

## Our Material Issues

The NISSIN FOODS Group considers changes in society and our business environment and identifies material issues directly linked to our business and which affect the enhancement of the Group's medium- and long-term corporate value. We believe that generating economic and social value through our own businesses is essential to achieve the sustainable growth of the Group. To achieve this, we approach materiality not merely as a risk response, but as an opportunity to strengthen the foundation of our existing businesses, expand profits (economic value), and create social value. We will embody the philosophy of the founder by working continuously on the identified material issues while taking on the challenge of Planetary Health and Human Well-being, which are social issues for the Group.



External Environment	Key Risks	Key Opportunities	Material Issues	Relation to Key Mid- to Long-Term Growth Strategies
<ul style="list-style-type: none"> <li>• Growing demand to extend healthy life expectancy</li> <li>• Obesity caused by excessive caloric intake and hidden malnutrition caused by incorrect dieting methods</li> <li>• Hunger and chronic food shortages</li> <li>• Growing societal demand for reducing food loss</li> <li>• Stricter regulations on food labeling and traceability</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of reduction in market purchasing power brought about by health and nutrition issues such as the double burden of malnutrition</li> <li>• Risk of higher costs necessary for responding to tighter regulations for improvement of nutrition issues</li> </ul>	<ul style="list-style-type: none"> <li>• Higher sales revenue from development and sales of products with higher nutritional value for health-conscious consumers</li> <li>• Market expansion from providing diverse products according to the various consumer needs and preferences</li> <li>• Enhanced brand loyalty by providing consistently high-quality products</li> </ul>	<div>Health and Nutrition</div> <div>Product Safety</div>	<div>Human Well-being</div> <div>Strengthen Cash Generation Capabilities of Existing Businesses</div> <div>Pursue New Businesses</div> <div>EFC2030</div>
<ul style="list-style-type: none"> <li>• Labor shortages and increasing difficulty in securing talent</li> <li>• Rising expectations for diversity and inclusion</li> <li>• Growing demand to improve work environments and implement workstyle reforms</li> <li>• Heightened importance of reskilling and talent development</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of disruption to business activities from inability to recruit or secure human resources at company plants, etc., due to a shortage of human resources in the labor market</li> <li>• Risk of disruption to development of executive candidates from inability to recruit or secure excellent human resources due to a shortage of human resources in the labor market</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of innovation and improvement of competitiveness through obtaining diverse human resources</li> </ul>	<div>Human Resources Development</div>	
<ul style="list-style-type: none"> <li>• Higher temperatures and frequency of extreme weather events</li> <li>• Increase in production and logistics risks due to more severe natural disasters</li> <li>• Higher volatility in raw material and energy prices</li> <li>• Stricter regulations aimed at achieving carbon neutrality</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of penalties and fines arising from non-compliance with environmental laws and regulations</li> <li>• Risk of higher costs for complying with tighter environmental laws and regulations</li> <li>• Risk of lawsuits related to environmental issues within the supply chain</li> <li>• Risk of difficulty in procuring raw materials and supplying products due to the impacts of climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Development and use of plant-derived food alternatives using food technology</li> <li>• Stable raw material procurement due to strengthening of supplier management</li> <li>• Increase in demand as stockpile products for disaster preparedness due to frequent occurrences of large-scale natural disasters</li> </ul>	<div>Climate Change</div>	
<ul style="list-style-type: none"> <li>• Destruction of ecosystems due to excessive resource use</li> <li>• Weakened production base from soil degradation and water resource depletion</li> <li>• Demand for human rights due diligence for stakeholders across the supply chain</li> <li>• Stricter environmental laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of lawsuits arising from non-compliance with environmental laws and regulations</li> <li>• Higher costs for complying with tighter environmental laws and regulations</li> <li>• Risk of lawsuits related to environmental issues in the supply chain</li> <li>• Risk of disruptions to raw material procurement due to impacts such as biodiversity loss</li> </ul>	<ul style="list-style-type: none"> <li>• Development and use of plant-derived food alternatives using food technology</li> <li>• Stable raw material procurement due to strengthening of supplier management</li> </ul>	<div>Biodiversity</div> <div>Deforestation</div> <div>Sustainable Value Chain Management</div>	
				Planetary Health

# Our Material Issues

## Reviewing and Determining Materiality

In FY 3/2025, we reviewed and analyzed our material issues, referencing the guidance on double materiality assessment published by CSRD/ESRS<sup>\*1</sup>. Based on the ESG-related topics stipulated by CSRD/ESRS, we identified both the impacts our business activities have on changes in the environment and society (impact materiality), and the impacts those changes have on our business (financial materiality). In addition, from FY 3/2026, the degree of achievement of targets related to the material issues—such as climate change and sustainable procurement—is also reflected in the performance evaluation for officer remuneration, including that for directors<sup>\*2</sup>.

<sup>\*1</sup> Corporate Sustainability Reporting Directive /European Sustainability Reporting Standards

<sup>\*2</sup> The performance-linked basic remuneration for directors fluctuates from 0 to 50%, while that for executive officers fluctuates within a maximum range of 40%, from -20% to +20%. The weight of the evaluation of ESG-related objectives differs for each officer.

## Identification Process

### Step 1 Identification of affected stakeholders

Identify stakeholders who may be affected by Group business across our entire value chain

- Hold thorough discussions at the Sustainability Advisory Board, members of which include external experts
- Conduct employee surveys

### Step 2 Identification of issues and analysis of the issues' impacts, risks, and opportunities

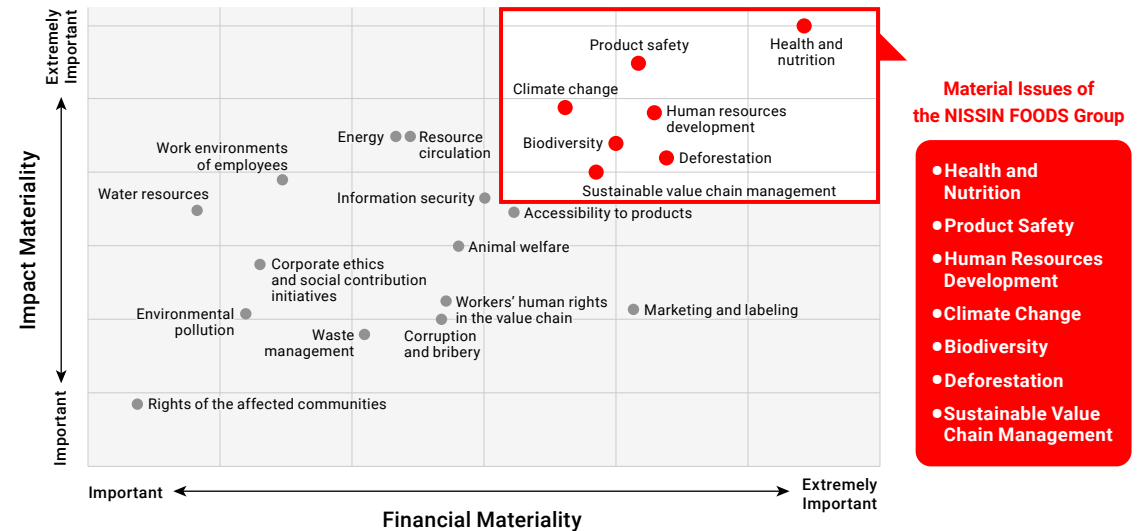
Analyze the impact, risks, and opportunities of Group business on each ESG issue

- Refer to topics defined in the ESRS and requirements from ESG rating agencies to identify items relevant to the Company

### Step 3 Evaluation and identification of importance

(1) Quantify severity and likelihood based on materiality perspectives to formulate an assessment map (2) Confirm the appropriateness of material issues by taking into consideration the Group's Mission, Vision, and Value (MVV), overall business structure, and alignment with our strategies, and determine material issues through resolutions by the Management Committee and the Board of Directors

## Materiality Map



## Major Targets and Initiatives

Refer to the corresponding website for more details.

### • Health and Nutrition • Product Safety

- Increase the percentage of products with improved nutritional value through NISSIN Nutrient Profiling System (NISSIN-NPS<sup>\*3</sup>) to 50% (compared to 2020) by 2030
- >> [Health and Nutrition | NISSIN FOODS Group](#)

### • Human Resources Development

- Achieve 10% or higher for the percentage of female managers by the end of FY 3/2026
  - Achieve 85% for the percentage of male employees taking childcare leave in FY 3/2031
- >> [Human Capital Report](#)

### • Climate Change

- Reduce Scope 1+2 emissions by 42% (vs. 2020) and Scope 3 emissions by 25% (vs. 2020) by FY 3/2031
- >> [EARTH FOOD CHALLENGE 2030](#)

### • Biodiversity • Deforestation • Sustainable Value Chain Management

- Achieve 100% for the Group-wide procurement ratio of sustainable palm oil by FY 3/2031
- >> [Sustainable Procurement](#)

<sup>\*3</sup> Our own nutritional profiling system, "NISSIN-NPS," which scores the nutritional value of products