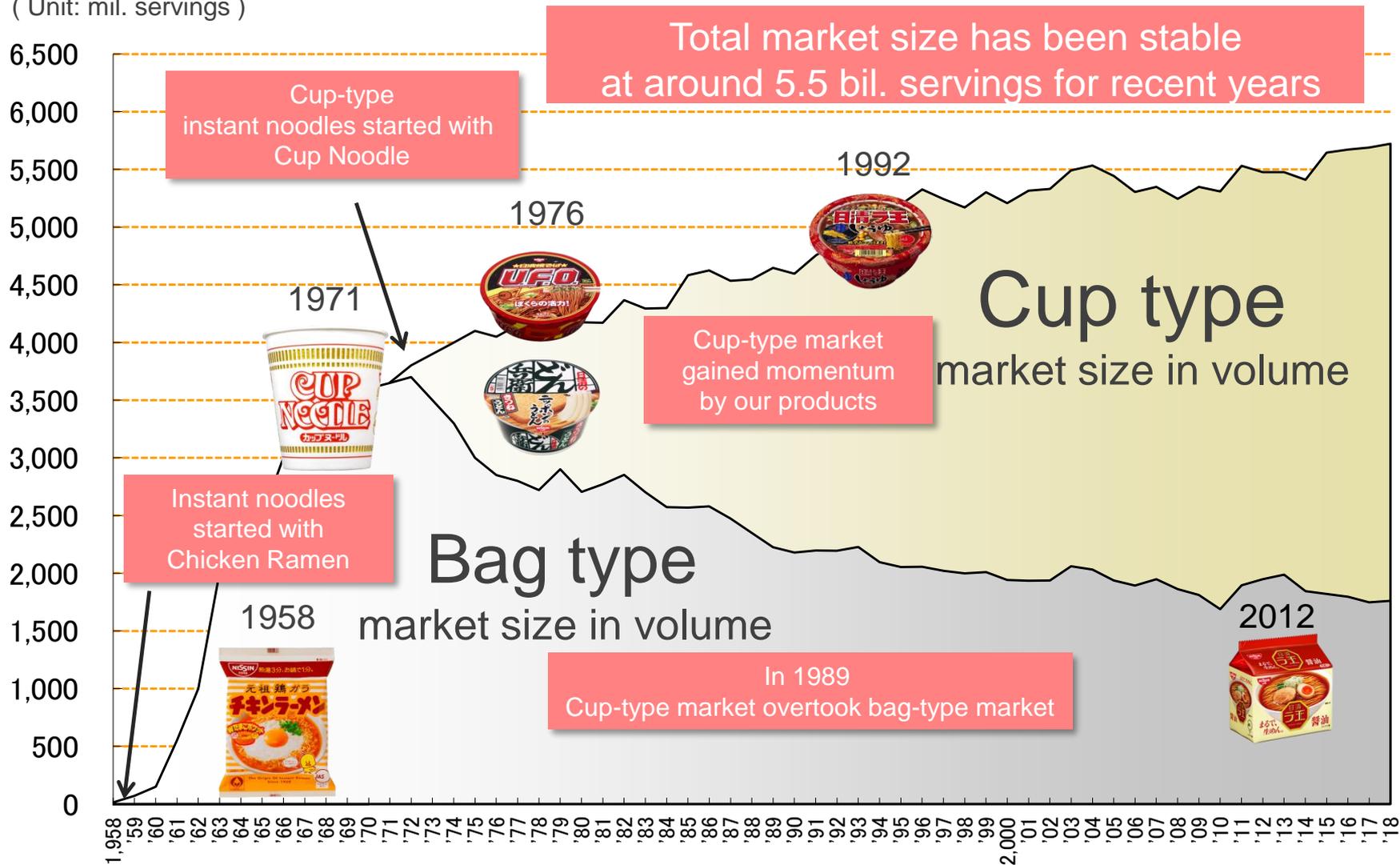
12 platforms



NISSIN FOODS HOLDINGS CO., LTD.

## Instant noodles' history started with *Chicken Ramen* in 1958

( Unit: mil. servings )



(Source) JCFIA=Japan Convenience Foods Industry Association (<http://www.instantramen.or.jp>)

# Domestic Market Share of Instant Noodles

## Market Share (Bag + Cup)

### FY2019

#### Cup-type

**NISSIN has No.1 market share**

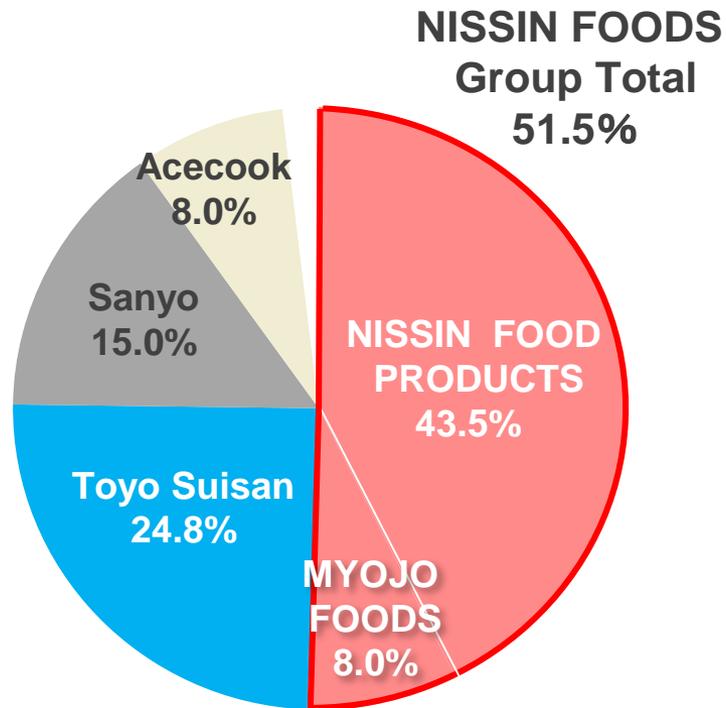
	Volume	Amount
NISSIN	44% (1 <sup>st</sup> )	47%(1 <sup>st</sup> )
MYOJO	6% (4 <sup>th</sup> )	6% (4 <sup>th</sup> )
Others	50%	47%

#### Bag-type

**NISSIN has No.1 market share**

	Volume	Amount
NISSIN	24% (1 <sup>st</sup> )	24% (1 <sup>st</sup> )
MYOJO	6% (4 <sup>th</sup> )	6% (4 <sup>th</sup> )
Others	70%	70%

### FY2017



Sales base,  
the year ended March 31, 2018

(Source: Nikkei Value Serach )

(Source: NISSIN, From April 2018 to March 2019)

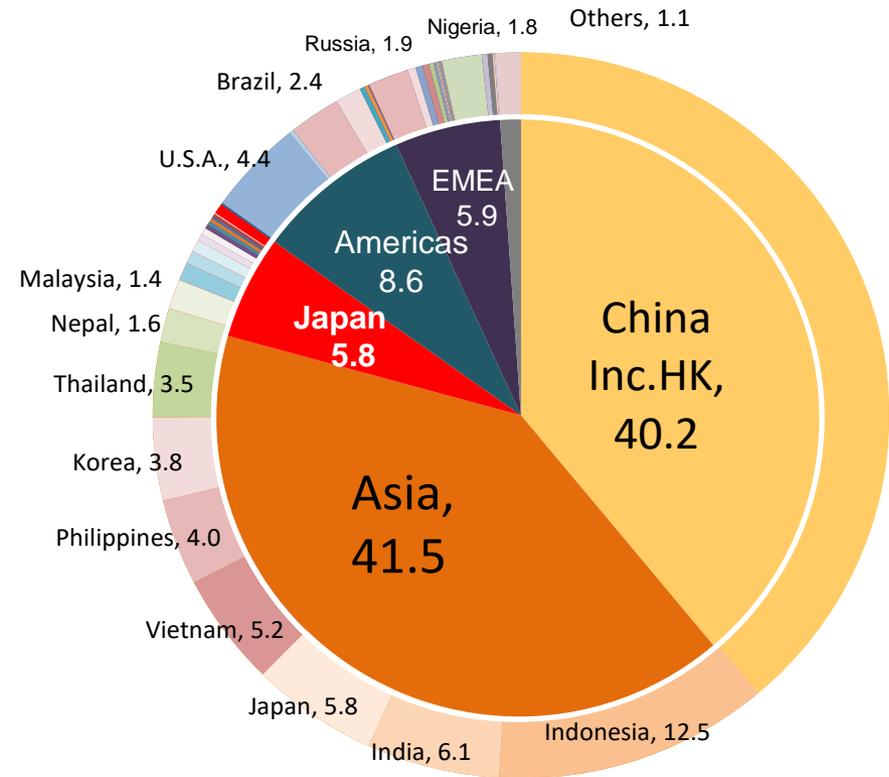
# Global Demands of Instant Noodles in Volume- by Country

In Descending Order

(Billion servings)  
Total: 103.6 bn  
Jan. 2018- Dec. 2018

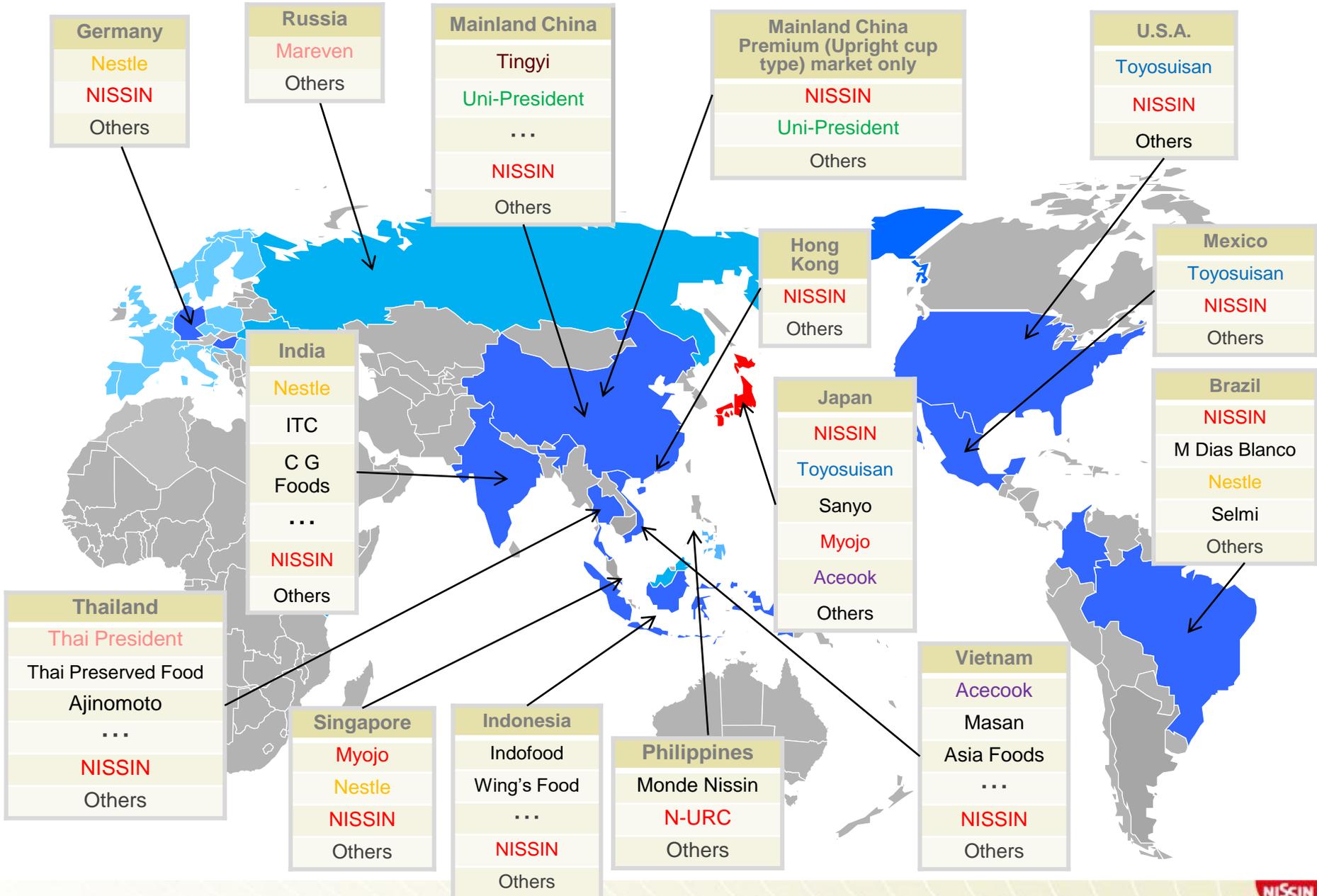
Categorized by Four Areas

Rank	Country	Volume (bil. serving)	Per capita (serving)	Per capita (GDP)
1	China H.K.	<b>40.3</b>	28.7	China: 9,608 H.K: 48,514
2	Indonesia	<b>12.5</b>	47.5	3,871
3	India	<b>6.1</b>	4.5	2,036
4	<b>Japan</b>	<b>5.8</b>	<b>45.7</b>	<b>39,306</b>
5	Vietnam	<b>5.2</b>	55.0	2,551
6	<b>U.S.A.</b>	<b>4.4</b>	13.4	<b>62,606</b>
7	Philippines	<b>4.0</b>	37.3	3,104
8	Korea	<b>3.8</b>	73.9	31,346
9	Thailand	<b>3.5</b>	51.0	7,187
10	Brazil	<b>2.4</b>	11.4	8,968
11	Russia	<b>1.9</b>	12.9	11,327
12	Nigeria	<b>1.8</b>	9.4	2,049
13	Nepal	<b>1.6</b>	53.0	972
14	Malaysia	<b>1.4</b>	42.4	10,942
15	Mexico	<b>1.2</b>	9.5	9,807



(Source: World Instant Noodles Association in CY2018) (Jan.- Dec.)

# Major Players by Country



(Volume base, Source: Estimation by NISSIN in CY2018(Jan.-Dec.))

# For Sustainable Growth: Innovation and Food Safety

We centralized and strengthened the product development and food safety research capabilities of the Group to enhance our ability to be innovative in quality.

## INNOVATION

- NISSIN Global Innovation Center
  - ✓ Providing technical support for innovation for product development
- Realizing group-wide synergy with an integration of instant noodles, chilled and frozen foods, confectioneries and beverages, to be more innovative.

## FOOD SAFETY

- NISSIN Global Food Safety Institute
  - ✓ Ensuring the food safety essential to a food product company
- Global center for the transmission of information about instant noodles and quality control tower of the entire instant noodle industry.

Outline of “the WAVE”, the NISSIN FOODS Group’s R&D center

- Operation started: March 2014
- Commonly called: “the WAVE”
- Site area: 86,768 m<sup>2</sup>  
(site owned by the Company)
- Total floor space: 19,708 m<sup>2</sup>



# Investor Information of NISSIN FOODS HOLDINGS

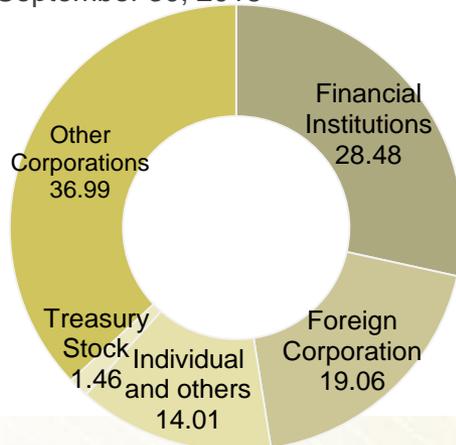
## Information

As of September 30, 2018

Name	NISSIN FOODS HOLDINGS CO., LTD.
Date of Establishment	September 1948
# of Employee	12,525 on a consolidated basis
Common Stock	Authorized: 500,000,000 shares Issued: 105,700,000 Number of shareholders: 51,441
Paid-in Capital	JPY 25,122 million
Stock Listings	Tokyo Stock Exchange 1 <sup>st</sup> section (Ticker Code: 2897)
Independent Auditors	Deloitte Touche Tohmatsu LLC
Transfer Agent	Mizuho Trust & Banking Co., Ltd.

## Distribution of ownership among shareholders

As of September 30, 2018



## Principal Shareholders

As of September 30, 2018

	# of Shares Held (Hundred)	% of Total Shares Outstanding
Ando Foundation	79,043	7.59
Mitsubishi Corp.	78,000	7.49
ITOCHU Corp.	54,000	5.19
Ando International Y.K.	39,455	3.79
The Master Trust Bank of Japan, Ltd. (Account in Trust)	38,003	3.65
Mizuho Bank, Ltd.	33,750	3.24
Japan Trustee Services Bank, Ltd. (Account in Trust)	29,785	2.86
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	22,735	2.18
JPMorgan Chase Bank	20,432	1.96
STATE STREET BANK WEST CLIENT - TREATY	18,091	1.74

**Note: The fiscal terms on this material indicate as follows:**

**FY2016: from April 1, 2015 to March 31, 2016**

**FY2017: from April 1, 2016 to March 31, 2017**

**FY2018: from April 1, 2017 to March 31, 2018**

**FY2019: from April 1, 2018 to March 31, 2019**

**FY2020: from April 1, 2019 to March 31, 2020**



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

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