



VALUE REPORT 2022

VALUE REPORT 2022 Contents

VALUE CREATION STORY

GROUP PHILOSOPHY >	P.2	VALUE CREATION PROCESS >	P.13	STRATEGY	
CEO MESSAGE >	P.3	STRENGTHS		MID- TO LONG-TERM GROWTH STRATEGY >	P.23
At a Glance		MARKETING AND BRANDING >	P.14	— COO MESSAGE >	P.25
At a Glance >	P.7	INNOVATION >	P.17	— CSO MESSAGE >	P.28
CURRENT STATUS >	P.8	BUSINESS ACTIVITIES >	P.21	FINANCIAL STRATEGY	
TRAJECTORY >	P.10			— CFO MESSAGE >	P.31
				HR STRATEGY >	P.35
				ENVIRONMENTAL STRATEGY >	P.40

FOUNDATION FOR VALUE CREATION

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY PROMOTION STRUCTURE >	P.42
CLIMATE CHANGE INITIATIVES >	P.44
SUSTAINABLE PROCUREMENT >	P.45

GOVERNANCE

MESSAGE FROM OUTSIDE DIRECTOR >	P.47
CORPORATE GOVERNANCE >	P.50
— Corporate Governance Polices and Structure >	P.50
— Corporate Governance Status >	P.54

DATA SECTION

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS >	P.59
MARKET DATA >	P.61
EDITORIAL POLICY >	P.62

GROUP PHILOSOPHY

Group Philosophy

To achieve sustainable growth while solving environmental and social issues as an
“EARTH FOOD CREATOR”
 constantly creating new food cultures through innovation.



MISSION

ENDURING VALUES

The Group Philosophy is built on four tenets propounded by NISSIN FOODS founder Momofuku Ando. The spirit of the founder expressed in these tenets is the foundation of the enduring value system that gives direction to the NISSIN FOODS Group.



CEO MESSAGE



Continuing to Create New Food Cultures, Solve Environmental and Social Issues, and Aim for Sustainable Growth as an EARTH FOOD CREATOR

NISSIN FOODS HOLDINGS CO., LTD.
President & Representative Director, CEO
KOKI ANDO

CSV Management Unique to the NISSIN FOODS Group

The Enduring Values of the NISSIN FOODS Group are that *peace will come to the world when there is enough food and we create foods to serve society*. As stated here, our beginnings were in taking on the challenge to address the social issue of post-war food shortages, which we believe is the very essence of what we call CSV management today.

Japan and the other developed countries of today are experiencing a growing awareness of various food-related social issues. These issues include food satiety and hidden malnutrition. In other countries, food shortages are becoming more serious due to recent global events. Amid these circumstances, we will continue to create new food cultures and engage in CSV management unique to the NISSIN FOODS Group as an EARTH FOOD CREATOR that achieves sustainable growth and solves environmental and social issues.

The topics of the environment and nutrition are attracting greater attention worldwide. The 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) in November 2021 clearly stated the goal of limiting temperature increase to 1.5°C compared with pre-industrial levels.

The Tokyo Nutrition for Growth Summit 2021 held in December included discussions on various issues related to health and nutrition. We recognize that these two topics are ones in which food manufacturers should play a more active role. These are also topics for which society has high expectations.

We have reaffirmed our Founder's Spirit related to areas in which we must expand our value-creation capabilities. This spirit is our unchanging philosophy under which we pursue *ambidextrous management*—deepening existing businesses and exploring new businesses—to evolve further. Our founder frequently said, "Growth is a path without a summit." We, too, must always be aware of the next stage.

GROUP PHILOSOPHY
CEO MESSAGE
At a Glance
VALUE CREATION PROCESS
STRENGTHS
BUSINESS ACTIVITIES
STRATEGY
SUSTAINABILITY MANAGEMENT
GOVERNANCE
DATA SECTION



Fulfilling Our Mission and Aiming for Sustainable Growth to Achieve Our Vision for 2030

We announced the NISSIN FOODS Group Mid- to Long-Term Growth Strategy in May 2021. This strategy, which looks ahead to the next 10 years, establishes three growth strategy areas in which we aim to achieve our vision via unique CSV management. The first is to strengthen the cash-generating capacity of existing businesses. The second is EARTH FOOD CHALLENGE 2030. The third is to pursue new businesses. We believe that addressing these areas in an integrated manner will allow us to embody the EARTH FOOD CREATOR concept. The mission of the NISSIN FOODS Group is to not only build a stable business foundation and continue to provide safe, delicious food, but also to develop products that solve environmental and social issues. We believe contributing to the SDGs through our business activities is increasingly important for the sustainable growth of our company.

In terms of strengthening the cash-generating capacity of existing businesses, we expect our overseas businesses to drive future growth, delivering your products to more consumers around the world.

We are targeting high single-digit to double-digit growth, and hope to expand our profit composition ratio from the current level of 30% to 45%. In particular, we expect *CUP NOODLES* to remain a core brand that continues to grow and evolve, even more than a half-century after launch, enjoying sales in more than 100 countries worldwide and cumulative global volume topping 50 billion servings in May 2021. *CUP NOODLES* has surpassed the billion-dollar brand status, which is a KPI for global brands, and is reaching a stage to become a double-billion-dollar brand.

We intend to deepen the global branding of *CUP NOODLES* at an even faster pace to solidify competitive advantage as a growth driver. The development of global human resources for this purpose will be an urgent issue. Although overseas travel has been restricted due to the COVID-19 pandemic, we will draw on the strengths of employees who aspire to take on the challenges of the global market, all while maintaining due consideration to the risk of infections and safety.

In Japan, we will deploy the technologies and marketing capabilities developed as a leading instant noodle company laterally to ensure a stable increase in overall demand and to solidify our growth trajectory. We intend to grow our Non-Instant Noodles Businesses at a high single-digit rate, expand our profit composition ratio from the current level of 10% to 15%. In this way, we will develop and expand the Chilled/Frozen Foods and Beverage Business and the Confectionery Business. These businesses represent an important diversification and is the next pillar of earnings in our Non-Instant Noodles Business.

EARTH FOOD CHALLENGE 2030

EARTH FOOD CHALLENGE 2030 is our environmental strategy that aims for creating both sustainable societies and enhanced corporate value for our group. The two pillars of this environmental strategy are the *Challenge to Effectively Use Resources* and the *Challenge to Climate Change*.

Among the environmental challenges in the world, we consider climate change issues to be an important management risk. Climate change risk includes various impacts that include soaring raw material prices, damage to production and distribution centers caused by natural disasters, and changes in consumer purchasing activities. We analyzed the future financial impact of these risks on our business in line with the recommendations of the TCFD. Here, we used three scenarios reflecting the introduction of a carbon tax and an increase in the numbers and scale of natural disasters. We are proceeding with adaptation measures based on these analyses. Energy conservation, the introduction of electricity derived from renewable energy sources, and the efficient use of water resources represent a few of the measures in which we engage currently. We also focus on product development related to plant-based alternative meats and other products that help reduce environmental impact.

To hasten our efforts in mitigating climate change, we acquired SBT certification* for our CO₂ reduction targets in June 2020. In February 2021, we joined RE100, an international initiative that aims to procure 100% of the electricity used in business activities from renewable energy sources. When the NISSIN FOODS Group joined RE100, our overall renewable energy ratio was only a few percent. By the end of FY 3/2022, we increased this ratio to roughly 18%. In addition to energy conservation measures, the introduction of renewable energy, and high-efficiency energy facilities, we continue striving to become carbon neutral (net zero emissions) in terms of CO₂ emissions by 2050.

With respect to the *Challenge to Effectively Use Resources*, we aim to achieve 100% procurement of sustainable palm oil by the year 2030 (2025 for domestic instant noodles), and we are expanding procurement of palm oil verified to have been produced with consideration for deforestation and workers' rights. In May of this year, we released guidelines for our efforts until 2030 to comply with the NISSIN FOODS Group Sustainable Palm Oil Procurement Commitment (including the NDPE Policy). Based on these guidelines, we provide comprehensive support to oil mills and oil palm plantations located upstream in the supply chain.

Specifically, we use satellite monitoring tools to confirm the risk of deforestation around oil palm plantations and mills, creating and managing a palm oil mill list that consolidates the names and location data of suppliers. We also conduct field surveys via questionnaires and direct dialogue with palm oil farmers.

*Science Based Targets (SBT) are targets recognized to be founded on scientific evidence to limit global average temperature rise well below 2°C compared to pre-industrial levels, which is the goal of the Paris Agreement.

[Click here for more on EARTH FOOD CHALLENGE 2030](#)

[Click here for more on climate change initiatives at NISSIN FOODS Group](#)

Full-Scale Launch of Complete Nutrition Meals Project Through Co-Creation With Food Science

To *Pursue New Businesses* aimed at a leap forward in corporate value, we propose Future Foods to consumers through co-creation with food science. One of the enduring values of the NISSIN FOODS Group is, "Eat wisely for beauty and health." Our efforts here are led by COO Noritaka Ando. This leap forward in becoming a Food Tech Company backed by processing technologies cultivated over many years is an initiative unique to the NISSIN FOODS Group. This is an aspirational project to protect the health of all people through food.



Leveraging Brand Strength to Overcome Challenging Times

Since the second half of FY 3/2021, raw materials prices have increased sharply worldwide, particularly for palm oil, flour, and materials based on crude oil. In response to these circumstances, we implemented price revisions in Japan after revisions overseas. These price revisions came after the determination that we cannot absorb cost increases through self-help efforts alone. We will continue striving to improve management efficiency and deliver better tasting and more value-added products.

Creating Unprecedented Value, While Maintaining the Spirit and Ingenuity of our Founder

Employees require a clear vision and goals to mobilize their talents effectively for growth. NISSIN FOODS Group employees aim to embody the vision of EARTH FOOD CREATOR, and must offer the capacity to create and propose never-before-seen products and services. New creations arise from irregularities that deviate from standard principles. We provide opportunities to play active roles and take on challenges in identifying discontinuities to create unprecedented products and services. Simply increasing efficiency is not enough to respond appropriately and in a timely manner to changes in the business environment. Just as companies must adapt to drastic environmental changes, individuals must also demonstrate resilience. And personal resilience is nothing more than a positive attitude toward difficult challenges and complex matters. We can

describe this as persistence in achieving goals. Never giving up, never compromising, and continuing to work consistently until success is achieved. I am confident that the people with this passion will lead the future growth of the NISSIN FOODS Group.

Looking back, I have always believed that we cannot survive if we cannot adapt to changes in the environment. And that even *CUP NOODLES* must continue to evolve or we will find ourselves excluded from the market. Therefore, I have urged employees to *Break CUP NOODLE*, expanding into new brands and products. This attitude has sometimes caused friction with my father, who was the founder of the company. At the same time, I have thought about how to systematize the outstanding abilities of our founder. I have created a structure for each brand to have a brand manager and to create strong brands that surpass *CUP NOODLES*.

NISSIN FOODS founder Momofuku Ando invented *CHICKEN RAMEN*, the world's first instant noodle, from his desire to satisfy hunger. This same desire is what drives people forward. The NISSIN FOODS Group designated March 5 as Founder's Day to provide an opportunity for all employees to reflect on the beginnings of our business and to reiterate the importance of our Founder's Spirit. We intend to instill the Founder's Spirit further within our employees in Japan and overseas for the further growth of the NISSIN FOODS Group.



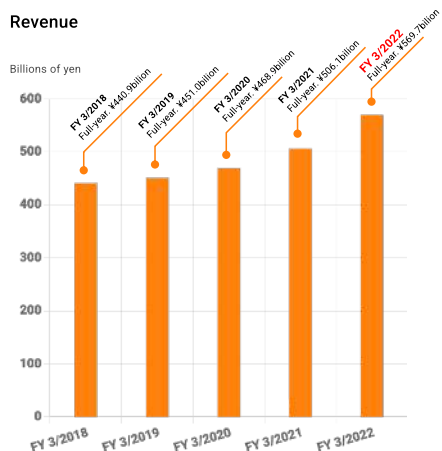
At a Glance

FY 3/2022 Financial Results

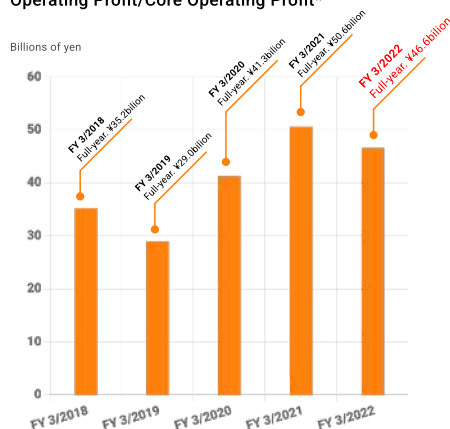
Revenue **¥569.7 billion** Core Operating Profit of Existing Businesses **¥49.6 billion** Core Operating Profit Margin of Existing Businesses **8.7%**

Financial Performance

Revenue



Operating Profit/Core Operating Profit*



* Core operating profit from FY 3/2021

*FY 3/2022 Results

<p>Established</p> <p>1948</p>	<p>Business Locations</p> <p>17 countries</p>	<p>R&D Expenses</p> <p>¥10.1 billion</p>
<p>Ratio of Female Employees</p> <p>34%</p>	<p>Ratio of Non-Japanese Employees</p> <p>53%^{*1}</p>	<p>No. of Countries Where CUP NOODLES is Sold</p> <p>100-plus</p>
<p>Employee Turnover Ratio</p> <p>9%^{*2 *3}</p>	<p>No. of Employees (Consolidated)</p> <p>14,633</p>	<p>Invention of the world's first instant noodles</p> <p>1958</p>
<p>Sustainable Palm Oil Procurement Ratio</p> <p>36%</p>		

*1 Permanent employees at Japanese and overseas group companies (excluding NISSIN USA)

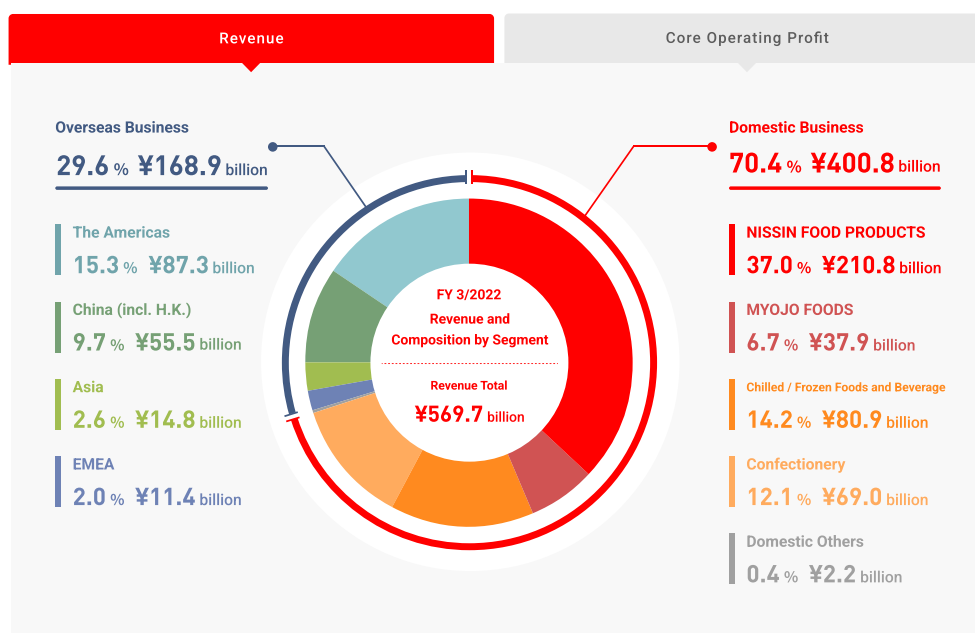
*2 Full-time employees at Japanese and overseas group companies

*3 As of the fiscal year ended March

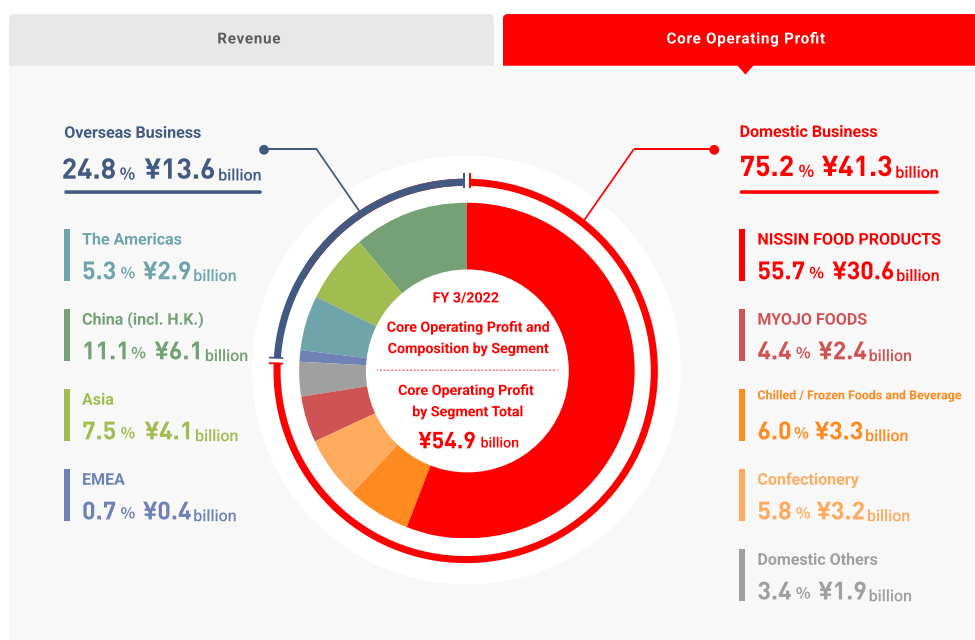
CURRENT STATUS

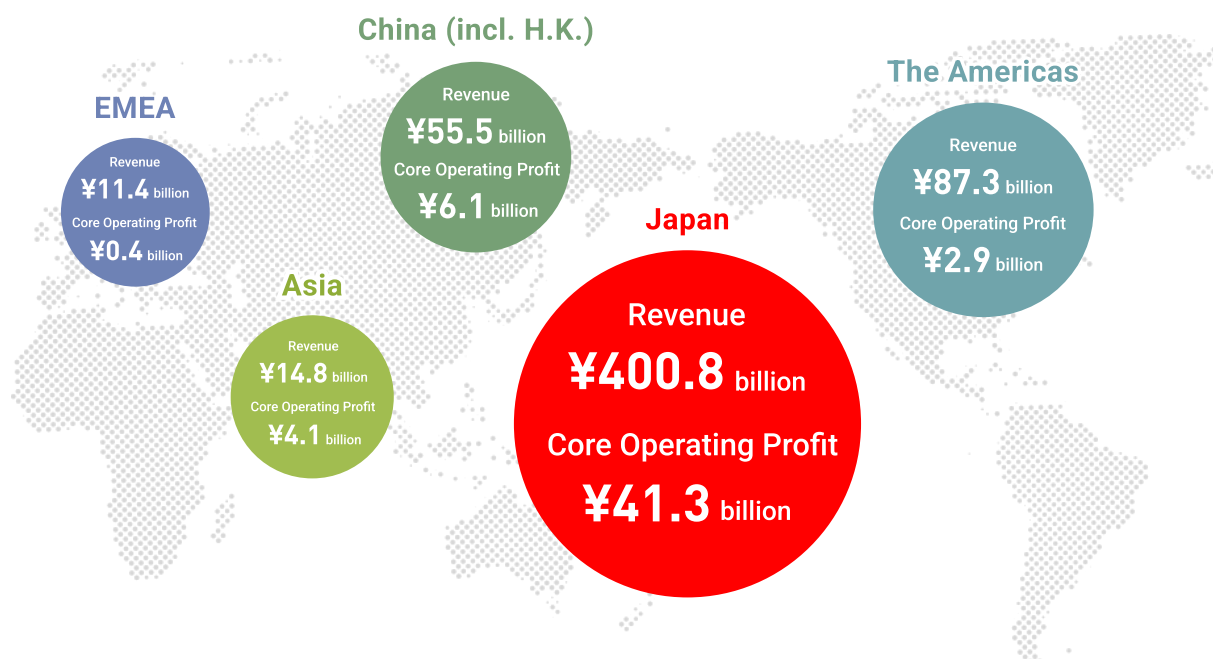
We are striving to become a leading company not only in Japan but also a leading company in the high-value-added market overseas. We continue to grow by developing our brand strategy in each region, aiming to become a leading company that fills the world with the joy and the pleasure of food.

NISSIN FOODS Group Business Field



NISSIN FOODS Group Business Field





Locations



(As of March 2022)

*Based on annual securities report filing

TRAJECTORY

More than 60 years have passed since founder Momofuku Ando invented the world's first instant noodle, *CHICKEN RAMEN*. Guided by our founder's spirit as an immutable philosophy, the NISSIN FOODS Group continues to take on the challenge of creating new foods while providing answers to environmental and social issues.

Chronology

Our Founding

- 1958** The invention of instant noodles
Introduced *CHICKEN RAMEN*

1960~1970s

A New Style of Food and Overseas Expansion

- 1963** Listed on Second Section of the Tokyo Stock Exchange and Second Section of the Osaka Exchange
- 1970** Established NISSIN FOODS (U.S.A.) CO., INC.
Finished construction of the Los Angeles Plant
- 1971** Introduced *CUP NOODLE*
- 1972** Listed on the First Section of the Tokyo, Osaka, and Nagoya Stock Exchanges
- 1975** Established NISSIN FOODS DO BRASIL LTDA. (Nissin-Ajinomoto Alimentos Ltda.)
Finished construction of the Construction of Ibiúna Plant
- 1976** Introduced *U.F.O.* and *NISSIN NO DONBEI*

Annual Net sales Achieved
¥100 billion FY 3/1980

Our Founding

1960 - 1970s

1980 - 1990s

Social Value Creation Highlights

The World's First Instant Noodles: 1958

Momofuku Ando Invents Instant Noodles to Solve Postwar Food Shortages

Food shortages in the postwar period led to an overflow of hungry people on the streets of Japan. There was no end to the number of people falling ill due to malnutrition. Momofuku Ando, the founder of NISSIN FOODS, realized the desperate need as he saw people lined up to get food. He wanted to develop a food accessible to all, so he invented the world's first instant noodles, *CHICKEN RAMEN*, launching a new business.



Replica of the research lab used in the development of *CHICKEN RAMEN*



CHICKEN RAMEN at the time of its introduction

Invention of *CUP NOODLE*: 1971

The Birth of a New Food Culture Meeting Needs for Convenience

The world's first cup-type instant noodles, *CUP NOODLE*, was born in 1971. When founder Momofuku Ando visited the U.S., he noticed supermarket employees who broke noodles into small pieces and ate them from paper cups. This observation inspired Ando to create a new product. The new product also met the growing need for convenient food during a period of rapid economic growth. Soon, the streets of Ginza were filled with young people slurping samples of *CUP NOODLE*.



Direct sampling sales events for *CUP NOODLE*



CUP NOODLE at the time of introduction

1980~1990s

Takes on the World as a Comprehensive Food Group

- 1980** Established NISSIN FOODS SINGAPORE PTE., LTD.
Expanded into Asia
- 1983** Entered the chilled foods business
- 1984** Established NISSIN FOODS CO., LTD. (Hong Kong)
Expanded into China (including Hong Kong)
- 1986** Entered the frozen foods business
- 1990** Entered the beverage business
- 1991** Entered the confectionery business
- 1991** Expanded into EMEA



2000~2010s

2000~2010s

Globalization and Sustainability Management

- 2002** Established the NISSIN Global Food Safety Institute
- 2005** Invented the world's first instant noodles as space food
- 2006** Equity stake in MYOJO FOODS CO., LTD
- 2008** Introduced the ECO CUP
NISSIN FOODS Group transitioned to a holding company structure
NISSIN becomes a Century Brand Company
Launched the Hyakufukushi Project
- 2014** Established the WAVE R&D Center
- 2017** NISSIN FOODS CO., LTD. (Hong Kong) listed on the Main Board of the Hong Kong Stock Exchange



The Birth of the ECO Cup: 2008

Pursuing Sustainability

We transitioned to paper as the material used in CUP NOODLE containers, and began listing allergenic substances and salt equivalent clearly on our packages. The name ECO Cup is derived from the first letters of three important elements: for Ecology, for the Customer, and for Originality. In 2019, we began using the Biomass ECO Cup.



Established the WAVE: 2014

Strengthening Innovation

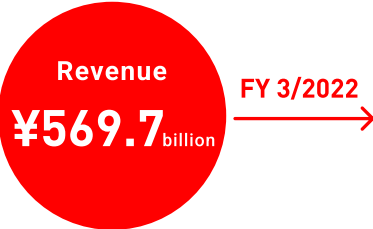
In 2014, we established the WAVE as a NISSIN FOODS Group technology, development, and research center, consisting of the Global Innovation Center and Global Food Safety Institute. The mission of the WAVE is to communicate to the world the NISSIN FOOD Group promise as a food manufacturer: Technological Innovation and Food Safety.



2020~2021

EARTH FOOD CREATOR

- 2020** Launched EARTH FOOD CHALLENGE 2030
- 2021** Launched NISSIN FOODS Group Mid- to Long-Term Growth Strategy
Introduced Delicious Complete Nutrition Meals



2020~2022

Solving Problems Through Future Foods: 2021

Popularizing Delicious Complete Nutrition Meals to Improve Global Well-Being

Food satiety has become a new social issue among the developed countries where food is often tossed out casually. While the increase in health risks due to over-calorie consumption has become a global problem, the increase in hidden malnutrition—a lack of essential nutrients—is also a serious issue. To solve this polarization of nutrition and improve well-being around the world, we launched a full-scale campaign to promote Delicious Complete Nutrition Meals.



[COO Message](#) ▶

VALUE CREATION PROCESS

Building on our Founder's Spirit, the NISSIN FOODS Group creates economic value and social value through the full use of our management resources (capital) and our strengths. We embody the spirit of our founder as we create higher levels of economic value and social value. This is the value creation process of the NISSIN FOODS Group, aiming for sustainable growth through an upward cycle of this series of processes.

Value Creation Process in Becoming a Century Brand Company

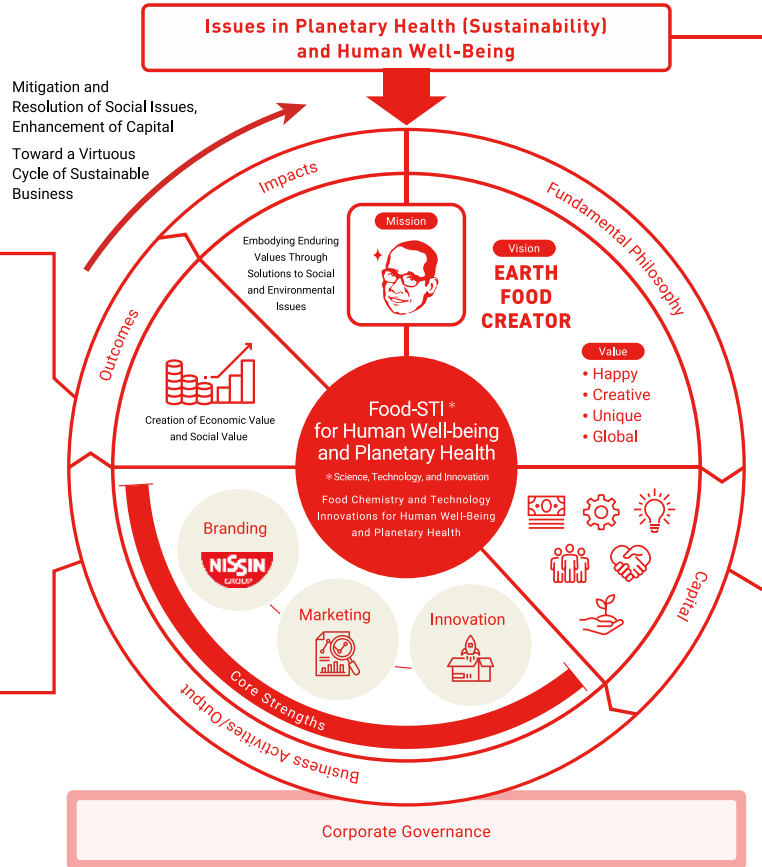
Building on our Founder's Spirit, the NISSIN FOODS Group creates economic value and social value through the full use of our management resources (capital) and our strengths.

Social Value

- Improving Presymptomatic Disease Conditions and Enhancing Health for Consumers
- Improving Employee Engagement
- Handing a Bountiful Planet to Future Generations

Economic Value

Value Category	Management Indicators	Mid-to-Long-Term Targets
Growth Potential	Management Indicators	Mid-Single Digits
Efficiencies	ROE	10% Over the Long Term
Safety	Net Debt/EBITDA ratio	≤2x
Stable Shareholder Returns	Dividend Policy	Progressive Dividends
	Relative TSR (Relative to TOPIX Foods)	>1x



- Food Safety and Security
- Climate Change
- Resource Circulation
- Sustainability-Conscious Procurement Activities
- Biodiversity
- Hunger and Poverty
- Excessive Calories
- Hidden Malnutrition
- Food Deserts
- Diversity & Inclusion

Financial Capital	Sound Financial Position and High Profitability <ul style="list-style-type: none"> Equity Attributable to Owners of the Parent: 59.6% Net Debt/EBITDA: ~0.5x Free Cash Flow: ¥49.5 billion
Manufacturing Capital	Manufacturing Bases and Outstanding Quality Supporting Global Business Activities <ul style="list-style-type: none"> Group Manufacturing Bases: 36 in Japan; 26 overseas Capital Investment: ¥28.3 billion Kansai Plant Defective Rate: Less than 1 in 1 million
Intellectual Capital	R&D Bases Supporting Technological Innovation and Investments in New Businesses <ul style="list-style-type: none"> Number of NISSIN FOODS Group patents: 444 in Japan; 694 overseas* R&D Expenses: ¥10.1 billion Investment in New Businesses: Between 5% and 10% of core operating profit of existing businesses
Human Capital	An EARTH FOOD CREATOR Supporting Group Businesses <ul style="list-style-type: none"> Female Managers: 6% Employee Engagement (Agreement with Corporate Philosophy): 84% Percentage of Non-Japanese National Employees: 53%
Social and Relationship Capital	Brand Strength Nurtured by Superior Marketing Expertise <ul style="list-style-type: none"> Advertising Expenses: ¥16.6 billion Product Improvements Based on Customer Feedback: 33 Cases(annual) Number of Countries Where CUP NOODLES are Sold: 100+ /Sales: ¥200 billion (based on internal NISSIN research)
Natural Capital	Initiatives to Address Resources and Climate Change Under EARTH FOOD CHALLENGE 2030 <ul style="list-style-type: none"> Water Withdrawal (Domestic and Overseas): 11.3m³ per million yen CO₂ Emissions (Scope 1+2): 427,000 t CO₂ Sustainable Palm Oil Procurement Ratio: 36% Implementation of Sustainability Surveys for Business Partners

(As of March 2022)

*Overseas refers to the total number of countries in which product rights have been granted

MARKETING AND BRANDING

Developing value-added products focused on consumer insights

Our environment is changing dramatically in terms of family structure, work styles, and the way we connect with our surroundings. The spread of COVID-19 accelerated these changes, and it is becoming increasingly difficult to identify consumer needs accurately through conventional marketing, which is based on segmentation by gender and age. We intend to respond to diversifying and complex needs by focusing on an understanding of the consumer, adopting a strategy of developing products, communications, and sales promotion methods that match insights from each consumer.

CUP NOODLE PRO

In recent years, we have seen the market for protein supplement foods grow significantly. The importance of protein as a nutrient has attracted more attention and more people consume protein for health. *CUP NOODLE PRO with High-Protein & Low-Carbohydrate* is Japan's first protein-fortified *CUP NOODLES* product. This product contains 15 grams of protein and 50% less carbohydrate, thanks to a low-carbohydrate, three-layer frying method. And *CUP NOODLE PRO* maintains the taste and texture typical of *CUP NOODLES*. The name *CUP NOODLE PRO* has two meanings: "Pro" meaning protein and a high-end product. We launched two products in April 2021, and in March 2022, we introduced *Chili Tomato Noodle* as a third flavor. Each style of this product has been selling well. The product has been well received, particularly by health-conscious customers. Sales have more than doubled compared with our annual sales plan for FY 3/2022.



SAIKYO DONBEI

As lifestyles have changed in recent years, more consumers are looking for just a little bit of luxury and entertainment in their daily lives. In response, we launched a new product on March 28, 2022. *NISSIN NO SAIKYO DONBEI* is aimed at consumers who want something new in their daily lives. *NISSIN NO SAIKYO DONBEI KITSUNE UDON* features extra-thick udon noodles that are thicker and have a chewier texture than regular *DONBEI* noodles. The product also features a sauce that offers a lingering kelp flavor, made from a combination of six types of dashi broth. Finally, the fluffy fried tofu is thicker than regular *DONBEI* noodles, producing more flavor the more it is chewed. Adding the specially blended *yuzu shichimi togarashi* (seven spice chili pepper) gives *DONBEI* a rich aroma of yuzu citrus. As with the udon product, *NISSIN NO SAIKYO DONBEI KAKIAGE SOBA* features newly developed noodles, soup, ingredients, and *shichimi* (seven spice). Thanks to the many glowing reviews of *NISSIN NO SAIKYO DONBEI* on social media, sales of this new product have far exceeded our expectations.



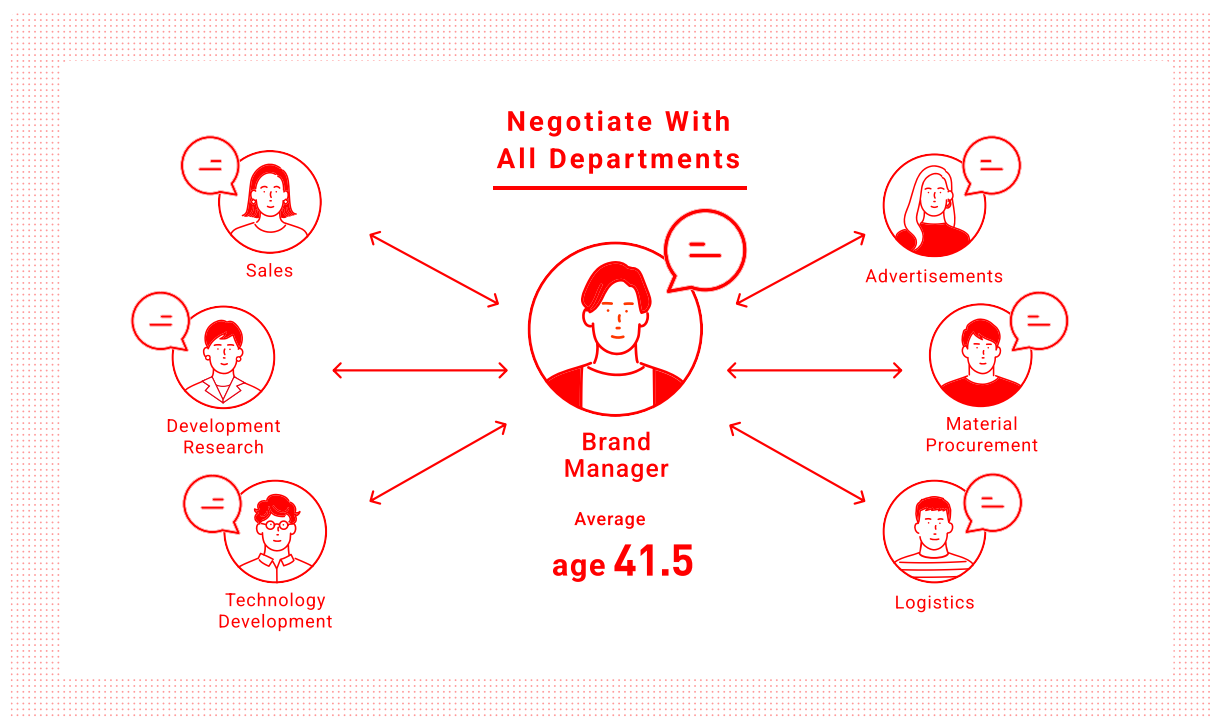
GROUP PHILOSOPHY
CEO MESSAGE
At a Glance
VALUE CREATION PROCESS
STRENGTHS
BUSINESS ACTIVITIES
STRATEGY
SUSTAINABILITY MANAGEMENT
GOVERNANCE
DATA SECTION

Breaking CUP NOODLE! Becoming a Century Brand Company

The NISSIN FOODS Group has adopted the slogan, *Breaking CUP NOODLE!* Our mission is to create a brand strategy that overturns the company's conventional wisdom in fundamental ways, stimulate product brand demand, and foster brand attachment and loyalty. By maximizing brand value, we foster a corporate culture of friendly competition with the goal of becoming a Century Brand Company. In a domestic brand value survey, NISSIN and *CUP NOODLE* ranked third and sixth, respectively, among the top 10 for corporate and product brands. In addition, KOIKE-YA, a consolidated subsidiary since 2020, was ranked 14. As you can see, our entire group is highly ranked for brand value.

Brand Manager System: Mini-Presidents Assigned to Each Brand

To ensure comprehensive and consistent brand management, NISSIN FOOD PRODUCTS adopted a brand manager system in 1990. Under this system, a brand manager is responsible for all aspects of brand management, from new product development to administration. Brand managers manage budgets for product development, production, and sales promotions. They also negotiate directly with general managers of sales, technical development, materials, logistics, and other departments, and even may negotiate with food trading companies, supermarkets, and other representatives to secure sales space. The mission of the brand *mini-president* is to grow the brand. This brand manager system fosters a corporate culture that leads to strong brands by creating internal competition among brands to deliver more innovative products and brand promotions.



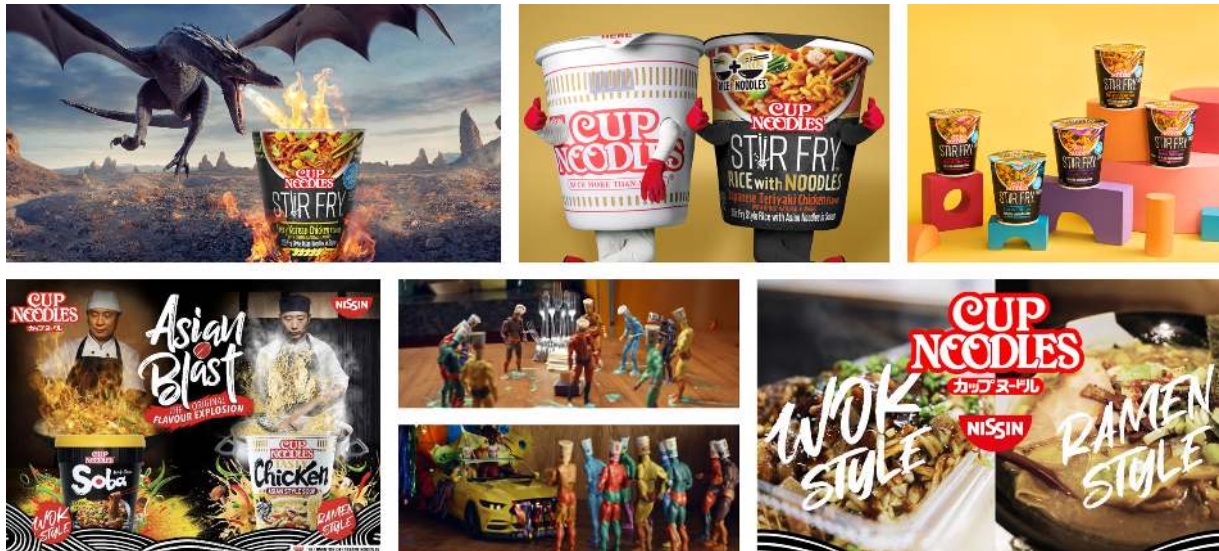
CUP NOODLES Global Branding

CUP NOODLE was the world's first cup-type instant noodles. Today, CUP NOODLE is the No.1 instant noodle brand, which we have promoted as a unique brand since 1971. Overseas, we are clarifying the value of our unique offerings with competitive advantages in each area according to market conditions and target preferences, while adhering to the core values of the brand. In these ways we are strengthening our brand. For example, we pursue *Innovative Premium* in North and Central America. In South America, we pursue *Unique and Variety*, with the brand proposition in Europe is *Authentic Asia*. As a result of aggressive product development and marketing activities under the unique value offerings defined for each of these countries, the product is now sold in 100 countries around the world. In 2021, the 50th anniversary of the brand, CUP NOODLE reached a cumulative 50 billion servings worldwide.

We will continue to deliver deliciousness and enjoyment to people around the world, aiming to become a Century Brand. We will accomplish this goal by leveraging the brand power, development capability, and marketing expertise cultivated in Japan to overseas markets. We will also meticulously formulate and implement strategies tailored to consumer characteristics and market conditions in each region.



Examples of promotion in Japan



Examples of promotions overseas

INNOVATION

Intellectual Property

As a comprehensive food group, NISSIN FOODS Group continues to create and nurture No.1 brands in each category. Our aim is to become a branding corporation boasting a collection of No.1 brands. We strive to secure and enhance corporate value and the common interests of shareholders while building toward an unshakable management foundation. One of our competitive advantages is our position as a Food Tech company, built upon a base of processing technologies developed over the years. These processing technologies are supported by intellectual property, including patents and trademarks across the entire NISSIN FOODS Group product lines. One of the three pillars of our Mid- to Long-Term Growth Strategy announced in May 2021 is to co-create *Future Foods* with food science. Here, we intend to make further progress by maximizing the use of our intellectual property.

Number of Patents

To deliver deliciousness, healthy, and environmentally friendly products, we engage in basic and applied research on health and nutrition. We also develop production technologies focused on instant noodles. As a result, the group has acquired 444 patents in Japan and 694 patents overseas.

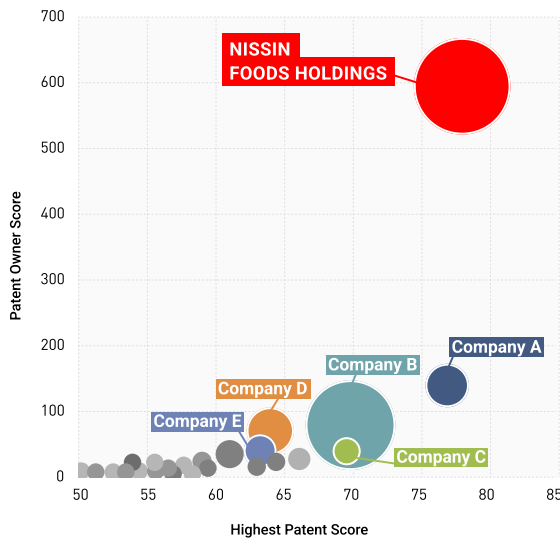
Number of NISSIN FOODS Group patents (as of March 2022)	
Number of patents registered in Japan:	444
Number of patents registered overseas:	694*
Registered designs in Japan:	79
Registered designs overseas:	25*

*The number of overseas registered patents and overseas registered designs includes the total number of countries in which product rights were granted.

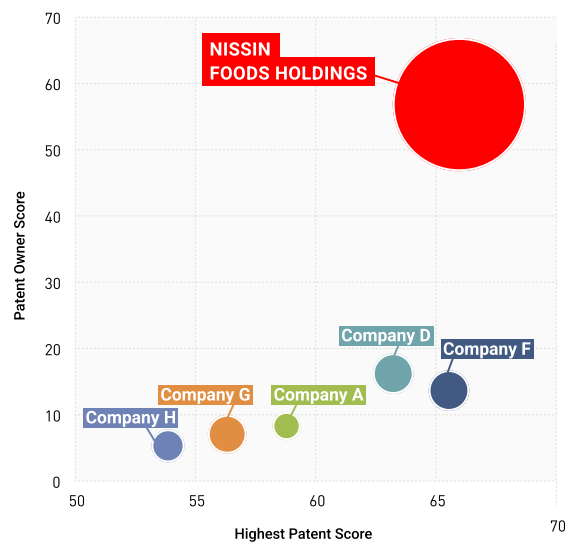
Patent Position Map for Instant Noodles

The following table is a position map* using patent scores for the NISSIN FOODS HOLDINGS instant noodle-related patent portfolio.

Japan Domestic Instant Noodles Sector



U.S. Instant Noodles Sector



*Patent Result Co., Ltd. survey. The *patent score* is an index of the degree of attention given to a patent. The higher the patent score, the higher the patent is rated as having secured a high degree of attention in the market. The vertical axis represents the overall strength of each company's patent assets, which are evaluated in terms of both quality and quantity. The horizontal axis represents the individual strength of the most valuable patents in the company's portfolio.

The size of the circle indicates the number of patents.

Representative Innovations

| Straight Noodle Manufacturing Method

The wavy shape of conventional noodles makes for more efficient manufacturing. However, our unique method achieves both mass production and straight noodles.

| Nutrition Hold-Press Production Method

Nutritional elements that tend to leach out during cooking are trapped in the center of the noodles, while also reducing the impact on taste.

| Mist/Air-Drying Production Method

A process that reduces oil content by mist-showering the surface of the noodles with the minimum amount of vegetable oil necessary. Noodles are then dried using hot air.

| Cultured Meat

Collaboration with the University of Tokyo on research and development in cultured meat, which is expected to solve future food crises and global warming.



| 3-Layer Noodle Manufacturing Method

A manufacturing method that gives noodles a unique texture through a three-layer structure consisting of an inner layer and an outer layer.

| Salt Reduction Manufacturing Method

A manufacturing method that uses magnesium chloride, the most suitable ingredients for salt reduction. We discovered this process after repeated analysis of nearly 170 types of salt.

| Nazoniku Hoboika

Made from a unique combination of environmentally friendly ingredients, *Nazoniku* includes pork, vegetables, and soy protein, while *Hoboika* is made from fish paste with squid flavoring.



[See here for more ▶](#)

| Biomass ECO Cups

Containers made of plant-derived biomass plastic with a biomass content of 81%.



the WAVE

the WAVE creates new waves of food technology

The Global Innovation Center and the Global Food Safety Institute are the centers for NISSIN FOODS Group technology, development, and research. The mission of the WAVE is to create the most advanced wave of food technology, emanating powerful vibrations across the globe. Our enduring values state that *peace will come to the world when there is enough food, create foods to serve society, eat wisely for beauty and health, and food related jobs are a sacred profession*. Based on these values, we are committed to INNOVATION (technological innovation) and FOOD SAFETY as our promise to the world as a food manufacturer.

[See here for more ▶](#)



Next-Generation Smart Factories

The NISSIN FOOD PRODUCTS Kansai plant began operations in October 2018. The plant boasts state-of-the-art equipment and uses IoT technology to achieve automation and efficiency. The plant reduces the risk of human error by automating the formerly manual checks, inspections, and the transport of raw material containers, etc., and by establishing work processes that eliminate human intervention. As a result, we achieved a product defect rate of less than 1 per 1 million pieces and establish a safer production system.



NASA Room, the Heart of the Quality Control System



Automated 50% of Manual Processes



Panoramic View of Kansai Plant

Work Processes With No Human Intervention

Significant Reduction in Defects; Safer Production System



TOPICS

Tokyo Nutrition for Growth Summit

Four Commitments Announced by the NISSIN FOODS Group

The NISSIN FOODS Group participated in the Tokyo Nutrition for Growth Summit held in December 2021. CEO Koki Ando and several other team members spoke at sessions organized by the Ministry of Agriculture, Forestry and Fisheries and other organizations. At the Summit, companies and other stakeholders were encouraged to announce their own commitments to set effective goals for improving nutrition around the world. The NISSIN FOODS Group developed our own commitment to improved nutrition and sustainable food systems.

01

Improve the health and nutritional properties of all products.
Expand annual sales of wellness products to 23 billion yen by 2030.

02

Develop a new testing method capable of simultaneous and highly accurate testing of all allergen-labeled products by 2030. Conduct at least 100,000 cumulative tests using this method; expand and encourage wider adoption.

03

Increase the use of plant protein in instant noodles compared with animal proteins; raise use of plant proteins to 1,100 tons by 2030.

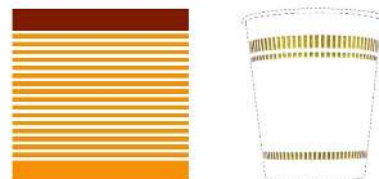
04

Reduce total waste in distribution and sales fields in Japan by 50% by 2030 (compared with 2015).

TOPICS

The CHICKEN RAMEN Shima-Shima (stripe) registered as a color trademark!

On March 25, 2022, we were granted registration of the symbolic color scheme of CHICKEN RAMEN as a color trademark (registration number: No. 6534071). Invented by NISSIN FOODS founder, Momofuku Ando, CHICKEN RAMEN was the world's first instant ramen. This product has been a long-selling brand enjoyed by a wide range of people since its launch on August 25, 1958. CHICKEN RAMEN has kept the same product design throughout the years, becoming a loved visual by all, regardless of age group. After three-and-a-half-years of hard work, we were finally granted the registration in recognition of the CHICKEN RAMEN brand and its highly identifiable shima-shima (stripe) color scheme. The registration of the CHICKEN RAMEN color trademark is also significant from the perspective of anti-counterfeiting. We had already received a position trademark for the decorative pattern of the CUP NOODLE container in 2018.



BUSINESS ACTIVITIES

FY 3/2022 Results by Business Segment

Domestic Instant Noodles Business

NISSIN FOOD PRODUCTS (vs. Previous Year)

Revenue	¥210.8 billion	+3%
Core Operating Profit	¥30.6 billion	-4%
Operating Profit	¥30.8 billion	-4%

- *CUP NOODLES PRO* series and *CUP NOODLE KARAMEN* continued to show strong performance in the cup-type instant noodles category. *CUP NOODLE SUPER GATTAI* series, which existing flavors are combined to commemorate the 50th anniversary of *CUP NOODLE*, also contributed to sales. *SAIKYO DONBEI*, introduced in March 2022 as a product in which all ingredients play a starring role, contributed to sales as well.

- Sales of *NISSIN RAOH* series increased, but sales of bag-type instant noodles decreased overall.

- Sales of the *NISSIN CURRY MESHU* series drove cup-type instant rice sales higher.

- Profit decreased due to higher depreciation expenses accompanying facilities upgrades, higher raw material prices, etc.

MYOJO FOODS (vs. Previous Year)

Revenue	¥37.9 billion	+1%
Core Operating Profit	¥2.4 billion	-23%
Operating Profit	¥2.4 billion	-23%

Revenue

- Sales of *MIYAZAKI KARAMEN*, *MOYASHI GA CHOZETSU UMAI MAZESOBA*, *MYOJO MEGAMI* and *MYOJO CHARUMERA* brand contributed to sales of bag-type instant noodles.

- Sales of *SU RA TAN MEN* in the *MYOJO CHUKA ZANMAI* brand and sales of *MYOJO IPPEICHAN YOMISE NO YAKISOBA* were firm. *MYOJO KOIZE! IPPEICHAN BIG* also contributed to performance.

- Profit decreased due to higher raw material prices and an increase in depreciation and amortization expenses.

Chilled/Frozen Foods and Beverage Business

(vs. Previous Year)

Revenue	¥80.9 billion	+4%
Core Operating Profit	¥3.3 billion	-4%
Operating Profit	¥3.4 billion	-5%

Chilled Foods Business

- Sales of *GYORETSU NO DEKIRU MISE NO RAMEN*, *MAZEMEN NO TATSUJIN*, and *YUMEITEN* series of ramen noodles remained firm.

Frozen Foods Business

- Sales of *REITO NISSIN CHUKA SHIRU NASHI TANTAN MEN OHMORI*, *REITO NISSIN HONMEN*, *REITO NISSIN MAZEMENTEI*, and *REITO NISSIN MOCHITTO NAMA PASTA* series all performed well.

- Profit decreased due to higher cost of sales ratios

Beverage Business

- We launched *PILKUL 400* to strong sales. In this new product, we increased the number of lactic acid bacteria from 15 billion to 40 billion.

- Sales decreased due a negative rebound in the wake of high previous-year demand during the COVID-19 pandemic, as well as sluggish sales at CVS (convenience stores) during COVID-19.

- Profit decreased due to a negative rebound in the wake of high previous-year demand during the COVID-19 pandemic, as well as an increase in advertising expenses, etc.

Confectionery Business

(vs. Previous Year)

Revenue	¥69.0 billion	+68%
Core Operating Profit	¥3.2 billion	+23%
Operating Profit	¥3.3 billion	+25%

- Reflects 12-month operating results for the current fiscal year (4 months in the prior period) due to the consolidation of KOIKE-YA as of December 2020.
- Despite a negative rebound following higher demand in the wake of the declaration of the state of emergency, sales of the *GOROGURA* series remained strong.
- Sales *NISSIN CISCO HOT CEREAL*, a new category, grew steadily, while mainstay products such as the *KAISEN AGESEN* series also performed well.
- We launched the *KOIKE-YA The* series, a product commemorating the 60th anniversary, as part of our high-value-added business.

Overseas Business

The Americas

(vs. Previous Year)

Revenue	¥87.3 billion	+23%
Core Operating Profit	¥2.9 billion	-27%
Operating Profit	¥3.0 billion	-26%

- In Brazil, demand for in-home dining increased due to the impact of the spread of COVID-19. We used aggressive sales and marketing measures to capture more customers and depth in the market.
- Sales of mainstay products *Nissin Lamén* and *CUP NOODLES* continued to perform well.
- In the U.S., sales of clearly differentiated, higher-priced products remained strong.
- Profit decreased, mainly due to ongoing high costs of key raw materials, distribution, and labor.

China (Including Hong Kong)

(vs. Previous Year)

Revenue	¥55.5 billion	+15%
Core Operating Profit	¥6.1 billion	+11%
Operating Profit	¥6.0 billion	+5%

- Expanded sales area and strengthened Chinese version of the *CUP NOODLES* brand in response to the growth of the high-value-added products market.
- Sales increased due to higher sales volume of the *CUP NOODLES* brand lineup in mainland China, higher demand due to the reemergence of COVID-19 infections in Hong Kong, and the impact of foreign currency translation due to the appreciation of the local currency against the Japanese yen.
- Profit increased due to the increase in sales volume, which absorbed raw materials costs in mainland China.

Asia

(vs. Previous Year)

Revenue	¥14.8 billion	+17%
Core Operating Profit	¥4.1 billion	+2%
Operating Profit	¥3.5 billion	-13%

- Sales increased across all regions
- The increase was mainly due to higher sales in Thailand, India, and Singapore, which absorbed raw material costs.

EMEA

(vs. Previous Year)

Revenue	¥11.4 billion	+25%
Core Operating Profit	¥0.4 billion	-77%
Operating Profit	¥0.5 billion	-72%

- *CUP NOODLES*, *Soba*, and *Demae Ramen* brands performed well.
- The year-on-year decrease was mainly due to higher raw materials prices and lower profits at equity-method affiliates

MID- TO LONG-TERM GROWTH STRATEGY

The NISSIN FOODS Group Mid- to Long-Term Growth Strategy

NISSIN FOODS Group CSV Management

To achieve sustainable growth while solving environmental and social issues as an

“EARTH FOOD CREATOR”

constantly creating new food cultures through innovation.

The NISSIN FOODS Group announced a mid- to long-term growth strategy in May 2021. This strategy outlines three growth strategies toward achieving our unique style of CSV Management.

Growth Story for the Mid- to Long-Term

We pursue three mid- to long-term growth strategies for achieving our vision and sustainable growth.

FOOD TECH INNOVATION

“Good for People, Good for Society and Good for the Earth”

1 Improved Value

Strengthen Cash Generation Capabilities of Existing Businesses

- Make a significant shift in our profit portfolio through aggressive growth in Overseas and Non-Instant Noodles Businesses, while pursuing sustainable growth

2 Sustainable Value

EARTH FOOD CHALLENGE 2030

- A challenge to utilize finite resources effectively and reduce the impact of climate change
- To extend the life cycle of our existing businesses significantly

3 Leap Forward Value

Pursue New Businesses

- Co-create foods of the future with food science
- Become a company that provides food and health solutions through technology

Roadmap to Achieving Our Vision

Economic Value Targets

- Sustainable profit growth
- Efficient use of capital
- Safe use of debt
- Stable shareholder returns

[Click here for more on Mid- to Long-Term Growth Strategy](#)



CEO MESSAGE



COO MESSAGE



CSO MESSAGE



CFO MESSAGE



Quantitative Targets

We are committed to four Mid- to long-term economic value targets through CSV management under our Mid- to Long-Term Growth Strategy 2030: (1) Sustainable profit growth, (2) Efficient use of capital, (3) Safe use of debt, and (4) Stable shareholder returns. We pursue these targets in parallel with non-financial targets.

Value Category		Management Indicators	Mid- to Long-Term Targets	FY 3/2023 Results (certain results reflect recent performance)
Financial	Growth Potential	Core operating profit growth rate for existing businesses ^{*1} (constant currency basis)	Mid-single digits	16.3%
	Efficiencies	ROE	10% over the long term	8.9%
	Safety	Net Debt/EBITDA ratio	≤2X	-0.5X
	Stable Shareholder Returns	Dividend policy	Progressive dividends	130 yen per share (FY 3/2021: 120 yen per share)
Relative TSR (Relative to TOPIX Foods) ^{*2}		>1X	1.22X	
Non-Financial ^{*3}	Utilize Finite Resources Effectively	Sustainable palm oil procurement ratio ^{*4}	100%	36% *January to December 2021
		Water usage (per million yen of revenue (IFRS basis))	< 12.3m ³	11.3m ³ *April 2020 to March 2021
		Total waste reduction (vs. FY 3/2016; Japan)	-50%	-38.9% *April 2020 to March 2021
	Reduce Impact on Climate Change	Sustainable palm oil procurement ratio ^{*4}	-30%	2.7% *January to December 2021
		Reduction of CO ₂ Emissions (Scope 3; vs. FY 3/2019)	-15%	8.5% *January to December 2020

*1 An important Non-GAAP business management indicator calculated by subtracting profit or loss from new businesses in which we plan aggressive upfront investments and non-recurring income (other income and expenses) from IFRS operating profit.

*2 We calculate relative TSR (TOPIX Foods comparison) based on the following formula.

$$\text{Relative TSR} = \frac{\text{TSR for the Target Period}}{\text{TOPIX Foods Growth Rate for the Target Period (including dividends)}}$$

$$= \frac{(B + C) \div A}{E \div D}$$

A: Average of the closing price of the Company's shares during the three-month period from January to March for the three fiscal years prior to the current fiscal year

B: Average of the closing price of the Company's shares during the three-month period from January to March of the current fiscal year

C: Cumulative total of dividends per share for the past three fiscal years, including the current fiscal year

D: Average closing price of TOPIX Foods (including dividends) for the three-month period from January to March for the three fiscal years prior to the current fiscal year

E: Average closing price of TOPIX Foods (including dividends) for the three-month period from January to March of the current fiscal year

*3 Non-financial targets represent targets for FY 3/2031.

*4 Based on the use of external certifications and our own assessments.

COO MESSAGE

NISSIN FOODS HOLDINGS CO., LTD.
Executive Vice President &
Representative Director, COO
NISSIN FOOD PRODUCTS CO., LTD.
President & Representative Director

NORITAKA ANDO

Solving Social Issues Through Complete Nutrition Technologies

We enjoy rich diets in these modern times. On the other hand, health issues have emerged such as excessive calories due to food satiety and malnutrition caused by unbalanced diet. For example, estimates say that more than 2 billion people in the world are overweight or obese, causing increased health risks. The economic loss due to obesity is estimated in excess of US\$2 trillion. At the same time, hidden malnutrition is on the rise as a serious issue and presents a serious problem. Here, the body lacks necessary calories and nutrients due to improper dieting methods. We have arrived at a solution to these social issues by creating Future Foods.



Developing Delicious Complete Nutrition Meals and Creating New Business Models

Balanced Intake of Nutrients Without Sacrificing Appearance or Taste

The NISSIN FOODS Group Delicious Complete Nutrition Meals is a meal that controls calories, salt, sugar, fat, and protein, maintaining the appearance and taste of the meal, while offering all 33 nutrients designated by the Dietary Reference Intakes for Japanese in well-balanced manner. In this way, consumers can maintain a good nutritional balance by simply eating what they enjoy. We are engaged in the development of these dream-like Future Foods. We have developed more than 300 foods already, including pork cutlet, *napolitan*, which is ketchup-based spaghetti, and beef curry. Although the concept of a Complete Nutrition Meal has existed in the past, actually creating a delicious product proved impossible, as packing in all the essential nutrients such (vitamins and minerals, etc.) resulted in bitter and harsh tastes. The NISSIN FOODS Group Delicious Complete Nutrition Meals offers so much delicious taste that it is impossible to

tell the difference between our meals and ordinary meals. This has only become possible through our proprietary and cutting-edge food technologies cultivated over many years in instant noodles and other products.

For example, we make full use of (1) technologies to reduce salt while maintaining delicious taste; (2) technologies to reduce fat while maintaining delicious taste; (3) technologies to reduce calories while maintaining delicious taste; (4) technologies to mask harsh or bitter tastes; and (5) technologies to prevent nutrient loss during cooking.

The rice used for curry and rice is “resynthesized,” meaning rice that has been broken down once, after which sugars and salt have been removed and dietary fiber and other ingredients have been added. By making full use of the aforementioned technologies for reducing salt and fat, we have established a technology that allows us to freely control and reduce salt, sugar, and fat content up to roughly 50%. In fact, in a clinical trial in which approximately 40 meals were replaced with our Complete Nutrition Meal over a period of about 4 weeks, more than 80% of the participants experienced a reduction in body weight, a decrease in visceral fat area, and other results.

* Presented at the 68th Annual Meeting of the Japanese Society for Food Science and Technology

When consumers are not able to enjoy food due to health concerns, well-being also suffers. If we can balance the nutrition in ramen, curry, pork cutlets, and other dishes with consideration for health, we can create a world in which people can take measures against presymptomatic disease without hardship, simply by eating what they like. Our desire is to create Future Foods through a progressive growth story that stays true to our Founder’s Spirit. To achieve this goal, we will offer Delicious Complete Nutrition Meals, available anytime, anyplace, through parallel development across various touchpoints: (1) Retail sales; (2) Employee cafeterias; (3) Medical institution collaborations; (4) Frailty response measures; (5) Smart cities, etc.



TOPICS

Launched KANZEN MEAL Series

We plan to invest 5% to 10% of the core operating profit of existing businesses into new businesses, aiming to achieve sales of 3 billion yen in FY 3/2023 and 10 billion yen in FY 3/2024, mainly in packaged foods. We will not only rely on the Group’s internal technologies, but also incorporate external technologies and ideas actively from startup ventures and other means. Over the next three to five years, we will first develop the *KANZEN MEAL* product, which offers the perfect balance of 33 nutrients and deliciousness, developed using NISSIN FOODS PRODUCTS proprietary technology born through research into complete nutrition meals. As a first step, we began selling packaged foods via our online store in May 2022. We plan to roll out packaged foods to physical stores over time. In addition to our frozen foods, confectionery, beverages, and other products, we will begin offering recipes and food technology to the fast food and restaurant industry, including family restaurants, to further expand consumer touchpoints.



[Official KANZEN MEAL Website](#)
(Japanese only)

In May 2022, we launched the *KANZEN MEAL* series of products. Sales of the series exceeded 1 million servings within one month of launch. And repeat purchase rates have exceeded double digits!

Pursuing New Food Possibilities as an EARTH FOOD CREATOR

The basic stance of the NISSIN FOODS Group is to take on new and unprecedented challenges. From generation to generation, we have inherited a corporate culture of doing new things without fear of failure. Another reason behind our ability to take on challenges over a long-term time horizon is that we have the founding family with us today. Of course, the market will not acknowledge us unless we generate profits in the short term, too, but we are always thinking about how we contribute to society through food. This perspective encourages a spirit of taking on challenges. Our concept of food technology satisfies human well-being (contributing to delicious health) and planetary health (sustainability) at the same time. The NISSIN FOODS Group will continue to evolve as an EARTH FOOD CREATOR, pursuing new possibilities through food.

[KANZEN MEAL Official Online Store URL \(Japanese only\)](#)



CSO MESSAGE

NISSIN FOODS HOLDINGS CO., LTD.
Director, CSO, and Managing
Executive Officer

YUKIO YOKOYAMA

FY 3/2022 in Review

After I assumed the position of CSO responsible for overall Group strategy in 2021, the world entered an era of volatility, uncertainty, complexity, and ambiguity—so-called VUCA. The ongoing COVID-19 pandemic, the situation in Russia and Ukraine, soaring raw materials prices, the sharp depreciation of the yen, and increasing inflationary pressure have made steering through the challenges difficult. Amid these circumstances, we gather information from a micro perspective on the front lines and assess the situation from a macro perspective, looking at trends across global society as a whole and changes in the environment. With this information, we leverage the management planning platform over which I am responsible to address management issues that include how to operate global supply chains, how to incorporate Japan's food security and energy security, and how to manage global risks. Integrating this information and knowledge makes the necessary decisions clearer. For example, when looking at the global market, we understand the situations in the United States, Mexico, and Brazil discretely and locally. However, decisions are made differently when looking from a high-altitude view over the Americas as a whole. The role of our division is to engage in this type of analysis.

The Mission of the CSO

My mission is to maximize the corporate value of the NISSIN FOODS Group by taking charge of the holding company's portfolio and pursuing reform across group companies in response to changes in the times and environment. Maximizing environmental value, social value, and economic value includes all activities and requires leadership over the planning and execution of structural reforms. Analyzing and evaluating activities across the entire group is another important part of this mission. In other words, I see myself as a corporate scientific orchestrator who supports overall management from a scientific perspective.



Maximizing the Corporate Value of the
NISSIN FOODS Group Through High-Level
Group-Wide Structural Reforms

I believe the value I contribute is constantly absorbing and digesting the latest information, making recommendations to management. Where should we invest in people, goods, and financial resources to achieve our management goals? How do we design the organization, systems, and processes to implement these measures? We must work comprehensively, including M&A and other strategic alliances. At the same time, we continue to discover issues and formulate solutions in an ever-changing business environment. An important mission of our corporate planning platform is to coordinate information from a group-wide perspective and provide a cross-organizational view. We do this by having a group of specialists cover everything from corporate planning to global sales, and from information and DX to supply chain restructuring under our purview. I believe this division will serve as a hub to create synergies for the entire group.



The NISSIN FOODS Group Mid- to Long-Term Growth Strategy

FY 3/2022 was the first year of the NISSIN FOODS Group Mid- to Long-Term Growth Strategy. The key to implementing this growth strategy is a long-term vision. In the process of formulating this strategy, we discussed when, where, and what we should invest in over a 10-year span. Assuming the first year of the growth strategy was for each operating company to create an investment plan from a long-term perspective, the thrust of the second year will be to determine investment priorities for the management resources we possess. Of course, things must be prepared in a certain order, so the most important of the three strategies is to strengthen the cash-generating capacity of existing businesses. We will achieve sustainable growth by investing cash generated from existing businesses into the second growth strategy, EARTH FOOD CHALLENGE 2030, and the third, which is to pursue new businesses. In particular, we see the overseas and

domestic non-instant noodles businesses as an area of potentially remarkable growth. As consumer needs diversify, we believe we can provide new food opportunities by expanding the coverage of the NISSIN FOODS Group brand and by offering a broad range of opportunities.

Create a System for Developing Diverse Human Resources

Investment in human resources is essential for achieving this vision. We believe it will become increasingly important to manage not only total shareholder return, which is economic value, but also talent, strategy, and risk in terms of personnel organization. As we introduce a job-based personnel system, we will build a strong, sturdy, and muscular organization. In particular, building a mechanism for nurturing management personnel and global human resources is an urgent issue. No matter how good the strategy, nothing will come to fruition without the people to put plans into action. At present, we are examining what kind of human resources are required to advance the NISSIN FOODS Group global strategy.

We also believe diversity is required to build work environments where diverse personnel can work with vigor and enthusiasm. Here, I mean diversity not only in terms of gender, but also in terms of country, culture, age, and other various aspects. So, how do we bring out the best in each individual and tie this personal growth to the growth of the company? We are building a human resource management system that fully utilizes the abilities of each individual, designed to draw out the market value of each employee.

Structural Reform in the Digital Age

NBX (NISSIN Business Transformation) is a project under which we leverage digital tools to achieve structural reform in all areas, including logistics, sales, human resources, production, and materials. We aim to achieve 200% productivity under the banner of *Armed With Digital* to establish competitive advantage. We also aim to evolve into a corporate group that continues to grow in any era by transforming business operations, our organization, our processes, and our corporate culture. We have already seen a shift to a paperless work environments in the finance and sales departments. Employees are changing the way they work, as each individual becomes more motivated, now that they spend time on offering proposals and negotiations instead of paperwork. In the future, we intend to implement efficient supply chain management using a database of consumer behavior and information. We are also engaged in activities that will lead to marketing based on a 360° understanding of the consumer utilizing personal consumer data. Current trials include various ways to determine scope for big data, perspectives, and methods of analysis.



Enhancing Corporate Value Further

Last year, we began quantitative analysis of the relationship between ESG (non-financial value) and corporate value as part of our efforts to answer the question of whether corporate ESG initiatives really lead to higher corporate value. This initiative consists of two parts: a high-level analysis we call Return on Sustainability Index (analysis of the correlation between ESG activities and price-book value ratio (PBR)) and a value-related analysis we call Return on Sustainability Index Correlation (correlation between EPS/PER and ESG activities). The Return on Sustainability Index analysis showed a 1% increase in the number of products contributing to social issues improves PBR by 1% in the same year. Our research also indicated 1% reduction in CO₂ emissions improves PBR by 1% after eight years.

Our proprietary Return on Sustainability Index Correlation Analysis linked together correlated items. In this way, we formed a clearer story of how ESG actions lead to an increase in corporate value (stock price). We will continue to accumulate data to refine our analysis and visualize the relationships and pathways among ESG indicators to achieve higher levels of CSV management.

CFO MESSAGE



Supporting NISSIN FOOD Group Sustainable Growth Strategy From a Financial Perspective

NISSIN FOODS HOLDINGS CO., LTD.

Executive Officer, CFO

TAKASHI YANO

FY 3/2022 Review and Outlook for FY 3/2023

The NISSIN FOODS Group achieved strong performance in FY 3/2022, driven mainly by our Overseas Business. Overseas Business revenue grew 20% year on year, reaching double-digit growth in all regions. These results were largely due to global recognition of our product features and superiority of our instant noodles during the COVID-19 pandemic. We believe that this was a year in which we proved the growth potential of our Overseas Business.

Consolidated Financial Summary

Bil. yen	Institutional accounting basis				Constant currency basis [*]		
	FY 3/2022	YoY change		vs. FY 3/2020 CAGR	FY 3/2022	vs. Forecasts	
		Amount	Ratio			Amount	Ratio
Revenue	569.7	+ 63.6	+ 12.6%	+ 10.2%	557.9	+ 17.9	+ 3.3%
Core operating profit of existing businesses	49.6	(2.8)	(5.4%)	+ 7.5%	48.7	+ 1.7	+ 3.6%
Operating profit	46.6	(8.9)	(16.1%)	+ 6.3%	45.8	+ 1.3 ~ + 3.3	+ 2.9% ~ + 7.8%
Profit attributable to owners of the parent	35.4	(5.4)	(13.3%)	+ 9.9%	34.9	+ 1.9 ~ + 3.9	+ 5.7% ~ + 12.6%
Core OP margin of existing businesses	8.7%	(1.7pt)	-	-	8.7%	+ 0.0pt	-
OP margin	8.2%	(2.8pt)	-	-	8.2%	(0.0pt) ~ + 0.3pt	-
Profit attributable to owners of the parent margin	6.2%	(1.9pt)	-	-	6.3%	+ 0.1pt ~ + 0.5pt	-

^{*}Foreign currency amounts are converted to yen at the rate of FY 3/2021.

The goal of the NISSIN FOODS Group Mid- to Long-Term Growth Strategy is to achieve stable, mid-single digit growth in profits from existing businesses. Profit growth in FY 3/2022 was about 5%, and we plan to increase this figure further in FY 3/2023. Looking at the group by business portfolio, we plan to achieve low single-digit growth in our domestic instant noodles business, while we seek to achieve high-single digit growth in our Domestic Non-Instant Noodles Business, which we expect to expand in the future. We also plan for double-digit growth in overseas markets, which are growing rapidly.

While sales have been very strong, the situation remains uncertain due to soaring resource prices. We factored in some degree of resource price volatility over the past year into our plans. But we believe there is also a risk of prolonged impact due to the Russian invasion of Ukraine. In response to this environment, we intend to secure appropriate profits by leveraging our brand power, particularly overseas, and by revising prices.

FY 3/2023 Forecasts by Segment

Bil. yen	Revenue (IFRS)				Core Operating Profit (Non-GAAP)			
	FY 3/2023 Forecasts	FY 3/2022 Results			FY 3/2023 Forecasts	FY 3/2022 Results		
		Revenue	YoY change			Core OP	YoY change	
Domestic Instant Noodles Business	257.0	248.7	+8.3	+3.3%	34.0	33.0	+1.0	+2.9%
Domestic Non-Instant Noodles Business	154.5	149.9	+4.6	+3.1%	7.1	6.4	+0.6	+9.7%
Domestic Business total	414.0	400.8	+13.2	+3.3%	42.0	41.3	+0.7	+1.7%
Overseas Business total	181.0	168.9	+12.1	+7.1%	16.0	13.6	+2.3	+17.2%
Existing Businesses	595.0	569.7	+25.3	+4.4%	52.0	49.6	+2.4	+4.9%
Consolidated	595.0	569.7	+25.3	+4.4%	47.0 ~49.5	46.6	+0.4 ~+2.9	+0.8% ~+6.1%

* China (Incl. H.K.) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS.

Finance and Accounting Division Commitment to Improving Corporate Value

We recognize the importance of considering how to reorganize our Finance and Accounting Division to contribute to improved corporate value, as well as to communicate an awareness of this question throughout the organization. Our division does not manufacture or sell products directly. So it is difficult to imagine how we can improve corporate value. Therefore, we separated the division into two sections, each having their own defined roles. The first section is "going concern," which plays a defensive, or protective, role in closing accounts, paying taxes, and managing cash flow, etc. The second section is "value enhancement," which plays an offensive, or proactive, role. We then defined a vision for our division to be a *corporate value enhancer*, sharing this vision with staff in Japan and overseas. This concept is based on our desire to be an entity that maximizes the value creation of the NISSIN FOODS Group in terms of both offense (proactive enhancement of global corporate value) and defense (cost minimization and maintenance of our group as going concern).



Taxation Becomes a Key Focus as Global Business Expands

We see taxation as an area that has undergone a major change over the past several years in position, status, and importance at the global level. In the past, taxation was more of a local issue in which each country set its own rules. However, trends in strengthening the fight against international tax evasion by multinational corporations through base erosion and profit shifting (BEPS) have made taxation a global issue. Amid these circumstances, we see growing demand for head office-led compliance with global-based rules such as digital taxation and minimum tax.

Taxation is also viewed with greater importance from the standpoint of sustainability. Tax payments have even become integrated into governance indicators. As a result, external accountability is in greater demand and reputational risk is becoming a rising factor. We believe that tax transparency will become even more important in the future as we develop our strategy for M&A, new investments, and the establishment of new companies to expand the scope of group operations and geographic coverage.

Acquiring and Developing Global Financial Human Resources to Support Growth

Our Overseas Business has been expanding steadily over the past several years. Under our Mid- to Long-Term Growth Strategy, we see this business segment as one that will grow the most over the next 10 years. Given these circumstances, we view the acquisition and development of global financial human resources for our Overseas Business as an urgent issue.

To develop and train human resources, we must not only find external human resources who can contribute immediately, but also develop human resources internally. As part of this effort, we began hiring new graduates in FY 3/2022 under the framework of financial recruitment. Our desire is to develop multifaceted skills within each individual and develop personnel to become a corporate division possessing staff with a high level of financial and market literacy, who understand numbers, and who can communicate with the market. My hope is that we can lower boundaries across organizations and create a positive impact through the interaction of people from various backgrounds.



Approach to Financial Management

Currently cash exceeds borrowings within the NISSIN FOODS Group. However, to achieve further growth in the future, we must expand production facilities. In addition, we will need to rebuild aging facilities and invest in new businesses. We are discussing internally which investments, including M&A and new investments, will be made, the timing, and the methods to be used. The Investment and Financing Committee on which I serve as vice chair is an advisory body to the Management Committee. This committee conducts the first series of discussions when considering investments. We have established a framework that uses investment profitability indicators such as net present value, internal rate of return, and payback period, all calculated based on hurdle rates that take country-specific risks into account. ESG and SDGs perspectives are also considered before making investment decisions. We ensure effective governance over investments by setting KPIs that serve as prerequisites for achieving plans. We monitor the progress of these KPIs regularly, the results of which are reported to the Investment and Financing

Committee and the Management Committee.

In the overall management of the balance sheet, including investments and financing, we focus on return on equity (ROE), the long-term target of which is 10%. Equity spread is another useful indicator of shareholder value creation, and we recognize the importance of achieving ROE levels that exceed the cost of shareholders' equity on an ongoing basis. At the same time, we believe it is important to prioritize borrowings reflecting a certain level of financial discipline. From the perspective of financial safety, we use the balance of net debt as a KPI, set at less than two times EBITDA, which is an indicator of earnings for the fiscal year.

Continued Stable Dividends, Aiming for a Virtuous Cycle of TSR and Share Price

Our Mid- to Long-Term Growth Strategy includes progressive dividends as a principle concept, calling for a dividend payout ratio of 40%. We intend to continue to pay stable dividends. We also adopted a three-year relative TSR index beginning in FY 3/2023, which will serve as a performance-based evaluation criterion for directors. We evaluate share prices not only on the basis of financial indicators such as sales and profits, but also on the basis of overall corporate value, including non-financial indicators. We believe these systems lead to an awareness of the relationship between TSR and share price, resulting in a virtuous cycle of rising share prices.

We evaluate the significance of strategic cross-shareholdings in terms of both economic and non-economic value. Every year, we sell such shares in order of priority after consulting with the Board of Directors.

[Reduction of Cross-Shareholdings ▶](#)

Enhancing Dialogue with Stakeholders

I recognize that the role of the CFO is to provide advice regarding disciplined management. On the other hand, I also consider it an important mission to advise management on necessary corporate reforms. Engaging in dialogue with external parties is important to strike a balance between brake and accelerator. Evaluations by external parties is extremely important for us as a listed company. My own desire is to sharpen my sensitivity to such evaluations through regular dialogue with experts in various positions. I believe that dialogue with investors also plays an extremely important role in governance.

In IR meetings we hope to communicate the group's direction and approach to management in formats easy for investors to understand. We then strive to share the opinions and feedback we receive with management to close the gap between the two sides, as well as to incorporate this feedback into policies and measures. Over the past year, I have been in contact with investors and analysts to identify our insufficiencies. In the process, we have introduced various improvements, including better presentation materials.

I believe that there is no end point to communication with investors. What they want differs depending on the situation at any given time, and the information we provide will change as well. Therefore, we must determine always what is important at the moment, continuing to put effort and ingenuity into dialogue and communication with investors and analysts.

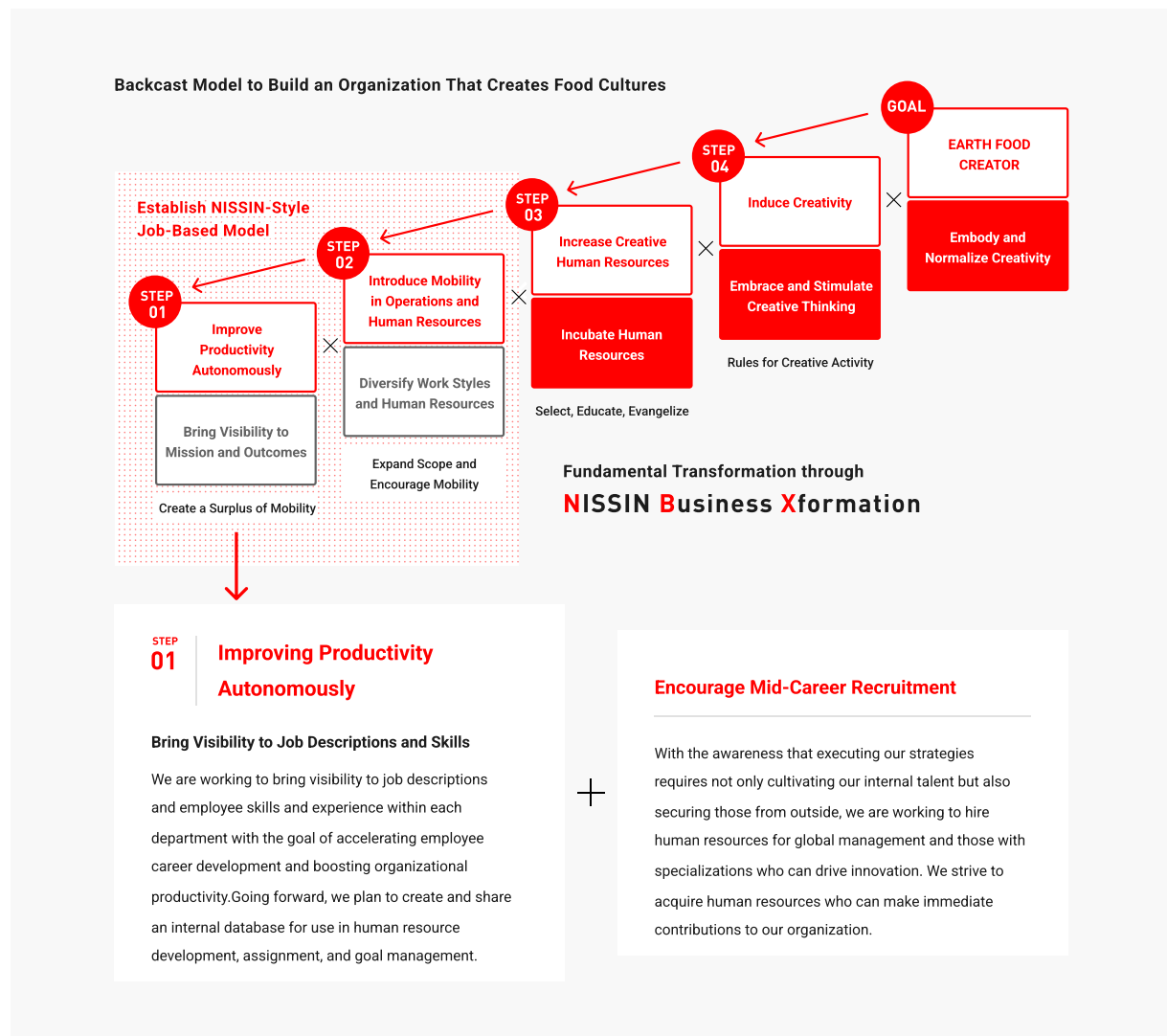
HR STRATEGY

Human Resource Strategy

Human Resources to Support Our Strategies/Organizational Foundation Reform

The NISSIN FOODS Group is in constant creation of new food culture. We aim to embody the group philosophy of being an EARTH FOOD CREATOR by being an organization that creates food cultures founded in these principles and activities, continuing to grow and achieve sustainable growth while solving environmental and social issues. In our Mid- to Long-Term Growth Strategy, we have identified "Human Resources to Support Our Strategies/Organizational Foundation Reform" as a key theme, with the goal of creating an innovative organization capable of executing strategies and creating new food cultures.

As part of this, NISSIN Business Transformation (NBX) serves as our Group-wide activity theme aimed at transforming our business model itself, a vehicle for driving business structure reform. At present, we are aiming to establish a NISSIN-style job-based model, the first step along our transformation roadmap employing a backcast model to build an organization that creates food cultures.

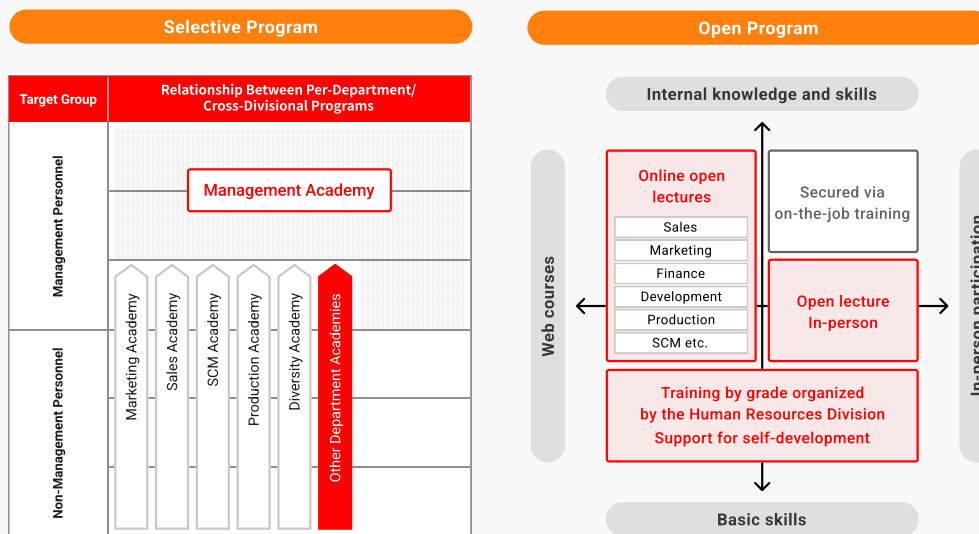


NISSIN ACADEMY

For the NISSIN FOODS Group to achieve sustainable growth, it is imperative to systematically develop hungry and highly motivated leaders who can drive teams and deliver results. Amid this, producing management talent who will lead the next generation of our business and filling the management talent pipeline are important missions that are also the lifeblood of the business.

In order to systematically develop this management talent, we established the NISSIN ACADEMY, an in-house university creating structured employee education enabling access to a wide range of knowledge and skills not easily acquired solely through on-the-job training. The NISSIN ACADEMY has a two-tiered educational structure, including an open program offering learning opportunities to anyone with the desire to grow, and a selective program. In October 2020, we launched the Management Academy program, a selective program to develop the next generation of management personnel, with 11 participants in FY3/2021 and 14 in FY3/2022.

Structure of the NISSIN ACADEMY



Training Hours and Expenses in FY3/2022

	NISSIN FOOD PRODUCTS employees*	Domestic and Overseas group company employees
Total training hours	35,933 hours	106,299 hours
Training hours per person	16 hours	9 hours
Training expenses per person	¥52,936	¥17,675

* Including employees seconded to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.

Human Resource Development ▶

Diversity and Inclusion

Establishing our Human Rights Policy

In the NISSIN FOODS Group Human Rights Policy, we clearly prohibit discrimination and harassment based on race, ethnicity, nationality, religion, belief, birthplace, gender, sexual orientation, gender identity, age, disability, and other attributes, as we strive to create a work environment where employees with diverse attributes and values can fully demonstrate their capabilities. We also strive to ensure fair and equitable treatment in hiring and in subsequent promotion and advancement.

[Human Rights Policy ▶](#)

Utilizing Diverse Human Resources

As the NISSIN FOODS Group moves ahead with challenges in new areas such as globalization and DX, we are actively hiring mid-career employees with a variety of experience, knowledge, and expertise. To enable mid-career employees to demonstrate their abilities as quickly as possible, we also offer start-up programs and support for internal networking. We intend to continue to make our organization a place facilitative of innovation through the chemical reaction of *knowledge* between new graduate hires and mid-career employees. In addition, we have implemented the challenge goal system, 1-on-1 meetings, and growth experience meetings (personnel review meetings) to help supervisors in the field encourage each of their subordinates' growth. In this way, we are creating a system that elicits a diverse range of individual challenges and facilitates growth realization, even in an on-the-job training setting.

About the Diversity Committee

To create a work environment with diverse employees allowed to fully demonstrate their capabilities, the Group has established a Diversity Committee, consisting of staff from the Human Resources Division and voluntary members. We are vigorously promoting measures such as networking meetings to enliven internal communication, and Employee Network Group (ENG) activities that address issues particular to certain kinds of employees, such as female employees, employees raising children, LGBTQ+ employees, mid-career employees, and young employees.

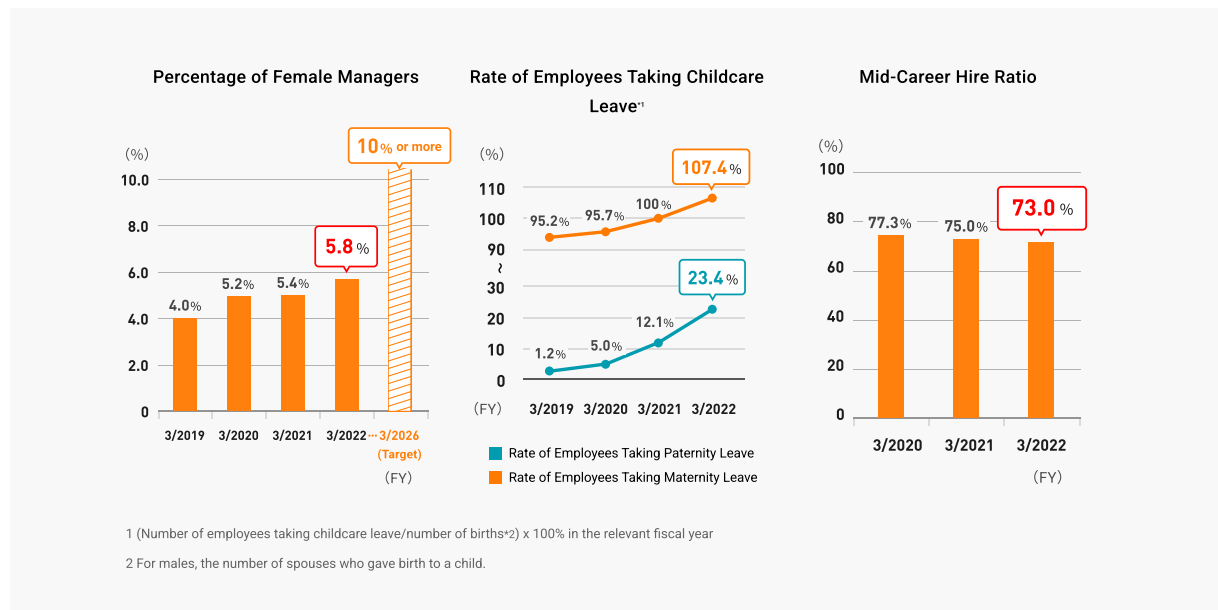


Women's Skills Development

Toward promoting more active roles for women, the NISSIN FOODS Group establishes supportive employment systems and raises awareness within the Group. In the interest of growing the number of women in active management roles, we have also been promoting the enhancement and development of our human resources, conducting selective training programs for female leaders since FY 3/2017. Working toward this in a multifaceted way, including setting numerical targets to promote active roles for women in each department, implementing a sponsorship system in which officers themselves commit to fostering women, implementing programs for supervisors to learn how to manage in a diverse environment and for women to develop their own leadership skills, and creating networking opportunities for women to interact with other women.

In 2019, we received Platinum Kurumin certification in recognition of our various efforts to support childcare, including the creation of a comfortable work environment and support for the active roles for women.

Promoting Diversity and Inclusion ▶



Employee and Labor Data ▶

TOPICS

Initiatives for the LGBTQ+ Community

The NISSIN FOODS Group works to create workplaces where sexual minorities (LGBTQ+) can work comfortably and all employees can fully apply their abilities and express their individuality. We also work to hold training sessions and events, as well as to create welfare programs to this same end. We believe that a proper understanding of the diverse sexuality of each employee is the first step in creating a safe working environment for everyone, and we are developing handbooks and e-learning programs to help employees deepen their understanding of LGBTQ+ issues. In FY 3/2022, we held a study session with outside experts and a talk session with stakeholders to discuss the state of allies (LGBTQ+ supporters). These various initiatives were recognized with the highest rating of Gold in the PRIDE Index 2021, the second consecutive year.

Hyakufukushi Project ▶

Creating a Workplace with Job Satisfaction

Efforts to Instill the Corporate Philosophy

The NISSIN FOODS Group recognizes that sharing and instilling of our corporate philosophy is essential for creating a corporate culture in which employees work together to take on challenges. In order to instill this corporate philosophy, our Group conducts training for new employees and mid-career hires. In addition, we hold workplace meetings twice a year to discuss our corporate philosophy and our Founder's Spirit. Furthermore, top management engage with employees in Japan and overseas six times a year, creating opportunities to communicate our corporate philosophy.

* Including employees seconded to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.

	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022
I feel a sense of job satisfaction	77%	76%	74%	78%	77%
I am satisfied with my departmental environment	69%	68%	67%	71%	69%
I am satisfied with the ease of working	51%	56%	57%	61%	58%

Scope: domestic and overseas group company employees

	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022
I want to achieve the company's vision and strategies together	79%*	86%	82%	79%*	84%

*Did not include overseas Group companies in FY 3/2018 and FY 3/2021.

[Improving Employee Health ▶](#)

[Creating a Workplace with Job Satisfaction ▶](#)

[Fair Evaluation ▶](#)

TOPICS

NISSIN GARAGE

The NISSIN GARAGE at the Tokyo head office was completed in March 2021 as a place for encouraging communication and creative ideas that cannot be achieved through telecommuting, amid the normalization of hybrid work between telecommuting and office work. In addition to the free address system, we regularly switch departments' home areas to create contact points between various departments. In the meeting space, we set up a exercise bike and animal figures to add a sense of fun and encourage communication among employees.

ENVIRONMENTAL STRATEGY

EARTH FOOD CHALLENGE 2030

The NISSIN FOODS Group holds to the philosophy of being an EARTH FOOD CREATOR, contributing to society and the Earth by bringing joy and pleasure to people through food. We aim to create sustainable societies and improve corporate value under this philosophy. As global environmental issues such as climate change have emerged as a larger issue in recent years, we view the higher-level pursuit of environmental measures as an important management issue. We are a global company that supports the food of people around the world, and we have formulated EARTH FOOD CHALLENGE 2030 as a long-term vision.

EARTH FOOD CHALLENGE 2030 consists of two main pillars: 1) EARTH MATERIAL CHALLENGE (our aim to protect the environment surrounding the Earth's resources and to make effective use of resources) and 2) GREEN FOOD CHALLENGE (our aim to reduce CO₂ emissions in all business activities of the Nissin Foods Group).

EARTH MATERIAL CHALLENGE focuses on three themes: Source sustainably, Conserve natural resources, and Create a world without waste. GREEN FOOD CHALLENGE encompasses three activities: Manufacture with green electricity, Develop with green ingredients, and Complete with green packaging. The NISSIN FOODS Group is united in our efforts to achieve the targets set for each activity.

Our Challenge to Utilize Finite Resources Effectively

	Sustainable Palm Oil Procurement Ratio	Water Usage	Total Waste Reduction to Logistics	Recycling Rate
Targets	100%	12.3m ³ or less Per million yen of revenue (IFRS basis)	-50% Vs. FY 3/2016 (Japan)	Maintain 99.5% or more (Japan)
Actual FY3/2022	36%	11.3m ³	-47.1%	99.7%

[Sustainable Procurement ▶](#)

Challenge to Climate Change

	CO ₂ Emissions: Scope 1+2	CO ₂ Emissions: Scope 3
Targets	-30% Vs. FY 3/2019	-15% Vs. FY 3/2019
Actual FY3/2022	+2.7%	+7.6%

[Climate Change Initiatives ▶](#)

TCFD Compliance

The NISSIN FOODS Group consists of companies that create food. We consider climate change to be a key management risk, as climate change has a variety of impacts. These impacts include raw material price hikes, damage to manufacturing plants, and changes in consumer purchasing activities. NISSIN FOODS HOLDINGS endorses the disclosure of information on governance, strategy, risk management, and metrics and targets recommended by the Task Force on Climate-related Financial Disclosure (TCFD) established by the Financial Stability Board. We also endorse the TCFD Consortium, which was established in May 2019.

NISSIN FOODS Group Approach to the Disclosures Recommended by the TCFD

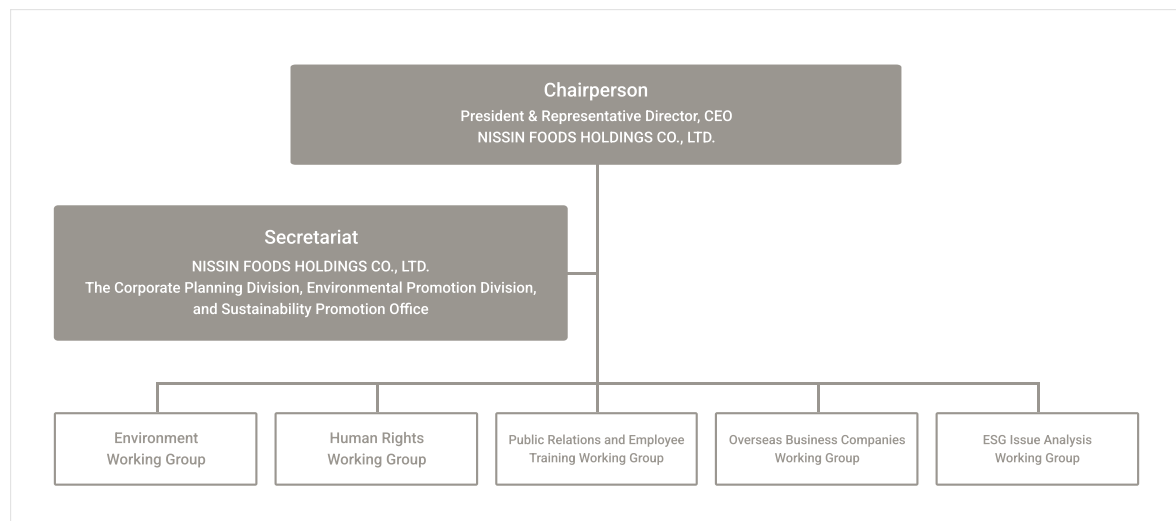
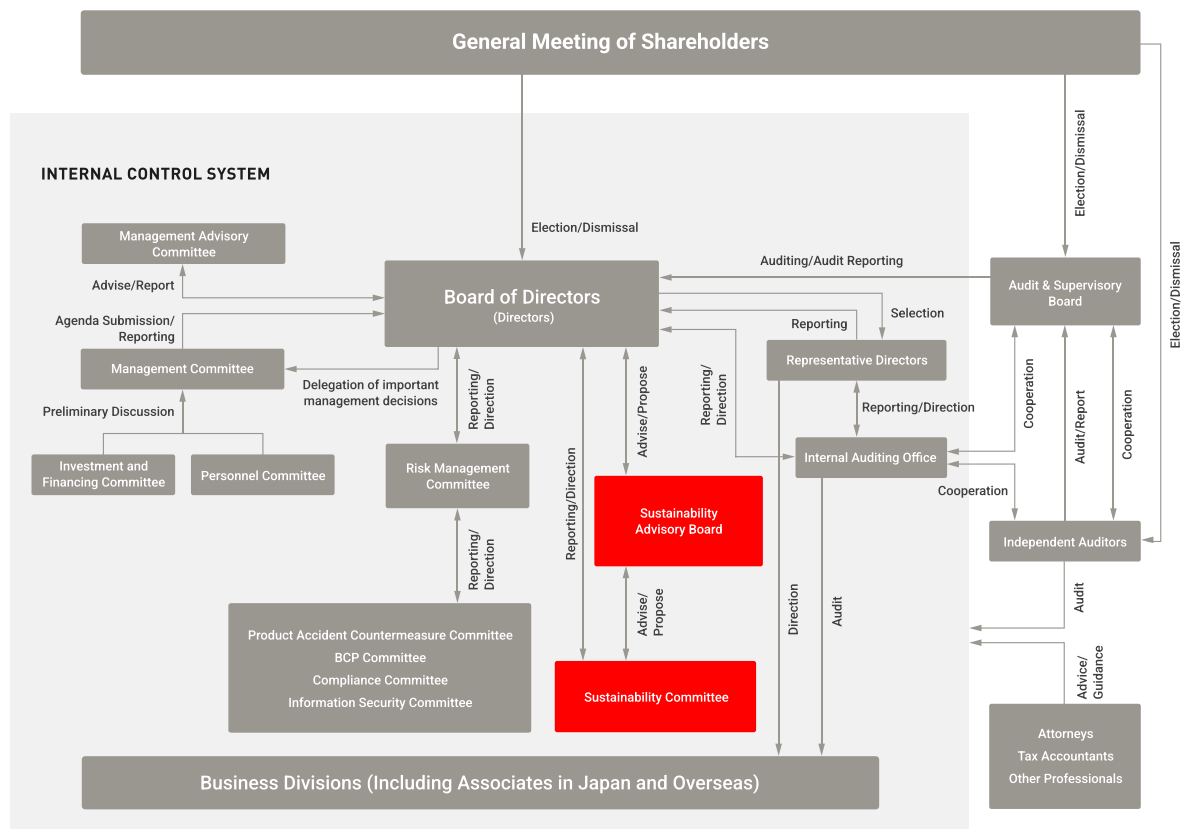
Governance	<p>We recognize that climate change is an important management issue. Our Sustainability Committee, chaired by the president, representative director and CEO, considers how to address various environmental issues, including factors that pose risks and opportunities for the group as a result of climate change. In FY 3/2020, we formulated our environmental strategy, EARTH FOOD CHALLENGE 2030. This strategy was submitted to the board of directors after being reported to the Management Committee. In April 2021, we also established the Sustainability Advisory Board as an advisory body to the board of directors. The Sustainability Advisory Board provides a forum for management and external experts to discuss ESG matters that affect the group. We disclose the details of these discussions externally and reflect matters in our management policies and through various measures.</p>
Strategy	<p>EARTH FOOD CHALLENGE 2030 is the NISSIN FOODS Group environmental strategy. Under this strategy, we set numerical targets for CO₂ emissions, water usage, and waste based on the results of climate change scenario analysis conducted in FY 3/2020. By working to achieve these targets, we reduce climate change risks and engage in initiatives, including the use of plant-based meat alternatives, developing cultured meat, and developing raw materials with low environmental impact, as we aim to become a corporate entity that creates new business opportunities.</p>
Scenario Analysis	<p>The NISSIN FOODS Group established a project team to understand the impact of climate change on our business activities. We conducted a scenario analysis based on the TCFD recommendations released in 2017. We identified the transitional and physical risks that climate change poses to raw material procurement. As a result of focusing our analysis on risks having a high impact on our business, we determined that risks related to the procurement of major raw materials are unlikely to hinder the mid- to long-term growth of the group. At the same time, we found that the impact on group earnings could be significant if greenhouse gas emissions regulations were tightened and carbon taxes increased.</p>
Risk Management	<p>The NISSIN FOODS Group established the Risk Management Committee under the direction control of the board of directors. This committee monitors the management of various risks, including environmental risks, and strives to avoid damage to corporate value.</p>
Metrics and Targets	<p>The NISSIN FOOD Group Earth Food Challenge 2030 environmental strategy includes targets to reduce Scope 1 and 2 emissions by 30%, and to reduce Scope 3 emissions by 15% (compared to FY3/2019). We also set targets for waste, raw material procurement, and water usage. For more details, refer to our EARTH FOOD CHALLENGE 2030 website.</p> <p style="text-align: right;">EARTH FOOD CHALLENGE 2030 website ▶</p>

[TCFD Compliance](#) ▶

SUSTAINABILITY PROMOTION STRUCTURE

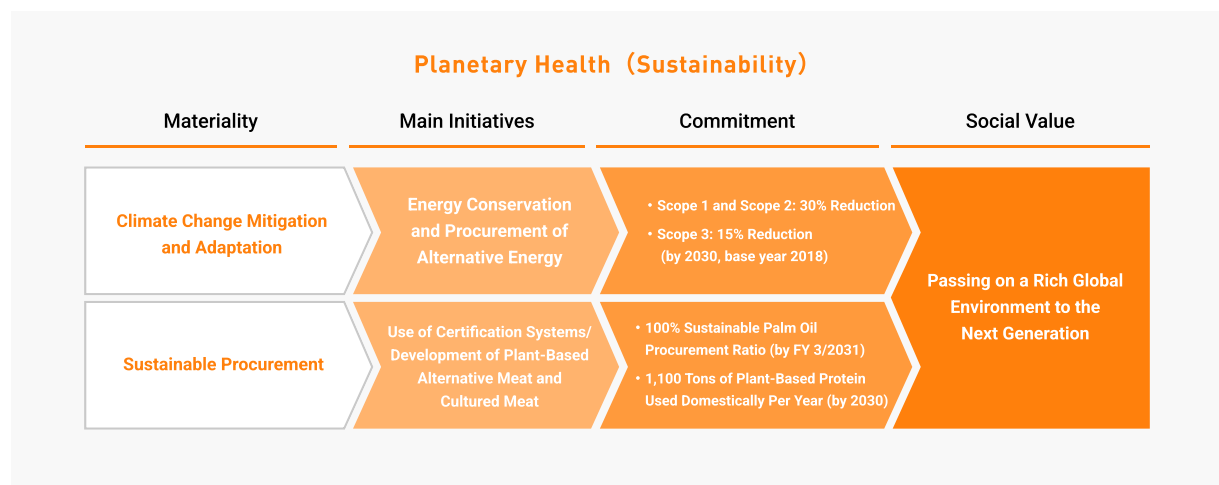
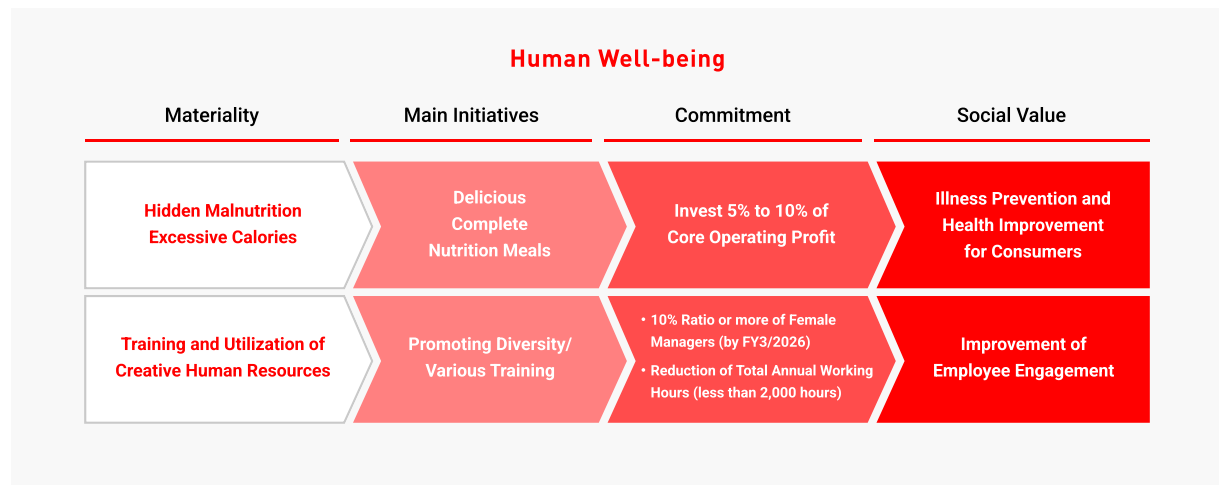
SUSTAINABILITY PROMOTION STRUCTURE

In April 2020, the NISSIN FOODS Group established the Sustainability Committee, chaired by the president, representative director and CEO, to achieve sustainable growth while solving environmental and social issues. Under this committee are five working groups assigned to pursue various initiatives. The Corporate Planning Division, Environmental Promotion Division, and Sustainability Promotion Office of the Corporate Communications Division serve as secretariats to the committee, and related departments participate in each working group. In addition, we established the Sustainability Advisory Board led by external experts as an advisory body to the board of directors in April 2021.



Materialities

The NISSIN FOODS Group fulfills a broad range of responsibilities and sustainability issues to address. These responsibilities and issues include building food safety management systems, reducing environmental impact, and establishing corporate governance. In particular, we identify materialities as a priority related to non-financial value that ties directly to Group businesses and may pose risks or opportunities in the medium to long term through international guidelines and dialogues with external experts.



Sustainability Management ▶

CLIMATE CHANGE INITIATIVES

Climate Change Initiatives

NISSIN FOODS Group promotes CO₂ reduction initiatives throughout the value chain to achieve our CO₂ reduction targets set at EARTH FOOD CHALLENGE 2030.

01 ACTIVITIES

Utilizing Renewable Energy

Since February 2021, NISSIN FOODS Group has participated in the RE100 international initiative, which aims to procure 100% of the electricity used in business activities from renewable energy sources. We set targets to procure 60% of electricity used in domestic and international business activities through renewable energy sources by FY 3/2031, and 100% by 2050. We use electricity derived from renewable energy sources at NISSIN FOODS DO BRASIL's Ibiuna and Gloria do Goita plants, NISSIN FOODS (THAILAND)'s plant, and NISSIN FOODS's Shizuoka plant and Shimonoseki plant. The ratio of renewable energy for the entire group in FY 3/2022 was 18.1%. In addition, the NISSIN FOODS HOLDINGS Tokyo Head Office uses waste-to-electricity, which uses energy generated from the incineration of waste. Since the amount of electricity generated by waste-to-electricity fluctuates on a daily basis, the amount of electricity supplied to our company varies. However, we procure more than 50% of the electricity used at our Tokyo headquarters through this method.



Sun Panels Installed at the NISSIN FOODS (THAILAND) Plant

02 ACTIVITIES

Reducing CO₂ Emissions Through Our Products



Biomass ECO Cup

We use Biomass ECO Cups for CUP NOODLE brand containers. These cups partially replaced petrochemical-derived plastic with plant-derived biomass while maintaining the heat insulation and aroma retention properties of the conventional ECO Cups. Through the use of the cup, the amount of petrochemical-derived plastic used has nearly halved and CO₂ emissions through LCA have been reduced by approx. 16%. In terms of CUP NOODLE ingredients, we are expanding our product lineup using *Nazoniku* (flavored minced product combining plants and other ingredients with meat and soy-derived ingredients). *Nazoniku* contains more plant proteins (soy, etc.) with less CO₂ emissions in the production process than animal proteins (pork, etc.). In addition, we are continuing to develop and commercialize cultured meat, that does not rely on livestock, through joint research with Institute of Industrial Science, the University of Tokyo. Further, we did away with the plastic lid sticker on CUP NOODLE in June 2021, adopting a new W-Tab lid shape that closes the cup without a sticker. This redesign alone is reducing the amount of plastic used by 33 tons per year.

[Climate Change Risks](#) ▶

SUSTAINABLE PROCUREMENT

Sustainable Procurement

The NISSIN FOODS Group instituted the Basic Policy on Green Procurement in May 2007 and is promoting the procurement of environmentally friendly raw materials. To build a traceability system, we also instituted the NISSIN Group Policy on Sustainable Procurement in September 2017, which respects the global environment and human rights, and proclaims our commitment to procuring legally produced raw materials. As cooperation from our primary suppliers is important to achieve this sustainable procurement, we inform them of the details and obtain signed documents on the confirmation.

Among the raw materials in our products, palm oil (a vegetable oil extracted from oil palms) in particular is cited for deforestation, violations of human rights of plantation workers, and other issues in some plantations and palm oil mills. Our group is focusing efforts on the sustainable procurement of palm oil.

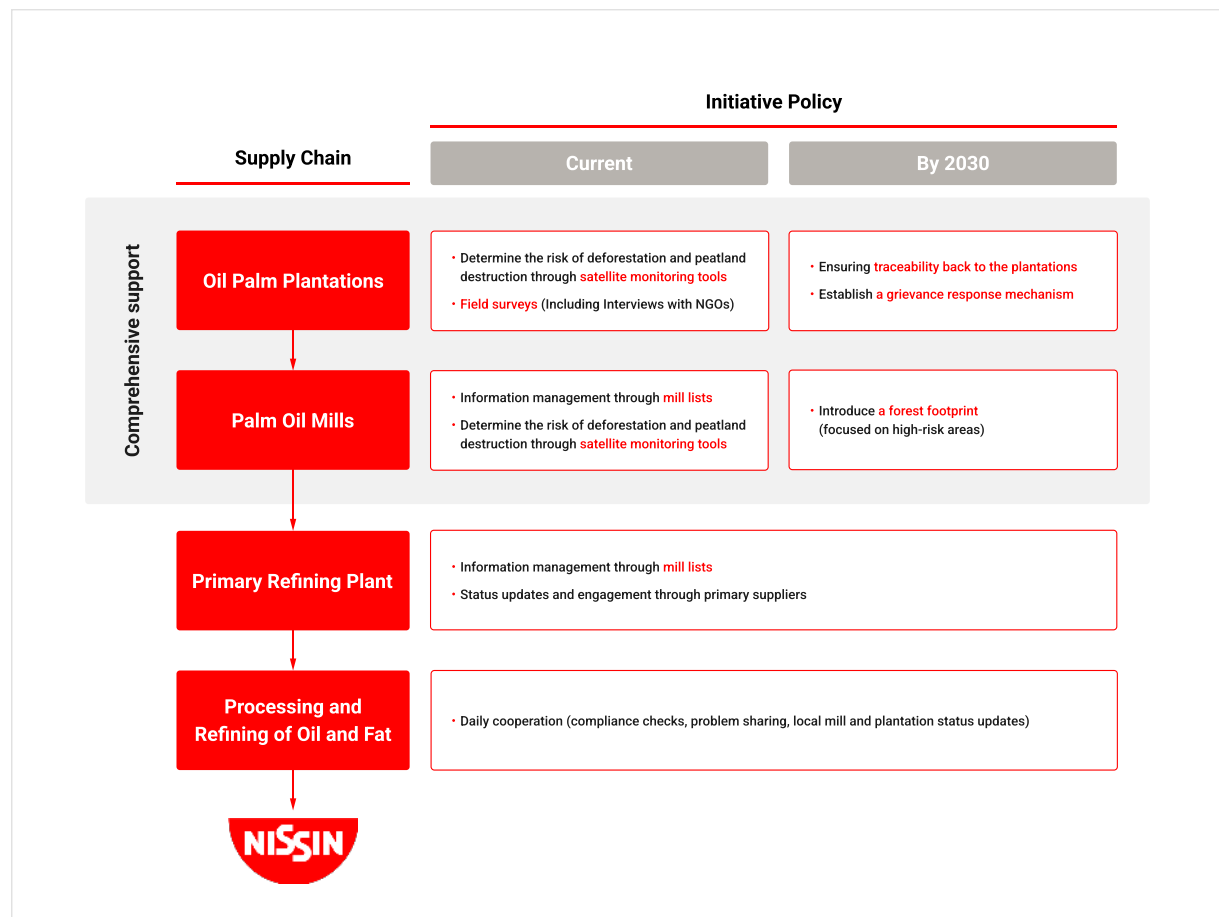
Efforts to Achieve 100% Sustainable Palm Oil Procurement Ratio

In the NISSIN FOODS Group's environmental strategy, EARTH FOOD CHALLENGE 2030, we set a goal to raise the procurement rate for palm oil that is assessed to be sustainable to 100% for the entire group by FY 3/2031. We are undertaking measures to achieve this goal as quickly as possible. In addition, we aim to raise the procurement rate for palm oil that is assessed to be sustainable to 100% for our instant noodle business in Japan by FY 3/2026.

Furthermore, we established guidelines in May 2022 for efforts to comply with our Commitment to the Procurement of Sustainable Palm Oil. These guidelines cover our NDPE policy*1 as well. We simultaneously released a list of palm oil mills that consolidates the names and locations (location data) of suppliers to improve their traceability. Going forward, we will aim to introduce a forest footprint*2 focused in areas at high-risk of deforestation and peatland destruction, as well as to expand the scope of traceability back to the oil palm plantations.

*1 NDPE = No Deforestation, No Peat, No Exploitation

*2 Total area of forests and peatlands affected by a company's supply chain or financial institution's investments and financing



Dialogue with Small-Scale Oil Palm Farmers

NISSIN FOODS Group strengthens the supply chain monitoring system by directly confirming the working environments and the existence of human rights infringement of producers (especially small-scale oil palm farmers) who may be prone to labor exploitation and have difficulty voicing their grievances due to their business positions. From January to March 2022, we conducted a survey and held online dialogues with 50 small-scale oil palm farmers assessed to be on our supply chain. This initiative, continued from the previous implementation (2020), was conducted with the support of Caux Round Table (CRT) Japan and SPKS^{*1}, a local union of small-scale oil palm farmers in Indonesia.

In the preceding survey, we confirmed the existence of latent risks in the environment and human rights faced by small-scale plantations through just over 70 questions from the three areas—operation, environment, and human rights—in addition to questions on basic information regarding the farmer's profile. Based on the survey results, we then get a more detailed understanding of the situations through direct communication (dialogues). According to our results of the survey and dialogues, none of the small-scale farmers surveyed in this study were facing human rights violations, environmental destruction, or other issues that require immediate action. On the other hand, we confirmed concerns regarding economic sustainability, such as the lack of understanding of RSPO and other certifications by farmers as well as the rising cost of farm maintenance due to price hikes in fertilizers.

The NISSIN FOODS Group will continue to conduct such surveys, dialogues, and other similar measures to strive to understand the environmental and social situations surrounding small-scale farmers and other parties as well as the problems obstructing compliance with and implementation of our sustainable procurement policy. In addition, we will study and implement measures toward improvement together with suppliers.

^{*1}About Serikat Petani Kelapa Sawit (SPKS)

This is a union of small-scale oil palm farmers established in Indonesia in 2006. It supports production of oil palm with consideration for the sustainability of farmers. The union has a network of more than 8,000 small-scale farmers in seven regions across Indonesia. Some of its activities include data collection and mapping of small-scale farmers, organization of farmers, training to improve productivity, and supporting the acquisition of certification—such as ISPO and RSPO—by farmers.



Online dialogue with small-scale oil palm farmers in Indonesia who grow palm oil

[Sustainable Procurement ▶](#)

MESSAGE FROM OUTSIDE DIRECTOR

NISSIN FOODS HOLDINGS CO. LTD.
Outside Director

YUKA OGASAWARA

Career summary

- Apr 1999 Joined Overseas Economic Cooperation Fund (current Japan Bank for International Cooperation)
- Sep 2005 Joined Bain & Company
- Dec 2009 Joined Japan International Cooperation Agency (JICA)
- Apr 2019 Impact Officer of Institute for the Advancement of Social Innovation (current Japan Social Innovation and Investment Foundation) (Current)
- May 2022 Outside Audit & Supervisory Board Member of Rennovater Co., Ltd. (Current)
- Jun 2022 Outside Director, Independent Director of the NISSIN FOODS HOLDINGS (Current)



Leveraging Impact Investing
Expertise for Sustainability Management

The Role Required of an Outside Director

For more than 20 years, I have been involved in international financial operations related to export promotion and overseas aid at government-affiliated financial institutions, experience at a foreign consulting firm working in public interest activities supporting NGOs, overseas assistance operations at Japan International Cooperation Agency (JICA), and impact investment work at a foundation. I am happy to have the opportunity now to support management decisions at the NISSIN FOODS Group, offering my insight toward sustainability management and corporate value improvement. Here, I believe I will be able to contribute my tri-sector expertise in generating both profit and social impact, developed across public, private, and public interest sectors.

While I have worked for a variety of organizations, the focus of my current activities is to promote impact investing. Impact investing is financing that generates financial returns, as well as positive and measurable social and environmental impacts in a virtuous cycle. In this type of investing, one confirms whether the value chain of an investee has a negative impact on the environment and what positive impact the investee may have on society. And then through engagement, the investor supports the creation of positive social impact and enhanced corporate value over the medium to long term. The significance of this investment structure makes a true and significant difference in the world from a financial perspective. I also work currently at a foundation, involved in the management of a platform that collects information about Japanese financial institutions to promote solutions to various issues. My work also involves research that promotes international impact investing, which we share with practitioners in Japan. More than anything, I hope to offer management my opinions related to my areas of expertise.

The outside directors of NISSIN FOODS Holdings consist of executives from leading Japanese companies and people with a high level of expertise in legal and financial matters. With my addition, there are now two female directors, and I feel pursuing diversity on the board of directors, including diversity in gender and age, is also an important mission. I have purchased NISSIN FOODS Group products as a consumer and a working mother, and my impression is that the NISSIN FOODS Group possesses a creative corporate culture that engages in unique marketing. Now, as a person involved in the NISSIN FOODS Group, I hope to offer my insights from a consumer's point of view as well.

NISSIN FOODS Group Sustainability



I recognize the NISSIN FOODS Group has still areas for improvement in terms of diversity. For example, the group we set a target to increase the ratio of female managers to 10% by the year 2025. The percentage of female managers and executives in Japanese companies is low compared to the rest of the world. Various reasons come to mind, including fewer career-oriented women in absolute numbers. But I believe another factor is that women are forced to interrupt their careers due to life stage changes. For example, raising children impedes business travel, the ability to work longer hours, or availability for transfer to a different area. As the term "corporate bondage" suggests, recent studies have shown that the retention rates of full-time female employees do not increase in companies that have restrictive time and place constraints on working. If an environment does not allow for flexibility in personal time, or if employees are ordered to relocate against their will, the hurdles to career advancement will be high and the retention of human resources will be poor. The causes of women falling into this situation can be traced to the problem of shared care responsibilities in the home and work styles among men. As a female director, I hope to propose solutions to these issues by listening to the opinions of female employees and younger workers in particular.

At the same time, I think the company is leading the way in efforts to address environmental issues such as palm oil procurement and waste treatment and reuse. I commend the NISSIN FOODS Group and its incorporation of the environmental strategy, EARTH FOOD CHALLENGE, into corporate growth strategy. This environmental strategy is reflected in numerical targets to be achieved by the year 2030. In the midst of international demands for disclosures of non-financial information and policies, I believe the group pursues cutting-edge initiatives and information disclosures worthy of a global company. For example, this VALUE REPORT 2021 integrated report leverages an integrated framework, while using the Yanagi model* to illustrate activities in clarifying the relationship between ESG (non-financial value) and corporate value. In this and other ways, the group highlights efforts in advanced methods of disclosure.

*Source: Synchronization Model of Non-Financial Capital and Equity Spread: CFO Policy, Chuokeizai-Sha Holdings, Inc. (Yanagi, 2020)

The NISSIN FOODS Group Mid- to Long-Term Growth Strategy

The NISSIN FOODS Group began executing the Mid- to Long-Term Growth Strategy in FY 3/2022. This strategy focuses on the high potential of complete nutrition meals to create social impact through business. Many companies engage in sustainability initiatives to reduce the negative impact of CO₂ emissions in the process of manufacturing and providing goods and services. In contrast, the NISSIN FOODS Group is a company that aims to create impact not only through the value of enjoyable and delicious food, but also through the underlying sources of that value and the value creation process itself. Developing completely nutritious foods as meals not only provides enjoyment and delicious taste, but also makes people healthier. This development has a positive impact on society. I am excited by the company's approach to this concept as a new business. And I support the company's focus on sustainability from the perspective of being earth-friendly and reducing negative impact, as well as the perspective of well-being to make people happy. The NISSIN FOODS Group creates a positive impact from the goods and services it produces. I am looking forward to seeing who and how lives are transformed for good. And how will society change for the better? As someone involved in impact investing, it is a great pleasure for me to be involved in this cutting-edge initiative, which has much in common with the perspective of impact investing.



CORPORATE GOVERNANCE

Corporate Governance Polices and Structure

The Company changed its trade name from “NISSIN FOOD PRODUCTS CO., LTD.” to “NISSIN FOODS HOLDINGS CO., LTD.” on October 1, 2008, and made a transition to a holding company system effective the same date. While providing safe and secure foods, and promoting businesses to maximize benefits to all stakeholders including shareholders, consumers, employees, business partners, local communities, and local residents, the Company recognizes enhanced and strengthened corporate governance as one of the top priorities for management and therefore strives for highly objective and transparent management.

Board of Directors



Koki Ando
President &
Representative
Director, CEO



Noritaka Ando
Executive Vice
President &
Representative
Director, COO
President &
Representative
Director, NISSIN FOOD
PRODUCTS CO., LTD.



Yukio Yokoyama
Director, CSO, and
Managing Executive
Officer



Ken Kobayashi
Outside Director



Masahiro Okafuji
Outside Director



Masato Mizuno
Outside Director
(Independent)



Yukiko Nakagawa
Outside Director
(Independent)



Eietsu Sakuraba
Outside Director
(Independent)



Yuka Ogasawara
Outside Director
(Independent)

Audit & Supervisory Board



Masahiko Sawai
Full-Time Audit &
Supervisory Board
Member



Naohiro Kamei
Full-Time Outside
Audit & Supervisory
Board Member



Chisugi Mukai
Outside Audit &
Supervisory Board
Member

Skills Matrix

As of June 28, 2022

Name	Title	Independent Officer	Years in Office	Composition				
				Board of Directors	Management Advisory Committee Meetings	Audit & Supervisory Board Meeting	Attendance at Board of Director Meetings	Attendance as Audit & Supervisory Board Meetings
Koki Ando	President & Representative Director, CEO	-	48 years	◎	○	-	10/10 times	-
Noritaka Ando	Executive Vice President & Representative Director, COO	-	14 years	○	○	-	10/10 times	-
Yukio Yokoyama	Director, CSO, and Managing Executive Officer	-	12 years	○	Observer	-	10/10 times	-
Ken Kobayashi	Outside Director	-	11 years	○	-	-	9/10 times	-
Masahiro Okafuji	Outside Director	-	11 years	○	-	-	10/10 times	-
Masato Mizuno	Outside Director	○	6 years	○	◎	-	10/10 times	-
Yukiko Nakagawa	Outside Director	○	3 years	○	○	-	10/10 times	-
Eietsu Sakuraba	Outside Director	○	2 years	○	○	-	10/10 times	-
Yuka Ogasawara	Outside Director	○	New	○	○	-	10/10 times	-
Masahiko Sawai	Full-Time Audit & Supervisory Board Member	-	4 years	○	-	◎	10/10 times	11/11 times
Naohiro Kamei	Full-Time Outside Audit & Supervisory Board Member	○	3 years	○	Observer	○	10/10 times	11/11 times
Chisugi Mukai	Outside Audit & Supervisory Board Member	○	7 years	○	Observer	○	10/10 times	11/11 times

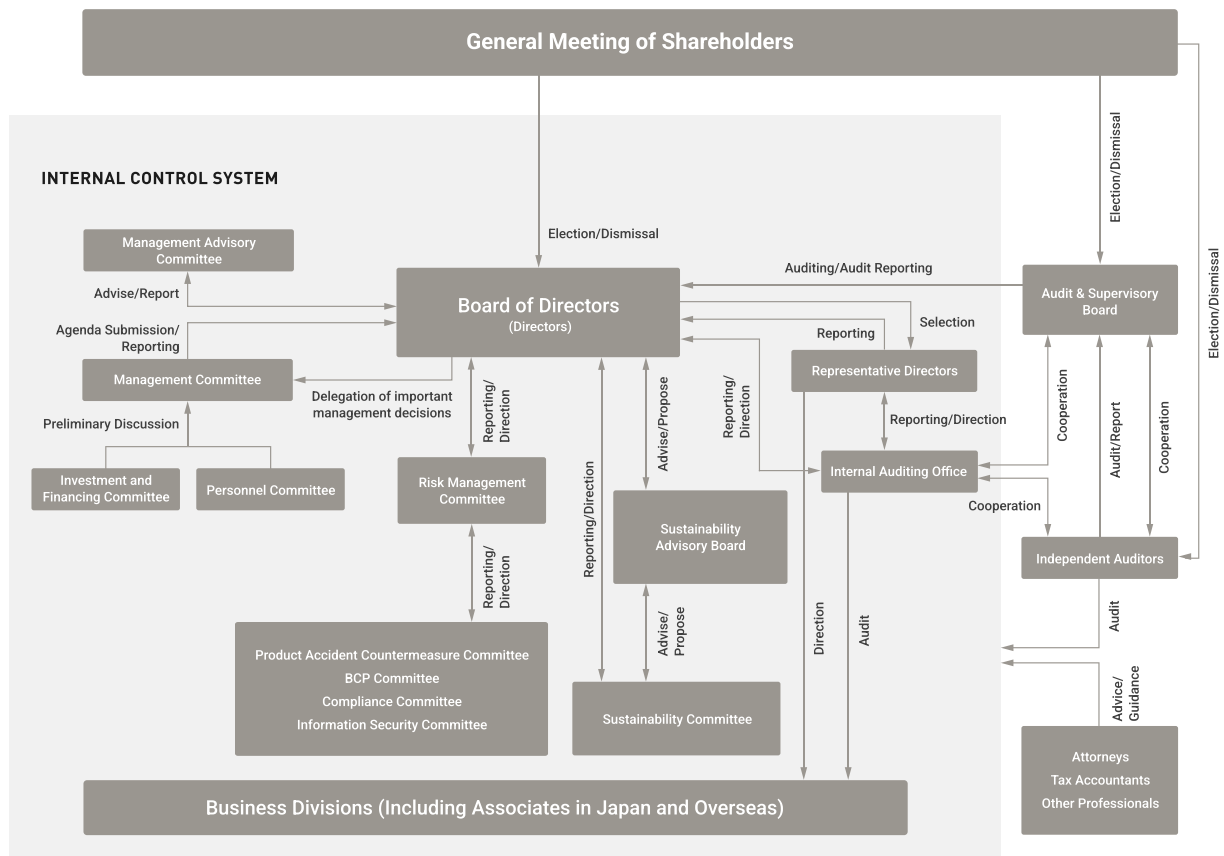
Name	Experience and Skills						
	Business Management	Brand Strategy	Food Technology	Sustainability	Structural Reform	Finance and Accounting	Risk and Legal
Koki Ando	○	○	○	○	-	-	-
Noritaka Ando	○	○	○	-	○	-	-
Yukio Yokoyama	-	-	-	-	○	○	○
Ken Kobayashi	○	-	-	○	-	-	○
Masahiro Okafuji	○	○	-	-	-	-	○
Masato Mizuno	○	○	-	○	-	-	-
Yukiko Nakagawa	-	-	-	○	○	-	-
Eietsu Sakuraba	-	-	○	○	-	-	-
Yuka Ogasawara	-	-	-	○	-	○	-
Masahiko Sawai	-	-	-	-	-	○	-
Naohiro Kamei	-	-	-	-	-	○	○
Chisugi Mukai	-	-	-	-	-	-	○

Note:

The ◎ symbol indicates chairperson or committee chairperson.

* Attendance status for FY 3/2022

[Officer Skills Matrix \[PDF\]](#) [↓](#)



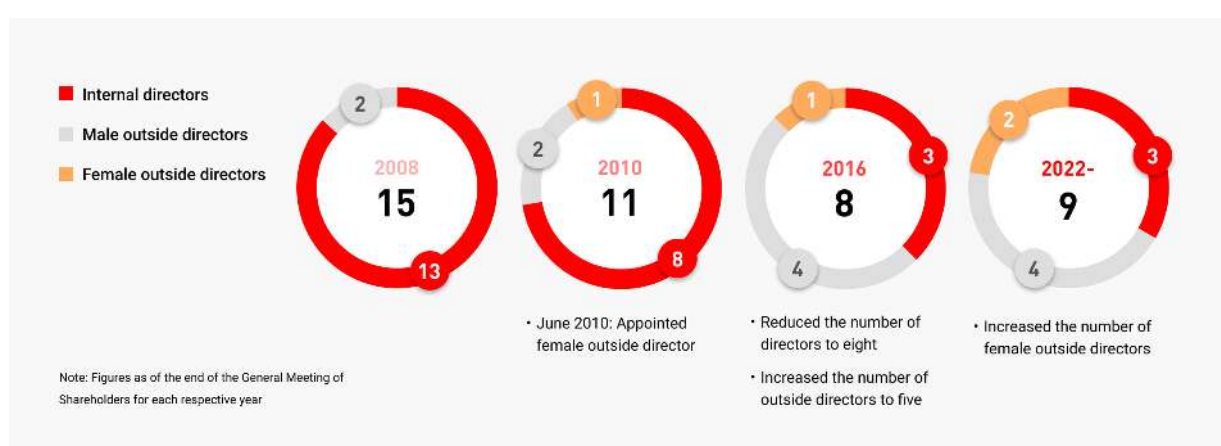
The Company ensures objectivity and transparency in management by appointing outside directors and outside members of the Audit & Supervisory Board to monitor and supervise business execution from an independent and fair standpoint. We have also introduced an executive officer system to encourage prompt business execution, and we adopted a company with a board of company auditors, rather than a company with a nominating committee, etc./board with an audit committee structure to ensure objectivity and transparency in company management.

From the standpoint of strengthening governance, the Company reduced the number of internal directors from six to three in accordance with a resolution at the 68th Ordinary General Meeting of Shareholders held June 28, 2016. Based on a resolution passed at the 74th Ordinary General Meeting of Shareholders held June 28, 2022, we increased the number of outside directors by one to six. The Company will strengthen management supervision and accelerate decision-making further by operating under a majority of outside directors.

Major Initiatives for Strengthening Corporate Governance

2008-	2015	2016	2017	2018	2019	2020	2021
<ul style="list-style-type: none"> Transition to a holding company system 	<ul style="list-style-type: none"> Establishment of the Liaison Committee of independent outside directors and Audit & Supervisory Board members 	<ul style="list-style-type: none"> Announcement of the Cross-Shareholdings Policy Review of the criteria for submission to the board of directors (separate director execution and supervision functions) 		<ul style="list-style-type: none"> Introduction of IFRS Cancellation of treasury stock 	<ul style="list-style-type: none"> Establishment of NISSIN FOODS Group Human Rights Policy Establishment of NISSIN FOODS Group Tax Policy Establishment of Anti-Bribery Policy 	<ul style="list-style-type: none"> Strengthening of cooperation with the Internal Audit Department Clarification of policy to reduce cross-shareholdings Establishing of Sustainability Committee 	<ul style="list-style-type: none"> Change in the composition of the Management Advisory Committee (increased outside directors to a 3/5 majority)
<p style="text-align: center;">Establishment and utilization of the Management Advisory Committee</p>							
	<ul style="list-style-type: none"> Adoption of Takeover Defense Measures 		<ul style="list-style-type: none"> Abolition of Takeover Defense Measures (before the renewal deadline) 				
<ul style="list-style-type: none"> Debate of pros and cons of the Company's organizational structure 							
		<ul style="list-style-type: none"> Appointment of directors 					
	<ul style="list-style-type: none"> Increase in the number of outside directors 	<ul style="list-style-type: none"> Reason for the appointment for director 	<ul style="list-style-type: none"> Criteria and process for selection and dismissal of CEO and directors Review of the advisor system 	<ul style="list-style-type: none"> Disclosure of CEO skill sets and successor planning 	<ul style="list-style-type: none"> Successor planning for key posts in the NISSIN FOODS Group 		
		<ul style="list-style-type: none"> Paying remuneration to directors 					
		<ul style="list-style-type: none"> Consideration of performance-linked short-term performance compensation Consideration of the introduction of medium- to long-term compensation 		<ul style="list-style-type: none"> Expansion of information disclosure including decision policy 			
<ul style="list-style-type: none"> Evaluation of Board Effectiveness 							

Changes in the Composition of the Board of Directors



Corporate Governance Status

To achieve the sustainable growth of the NISSIN FOODS Group and enhancement of its corporate value over the medium to long term, the Company annually confirms whether the board of directors is fulfilling its role and evaluates its effectiveness with the aim of enhancing the Board's effectiveness. The evaluation method is determined based on deliberations in the Management Advisory Committee and the board of directors. In FY 3/2022, we conducted a self-assessment via questionnaire. The company also has a third party conduct evaluations on a regular basis.

Analysis and Evaluation of Board Effectiveness

Overview of Results	The Company confirmed that the board of directors was properly fulfilling both the supervisory and decision-making functions expected, and that effectiveness is ensured.
Efforts to Address Issues Presented in FY 3/2021	<p>(1) Incorporating employee performance evaluations in human resources In addition to discussing human resources policies in meetings of the board of directors and otherwise strengthening the involvement of the Board in executive officer and executive personnel assignments, the company has adopted a new structure for director remuneration.</p> <p>(2) Enhancing deliberations on important matters for discussion We strengthened the presence of the Board by adjusting the time required for each agenda item to ensure sufficient opportunities to report and deliberate on important matters for discussion.</p>
Evaluation of Efforts to Address Issues	While evaluations have been generally high in the past, we confirmed particular progress in incorporating performance evaluations in personnel affairs, which was identified as an issue in FY 3/2021. At the same time, we noted the need for greater efforts to enhance deliberations on important matters for discussion.
Issues to be Addressed for Further Effectiveness Improvement	Although we have implemented measures, the committee identified the need to strengthen deliberations on important issues further, as well as the need to enhance dialogue with shareholders and provide training for directors.

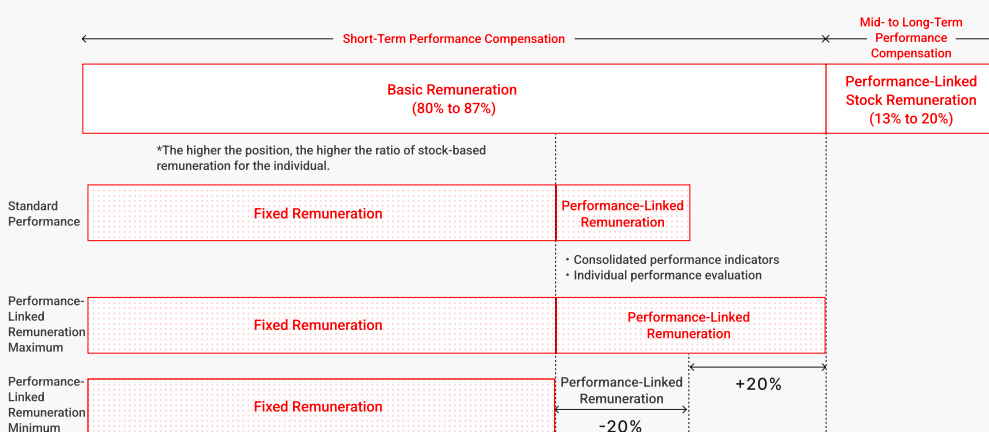
We are committed to mounting further efforts to increase effectiveness of the board of directors by making improvements on a continuous basis.

Director Remuneration

The Company established standards for setting director remuneration, stipulating the level of remuneration for each position and role, performance indicators, and the impact of these factors on remuneration, etc.

The criteria for director remuneration is intended to enhance the medium-and long-term corporate value of the company and to motivate and raise the morale of directors to contribute to improved company performance. The Management Advisory Committee, an advisory body to the board of directors consisting of a majority of independent outside directors (as of November 2021, the committee has been composed of a majority of independent outside directors), deliberates and approves remuneration details, which are then confirmed by the board of directors. The Company delegated Koki Ando, president & representative director and CEO, the authority to determine certain portions of individual director remuneration. This structure determines the details of basic remuneration of directors in accordance with said established standards and ensures the appropriate exercise of authority in this regard in accordance with the details of the standards for director remuneration discussed and approved by the Management Advisory Committee. The Company determined that the best way to evaluate individual directors from the perspective contribution to overall Company business and performance is to delegate this authority to representative directors.

Remuneration Composition Ratio for Standard Performance



Basic Remuneration

The monthly provision of basic remuneration consists of a fixed remuneration based on the position and the role of each director and a performance-linked remuneration that is linked to the Company's business performance and the degree of the director's individual performance during the fiscal year under review. Performance-linked remuneration represents as much as 20% of the base amount relative to the actual results for the Company's consolidated performance indicators and individual performance evaluation indicators, or a total of as much as 40% for both indicators combined. This amount is reflected in the performance-linked remuneration of the basic remuneration for the following fiscal year. Outside directors and members of the Audit & Supervisory Board receive only fixed basic remuneration.

Consolidated Performance Indicators

The following indicators are linked to consolidated performance, selected from the viewpoints of ease of understanding and contribution to short-term earnings growth.

Indicator	Weighting	Achievement Criteria	Reason for Selection
Revenue	30%	Achievement vs. Plan	This is an indicator of earning power in our core businesses
Profit Attributable to Owners of the Parent	70%	Achievement vs. Plan	This is an indicator representing ultimate responsibility to shareholders

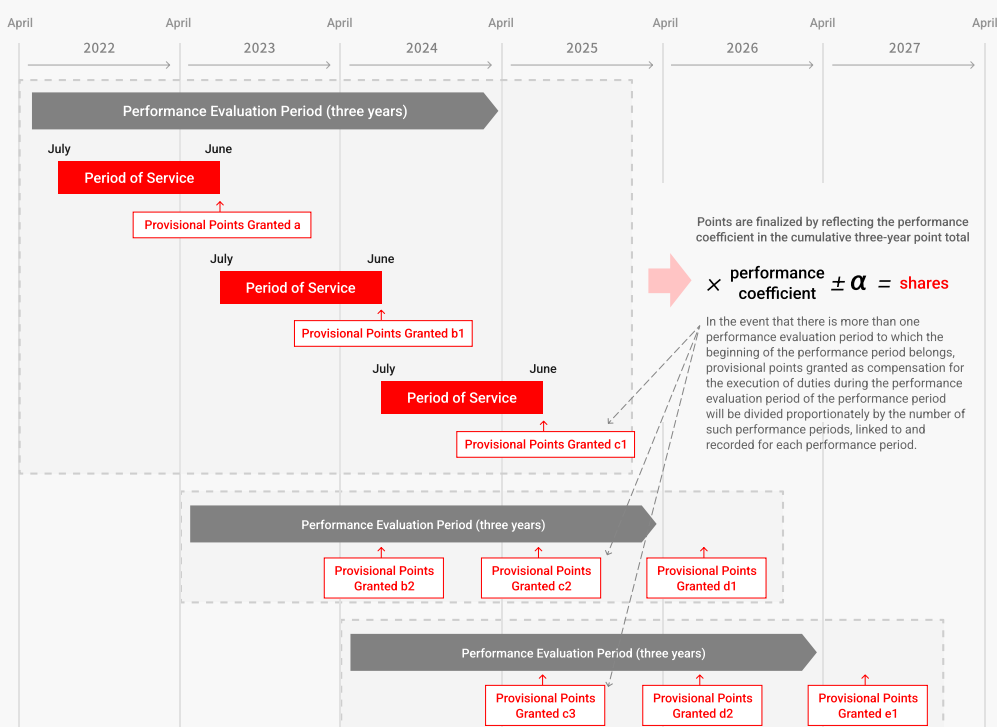
To evaluate individual performance, the Company clarifies the individual responsibility and performance for each director and evaluates their degree of accomplishment towards plans and compared with the previous fiscal year, based on the belief that the individual performance accomplished through business execution is tied to the business performance of the Company. Individual performance evaluations are made based on indicators covering business performance of all Group companies, respective business divisions in charge, and respective operating companies in charge. The percentage weights of these indicators used in the evaluation differs, depending on the position of each individual.

Performance-Linked Stock Remuneration

Performance-linked stock remuneration links the value of Company shares with director remuneration, creating shared interests with shareholders. In this way, the Company believes we will enhance the medium-to long-term corporate value, motivate directors, and raise their morale to contribute to the improvement of Company business performance. Under this plan, Company shares are acquired through a trust ("Trust") using money contributed by the Company as the source of funds. Company directors (excluding outside directors) are granted shares of Company common stock through the Trust according to Officer Share Grant Rules established by the Company.

Based on Officer Share Grant Rules, each director is given a number of provisional points determined by title. These provisional points are adjusted according to the degree of achievement, etc., under performance evaluations for every three-year performance evaluation period, the measurement of which begins with each fiscal year. After adjustments, said provisional points become finalized points. Upon retirement or death and according to the procedures determined under the Officer Share Grant Rules, eligible directors will be granted one Company share per finalized point from the Trust according to the number of finalized points said director has accumulated to that point. (If the conditions stated in the Officer Share Grant Rules have been met, a certain ratio of Company shares may be paid in cash equivalent to the market value of Company shares, rather than in the form of Company shares.)

Stock-Based Remuneration Calculation Method



Point Calculation Method

- Points awarded for each performance evaluation period = Cumulative total of provisional points for three fiscal years x performance coefficient
- In the event of a change in director position during his/her term of office as a director, the number of provisional points shall be calculated by dividing the number of provisional points for each position by 12, and multiplying by the number of months that the director served in the respective position.
- In the event that an eligible director retires in the middle of his/her term of office, provisional points shall be allocated proportionally according to his/her term of service.

Performance Indicators

From the viewpoint of medium-to long-term growth and returning profits to shareholders, the Company will use the three-year average of multiple indicators selected by the Management Advisory Committee as deemed appropriate for the purpose of this plan. Indicators include core operating profit growth rate for existing businesses, and relative TSR as indicators linked to consolidated business performance. We selected the following indicators for the three-year performance evaluation period beginning FY 3/2023.

Indicator	Weighting	Achievement Criteria	Reason for Selection
Core Operating Profit Growth Rate for Existing Businesses	50%	Three-Year Average Growth Rate	This is an indicator of earning power in our core businesses
Relative TSR	50%	Three-Year Relative TSR	This is an indicator that allows for the return of profits to shareholders

Eligibility by Remuneration Type

Officer Category	Basic Remuneration		Performance-Linked Stock Remuneration
	Fixed Remuneration	Performance-Linked Remuneration	
Directors (internal)	○	○	○
Directors (external)	○	-	-
Audit & Supervisory Board	○	-	-

Total Remuneration by Officer Category, Remuneration Amount by Type, and Number of Eligible Officers (Unit: Millions of yen)

Officer Category	Total Remuneration	Total Remuneration by Type			Number of Eligible Officers (Persons)
		Basic Remuneration		Stock Options	
		Fixed Remuneration	Performance-Linked Remuneration		
Directors (Excluding Outside Directors)	569	364	26	178	3
Audit & Supervisory Board Members (Excluding Outside Members)	15	15	-	-	1
Outside Officers	78	78	-	-	7
Total	664	459	26	178	11

*Performance-linked remuneration above reflects business performance in the previous fiscal year (FY 3/2021)

Total Consolidated Remuneration per Officer (Unit: Millions of yen)

Name	Total Performance-Linked Remuneration	Officer Category	Company Category	Consolidated Remuneration by Type		
				Basic Remuneration		Stock Options
				Fixed Remuneration	Performance-Linked Remuneration	
Koki Ando	371	Board of Directors	Submitting Company	231	17	122
Noritaka Ando	193	Board of Directors	Submitting Company	69	4	45
		Board of Directors	NISSIN FOOD PRODUCTS	69	4	-

At the 74th Ordinary General Meeting of Shareholders held June 28, 2022, the Company resolved that Company directors (excluding outside directors) will be subject to a performance-linked share-based remuneration system, and at the same time, that the Company will abolish the performance-linked remuneration system and the associated performance-linked remuneration-type stock option framework. It was further resolved that no new stock acquisition rights will be granted to Company directors (excluding outside directors) as remuneration for the execution of duties as of the end of the general meeting of shareholders in question.

Reducing Cross-Shareholdings

The annual securities report for FY 3/2021 contained our announcement of a policy to reduce strategic cross-shareholdings over two to three years by an equivalent of 20% by the end of May 2021 compared with FY 3/2020. We are pleased to announce that we achieved this goal ahead of schedule. Subsequently, at the time we published our FY 3/2021 financial results on May 11, 2021, we announced our policy to sell an additional ¥10,000 million over the following two years. Based on this policy, we sold the entire amount of two shareholdings for a total of ¥7,808 million based on market value as of the end of FY 3/2021. Accordingly, we achieved the majority of this goal during FY 3/2022. At a meeting held April 6, 2022, the board of directors resolved to continue this policy in FY 3/2023 to reduce the amount of strategic cross-shareholdings further.

The balance of strategic cross-shareholdings at as of March 31, 2022 was ¥444,590 million, or equivalent to 17.5% of total equity as of March 31, 2022. Excluding strategic cross-shareholdings of overseas companies, this amount is equivalent to 9.8% of shareholders' equity. The number of companies in which we engaged in strategic cross-shareholdings as of March 31, 2022 was 57, compared to 59 as of March 31, 2021.

On May 24, 2022, the Company acquired an additional 3.9% stake in Premier Foods plc, making Premier Foods an equity-method affiliate. As a result, we excluded shares of Premier Foods from strategic cross-shareholdings. Excluding Premier Foods, the balance of strategic cross-shareholdings as of March 31, 2022 was 47,829 million yen, representing the equivalent of 10.8% of total equity as of March 31, 2022.

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

11-Year Financial Data

(Billions of yen)

FY	Japanese GAAP (J-GAAP)						International Financial Reporting Standards (IFRS)				
	3/2012	3/2013	3/2014	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022
Net sales/Revenue	380.7	382.8	417.6	431.6	468.1	495.7	440.9	451.0	468.9	506.1	569.7
Overseas sales ratio (%)	13.4	14.0	17.6	19.2	21.6	22.2	26.7	27.3	27.2	27.8	29.7
Operating profit	26.2	24.0	27.7	24.3	26.4	28.6	35.2	29.0	41.3	55.5	46.6
Ordinary profit/Profit before tax	28.1	31.0	34.8	33.0	30.7	32.9	37.2	31.2	42.7	56.2	49.2
Net income attributable to owners of the parent/Profit attributable to owners of the parent	18.5	18.9	19.3	18.5	26.9	23.6	29.1	19.4	29.3	40.8	35.4
Comprehensive income/ Comprehensive income attributable to owners of the parent	18.5	34.9	37.4	38.0	19.6	11.0	37.6	7.9	12.4	66.9	52.8
Assets/Total assets	414.7	446.1	479.5	512.7	553.1	537.2	528.7	557.6	576.6	663.5	683.4
Equity ratio/Equity attributable to owners of the parent (%)	67.6	68.7	69.4	70.6	65.1	63.5	62.4	58.6	56.9	57.9	59.6
Return on equity/Return on equity attributable to owners of the parent (ROE) (%)	6.7	6.4	6.0	5.3	7.4	6.7	9.2	5.9	9.0	11.5	8.9
EBITDA*1	41.9	39.3	43.0	40.4	45.0	45.9	52.1	49.2	63.0	70.5	71.2
Cash flows from operating activities	32.6	32.0	30.2	30.4	36.2	33.2	44.9	40.7	57.5	72.7	52.9
Cash flows from investing activities	(12.8)	(31.3)	(9.5)	(4.8)	(45.8)	(29.8)	(47.8)	(44.5)	(40.4)	(26.5)	(3.5)
Cash flows from financing activities	(9.4)	(10.1)	(8.5)	(8.0)	(3.0)	(26.1)	(11.1)	13.1	(10.1)	(19.0)	(44.4)
Net assets per share/Equity attributable to owners of the parent per share (BPS) (yen)	2,545.3	2,782.2	3,018.8	3,282.0	3,332.9	3,276.5	3,166.8	3,137.4	3,148.6	3,686.3	3,979.6
Net income per share/Basic earnings per share (EPS) (yen)	167.9	171.1	174.8	167.8	245.5	221.3	279.8	185.8	281.4	391.9	343.5
Adjusted earnings per share*2(yen)	168.3	173.2	195.6	177.8	195.8	253.0	262.5	225.0	278.0	328.9	297.2
Price-earnings ratio (PER) (times)	18.4	25.6	26.6	35.2	21.5	27.9	26.4	40.9	32.0	20.9	24.9
Dividend payout ratio (%)	44.7	43.8	42.9	44.7	32.6	38.4	32.2	59.2	39.1	30.6	37.8
Capital investment	18.9	21.6	27.5	23.0	32.8	36.3	52.0	57.6	39.7	34.0	28.3
Depreciation and amortization	15.0	14.3	14.5	15.4	17.5	15.4	17.8	20.3	25.2	25.4	28.2

*1 EBITDA per J-GAAP: Operating income + Depreciation and amortization + Amortization of goodwill
EBITDA per IFRS: (Operating income ± Other income and expenses-Equity in earnings of affiliates + Depreciation and amortization)

*2 Adjusted EPS calculation method has been revised in accordance with the adoption of IFRS
Adjusted EPS = (Operating profit ± Other income and expenses – Income tax expense – Profit attributable to non-controlling interests) / Average number of shares outstanding during the period (excluding treasury shares)

[11-Year Financial Data \[PDF\]](#) ↓

Environmental Data (As of October 31, 2022)

(1,000t-CO₂)

CO ₂ Emissions ^{*1}	2018	2019	2020	2021
Scope 1	237	254	266	269
Scope 2	179	174	172	158
Scope 3	3,655	3,601	3,862	3,804
Total	4,070	4,029	4,301	4,232

(10,000 m³)

	2018	2019	2020	2021
Water Usage ^{*1}	535.0	545.1	571.5	585.5

(%)

	2018	2019	2020	2021
Recycling Rate ^{*2}	99.5	99.6	99.6	99.7

(1,000t)

	2018	2019	2020	2021
Waste Related to Sales and Logistics ^{*2}	0.4	0.6	0.3	0.3

(%)

	2018	2019	2020	2021
Certified Palm Oil Procurement Ratio ^{*3}	20.1	21.1	26.0	36.0

(1,000t)

	2018	2019	2020	2021
Plastic Waste ^{*4}	15.4	14.7	14.7	15.0

*1 Scope: NISSIN FOODS Group

*2 Scope: Domestic manufacturing plants only

*3 RSPO-certified palm oil procured by NISSIN FOOD PRODUCTS, NISSIN FOODS U.S.A., and Nissin Foods Kft. (Hungary) as a percentage of group total palm oil procurement

*4 Scope: NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS

*CO₂ emissions data collection period

• Scope 1, 2: 2018 to 2020 (fiscal years); 2021 (January to December)

• Scope 3: 2018 to 2019 (fiscal years); 2021 to 2022 (January to December)

[Environmental Data ▶](#)

Employee Data (As of March 31, 2022)

Employees with Disabilities^{*1}

(%)

FY	3/2019	3/2020	3/2021	3/2022
Employees with Disabilities	2.18	2.36	2.30	2.32

Nationality Data^{*2}

(%)

FY	3/2022	
	Employee Ratio	Manager Ratio
Japan	47	70
China/Hong Kong	14	13
Brazil	19	6
India	4	2
Other	16	9

Female Representation^{*3}

(%)

FY	3/2022
Ratio of Woman Total Employees (Permanent)	34
Ratio of Woman in All Managers	15
Ratio of Woman in Executive Assistant Roles	15
Ratio of Woman in Management	12
Ratio of Female Managers in Sales-Generation Departments (e.g., Sales and Marketing)	15
Ratio of Woman in STEM-Related Roles (Science, Technology, Engineering and Mathematics)	32

FY	3/2022	Targets
Ratio of Women in Management Roles ^{*4}	6%	FY 3/2026 10%+

*1 Scope: Employees of NISSIN FOODS, MYOJO FOODS, and NISSIN FOODS Business Support Plus

*2 Scope: Permanent employees at domestic and overseas group companies (excluding NISSIN FOODS U.S.A.)

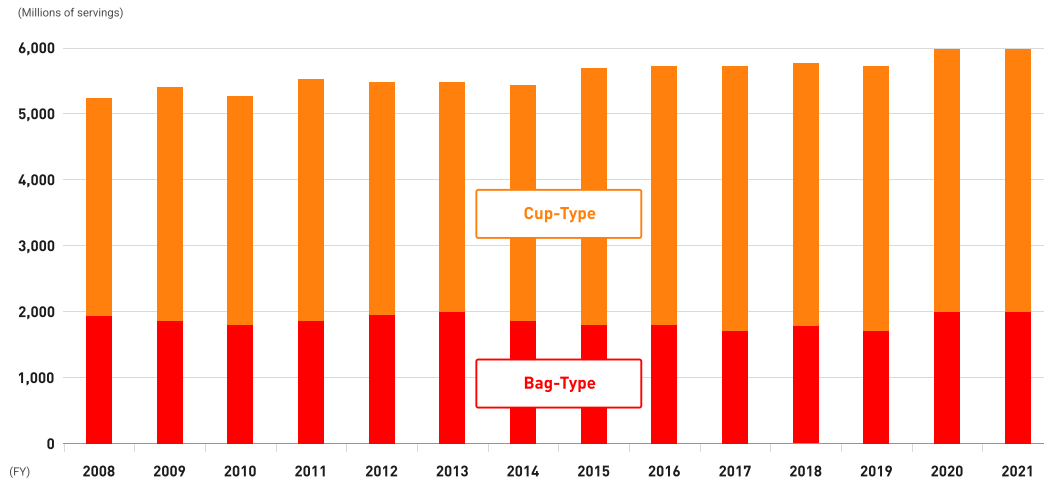
*3 Scope: Full-time employees at domestic and overseas group companies

*4 Employees of NISSIN FOOD PRODUCTS (including employees seconded to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)

[Employee and Labor Data ▶](#)

MARKET DATA

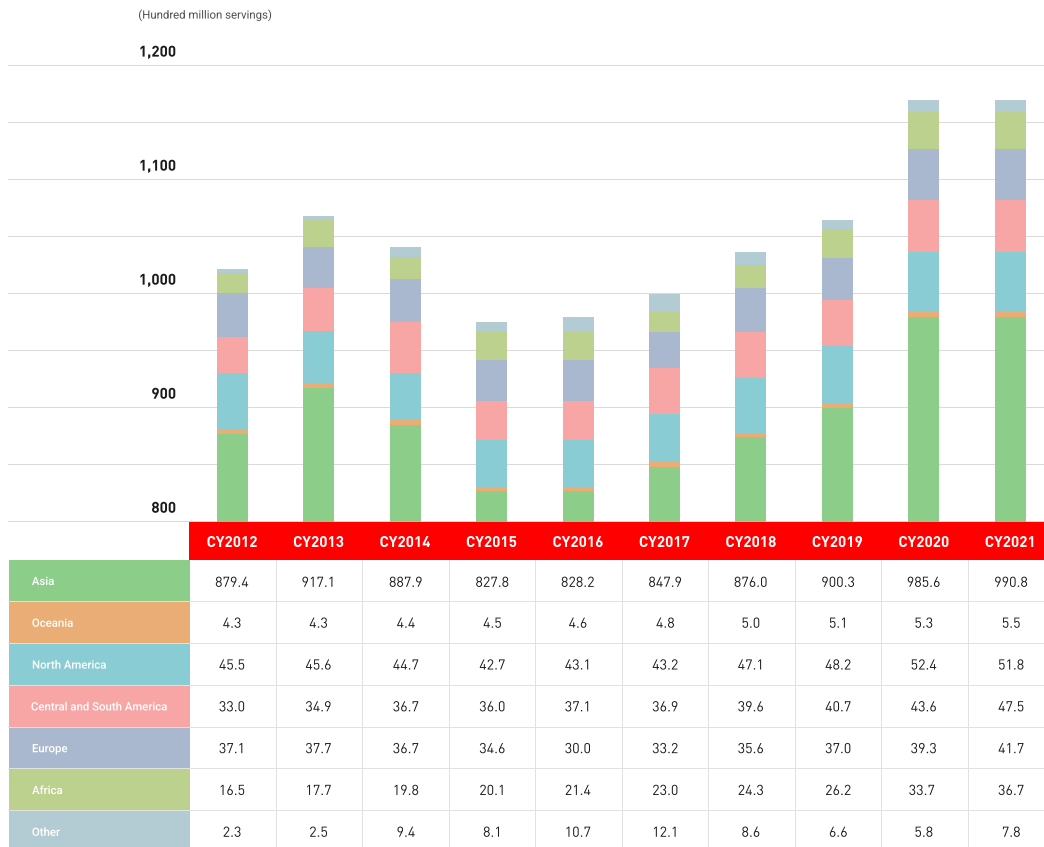
Total Demand for Domestic Instant Noodles and Cup-Type Instant Noodles



Source: JCFA=Japan Convenience Foods Industry Association
 *Shipment basis through FY3/2021; retail sales basis in FY3/2022 and later

[Total Demand for Domestic Instant Noodles and Cup-Type Instant Noodles \[PDF\]](#)

Global Instant Noodle Market/Total Demand (by Region)



Source: WINA (World Instant Noodles Association)
 *Retroactive adjustments have been made for certain countries/regions.

[Global Instant Noodle Market/Total Demand \(by Region\) \[PDF\]](#)

EDITORIAL POLICY

Editorial Policy

The NISSIN FOODS Group published this VALUE REPORT 2022 as an online integrate report to further strengthen communications with our stakeholders. This report focuses on the content of the NISSIN FOODS Group Mid- to Long-term Growth Strategy, including non-financial information that will serve as the foundation for enhanced corporate value and sustainable growth. We have endeavored to provide the NISSIN FOODS Group mid- to long-term value creation story in a format easy to digest by our stakeholders.

In preparing this report, we referred to the International Integrated Reporting Framework of the IIRC and the Value Creation Guidance of the Ministry of Economy, Trade and Industry. While making full use of design elements that express the character of NISSIN FOODS and our unique online expression, we have also worked to improve the accessibility and readability of information. This improvement includes a table of contents and search functions. It is our hope that VALUE REPORT2022 will lead to dialogue with more stakeholders.

Reporting Period

FY3/2022 (April 1, 2021-March 31, 2022)

However, certain information presented refers to periods other than that noted above.

Notation of Corporate Names

NISSIN FOODS Group or the Group: General name for NISSIN FOODS HOLDINGS CO., LTD. and domestic and overseas group companies
NISSIN FOOD PRODUCTS CO., LTD., NISSIN FOODS: NISSIN FOOD PRODUCTS

Other Notations

Figures in this report are calculated to the thousands of yen, rounded down to the nearest hundred million yen. Therefore, detailed calculations and total amounts may not agree. As a general rule, fiscal years in this report run from April 1, 20YY through March 31, 20YY, and may be written as FY 3/20YY, FYYY or fiscal YYYY. Results in China (including Hong Kong) are based on the consolidation policy of NISSIN FOODS HOLDINGS. Disclosure may differ from that of NISSIN FOODS CO., LTD. in China (including Hong Kong) strategy and related targets, financial results forecasts are established independently by NISSIN FOODS HOLDINGS.

Disclaimer Regarding Forward-Looking Statements

The plans, strategies, outlook, and management initiatives described in this report regarding future performance are based on assumptions and judgments derived from information available at the time of preparation. The Company does not guarantee future performance, as results may differ from these statements due to economic conditions surrounding the Company, demand and product prices, the development and sale of new products, and fluctuations in raw material prices and exchange rates.