

Consolidated Results for the First Half
of the Fiscal Year Ended March 31, 2019
Announced on November 7, 2018

This material was released on November 9, 2018 for the results briefing.




NISSIN FOODS HOLDINGS CO., LTD.

Stock Code : 2897

EARTH FOOD CREATOR



- I am Yokoyama, the CFO of the company.
- Thank you very much for taking time out of your busy schedules to come to our financial result meeting. I would now like to report on the consolidated results for the first half of the fiscal year ended March 31, 2019.
- I will provide explanations based on the consolidated results for the first half of the fiscal year ended March 31, 2019 that we have prepared for your reference.
- Since we already disclosed our financial results on November 7, I will summarize some points in my explanation.

Executive Summary		1
FY2019 Mgmt. Policy	<p><u>Aim to make a further leap forward in the milestone year of the 60th anniversary of the birth of instant noodles!</u></p> <p>Domestic: "Heat up" the Japanese market through the strong enhancement of long-selling brands</p> <ul style="list-style-type: none"> - Aim to maximize sales by enhancing products that will celebrate their anniversaries, including the 60th anniversary of <i>CHICKEN RAMEN</i> - Make a strategic move toward medium- and long-term sustained growth with the construction of the Kansai Plant <p>Overseas: "Boil" the global market based on the <i>CUP NOODLES</i> Strategy</p> <ul style="list-style-type: none"> - Make innovative changes occur in the market by proposing high value-added products, with a focus on the globalization of <i>CUP NOODLES</i> - Detect changes in the market environment accurately and accelerate area strategies <p>Consolidated: Both revenue and operating profit increased (operating profit, profit attributable to owners of parent). Domestic: Both revenue and operating profit increased.</p> <ul style="list-style-type: none"> • NISSIN FOOD PRODUCTS: Revenue and operating profit increased, driven by sales of the main brands (<i>DONBEI, U.F.O., CHICKEN RAMEN</i>). • MYOJO FOODS: Revenue and operating profit increased due to the strong performance of cup-type noodles, particularly <i>YOMISE NO YAKISOBA</i>, and bag-type noodles. • Chilled and frozen foods: Revenue increased in both the chilled foods business and the frozen foods business. Operating profit increased thanks to the contribution of the frozen foods business. • Confectionery and beverages: Revenue declined at NISSIN CISCO and NISSIN YORK, and revenue increased at BonChi. Operating profit decreased in the overall segment. • Domestic others: Gain on sales of real estate was posted. <p>Overseas: Revenue increased, but operating profit declined.</p> <ul style="list-style-type: none"> • The Americas: Revenue declined given the impact of foreign exchange, while revenue on a local currency basis was driven by Brazil and Mexico. Operating profit decreased significantly on the basis of higher costs in the U.S. and a reaction to the receipt of fire insurance in Brazil (in the previous fiscal year). • China: Revenue increased in both Hong Kong and the Mainland China. Operating profit declined slightly, mainly due to a rise in G&A expenses. • Asia: Revenue increased, mainly due to the contribution of Thailand, India and Vietnam. Operating profit increased, exceeding that of the previous year in all regions with the contribution of the rise in gain on investments accounted for using the equity method. • EMEA: Revenue increased in both Europe and Turkey. Operating profit declined slightly due to a fall in gain on investments accounted for using the equity method. 	
FY2019 1H Results	<p>Domestic businesses, particularly the instant noodles business and the frozen foods business, contributed to higher revenue and operating profit. However, overseas businesses saw higher revenue and lower profit, partly due to significant changes in the cost structure of the U.S., where the Company is working on the penetration of price increases.</p> <p>The Group will aim to achieve the initial targets by continuing to respond to environmental changes in each business and region.</p>	
Summary of 1H	<p><small>EARTH FOOD CREATOR</small></p> <p style="text-align: right;"></p>	

- Please look at Slide 1.
- This is an executive summary.
- As for the consolidated results for the first half, revenue and operating profit increased.
- On the domestic businesses, revenue and operating profit increased because mainly instant noodles business and frozen foods business were strong, and a gain on sales of real estate was posted.
- Overseas business generally achieved favorable results, but the impact of the changing market environment in the U.S. was significant, and revenue increased while operating profit decreased in the U.S. Things have improved considerably in the second quarter with regard to the U.S. We are currently working on achieving the penetration of the price increase.
- With regard to the full-year plan, we are aiming to achieve the beginning-of-period plan.
- Please take a look at Slide 2.

(bil. yen)

	FY2019			FY2018
	1H Results	YoY Change	YoY Change(%)	1H Results
Revenue	214.7	+4.1	+1.9%	210.6
Operating profit	22.5	+3.8	+20.4%	18.7
Profit attributable to owners of parent	15.2	+0.6	+4.2%	14.5
OP margin	10.5%	+1.6pt	/	8.9%
Profit attributable to owners of parent margin	7.1%	+0.2pt		6.9%

- This is a summary of the financial results for the first half of the fiscal year ended March 31, 2019.
- Revenue was 214.7 billion yen, up 4.1 billion year on year.
- Operating profit came to 22.5 billion yen, an increase of 3.8 billion yen year on year.
- Profit attributable to owners of parent was 15.2 billion yen, a rise of 0.6 billion yen year on year.
- Please take a look at Slide 3.

Revenue Results by Segment

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(bil. yen)

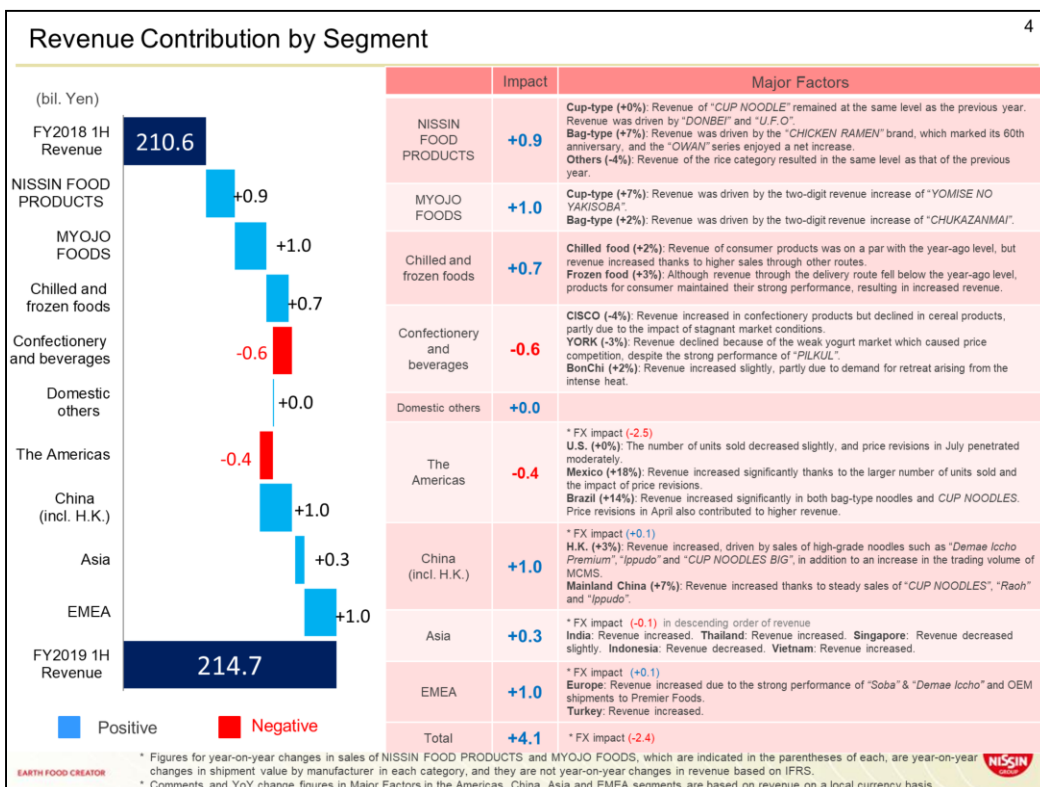
	FY2019			FY2018
	1H Results	YoY Change	YoY Change(%)	1H Results
Instant Noodles	105.6	+1.9	+1.8%	103.7
NISSIN FOOD PRODUCTS	89.6	+0.9	+1.0%	88.7
MYOJO FOODS	16.0	+1.0	+7.0%	15.0
Chilled and frozen foods	27.7	+0.7	+2.8%	26.9
Confectionery and beverages	21.4	-0.6	-2.6%	22.0
Domestic others	2.1	+0.0	+2.3%	2.0
Domestic total	156.7	+2.1	+1.4%	154.6
The Americas	29.3	-0.4	-1.2%	29.6
China (incl. H.K.)	20.3	+1.0	+5.4%	19.3
Asia	4.9	+0.3	+6.0%	4.7
EMEA	3.4	+1.0	+41.0%	2.4
Overseas total	58.0	+2.0	+3.5%	56.1
Consolidated revenue	214.7	+4.1	+1.9%	210.6

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

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- Next, I will touch upon the revenue results by segment.
- The domestic total came to 156.7 billion yen, up 2.1 billion yen year on year. The overseas total was 58.0 billion yen, a hike of 2.0 billion yen.
- Please take a look at Slide 4.



- I would now like to talk about the detailed impact factors for the increase/decrease in revenue by segment.
- NISSIN FOOD PRODUCTS' revenue amounted to 89.6 billion yen, an increase of 0.9 billion yen. As for cup-type instant noodle products, revenue was driven particularly by "DONBEI" and "U.F.O." With regard to bag-type instant noodle products, the "CHICKEN RAMEN" brand was strong, and the "Owan" series launched last autumn posted a net increase. As a result, it registered a 7% increase year on year.
- MYOJO FOODS' revenue arrived at 16.0 billion yen, a 1 billion yen rise. In cup-type instant noodle products, "MYOJO IPPEICHAN YOMISE NO YAKISOBA" was especially robust and posted a 7% increase year on year. In bag-type instant noodle products, revenue was driven by the two-digit revenue increase of the "CHUKAZANMAI" brand and posted a 2% rise year on year.
- Chilled and frozen foods' revenue came to 27.7 billion yen, a rise of 0.7 billion yen. Chilled food registered 2% growth year on year, and frozen food showed a 3% increase. Ramen, frozen products for consumer, remains favorable.
- Confectionery and beverages' revenue was 21.4 billion yen, down 0.6 billion yen year on year. At NISSIN CISCO, revenues of cornflakes products and confectionery products grew, but they were not sufficient to cover the dip of granola products. At NISSIN YORK, although sales of the key brand "PILKUL" remained strong, revenue declined because of the weak yogurt drink market and price competition. At BonChi, revenue increased slightly, partly due to demand for retreat arising from the intense heat.
- In the Americas, revenue came to 29.3 billion yen, a decrease of 0.4 billion yen. Given the FX impact of -2.5 billion yen, it was a revenue increase of 2.1 billion yen.
- In the U.S., revenue was on a par with the previous fiscal year thanks to the price revisions in July and increased sales of high value-added products, but the sales volume declined.
- In Mexico, "CUP NOODLES INTENSO" was strong and grew in terms of sales volume. Revenue increased 18% year on year in the local currency, also thanks to the effects of price revisions.
- In Brazil, sales of both bag-type and cup-type instant noodle products grew, and revenue rose 14% year on year in the local currency, also due to the effects of price revisions.

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Operating Profit Results by Segment

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(bil. yen)

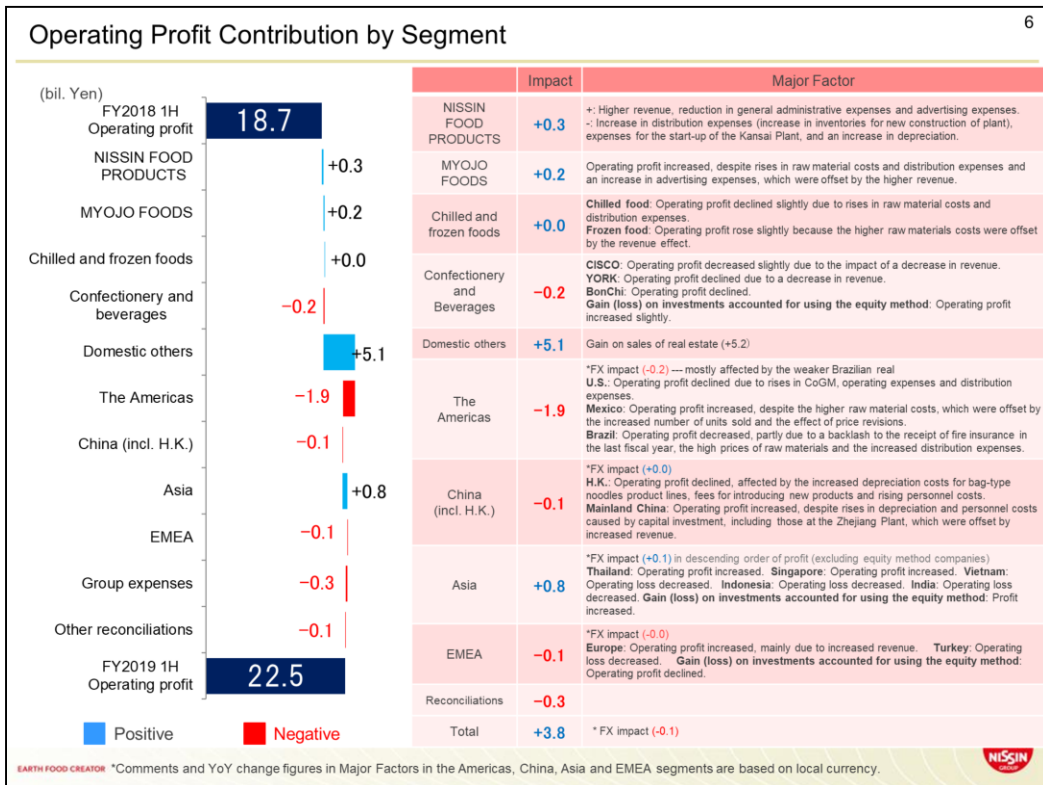
	FY2019			FY2018 1H Results
	1H Results	YoY Change	YoY Change(%)	
Instant Noodles	13.5	+0.5	+3.6%	13.1
NISSIN FOOD PRODUCTS	12.3	+0.3	+2.5%	12.0
MYOJO FOODS	1.3	+0.2	+15.2%	1.1
Chilled and frozen foods	1.2	+0.0	+1.6%	1.1
Confectionery and beverages	1.4	-0.2	-10.6%	1.6
Domestic others	6.0	+5.1	+575.0%	0.9
Domestic total	22.1	+5.4	+32.5%	16.7
The Americas	(0.3)	-1.9	-	1.7
China (incl. H.K.)	1.7	-0.1	-4.9%	1.8
Asia	1.3	+0.8	+153.8%	0.5
EMEA	0.4	-0.1	-10.8%	0.5
Overseas total	3.2	-1.3	-27.9%	4.5
Group expenses	(2.6)	-0.3	-	(2.3)
Other reconciliations	(0.1)	-0.1	-	(0.1)
Consolidated operating profit	22.5	+3.8	+20.4%	18.7

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

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- In China, revenue stood at 20.3 billion yen, an increase of 1 billion yen. Given the FX impact of 0.1 billion yen, it was a 0.9 billion yen hike in real terms.
- In Hong Kong, revenue increased 3% year on year in the local currency thanks to steady sales of “*Demae Iccho Premium*,” “*Ippudo*” and “*CUP NOODLES BIG*” in addition to an increase in the trading volume of MCMS.
- In mainland China, revenue increased 7% year on year in the local currency due to the increased sales of “*CUP NOODLES*” and the net increase of “*Raoh*” and “*Ippudo*.”
- In Asia, revenue as 4.9 billion yen, a 0.3 billion yen rise. It was a 0.4 billion yen increase in real terms given the FX impact of -0.1 billion yen.
- In India, both bag-type instant noodle products and “*CUP NOODLES*” were robust and contributed to the revenue increase, coupled with the effects of the reinforcement of the sales structure.
- In Thailand, 10-baht products were strong and drove the revenue in Asia.
- In Vietnam, sales of “*CUP NOODLES*” grew despite the small size of sales, resulting in increased revenue.
- In EMEA, revenue came to 3.4 billion yen, a rise of 1 billion yen. Given the FX impact of 0.1 billion yen, the growth in real terms was 0.9 billion yen. In Europe, “*Soba*” and “*Demae Iccho*” remained strong. Orders of the OEM product “*Super Noodle Pots*” of Premier Foods also grew and resulted in a sharp rise in revenue.
- Please take a look at the next slide.
- I will now carry on to the information on operating profit results by segment.
- The domestic total was 22.1 billion yen, an increase of 5.4 billion yen. Gain on sales of real estate worth 5.2 billion yen was generated, and the revenue increase was 0.2 billion yen after deducting the impact.
- The overseas total came to 3.2 billion yen, a decrease of 1.3 billion yen.
- Operating profit for the first half of the fiscal year 2019 came to 22.5 billion yen combined with -2.8 billion yen including the group expenses.
- Please take a look at the next slide.




- I will now explain the details of the main factors for the increase/decrease in operating profit by segment.
- As for the status of gain or loss on investments accounted for using the equity method, please see page 5 of the supplementary material.
- At NISSIN FOOD PRODUCTS, distribution expenses increased due to a temporary rise in inventories for the new construction of the Kansai Plant. Expenses for the start-up of the Kansai Plant and an increase in depreciation pushed up the overall expenses, but operating profit eventually came to 0.3 billion yen due to the sales increase and a reduction in general administrative expenses and advertising expenses.
- At MYOJYO FOODS, operating profit increased 0.2 billion yen, despite rises in raw material costs, distribution expenses and advertising expenses, which were offset by the higher revenue.
- In chilled and frozen foods, chilled food's operating profit declined slightly due to rises in raw material costs and distribution expenses, but frozen food contributed to higher operating profit and secured greater operating profit than that of the previous year.
- In confectionery and beverages, the operating profit of NISSIN CISCO, NISSIN YORK and BonChi declined. Despite improvements in gain on investments accounted for using the equity method, operating profit in this entire segment resulted in a decrease of 0.2 billion yen.
- In domestic others, there was a gain on sales of real estate in the amount of 5.2 billion yen, and operating profit came to 6.0 billion yen, a rise of 5.1 billion yen year on year.
- As for the Americas, there was an operating loss of 0.3 billion yen, a 1.9 billion yen decrease year on year. Excluding the FX impact of -0.2 billion yen, it was a 1.7 billion yen decrease in real terms.
- In the U.S., the impact of an increase in expenses such as CoGM, operating expenses and distribution expenses was significant. Price revisions were implemented from July, and their effects are gradually permeating.
- In Mexico, operating profit increased thanks to the effect of price revisions in addition to the increased number of units sold.
- In Brazil, operating profit decreased slightly due to a backlash to the receipt of fire insurance in the last fiscal year, the high prices of raw materials and the increased distribution expenses, despite substantial sales growth.

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

(bil. Yen)

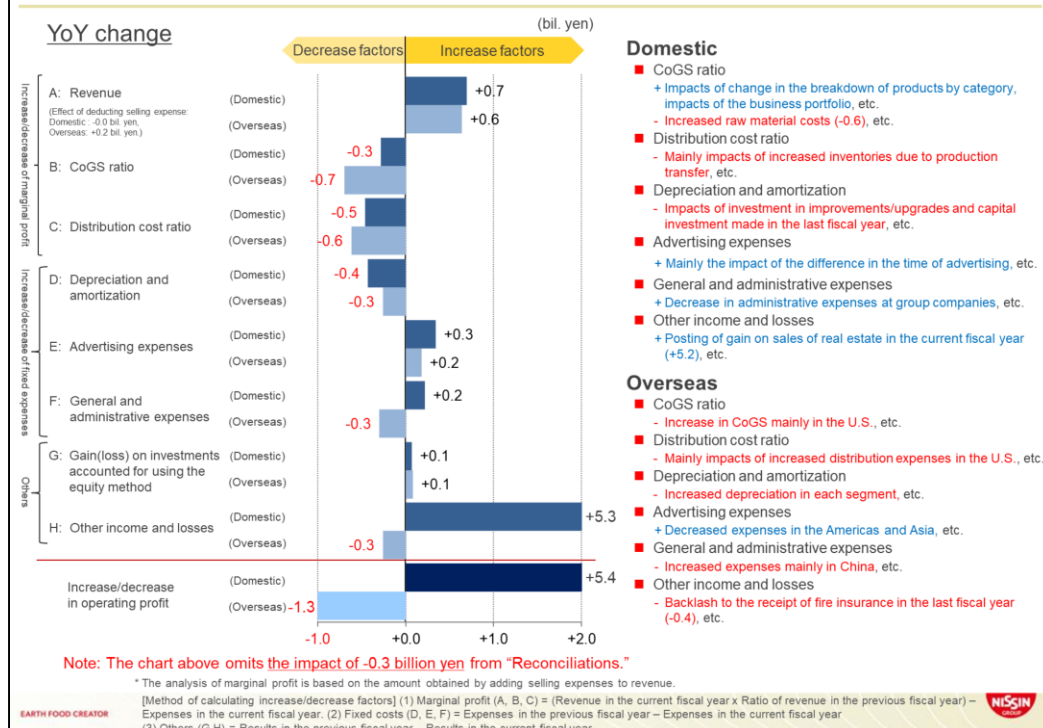
	FY2019 1H Results	FY2018 1H Results	Difference in operating profit	Difference in non- recurring income and losses	Main items of non-recurring income and losses
NISSIN FOOD PRODUCTS	12.3	12.0	+0.3	- 0.0	
MYOJO FOODS	1.3	1.1	+0.2	+0.1	
Chilled and frozen foods	1.2	1.1	+0.0	+0.1	
Confectionery and beverages	1.4	1.6	- 0.2	- 0.1	
Domestic others	6.0	0.9	+5.1	+5.2	(FY2019) Gain on sales of real estate +5.2 etc.
The Americas	(0.3)	1.7	- 1.9	- 0.5	(FY2018) Receipt of fire insurance +0.4 etc.
China (incl. H.K.)	1.7	1.8	- 0.1	+0.0	
Asia	1.3	0.5	+0.8	+0.3	(FY2019) Gain on sales of plant +0.3 etc.
EMEA	0.4	0.5	- 0.1	- 0.1	
Changes in consolidation adjustment	(2.8)	(2.4)	- 0.3	+0.0	

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- Operating profit in China stood at 1.7 billion yen, a decrease of 0.1 billion yen. There was almost no impact of foreign exchange fluctuations.
- In Hong Kong, operating profit declined affected by fees for introducing new products and increased IPO related expenses for reinforcing the structure.
- In mainland China, operating profit increased, despite a rise in depreciation due to strengthening production/logistics including those at the Zhejiang Plant, and a hike in personnel costs caused by sales reinforcement, which were offset by increased revenue.
- In Asia, operating profit was 1.3 billion yen, an increase of 0.8 billion yen. Given the FX impact of 0.1 billion yen, it was a 0.7 billion yen increase in operating profit in real terms.
- In Thailand, operating profit increased due to higher revenue and the stabilization of the plant operation. The operating profit of Singapore also increased.
- In addition, operating loss is contracting steadily in Vietnam, Indonesia, and India. On top of that, there was a 0.3 billion yen gain on investments accounted for using the equity method.
- In EMEA, operating profit was 0.4 billion yen, a decline of 0.1 billion yen. The exchange rates had a negligible effect.
- In Europe, operating profit increased due to increased revenue. In Turkey, operating loss decreased, but gain on investments accounted for using the equity method became somewhat negative.
- Please take a look at the next slide.
- Slide 7 shows the Impact of Non-Recurring Income and Losses.
- On the domestic businesses, a gain on sales of real estate did have an impact. As for overseas businesses, there was an impact from a gain on sales of a plant in Asia.
- Please take a look at the next slide.

Analysis of Operating Profit: Consolidated (Domestic / Overseas)

8



I will now move on to the increase/decrease analysis of operating profit by expense.

I will begin with the analysis for domestic.

Revenue increased 2.1 billion yen, which resulted in a 0.7 billion yen increase in operating profit.

As for the increase/decrease in operating profit due to the change of the CoGS ratio, it was an expense increase of 0.3 billion yen. Increased raw materials costs of some 0.6 billion yen and the expense increase including expenses for the start-up of the Kansai Plant were unable to be offset by the product portfolio and the business portfolio, resulting in an expense increase of 0.3 billion yen.

The increase/decrease in operating profit due to the change of the distribution cost ratio resulted in an expense increase of 0.5 billion yen due to the expansion of inventory arising from the transition to the Kansai plant and a temporary rise in distribution costs owing to the impact of heavy rain in West Japan. As a result, expenses increased 0.5 billion yen.

Advertising expenses declined 0.3 billion yen, mainly due to the impact of the difference in the time of orders for advertising.

General and administrative expenses declined 0.2 billion yen, the total of the domestic group companies.

Lastly, other income and losses rose 5.3 billion yen, 5.2 billion yen of which is a gain on sales of real estate posted in the first quarter.

I will now touch on Overseas.

Revenue increased 2.0 billion yen, which resulted in a 0.6 billion yen increase in operating profit.

As for the increase/decrease in operating profit due to the change of the CoGS ratio, it was an increase in expenses of 0.7 billion yen. This was due to an increase in CoGS, mainly in the U.S.

The increase/decrease in operating profit due to the change of the distribution cost ratio resulted in an increase in expenses of 0.6 billion yen. This was due to a rise in distribution expenses, mainly in the U.S.

Increased depreciation expenses of 0.3 billion yen come from a slight increase in depreciation and amortization in each segment.

Decreased advertising expenses of 0.2 billion yen come from a reduction in expenses, chiefly in the Americas and Asia.

Increased general and administrative expenses of 0.3 billion yen come from an increase in expenses, mainly in China.

Lastly, other income and losses was -0.3 billion yen, of which 0.4 billion yen was the receipt of fire insurance in Brazil in the previous fiscal year.

Slide 19 shows the increase/decrease of operating profit by expense on a consolidated basis for the domestic and overseas markets.

That brings the presentation of the earnings summary for the first half of the fiscal year ended March 31, 2019 to a close.

We are determined to do our utmost in carrying out measures to achieve the business plan we set at the beginning of the fiscal year in the second half and beyond.

We would appreciate your continued support and cooperation.

Progress of Medium-Term Business Plan 2021

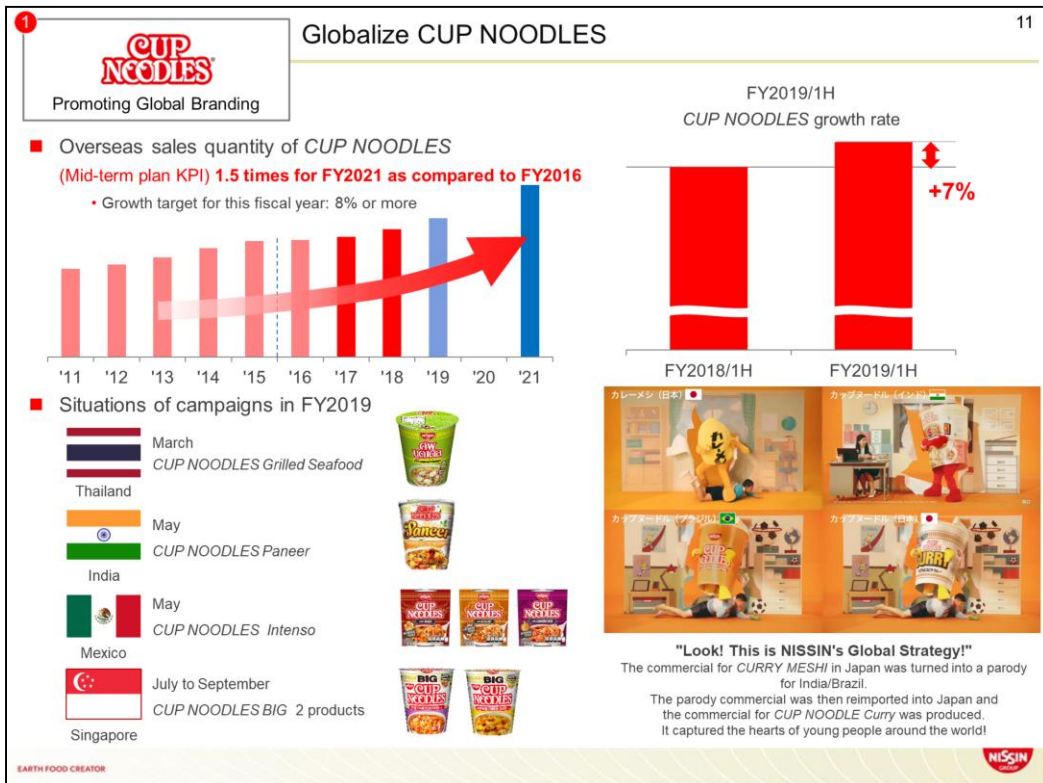
Representative Director, President and CEO
Koki Ando

- I am Koki Ando, President and Chief Executive Officer.
- I appreciate your attendance to our financial results briefing today.
- As the CFO elaborated on the numbers, I will talk about the progress of the Medium-Term Business Plan 2021 and other matters.
- Please take a look at Slide 10.

- Focusing on five key themes in pursuit of business profitability



- As always stated in the materials of the financial results, we are undertaking five key themes to achieve the Medium-Term Business Plan 2021. Two and a half years have passed, so we are now halfway through.
- Please take a look at the next slide.



- First, please let me touch upon promoting Global Branding, the status of CUP NOODLES' globalization.
- In the Medium-Term Business Plan 2021, we have a goal of increasing the overseas sales quantity of CUP NOODLES 1.5 times for FY2021 as compared to FY2016.
- At the financial results briefing in May, I said that the growth rate target of CUP NOODLES for the current fiscal year was 8%-9%. But the result for 1H turned out to be growth of 7% year on year.
- As initiatives in the first half of FY2018, "CUP NOODLES Grilled Seafood" was released in March in Thailand and contributed to sales for FY2019.
- The 50-rupee - about 75 Japanese yen - product, cheese-flavored "CUP NOODLES Paneer" was launched in India. An intensely spicy product "CUP NOODLES INTENSO" was put on the Mexican market in May.
- Moreover, we released two "CUP NOODLES BIG" items in Singapore in July and September. In this way, we are driving the growth strategy of CUP NOODLES.
- I will tell you more later on, but a renewal of CUP NOODLES is coming up in November in Brazil, where CUP NOODLES are now on the growth track.
- Furthermore, we made a parody of the commercial for "CURRY MESHI," which was a hot topic in Japan, in order to widen CUP NOODLES' world view, and made commercials in India and Brazil. Their unique interpretation of the world of CUP NOODLES created a huge stir among consumers in India and Brazil as well. In addition, we reimported the parody commercial into Japan and made a commercial for "CUP NOODLE CURRY." By keeping these initiatives going, we would like to capture the hearts and minds of young people around the globe.
- We would like to aim for at least 8% growth, the target line for the current fiscal year, through these product measures and marketing initiatives.
- Please take a look at the next slide.



■ Brazil

➤ CUP NOODLES

- Increase in promotion campaigns mainly in the Southeast, South and Central West regions where the economic recovery is remarkable (increase in trial and sales)
- Development of flavors to suit the taste of the local youth
- Launch of the global flavor "SEAFOOD"



New flavors expanding the scope of consumers/
raising the level of existing flavors



- ✓ Significant renewal for further acceleration of growth (November)
- Renewal of packaging
- Addition of new flavors (increase in SKUs from 8 products to 10 products)

■ Russia, CIS, etc.

- Collaboration with Mareven
- Advice on the management policy
- Cooperation system for enhancing productivity
- Marketing support such as joint product development projects



➤ Bag-type noodles

- As the economic circumstances improve, the bag-type noodles market, which was declining, will reverse.
- Increase of sales of the core product, "Nissin Lamen", in the Southeast, South and Central West regions where economic recovery is remarkable
- Aim to increase sales mainly of low-priced "Nosso Sabor" in the regions where economic recovery is delayed (North and Northeast regions)



- ✓ Prices were revised in accordance with inflation in April.
- ✓ In the first half, year-on-year growth of middle of one-digit (in terms of quantity) was recorded, which marked the turning point for the re-growth stage.

- ✓ Price increase in accordance with the increased costs (raw materials, fuel and distribution costs) (November)
- ✓ Stimulation of consumption with the new communication plan

- ✓ Continuation of human resources cooperation for more efficient production
- Increased yield and contribution to strengthening of human resources education
- ✓ Supply of non-fried noodles
- ✓ Advice for product improvement

- I will now carry on to the focus on priority overseas locations. I will refer to the progress of BRICs.
- First, regarding Brazil, it presents one of the highest expectations for future growth in the overseas business of the NISSIN FOODS Group.
- "CUP NOODLES GALINHA CAIPIRA PICANTE" released last December and "CUP NOODLES SEAFOOD" released in March this year. These two new flavors greatly expanded the scope of consumers. The launch of the products not only resulted in a net increase, but also led to raising the level of the existing flavors.
- We will undertake a substantial renewal and expand the flavors in November to further accelerate this growth. We intend to aim for further growth by increasing the SKUs from 8 products to 10 products.
- As for bag-type instant noodles products, the number of units sold showed year-on-year mid-one-digit growth in terms of quantity, despite price revisions in April. This marked a turning point for the re-growth stage.
- We have entered a rising phase of raw material costs such as skyrocketing wheat prices, rising prices of imported materials due to a weaker Real, and rising material costs due to rising distribution costs after truck drivers went on strike.
- We will undertake price revisions as early as November and strive to maintain and enhance profitability. One of the keys to successful management in Brazil appears to be the fact that we undertake price revisions before inflation.
- Our Russian business operation is carried out by affiliates accounted for using the equity method.
- We provide cooperation to MAREVEN FOOD HOLDINGS LIMITED, in which we invest, in terms of production, product development and marketing support.
- We contribute to the Russian company in terms of increased yield at production and the strengthening of human resources education.
- Moreover, we seek to increase cooperation with a very close relationship including supplying non-fried noodles, providing advice for product improvement.
- Please take a look at the next slide.

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Progress in BRICs (2)

2 Focusing on Priority Locations



India

To strengthen the ability to make proposals with high value-added products that will prevent involvement in price competition and increase the presence in the market.

Bag-type noodles

- Growth potential in light of the low rate of eating
- Intensified price competition among the leading manufacturers

Measures for volume zone



10INR

✓ Renewal (August)

Featuring value



20INR

Cup-type noodles

- Implementation of a product strategy that pursues value
- Conduct of business in large cities where high/middle income earners gather
- Offered at airports and other public facilities
- Acquisition of brand recognition and repeat customers

50INR



40INR



✓ Variations of flavors that cannot be sold by competitors

✓ Increase in communication aimed at young people

China

Increase in speed of decision-making by listing and strengthening the system for immediate response to any changes

Hong Kong

- Further strengthening of the business foundation through the diversification of business management
- Differentiation by quality control, feature the Japanese company has

Mainland China


- Offering of the brands in the growing premium market
- Further spread of the CUP NOODLES brand
- Development of "Raoh" and strengthening of high-grade noodles in collaboration with famous stores
- Strengthening of sales of "Demae Iccho"
- Revenue increase with the expansion of sales activities and channels
- Diversification of business (manufacturing and sales of potato chips)
- Strengthening of differentiation by quality control, feature the Japanese company has

Start of sales of Kagome Nissin Foods (H.K.) (July)

Increase in trading volume of MCMS

Collaboration with famous Ramen shop

Butao (August) Ippudo (April)



Strengthening of the high-grade noodles category

Strengthening of sales of "Raoh", and collaboration with "Ippudo"



Strengthening of sales of "Demae Iccho" in large cities

Diversification (potato chips, deep-fried rice cakes)




EARTH FOOD CREATOR * The management policy of the China segment is a role expected by NISSIN FOODS HOLDINGS.



- I will now move onto the status of India.
- As you know, India has an enormous population of 1.3 billion. The number of instant noodles eaten per person stands at 4.1 servings and still ranks low in the world, but it has extremely high growth potential.
- We think that India will probably surpass Japan in terms of total demand and become the number three country in the world for the consumption of instant noodles as soon as during the current fiscal year.
- Off-price sales of bag-type instant noodle products of the top ranking makers had been intensifying in India, but I get the impression that this has settled down slightly.
- As for volume zone countermeasures, we market 10-rupee (around 15 Japanese yen) products. Nonetheless, we are seeking to reinforce a 20-rupee gourmet line for adults aged between 20 and 39. With this, we are proceeding to launch a premium product, which is less likely to become involved in price competition, keeping some distance from the volume zone.
- With regard to the "CUP NOODLES" strategy, we are continuing to come up with products for high-end consumers in big cities. In addition to a 40-rupee product (around 60 Japanese yen), we launched a 50-rupee product (around 75 Japanese yen). We are striving for further growth with unrivaled flavor variations that competitors do not offer, and by promoting communications with young people.
- I will now talk about China.
- NISSIN FOODS CO., LTD. in Hong Kong, overall control of China business, was listed on the Hong Kong stock market last December. Given that too much disclosure may influence local stock prices, I am afraid that I am unable to provide a lot of information, but I will touch briefly upon the current status and policy.
- In the matured Hong Kong market, we are aiming for horizontal volume expansion by advancing the diversification of sales with chilled beverages jointly with Kagome Co., Ltd as well as potato chips. We are also seeking to enhance the value of products like "CUP NOODLE Light" and a tie-up product with a famous ramen shop, and increase the demand in the instant noodles market.
- In Mainland China, we are making efforts to achieve the further penetration of the "CUP NOODLES". At the same time, in terms of the extremely successful pork-based "tonkotsu flavor", this year we are seeking not only to reinforce sales of the Japanese-style ramen "Raoh," but also to advance the collaboration with a famous ramen shop called "Ippudo" and "Butao," a Japanese ramen shop that runs a ramen shop in Hong Kong. We hope to take leading initiatives in the high-end noodles market going forward as well.
- Please take a look at the next slide.



Achievement of more advanced labor saving and food defense! Birth of new futuristic plant, smart factory



■ Nissin Automated Surveillance Administration (NASA)

- Achievement of real-time control and visualization with NISSIN's unique production management and centralized monitoring systems



■ Introduction of state-of-the-art facility, robotics

- Achievement of automated processes from the inspection of materials, the carrying-in of materials and lye water production to the input of materials
- Significant increase in food defense



■ Production management system

- Implementation of automated control of a series of processes from materials warehousing and transport, inspection to input
- Promotion of use of AI by collecting as many as tens of thousands of pieces of good quality data




■ Adoption of cogeneration system

- In the case of a power failure, all lines can be operated, serving as the core plant under BCP.
- Reduction of the environmental burden through the efficient use of waste heat



EARTH FOOD CREATOR

- Next, I will refer to laying stronger foundations for our domestic profit base.
- As you can see in the chart, the first-phase construction of the new Kansai Plant is complete, and it has commenced operation.
- The grand opening ceremony is expected to take place next March. Please allow me to talk briefly about a new mechanism that has been adopted at the new plant.
- This plant has introduced a state-of-the-art facility and robotics.
- It has achieved automated processes from the inspection of materials, the carrying-in of materials and lye water production to the input of materials.
- By putting controlled access areas in place and keeping manpower to a minimum, we have seen a significant increase in food defense.
- We substantially renewed the production management system and implemented the automated control of a series of processes from materials warehousing and transport to inspection and product shipping. We promote the use of AI by collecting tens of thousands of pieces of good quality data.
- By adopting a co-generation system, all lines can be operated, serving as the core plant under the BCP(Business Continuity Plan) in the event of a power failure.
- Moreover, this is an eco-friendly plant that uses waste heat efficiently.
- We also achieved real-time control and visualization with NISSIN's unique production management and centralized monitoring systems through the Nissin Automated Surveillance Administration (NASA) that we have introduced.
- After the grand opening ceremony in March next year, we consider creating an opportunity for investors to undertake a plant tour. We look forward to your participation.
- Please take a look at the next slide.

4 Establishing a Second Primary Earning Source 

Initiatives in the Chilled and Frozen Foods and Confectionery Businesses 15

■ Initiatives in the chilled and frozen foods business

- **NISSIN FROZEN FOODS**
 - Increase in the strength of each item/creation of a positive cycle
 - Strategy for products/distribution focusing on profitability
 - Focus on products with high marginal profit



Frozen foods for consumer: +9% growth in the first half

- ✓ One billion yen: increase in SKUs from 4 products to 6 products
- ✓ Increased efficiency by consolidating SKUs



✓ Deepening of the CVS market


■ Initiatives in the confectionery business

- **NISSIN CISCO**
 - Growth of both the business of the starting business (confectionery) and the growing business (cereal)
 - Maximization of sales revenue and increase in profits with the anniversary brands
- **Strengthening of marketing/promotion campaigns of anniversary products**


Deepening of the cereal market

The granola market has been shrinking since the previous year.

- ✓ Exertion of core competence of a general cereal manufacturer
- ✓ Capability of product development that no other company can copy



Creation of the market of "cereal with ingredients"



- Points in selecting products
Whether ingredients are included or not
- Creation of the market of "cereal with ingredients" is the key to the market growth.
- New proposal for "GOOD! CEREAL" with focus on ingredients
First product, "GOROTTO KAJITSU NO CORNFLAKES", released in September

55 Cornflakes: No. 1 sales

50 Choco Flakes: Chocolate flakes: largest share



NISSIN

- I would now like to touch on the status of establishing a second pillar that generates revenue and profits.
- As for initiatives for chilled and frozen foods business, I will talk about the frozen foods business this time as well.
- NISSIN FROZEN FOODS aims to increase the strength of each item. As for one-billion yen products, we are beginning to see an increase in SKUs from 4 products to 6 products.
- A rise in the strength of each item has been leading to a focus of SKU, and the profitability base has been sharply improved compared to before, thanks to the enhancement of production efficiency.
- In addition, we have been reinforcing our initiatives in the CVS market as well. "NAKAMOTO MOKO TANTANMEN SHIRUNASHI MARAMEN" mentioned here was released at Seven-Eleven in a limited area and for a limited period of time, and then attracted a great deal of attention there. Since the product received such a huge response, we are continuing the sales of the product in some areas of the Kanto region, striking a balance between supply and demand at present and gradually expanding the handling area while keeping an eye on the situation.
- Regarding our initiatives in the confectionery business, I will refer to NISSIN CISCO.
- The granola market, which grabbed the attention of the industry until the year before last, settled down completely, but the presence of NISSIN CISCO as a general cereal manufacturer is increasing day by day in the industry.
- NISSIN CISCO analyzed the cereal market from the viewpoint of consumers and undertook a re-definition: cereal with ingredients or cereal without ingredients. We figured that the creation of the market of cereal with ingredients is the key to the market growth.
- We therefore made a new proposal for "GOOD! CEREAL" with a focus on the ingredients. This fall we released the first product, "GOROTTO KAJITSU NO CORNFLAKES," which is highly rated by distributors.
- There is also a string of anniversary brands at NISSIN CISCO: the 55th CISCORN anniversary, the 50th CHOCOLATE FLAKES anniversary, and the 40th CRISP CHOCO anniversary. We would like to achieve an increase in revenue for the second half by reinforcing these sales promotions.
- As for the status of the progress of the Medium-Term Business Plan 2021, I told you before that we expect the sales target of the confectionery business to be 100 billion yen. Existing businesses excluding M&A assumptions generally remain strong. Moreover, I said that we expect profitability to be at least 4%, and we are now seeing profitability above that.
- We are aiming for 100 billion yen for the chilled and frozen foods business, including beverages, and we think that we are likely to hit the target. On top of this, we have secured profitability of at least 4%, and we would like you to understand that we will fall in line with our target in this area.
- Please take a look at the next slide.

5 Developing and Strengthening Human Resources for Global Management / ESG 16

 **NISSIN FOODS (U.S.A.) CO., INC** President: Michael J. Price from October 2018

 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.



■ Selected as an index component of the Dow Jones Sustainability Indices (DJSI) Asia/Pacific Index for the first time.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM 

- DJSI is the global stock index for ESG investment, which was jointly developed by S&P Dow Jones of the U.S. and RobecoSAM of Switzerland in 1999.
- In addition to financial analysis, research and analysis from the perspective of ESG for the assessment of companies with excellent sustainability
- The DJSI Asia/Pacific Index is an index that covers around 600 major companies in the Asian and Pacific regions, including Japan. In FY2019, 150 companies (including 75 Japanese companies) were selected as its index component.

■ Declaration of health and productivity management

- In August 2018, the "NISSIN FOODS Group declaration of health and productivity management" was formulated.
- Considering the maintenance of the health of all employees at all times and the full exertion of their respective competence in the performance of their duties to be one of the most important business management issues, health and productivity management will be promoted.
- Implementation of various initiatives for the good health of employees and an annual report of the details thereof at the management committee, etc.
- Person responsible for this initiative: Koki Ando, President & Representative Director, CEO

NISSIN FOODS Group declaration of health and productivity management

"Eat wisely for beauty and health" - A fine, healthy body is based on a wise diet. -
Contributing to the good health of customers through foods is one of our great missions.

To this end, employees must be healthy to begin with.

The NISSIN FOODS Group positions the maintenance and promotion of the good physical and mental health of employees as one of the important management issues.

The Company expects employees to conduct activities for good health voluntarily and will provide them with active support to ensure a working environment in which employees can work in a healthy state.

EARTH FOOD CREATOR 

- I will now talk about developing/strengthening human resources for global management and matters related to ESG.
- First, let me tell you about the overseas personnel reshuffle in our company. A new president took up a post at NISSIN FOODS (U.S.A.) CO., INC on October 1 and has taken command of the company.
- The new president is Michael J. Price, who joined our company in 2015. He served as Vice President in charge of the sales division. As his predecessor, Mr. Ai Multari, left the office for personal reasons, Mr. Price has assumed the post as the second local business manager to do so. He served as an executive at a chocolate company called Mars and other leading food processing manufacturers before joining our company and taking up the post of CEO.
- As for ESG-relevant matters, I have two reports.
- First, I will report on the Dow Jones Sustainability Indices.
- NISSIN FOODS HOLDINGS has been selected as a component stock of the DJSI Asia/Pacific Index. We believe that this confirms that our ESG activities are appreciated, and we feel extremely honored. We will continue to seek to manage our company with awareness of ESG so that we will be highly rated.
- The second report is on the NISSIN FOODS Group Declaration of Health and Productivity Management that was drawn up in August.
- The NISSIN FOODS Group positions the maintenance and promotion of the good physical and mental health of employees and employees' performing their duties while demonstrating their maximum abilities as one of the key management issues. We facilitate health and productivity management.
- We will provide employees with a range of initiatives for their health going forward.
- We would like to further boost the sustainable growth of the Group by strongly driving forward health and productivity management.
- Please take a look at the next slide.

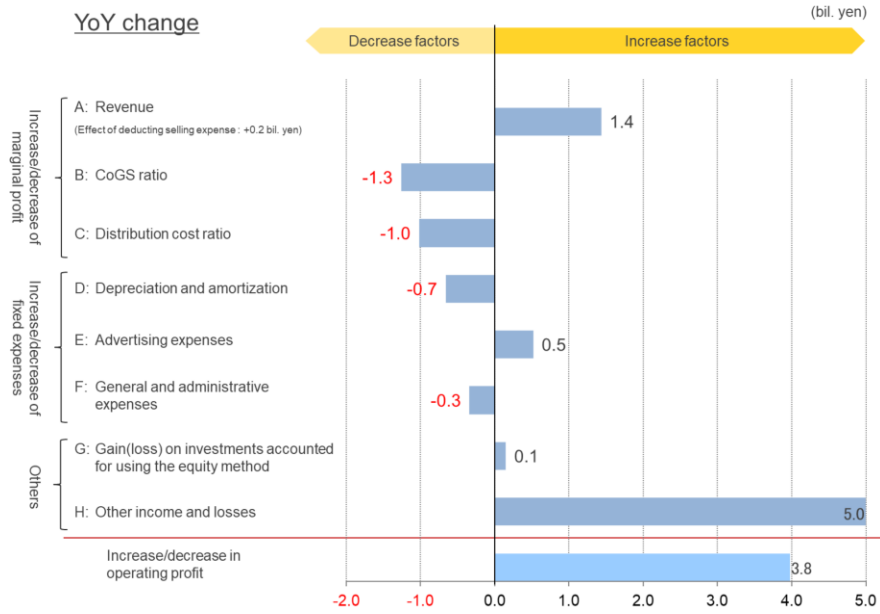


On September 8, 2018, Naomi Osaka became the first Japanese to win the Grand Slam women's singles championship.



- Finally, I would like to talk about our sports marketing.
- We strongly back professional tennis players including Nishikori, Watanuki, and others.
- And as you may know, Naomi Osaka brilliantly won her first Grand Slam title in September in the U.S. She was the first Japanese to achieve this remarkable accomplishment.
- We believe that many of you were deeply moved by her stance to take on the challenge of playing on the world stage.
- Unfortunately, she was defeated on a round-robin basis in the WTA final. However, there is no doubt that she is the player who has drawn the most attention this year in the world of many professional sports.
- In addition, on November 11 Kei Nishikori is set to play in the final of the ATP tour, in which the top eight players in the annual world ranking compete against one another.
- NISSIN FOODS Group would like to accelerate our growth strategy with a strong purpose and consciousness to compete on the world stage from now on as well, like Naomi Osaka and Kei Nishikori.
- Here you can see the phrase “HUNGRY TO WIN.” The two tennis players have already taken on the world, so we will also take on the challenge of going global, like their stance.
- You can look forward to seeing Osaka and Nishikori try their best at the 2020 Olympic Games.
- This brings my presentation to a close.

APPENDIX



* The analysis of marginal profit is based on the amount obtained by adding selling expenses to revenue.
 [Method of calculating increase/decrease factors] (1) Marginal profit (A, B, C) = (Revenue in the current fiscal year x Ratio of revenue in the previous fiscal year) - Expenses in the current fiscal year. (2) Fixed costs (D, E, F) = Expenses in the previous fiscal year - Expenses in the current fiscal year
 (3) Others (G,H) = Results in the previous fiscal year - Results in the current fiscal year

NISSIN FOODS PRODUCTS

Generate cash and enhance profitability

- **Challenge to be a "Century Brand Company"**
 - Aggressive approach to the three strategic targets: youth, women and senior citizens
 - Aim for a record high in net sales with the campaign for the 60th anniversary of the release of *CHICKEN RAMEN*
 - Proposal of new value to the bag-type noodle market
 - Development/strengthening of the rice category
- **Capital investment for future increase of earnings power** (refer to page 14)
- **Aim for record high sales for the 4th consecutive fiscal year**

Youth: increase of brand communication
 Women: *CUP NOODLE Ethnic* series renewal
 Senior citizens: Release/development of products ("*OWAN DE TABERU*" series)

Existing products
 ✓ Sales exceeding the year-ago level

"OWAN DE TABERU" series
 ✓ First half: net increase
 Release of "*DEMAE ICCHO*" (August 13)

"AKUMA NO KIMU-RA"
"AKUMA NO BATAKO"
 ✓ Net increase

Strong performance of the rice category
 ✓ Operation of the Kansai Plant (October 1)





On October 1, the NHK morning drama program "*Manpuku*" began to be broadcast.

MYOJO FOODS

Enhance and foster brands

- **Enhancement of the main brands**
 - Enhancement of the tray-type products mainly with "*IPPEICHAN YOMISE NO YAKISOBA*" and "*BUBUKA ABURA SOBA*"
 - Promotion of differentiation of "*CHARUMERA*" with "*BAKIKATA MEN*" and the "*FRYING PAN COOKING*" series
 - Revitalization through expansion of the customer base of "*CHUKAZANMAI*"
- **Development of products under the new concept**
 - Establishment of low carbohydrate noodles (encouraging dedicated shelf space and quality enhancement)

Tray-type
 ✓ "*YOMISE NO YAKISOBA*", "*BUBUKA ABURA SOBA*"
 Two-digit increase

"CHARUMERA"
 ✓ Maintaining the year-ago level

"CHUKAZANMAI"
 ✓ Two-digit increase

Low carbohydrate noodles, "*TEITOSHITSUMEN*" series
 ✓ Creation of the sales space for the products in the healthy food category



Chilled and frozen foods business

➤ **NISSIN CHILLED FOODS**

- Further development of the top product in the genre
- Increase in proposals for simple and easy/completed products
- Increase in number of highly profitable products



"GYORETSU" series
 ✓ Development of the top product in the genre
 ✓ Expansion of SKUs



"FUTOMEN YAKISOBA"
 ✓ Development of the top product in the genre
 ✓ Aim for record high sales



"RAMENYA-SAN" "CHANPON"
 ✓ Cultivation of needs for simple and easy cooking



"GYORETSU ICHININMAE"
 ✓ Taking in needs for single-serving food products



NEW
 "GYORETSU RENJI CUP"
 ✓ Response to needs for eating alone/completion

➤ **NISSIN FROZEN FOODS** (refer to page 15)

Confectionery/beverages business

➤ **NISSIN CISCO** (refer to page 15)

➤ **BonChi**

- Maximization of sales of the core brand "BONCHI AGE"
- Further strengthening of the East Japan area where the business is strong.



Start of operation of the new Yamagata plant (from October 2018)
 ✓ Response to deterioration and improvement of productivity

"BONCHI AGE"
 ✓ Brand with the largest share of deep-fried rice cakes



➤ **NISSIN YORK**

- Continuous growth of the core brand (improvement of the perceived quality)
- Maximization of sales of the anniversary brand "PILKUL"

ピルクル 25th



Calcium



Light



Multivitamin

"PILKUL" series
 ✓ Expansion of a space by offering series products



NEW

"THOMAS NYUSANKIN"
 ✓ Lactobacillus drinks for 1-year-old or above



"YASASHII TOKACHI NOMU YOGURT"
 ✓ Cost reduction

The Americas

➤ **U.S.A.**

- Sales expansion of existing brands and strengthening of the earnings base
- Revitalization of the market through proposals for high-priced/high-quality products



Price revisions
 ✓ Price revisions to "CUP NOODLES" and "Top Ramen"



Sales expansion of high-priced/high-quality products
 ✓ Sales expansion of "RAOH"



✓ Offering of "CUP NOODLES" of Japanese quality

➤ **Mexico**

- Revitalization of the market by releasing new products
- Ensuring a stable profit base with price revisions



Price revisions
 ✓ Cost absorption by price revisions to "CUP NOODLES"



"CUP NOODLES Intenso"
 ✓ Strong sales

"U.F.O."
 ✓ Renewal



➤ **Brazil** (refer to page 12)

China (refer to page 13)

Asia

➤ **India** (refer to page 13)

➤ **Thailand**

- Strengthening of sales of bag-type noodles at 10 baht
- Approach the youth market with "CUP NOODLES"



10-baht products
 ✓ Strong sales expansion
 ✓ Driving growth in Thailand



"CUP NOODLES"
 ✓ Release of "CUP NOODLES Grilled Seafood" (March)

➤ **Singapore**

- Release of high value-added products to stimulate demand



"CUP NOODLES"
 ✓ Securing a space with the 10-SKUs system
 ✓ Strengthening of the brand's communication ability
 ✓ Release of two "CUP NOODLES BIG" items (July to September)



Restoration of the MYOJO brand
 ✓ Increase in communication by making the best use of the brand's assets

"Nissin Ramen (Japanese-style ramen)"
 ✓ Strengthening of bag-type noodles under the concept of Japanese-style ramen

Asia

Indonesia

- Increase in the ability to propose products in the country with the second highest consumption of instant noodles after China
- Strengthening of sales of "Gekikara" and "U.F.O."

"Nissin Ramen"
✓ Renewal (August)



"Gekikara"

- ✓ Cessation of the shock of South Korea of the last year
- ✓ "Gekikara Premium"
- ✓ Addition of high value-added products to the Gekikara series



6000Rp



9500Rp



"U.F.O."

- ✓ Sales expansion mainly at minimarts

Vietnam

- Sales of "CUP NOODLES" in large cities



- ✓ Sales expansion mainly at mass retailers in Ho Chi Minh

Affiliates accounted for using the equity method

- ✓ Strong sales in the Philippines with profits maintained at the year-ago level
- ✓ Strong business of the affiliate accounted for using the equity method in Thailand with profits exceeding the year-ago level

EMEA

Europe

- Sales expansion of "Soba", "Demae Ramen" and "CUP NOODLES"
- Collaboration with Premier Foods
- Use of sales channels in the UK, OEM of cup products ("Batchelors Super Noodle Pots")

Europe

- ✓ Stable operation of the plant in Hungary
- ✓ Strong sales of "Soba" and "Demae Ramen"



Premier Foods

- ✓ Successful collaboration
- Increase in orders for "Batchelors Super Noodle Pots"
- Strengthening of sales of "Soba", etc. in the U.K.



Turkey

- Expansion of the status in the ramen market
- Development of the instant pasta market

Russia (refer to page 12)

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- This presentation material is available in the Presentation Material section of our IR website in PDF format. URL: https://www.nissin.com/en_jp/ir/library/materials/
- The amounts in this material are rounded to the nearest 100 million yen; totals may not agree with the sums of their components.
- FY2019 in domestic companies means the fiscal year from Apr. 1, 2018 to Mar. 31, 2019.
- FY2018 in overseas companies generally means the fiscal year from Apr. 1, 2018 to Mar. 31, 2019.
- The same \pm notation as used in the Summary of Consolidated Financial Statements has been applied to percentage change in revenue and profit.
- The average foreign exchange rates for the period have been applied to translating revenues and expenses at affiliates overseas.
- The results in China (including H.K.) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS CO.,LTD. (located in H.K.). The business plan for the China segment specifies targets set solely by NISSIN FOODS HOLDINGS.



NISSIN FOODS HOLDINGS CO., LTD.