

CEO Small Meeting Q&A Summary

Date: June 2024.

Location: NISSIN FOODS HOLDINGS CO., LTD. Tokyo Head Office

NISSIN FOODS HOLDINGS CO., LTD. President, Chief Executive Officer Koki Ando

Q. Please tell us about your company's challenges for the 2030 target.

A. As Overseas Business is growing rapidly, we recognize that ensure and expanding the number of global human resources to support this is an urgent and biggest issue, and we are increasing the number of mid-career recruits in a wide range of fields. In our case, there are many applicants fortunately if we make an offering, but in order for them to quickly play an active role as an immediate battle force, it is important to establish a system for inclusion. Because it has a history of more than 60 years, it may take time for those who have joined the company from different cultures to get used to the corporate culture and personal relationships. To enable mid-career hires to demonstrate their strengths immediately after joining the company, a job-type system that retains good lifetime employment was introduced and job descriptions were developed. The company has already applied this system to managers, but plans to apply it to non-managers in the future.

Q. Your company is progressing to the stage of becoming a global company, but is there any global company that we are referring to? What are the issues that your company has compared to that company?

A. Within the industry, Nestle and Unilever are very profitable, despite their different sizes, and they are both referred and targeted. Our current ROE is 11.7% in FY23, but we are aiming to reach 15% by FY2030, and in the future, we will aim to achieve a level of 20% or higher, which is the norm for global enterprises. In aiming for global growth, the idea of volume growth and unit price is also very important. For example, NISSIN FOOD PRODUCTS has revised its prices for two consecutive years and maintained the same volume as the previous year, but this price needs to be maintained. On the other hand, there are cases in which demand does not fall even when the price is revised by 30-40% overseas, and prices are accepted. Whether domestic or overseas, if costs increase, we would like to ensure profitability by properly reflecting them in prices. In order to maintain an innovative and sustainable business structure, it is important for companies to first secure revenues and reinvest them.

Q. I would like to see Messi expand overseas at a faster speed so that we can compete globally.

A. Perfect Messi is a very unusual product that complete (kanketsu) nutrition and balances with a single menu, and it is a brand that has the potential to develop across all products. Companies must think deeply about nutrition, as indicators such as ATNI(Access to Nutrition Initiative are now emerging to evaluate companies' efforts to improve nutrition in response to nutrition issues globally. While the contents of the standard cup noodles appear to be unchanged at first glance, the taste, components, and ingredients have changed considerably in response to changes in the need for nutrition and environmentally friendly (kankyo). In the future, it will also be possible to fully meshing the cup noodles. Overseas, there are people with health issues more than in Japan, and a large market can be expected, so we are currently considering various possibilities, but we would like to expand the complete Messi brand overseas as quickly as possible.

Q. Please tell us about horizontal rollout / Lateral Development of the systems and know-how of overseas subsidiaries.

A. The Chief Officer of Holdings has put in place a mechanism to directly support the departments in charge not only of domestic but also overseas profit centers. We are also promoting localization, and U.S. Mexico/India has been able to operate with a sense of speed by hiring local personnel with a thorough knowledge of the local market as a CEO. Horizontal rollout / Lateral Development of know-how is regularly reported by Overseas Business companies, and discussions on strategies. There are opportunities to share successful examples both domestically and internationally, which can be utilized in various regions.

Q. In U.S., there may be an oversupply accompanying the construction of the third plant. We also recognize that The U.S. business has been unprofitable for many years, but can we say that it has become structurally profitable?

A. We are pursuing a premium strategy, and the average unit price is also steadily rising. The company is developing products in areas that differ from its competitors, and is also developing a different customer base than in the past. As a result, it does not become involved in price competition, and it believes that it will be able to secure volume even after the construction of the third plant. The 36% price revision implemented in August 2022 was also successful, creating a structure that can generate profits structurally.

Q. Competitors are developing mainly base products and accelerating growth, but how are your company responding?

A. The instant noodle market in U.S. has 15 meals per person and the consumption of instant noodles is still a minor area, but the awareness of instant noodles is rising, particularly among young people, and the company recognizes that the need for instant noodles will diversify in the future. As base products have already penetrated a certain customer base, we believe there are some limits to future growth. We are expanding our product lineup, focusing on premium products, which are expected to meet the needs of a new customer base as a meal that can be used as an alternative to existing light meals, so that consumers will not be tired of instant meals. It will strategically invest resources in marketing for the younger generation to cultivate a new customer base.

Q. What is the outlook for regions other than U.S.? Please tell us if there are any areas where you feel the issues or your domestic business.

A. The Americas, which is made up of U.S., Mexico and Brazil, is expected to grow strongly. Demand for U.S. instant noodles is steady, and while incomes are rising, demand for premiums is strong. EMEA is also highly growing and plans to invest in increasing production at the Hungarian plant in the future. In the Asian region, demand for high-value-added products, which we specialize in, is expected to increase as overpopulation and per capita GDP grow. Thai Nisshin's shares of cup-type instant noodles are rising, and various conditions such as the economic growth rate and income level are in place, so further growth can be expected. Economic growth in China and Hong Kong is slowing, but international competitiveness is overwhelming and resilient, and will emerge from next year. Domestic

Non-Instant Noodles Business has grown faster than previously expected, and NISSIN YORK is now more profitable than NISSIN FOOD PRODUCTS. NISSIN YORK and KOIKE-YA will continue to do so in the future. From a group-wide perspective, the WAVE research center supports food technology, which is one of our strengths. In fiscal 2025, Messi will aim for sales of ¥10 billion on a market selling price basis, and this area is also expected to be very strong.

Q. Please tell us about Domestic Instant Noodles Business's approach to margins and measures to increase margins.

A. Domestic Instant Noodles Business's margin is currently 12% to 13%, which is still high among domestic food companies, but still low when compared to foreign companies. By leveraging food technology to develop nutritionally balanced, high-value-added products and other products and boost brand power, we aim to achieve a margin of 15% or more. Of course, prices need to be revised in response to rising costs. Without product Improved Value and brand-name power, however, it is difficult for customers to gain acceptance. The key points are ongoing efforts to streamline operations and save labor, and the use of food technology to evolve products and improve brand-name power.

Q. What is the ideal form of the business portfolio? How do you view the profitability of Domestic Instant Noodles Business as being higher?

A. Overseas Business accounts for more than 50% of profits. Going forward, the Company will strengthen its Overseas Business, which has relatively high growth rates and profit margins. For domestic instant noodles, while the expected growth rate is not as high as 2% in the context of the population decline already begins, it will be necessary to expand the customer base and increase eating opportunities by developing products with higher added value in the future. For example, we need to invest management resources in developing products that are nutritionally balanced and that address environmentally friendly (kankyo) issues in line with the times. Through these initiatives, we hope to raise Core Operating Profit rate to the 15% level.

Q. Please tell us about the potential for Non-Instant Noodles Businesses to grow.

A. NISSIN YORK and KOIKE-YA have grown in recent years, and we believe that this is due to synergies within NISSIN FOOD PRODUCTS Group. Not only in the area of joint procurement of materials and joint delivery of products, but also in the area of food technology and marketing, which are the strengths of our group, have been utilized by Non-Instant Noodles Businesses, and the development of high-value-added products and the improvement of brand image have led to improved profitability as expected.

Q. I think the difference in ROE with global companies is the difference between margins and financial leverage. Can we also consider financial leverage in the future? I think that if inflation proceeds in Japan, the margin will also rise, so I would like to know about the idea of leverage. Please also tell us about management's awareness of stock prices.

A. In markets where growth can be expected, the highest priority is to increase the added value of products and increase the profit margin, and in order to do so, the Company will firmly implement the necessary capital investment.

Meanwhile, the Company is aiming to achieve ROE15% by leveraging its financial leverage against the backdrop of the success of Strengthen the cash-generating capacity of existing businesses set forth in Mid- to Long-Term Growth Strategy, which has greatly strengthened its cash flow and cash-raising capabilities through business growth over the last three years. If the company judges its stock price to be low, it can flexibly acquire treasury stock as an option. The Company's financial KPI is to increase the "Net Debt /EBITDA" ratio to within two times, but it is considered to be an achievable level even if it is not leveraged to that extent. We will continue our efforts to exceed TSR of TOPIX foods and achieve ROE15% target.

Q. There are many outside directors who are weighed down, but I would like to see you learn the atmosphere and discussions at the Board of Directors meetings.

A. Outside directors are actively discussed based on the knowledge presented in the skill matrix, based on their experience in various fields. In addition to the management oversight of the executive departments, a wide range of discussions are being held, including measures to improve revenues and the ideal way to manage risks.

Q. We are aware that depreciation costs will rise over the next few years as capital expenditures rise, but we do not feel enthusiasm from the earnings-growth figure for mid-single digit. I want you to clarify what you want to be in the future.

A. "mid-single digit" is the target growth rate on an organic basis, and we would like to exceed this, including the potential for inorganic growth. Although we may feel that the speed is slow, our aspiration is to become a global brand. In aiming to achieve this, we have positioned capital investment, which is essential for future growth, as an important element, as well as strategic investment. Through this, we hope to grow cup noodles into a position on the list of McDonald's and Coca-Cola, which are recognized as global brands.

Q. How are they reducing their strategic stockholdings while maintaining their motivation?

A. We believe that it is necessary to increase liquidity in order to develop various measures in the future, and also due to the progress of corporate governance, the age of cross-shareholdings is over. We will continue our efforts to reduce emissions.

Q. Explain why listed companies make university donations.

A. Bio2Q, which was donated this time, is a study base adopted for the program promoted by the Ministry of Education, Culture, Sports, Science and Technology to create a world-class research base in Japan. Keio Gijuku, which is the top in this field, will be responsible for research on the research integration of human biology, microbiota, and quantum computation. This makes it possible to conduct basic research using quantum computers and other tools that companies cannot do alone. Dietary and enterobacteria are closely related, and clarifying the complex mechanisms of enterobacteria and various organs leads to the development of foods that contribute to health, and new value creation in the food industry is expected. Over the medium-to-long term, the company believes that this

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kind of donation could lead to the acquisition of talented personnel and the potential for a pool of investment projects that will become the seeds of future business.