



Securities code: 9066

May 25, 2018

Nissin Corporation Results Briefing for the Fiscal Year Ended March 2018

Profit has increased continuously for five successive terms, and a record-high profit was achieved

- Strengthen the fundamental for growth this term -

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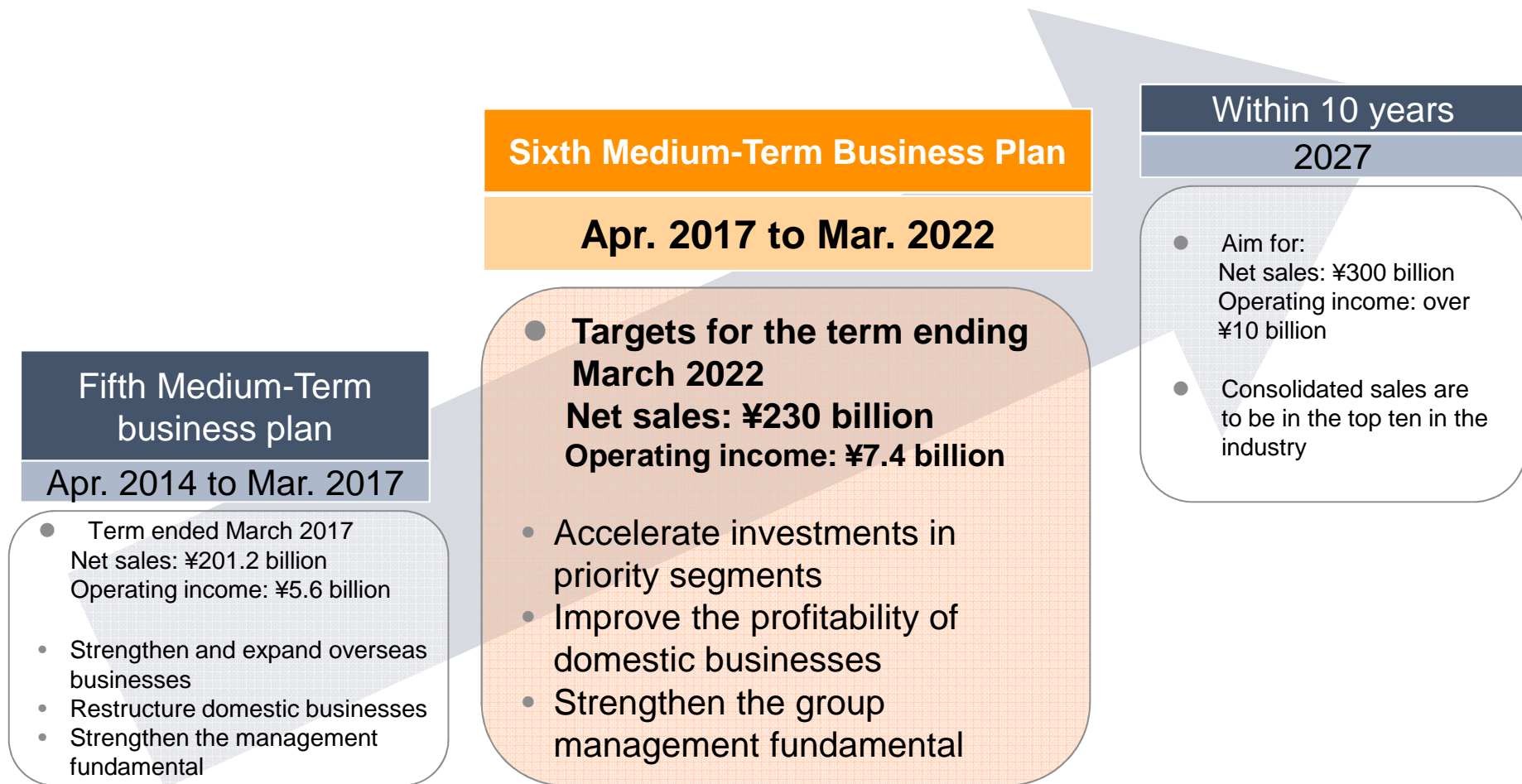
Progress of Medium-Term Business Plan

Aim for the early achievement of the Medium-Term Business Plan by promoting priority measures



Position of the Sixth Medium-Term Business Plan

- Face the future and take on the challenge of new issues, and expand overseas businesses.



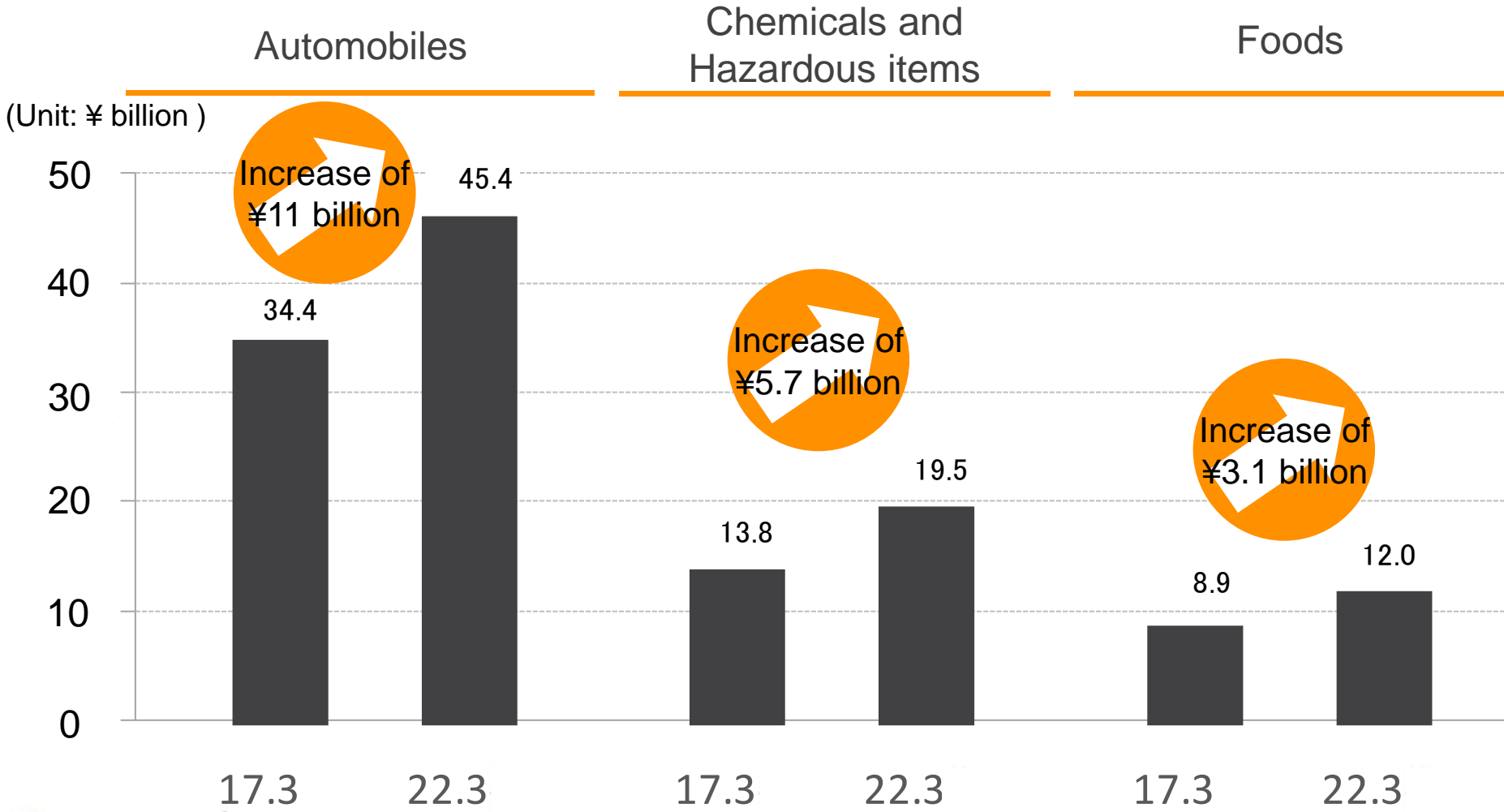
Overview of the Sixth Medium-Term Business Plan

Basic policy	<p>“Global logistics service provider”</p> <p>- Further innovation to be the top quality logistics company in the world -</p>
Period	<p>April 2017 to March 2022 (5 years)</p>
Priority measures	<ul style="list-style-type: none"> ● Priority segments (automobile-related, chemicals and hazardous items, and food distribution) ● Improve the profitability of domestic businesses <ul style="list-style-type: none"> • Restructure the logistics facilities • Pursue the improvement of operational efficiency • Strengthen cooperation between the logistics business and the travel service • Promote logistics consulting using AI ● Strengthen the fundamentals of group management <ul style="list-style-type: none"> • Strengthen governance and ensure thorough compliance • Secure and cultivate human resources • Strengthen financial health through the streamlining of funding, etc.



Target Net Sales for each Priority Segment

■ Aim to expand in the automobile-related segments as well as the growing segments of chemicals and hazardous items and food





Results for the Fiscal Year Ended March 2018

Record profit was achieved,
led by Japan and Asia logistics and Travel service



Summary of Financial Results for the Fiscal Year Ended March 2018

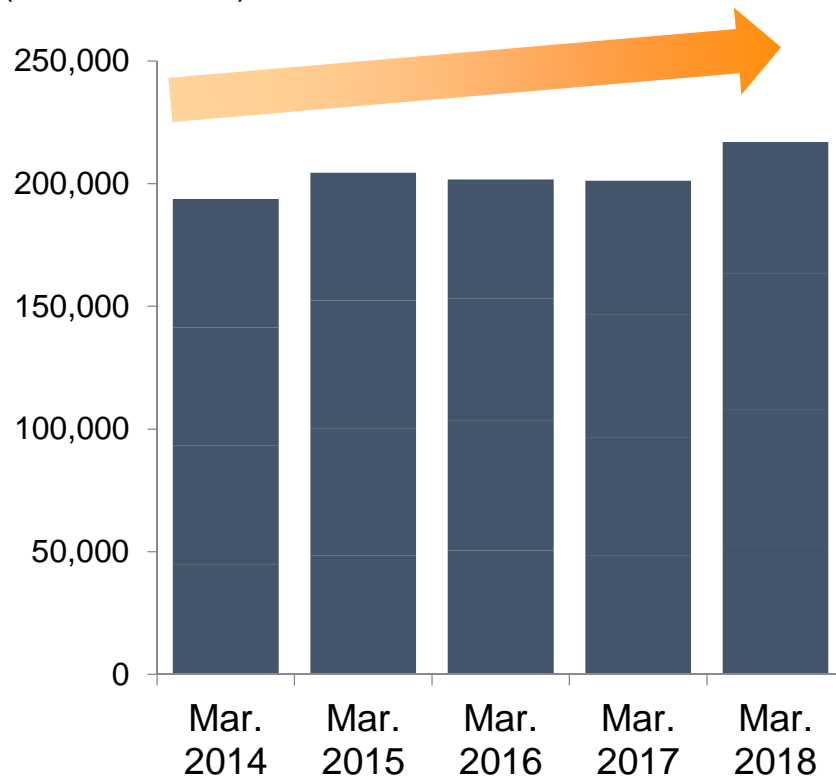
	March 2017 term	March 2018 term			
	Result	Corrected plan (Oct. 30)	Result	vs. plan (%)	Year on year (%)
(Unit: ¥ million)					
Net sales	201,209	213,000	216,924	101.8%	107.8%
Operating income	5,607	6,150	6,389	103.8%	113.9%
Ordinary income	6,266	6,500	6,869	105.6%	109.6%
Profit attributable to owners of parent	4,457*	5,200*	5,210*	100.1%	116.9%

Past Performance

- Profit continued to increase. Transformation into a system that ensures profits are earned without being affected by the top line.

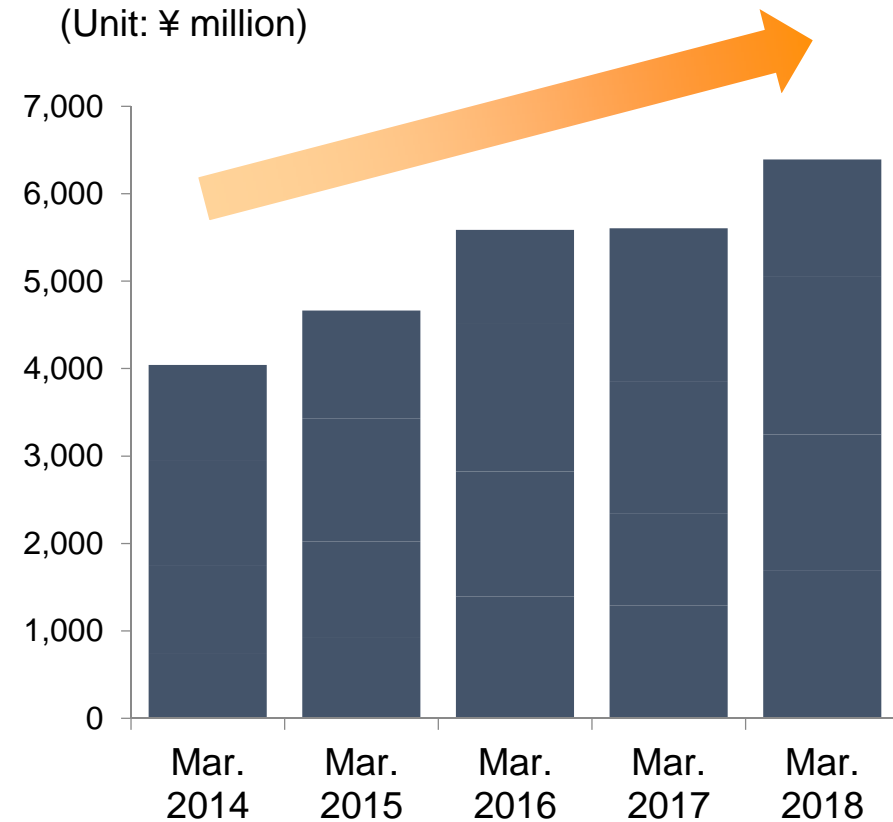
Net sales

(Unit: ¥ million)



Operating income

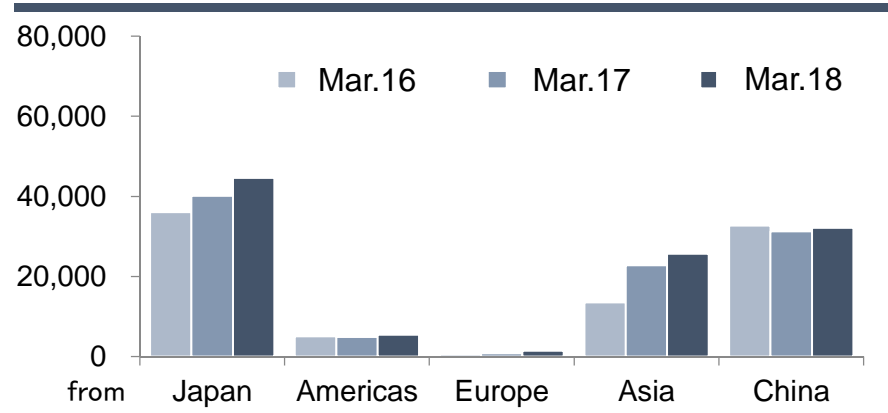
(Unit: ¥ million)



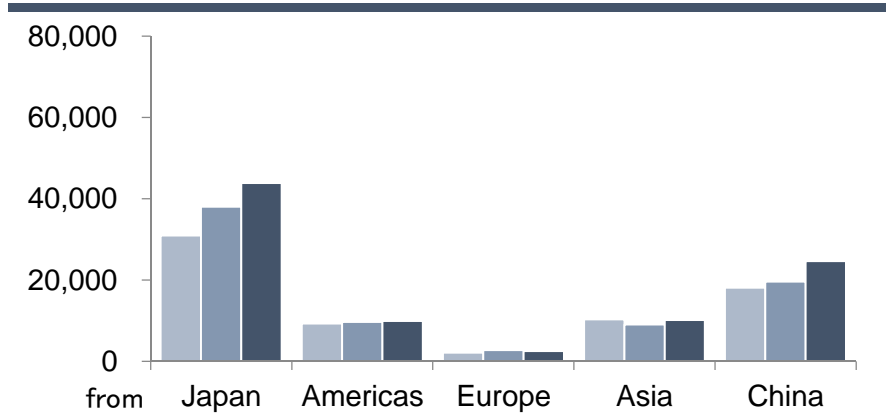
Three-year Transition of Ocean and Air Cargos Quantities

■ Cargos moved actively from/to Japan and Asia

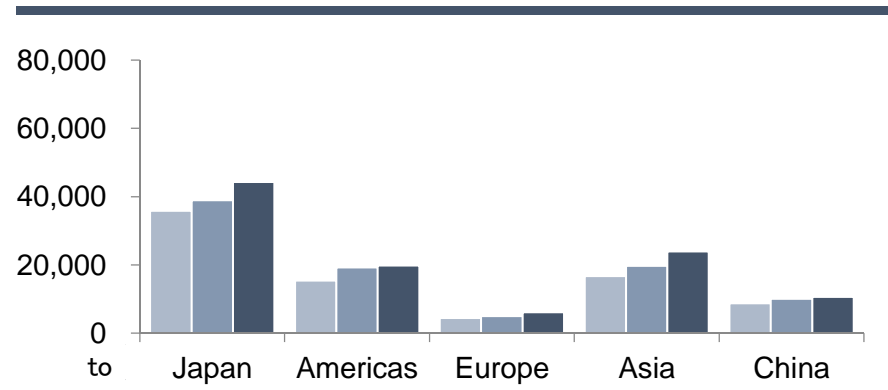
Ocean Exports (TEU)



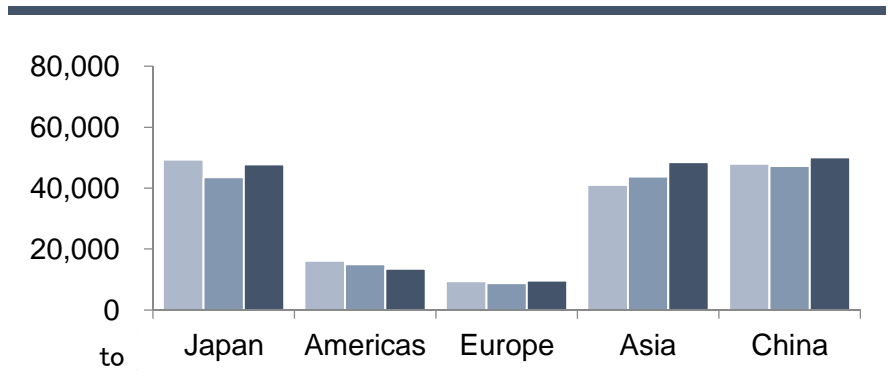
Air Exports (TON)



Ocean Imports (TEU)



Air Imports (nos. of declaration)

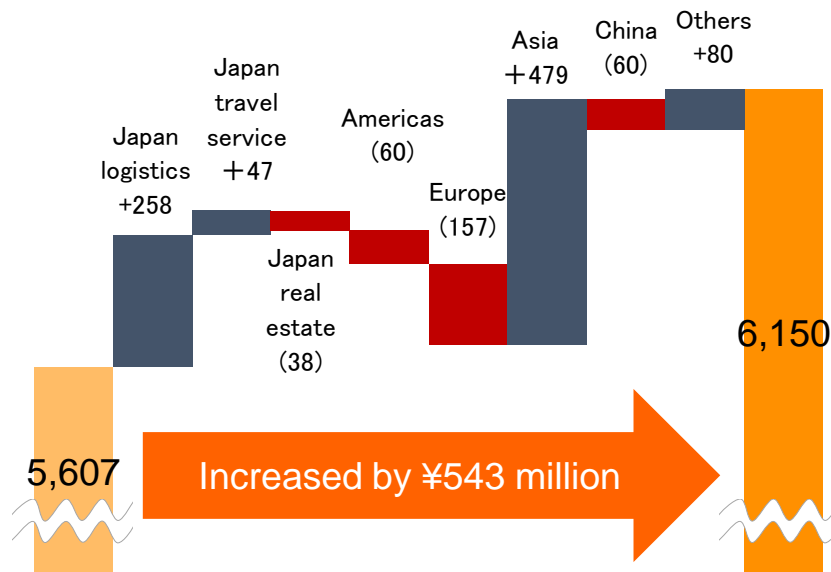


Results for the Fiscal Year Ended March 2018 - Operating income (year on year)

- Results exceeded the corrective plan. In particular, Japan logistics progressed well.

Corrective plan (Oct. 30)

(Unit: ¥ million)

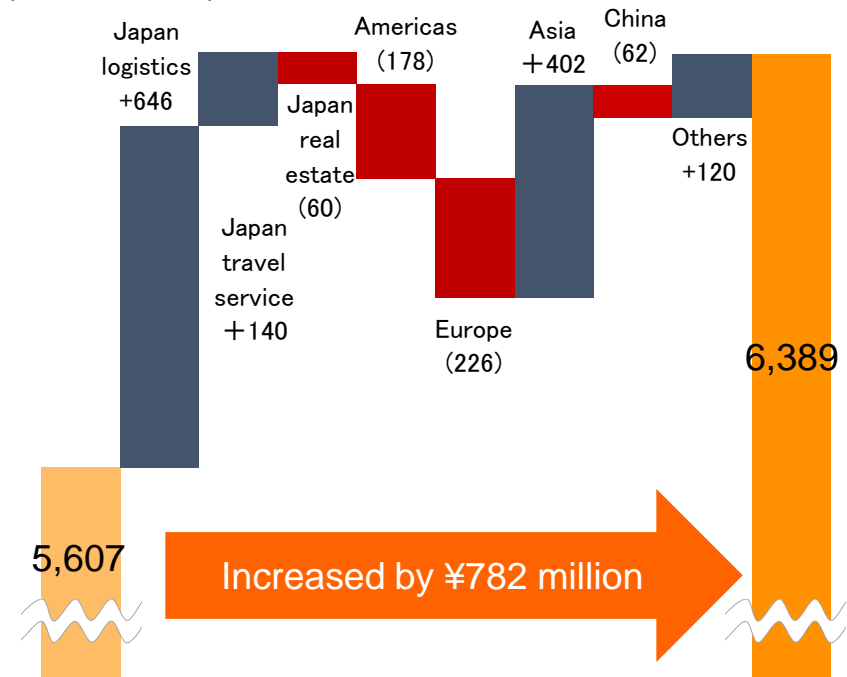


Results for
Mar. 2017

Corrective plan
for March 2018

Results for March 2018

(Unit: ¥ million)








Results for
Mar. 2017

Results for
Mar. 2018

Review of Causes of Profit Increase/Decrease

- The result was led by Japan and Asia logistics and travel service.

	Japan	Increase in cargo exported/imported by air (e.g. electronic components and food) Increase in cargo exported/imported by sea (e.g. chemical items and food) Increase in ships handled at terminals Increase in business travel handled due to increased demand for business trips
	Americas	Although exports by air increased in the US, cargo movement slowed down in Mexico.
	Europe	Although new businesses were explored, this did not cover the slack in the warehouses.
	Asia	Automobile-related logistics were active in the ASEAN region.
	China	Although quantities increased, freight expenses also increased.



Plan for the Fiscal Year Ending March 2019

Aim for the achievement of the medium-term business plan by increasing sales and strengthening fundamentals



Direction in the Fiscal Year Ending March 2019

Reinforce both “offense” and “defense” in the March 2019 term

Offense

Plant seeds of investments, which will be food for profits

Invest in high value-added logistics, looking ahead three to five years

Defense

Pursue improved operational efficiency

Introduce Robotic Process Automation (RPA)
Reduce the workload by reviewing the business flow, and promote improved efficiency through the global standardization of IT

Summary of Full-year Plan for the Fiscal Year Ending March 2019

- The handled quantity remains strong. Sales are also expected to increase steadily.
- The decrease in profit is as a result of extraordinary income (compensation for relocation) that was included in the preceding two fiscal years.

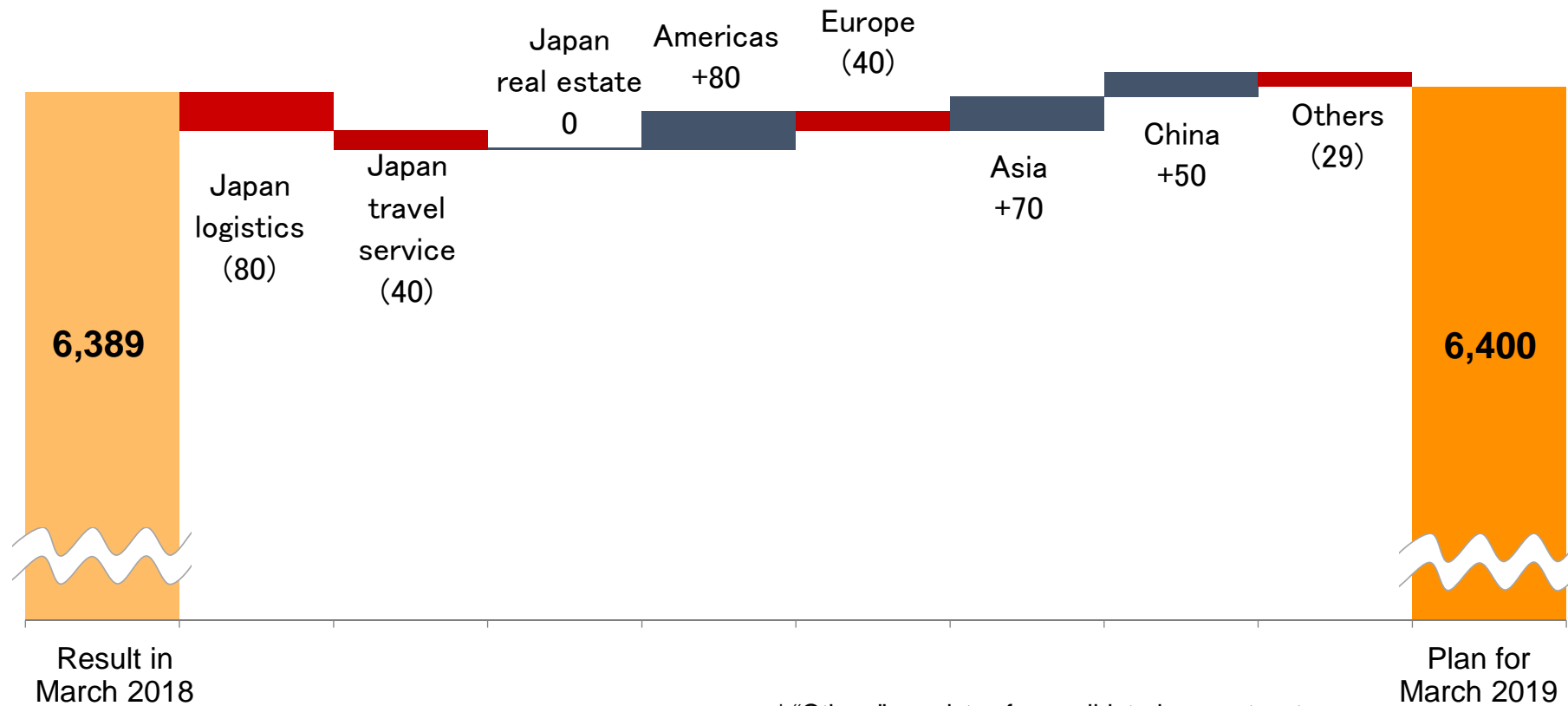
(Unit: ¥ million)	Result for March 2017	Result for March 2018	Plan for March 2019	Year on year (%)	Year on year (amount)
Net sales	201,209	216,924	222,000	102.3%	+5,076
Operating income	5,607	6,389	6,400	100.2%	+11
Operating income rate	2.8%	2.9%	2.9%	-	-
Ordinary income	6,266	6,869	6,900	100.4%	+31
Profit attributable to owners of parent	4,457*	5,210*	4,300	82.5%	(910)

* Including the compensation for warehouse relocation

Full-year Plan for March 2019 by Region-Operating Income

- There are no major foreseeable causes for fluctuation in operating income. It is to be a year for strengthening the fundamental for achieving the Mid-Term Business Plan.

(Unit: ¥ million)



* "Others" consists of consolidated amounts, etc.

* The figures are internally aggregated values to explain the performance of each region in an easy-to-understand manner.

Causes for Increase/Decrease in Profit in the Fiscal Year Ending March 2019

Japan	Increase in costs including labor costs, depreciation of IT, large-scale repair of facilities. Promote the enhancement of cargo pickup activities and the improvement of operational efficiency.
Americas	In North America, logistics businesses such as home electric apparatus DC and packaging will expand. The businesses in Mexico will bottom out.
Europe	The handling of warehouses in Germany will be downscaled. Aim to increase the air cargo handling quantity by obtaining an IATA license in France and Belgium.
Asia	Acquire further automobile-related cargo in the ASEAN region, which is going strong.
China	Domestic DC businesses will expand (including e-commerce). Handling of electronic components will also remain firm.

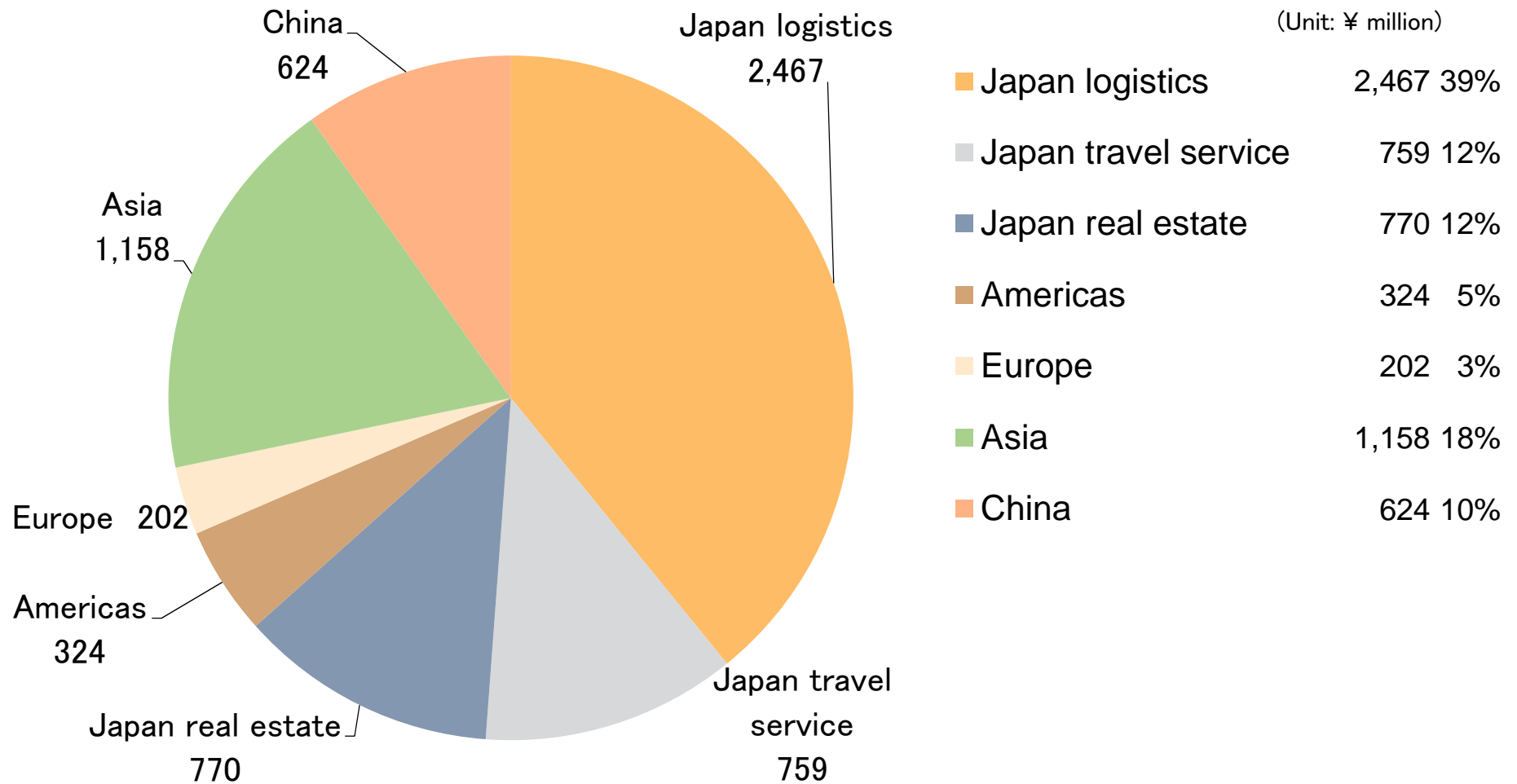
Assumed exchange rates in the fiscal year ending March 2019:
USD = ¥109.35, EUR = ¥132.39, GBP = ¥152.17, THB = ¥3.45, CNY = ¥17.29

[Foreign exchange sensitivity]

Fluctuations in the US dollar and the Euro by ¥1 affect net sales by approximately ¥560 million and operating income by approximately ¥20 million.

Share of Operating income by Segment and Region

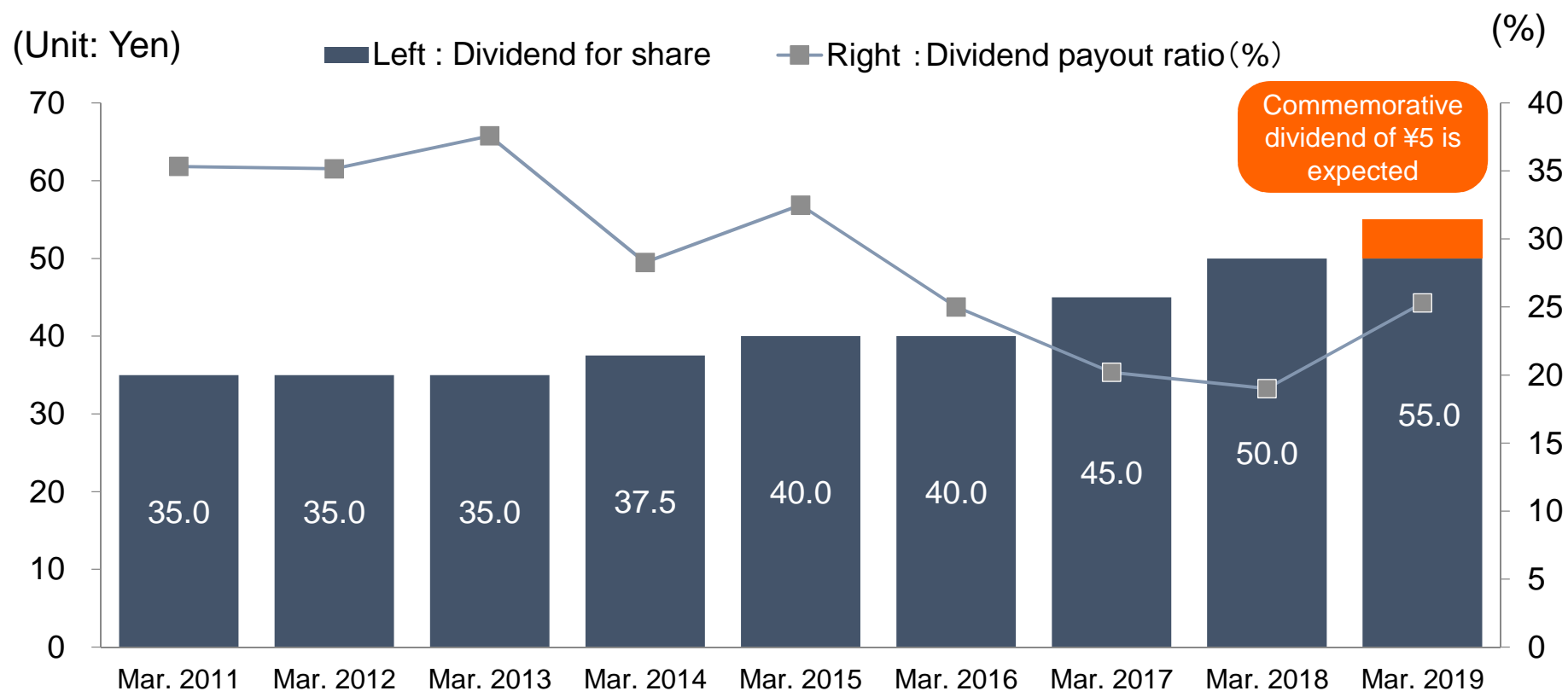
[Plan for fiscal year ending March 2019]



The figures are internally aggregated values to explain the performance of each region in an easy-to-understand manner (before amendment for consolidation).

Dividend Policies

- To be increased by ¥5 to commemorate the 80th anniversary of the company's founding this term, and expected to be ¥55.



(Note) A reverse split of 5 common stocks into 1 stock was performed with October 2017 as the effective date. The amounts stated take the reverse split into consideration.

Summary Today

Result for March 2018

A record-high profit was achieved, led by Japan and Asia logistics and travel service

Plan for March 2019

Aim for the achievement of the medium-term business plan by increasing sales and strengthening the fundamental against the background of a stable global economy



Special Topic: Future Capital Investment Plan

Accelerate strategic investment in growing segments



Floor Area of Nissin Sales Warehouses

(Unit: m ²)	Company-owned warehouses	Rented warehouses	Total
Japan	286,223	309,482	595,705
Americas	65,840	96,086	161,926
Europe	6,000	96,775	102,775
Asia	54,276	107,769	162,045
China	9,616	147,595	157,211
Total	421,955	757,707	1,179,662

Investments in the Fifth Medium-Term Business Plan and Their Contributions to Revenues This Term

- Activities in the fifth mid-term plan contributed significantly to revenues in the UK and Thailand.
- In Japan, aim to become profitable in the sixth mid-term plan.

Item	Region	Topic in the fifth medium-term business plan	Concrete activities in the fifth mid-term	Contribution to revenues in the first year of the sixth mid-term
Restructuring of domestic businesses		Restructure bases	Commence the redevelopment of Yamashita district, Kanagawa Pier warehouse, and Oi office	-
			Obtain the land for Island City Port in Fukuoka City	-
Strengthening of overseas businesses	Americas	Strengthen automobile segment	Open new warehouses in the US (Ohio, California)	△
			Handle flight services in-house in Mexico (Guadalajara, Mexico City)	△
	Europe	Rebuild business fundamentals	Open a base in Holland (Tilburg)	○
			Start milk run services for automobile parts in the UK (Swindon)	◎
	Asia	Expand bases	Expand bases in Thailand (Prachin Buri)	◎
			Expand bases in India (Ahmadabad)	△
China	Expand revenues	Expand distribution center services for domestic markets (Shanghai, Beijing, Tianjin, Kunshan)	○	

As for the automobile-related segments, there is room for expansion, mainly in Asia. Implement the investment plan for chemicals and hazardous items, food-related, and domestic logistics, to become the second and third largest sources of revenue.

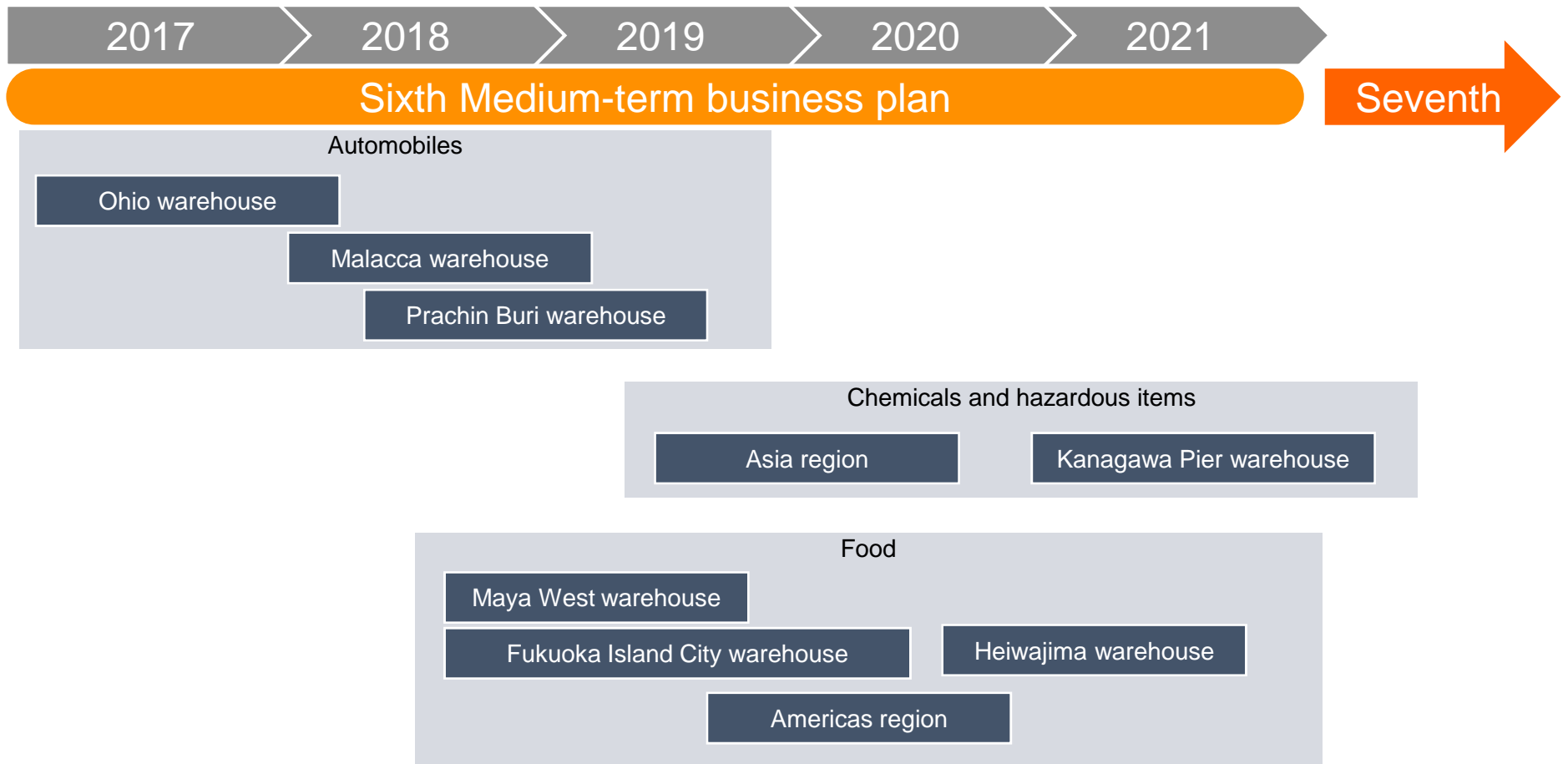
Area Strategies and Investments in Three Priority Segments

- Implement according to the initial targets in the medium-term business plan.

	Automobile	Chemicals and Hazardous items	Foods
Japan	Explore new customers	Operate the logistics bases for hazardous items	Operate cold/refrigerated storage warehouses
Americas	Establish a new company-owned warehouse in Ohio	Enter the hazardous items business	Opening of a cold/refrigerated storage warehouse is under consideration
Europe	Explore new non-Japanese parts manufacturers	—	Expand imports/exports of food
Asia	Expand warehouses in Thailand Construct a new warehouse in Malaysia	Opening of a hazardous items warehouse is under consideration	Establish a logistics network for food
China	Sales activities focused on each Global Account company	—	Establish a logistics network for food

Investment Plan during the Period of the Sixth Medium-Term Business Plan

- Invest in automobile-related logistics first, and then connect it to the investments in the other priority segments.



Investment Plan for This Year

- In Japan, the consumption of frozen foods has increased due to the declining birthrate and aging population and women's social advancement, etc. In addition, our eco-friendly facilities are socially responsible.



- Maya West cold storage warehouse
 - To be completed in September 2019
 - Cold storage capacity: 12,500 tons

Significant demand from stable customers such as major food manufacturers and chains of general merchandise stores.

The fully automated warehouse achieves operational efficiency that is three times higher than that of conventional warehouses.



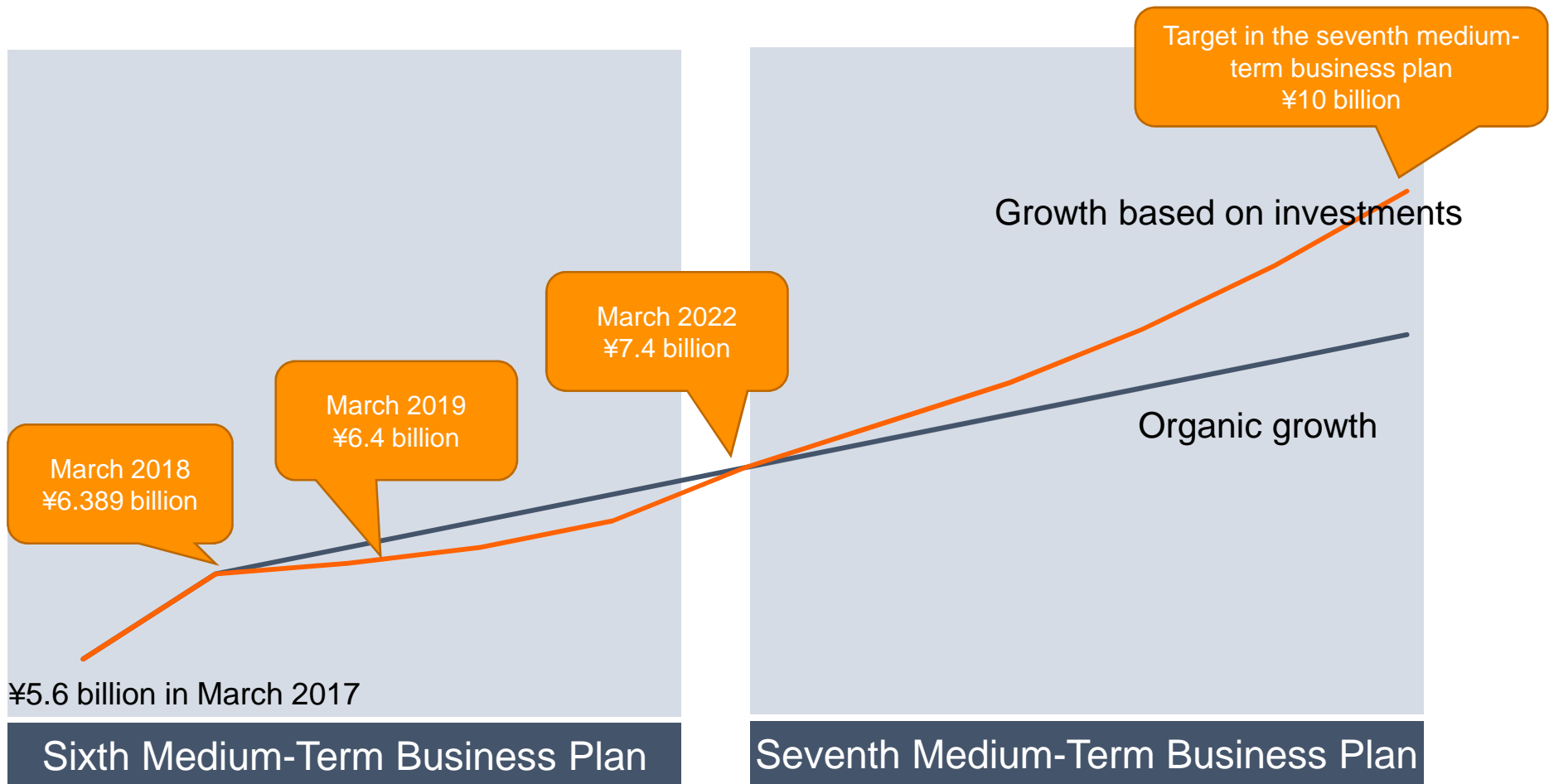
- Fukuoka Island City warehouse
 - To be completed in July 2019
 - Total floor area: approx. 26,337 m², 5 floors

This warehouse is designed to reduce CO₂.

It is located near a port and an airport and serves as a base for exports/imports to/from Asia and also as a DC in the Kyushu region in Japan.

Image of Medium- and Long-term Growth

- Aim for operating income of ¥10 billion in the next mid-term based on the investment made during the sixth mid-term plan.



Notes on Performance Plan

This material contains plans and forecasts regarding the future performance of our group, such as net sales and profits.

The forecasts are based on judgements and assumptions using the information that our group is able to understand and obtain at the present time, and may differ significantly from actual performance, etc.