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NISSIN FOODS HOLDINGS CO., LTD.

Online Briefing by the CFO Following the Announcement of the Second-Quarter Financial Results for the Fiscal Year Ending March 2027

November 11, 2026

Ninomiya: Hello, everyone. It is time to commence the briefing.

Thank you very much for taking time out of your busy schedules to participate in the financial results briefing for Q2 of FY3/2027 of NISSIN FOODS HOLDINGS CO., LTD. I am your moderator, Ninomiya from the IR Office.

Today, after our CFO, Yano, explains the financial results for Q2 of FY3/2027, we will hold a question-and-answer session.

As today is a day when many companies are announcing their financial results, we plan to conclude at 16:30. Due to time constraints, if there are any questions we were unable to answer, we would appreciate it if you could contact the IR Office at your convenience later.

Mr. Yano, please go ahead.



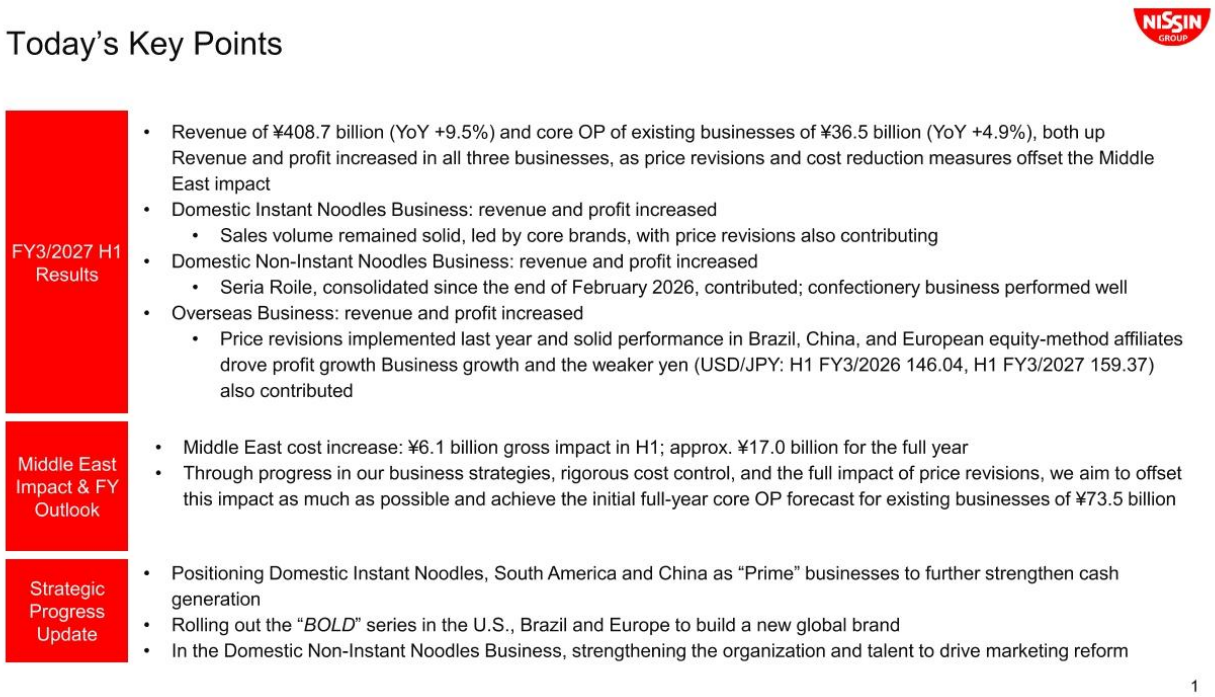
Yano: I am Yano, the CFO. Thank you for your time today.

Please look at page two of the materials.

Today, I will explain the first item on the agenda, the financial results and topics for H1 of FY3/2027.

The second and subsequent items on the agenda will be explained by the CEO and COO at tomorrow's financial results briefing.

Please note that at tomorrow's financial results briefing, in order to help you make effective use of your time, we plan to omit the explanation of the financial figures as they overlap with today's presentation.



Please look at page one. These are the points I would like to convey today.

The first point concerns the consolidated financial results for H1 of FY3/2027.

Revenue was JPY408.7 billion, up 9.5% YoY, and core operating profit of existing businesses was JPY36.5 billion, up 4.9% YoY, resulting in both increased revenue and profit.

For Q2, we anticipated a very challenging environment as the impact of the situation in the Middle East would increase from Q1; however, thanks to the smooth progress of strategies in many business areas, as well as the effects of price revisions and cost reduction measures, we were able to offset the cost increases associated with the situation in the Middle East, resulting in increased revenue and profit in all three businesses: domestic instant noodles, domestic non-instant noodles, and overseas.

Regarding trends in our business segments, the domestic instant noodles business saw an increase in both revenue and profit, as sales volume remained steady, primarily for major brands, and the effects of price revisions also contributed.

The domestic non-instant noodles business saw an increase in both revenue and profit, thanks to the contribution of SERIA ROILE CO., LTD., which became a consolidated subsidiary at the end of February 2026, as well as the strong performance of the confectionery business.

In our overseas business, in addition to the effects of price revisions implemented the previous year, Brazil and China continued to perform steadily, and our equity-method affiliate in Europe also contributed to profit growth. Furthermore, in addition to business growth, the depreciation of the yen also contributed, resulting in an increase in both revenue and profit. The US dollar-yen exchange rate for H1 was JPY159.37, compared to JPY146.04 in the same period of the previous year.

Regarding the US, which I believe is of high interest to everyone, I will explain that later.

The second point is the impact of the situation in the Middle East and our full-year outlook.

The increase in costs due to the impact of the situation in the Middle East amounted to JPY6.1 billion in H1. We anticipate an impact of around JPY17 billion for the full year. We intend to offset this impact to the maximum extent possible through the progress of our business strategy, thorough cost control, and the penetration of price revisions.

The third point is an update on the progress of our strategy.

We have positioned the domestic instant noodles, South American, and Chinese regions as prime businesses, stable businesses that act as cash generators, and will further strengthen their cash-generating capabilities.

In addition, in the US, Brazil, and Europe, which I will explain in detail tomorrow, we will roll out the BOLD series and aim to build new global brands.

In the domestic non-instant noodles business, we will strengthen our structure in terms of both organization and human resources, and promote marketing reforms.

FY3/2027 H1 Consolidated Financial Summary

Bil. Yen	Institutional accounting basis	YoY Change	YoY %	Constant currency basis	YoY Change	YoY %	F3/2026 H1 (Apr.-Sep.)
Revenue	408.7	+35.5	+9.5%	392.2	+19.0	+5.1%	373.2
Core operating profit of existing businesses	36.5	+1.7	+4.9%	34.9	+0.1	+0.2%	34.8
Operating profit	32.8	+0.9	+3.0%	31.2	(0.6)	(2.0%)	31.8
Profit attributable to owners of the parent	22.0	(0.6)	(2.5%)	20.8	(1.8)	(8.0%)	22.6
Core OP margin of existing businesses	8.9%	(0.4pt)	-	8.9%	(0.4pt)	-	9.3%
OP margin	8.0%	(0.5pt)	-	8.0%	(0.6pt)	-	8.5%
Profit attributable to owners of the parent margin	5.4%	(0.7pt)	-	5.3%	(0.8pt)	-	6.1%

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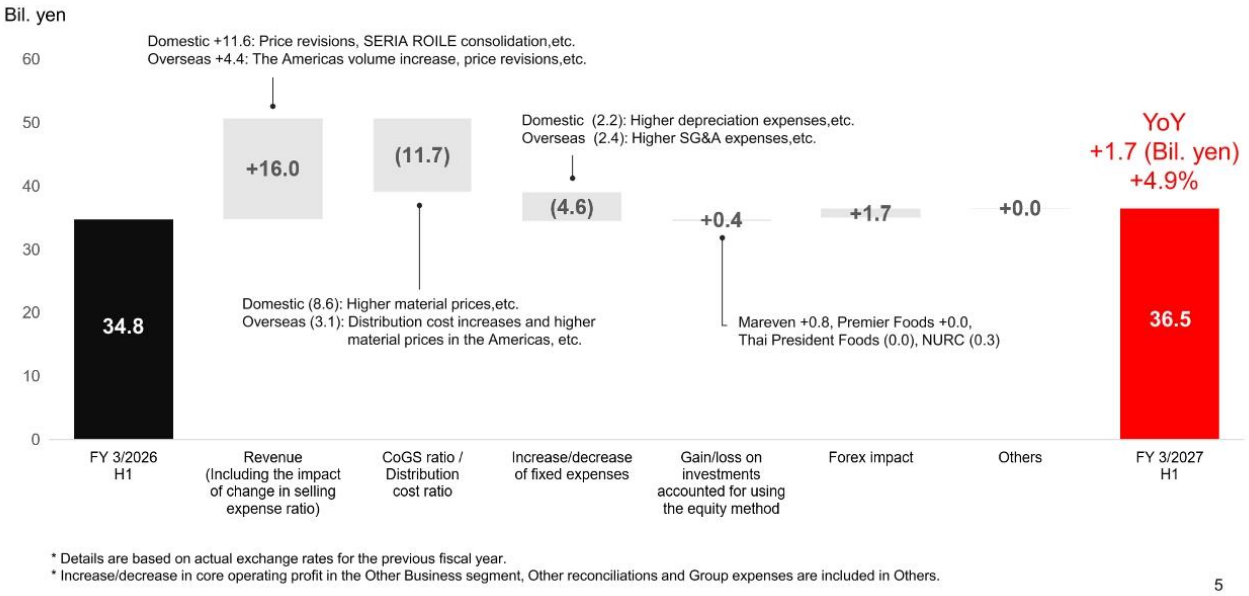
Please look at page four. These are the figures for revenue and profit at each level for H1.

Due to time constraints, I will omit the details.

Analysis of Core OP of Existing Businesses



* Details are based on actual exchange rates for the previous fiscal year.
* Increase/decrease in core operating profit in the Other Business segment, Other reconciliations and Group expenses are included in Others.

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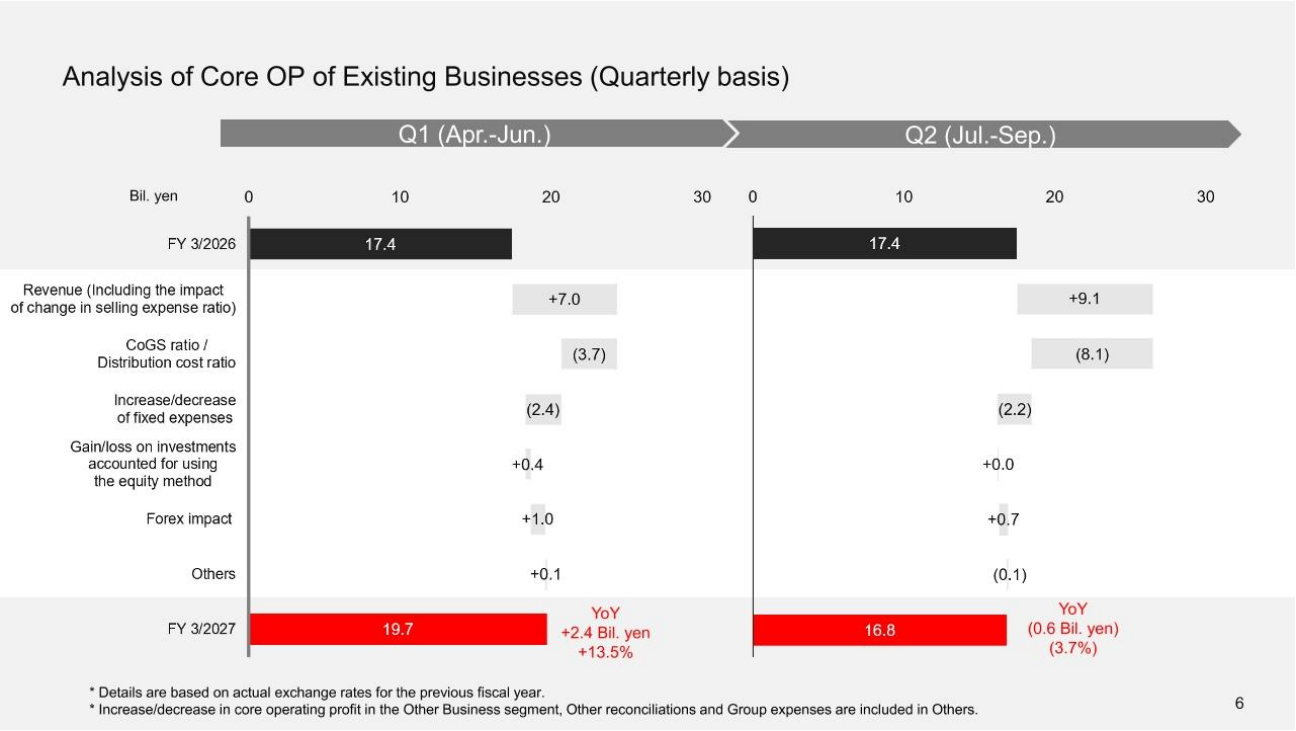
Please look at page five. This is an analysis of the factors behind the changes in core operating profit of existing businesses for H1, with the details shown on a constant currency basis.

In Japan, changes in revenue due to factors such as price revisions and the consolidation of SERIA ROILE were a positive factor for profit, contributing an increase of JPY11.6 billion. On the other hand, cost of sales fluctuations due to rising material prices, including the impact of the Middle East situation, resulted in a decrease of JPY8.6 billion, and fixed cost fluctuations due to increased depreciation and other factors resulted in a decrease of JPY2.2 billion.

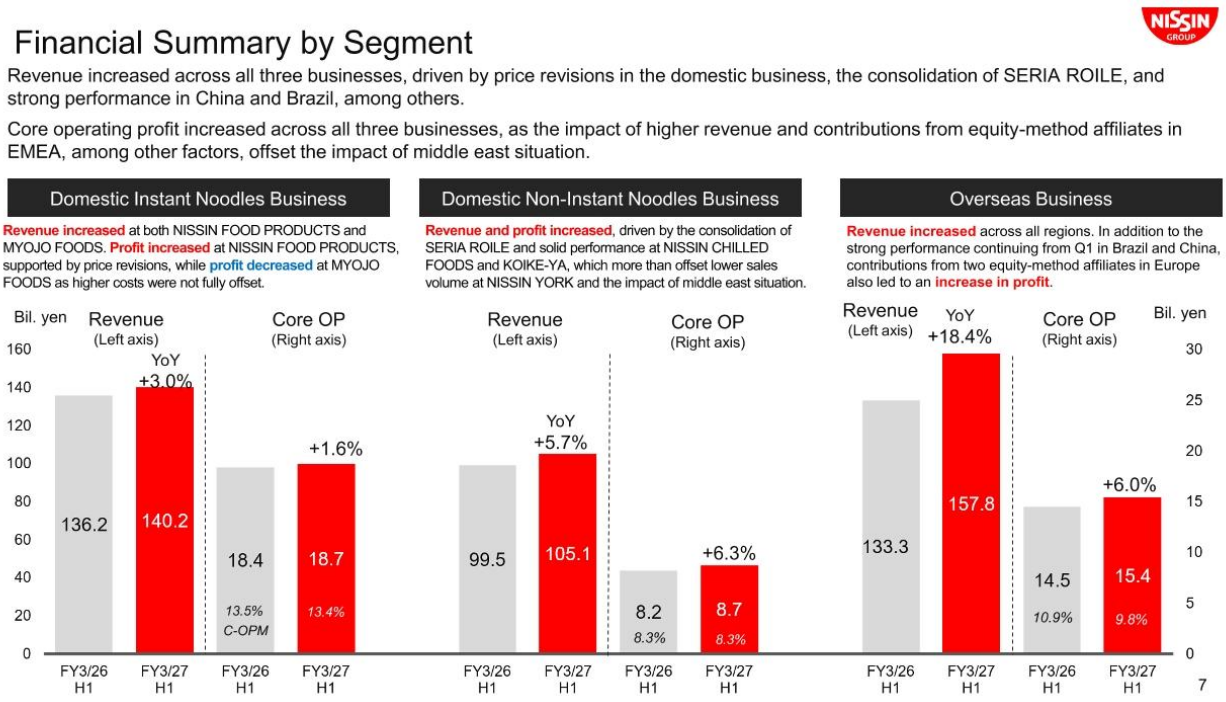
Overseas, revenue fluctuations due to increased sales volume and price revisions, mainly in the Americas region, were an increasing factor of JPY4.4 billion in profit growth. On the other hand, cost of sales fluctuations due to increased logistics costs and rising material prices, mainly in the Americas region, resulted in a decrease of JPY3.1 billion, and fixed cost fluctuations due to general and administrative expenses and other factors resulted in a decrease of JPY2.4 billion.

Regarding equity-method income and losses, Mareven recorded an increase of JPY800 million, Premier Foods and Thai President Foods remained almost flat, and NURC recorded a decrease of JPY300 million.



Page six shows the factor analysis by quarter.

Compared to Q1, Q2 saw further pressure on profits due to rising cost of sales and logistics cost ratios associated with the impact of the Middle East situation.



Page seven is the financial summary by segment.

I will explain the details from the next page onwards.

Revenue Results by Segment

Bil. Yen	Institutional accounting basis	YoY Change	YoY %	Constant currency basis	YoY Change	YoY %	F3/2026 H1 (Apr.-Sep.)
NISSIN FOOD PRODUCTS	114.9	+1.9	+1.7%	114.9	+1.9	+1.7%	113.0
MYOJO FOODS	25.3	+2.1	+9.3%	25.3	+2.1	+9.3%	23.2
Domestic Instant Noodles Business	140.2	+4.0	+3.0%	140.2	+4.0	+3.0%	136.2
Chilled / Frozen foods and beverages	51.8	(0.5)	(0.9%)	51.8	(0.5)	(0.9%)	52.3
Confectionery / Snack	53.4	+6.2	+13.1%	53.4	+6.2	+13.1%	47.2
Domestic Non-Instant Noodles Business	105.1	+5.7	+5.7%	105.1	+5.7	+5.7%	99.5
Domestic Business total **	245.3	+9.7	+4.1%	245.3	+9.7	+4.1%	235.6
North and Central America **	54.1	+7.8	+16.8%	48.6	+2.3	+4.9%	46.4
South America **	35.2	+7.1	+25.5%	29.6	+1.5	+5.4%	28.1
The Americas	89.4	+14.9	+20.1%	78.2	+3.8	+5.1%	74.4
China (incl. H.K.)*	41.8	+5.9	+16.6%	38.4	+2.6	+7.2%	35.9
Asia	13.1	+2.4	+22.0%	12.4	+1.7	+16.0%	10.7
EMEA	13.5	+1.2	+10.1%	12.2	(0.1)	(0.9%)	12.3
Overseas Business total	157.8	+24.5	+18.4%	141.3	+7.9	+6.0%	133.3
Domestic and Overseas Businesses total	403.1	+34.2	+9.3%	386.6	+17.7	+4.8%	369.0
Other Business**	5.6	+1.3	+30.6%	5.6	+1.3	+30.3%	4.3
Consolidated	408.7	+35.5	+9.5%	392.2	+19.0	+5.1%	373.2

* The results for the China region are based on the consolidation policy of Nissin Foods HD.
** The format has been changed starting from this fiscal year. Accordingly, FY3/2026 results also represent the results after the change. In addition, "Other business" also includes new businesses.

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Core Operating Profit Results by Segment

Bil. Yen	Institutional accounting basis	YoY Change	YoY %	Constant currency basis	YoY Change	YoY %	F3/2026 H1 (Apr.-Sep.)
NISSIN FOOD PRODUCTS	17.0	+0.4	+2.6%	17.0	+0.4	+2.6%	16.6
MYOJO FOODS	1.7	(0.1)	(6.7%)	1.7	(0.1)	(6.7%)	1.8
Domestic Instant Noodles Business	18.7	+0.3	+1.6%	18.7	+0.3	+1.6%	18.4
Chilled / Frozen foods and beverages	4.7	(0.5)	(9.8%)	4.7	(0.5)	(9.8%)	5.2
Confectionery / Snack	4.0	+1.0	+34.8%	4.0	+1.0	+34.8%	3.0
Domestic Non-Instant Noodles Business	8.7	+0.5	+6.3%	8.7	+0.5	+6.3%	8.2
Domestic Business total **	27.5	+0.8	+3.1%	27.5	+0.8	+3.1%	26.6
North and Central America **	1.2	(1.3)	(52.1%)	1.1	(1.4)	(56.8%)	2.5
South America **	3.1	+1.1	+53.0%	2.6	+0.6	+28.6%	2.0
The Americas	4.3	(0.2)	(5.0%)	3.7	(0.8)	(18.5%)	4.5
China (incl. H.K.)*	4.5	+0.8	+21.6%	4.2	+0.4	+11.8%	3.7
Asia	3.4	(0.1)	(3.2%)	3.2	(0.4)	(10.4%)	3.5
EMEA	3.1	+0.4	+14.9%	2.7	(0.0)	(0.5%)	2.7
Overseas Business total	15.4	+0.9	+6.0%	13.7	(0.8)	(5.4%)	14.5
Domestic and Overseas Businesses total	42.9	+1.7	+4.1%	41.2	+0.0	+0.1%	41.2
Other business **	0.4	+0.2	+79.3%	0.4	+0.2	+79.3%	0.2
Other reconciliations	0.5	+0.6	-	0.5	+0.6	-	(0.1)
Group expenses	(7.2)	(0.7)	-	(7.2)	(0.7)	-	(6.5)
Existing Businesses	36.5	+1.7	+4.9%	34.9	+0.1	+0.2%	34.8
New Businesses	(3.8)	(1.0)	-	(3.7)	(0.9)	-	(2.8)
Consolidated	32.8	+0.7	+2.3%	31.2	(0.8)	(2.5%)	32.0
Other income and expenses	0.0	+0.2	-				
IFRS operating profit total	32.8	+0.9	+3.0%				

* The results for the China region are based on the consolidation policy of Nissin Foods HD.
** The format has been changed starting from this fiscal year. Accordingly, FY3/2026 results also represent the results after the change.

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Page eight and page nine show the results for revenue and core operating profit by segment.

As shown on page eight, all businesses achieved revenue growth, with the exception of the Chilled / Frozen foods and beverages business. In particular, overseas operations saw double-digit revenue growth in all regions.

Regarding the core operating profit shown on page nine, in domestic businesses, NISSIN FOOD PRODUCTS and the Confectionery / Snack business performed strong; overseas, the North and Central Americas region saw a decline in profit, but this was offset by profit growth in South America, China, and

the EMEA region, resulting in overall profit growth for H1, absorbing the impact of the Middle East situation.

In the domestic instant noodles business, NISSHIN FOODS saw profit growth due to the effects of price revisions and other factors, while MYOJO FOODS CO., LTD, although performing better than planned, was unable to cover increased costs, resulting in a YoY decline in profit.

For the business as a whole, revenue increased by 3% and core operating profit increased by 1.6% compared to the previous period.

The domestic non-instant noodles business achieved both revenue and profit growth, as the consolidation of SERIA ROILE, along with solid contributions from NISSHIN CHILLED FOODS and KOIKE-YA INC., absorbed the impact of the Middle East situation and the decline in volume at NISSHIN YORK CO., LTD.

Revenue increased by 5.7% and core operating profit increased by 6.3% compared to the previous period.

Impact of the Middle East Situation on Core OP of Existing Businesses

■ Q2 impact was ¥4.3 billion; full-year impact estimated at approx. ¥17.0 billion

Unit: Bil. yen	Q1	Q2		H1	Full-Year
FY3/2026	17.4	17.4		34.8	70.6
FY3/2027	19.7	16.8		36.5	**73.5
YoY	*+13.5%*	*(3.7%)*		*+4.9%*	*+4.1%*
Incl. Middle East impact	Actual	Actual	Prev. Fcst.	Actual	Forecast
Materials & packaging	1.4	3.2	3.6~4.0	4.6	approx. 12.5
Utilities	0.1	0.5	0.2~0.5	0.6	approx. 2.0
Logistics	0.3	0.5	0.2~0.5	0.8	approx. 2.5
Total	1.8	4.3	4.0~5.0	6.1	approx. 17.0
Excl. Middle East impact*	21.5	21.1		42.6	
YoY	*+24.0%*	*+20.7%*		*+22.3%*	

Crude oil USD/bbl 90
Forex USD/JPY 158

* For reference only: without the Middle East situation, whether, when, and how price revisions were made across many regions/businesses would have differed (as would actual core OP)
** The full-year consolidated forecast announced at the start of the period is not revised; this is not a new H2 or full-year plan figure

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The overseas business achieved revenue growth in all regions. In addition to Brazil and China, where strong performance has continued since Q1, contributions from two equity-method affiliates in Europe also led to profit growth.

Revenue increased by 18.4% and core operating profit increased by 6% compared to the previous period.

Please turn to page 10. This is the impact of the situation in the Middle East.

The cost increase was JPY1.8 billion in Q1, and JPY6.1 billion for the cumulative H1. We anticipate an impact of around JPY17 billion for the full year.

In H1, in addition to measures to address the impact of the situation in the Middle East, we have implemented various measures, including price revisions. In H2, we will also steadily execute price revisions, cost controls, and profitability improvements.



Please turn to page 11. This is regarding our US business.

For H1 as a whole, we saw an increase in revenue due to an increase in sales volume and the effects of price revisions.

On the other hand, for Q2 alone, as stated on page 43, we had a difficult result in terms of profitability due to sales volume falling below the same period of the previous year, the recording of listing fees for the new BOLD series, the fact that Q2 was a period where various promotional expenses were higher than in other periods, and the impact of rising costs for materials and logistics associated with the situation in the Middle East.

Note that the Q2 results for the US include a tariff refund of several hundred million yen.

On the other hand, initial shipments of the new BOLD series have been strong, and we are maintaining strong performance for unique Nissin-like products such as Cup Noodles PRO, which contains protein, and the large-capacity HOTPOT.

We recognize that profitability remains a challenge, and we are proceeding with structural reforms in parallel with our growth strategy.

Specifically, we will reform our product portfolio by streamlining brands and SKUs and concentrating management resources on priority products.

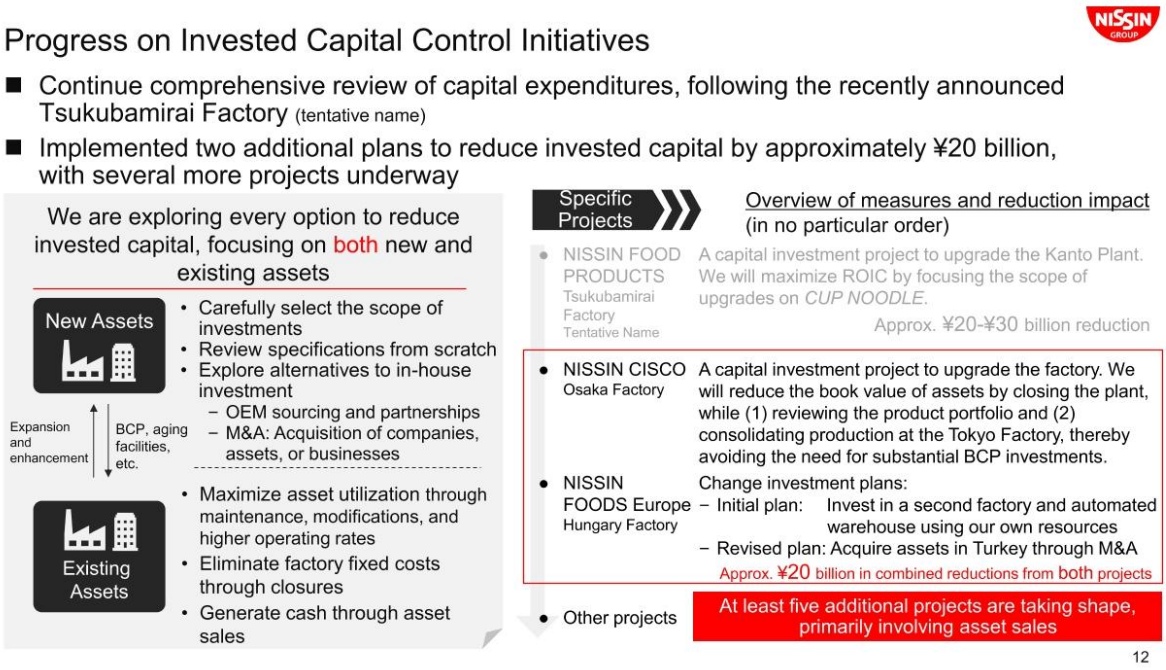
In addition, we are working on global cost reductions through reviews of raw materials and supplies, and we will also work on optimizing and streamlining production and logistics following the start of operations at our third factory on November 5, which had been postponed.

In addition, we will continue to work toward achieving appropriate price levels while reliably delivering product value to our customers by leveraging our strength in innovation.

Although the timing and details are undecided at this time, we will not follow excessive price competition and will proceed with preparations for a price revision in 2027.

As described above, we position the current period as a time for transformation, and in coordination with our strengthened regional headquarters for the Americas, we will steadily promote structural reforms; while it may take some time to see results, we will advance both top-line growth and profitability improvement in tandem.

Details will be explained by the CEO and COO at tomorrow's earnings briefing.



Please turn to page 12. This is regarding the progress on invested capital control initiative.

Following our previous explanation regarding the Tsukuba Mirai plant, which is a tentative name, we are currently conducting a comprehensive re-examination of our capital investments.

Regarding new assets, we are reviewing the investment scope and equipment specifications, and are also considering options beyond in-house capital investment.

Furthermore, regarding existing assets, in addition to maximizing the use of equipment, we are considering all means to reduce invested capital, including consolidating, closing, or selling bases as necessary.

As for specific progress, we have newly executed two projects this time.

The first is the NISSIN CISCO Osaka Factory. By reviewing our product portfolio and consolidating production at the Tokyo plant, we will close the Osaka plant, thereby avoiding significant BCP investment and aiming to reduce our held assets.

The second is the Hungary plant of NISSHIN FOODS Europe. Initially, we were considering in-house investment for a second plant and an automated warehouse, but we reviewed the expansion method itself and switched to M&A in Turkey, specifically an asset acquisition.

Combined, these two projects will enable us to reduce invested capital by a scale of JPY20 billion.

Moving forward, rather than simply curbing new investments, we will thoroughly control invested capital with a stronger focus on investment efficiency and capital efficiency, while balancing this with the investments necessary for business growth.

That concludes my explanation for now. Thank you.

Question & Answer

***[M]Moderator (Ninomiya), [Q] Questioner, [A]Answerer (Yano)**

[M]: We will now begin the question-and-answer session. First question, please.

First, I believe the full-year plan has not been revised this time, but could you tell me how you currently perceive the probability of achieving it? I understand that there was an increase in profit for H1, but looking at Q2 alone, there was a decrease in profit, and given the increase in costs relating to the Middle East for H2, it seems that achieving profit growth in H2 might not be that easy. Could you tell me how you expect to achieve the H2 plan by telling us, for instance, decline in Q2 was due to a one-time factor, therefore H2 will be fine?

The other point I would like to ask is about the US situation. This is a confirmation: is it correct that the new plant has been operating since November 5? If so, should we expect initial costs to weigh heavily on Q3? Also, since the talk of price revisions seems to be a new topic, please tell me what you are thinking regarding price increases in 2027 and how you plan to implement them.

[A]: Regarding your first point, while it is true that we exceeded both the previous year's results and our internal plan in H1, as you mentioned, the impact of the Middle East situation will be fully felt in H2. That is the reason why we did not revise down the initial full-year forecast of JPY73.5 billion.

It was JPY6.1 billion in H1, but since the full-year estimate is JPY17 billion, the amount will exceed JPY10 billion, meaning the impact in Q3 will be greater than in Q2.

Also, some expenses in the Q2 financial results were deferred to a later period, and while there is a decision to be made on whether to use them eventually, if we do use them, there will be some impact from that as well.

Furthermore, regarding the US, I think the consumption environment being very weak, there is a possibility of a downside risk in the US.In addition to that, there is the risk of exchange rate fluctuations and the question of how things will move after the risk of exchange rate fluctuations and political uncertainty, so considering those reasons, we believe that JPY73.5 billion is a challenging target.

Under these circumstances, our priority at this stage is to firmly secure core operating profit for existing businesses at the same level as the previous fiscal year. Beyond that, we will continue to consider internally how to bridge that gap, and we believe that is our top priority.

Second point, the new plant has been in operation since November 5. Since we can move production of the BOLD series, which had previously been produced at another plant, to the Greenville plant, there will not be particularly high initial costs, but depreciation expenses will certainly be incurred. On the other hand, since we were previously shipping from other plants that were further away, logistics costs will decrease significantly, so we do not expect total expenses to increase.

Regarding the price revision, we are currently in the middle of negotiations, but when we implemented a price revision last October, we did not necessarily pass on the prices we had envisioned to all channels and all retailers. Considering the competitive environment at that time, there were some parts where we made concessions. We are talking about negotiating to adjust those to what we envision, and we believe this will contribute to future earnings improvement.

[Q]: Could I confirm that this is not a new price increase, and also get the breakdown of North and Central America for the three months of Q2, specifically the breakdown of sales and profit for the US and Mexico?

[A]: Would you prefer the Q2 standalone figures or the cumulative figures?

[Q]: Could I have the three months of Q2, please?

[A]: Revenue was JPY28.5 billion, and the US, which includes NISSHIN FOODS USA and MYOJO FOODS U.S.A., though the latter is very small, accounts for about 80 percent. The remainder is Mexico.

Core operating profit was around breakeven, but slightly negative, in Q2 alone. NISSHIN FOODS USA posted a slight profit on its own, but including RHQ expenses, which were higher than last year, it was slightly loss-making. Regarding Mexico, the transition to paper cups is progressing, and the Apaseo plant has started operations, so depreciation has begun. Also, in starting the transition to paper cups, there are initial costs, such as waste generation and trial waste costs, and because of such factors, it is currently slightly in the red.

[Q]: In that case, is it correct that the US is profitable even after accounting for RHQ costs, while Mexico is trending toward a profit decline?

[A]: Originally, for Mexico, we had planned for a profit decline due to the depreciation of the Apaseo plant and the transition to paper cups. Regarding the fact that it slightly decreased in Q2 alone, it means that the initial costs for the transition to paper cups were incurred, and that expense is temporarily placing a heavy burden.

[Q]: Lastly, I believe Mexico was profitable in Q1, but could you provide some insight into the scale, such as whether the scale of the deficit is about the reverse of that, or if the deficit is larger than that?

[A]: Yes. Mexico was close to breakeven. As for the US, NISSHIN FOODS USA was profitable on a standalone basis, but slightly loss-making after RHQ expenses were included.

[M]: Next question, please.

[Q]: You suggested that it was challenging to achieve the full-year plan, but I would appreciate it if you could provide a concrete idea of what measures you are taking, or will take in the future, to address the cost increase of over JPY10 billion in H2. In addition, regarding NISSHIN FOODS in Japan, you implemented price revisions in April, but what is the status of considering additional price revisions that take into account the cost of raw materials?

[A]: Regarding H2, we have listed some of our domestic subsidiaries on pages 44 and 45. Since some of them have been implementing price revisions mainly since June, these will take effect from Q3 onward. This is one thing. The other is that we are making considerable cost improvements throughout the Company, mainly in R&D, materials, supply chain management, and production, though this is relatively larger overseas, and we will continue to promote these cost reductions company-wide. Also, revenue is progressing well. Particularly in Japan, the sales volume has not dropped as much as we had anticipated after the price revisions. In addition to that, the product mix has actually improved, which is a positive trend, and CUP NOODLE, U.F.O., and DONBEI are all celebrating anniversaries this fiscal year, and they are also performing well, so there is a premise that the base business is good. Adding the price revisions and cost reductions I mentioned earlier, we are currently planning to somehow aim for figures on par with the previous fiscal year for H2, and then look beyond that.

[Q]: Do you have an estimate of how much of a quantitative effect you expect from the subsidiary price revisions and cost reductions?

[A]: I do not have that on hand right now. Igarashi [Q]: I understand. It is fine if you can check later.

[Q]: I am aware that NISSHIN CHILLED FOODS and NISSIN FROZEN FOODS are implementing price revisions, but I am curious if additional revisions are possible for NISSHIN FOODS, CUP NOODLES, DONBEI, and U.F.O. What is the situation, including for chilled products?

[A]: As I explained earlier, our current assumption is that the NISSHIN FOODS business itself is progressing quite smoothly. Therefore, our current assumption is that we can achieve the initial plan for this fiscal year without further price revisions for the remainder of the term. This is due to two factors: strong business performance and progress in cost control.

However, we have already implemented significant cost reductions this fiscal year, and costs are trending upward, so we are discussing how to think about price revisions, but nothing has been decided at this time.

[Q]: Even if you do it next fiscal year, is it correct that it would be difficult to do it around April, the timing of the consumption tax cut?

[A]: That is correct. I believe that is generally what is being said.

[M]: Next question, please.

The first point is that I would like you to tell me about the sales volume in the US for Q2.

First, you mentioned a mid-single-digit decrease, and I would like to ask about the situation when divided into base products and premium products, as well as the current environment you are in.

Also, as the new factory begins operation, I would like to ask about how this will change in H2 and what you are assuming.

[A]: Regarding sales volume, although it is mid-single-digit overall for the base, both have seen a volume decrease of about mid-single digits.

[Q]: How was that compared to your company's assumptions, and how do you view the current business environment you are in? What are your thoughts on that?

[A]: Regarding the base products, we are focusing on improving profits steadily rather than chasing volume, so we are not chasing numbers unnecessarily, which is one reason why the base products are decreasing.

As for this BOLD series, it was originally planned to be produced in Greenville, but since it did not start operating in August, we were producing it at a different factory. The line that was producing it was originally a product line that produced base products, so the supply was also constrained there. We believe that such factors are included in the reason why the base products, which had been growing by high single digits, turned negative.

On the other hand, regarding premium products, they are more affected by the channel composition. Premium products tend to sell in the so-called grocery channel, which is the highest in terms of price range, but due to trading down occurring in the current US inflation environment, people are moving to cheaper options, so we are being affected by the fact that grocery sales are falling overall. Since the BOLD series is also included in the premium category, we believe that it will contribute to this once it is fully released.

[Q]: Is the current premium environment tougher than what your company anticipated, and there has been no change for that?

[A]: Looking at statistics like consumer confidence in the US as a whole, it is very weak, and I think instant noodles are also being affected by that. However, if crude oil prices fall further, gasoline prices will also fall. If that eases the burden on consumers, I think it is possible that people who have avoided processed foods and instead bought ingredients to cook for themselves may return to instant noodles.

[Q]: With BOLD TASTES actually out and the new factory starting operations in November, what is your company's outlook for base and premium volumes in H2?

[A]: The outlook is difficult to assess, but we are implementing various measures and hope to recover. We do not have a quantitative estimate at hand, but we believe that the increase in logistics costs associated with alternative production will likely disappear. With the Greenville plant in operation, we will also be able to increase the supply of premium products, so we hope that a significant negative trend will not continue.

[Q]: Is it correct to assume that, in total, you want to bring volume into positive territory? In the second quarter, you mentioned that base-product volume was down by around the mid-single digits.

[A]: However, I think it is somewhat challenging to say whether we can bring it to a positive level for the full year. Rather, as I mentioned earlier, Regarding volume, we are not really using that as a KPI for this fiscal year; rather, we believe that activities to firmly establish BOLD TASTES are more important.

[Q]: Regarding my second point, you mentioned the profit level for this fiscal year, aiming to build on the JPY70.6 billion from the previous fiscal year and get as close to JPY73.5 billion as possible. If that happens, how is your company currently viewing the outlook for the next fiscal year?

[A]: Regarding the next fiscal year, we are just now starting those discussions, so it is difficult to say specifically how much we will grow at this moment. However, the prime business, which appears toward the back of this presentation material, that is, domestic instant noodles, Brazil, and China, is experiencing tailwinds in terms of the macro environment, so we believe we will focus on growing those areas.

[Q]: Within this, I think it depends on the external environment and costs, but is the situation such that you can aim for a V-shaped recovery next fiscal year, and what is your thinking on that?

[A]: It might depend on how steep a V-shape you are expecting, but I believe we can steadily grow the three prime businesses mentioned earlier. Since the profit amounts themselves are large, I think whether or not these grow is quite significant.

The other thing is how the US will develop. As shown in the presentation materials, we are implementing various reforms, so if those things work well, there is room for the portion that declined this fiscal year to actually contribute as an addition.

[M]: Next question, please.

First, may I ask how many hundreds of millions of yen the core operating profit of existing businesses in Q2 exceeded the internal plan?

[A]: Regarding the internal plan, the figures are almost as planned.

[Q]: So, considering that Q1 exceeded the plan by JPY4 billion to JPY5 billion, Q2 came in almost in line with the internal plan, and more than JPY10 billion in additional costs related to the Middle East situation will be incurred in H2, is it correct to understand that you have concluded that it will be quite challenging to achieve the full-year plan which remained unchanged?

[A]: That is the outlook. That is correct.

[Q]: Next, a question about the overall picture. Even though there are various factors such as the profit in the US businesses dropped, Q1 saw an increase in volume for the global business as a whole. Q2 is expected to show an increase in volume, even as the hurdle rises, so in terms of your company as a whole, do you view this as confirmation that volume growth in your overseas business has become solid? Or do you understand that there are still many areas with high hurdles?

[A]: The US may be slightly unique, but other than that, basically, volume is increasing in each country, and we believe there is still room for growth overseas.

Furthermore, regarding price revisions, we will continue to consider them for overseas markets as well, and since there are aspects where it is easier to implement them overseas, we believe that overseas markets will continue to be a growth driver in the future. The fact that two of the three prime businesses are overseas, in China and Brazil, is also evidence of this.

[Q]: Basically, while it is unclear what will happen in the US for the time being, I understand that you believe overseas volume growth can be sustained from the next fiscal year onward and that it has bottomed out, is that correct?

[A]: Rather, we consider the fact that we operate in various countries to be our strength, so we would like to leverage that.

[Q]: The second point is about the US. You mentioned that there is a tariff refund in the US businesses, and it is slightly in the red.

[A]: NISSHIN FOODS U.S.A. alone is in the black.

[Q]: But if NISSHIN FOODS U.S.A. is in the black even with the tariff refund, then thinking about it normally, that probably means it was in the red excluding the tariff refund, right?

[A]: That is correct. This Q2 is a special timing; first, the BOLD series was introduced for the first time this fiscal year, so a large amount of listing fees was incurred as a one-time expense.

Also, regarding Q2, we had quite a few promotions, such as "back to school," so costs were higher in comparison; in total, the amount spent was about the same as, or slightly more than, the refund amount compared to other period. So, if you ask me if we will continue like this into Q3 and Q4, I think that will likely be offset and we will be in the black.

[Q]: For H2 of the year, although it is currently difficult to see the profits, is it correct to understand that you will return to the mid-single-digit profit margins in H2 with the profit margin level in the US in the past?

[A]: Regarding that, I think it depends on what happens with future sales volume and the product mix, but I believe that compared to Q2 excluding the tariff refunds, it will improve significantly from there. The other factor is what happens with price revisions.

[Q]: By the way, regarding the price revision, is it correct to understand that, since you did not raise prices at Walmart last year, you will actively communicate to place like this?

[A]: There are some retailers where that is the case, and there are places where price hike hasn't penetrated yet, so we are in the process of negotiating one by one.

[Q]: In any case, it means that base products are struggling. Also, regarding the decline in base-product volume of around the mid-single digits in Q2, was the decline at a similar level on a sell-out basis? Finally, I would like to ask about the response to BOLD TASTES OF TOKYO.

[A]: Unlike in Japan, where you launch a new product with massive advertising for a vertical takeoff, the US market doesn't work that way; it's a process of building a track record at a few retailers and then pitching it. So, it is difficult to judge at this stage whether it is a huge success, but as I believe was in the materials, the initial velocity is quite good compared to the new products we have released in the past.

Also, we are now able to produce it in Greenville, so we plan to increase tastings and sampling in the future. Since it is a product that people are eating for the first time, they really need to try it to understand

it. As you saw when you went to Brazil, people were eating it at the store and buying it, so we intend to increase those kinds of activities in the US as well.

Since this is also about creating a new market for us, I think we are heading in the direction of stepping on the gas in the sense that we will be carrying out steady activities from here on out.

In addition to that, promotions using Japanese IP also started in October, and they are now gradually increasing. Since exposure will gradually increase in such areas, I believe that the challenge for NISSHIN FOODS USA this term is to steadily grow this, or rather, since this may be a major strategic development, to execute it properly.

[Q]: It is not the kind of story where the numbers will suddenly jump in November, but rather a message that you will be doing it gradually, right?

[A]: I think it is a matter of properly permeating it throughout this year and next year. Perhaps it is a difference in American channels, or maybe a difference in retail.

[Q]: Personally, I am watching the anime IP that your company is doing, and I think you are doing some very interesting IP. However, compared to the Korean company, the number of likes is still very low, so I have been watching thinking that this kind of thing takes time.

[A]: As I mentioned earlier, this is a story of us creating the market, and I don't think it is a world where we are taking from the Korean company because the products are different. We have to create it ourselves, so I think the challenge for this fiscal year and next fiscal year is to take the time to properly build a path for the future.

[M]: Next question, please.

I apologize for being persistent, but I would also like to ask about the US. First, roughly speaking, I believe there was a YoY profit decline of about JPY1 billion in this Q2. If you have the factors for this increase or decrease, could you quantitatively tell me how much the tariff refund story you mentioned earlier and the listing fee story each contributed?

Also, you mentioned that you plan to turn to a profit increase of JPY1.4 billion to JPY1.5 billion when calculating for H2 of the year. If you have any outlook on this, please tell me your thinking on what will lead to the profit increase.

[A]: First, regarding this Q2, the decline in volume has large impact. This impact is the largest, and in addition, logistics costs have increased quite significantly. In total, it has increased to nearly double digits, and this impact is also quite large.

[Q]: Is that for the quarter?

[A]: No, it is only for Q2. Also, we are using some marketing expenses, so that is another factor.

The BOLD listing fee mentioned earlier is costing a considerable amount, and we are spending more on marketing expenses than usual this term as well, so in total, it comes to around high single digits, meaning the impact of those factors was also significant.

We also revised prices last year, so while sales themselves have increased, the increase in those costs has resulted in a negative overall figure.

[Q]: Is it correct that there is a profit decrease of about JPY1 billion for Q2?

[A]: That is correct. Refunds are also included in the actual results this time.

[Q]: I think the refunds and listing fees you mentioned earlier is similar amount.

[A]: Overall, it is the listing fees and also higher marketing expenses than usual. The refund offset these costs.

[Q]: How about H2? I believe you are projecting a profit increase of JPY1.4 billion to JPY1.5 billion in H2.

[A]: That was the plan under the original plan. Regarding that, those listing fees will be gone in H2, and as for marketing expenses in H2, in terms of pursuing profit, rather than increasing the volume of items that are not generating much profit, we will focus on profitable products, so we believe we can reduce promotion expenses.

Therefore, we believe there will be an improving trend, and also, as I mentioned earlier, if we can implement price revisions to a certain extent, we believe that will be a plus. However, whether we can reach the figures I mentioned earlier will be a challenge going forward.

[Q]: Are you saying that you want to cover that in other areas and somehow achieve the overall profit?

[A]: Yes.

[Q]: Is the scale such that the depreciation of the new factory you mentioned earlier can be offset by the reduction in logistics costs? Could you also provide quantitative figures on how much the depreciation will increase and how much the logistics costs will decrease?

[A]: Originally, the depreciation of the Greenville plant was about JPY2 billion per year. If you break it down by month, it's a few hundred million yen. In addition to the fact that gasoline prices are currently rising significantly, the current factories, we have two of them, are both located in quite out-of-the-way places. They are in the east and west, and it costs quite a bit to transport to the Midwest, so these alternative transportation costs are quite high.

Therefore, in our estimates, we believe we can expect a reduction in alternative transportation costs that will almost cover the depreciation. Regarding the alternative transportation costs, we decided to produce the product in the factory in the south, and that will certainly produce the expected results.

[Q]: The second question is also about the US and the topic of price increases. This year, you will implement it in channels you missed out last year. What specifically will you start doing in preparation for the 2027 price revision mentioned in the document? Are you starting price negotiations for next year beyond that, or what is the message here? Please let me confirm again.

[A]: That is in line with what I mentioned earlier, which is to engage in negotiations to firmly raise prices where we haven't been able to do so yet.

[Q]: Is that what you mean? Is it your understanding that prices will rise toward 2027 as a result of that? Does it mean you are not saying these two things: that you will make new price revisions and that you are preparing for next year?

[A]: Upon checking, what I mentioned earlier is that in addition to firmly recovering profit from the prices we were able to raise last year, we are currently thinking about coordinating with some channels to see if we can implement further price revisions. Since that is a matter for next year, it is not yet part of any concrete plan, but as we want to properly pursue profits, we are considering it as one of the items to improve profitability. Of course, there are various other things included, such as reviewing the supply chain and improving costs, but we are considering that as one of the options.

[M]: Next question, please.

First, with the performance and profits in the US significantly declining, you still need to restructure the business portfolio. What kind of discussions are currently taking place in management?

For instance, there may be discussion such as when profits drop this much, the source of funds for sales promotion will disappear. I understand the stance of not pursuing volume because raising prices will cause volume to drop, but you don't want to see a deterioration in marginal profit, or rather, profit in general. I don't think you can really recover the volume, in terms of this balance, I would like to reconfirm the management priorities for the US business.

[A]: It is true that there are many challenges. At one point, about seven or eight years ago, it was a business that could not turn a profit, but it has finally become profitable. We intend to keep the US business as one of our pillars of profit, so we consider how to create a structure that generates profit to be the most important issue.

Therefore, I cannot say specifically what we are doing now and how it will contribute from the next fiscal year, but naturally, the RHQ and we are involved in various discussions. We might be able to tell you about our plans for the next fiscal year around May or so, but for now, please understand that various discussions and considerations are underway.

[Q]: Here is my next question. From a similar perspective, I am wondering where the bottom of your company's performance is right now. First, I am a little concerned about whether the bottom of the US performance will really stop at zero profit or if it will go into the red. Regarding the consolidated results, compared to the president's initial comment that you would somehow manage to meet the guidance, current situation is that it is challenging, as you just mentioned.

Where should we be looking at as the bottom of your company's performance right now? Is that kind of discussion happening internally?

[A]: As for us, we want to avoid consecutive profit declines, so as I mentioned earlier, we believe that bringing the core operating profit of existing businesses to last year's level is our top priority.

Within that, although there are some parts that delayed into next fiscal year, and I think there is a discussion about whether to use those or not. Including these aspects, I think we will end up trying to accumulate even a little bit more,

[Q]: You are focusing on the core operating profit of existing businesses for the year. Is that correct? Last year it was JPY70.6 billion, so you want to make this the bottom. So, is it the current management's position that JPY70.6 billion is a level that must be defended at all costs?

[A]: Basically, yes. Of course, we have the initial plan, so we want to aim for that, but various risks are certainly possible. I think the discussion will be about how to first secure a level comparable to last year, and then what to do beyond that.

[Q]: It is fine that your company will have one profit decline in this H2, but then you have to turn this current downward trend in earnings back into an upward trend next fiscal year. Is that correct? I am wondering what you see as the hook or trigger for a turnaround in performance, such as price increases or sales of new products like BOLD TASTES OF TOKYO.

[A]: First of all, if the situation in the Middle East does not change, we will not be in an environment where costs increase as much next fiscal year, so I think it will no longer be an environment where costs keep rising and profits keep falling.

On the other hand, regarding how we will create an increase, one way is the aforementioned three prime business, where I believe there is still room for growth. As for Brazil, there is room for profit margins, and regarding China, the regions where we are currently operating are still limited, so by expanding into the central and western regions, there is room to increase volume, so I think those will be the basics.

[Q]: Does pricing or price increases not really factor into this?

[A]: We will naturally consider that, but there are countries where the environment is quite difficult. I think we need to look at that carefully.

There is no discussion right now about raising prices to a certain extent next fiscal year, and it is not at all decided that we will not do it, but I think we will consider it carefully.

[Q]: Could you provide some details on the one-time factors?

[A]: I think it will be mainly in the domestic businesses. Regarding the amount, overall, excluding the Middle East impact this time, it is an increase of about JPY4.3 billion compared to the previous period, and the amount is something like 20% or 30% of that.

[M]: Next question, please.

[Q]: Regarding the talk about timing differences, since the Middle East impact occurred, I am not sure if that is actually a timing difference. Can I assume that you tightened cost controls?

[A]: We interpret it as a timing difference because we did not use what we had originally planned, but we also believe there is a decision to be made not to use it, so we do not think that just because there is a timing difference, it will necessarily appear in Q3.

[Q]: That is true. It is normal to review costs because the execution environment has simply changed.

[A]: That is correct. If you are selling without using them, I think there is also a decision to be made not to use them.

[Q]: Could you please tell me about the profit increase/decrease and the image of sales volume for NISSHIN FOODS in Japan, which I always receive?

[A]: Would you prefer the Q2 only or the cumulative total?

[Q]: Q2 only is fine.

[A]: On a non-consolidated basis. First, the revenue increase is JPY2.2 billion, cost of sales fluctuations and logistics costs, etc., decreased profit by JPY2.3 billion, product mix is an increase of JPY500 million, equipment renewals, etc., decreased profit by JPY500 million due to increased depreciation, and general administrative expenses, etc., decreased profit by JPY200 million. Net, it is a decrease of JPY300 million yen compared to the previous period.

[Q]: What was your impression of the sales volume?

[A]: Sales volume is down slightly. It is a low single-digit decline.

[M]: Next question, please.

[Q]: Regarding sales of base products, I think the market itself in the US is struggling quite a bit, and I would like you to explain the background to that. Also, would further penetrating price increases or implementing additional price increases within this environment not lead to further negatives? What is your view on the penetration of price increases?

[A]: Certainly, we also assumed that under these circumstances, base products would sell well, and I think the market was probably as you said. However, unfortunately, that is not the case right now.

Under these circumstances, I believe we need to be cautious about how far we can raise prices. We are not saying we will do it no matter what, but we are talking about starting those negotiations carefully, one by one. It may take some time, but the current situation is that we are proceeding with the intention of getting as close as possible to the level we are aiming for.

[M]: We will conclude the briefing here, but tomorrow, the 12th, we will hold a briefing session attended by the CEO, COO, CSO, and CFO. It will focus on issues and strategies for future growth, so we would appreciate your participation.

Thank you very much for taking the time to join us today.

[END]