



VALUE REPORT 2023

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"Only when there is enough food will there be peace in the world." These are the words of Momofuku Ando, who founded the NISSIN FOODS Group in Japan in 1958. Today, we manufacture and sell a diverse range of products worldwide, from instant noodles at our core to chilled and frozen foods, snacks, and beverages. As we continue to expand our operations, we champion the vision of becoming an "EARTH FOOD CREATOR" grounded in our founder's ethos as we pledge to innovate food for the global good. Each day, we immerse ourselves in creative, unique endeavors, operating on a global scale to bring joy to people across the world through our food.

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



食足世平

Shoku-soku Se-hei

Peace will come to the world when there is enough food

Food is the most important pillar supporting human life. People can discuss culture, art, and ideas only when they have sufficient food. If the supply of food is disrupted, a country is bound to decline, and conflict invariably occurs. The business operations of the NISSIN FOODS Group originated from this basic human principle.

食創為世

Shoku-so I-sei

Create foods to serve society

A spirit of creativity is the most important thing of all for a company. Creativity means the power to create innovative products through new ideas and technologies. The NISSIN FOODS Group creates foods to serve society. We are creating a new food culture and providing people all over the world with happiness and inspiration.

美健賢食

Bi-ken Ken-shoku

Eat wisely for beauty and health

The desire to satisfy hunger and the taste buds is a common human instinct. However, it is not the only role of food. Food is also important for forming strong bodies and maintaining health. Since a beautiful, healthy body is the product of a sensible diet, the NISSIN FOODS Group pursues food functionality and advocates a wise diet.

食為聖職

Shoku-i Sei-shoku

Food-related jobs are sacred profession

Food production is an occupation that supports the very essence of life. For this reason, those who work in the food industry must have a pure spirit that inspires them to serve society and contribute to human health and world peace. Working with food is a sacred profession, and it is the mission of the NISSIN FOODS Group to provide the world with safe, delicious, healthy food.

Vision

EARTH FOOD CREATOR



The NISSIN FOODS Group explores various possibilities for food and creates dream-inspiring delicious tastes. We contribute to society and the Earth by gratifying people everywhere with pleasures and delights food can provide.

The term EARTH FOOD CREATOR means not only being an entity that creates food for the Earth but also expresses our desire to contribute to the world and its people by creating food, the basis of all life. EARTH also means soil. Grains grown in the soil are the starting point for all food, and the mission of the NISSIN FOODS Group is to create and continue to produce food derived from the bounty of the Earth and its precious soil.

Value

FOUR ATTRIBUTES



In doing business, we champion the vision of becoming an "EARTH FOOD CREATOR" based on our founder's spirit.

We continue to pursue the creation of food for the benefit of the world, engaging in creative, unique work on a daily basis. We strive to make people around the world happy through food.

**Towards Sustainable Growth:
Innovating Food Culture and
Addressing Environmental and
Social Challenges as an
EARTH FOOD CREATOR**

KOKI ANDO

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



**Our Strength Lies in a Resilient Business Structure Capable of Overcoming
any Adversity**

Since its founding in 1958, the NISSIN FOODS Group has sought to contribute to society by satisfying people's dietary needs. Our founder, Momofuku Ando, was deeply moved upon witnessing people's suffering in the post-war pangs of hunger. He famously said, "Without food, clothing and shelter are useless. Without food, there can be no art or culture." His conviction led to the invention of the world's first instant noodles and the birth of NISSIN's famous "CHICKEN RAMEN."

At the heart of our corporate philosophy lies the ethos "EARTH FOOD CREATOR," a commitment to nourishing humanity and bettering both society and our planet through the joy and pleasure of food. It was also founded on another one of our founder's philosophies: *Shoku-soku Se-hei*, which means that "peace will come to the world when there is enough food."

The year 2023 marks the 65th anniversary of the launch of *CHICKEN RAMEN*, and both NISSIN CISCO's *CISCORN* and KOIKE-YA *POTATO CHIPS Salt & Seaweed* celebrate their 60th anniversaries. Our Group also boasts several other time-honored brands. The enduring global appeal of our brands is a testament to our Group's collective efforts to enhance their value.

Despite current issues of global inflation and rising costs, which pose major challenges, the Group continues to show strong growth. For the fiscal year ending March 31, 2023, we witnessed record-breaking revenues and profits, significantly surpassing our targets, with our overseas ventures positioned as extremely successful growth drivers.

The driving force behind this momentum is a resilient business structure steeped in our founder's spirit and branding. We believe that resilience is central to who we are and denotes the ability to adapt to dramatic changes in the environment, and the NISSIN FOODS Group's strength lies in a business structure that can respond nimbly to any contingency. We have weathered global upheavals, natural disasters, and even economic standstills due to the COVID-19 pandemic. Indeed, we believe instant noodles prove to be most useful in times of crisis.

FY 3/2023 saw us recalibrate our pricing across all sectors, gradually solidifying our new pricing position. Our analysis revealed a renewed appreciation for the relative affordability and convenience of our products amid tightening household budgets due to inflation. In the instant noodle business, demand is growing worldwide, even in regions unaccustomed to eating noodles, transforming our noodles into something akin to social infrastructure.

Though the climate in which we do business remains uncertain, our mission remains unchanged, irrespective of the era. We are committed to innovating new food culture, addressing environmental and social challenges, and achieving sustainable growth through our unique approach of "Creating Shared Value (CSV)."

[Mid- to Long-Term Growth Strategy 2030 ▶](#)

Our Stand to Solve Environmental and Social Issues: Two Pillars of Our Mid- to Long-Term Growth Strategy 2030

So, which environmental and social issues should our Group be addressing through CSV management?

Today, nutrition and the environment are gaining worldwide attention. The significance of the 1.5°C goal of the Paris Agreement was reaffirmed at the 27th Conference of the Parties to the Climate Change Convention (COP27) held in November 2022. Moreover, at the Tokyo Nutrition Summit 2021, which convened in December 2021, leaders from national governments, international organizations, corporations, and civic groups gathered to exchange views on various issues related to health and nutrition. We recognize these two themes as areas for our Group to address in line with heightened societal expectations.

Our environmental strategy EARTH FOOD CHALLENGE 2030 (hereinafter "EFC2030"), formulated in 2020, stands as one of the pillars of our mid- to long-term growth strategy. To support the Group's sustainable growth from an environmental perspective, we promote two initiatives aimed at the effective use of resources and combating climate change.

In November 2022, we pledged to achieve carbon neutrality, which means reducing CO₂ emissions to virtually zero by 2050. We regard the issue of climate change as a critical business risk that will cause hikes in raw material prices, damage to production and logistic hubs due to natural disasters, and shifts in consumer purchasing behavior. In May 2023, the CO₂ emission reduction targets set in EFC 2030 for Scope 1+2 and Scope 3 were revised upward, respectively, and an internal carbon pricing system was introduced to accelerate our efforts.

Going forward, we intend to intensify our efforts towards becoming “Nature Positive,” an approach that seeks not only to halt the degradation of nature and biodiversity caused by human activities such as deforestation but also have a positive impact on the environment. The conservation and restoration of biodiversity is an important management issue for the Group, as is the issue of climate change. Specific initiatives include increasing the proportion of plant-based foods to reduce our environmental footprint, upcycling discarded ingredients in the production process, and forest regeneration activities in palm oil production areas. These endeavors show our commitment to solving environmental challenges and helping create a sustainable society.

EARTH FOOD CHALLENGE 2030 ▶



When it comes to nutrition, many dietary concerns have been recognized in developed countries, ranging from health risks linked to excessive caloric intake to “hidden hunger,” a form of malnutrition that stems from nutrient imbalances. To address this issue head-on, NISSIN started a new business line focused on providing “Optimized Nutri-Dense Meals.”

In May 2022, we launched *KANZEN MEAL* as a new series of products that seeks to strike the perfect balance between taste and 33 essential nutrients, marking a clear break from conventional health food products that often compromise the innate joy of

eating. In just one year, sales have surpassed 10 million meals, and by the end of FY 3/2025, we hope to grow the line rapidly into a 10 billion yen brand. The *KANZEN MEAL* series embodies one of the founder’s philosophies, *Bi-ken Ken-shoku* (Eat wisely for beauty and health), and under the leadership of COO Noritaka Ando, we intend to grow this business over time to realize a world where people can enjoy “whatever they want, whenever they want, as much as they want.”

Pursue New Businesses ▶

Focusing on Innovative Organizational Development: Curiosity and Tenacity as Fuel for Individual Growth

Momofuku Ando often said, "Growth is a path without a summit." The NISSIN FOODS Group has always lived up to this saying in its role as a challenger from inception to the present day. Through innovation, we've introduced novel products to the world and, by winning the trust of consumers, sustained our growth. My sole mission as CEO is to efficiently leverage the managerial resources at hand and further refine our company's core business strengths.



Recently, the focus on human capital has grown significantly, and it goes without saying that the professional development of our people is essential if we aim to be an innovative organization. The Group is also promoting a variety of initiatives, including the introduction of a job-based employment system and measures to improve employee engagement. Moreover, digital tools are crucial for streamlining work processes and boosting productivity. In April 2023, we introduced "NISSIN AI-chat powered by GPT-4," a text generation AI designed specifically for our Group. Our goal is to dedicate more time to creative endeavors, amplifying each individual's potential and accelerating the organization's growth.

Looking back, I have spent over half of my life as a CEO. Momofuku Ando once said, "Inspiration leads to invention. Tenacity is the breeding ground for inspiration. There can be no invention in the absence of tenacity." Curiosity and tenacity are indeed what accelerate personal growth. This means committing to relentless persistence until you achieve success, never surrendering and never settling. We are confident that such passionate individuals will lead the growth of our Group. Together with our employees and other stakeholders, I am committed to leading the NISSIN FOODS Group to new heights.

COO MESSAGE

NISSIN FOODS Group Leads the Way in the Future of **Food & Health**

NORITAKA ANDO

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

President & Representative Director
NISSIN FOOD PRODUCTS CO., LTD.



The Daunting Task of Forecasting Change in the World: Setting Aside Past Success & Experience to Focus on What Truly Matters

Corporations today face an environment that is in a perpetual state of flux. From Russia's invasion of Ukraine to the abrupt depreciation of the yen and rising inflation, we have witnessed many unforeseen events in the past year alone. Recognizing the difficulty of predicting these shifts, we must be prepared to navigate any situation, knowing that reliance on past knowledge and experience will inevitably lead to stagnation in our business.

What is imperative now is our ability to focus on what truly matters. To discern the underlying realities behind the immediate events we face, we may even need to shake off past achievements and conventional wisdom. This requires courage, but I am reminded that Nissin Foods was born and has thrived by defying convention. If we had let experience and precedent dictate our lineup, revolutionary products like *CHICKEN RAMEN*, the world's first instant noodles, or our

pioneering *CUP NOODLES* would not exist. Our founder's spirit of *Shoku-so I-sei* (lit. "Create foods to serve society") remains a core value of our business, one that will never change no matter the era or environment. It is an essential part of our identity that we must continue to embrace.

Our Challenge of Becoming a Century Brand Company: Thriving 100 Years After Our Founding

When I became president of Nissin Foods in 2015, I came up with two slogans: "Becoming a Century Brand Company" and "Beyond Instant Foods." Both underscore our commitment to face the essence of our being without relying upon our past growth.

The year 2023 marks the 65th anniversary of *CHICKEN RAMEN*, with *NISSIN YAKISOBA* celebrating its 60th and *DEMAE ICCHO* its 55th. Furthermore, *CUP NOODLES* and *NISSIN DONBEI* continue to set record sales. While brands are generally said to go out of business after 30 to 40 years, our challenge is to elevate the value of the Nissin brand even further, ensuring its continued strength 100 years after its founding. Our challenge of becoming a "Century Brand Company" is to enhance the value of the Nissin Foods portfolio now more than ever.



A longstanding brand could arguably be seen as an aging brand. The connection to *CUP NOODLES*, for example, may be weaker for the younger generation, especially for those under 20. To become a "Century Brand Company," it's pivotal to maintain a fresh outlook for our brand to secure a new generation of loyal users. As such, our brand communication strategy unfolds through a unique blend of TV commercials, increased in-store visibility, and social media marketing. Through these channels, we're focused on capturing the attention of younger demographics, fostering a cycle that leads them from awareness to in-store purchases.

Beyond Instant Foods Creating New Value as a Ceaselessly Innovative Company

Our second slogan, "Beyond Instant Foods," embodies our commitment to forging an entirely new kind of food culture. While we remain dedicated to elevating *CUP NOODLES* to a global brand, a singular focus on instant noodles will eventually be our undoing. Though *NISSIN FOODS* Group achieved its market capitalization target of 1 trillion yen in 2020, our vision is to double this to 2 trillion and eventually reach 5 trillion yen. To do so, we must consistently generate new value, which is the intent behind the slogan "Beyond Instant Foods."



Instant ramen was born in the postwar era, rooted in our founder's desire to provide easily accessible food for all. Now, more than half a century later, some regions are so saturated with food that it is being discarded as waste, marking a transition from postwar scarcity to an era of excessive calories leading to obesity and nutrient deficiencies due to extreme dieting.

Against this backdrop, we aim to address modern social challenges related to food, leveraging our proprietary food technology honed over years of R&D in instant noodles and other products. In May 2022, we launched our *KANZEN MEAL* series in pursuit of the perfect balance between nutrition and taste. The wide-ranging product lineup extends from instant noodles and cup rice to smoothies, granolas, and even frozen foods, which we launched in September 2022. In FY 3/2023, the first year of its launch, we achieved our sales target of 3 billion yen, marking a promising start. In the future, we plan to extend our food technology to our partners and diversify touchpoints with customers through convenience store rice balls, bread, supermarket bento boxes, and company cafeteria menus. We've set a near-term goal to grow *KANZEN MEAL* into a 10 billion yen brand by 2024.

Moreover, in July 2023, the Optimized Nutri-Dense Meals Association was established to promote Optimized Nutri-Dense Meals that balance essential nutrients and achieve well-being through food for all humanity. Joined by major retailers, food and nutrition specialists, and other stakeholders, we aim to collaborate across sectors to champion the potential of Optimized Nutri-Dense Meals as a new growth industry originating in Japan.

Pursuing New Food Possibilities as an EARTH FOOD CREATOR

We are committed to maximizing our existing value and generating new, unprecedented value. We see this as the mission of the NISSIN FOODS Group, a legacy inherited from our founder, to always buck the conventional wisdom of the day. As the world pioneer of instant noodles, we aim to elevate our brand's prestige and global reach. In new ventures, we plan to carve out entirely fresh terrains. My vision sees the simple, convenient, and delicious value proposition of instant noodles evolving into a functional product with balanced nutrition. By offering a paradoxical value - "sublimely junky yet supremely healthy" - we aspire to enhance happiness and health worldwide.

The realm of food and health is rife with potential, a fierce battleground where companies worldwide vie for dominance. Amidst such intense competition, the question arises: how do we lead the future of food? I believe it's pivotal for every employee of Nissin Foods to be an agent of change and to revel at the forefront of this transformation. As an "EARTH FOOD CREATOR," our dedication to progress is unwavering, ever in pursuit of innovative food possibilities.



More than 60 years have passed since founder Momofuku Ando invented *CHICKEN RAMEN*, the world's first instant noodle. 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.

TIMELINE

Chronology

1958

The invention of instant noodles
Introduced *CHICKEN RAMEN*

Since
1958

Our Founding

HIGHLIGHT

Social Value Creation Highlights

1958: The World's First Instant Noodles

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

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 Ibiúna Plant

1976

Introduced *U.F.O.* and *NISSIN NO DONBEI*

1971: Invention of *CUP NOODLE*

The Birth of a New Food Culture: Meeting Needs for Convenience

The world's first instant noodles in a cup, *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



FY 3/1980

Annual Net Sales Reach

¥100 billion

Taking 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
Expanded into EMEA



FY 3/1993

Annual Net Sales Reach

¥200 billion

2000-2010s



FY 3/2001

Annual Net Sales Reach

¥300 billion

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



FY 3/2014

Annual Net Sales Reach

¥400 billion

2008: The Birth of the ECO Cup

Pursuing Sustainability

We transitioned to paper as the material used in *CUP NOODLE* containers, and began listing allergenic substances and salt equivalents clearly on our packaging. 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.



2014: Established the WAVE

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's promise as a food manufacturer: technological innovation and food safety.



2020~

EARTH FOOD CREATOR

2020

Launched EARTH FOOD CHALLENGE 2030

2021

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

2022

Launched the *KANZEN MEAL* series

Solving Problems Through Future

Foods: 2021

Striving for the Perfect Balance of Nutrition and Flavor in Pursuit of Global Well-Being

While the increase in health risks due to over-calorie consumption has become a global problem, especially in developed countries, 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 the *KANZEN MEAL* series in May 2022 in pursuit of the perfect balance between taste and 33 essential nutrients. It has been extremely successful, selling more than 10 million servings in its first year on the market. That's equivalent to one meal being sold every three seconds.



COO Message



Amid Rising Global Demand for Instant Noodles, We're Ramping Up Overseas Production Capabilities to Drive Further Growth

In the shadow of the COVID-19 pandemic, the global appetite for instant noodles has swelled across the globe, and even in the face of rapid inflation, demand is only accelerating. Notably, in the Americas, even after an average price hike of 36%, our customer base continues to expand, with sales of high-value products particularly strong. We will therefore increase our global production capacity and put the company on a growth trajectory.



FY 3/2023

Revenue **¥669.2** billion

FEATURE Accelerating Our Premium Strategy in NISSIN FOODS U.S.A.





The NISSIN FOODS Group, as a leading food conglomerate from Japan, not only focuses on instant noodles but also operates a diverse range of food-related businesses both domestically and internationally. We will 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 pleasure of food.

Financial Highlights

In FY 3/2023, bolstered by strong overseas performance and solid domestic demand, revenue for the NISSIN FOODS Group rose by 17.5% to 669.2 billion yen. Core operating profit from existing businesses increased by 21.5% to 60.2 billion yen, with the core operating profit margin of existing businesses up by 0.3 percentage points to 9.0%.

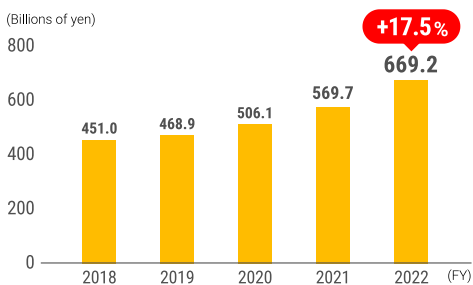
Both revenue and profits at each stage hit record highs, resulting in double-digit percentage growth year-over-year on a consolidated basis.

FY 3/2023 Financial Results

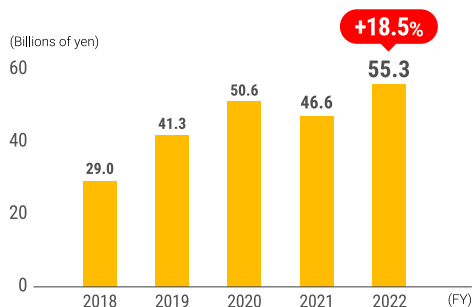
Revenue	Core Operating Profit of Existing Businesses	Core Operating Profit Margin of Existing Businesses
669.2 Bil. Yen	60.2 Bil. Yen	9.0%

Financial Performance

Revenue



Operating Profit/Core Operating Profit*

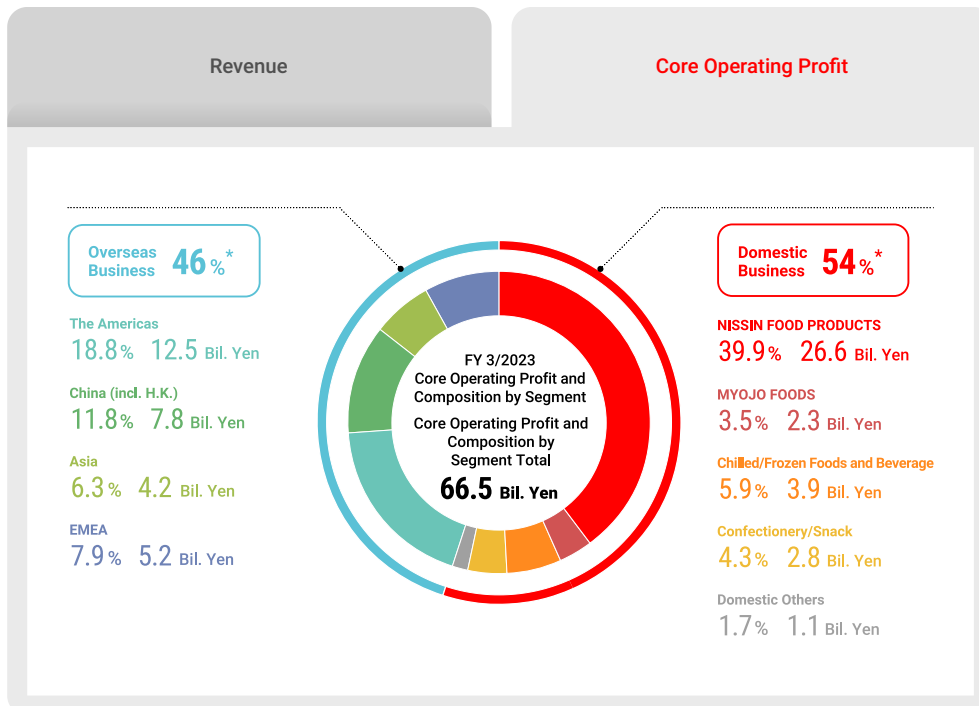
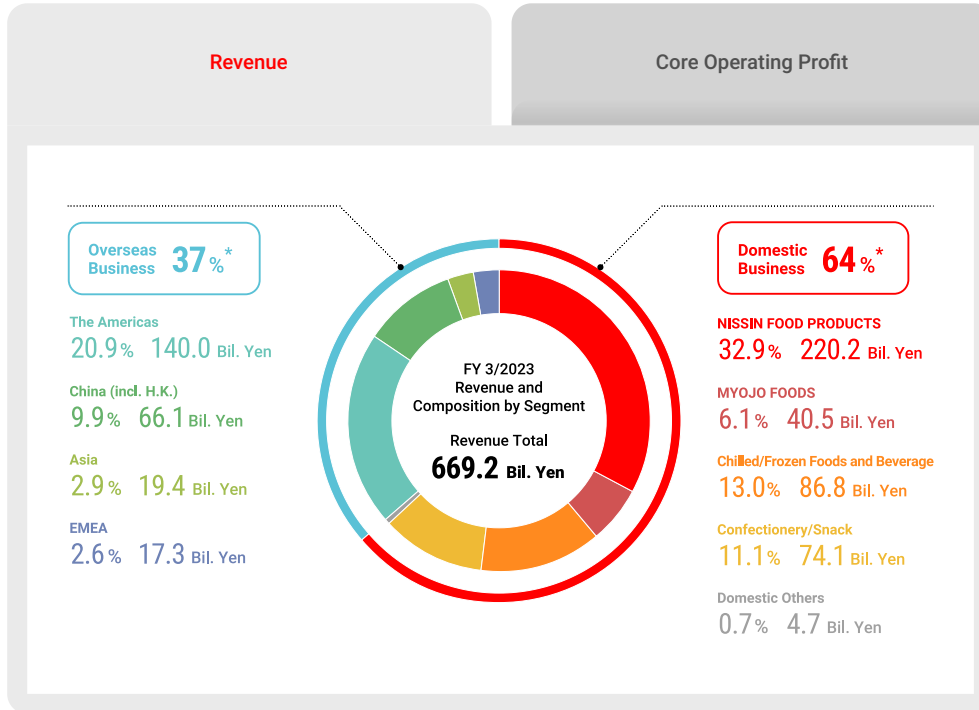


* Operating profit is shown for FY 3/2019 and FY 3/2020

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS ▶

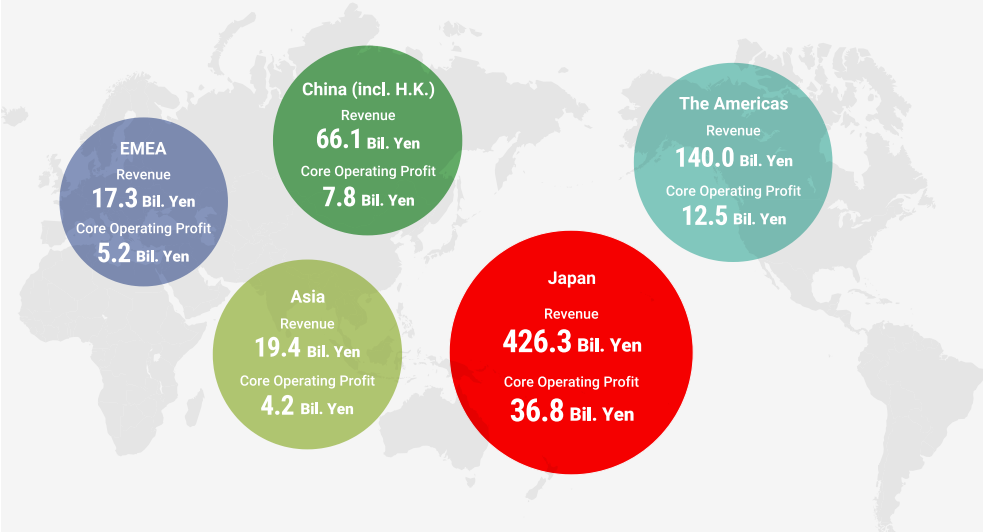
Composition of Revenue & Core Operating Profit by Segment

In FY 3/2023, the significant expansion of our overseas operations resulted in a marked rise in the proportion of overseas businesses within our segment-by-segment business composition ratio. Core operating profit has balanced out to approximately 50% for both domestic and overseas businesses due to the expansion of profit scale in overseas operations, particularly in the U.S.



* Excluding Domestic Others

Global Business Development





Leveraging Our Strength as the Leading Instant Noodle Brand

Not Just Noodles! 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, stimulates product brand demand, and fosters 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.

NISSIN and CUP NOODLE consistently rank highly on domestic brand value surveys, and the brand value of our entire group is highly rated.

Marketing Attuned to 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. In light of recent inflation and rising costs, coupled with an array of evolving consumer demands, we are honing in on consumer insights, deploying product development, communications, and promotional strategies tailored to each specific insight.

Marketing with CUP NOODLES

The company is promoting three key strategies: reinventing our products to stay relevant, brand expansion tailored to our target market, and intriguing incentives to make people want to buy and try our products.

- The first, “reinventing our product to stay relevant,” addresses how we adapt to contemporary demands without compromising the essence of *CUP NOODLES*. For instance, we’ve eliminated the plastic lid seal on our packaging, a staple for over 30 years, in response to environmental concerns over waste plastic. This alone reduces 33 tons of plastic per year. And we’ve done it all while maintaining our sense of convenience and playfulness, adding a twist with a double tab designed as ears on the lid and a cute illustration of a cat inside for a touch of fun, joy, and comfort during mealtime.

- The second, "brand expansion tailored to our target market," is a holistic placement of products to meet increasingly diverse needs and places products. In addition to products geared toward a general audience, we've launched *SPICY NOODLES* for spice enthusiasts, *CUP NOODLES of the World* for women, and easy-to-eat smaller portions like our *Light Series* and *Soup Bowl Series* for budget-conscious consumers and senior demographics, respectively. For the health-conscious, we offer our *High-Protein PRO* and *Low-Sodium PRO* series. We're also rolling out new variations to attract new consumer groups.
- The third, "intriguing incentives to make people want to buy and try our products," is an initiative that leverages our wide range of products to encourage customers to purchase multiple products on the strength of our extensive lineup. In 2022, we initiated the "*CUP NOODLES* Quest Present Campaign," where customers could win unique original items, as well as introduced innovative ways to mix and match various flavors with our "*CUP NOODLES* Super Fusion" series. In September 2023, we launched our "*CUP NOODLE* Nyadle Campaign," featuring 24 different cat illustrations inside the lid, offering yet another irresistible reason to indulge.

A Product Range to Reach a Wide Range of Consumers



Promoting Global Marketing with the Aim of Becoming a Century Brand Company

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. In North and Central America, for example, our brand proposition is Innovative Premium. In South America, it is Unique and Variety, while in Europe, it is Authentic Asia. In China and the rest of Asia, we pursue Advanced Quality. As a result of aggressive product development and marketing activities under the unique value offerings defined for each of these regions, 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.

North and Central America: Innovative Premium

***CUP NOODLES STIR FRY* Featured in IRI's Pacesetter Report**

CUP NOODLES STIR FRY was featured in the IRI's 27th Annual "New Product Pacesetter Report." IRI is a global firm offering innovative solutions and services to consumers, retailers, and the media. Each year, their "Pacesetter Report" highlights top-performing new products across the food, beverage, and non-food sectors. Amid growing demand for new and unique flavors, Nissin USA's *CUP NOODLES STIR FRY* secured a spot among the top 30 newest food and beverage products.

South America: Unique and Variety

Double Gold at the Effie Awards for *NISSIN LÁMEN* and *NOSSO SABOR*

At the globally-renowned Effie Awards, which has celebrated marketing excellence for over 50 years, *NISSIN LÁMEN* and *NOSSO SABOR* both won gold. The Effies not only honor creativity but also sales performance, making them highly prestigious and notoriously difficult to win. This year, *NISSIN LÁMEN* was recognized in the "Long-term Effective" category for its continued market expansion, while *NOSSO SABOR* was lauded in the "Influencer" category for effectively leveraging local influencers to amplify its voice and achieve unprecedented engagement and sales.

Europe: Authentic Asia

DEMAE RAMEN Wins the "Top Brand 2022" Title from German Trade Paper

At the Supermarket Stars 2022 held in Frankfurt, Germany, our *DEMAE RAMEN* brand was awarded "Top Brand 2022" in the instant foods category. This accolade, organized by Germany's most authoritative food newspaper, *Lebensmittel Zeitung*, is based on consumer data, considering factors like new user acquisition and market share increase. The *DEMAE RAMEN* brand saw a 1.5% market share increase in Germany within just one year and was praised for attracting many new users. Besides our highly popular chicken flavor, the newly launched miso and Japanese curry flavors have caught significant attention as vegetarian offerings.

China/Asia: Advanced Quality

Launching a Loyalty Program with Unique QR Codes

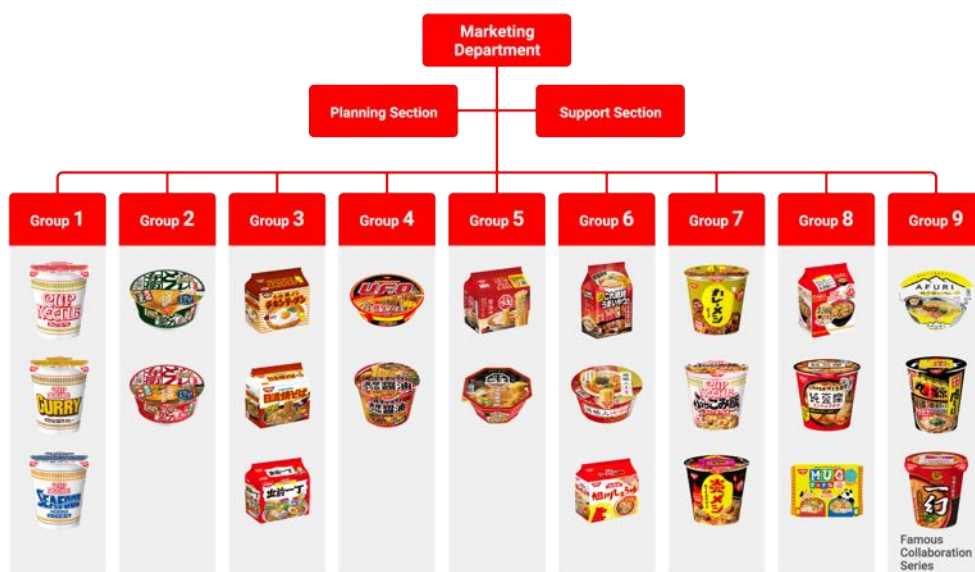
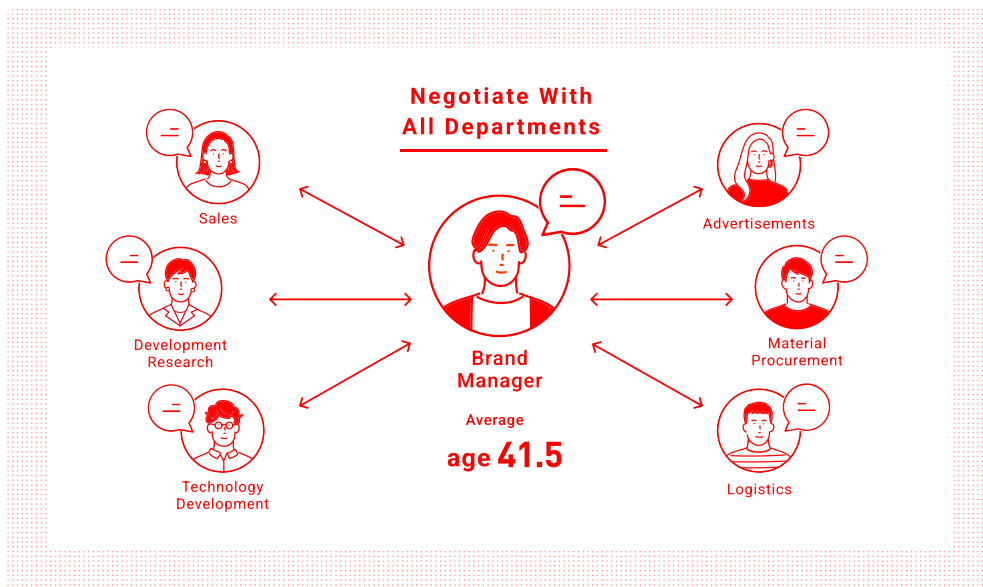
Nissin China and Nissin Hong Kong launched a mini-program on WeChat, a platform boasting 1.2 billion active users. Users are directed from promotions using individual QR codes printed inside product lids and on other advertisements to the mini-program. Users can participate in raffles and games, accumulating points that can be exchanged for prizes. An integrated e-commerce platform also shares information about new and bundled products. The initiative is expected to employ big data, aiding in CRM management and insight analysis, which will, in turn, drive sales expansion through tailored promotions.



Building a Corporate Culture that Fosters Strong Brands

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 may even negotiate with food trading companies, supermarkets, and other representatives to secure sales space. The mission of this 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.



(as of October 2023)



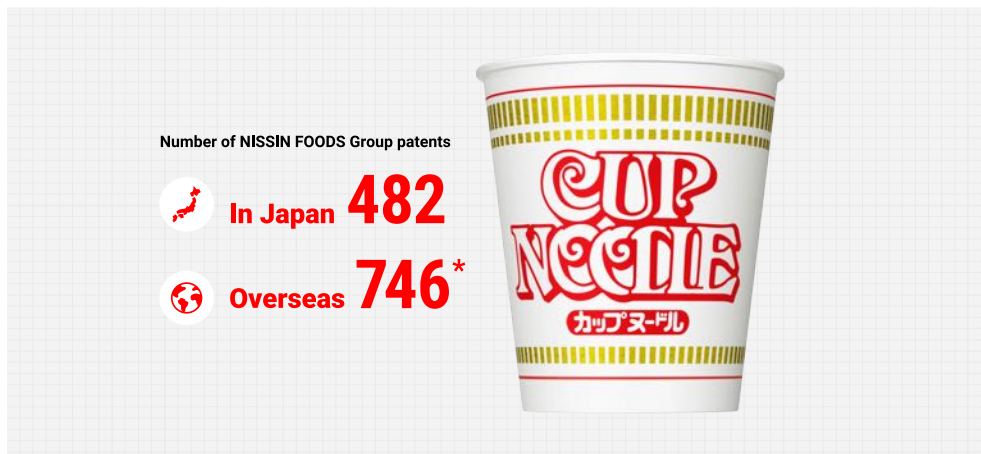
As Japan's leading comprehensive food group, the NISSIN FOODS Group develops innovative technologies on a daily basis. Our mission is to create new food cultures beyond instant noodles.

Leveraging Our Intellectual Property

As a comprehensive food group, NISSIN FOODS Group continues to create and nurture top-selling brands in each category. Our aim is to evolve into a branding corporation that boasts a collection of number-one brands. We strive to secure and enhance corporate value and satisfy 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. Underpinning these processing technologies is our 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 (as of March 2023)

To deliver delicious, 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 482 patents in Japan and 746 patents overseas.

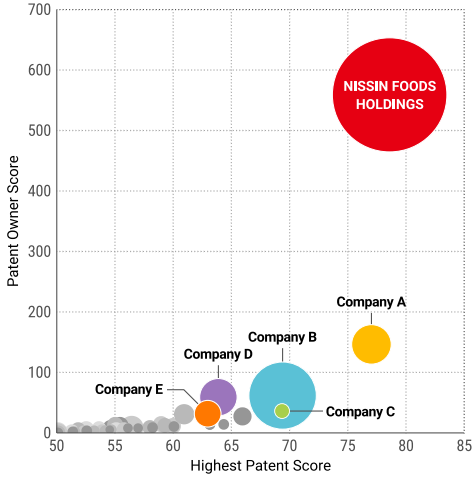


* The number of overseas registered patents includes the total number of countries where product rights were granted.

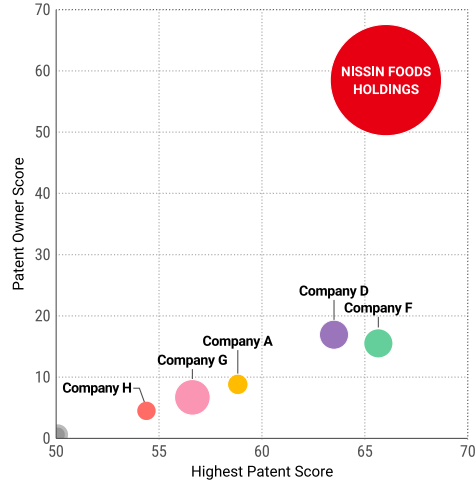
Patent Map in the Instant Noodle Category

We have developed a patent map* for the portfolio of instant noodle-related patents held by NISSIN FOODS HOLDINGS. This map utilizes patent scores to provide a visualization of the company's assets.

Japan Domestic Instant Noodles Sector



U.S. Instant Noodles Sector



* Survey conducted in 2022

* 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 size of the circle indicates the number of patents.

* The vertical axis (Right Holder Score) aggregates the patent scores, reflecting the overall strength of the patent portfolio as the current "patent strength." (A portfolio with a high number of high-profile patents, even with a low patent application count, will result in a high score on the vertical axis)

* The horizontal axis (Highest Patent Score) extracts the highest value from the patent scores, indicating the individual strength of the most valuable patent held. (High-interest patents are indicated as high-scoring on the horizontal axis)

Representative Innovations of Our Group


Building on a foundation of food safety and security, the NISSIN FOODS Group creates cutting-edge food technologies informed by processing techniques gained over many years. By continuing to tackle the challenge of creating "Future Foods," we forge ahead in creating new kinds of food culture.

Unparalleled Safety

<p>NASRAC*</p> <p>Simultaneous rapid analysis of 550 agrochemicals</p> <p><small>* Nissin's Analytical Systems for Residual Agricultural Chemicals</small></p>	<p>FASRAC*</p> <p>World's first automated pretreatment process for pesticide residual testing</p> <p><small>* Food Automatic Analytical Systems for Residual Agricultural Chemicals</small></p>
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Innovations in Food Technology

Employing a variety of processing techniques, we are dedicated to perfecting the art of balancing nutrition with the delicious signature flavors Nissin is known for.

<p>Rice Synthesis Technology</p> <p>Technology that enables calorie control by enhancing dietary fiber while respecting the original taste of rice</p>	<p>Salt Reduction Technology</p> <p>Through meticulous research gathering nearly 170 types of salt, we have developed a technique that enhances taste with just a small amount of salt by incorporating a blend of minerals and amino acids</p>
<p>Plant-Based Processing Technology</p> <p>Aiming for sustainable food sourcing, we utilize plant-based ingredients to replicate the texture and flavor of meat and seafood</p>	<p>Nutrition Hold Production Method</p> <p>A technique that locks in nutrients prone to loss during cooking while minimizing impact on taste</p>
<p>Cultured Meat</p> <p>In collaboration with The University of Tokyo, we are conducting R&D on cultured meat, which is seen as a potential solution to future food shortages and global warming</p> <p>See here for more </p>	<p>Optimized Nutri-Dense Meal Design</p> <p>A method for combining various nutrients to design a diverse range of deliciously optimized meals</p>

Transforming Production with 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 has automated tasks traditionally performed by hand, such as verification, inspection, and movement of raw material containers, establishing processes that do not require human intervention. This significantly reduces human error, achieving a defect rate of less than one item per million and ensuring a safer production system.



<p>Defect Rate Less than 1/1,000,000</p>	<p>Automated 50%* of Manual Processes</p>
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*Compared to levels at the time of establishment

The Wellspring of Our Innovation: the WAVE

The WAVE is the NISSIN FOODS Group's technology, development, and research center, which consists of the Global Innovation Research Center and the Global Food Safety Institute. The mission of the WAVE is "to persistently innovate and craft advanced food technologies that send ripples of change across the globe." While carrying on the four principles laid out by our founder—*Shoku-soku Se-hei* (Peace will come to the world when there is enough food), *Shoku-so I-sei* (Creating foods to serve society), *Bi-ken Ken-shoku* (Eat wisely for beauty and health), and *Shoku-i Sei-shoku* (Food related jobs are sacred profession), we aim to fulfill our responsibility as a food manufacturer through continuous innovation and food safety measures.

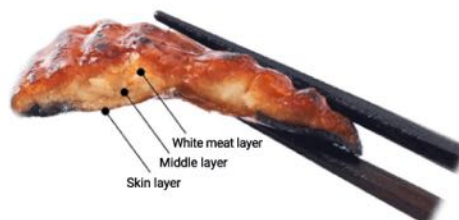


[See here for more ▶](#)

Plant-Based Eel

Harnessing the latest in food technology, Nissin Foods has crafted a plant-based version of grilled eel *KABAYAKI* without any animal-derived ingredients

NISSIN FOODS HOLDINGS has successfully replicated the texture, appearance, and flavor of the eel dish *KABAYAKI* without using any animal-derived ingredients.



Plant-Based Eel's Three-Layer Structure

The Japanese eel, a delicacy long known as a premium food, is classified as IB^{*1} on the list of endangered species by the International Union for Conservation of Nature (IUCN). Furthermore, there is a declining trend in the catch volume of glass eels for aquaculture,^{*2} the complete aquaculture of eels from eggs has not yet been commercially viable as the cost issue remains unresolved. By advancing the development and commercialization of this plant-based eel, we aim to contribute to the establishment of a sustainable food system.

The plant-based eel aims to mimic the texture of authentic *KABAYAKI*, with three distinct layers: white meat, middle, and skin. The white meat layer is made primarily from granular soy protein to reproduce a fluffy yet fibrous texture. The middle layer employs plant fats to mimic the melt-in-your-mouth feel of the fat between the eel's flesh and skin,^{*3} while the skin layer uses bamboo charcoal powder to replicate its unique dark color.

The unique appearance of the *KABAYAKI* is achieved by stuffing the three layers of batter into a special mold, steaming it, coating it with sauce, and then searing it to give it a grilled look.

*1 Species considered to be at high risk of extinction in the wild in the near future

*2 Causes of the decrease are not specified, but changes in the marine environment and deterioration of habitats have been indicated by the Fisheries Agency

*3 A patent has been registered for this method of producing eel-like food without animal-derived ingredients

TOPICS

Latest AI Technology: NISSIN AI-chat

In April 2023, we introduced NISSIN AI-chat, a secure, chat-based generative AI environment tailor-made for the NISSIN FOODS Group. This innovation empowers our employees to enhance work productivity and concentrate on creative endeavors. By embracing new technologies, the NISSIN FOODS Group is committed to fostering the continued growth of both our employees and the organization.





Growth Story for the Mid- to Long-Term

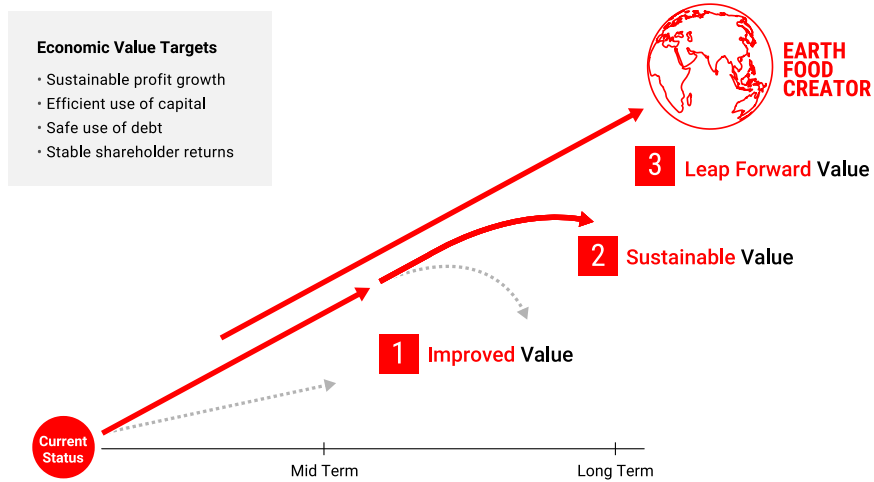
To achieve sustainable growth while solving environmental and social issues
as an

Vision

"EARTH FOOD CREATOR"

constantly creating new kinds of food culture through innovation.

Roadmap to Achieving Our Vision and Three Growth Strategy Themes



Good for People



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

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

Good for Society



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

Good for the Earth



Food Tech Innovation

Quantitative Targets

NISSIN FOODS Group is committed to achieving four mid- to long-term economic value (financial) targets through CSV management: (1) Sustainable profit growth, (2) Efficient use of capital, (3) Safe use of debt, and (4) Stable shareholder returns. The group will pursue these targets while also pursuing targets related to social value and environmental value (non-financial).

Value Classifications	Management Indicators	Mid-to Long-Term Targets	FY 3/2023 Results	
Financial	Growth Potential	Core operating profit growth rate for existing businesses* ¹ (constant currency basis)	Mid-Single Digits	19.9%
	Efficiencies	ROE	10% over the long term	10.7%
	Safety	Net Debt/EBITDA Ratio	≤2x	-0.4x
	Stable Shareholder Returns	Dividend Policy	Progressive Dividends	140 yen per share
Relative TSR vs. TOPIX (Foods) ²		> 1x	1.13x	
Non-Financial ³	Effective Use of Finite Resources	Sustainable Palm Oil Procurement Ratio ⁴	100%	37.7%
		Water Usage Per million yen of revenue (IFRS basis)	≤12.3m ³	10.5m ³
	Total waste reduction (vs. FY 3/2016; Japan)	-50%	-47.1%	
	Reducing Climate Change Impact	Reduction of CO ₂ Emissions (Scope1+2) ⁵ Compared to FY 3/2016	-30%	-4.0%
		Reduction of CO ₂ Emissions (Scope 3) ⁵ Compared to FY 3/2019	-15%	0.4%

*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.

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

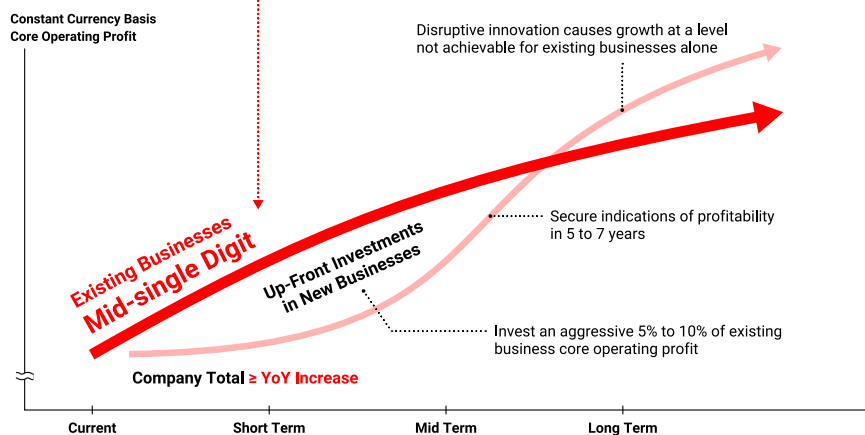
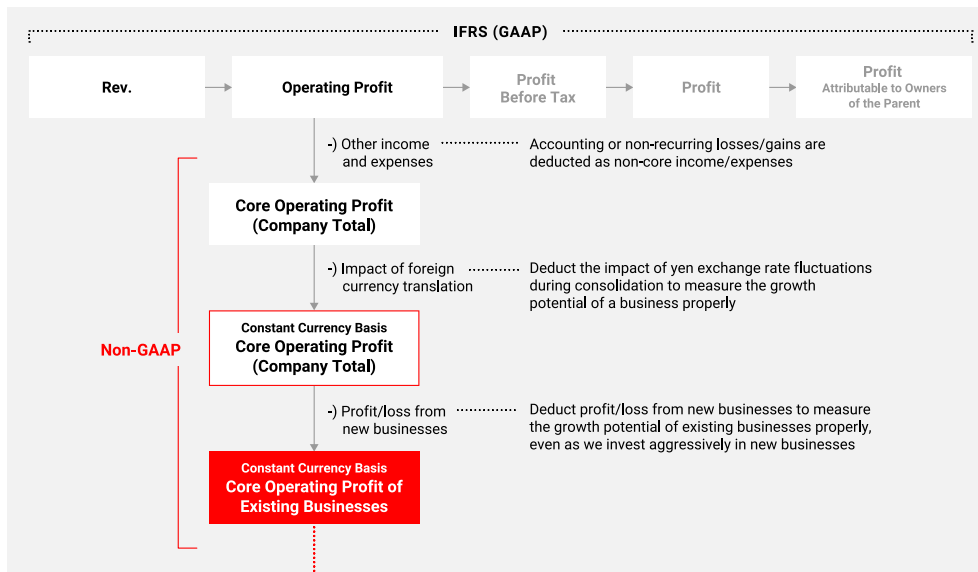
$$= \frac{(B + C) \div A}{E \div D}$$

- 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.
- *5 In May 2023, CO₂ emission reduction targets were revised upward to Scope 1+2 (-42% compared to 2020) and Scope 3 (-25% compared to 2020).

Approach to Sustainable Profit Growth

We have defined core operating profit of existing businesses as an indicator showing the real growth of our existing businesses, which serve as the foundation for growth investment. Here, we have set growth in the mid-single digits as our core economic value target.



**Strengthen Cash
Generation Capabilities
of Existing Businesses**

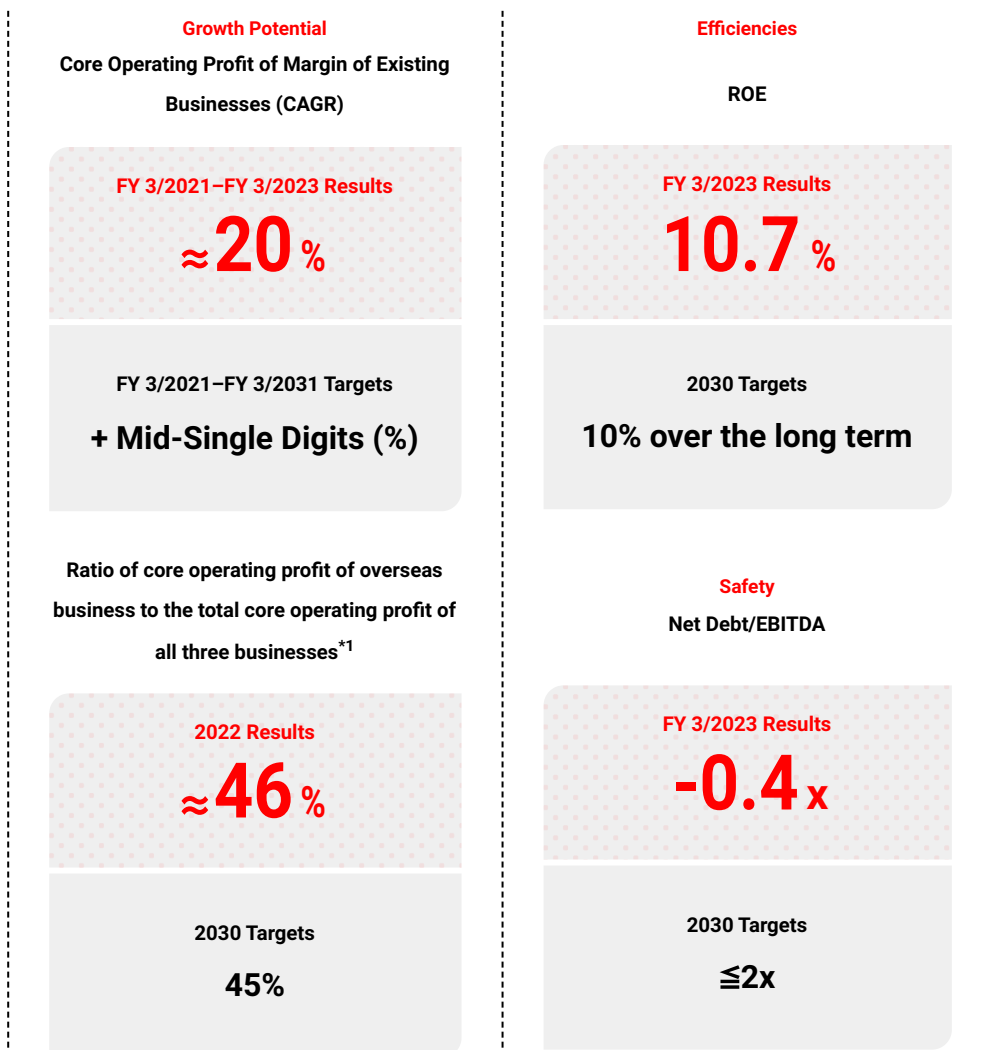


FY 3/2023 Results

Exceeded mid-to long-term goals

In FY 3/2022, the core operating profit of existing businesses has grown by approximately 20% over a three-year period (CAGR), and the ratio of overseas business in core operating profit in relation to the total of the three existing businesses' core operating profit stood at 46%, exceeding the targets set in our mid-to-long-term growth strategy. While this includes a positive impact of approximately 4.1 billion yen due to the yen's depreciation, it is also attributable to the surge in demand for instant noodles during the COVID-19 pandemic.

As a result, our ROE was 10.7%, surpassing our target of 10%. The ratio of net interest-bearing debt to EBITDA is also firmly negative, highlighting robust financial health.



The global demand for instant noodles has accelerated and stabilized, even under inflationary environment

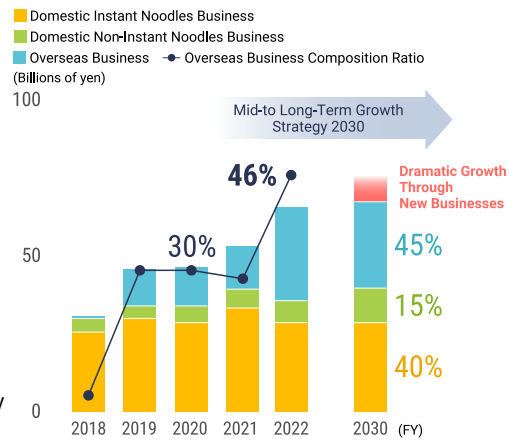
Our overseas business, mainly the Americas, drove our overall growth and promotes profitability.

Our overseas business, which is positioned as our main growth driver, has grown faster than our expectations. This growth has arisen from a global increase in demand for instant noodles during the COVID-19 pandemic and their relatively affordable prices during a time of rapid inflation, which has helped further increase and stabilize demand.

The Americas growth, in particular, has driven the entire overseas business growth. Globally, even after price hikes, demand has remained robust. In the United States, for instance, premium products with a higher price point are thriving, showcasing the healthy sales of high-value-added items.


When it comes to domestic businesses, although the domestic instant noodle business has grappled with surging raw material and energy costs, we have remained firmly committed to sustained growth. This is partly because of price hikes and a focus on high-value-added premium products in the instant noodle business, and growing profits of NISSIN YORK and KOIKE-YA in the non-instant noodle business.


Core Operating Profit of the Three Businesses*¹
Overseas Business Composition Ratio*²



*1 COP of the Three Business = Sum of Core Operating Profit from Domestic Instant Noodles Business, Domestic Non-Instant Noodles Business and Overseas Business

*2 Overseas Business Composition Ratio - Overseas Core Operating Profit (COP) / (Domestic Instant Noodles COP + Domestic Non-Instant Noodles COP + Overseas COP)

FEATURE: Accelerating Nissin's Premium Strategy in the U.S. 

FEATURE: Breakthrough by NISSIN YORK and KOIKE-YA with High-Value-Added Products 



FY 3/2023 Results

Promoting Business Growth & Reducing CO₂ Emissions

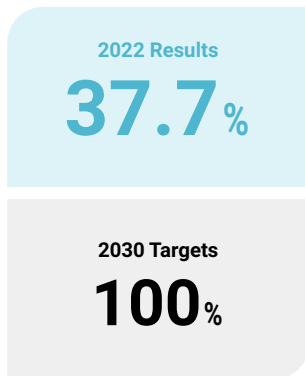
The NISSIN FOODS Group stands behind its environmental strategy, titled "EARTH FOOD CHALLENGE 2030," setting sights on 2030 goals. As of 2022, we've managed to dip below the CO₂ emissions benchmark set in 2018 for our emissions, categorized as Scope 1 and Scope 2. Emissions along the supply chain, tagged as Scope 3, also began a downward trend in 2021 and have been reduced to near baseline levels in 2022.



Earth Material Challenge

-Challenge to- Effectively Use Resources

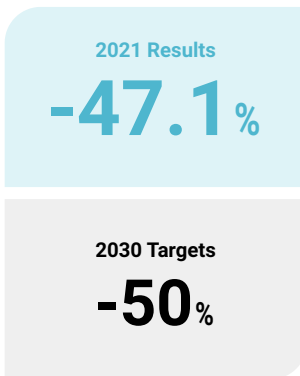
Sustainable Palm Oil Procurement Ratio



Overall Water Use



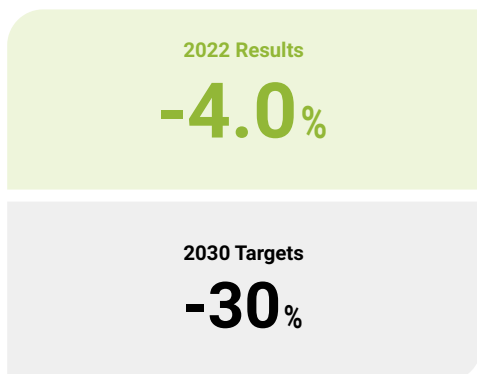
Logistics Waste Reduction Rates



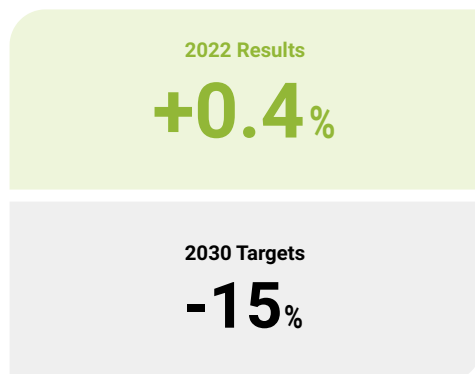
Green Food Challenge

-Challenge to- Address Climate Change

**CO₂ Emissions Reduction (Scope 1 + 2)
(vs. 2018)**



**CO₂ Emissions Reduction (Scope 3)
(vs. 2018)**



Upward Revisioning of Carbon Neutrality Goals

The Internal Carbon Pricing system will further serve to accelerate our initiatives.

In alignment with the global aspiration to cap global temperature rise below 1.5°C, our Group has revised its 2030 targets upward in order to achieve carbon neutrality. This adjustment sees our emissions for Scope 1 and Scope 2 dive from a 30% reduction relative to 2018 to a 42% reduction compared to 2020. Similarly, Scope 3 takes a leap from a 15% cut against 2018 to a 25% curtailment versus 2020. At the same time, we have introduced an internal carbon pricing system to assign a value to our own CO₂ emissions and apply it to our business strategy to accelerate our efforts to achieve new goals.

Upward Revisioning of CO₂ Reduction Goals for 2030



Implementing Internal Carbon Pricing





FY 3/2023 Results

Pursue a Perfect Balance of 33 Nutrients and Deliciousness

In May 2022, we launched our KANZEN MEAL series, which pursues a perfect balance of flavor and nutrition. In September 2022, the company also began selling frozen foods and is developing a broad product lineup.



What is KANZEN MEAL?

The KANZEN MEAL brand pursues a perfect balance of deliciousness and the 33 essential nutrients prescribed by the dietary reference intake standards for Japanese people. Utilizing the latest Nissin Food Products technologies, we reduced the bitter, acidity characteristic of nutrients, pursuing an ideal balance between taste and nutrition in meals indistinguishable from regular dining options.



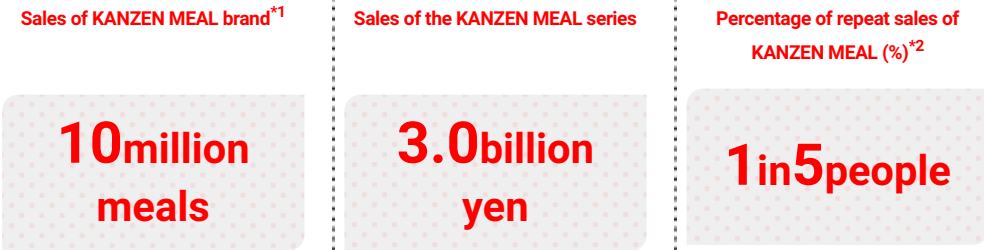
Official KANZEN MEAL Website (Japanese only)



The KANZEN MEAL brand has been met with a great response in its first year on the market

Since its debut in May 2022, the KANZEN MEAL brand has soared past the ten million sales mark within a year, resonating deeply with consumers. The e-commerce business is also performing well, with one in five customers in our online store becoming repeat customers. In FY2022, we also received several awards sponsored by newspapers and other organizations.

- Nikkei TRENDY 30 Best Hit Products of 2022 Food Cost Category (5th Overall)
- Shokuhin Sangyo Shimbun (Food Industry News) 52nd Annual (FY2022) Food Industry Technology Distinguished Product Awards
- Nihon Keizai Shimbun (NIKKEI) Nikkei Excellent Products and Services Awards Grand Prize
- Nihon Shokuhin Shimbun (Japan Food News) 2022 41st Annual Hit Products Outstanding Product Award



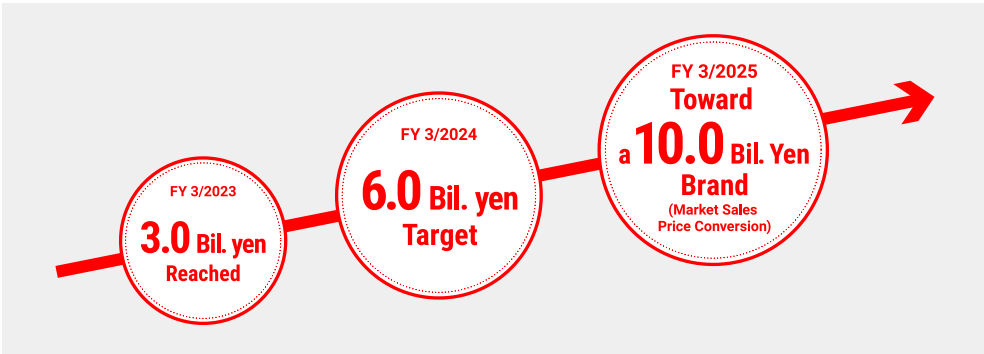
*1 Calculated based on cumulative shipments of KANZEN MEAL series products between May 30, 2022, and April 30, 2023. (NISSIN in-house research)

*2 Period from May 2022 to March 2023. Calculated based on the ratio of purchasers of Frozen KANZEN MEAL products from the NISSIN FOODS online store who purchased at least twice. (NISSIN in-house research)

Plans for FY 3/2024 and Beyond

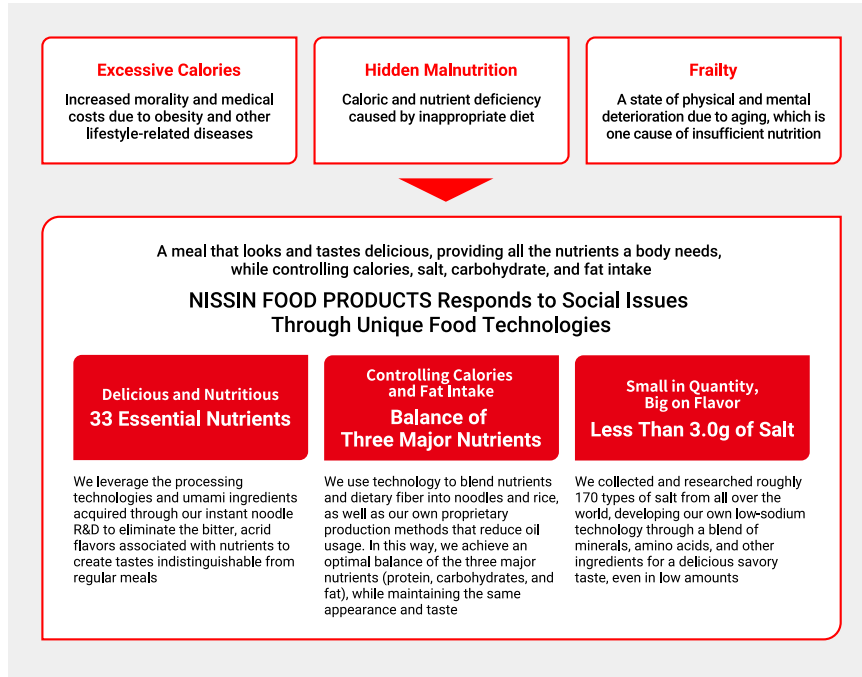
KANZEN MEAL: Toward Becoming a 10 Billion Yen Brand

In FY2022, the KANZEN MEAL series achieved sales of 3 billion yen, and we are working toward our goal of 6 billion yen in FY2023 and 10 billion yen in FY2024.



Background and vision for promoting new businesses

We enjoy rich diets in these modern times. On the other hand, other issues have emerged, such as excessive calories due to an overabundance of food and malnutrition caused by an unbalanced diet. The NISSIN FOODS Group aims to address these social issues by making full use of our proprietary food technology.



Helping Drive Our Management Goals Forward by Integrating Global Insights and Pinpointing Solutions to Challenges

YUKIO YOKOYAMA

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



In the Second Year of Our Growth Strategy, We Achieved Outstanding Results that Exceeded Our Already Impressive Performance

The earnings portfolio transformation outlined in our mid-to-long-term growth strategy is progressing faster than we anticipated in the plan's second year. In particular, for the core operating profit of existing business KPI, our two-year compound annual growth rate (CAGR) since FY 3/2021 was approximately 20%. This significantly exceeds our mid-to-long-term target of mid-single digits. One factor contributing to this outcome is the growth of our overseas business, particularly in the Americas. As the demand for at-home meals grew during the COVID-19 pandemic and the number of meals per capita eaten at home rose, instant noodles became the go-to meal solution amidst the economic downturn spurred by global inflation. In a sense, this is a result of NISSIN FOODS Group's products aligning perfectly with global trends.

While the 36% average price adjustment we carried out in the United States last August was unprecedented, I understand that the new prices have now permeated the market. This is underpinned by a robust brand strength that we have worked to build, and it affirms that the fruits of our premium strategy have steadily gained traction. Furthermore, I feel that these successes result from our efforts to build a relationship of trust not only with consumers but also with retailers as we strove to maintain output, ensuring a stable supply of products even as the pandemic wrought havoc on global supply chains.

In addition, we saw better-than-expected results of our goal to strengthen the cash generation capabilities of existing businesses due to growth in our domestic non-instant noodles business. This is an excellent outcome, as it affords us more flexibility and an expanded range of options in pursuing mid- and long-term investment strategies moving forward.

I'd like to keep driving our overseas business forward to further success. We are placing a great deal of emphasis on the Americas, a growth-driving region. This includes not only the United States but also Brazil, which has an overwhelming market share, and Mexico, where our business is rapidly growing. We aim to maintain robust growth in our income and profits in FY 3/2024 by assessing changes in economic conditions, strengthening our efforts to generate sustainable profits, and working proactively to build stable supply chains and increase production capacity throughout the medium and long term. We also recognize that expanding our global talent pool is a crucial issue for management to accelerate the growth of our overseas business. We have set about creating a work environment that will equip every employee with a versatile skill set and global perspective, allowing them to compete anywhere in the world. We also aim to ensure that each employee can visualize and achieve further opportunities for success in pursuit of their desired career path.

Aiming to Enhance Our Creating Shared Value (CSV) Approach to Management through Quantitative and Qualitative Analysis of Non-financial Capital

For the NISSIN FOODS Group to maximize each of our environmental, social, and economic values, we must lead the way in planning and carrying out comprehensive structural reforms encompassing all our business areas. Therefore, it's critical to analyze and evaluate all our activities on a group-wide basis.

That's why I approach my work with the mindset of a "Corporate Scientific Orchestrator," supporting and directing all aspects of our operations from a scientific perspective. I am particularly focused on quantitatively and qualitatively analyzing the relationship between ESG (non-financial value) and corporate value. This approach also helps us address the challenge that many companies face—the question of whether ESG initiatives lead to enhanced corporate value. Since beginning in 2021, we've already formed a clear narrative to explain how non-financial value relates to PBR (price-to-book ratio) and the path by which ESG-related initiatives have elevated our corporate value (stock price).



In this analysis, it's crucial to continue to accumulate data year after year to enhance the reliability of our results over time. Furthermore, it's also important to understand fluctuations in our results. For example, we analyzed how many years later the PBR would increase by a certain percentage if we increased the ratio of female managers by one percent. Last year, we saw a result of one year, but this year, that has now grown to a year and a half. Therefore, there may be some variation from year to year. Over time, we can reduce these deviations, thereby leading to more reliable data and increasing the accuracy of our analysis.

In addition, over time, the marginal utility of a one percent increase in the ratio of female managers will diminish. On the other hand, initiatives related to matters of future importance, such as decarbonization, are expected to yield increasingly significant effects the more we focus on them. We need to continue verifying these hypotheses over a period of years and closely monitor the changes in outcomes.

By improving the accuracy of the data in our analyses, we can prioritize different measures in the short, medium, and long term, thereby enabling effective decision making. Moving forward, we aim to use the data we've accumulated and analyzed as a compass, guiding our way as we continue to implement and enhance our CSV approach to management.

Creating Resilient People and Organizations with an Evidence-based Approach

I believe that strengthening our human capital is the key to driving further global growth and realizing our vision. In particular, the recruitment and development of global talent is an urgent priority.

That's why we are considering the introduction of a job-based employment system. This system would implement well-defined job descriptions and roles, such as what we expect of globally minded talent and the differences that exist from country to country, and then evaluate employees accordingly. This policy is aimed not only at recruiting excellent candidates but also elevating employee engagement. In an era that

demands resilience from individuals as well as companies, we believe that a job-based employment system will lead to an environment in which employees can chart their career development paths and strive to meet challenges head on while hopping between different roles within the company. Therefore, I first intend to establish and pilot test job descriptions for managers in FY2023.

Also, in terms of employee development, our in-house "university" established to encourage employees to take on new challenges, known as NISSIN ACADEMY, is now in its fourth year. In addition to equipping participants with various skills and knowledge, the program has started functioning as a forum where employees can interact with members from different departments to exchange ideas and insights. We are also planning to implement "cross one-on-one," an initiative that connects employees not only hierarchically between managers and subordinates but also horizontally with employees in other departments. The idea is to support employees as they seek out new challenges and progress in their desired careers by providing opportunities to consult with peers and receive feedback from multiple perspectives, offering more autonomy in choosing one's career path, and strengthening our internal open recruitment system.

Furthermore, we are now embarking on VTA (value tree analytics) analysis in the realm of human capital, including reforms to human resource policies and personnel systems. This approach builds on our previous non-financial capital analysis methods and advances them one step further. With this analysis method, we can quantitatively assess the degree to which each policy or initiative is linked to corporate value at the individual policy level. This is particularly valuable for human resource policies, which are often difficult to measure directly and can only be evaluated over the long term. With this approach, we aim to raise our precision in setting priorities and delivering results for HR-related policies.



Bolstering Strategy with Science in Times of Change

It's often said that we are in an era of VUCA—volatility, uncertainty, complexity, and ambiguity. Looking ahead, however, the business environment is expected to change even more rapidly than before. As global conditions and market trends shift, the evolution of technology will only continue to accelerate. The important thing here is to have a firm grasp on these changes and the kinds of trends they will bring, while being flexible enough to change and adapt as needed.

As CSO, I intend to consistently acquire and digest the latest information from around the world, constantly discovering issues in the ever-changing business environment, and making recommendations to management. In pursuit of our business objectives, I will endeavor to work out how best to allocate our people, assets, and capital, as well as how to design organizations, systems, and processes to implement our policies. In doing so, I aim to increase the feasibility of our strategies and contribute to the sustainable improvement of our corporate value on both financial and non-financial fronts.

[Quantitative analysis of ESG issues ▶](#)

Continuing from 2021, we conducted a landscape analysis utilizing the Yanagi Model to clarify the relationship between non-financial capital and corporate value. We also tried using a new type of analysis, Value Tree Analytics (VTA), to explore strategies related to human capital and their impact, specifically the correlation to enhanced engagement.

Q. What sort of analysis did you conduct in 2022?

A. We conducted the "Value Tree Analytics (VTA)" in FY 3/2023, a deeper dive into "landscape analysis" and "value relevance analysis" for a quantitative look at the relationship between ESG (non-financial) initiatives and return on corporate value.

The landscape analysis utilizes the Yanagi Model^{*1}, which analyzes the direct correlation between ESG indicators and PBR. This allows us to show a delayed penetration effect: how a 1% improvement in ESG activities (key performance indicators) will lead to a certain percentage point improvement in PBR over a certain number of years. This time, we increased the number of analysis indicators from the previous 198 to 303.

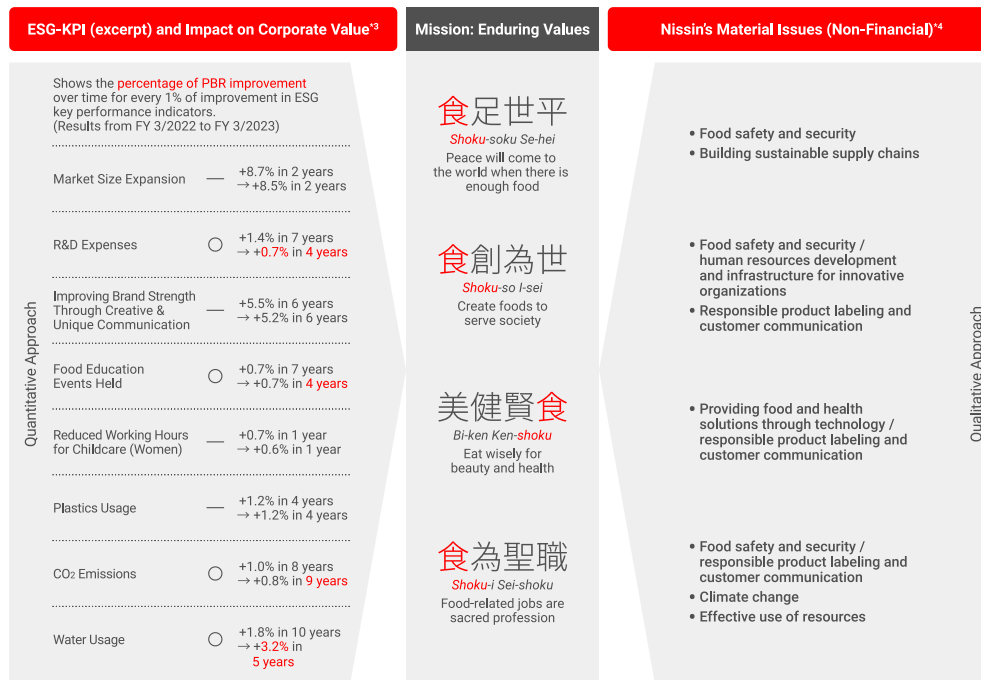
Significant and desirable correlations^{*2} in PBR were detected from 113 of the 303 indicators. Compared to the previous result—79 correlations out of 198 indicators—the desirable correlation has increased by approximately 150%. We feel that this reflects the improved analysis accuracy and additional years of data.

Numerical shifts have also been observed in the ESG activities based on our enduring values that were announced in the FY 3/2022 integrated report. That being said, the delayed penetration effect has sped up for four indicators, once again confirming a positive relationship between them and the improvement of corporate value.

*1 Analyzed on ABeam Consulting's Digital ESG Platform (March 2021/March 2022), based on models developed by Ryohei Yanagi in "CFO Policy" (Chuokezai-Sha 2020)

*2 The value of an indicator is deemed to have a "desirable correlation" when the positive or negative correlation in the analysis result coincides with what we assume to be desirable and takes into consideration whether an indicator's value should aim to increase or decrease. These values are verified by a third party.

Return on Sustainability Index: Relationship Between ESG Actions and Price-to-Book Ratio (PBR)



*3 Analyzed on the ABeam Consulting's Digital ESG Platform (March 2021/March 2022), based on models developed by Ryohei Yanagi in "CFO Policy (Chuokezai-Sha 2020)"

*4 Material issues designated as ESG factors are expected to have a high financial impact in the future, with consideration to items from external evaluation organizations, including the Sustainability Accounting Standards Board's Materiality Map.

Q. How do you reconcile the results of landscape analysis?

A. We compared the percentage of desirable correlations with those of other companies conducting similar analyses for an objective perspective on our analysis results. As in previous results, we demonstrated higher results across the board compared to the averages of other companies. Our environmental items were determined to be 29.3%, compared to the 18.6% corporate average; social items were 42.1%, compared to the 16.0% corporate average; and even governance items were 21.4%, compared to the 17.2% corporate average. The results indicate that a higher percentage of Nissin's ESG initiatives contribute to corporate value.

We also compared our values with the average values of other companies in the "Top 30 ESG Indicators for Improving Corporate Value."^{*5} As a result, Nissin demonstrated 28 relevant indicators, 15 of which were able to detect significant and desirable correlations. Among them, when the "delayed penetration effect," which indicates how many years later it leads to PBR improvement, is less than the average of other companies, it indicates a metric with immediate impact on enhancing corporate value. In this comparison, eight indicators have demonstrated a short delay penetration effect, and many are related to human capital, such as the Reduced Working Hours for Childcare Program and Overseas Trainee System Users (see red chart).

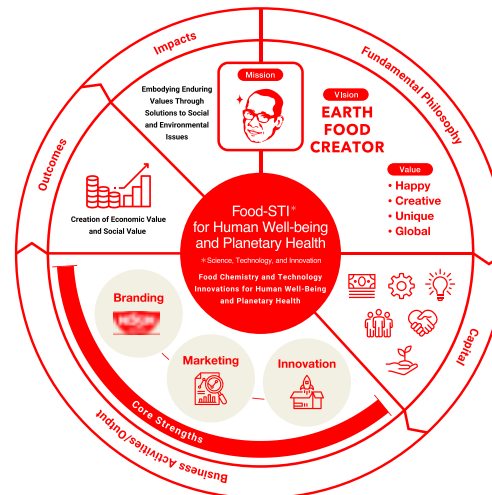
*5 In June 2022, ABeam Consulting compiled analysis results from Japanese companies using the Yanagi Model, publishing the top 30 ESG indicators that readily correlate with corporate value.

ESG Topics	Indicator Name	Units	NISSIN FOOD PRODUCTS		
			Delayed Penetration Effect (years) ^{*6}	Sensitivity (%)	
Employee Recruitment	Mid-Career Recruitment (Men)	ppl.	5	0.167	
Employee Recruitment	Mid-Career Recruitment (Women)	ppl.	0	0.246	
Employee Retention	Retirees / Turnover (Women)	ppl.	3	-0.43	
Human Resource Promotion	New Management Appointments	ppl.	7	0.67	
IP Acquisition / Conservation	Registered Patents	cases	Domestic	3	0.9
			Foreign	1	0.418
Realization of a Sound Material-Cycle Society	Recycling Rate	%	5	49.1	
Regional Community Relations	Visitors to Factories, Museums, Showrooms, etc.	ppl.	7	0.453	
Employee Recruitment	Number of Employees	ppl.	0	0.789	
Climate Change Measures	CO ₂ Emissions - Scope 2	t-CO ₂	9	-0.64	
Work and Childcare Balance	Users of the Reduced Working Hours for Childcare Program	ppl.	1	0.65	
Reduction of Atmospheric Pollutant Emissions	Nox Emissions	t	7	-0.92	
Human Resource Development	Overseas Trainee System Users	ppl.	2	0.35	
Human Resource Development	Training Hours Per Employee	Hours/person	2	0.662	
Employee Recruitment	Employees with Disabilities	%	0	1.232	

*6 Demonstrates how delayed penetration effect correlates with PBR over a certain number of years. Sensitivity refers to the rate of increase in PBR when ESG rises (or falls).

Q. Would you please explain the new Value Tree Analytics (VTA) method?

A. In FY 3/2022, we conducted a value relevance analysis to verify the flow from capital (measures invested and implemented as capital) to outcomes that create economic and social value in the NISSIN FOODS Group's value creation process, leading to increased corporate value. For the value relevance analysis, we analyzed both the correlation between ESG indicators and corporate value and the correlation between ESG indicators. This tells a story that verifies the correlation between the indicators that result from each measure and improved corporate value by showing what path each ESG initiative takes to



contribute to improved corporate value. We were able to statistically verify the hypothesis by looking at each correlation, yet failed to also verify the effect of the measures and actions that formed the basis of the indicators. We conducted Value Tree Analytics (VTA) as an attempt to quantify the effects of said measures. We targeted the human capital area in this analysis, taking into account the importance and the granularity of data retention.

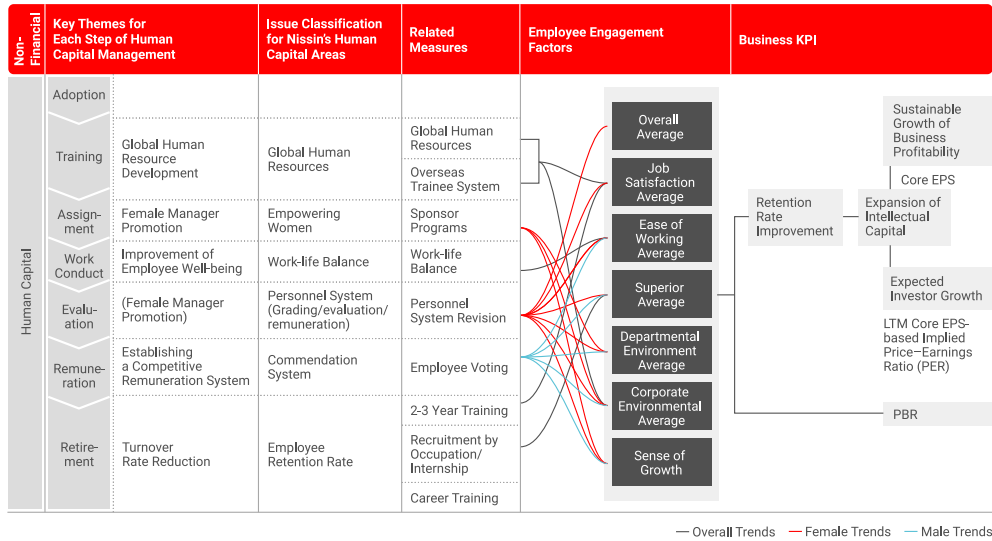
The analysis is organized to cover issues related to the area of human capital, as well as our human resource management process. We verified the measures connected to said issues, observing if or how they correlate with the improvement of engagement factors*7 for genders and job types (departments).

As a result, the Value Tree Analytics (VTA) demonstrated that human capital measures embodying the "value" of the NISSIN FOODS Group's value creation process contribute to each department's engagement in promoting elements like work-life balance. This creates outputs/outcomes and improves corporate value.

Comparing the quantified results, we found, for example, that women's leadership development programs tend to contribute significantly to improving engagement in the areas of "Departmental Environment," "Corporate Environment," and "Sense of Growth" for women. We feel that these measures may be viewed as important and effective, improving shareholder value through improved retention rates and expansion of intellectual capital.

*7 The NISSIN FOODS Group conducts an employee engagement survey consisting of 32 items under five categories: Ease of Working, Job Satisfaction, Departmental Environment, Corporate Environment, and Supervisors.

Value Tree Analytics (VTA)



Issues related to the area of human capital are organized based on our human resource management process. We verify the measures connected to said issues, observing if or how they correlate with the improvement of engagement factors for genders and job types.

VTA Result Example

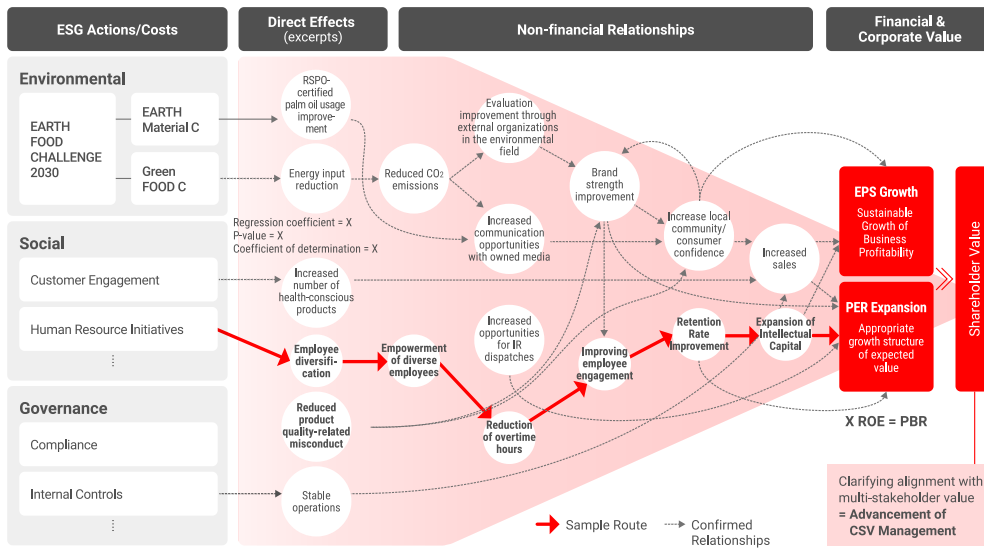
Personnel Measures	Targets	Relationship to Employee Engagement*8	Verification of Results
<p>Empowering Women</p> <p>Women's Leadership Development Program</p>	Female Employees	<p>My department is an environment that encourages challenge and facilitates the use of one's abilities ↑</p> <p>I feel myself growing by working at this company ↑</p> <p>I want to achieve the company's vision and strategies together ↑</p>	<ul style="list-style-type: none"> Female employees who participated in the Women's Leadership Development Program tend to consider their department an environment in which they can easily demonstrate their abilities and that working for the Nissin Group is linked to personal growth. This suggests that the program contributes to improved engagement scores concerning departmental and corporate environments. While some trends in the correlation to the engagement scores differed from our expectations since this program has only recently begun, we will continuously review and adjust our methods as we verify our findings.
<p>Work-life Balance</p> <p>Telecommunication System</p>	All Employees	<p>Results for employees with the most teleworking days*9 ↑</p> <p>I am satisfied with my work-life balance ↑</p> <p>My department fosters a climate of mutual respect and recognition ↑</p> <p>I feel a sense of satisfaction from my current work ↑</p>	<ul style="list-style-type: none"> Among the teleworkers, those who used more days of the telework system per month tended to be more satisfied with their work-life balance. In addition, employees who use the telework system more often show a good correlation not only with engagement scores related to Departmental Environment and Job Satisfaction, but also with engagement scores related to Ease of Working. We feel that employees have a positive impression of open departmental environments that respect flexible work styles and offer a certain amount of discretion.

*8 For all, P-value ranged 0 - 0.05 (with significant correlation observed), coefficient of determination 0.01 - 0.045

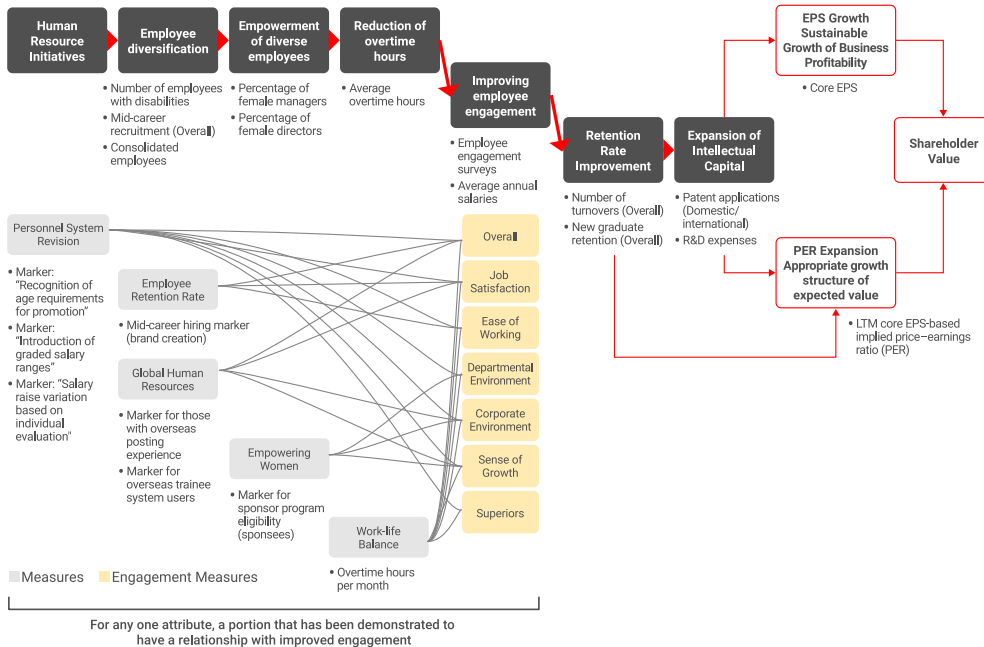
*9 Employees who use the teleworking system 10 days or more a month

From this analysis, we were also able to verify the flow of the human capital shown in last year's value relevance analysis, creating outputs/outcomes and improving corporate value as a result of the actual measures implemented.

ESG Action Correlation Analysis



VTA Analysis of Human Resource-related Measures



Human resource initiatives such as the personnel system have contributed to employee diversification. Employee retention measures that support employee diversification and global human resource development measures have empowered diverse employees in their careers. Work-life balance measures and those promoting the empowerment of women in the workplace have reduced overtime hours, resulting in improved employee engagement.

Toward FY 3/2024

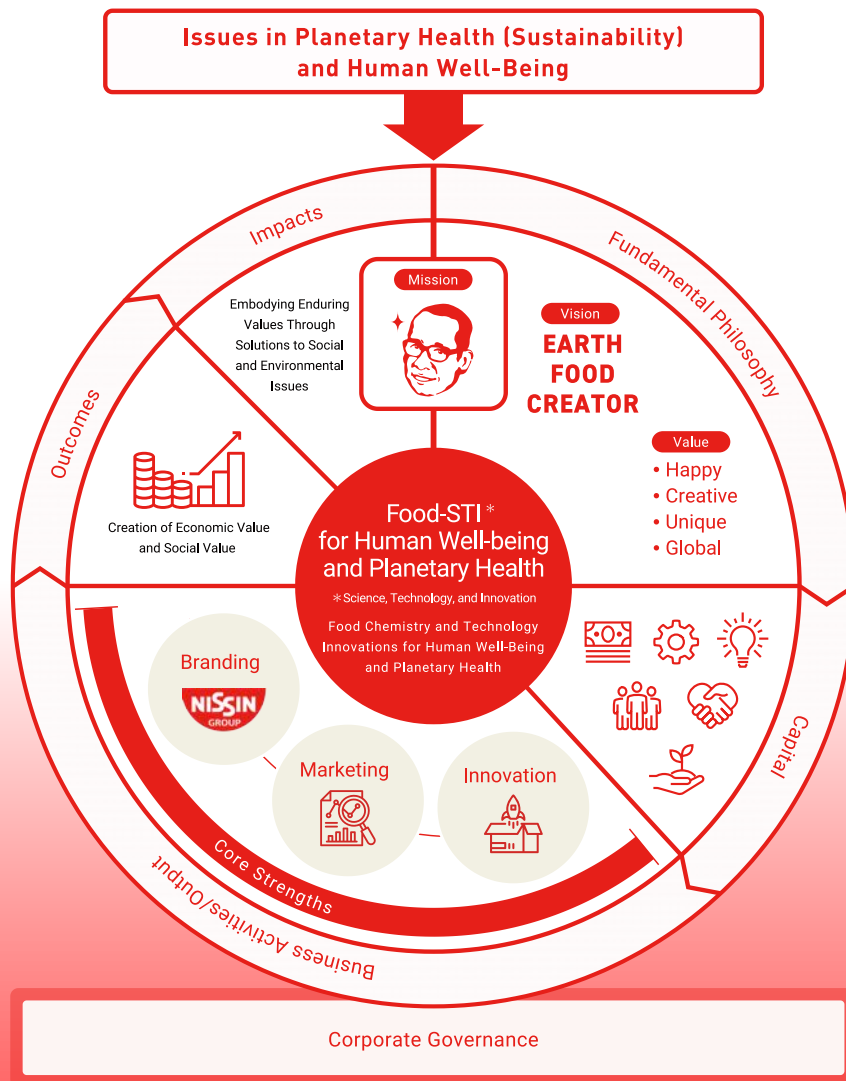
We can now demonstrate quantitatively the relationship between ESG and corporate value. Yet, to use this for ranking measure implementations, we recognize the need to verify our analysis methods, improve our systems for evaluating and monitoring the effectiveness of our measures, and improve the quality of the data. Going forward, we will strive not only to quantify the increase in Nissin's corporate value but also the impact that the NISSIN FOODS Group has on society.

VALUE CREATION PROCESS



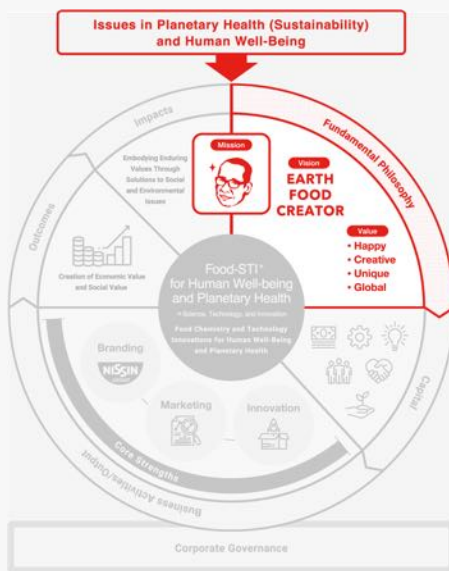
Building on our founder's spirit, the NISSIN FOODS Group harnesses its six management resources (capital) and excels in branding, marketing, and innovation to craft captivating products that generate economic value and social value. By iterating on this sequence of actions, we personify the ideals of our founder, setting our sights on lasting growth—this is our Group's blueprint for value creation.

Value Creation Process in Becoming a Century Brand Company



EARTH FOOD CREATOR

Toward Becoming a Century Brand Company



Our Fundamental Philosophy and the Social Issues We Aim to Solve

The origins of the NISSIN FOODS Group began by addressing Japan's post-war food crisis. More than 60 years after its establishment, the world now faces new environmental and social challenges. Of particular concern to our Group are issues related to "Planetary Health (Sustainability)," which includes dwindling resources and climate change, as well as challenges tied to "Human Well-being," like excessive calorie intake and hidden hunger. The NISSIN FOOD Group aims to achieve sustainable growth in order to solve environmental and social issues as an "EARTH FOOD CREATOR" committed to continuously creating new kinds of food culture through innovation.

Fundamental Philosophy

Mission

ENDURING VALUES

Vision

EARTH FOOD CREATOR

Values

FOUR ATTRIBUTES

GROUP PHILOSOPHY



Main Social Issues to Address

Planetary Health (Sustainability)

● Dwindling Resources

The erosion of societal structures and the economic landscape caused by the overexploitation of our planet's limited resources

● Climate Change

The decline in crop yields and destabilization of food supply due to climate change

Human Well-being

● Excessive Calorie Intake

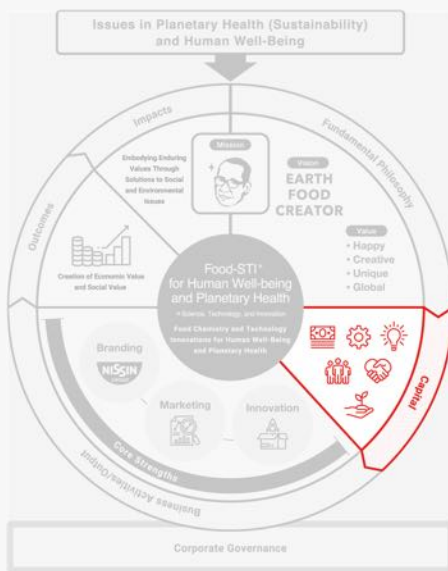
Increased health risks due to excessive calorie intake

● Hidden Hunger

Increase in "hidden hunger" due to an imbalanced diet

Promotion Structures and Material Issues





Capital

At the heart of the NISSIN FOODS Group's business are six kinds of capital that include our financial capital, our people, and the strength of our brand. By accumulating and managing these different kinds of capital, identifying and maximizing their allocation in a business environment fraught with uncertainties, we are able to create new kinds of food culture and achieve sustainable growth for the Group.



Financial Capital

Sound Financial Position and High Profitability

- Equity Attributable to Owners of the Parent: 60.8%
- Net Debt/EBITDA: -0.4x
- Free Cash Flow: ¥32.8 billion



Human Capital

The Driving Force Behind Our Business as an EARTH FOOD CREATOR

- Female Managers: 5.8%
- Employee Engagement (Agreement with Corporate Philosophy): 78%
- Percentage of Non-Japanese National Employees: 55%



Manufacturing Capital

Manufacturing Bases and Outstanding Quality Supporting Global Business Activities

- Group Manufacturing Bases: 36 in Japan; 26 overseas
- Capital Investment: ¥32.7 billion
- Kansai Plant Defective Rate: Less than 1 in 1 million



Social and Relationship Capital

Brand Strength Nurtured by Superior Marketing Expertise

- Advertising Expenses: ¥18.9 billion
- Product Improvements Based on Customer Feedback: 33 cases (annually)
- Number of Countries Where CUP NOODLES are Sold: 100+/Sales: ¥200 billion (based on internal NISSIN research)



Intellectual Capital

R&D Bases Supporting Technological Innovation and Investments in New Businesses

- Number of NISSIN FOODS Group patents: 482 in Japan; 746 overseas*
- R&D Expenses: ¥11.4 billion
- Investment in New Businesses: Between 5% and 10% of core operating profit of existing businesses

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

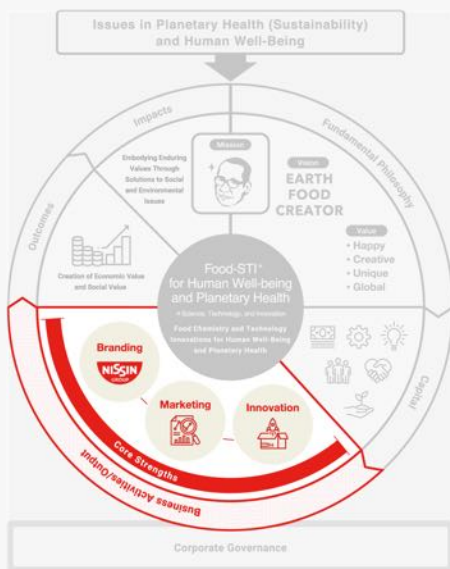


Natural Capital

Initiatives to Address Resources and Climate Change Under EARTH FOOD CHALLENGE 2030

- Water Withdrawal (Domestic and Overseas): 10.5m³ per million yen
- CO₂ Emissions (Scope 1+2): 399,000 t-CO₂
- Sustainable Palm Oil Procurement Ratio: 37.7%
- Implementation of Sustainability Surveys for Business Partners

(As of March 2023)



Business Activities/Output

The NISSIN FOODS Group's strengths in branding, marketing, and innovation are the major driving force behind its three businesses: the instant noodles business, the non-instant noodles business, and the overseas business. Leveraging these resources will help us achieve our aims to become a leading global company that fills the world with the joys and pleasures of food.

Core Strengths

Marketing and Branding [▶](#)

Innovation [▶](#)

Business Segment



Domestic Instant Noodles Business

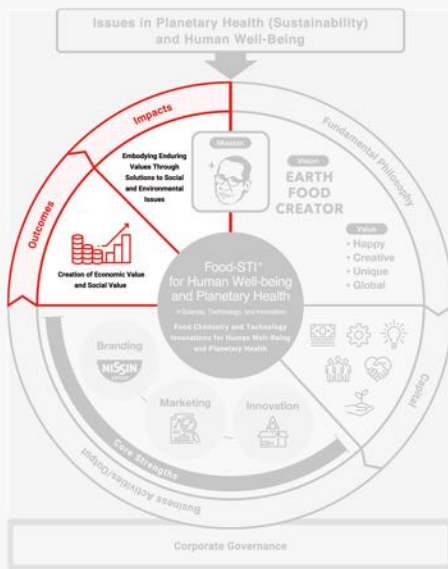


Domestic Non-Instant Noodles Business



Overseas Business

Business Reporting by Segment [▶](#)



Outcomes

This value creation process is what ensures that the NISSIN FOODS Group generates economic value in the form of sustained profit growth, efficient capital utilization, prudent debt management, and stable shareholder returns. We also provide social value by promoting consumer health, enhancing employee engagement, and passing on a rich, vibrant planet to future generations.

Social Value

- Promoting Health and Mitigating Early Health Concerns Among 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

Becoming a Century Brand Company

**Finance as a Corporate Value
Enhancer: Combining Offense and
Defense to Maximize Value
Creation**

TAKASHI YANO

Executive Officer, CFO

NISSIN FOODS HOLDINGS CO., LTD.



A Year Showcasing Our Potential as a Global Company

In FY 3/2023, the NISSIN FOODS Group achieved record highs in both revenue and profit at every stage, achieving a growth rate in the double digits, exceeding even that of the previous term. Initially, there were concerns that the company might struggle due to challenges such as unstable international conditions, rising material costs, and a weakening yen. However, the increase in overseas business exceeded our expectations, with increased sales significantly offsetting cost increases, driving the company's performance. Additionally, our non-instant noodles business also saw robust growth.

After three years of the COVID-19 pandemic, our business portfolio is shifting significantly in the direction we hoped it would. We set targets to increase the ratio of overseas business in our core operating profit from about 30% in FY 3/2021 to approximately 45% in FY 3/2031. Yet, this year, this ratio has already risen to 46%. I interpret this figure to be a testament to our transformation into a global company.

The growth in our non-instant noodles business is driven by our beverage business, with products that help improve sleep quality performing well, and our snack food business, led by KOIKE-YA, where rebranding has led to strong sales of core products. In the snack business especially, we aim to develop new products aligned with changes in consumer behavior, namely increasing health consciousness and simplifying food consumption behaviors. Combined with our efforts in new businesses, which are focused on balancing nutrition and taste, we anticipate the realization of Group synergies under the slogan “health value through food.” Even in our marketing efforts, we pursue Group synergies. Using strategies unique to the NISSIN FOODS Group, like our distinctive commercials, we have elevated the brand value of Group companies such as NISSIN YORK and KOIKE-YA. Additionally, the *KANZEN MEAL* series launched in May 2022 as our newest business. Within a year of its release, it is off to a promising start, surpassing 10 million meals sold and garnering numerous awards. As a result, we have achieved our annual target of 3 billion yen based on market selling price.

Thus, overall, we've positively transformed and expanded our business portfolio, and I regard FY 3/2023 as a year that demonstrated our potential in a new growth stage as a global company.

Consolidated Financial Summary for FY 3/2023

(Billions of yen)

	Institutional accounting basis			Constant currency basis		
	FY 3/2023	YoY		FY 3/2023	YoY	
		Amount	Ratio		Amount	Ratio
Revenue	669.2	+99.5	+17.5%	631.7	+61.9	+10.9%
Core operating profit of existing businesses	60.2	+10.6	+21.5%	56.1	+6.5	+13.1%
Operating profit	55.6	+9.0	+19.4%	51.4	+4.8	+10.4%
Profit attributable to owners of the parent*	44.8	+9.3	+26.4%	40.8	+5.4	+15.2%
Core OP margin of existing businesses	9.0%	+0.3pt	-	8.9%	+0.2pt	-
OP margin	8.3%	+0.1pt	-	8.1%	-0.0pt	-
Profit attributable to owners of the parent margin	6.7%	+0.5pt	-	6.5%	+0.2pt	-

* Includes the impact of tax effect accounting, etc., at NISSIN FOODS (U.S.A.) of approx. 4.4 billion yen (one-time factor for the increase in profit attributable to owners of the parent, year on year)

For FY 3/2024, we're projecting sales revenues of 710 billion yen and core operating profits from existing businesses at 64 billion yen, up more than 6% from the previous year. We remain committed to maintaining growth in the mid-single digits, as outlined in our mid-to-long-term growth strategy.

Full-Year Earnings Plan for FY 3/2024

Revenue	710 bil. yen	YoY +6.1%
Core operating profit of existing businesses	Mid-single digit growth 64 bil. yen <i>Invest in new businesses at an amount between 5% to 10% of core operating profit of existing businesses</i>	+6.3%
Operating profit	57.5 - 60.5 bil. yen	+3.3 - +8.7%
Profit attributable to owners of the parent	42.5 - 44.5 bil. yen	-5.1 - -0.6%
EPS	419 - 439 yen/share	

* Yen-based presentation of earnings plan is based on actual exchange rates for FY 3/2023

Prioritizing Growth Investments and Charting a New Growth Trajectory

Given our impressive performance in FY 3/2023, we are placing even greater emphasis on cash flow management and resource allocation.

When it comes to managing our cash flow, securing and expanding our capital for growth is crucial to creating a framework for the first objective of our mid-to-long-term growth strategy, which is to strengthen the cash generation capabilities of our existing businesses. In this context, our EBITDA for FY 3/2023 stands at 84.5 billion yen and is projected to be around 90 billion yen for FY 3/2024. Compared to just over 50 billion yen in 2018, this represents a significant increase over five years, indicating our success in securing growth capital.

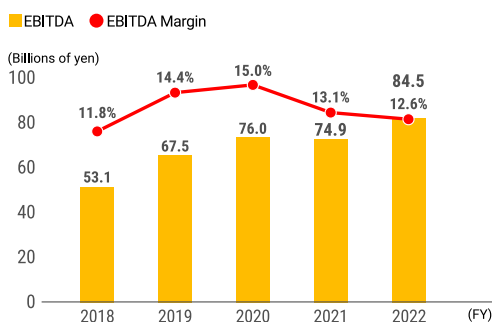


However, with increased sales, we will also need more working capital and equipment investment. Additionally, considering potential challenges such as deteriorating international conditions or unforeseen events due to natural disasters, the importance of long-term cash flow forecasting and management will become increasingly important. We aim to refine our capital management practices to ensure an appropriate cash reserve. We will also continue researching more effective financing methods. Currently, one of our KPIs is a financial safety metric: the ratio of Net Debt/EBITDA. The ratio is currently negative, indicating an excess of deposits. Even if future capital needs

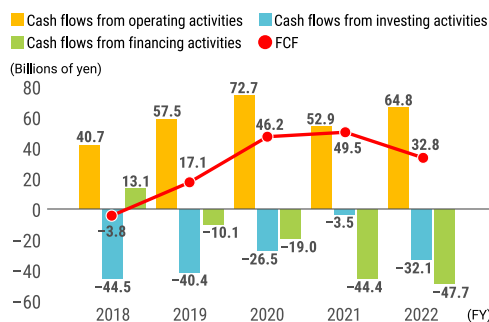
arise, we will explore effective ways to leverage debt for mid-to-long-term growth, bearing in mind our target ratio of within 2x.

EBITDA and Cash Flow

EBITDA



Cash Flows



With regard to allocating resources, our immediate focus is on the urgent issue of enhancing production capacity. Specifically, we are planning to invest 70 billion yen in equipment in FY 3/2024, centered on establishing a third plant in the U.S. and increasing production at various business hubs in Japan and overseas. While recent years saw this investment around the 30 billion yen mark, the global surge in demand for our Group's products has surpassed our existing manufacturing capabilities. Priority will be given to capital investments aimed at future growth to address this issue. Instant noodles may seem like a simple technology, but a diverse range of expertise is required to control the production of the noodles, ingredients, and nutrients. As our proprietary manufacturing equipment is a source of our competitive edge, we must carefully prioritize and incorporate it into our capital investment plans, including our recent contributions to ESG. Furthermore, it is essential that we invest in new businesses as new pillars of our Group, and we aim to continue investing an amount equivalent to 5-10% of the core operating profit of our existing businesses.

When considering these investments, preliminary discussions are conducted at the Investment and Financing Committee, where I serve as vice chair, as an advisory body to the Management Meeting. Here, we have established a framework that uses investment profitability indicators like NPV (Net Present Value), IRR (Internal Rate of Return), and payback period, calculated based on a hurdle rate that takes into account country-specific risks. These decisions also incorporate perspectives on ESG and SDGs. Furthermore, when executing investments, we set various KPIs as prerequisites to achieve the plan, and progress is regularly monitored and reported to both the Investment and Financing Committee and the Management Meeting to ensure effective governance.

Lastly, with respect to shareholder returns, we have adopted a progressive dividend policy. Our fundamental stance is to maintain a dividend payout ratio of 40% without ever reducing dividends, even in the event of fluctuations in business performance. Our goal is to ensure that our TSR (Total Shareholder Return) beats TOPIX Foods, a standard that we intend to uphold. We will consider agile implementation of stock buybacks, balancing profit growth and investment while taking into account stock price levels and available funds.

In May 2021, we announced our policy to reduce an equivalent of 10 billion yen of cross-shareholdings over two years. We have already exceeded this by selling 11.4 billion yen worth in two years. This has significantly lowered the ratio of these shares to 9.4% of our total capital as of March 2023. While we won't set specific numerical targets moving forward, we will continue to reduce these shares based on internally established criteria.

Focus on Finance: Elevating Corporate Value and Embedding Risk Management

I define my vision for the Finance and Accounting Department as a "corporate value enhancer." In other words, we are responsible for maximizing the value creation of the NISSIN FOODS Group in terms of "offense" (proactive enhancement of global corporate value) and "defense" (cost minimization and maintenance of our Group as a going concern), and I make it a point to share this philosophy with our staff both in Japan and overseas.

The Group's current P/B ratio is just under 3x, and we have just been selected for the newly established JPX Prime 150 Index this year. While I recognize that we are receiving some acclaim for our corporate value, there's still room for improvement. In an era where management must be stock price-conscious, it is vital to convey our growth potential and intangible values, some of which might even go unnoticed internally, as compelling narratives to investors.

This mindset underpins our investor relations (IR) in FY 3/2023 as we raise the bar for investor communications. In particular, we resumed in-person overseas IR activities with an eye to enhancing communication with institutional investors overseas. Out of approximately 300 investor meetings conducted during FY 3/2023, more than half were with international investors. As a result, by the end of 2022, the proportion of shares held by overseas investors increased from levels below 20% to 23%. We also hosted IR briefings on themes of interest to analysts and investors. Moving forward, we plan to strengthen activities related to both retail investor relations and stakeholder relations, all with the aim of achieving a fair stock price. In recognition of our efforts, the Securities Analysts Association of Japan (SAAJ) selected the NISSIN FOODS Group for the significant improvements we have made to our corporate disclosure. In the food sector rankings, we climbed from eighth place last year to fifth this year.

Regarding capital efficiency, we have set a long-term target for our return on equity (ROE) at 10%. Since we've already achieved 10.7% as of FY 3/2023, our ongoing aim is to build a management structure that can sustain this level over the mid-to-long term.

On the defensive front, our emphasis will be on ensuring accuracy in management. There is a Japanese trinity of principles in business management: "Earn, Trim, and Prevent." Our Group has excelled at "earning" and made significant strides in "cutting" inefficiencies through our digital transformation (DX) initiatives, steadily decreasing the ratio of general and administrative expenses and giving business divisions more time to allocate to value-added creation operations. Now that we have reached a stage in our growth where the scale of our businesses is expanding globally, I believe the challenge of "preventing" negatives like fraud and misconduct is paramount. Specifically, we intend to strengthen the framework of the three-line model of management, ensuring thorough monitoring throughout the organization. As fraud and misconduct tend to manifest in the financial realm, our finance and accounting division, as the second line of defense, will lead the way in establishing rules for the frontline and monitoring their adherence, bolstered by third-party checks as the third line to ensure that governance is effective throughout the organization.

Some manufacturers have strong frontline sales and production operations that tend to dominate, often sidelining governance. But at our company, our second-line division, which holds the key to ensuring governance, will take the lead in building a risk management structure and culture. To this end, we hold regular domestic and international finance meetings for finance and accounting staff across the Group to share insights on the three-line model and discuss practical challenges in its implementation.

Furthermore, as our businesses globalize at an unprecedented pace, nurturing professionals with financial literacy and a global perspective is also a major challenge. We are emphasizing training in finance and management, promoting staff rotations across divisions, and striving to elevate the overall financial literacy of employees. Through our ongoing efforts, we place the utmost importance on communication with our shareholders and investors, fully committed to cultivating a stable relationship built on trust over the mid-to-long term.



FY 3/2023 Financial Results by Segment

Revenue Increase Across All Three Segments & Significant Revenue and Profit Growth in Overseas Operations

Revenue increased across all three businesses, driven mainly by our U.S.-centered overseas business and bolstered by the impact of price revisions. Despite the pressure due to rising costs, our core operating profit increased overall due to a significant boost in profit from our overseas businesses.

FY 3/2023 Revenue Results by Segment & Core Operating Profit Results

(Billions of yen)

	Revenue results			Core OP Results		
	FY 3/2023	YoY change		Core OP	YoY change	
		Amount	Ratio		Amount	Ratio
NISSIN FOOD PRODUCTS	220.2	+9.4	+4.5%	26.6	-4.0	-13.2%
MYOJO FOODS	40.5	+2.6	+6.8%	2.3	-0.1	-3.9%
Domestic Instant Noodle Business	260.7	+12.0	+4.8%	28.9	-4.1	-12.5%
Chilled/frozen foods and beverages	86.8	+6.0	+7.4%	3.9	+0.7	+20.0%
Confectionery	74.1	+5.0	+7.3%	2.8	-0.3	-10.1%
Domestic Non-Instant Noodles Business	160.9	+11.0	+7.3%	6.8	+0.3	+5.2%
Domestic Others	4.7	+2.5	+115.5%	1.1	-0.7	-38.6%
Domestic Business total	426.3	+25.5	+6.4%	36.8	-4.5	-10.9%
The Americas	140.0	+52.7	+60.4%	12.5	+9.6	+324.2%
China (incl. H.K.)	66.1	+10.7	+19.2%	7.8	+1.7	+27.5%
Asia	19.4	+4.7	+31.5%	4.2	+0.1	+2.2%
EMEA	17.3	+6.0	+52.6%	5.2	+4.8	+1,130.0%
Overseas Business total	243.0	+74.0	+43.8%	29.8	+16.1	+118.6%
Domestic and Overseas Businesses total	-	-	-	66.5	+11.6	+21.2%
Other reconciliations	-	-	-	-0.2	-0.2	-
Group expenses	-	-	-	-6.1	-0.8	-
Existing Businesses	-	-	-	60.2	+10.6	+21.5%
New Businesses	-	-	-	-4.9	-2.0	-
Consolidated	669.2	+99.5	+17.5%	55.3	+8.6	+18.5%

Domestic Instant Noodles Business

The domestic instant noodles business saw demand remain steady. However, impacted by the rise in raw material costs, it saw an increase in revenue by 4.8% compared to the previous term and a decrease in profit by 12.5%.

NISSIN FOOD PRODUCTS

		(YoY)
Revenue	220.2 Bil. Yen	+4.5%
Core Operating Profit	26.6 Bil. Yen	-13.2%
Operating Profit	26.8 Bil. Yen	-13.1%

Both cup-type and bag-type noodle categories saw year-on-year growth in sales. In the cup-type noodle category, *CUP NOODLE NEGI SHIO*, launched in February 2023, significantly contributed to sales alongside the strong performance of the *CUP NOODLE PRO* series. For the bag-type noodle category, products like *ZEROBYO CHICKEN RAMEN* and *NISSIN KORE ZETTAI UMAIYATSU ♪* series, revamped in September 2022, have been performing well. In the cup rice category, the *NISSIN CURRY MESHU* series continues to maintain its popularity.

Despite an increase in sales, profits decreased year-on-year due to the surge in raw material costs, among other factors.

MYOJO FOODS

		(YoY)
Revenue	40.5 Bil. Yen	+6.8%
Core Operating Profit	2.3 Bil. Yen	-3.9%
Operating Profit	2.4 Bil. Yen	-2.9%

Under the theme of "improvement of noodles across the board," we promoted product value enhancement from major brands to premium and affordable products to achieve year-on-year growth in sales. In cup-type noodles, *MYOJO KOIZE! IPPEICHAN BIG* contributed to sales, in addition to strong performance from *MYOJO IPPEICHAN YOMISE NO YAKISOBA*, which saw an increased amount of sauce blended into the noodles to boost its savory flavor and aroma. We also saw a strong performance from affordable products such as the *DESSE* series, newly launched in September 2022, and the *MYOJO SHIGOKU NO IPPAI* series, revamped in July 2022. In the bag-type noodle category, *MYOJO CHARUMERA* saw popular demand and expanded sales of a collaborative package featuring the popular character Chiikawa.

Despite an increase in sales, profits decreased year-on-year due to the surge in raw material costs, among other factors.

TOPICS

Developing a Product Lineup that Caters to a Broad Range of Consumer Needs

Amid inflation-induced food price hikes leading to a market trend towards lower-priced goods, NISSIN FOODS is seeing robust sales not only in the budget segment but also in our value-added product lines. Our flagship *CUP NOODLES* and *DONBEI* brands have achieved record-high sales for six and eight years in a row, respectively. Going forward, we will continue to develop our product lineup so that it addresses the diverse needs of our broad consumer base.

MARKETING AND BRANDING ▶

Domestic Non-Instant Noodles Business

The domestic non-instant noodles business saw a 7.3% increase in revenue and a 5.2% increase in profit year-on-year, significantly bolstered by NISSIN YORK and KOIKE-YA.

Chilled/Frozen Foods and Beverage Business

		(YoY)
Revenue	86.8 Bil. Yen	+7.4%
Core Operating Profit	3.9 Bil. Yen	+20.0%
Operating Profit	3.9 Bil. Yen	+12.9%

Chilled Foods Business

Sales of the *NISSIN YAKIUDON* and other chilled noodles were solid, in addition to increased sales of *MEN NO TATSUJIN* and *SOUP NO TATSUJIN*. However, revenue decreased year-on-year due to a sales decrease across the ramen segment as a result of changes in the market environment among other factors. Profit decreased due to the surge in energy and raw material costs.

Frozen Foods Business

Sales increased year-on-year due to the steady performance of the *REITO NISSIN GOKURI* series and the *REITO NISSIN HONMEN* series in the ramen category and the *REITO NISSIN SPA OH PREMIUM* series in the pasta category. Profit decreased year-on-year due to an increased sales-cost ratio.

Beverage Business

We saw strong performance in NISSIN YORK's *PILKUL 400* series and *TOKACHI DRINK YOGURT* series. Additionally, the September 2022 release of *PILKUL MIRACLE CARE*, a product aimed at improving sleep quality and reducing fatigue, added to sales, leading to a year-on-year increase in revenue. Profit increased with a sales increase, offsetting a surge in energy and raw material costs.

Confectionery Business

	(YoY)	
Revenue	74.1 Bil. Yen	7.3%
Core Operating Profit	2.8 Bil. Yen	-10.1%
Operating Profit	2.8 Bil. Yen	-15.0%

In the confectionery business, revenue increased, primarily driven by the robust performance of KOIKE-YA, although the surge in raw material costs led to a decline in profit. For KOIKE-YA, not only did sales of high-value-added products trend favorably, but sales also expanded around the flagship *KOIKE-YA POTATO CHIPS* series, among others. Despite the rising cost of raw materials abroad, the incremental price revisions implemented domestically contributed to an increase in profit. Meanwhile, at NISSIN CISCO, while confectionery sales remained strong, the rise in raw material costs and sluggish cereal sales contributed to a decrease in both revenue and profit. At BonChi, although the flagship products performed well, the increase in raw material costs led to increased revenue but decreased profit.

TOPICS

Advancements through High-Value-Added Products

In the domestic non-instant noodle business, the growth of NISSIN YORK and KOIKE-YA supported the overall performance of our domestic business. Initiatives and future prospects for NISSIN YORK and KOIKE-YA, where we have succeeded in adding high-value products that address new social demands, are detailed on the pages below.

FEATURE: Breakthrough by NISSIN YORK and KOIKE-YA with High-Value-Added Products ▶

Overseas Business

In our overseas business, the Americas drove overall performance, resulting in increased revenue and profits across all regions.

The Americas

		(YoY)
Revenue	140.0 Bil. Yen	+60.4%
Core Operating Profit	12.5 Bil. Yen	+324.2%
Operating Profit	12.5 Bil. Yen	+316.7%

In the Americas, price revisions were implemented in response to inflation and rising material costs as we diligently executed strategies in each country, resulting in increased revenue and profits. Efforts are underway to enhance and promote value-added products aimed at generating new demand, in addition to improving the profitability of existing products.

In the U.S., amid continued high demand for instant noodles, sales of value-added products with clear differentiation advantages have been doing well following price revisions, alongside the steady performance of existing base products. In Brazil, as the unequivocal market leader, we are focusing on cup-type noodles in addition to bag-type noodles as we strive to develop new markets. The synergy of aggressive sales and marketing initiatives contributed to solid sales for major products like *NISSIN LÁMEN* and *CUP NOODLES*, along with the sales of new product *U.F.O.* In Mexico, aggressive sales activities aimed at finding new customers, coupled with expanding demand, led to robust sales.

TOPICS

Positive Movement with Premium Products at the Forefront in the U.S.

In the U.S., amidst an instant noodle market where low-price competition prevails, we are focusing on transitioning towards premium products to differentiate ourselves from other companies. As demand for instant noodles accelerated and stabilized during the COVID-19 pandemic, our revenue has seen a double-digit increase.

Our initiatives and future prospects in the U.S. are detailed in the pages below.

[FEATURE: Accelerating Nissin's Premium Strategy in the U.S. ▶](#)

China (incl. H.K.)

(YoY)

Revenue	66.1 Bil. Yen	+19.2%
Core Operating Profit	7.8 Bil. Yen	+27.5%
Operating Profit	8.4 Bil. Yen	+39.4%

In China (incl. H.K.), despite being affected by the rise in material costs, an increase in both revenue and profit was achieved due to the effects of price revisions.

In mainland China, the effect of price revisions, along with expanded sales of high-value-added products and the bolstering of our Chinese cup noodle brand HE WEI DAO, have contributed to sales increases. In Hong Kong, the strong performance of high-value-added products and the expansion of non-instant noodle businesses such as confectionery, beverages, and frozen foods have contributed to expanding revenue opportunities through diversification across categories.

Asia

(YoY)

Revenue	19.4 Bil. Yen	+31.5%
Core Operating Profit	4.2 Bil. Yen	+2.2%
Operating Profit	4.0 Bil. Yen	+13.6%

Sales increased across all regions. Despite being affected by the rise in material costs, an increase in profit was achieved throughout Asia due to the effects of price revisions.

EMEA

(YoY)

Revenue	17.3 Bil. Yen	+52.6%
Core Operating Profit	5.2 Bil. Yen	+1,130.0%
Operating Profit	5.1 Bil. Yen	+864.2%

In the rapidly growing instant noodle market, revenue has soared to about 1.5 times year on year, and the inclusion of Premier Foods as an equity-method affiliate has led to a substantial increase in profits.

CFO MESSAGE ▶

Progress Report on Mid- to Long-Term Growth Strategy 2030 ▶

FEATURE

Accelerating Our Premium Strategy in NISSIN FOODS U.S.A.

The NISSIN FOODS Group's Mid- to Long-Term Growth Strategy 2030 outlines a plan to increase the proportion of core operating profits from overseas operations from 30% in 2020 to 45% by 2030. Here, we introduce our rapidly growing U.S. operations in FY 3/2023, which has emerged as the bona fide frontrunner of our overseas business.



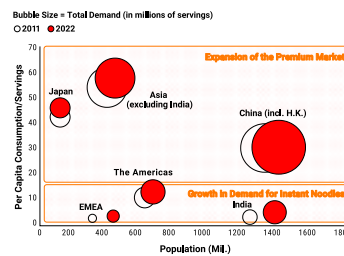
01 Positioning in the U.S. Market

The U.S. Instant Noodle Market has Grown by Approximately 11% in 2022 Compared to 2019

The NISSIN FOODS Group is the leading company in the domestic Japanese instant noodle market and delivers its instant noodle products globally, with a focus on the Americas, China (including Hong Kong), Asia, and EMEA.

The bubble chart on the right shows the total demand for instant noodles worldwide. The vertical axis indicates the number of instant noodle meals consumed per person annually, while the horizontal axis represents the population of each region. The size of each bubble is calculated by multiplying the values of the vertical and horizontal axes, representing the total demand. While regions such as Asia (excluding India), including China, have already embraced the culture of consuming instant noodles on a regular basis, the Americas and EMEA have lower per capita annual consumption of instant noodles and, therefore, are considered to be regions where we can expect market expansion in the future.

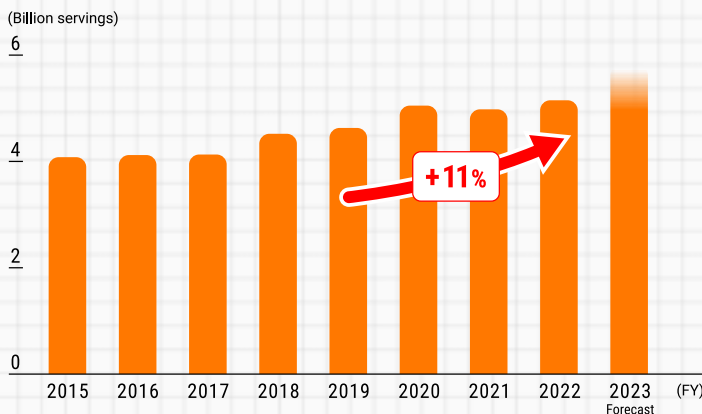
Global Demand for Instant Noodles & Our Strategy



Sources: International Monetary Fund (IMF), World Instant Noodles Association (WINA)
 Calculations based on population and total demand in 2022
 Americas: U.S., Brazil, Mexico / Asia: Thailand, Vietnam, Singapore, Indonesia / EMEA (2022): UK, Germany, France, Spain, Italy, Switzerland, Finland, Netherlands, Denmark, Hungary, Sweden, Czech Republic, Poland, Serbia, Belgium / EMEA (2011): UK, Germany, France, Finland, Netherlands, Denmark, Hungary, Sweden, Czech Republic, Poland, Belgium

In the U.S., triggered by a surge in at-home dining during the COVID-19 pandemic, the total demand in 2022 grew to a scale of 5 billion meals, achieving an increase of around 11% compared to 2019.

Trends in Instant Noodle Demand in the U.S.





02 Initiatives of NISSIN FOODS U.S.A.

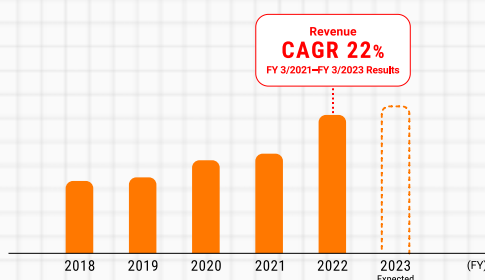
Increased Demand and Differentiation Through Premium Strategy Bears Fruit Amid Inflation Following the COVID-19 Pandemic



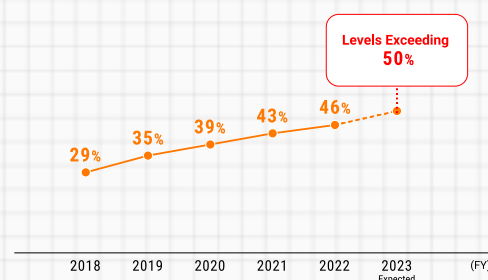
In the U.S., under our “Innovative Premium” concept, we have been unveiling premium products that pursue new styles and tastes in the instant noodle segment. Along with a surge in at-home dining during the COVID-19 pandemic, FY 3/2023 saw the influence of inflation, which heightened the perception of instant noodles as a relatively affordable and delicious food option, leading to acceleration and stabilization in the overall demand for instant noodles.

The premium products launched by Nissin Foods USA in recent years have been performing well. The *CUP NOODLES STIR FRY* line that launched in FY 3/2020 brought unprecedented takeout quality to the table in the form of “soupless Asian dishes in a cup,” serving as a catalyst to accelerate our premium strategy. Under such initiatives, the proportion of premium products in our sales climbed from 29% in FY 3/2019 to 46% in FY 3/2023.

Trends for NISSIN FOODS U.S.A. (US\$)



Proportion of Premium Composition for NISSIN FOODS U.S.A. (Based on Amount)





CUP NOODLES STIR FRY

Authentic, soupless Asian cup noodle dishes that are microwaveable and ready in minutes. Available in six flavors, including Teriyaki Beef and Korean BBQ, all tossed with high-quality vegetables like green beans and cabbage, all with no added MSG. These popular dishes offer the delicious taste of Asian noodles without the need to cook or order out.



Top Ramen Bowl

The *Top Ramen* you know and love, now in a bowl. Convenient for on-the-go, and with a microwave, you can enjoy *Top Ramen* anywhere, anytime. Each *Top Ramen Bowl* is stacked with veggies, including red bell peppers, green onions, corn, and carrots. Available in four flavors, these bowls come with a separate sauce not found in the classic *Top Ramen*, providing a new twist on an old classic.



HOT & SPICY FIRE WOK

We've added an extra kick to the rich flavor of *HOT & SPICY* noodles, crafting the spiciest, most flavorful ramen in NISSIN FOODS U.S.A. history. Each of the four flavors comes with a separate sauce, creating not just a spicy but a deep, savory experience. On our six-level spiciness scale, *FIRE WOK* flavors range from levels 4 to 6, offering an exhilarating level of heat.



CUP NOODLES STIR FRY RICE with NOODLES

CUP NOODLES isn't just noodles anymore! With the stirring success of the *CUP NOODLES STIR FRY* series, we have now created a new cup noodle sensation that brings together the texture of long-grain rice and bite-sized stir-fry noodles. All four flavors are topped with a variety of colorful vegetables, letting you savor the authentic Asian flavors you love.



03 Drivers of Our Solid Performance

Toward Establishing Competitive Advantage

In the U.S., a nearly 40% price revision was implemented throughout 2022 to address the issue of rising material costs and establish a sustainable supply structure through appropriate pricing. Coupled with the expansion of our premium product offerings, we have achieved a structural transition toward a more profitable framework.

One of the underpinnings of this is the brand power cultivated by the NISSIN FOODS Group. As the Group focuses on global expansion, we strive to uphold the core values of each brand while clarifying competitive advantages unique to each region and engaging in product development and marketing activities accordingly. The Group's innovative prowess, cultivated over decades, stands as a pivotal element of our competitive edge, robustly bolstering our global operations.

Our success in the U.S., amidst this rapidly shifting landscape, has hinged on translating the brand strength, marketing savvy, and product development skills we have honed in Japan to an international consumer base, coupled with crafting and executing finely-tuned production and sales strategies for each region.





MICHAEL PRICE

President and CEO of NISSIN FOODS U.S.A.

The Innovative Edge to Drive Us Forward

When I assumed my position as President and CEO of NISSIN FOODS U.S.A. in 2018, the company's situation was quite gloomy—the many years of battling competition on price stressed the company in many ways. Our financial situation was challenged, we lost market share, we couldn't adequately invest in our infrastructure, and overall employee engagement was waning.

Fortunately, our brands, especially *CUP NOODLES* and *Top Ramen*, enjoy strong awareness and remain beloved by US consumers. Additionally, being the global leader in the instant ramen category, our R&D team is clearly the best in product development and innovation. Leveraging these assets and the tremendously talented and diverse group of local and expatriate employees, we had the framework to begin the process of rebuilding.

Working together as "ONE TEAM," we defined a new mission that focused on building a business that concentrates on convenience, great taste, Asian-inspired flavor, and value. From that, we shifted our new business strategy away from battling our competition solely on price to engaging our consumers with delightful, delicious, and authentic meal solutions. Although our products sell at a slightly higher price, they still offer a great value. We defined this process as our "Premium Strategy."

When we embarked on this strategy back in 2018, our ratio of "base" product sales to "premium" was 80:20. Now, after such successful product launches as *CUP NOODLES STIR FRY* and *FIRE WOK*, that ratio is nearly 50:50. This change has dramatically improved our financial situation, which allows us to grow our market share, invest in our infrastructure and employees: and most importantly ensure a long-term future for NISSIN FOODS U.S.A.

**Propelling the Entire Market
Forward with Our Premium
Strategy to Become
America's No. 1 Instant
Noodle Brand**



In the U.S., we are working to increase the demand for instant noodles while further bolstering our premium strategy. We anticipate the demand for instant noodles to continue growing and are set to launch operations at our third factory by 2025. As we boost production capacity and business efficiency, we are steadfast in our commitment to becoming America's number-one instant noodle brand.

FEATURE

Breakthrough by NISSIN YORK and KOIKE-YA with High-Value-Added Products

Two NISSIN FOODS Group brands, NISSIN YORK and KOIKE-YA, have captured emerging needs in society through high-value-added products. In FY 3/2023, the efforts of these brands paid off, supporting the domestic business amidst rising material costs and contributing to the overall revenue and profit growth of the group. Here, we spotlight the initiatives of both companies.



Initiatives by NISSIN YORK

Amid a Surge in Health Consciousness, There Has Been a Growing Demand for Probiotic Beverages

The recent boom in the probiotic beverage market has propelled NISSIN YORK's impressive performance in FY 3/2023. A significant factor behind this success was the strong sales of *PILKUL 400*, which launched in 2021. Even amidst price revisions, the brand's first TV commercial in nearly 30 years helped significantly boost sales.

Another factor behind the strong performance is *PILKUL MIRACLE CARE*. Launched in September 2022 and marketed for its ability to improve sleep quality and reduce daily fatigue, the product has sustained excellent sales. Despite rising material costs, the strong performance of both *PILKUL 400* and *PILKUL MIRACLE CARE*, along with the *TOKACHI DRINK YOGURT*, contributed to increased revenue and profit for NISSIN YORK in FY 3/2023.

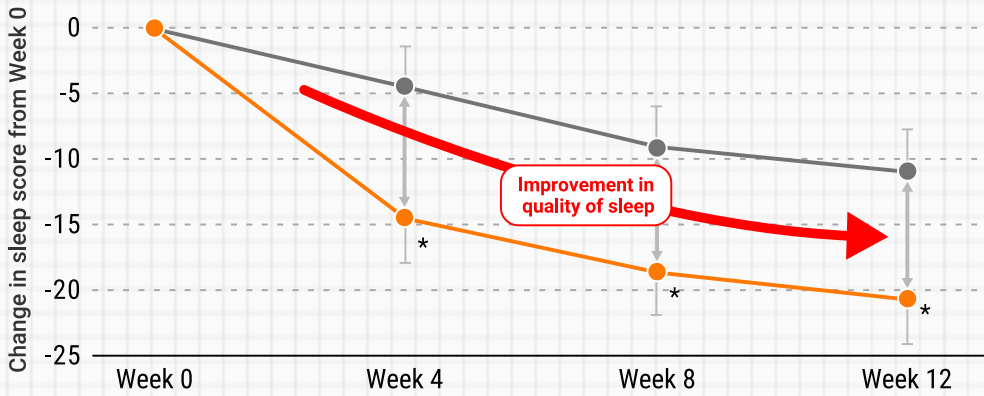
At the heart of NISSIN YORK's flagship *PILKUL* series is the unique NY1301 strain of lactic acid bacteria developed by the company. This probiotic is proven to survive through to the gut, enhancing the intestinal environment. NISSIN YORK has focused on the gut-brain axis, the bidirectional communication network of the brain and gut, to advance research on NY1301's benefits in improving sleep quality and reducing daily fatigue. Results have made it clear that this strain can enhance sleep and alleviate fatigue in healthy adults. Sales are thriving, and we are dedicated to communicating the sustained benefits of *PILKUL* as a daily health product, ensuring it's not just a fleeting trend.



Changes in Sleep Score with PILKUL MIRACLE CARE

● **Lactobacillus casei NY1301 strain** ● Placebo

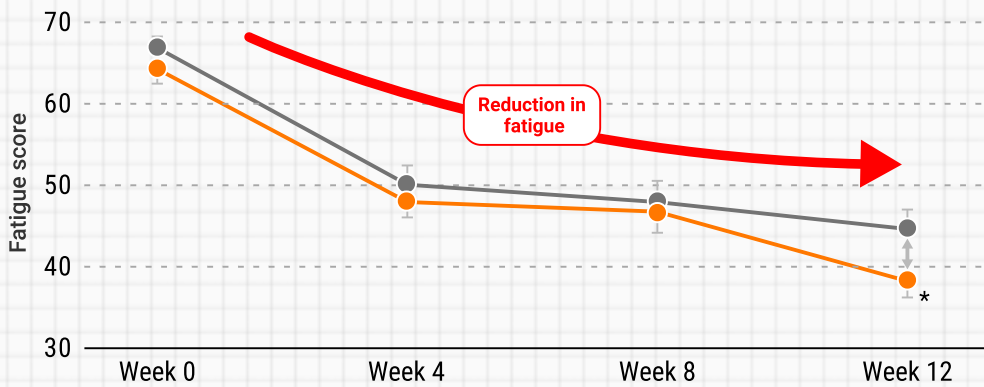
* P<0.05 vs. placebo



Changes in Fatigue Score with PILKUL MIRACLE CARE

● **Lactobacillus casei NY1301 strain** ● Placebo

* P<0.05 vs. placebo



Source: *Japanese Pharmacology and Therapeutics*, 49 (12): 2135-2148, 2021. (Participants: 154 healthy adults [ages 20-65] with a sense of fatigue / Test conditions: Daily intake of either *PILKUL MIRACLE CARE* (65ml) containing lactobacillus NY1301 or a placebo beverage / Duration: 12 weeks) Quality of sleep and feelings of fatigue were assessed using a visual analog scale (VAS)



MIHOKO INUKAI
Head, Marketing Department
NISSIN YORK CO., LTD.

Our High-Value-Added Strategy Pays Off

In FY 3/2023, amidst robust sales of the *PILKUL 400* series and *TOKACHI DRINK YOGURT*, the addition of *PILKUL MIRACLE CARE* contributed to an increase in revenue and profits. The *PILKUL 400* series has been marketed using advertising and collaborations that appeal to both children and their parents, the serie's target demographics. Despite challenging external conditions such as rising material costs, the launch of high-value-added products such as *PILKUL MIRACLE CARE* has elevated overall brand value and synergistically boosted sales of existing products.



Establishing a Premium Identity Through KOIKE-YA's Distinctive Rebranding Strategy

In FY 3/2023, sales were strong, led by high-value-added brands. This success is attributed to KOIKE-YA's distinctive approach to branding. This unique approach and focus on high-value-added products has greatly expanded sales by daring to develop and bring new products to the market. Despite cost increases due to rising material prices, the brand's sales thrived, and strategic price revisions proved effective, culminating in a profitable fiscal year.

In September 2023, the *PURE POTATO* brand, a leader among high-value-added products, underwent a comprehensive renewal. Along with the refresh, the brand name was streamlined from *PURE POTATO JAGAIMO GOKOCHI* to simply *PURE POTATO*. The flavor profile of our thick-cut potato chips also evolved significantly by adopting a novel process using a special oil that brings out the potato's inherent richness and sweetness, thereby offering a richer, more profound flavor experience.

For an advertising campaign, the company tapped actor Ryusei Yokohama to enhance brand loyalty among existing users and attract new ones. Yokohama was chosen for his widespread appeal across various demographics and his alignment with the brand's image. Director Michihito Fujii was also brought on board for a novel approach that eschewed traditional ad production, with Yokohama, Fujii, and KOIKE-YA collaborating as a unified team from concept to execution. This collaboration resulted in the series "As Pure As They Come." The campaign unfolded with the cinematic beauty and scale of a short film, successfully personifying the *PURE POTATO* brand and stirring consumer emotions, which played a key role in the brand's successful re-launch.

Going forward, we will continue to push the expansion of high-value-added brands like *PURE POTATO*, aiming to grow sales and improve profit structures. In response to shifts in consumer mindsets post-COVID and the evolving array of food-related needs, we are embracing a strategy of "continuous discontinuity," challenging ourselves to develop and offer innovative products that break new ground.



PURE POTATO Series

As we celebrate the 5th anniversary of the *PURE POTATO* series, we have carved out a niche in the potato chip category that delivers an overwhelmingly authentic potato experience.

We are committed to continuous growth, aiming for even greater progress going forward.



MISA ARAI
 Director, Market Division, Marketing Department
 KOIKE-YA Inc.

Strengthening Our Brand for the Modern Era

In 2022, we revamped our long-standing brands, *SUCORN* and *DON TACOS*. With *SUCORN*, we embraced the concept of modernizing the brand and moving away from the “junk” label, retaining its rich flavor profile while revamping the texture with a lighter dough that leaves you wanting more. By updating our products to match the times, we have refreshed the brand’s appeal, leading to sustained growth. In 2023, we’re expanding this value-added strategy to the KOIKE-YA *POTATO CHIPS* brand, which celebrates its 60th anniversary this year. While maintaining the beloved taste of our classic “Salt & Seaweed” flavor, we have rejuvenated the packaging design and modernized the brand, including new flavor profiles and names.



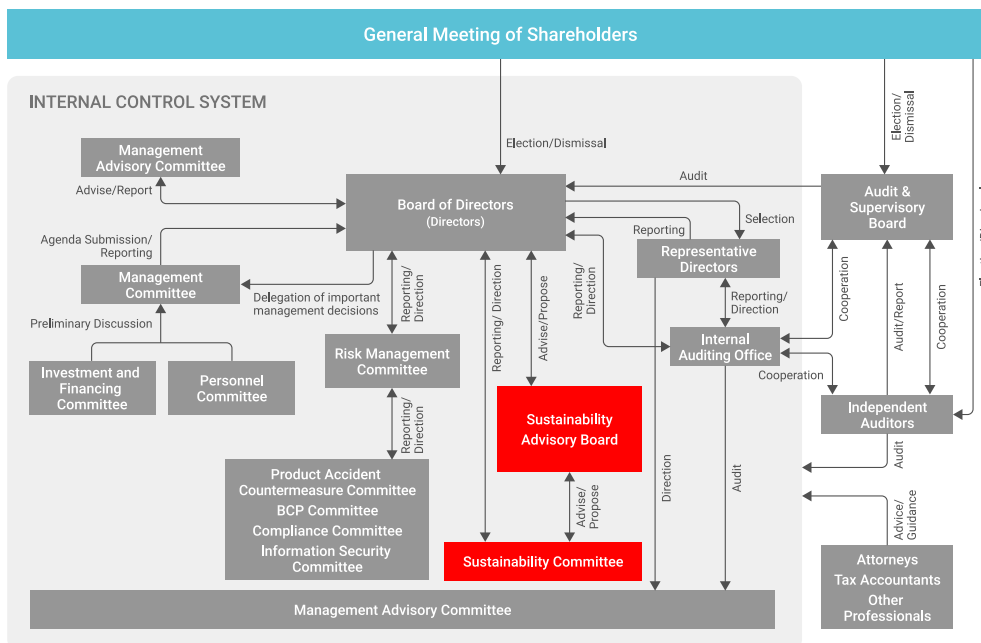
POTATO CHIPS CRISPY, DELICIOUS SUCORN DON TACOS

Promotion Structures and Material Issues

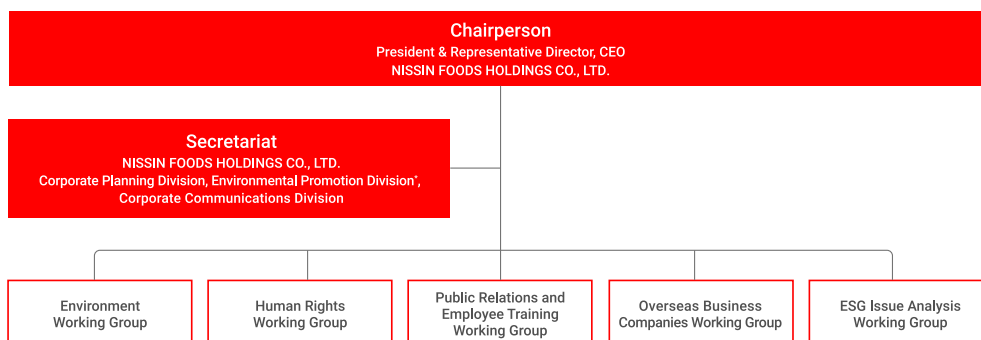
Sustainability Promotion Structure

To achieve sustainable growth while addressing environmental and social issues, in April 2020, the Group established the Sustainability Committee—chaired by the CEO—with five working groups under it. The committee's office is formed by the Corporate Planning Division, the Environmental Promotion Division, and the Corporate Communications Division. Each working group includes participants from the relevant departments.

Sustainability Promotion Structure Chart



Five Working Groups



* Renamed the Sustainability Development Division as of September 2023

Sustainability Advisory Board

Purpose and Operation

The Sustainability Advisory Board is an advisory body to the Board of Directors established for the purpose of grasping global trends related to sustainability and strengthening the internal sustainability promotion system. The advisory board discusses environmental, social, and governance (ESG) issues that the Group should undertake while receiving recommendations from external experts^{*1} and offers advice and recommendations to the Board of Directors^{*2}.

Before meetings of the Sustainability Advisory Board, the Sustainability Committee's Office, which is the operating body, also discusses ESG-related issues regularly with members who are external experts^{*3}.

*1 Planned to be conducted twice each year.

*2 Planned to be conducted at least once each year.

*3 Planned to be conducted six times each year.

Members of the Sustainability Advisory Board

External experts	<ul style="list-style-type: none"> • EIETSU SAKURABA Outside Director NISSIN FOODS HOLDINGS CO., LTD. • KAZUO TASE President and CEO, SDG Partners, Inc. • MARI YOSHITAKA Deputy General Manager of the Corporate Planning Department and Principal Sustainability Strategist, Mitsubishi UFJ Research and Consulting Co., Ltd. Part-time lecturer, Keio University Graduate School of Media and Governance
Internal participants	<ul style="list-style-type: none"> • KOKI ANDO President & Representative Director CEO (Chief Executive Officer) NISSIN FOODS HOLDINGS CO., LTD. • NORITAKA ANDO Executive Vice President & Representative Director COO (Chief Operating Officer) • YUKIO YOKOYAMA Director CSO (Chief Strategy Officer), Managing Executive Officer • MITSURU TANAKA Managing Executive Officer CDO (Chief Development Officer), Head of NISSIN Global Innovation Center, Head of NISSIN Global Food Safety Institute

Agenda of First Meeting (May 31, 2021)

- Impact of climate change scenarios: financial implications and adaptation strategies based on future projections
- Measures toward reducing CO₂ emissions and achieving SBTs
- Latest trends regarding carbon tax and carbon border tax

Agenda of Second Meeting (December 12, 2021)

- COP26 (2021 United Nations Climate Change Conference) / Sixth Strategic Energy Plan
- Biodiversity Initiatives
- Trends in Well-being/Non-financial Disclosure

Agenda of Third Meeting (June 17, 2022)

- New Capitalism and Public Benefit Corporations*
- About The Taskforce on Nature-related Financial Disclosures (TNFD)
- Trends in Carbon Neutrality

* A corporate structure that explicitly states that the company will take the initiative in projects that contribute to the public interest as well as the interests of shareholders.

Agenda of Fourth Meeting (January 30, 2023)

- About COP27 (2022 United Nations Climate Change Conference)
- Hydrogen Strategy in Green Transformation (GX)
- On Becoming Nature Positive

Sustainability Initiatives

The Group nurtures employee awareness of sustainability through the dissemination of messages by the CEO of NISSIN FOODS HOLDINGS, who is also chair of the Sustainability Committee. The Group also informs employees of social and environmental issues, various basic policies and SDGs, and common knowledge, mainly through various training sessions and the Group's in-house newsletter. In addition, changes in employees' awareness of the company's environmental considerations and its degree of contribution to society are being grasped by conducting an annual employee attitude survey.

Main Initiatives

- Featuring both internal and external environmental news on our group's newsletters and intranet
- Introducing an "Eco Certification Preparation Course" as part of our correspondence courses, subsidizing half the fees for employees upon their completion of the course
- Hosting seminars for employees about RSPO-certified* palm oil
- Organizing seminars for employees on plastic waste issues and holding exhibitions of related products
- Conducting forest conservation activities in the green areas surrounding the WAVE—our technology, development, and research center—with participation from our employees and their families
- Introducing initiatives to encourage employees to switch their home electricity to renewable energy sources

* RSPO: Roundtable on Sustainable Palm Oil.

Employee Seminars



Results of employee attitude surveys

	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023
The company conducts businesses that take the environment into consideration.	59%	64%	73%	74%	72%
The company is contributing to society via its businesses.	81%	80%	88%	87%	86%

Scope: Employees who are employed by NISSIN FOOD PRODUCTS (including employees seconded to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.), MYOJO FOODS, NISSIN YORK, and NISSIN CISCO.

Sustainability Governance ▶

Material Issues

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 material issues 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.

In 2021, we identified material issues through the following steps. Additionally, we conduct a review of these issues at least once a year in the Sustainability Advisory Board, an advisory committee of the board of directors.

Step 1: Extracting stakeholders' expectations of the Group

Areas of emphasis in the Dow Jones Sustainability Index (DJSI)* were extracted as stakeholders' expectations of the NISSIN FOODS Group. Stakeholders' degree of expectation was determined from the distribution of points among the items established within the DJSI.

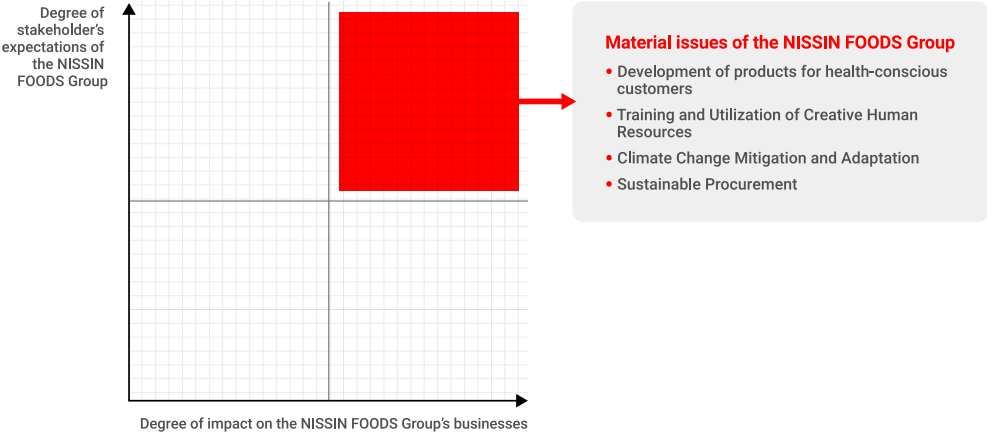
* This is an ESG investment stock index that evaluates the sustainability of companies from the three aspects of the economy, the environment, and society.

Step 2: Measuring the degree of impact on the Group's businesses

The items identified in Steps 1 and 2 were discussed at the Management Advisory Committee, which includes the CEO, COO, and outside directors, as well as at the Sustainability Advisory Board with external experts.

Step 3: Identifying important themes the Group should focus on

The degree of social and stakeholder expectations of the NISSIN FOODS Group and the degree of impact on the Group's businesses were combined to extract important themes the Group should undertake intensively. These were prioritized to identify four material issues from the aspects of operational risk and business opportunity. We also ensure that material issues align with our founding spirit.



Material Issues ▶

Climate Change and Sustainable Procurement Initiatives

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. The NISSIN FOODS Group has wide-ranging responsibilities and societal issues that must be addressed. These include constructing a food safety management system, reducing our environmental impact, and establishing governance.

Climate Change Initiatives

In order to achieve the CO₂ reduction targets established in the "Earth Food Challenge 2030" environmental strategy we launched in June 2020, the NISSIN FOODS Group is working on CO₂ reduction initiatives throughout our value chain.

In November 2022, we pledged to take action to become Nature Positive, reversing the loss of biodiversity and nature due to deforestation and other factors towards a positive recovery. Our goal is to achieve carbon neutrality by 2050 through net-zero CO₂ emissions.

[Environmental Strategy EARTH FOOD CHALLENGE 2030 ▶](#)

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 the electricity used in domestic and international business activities through renewable energy sources by FY 3/2031 and 100% by 2050. We installed solar panels at our East Myojo Kobe plant and at Sagami Fresh in FY 3/2023. The ratio of renewable energy for the entire group in 2022 was 31.9%. In addition, the NISSIN FOODS HOLDINGS Tokyo Head Office uses waste-to-electricity, 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.



Solar Panels Installed at the NISSIN FOODS (THAILAND) CO., LTD. Plant

Reducing CO₂ Emissions Through Our Products

We use Biomass ECO Cups for *CUP NOODLES* 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 approximately 16%. In terms of *CUP NOODLES* ingredients, we are expanding our product lineup using Nazoniku (a 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 the Institute of Industrial Science, the University of Tokyo. Further, we did away with the plastic lid sticker on *CUP NOODLES* in June 2021, adopting a new double-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.



Biomass ECO Cup

Climate Change ▶

Sustainable Procurement Initiatives

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.

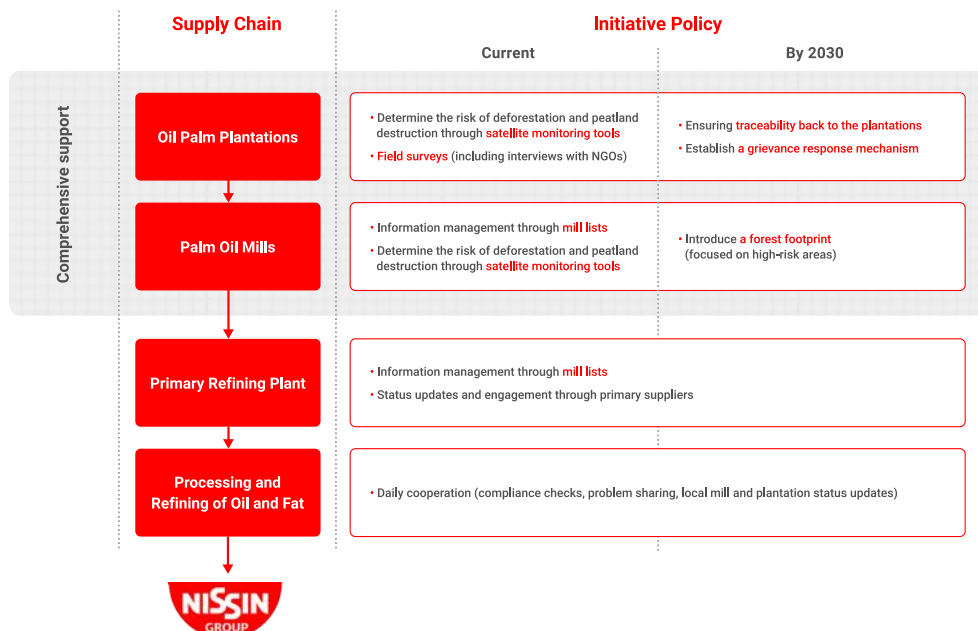
Sustainable Procurement Practices for Palm Oil

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*, a local union of small-scale oil palm farmers in Indonesia.

In FY 3/2023, we visited Indonesia for the first time to conduct face-to-face conversations on site. Our dialogue with approximately 20 small-scale farmers revealed no human rights violations, environmental degradation, or other issues requiring immediate action. However, we did hear many farmers express concern over rising fertilizer costs and the impact this is having on their operations. We also learned that farmers who do not own tractors or other forms of transport are forced to rely on intermediaries to deliver their palm oil, reducing their profits. Often, these sorts of economic sustainability challenges are difficult for

small-scale farmers to resolve on their own and could lead to human rights and environmental issues in the future. We remain committed to using such dialogues and other methods to understand the environmental and societal conditions of small-scale farmers and will work with our suppliers to formulate and implement measures to improve economic sustainability.

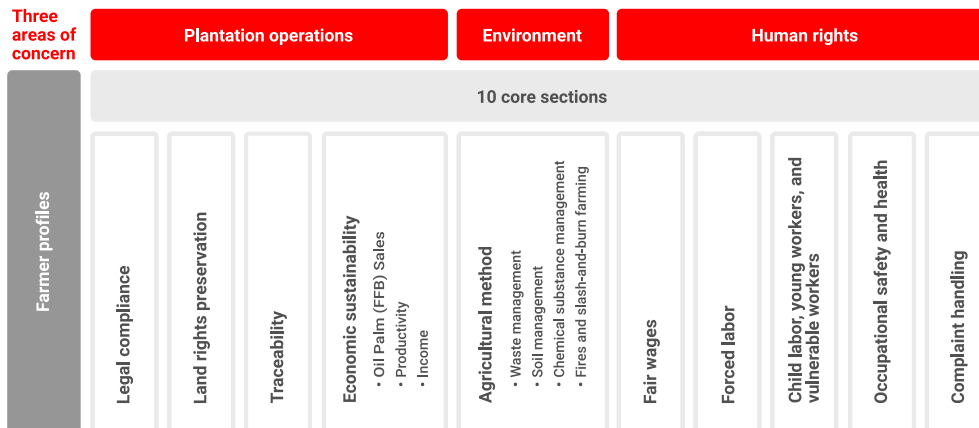
* About Serikat Petani Kelapa Sawit (SPKS)

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.

Achievements

FY 3/2021 (online)	Survey respondents: 20 small-scale farmers Participants in dialogue: roughly 18 small-scale farmers and agricultural advisors
FY 3/2022 (online)	Survey respondents: 50 small-scale farmers Participants in dialogue: approximately 20 small-scale farmers and agricultural advisors
FY 3/2023 (in person)	Participants in dialogue: approximately 20 people, including small farmers and local village officials (In addition to the above, we are also conducting dialogues with the intermediaries and mills (oil factories) in the small-scale farmers supply)

Topics of Dialogue



Dialogue with small-scale palm oil farmers in Indonesia



Sustainable Procurement ▶

Our Approach to Human Resources

Our People Define Our Worth. Success's Verdict Rests with the Universe.

These words were written by Nissin founder Momofuku Ando to his employees as his New Year's message for 2007. This encompasses the following ideal: "Our company is defined by the caliber of our people, shaping our reputation. The verdict of our success, while resting with the universe, is only reflected in the recognition of our work once our collective efforts resonate beyond ourselves." As symbolized by his words, the NISSIN FOODS Group has long regarded human resources as a source of our corporate value. Our founder said, "I want to make Nissin Foods a school of life, in a sense. I want to provide a place where people can, through their work and their relationships with their colleagues, learn what it truly means to be human." We of the NISSIN FOODS Group feel it is our mission to provide opportunities for employees to grow as human beings through their work and work environments.

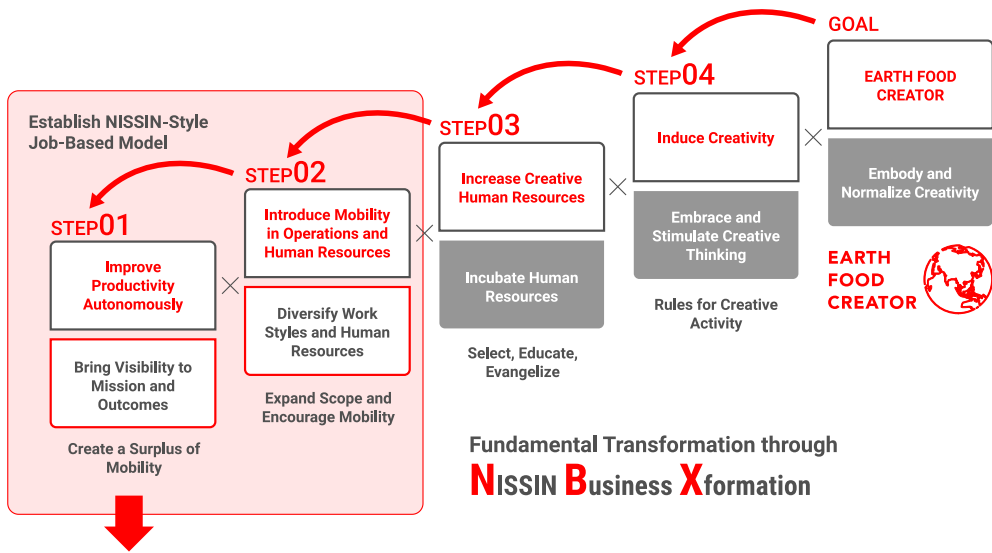


Human Resources to Support Our Strategies/Organizational Foundation Reform

The NISSIN FOODS Group is constantly creating new kinds of 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 kinds of food culture.

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.

Backcast Model to Build Organization That Creates Food Culture



STEP01

Improving Productivity Autonomously

Bring Visibility to Job Descriptions and Skills

We are working to bring visibility to job descriptions and employee skills and experience within each department with the goal of accelerating employee career development and boosting organizational productivity. Going forward, we plan to create and share an internal database for use in human resource development, assignment, and goal management.



Encourage Mid-Career Recruitment

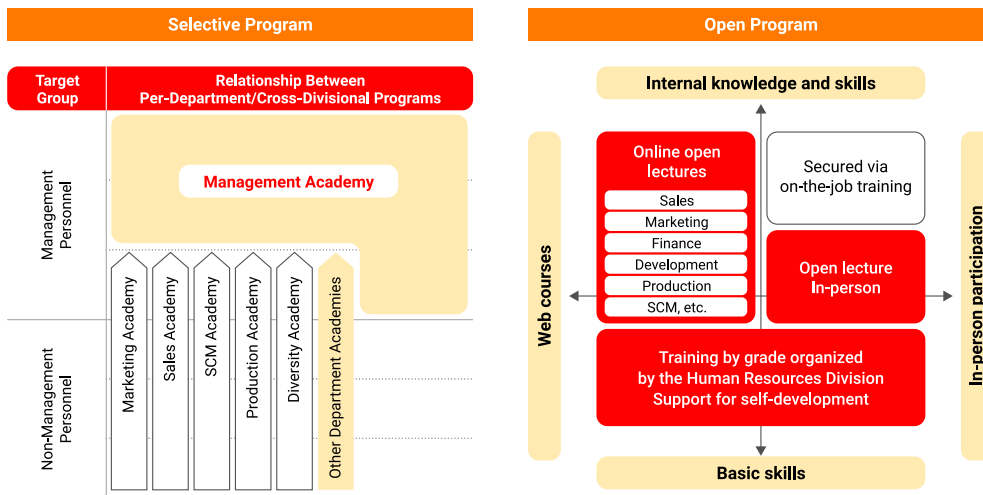
With the awareness that executing our strategies requires not only cultivating our internal talent but also securing those from outside, we are working to hire human resources for global management and those with specializations who can drive innovation. We strive to acquire human resources who can make immediate contributions to our organization.

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 FY 3/2021, 14 in FY 3/2022, and 13 in FY 3/2023.

Structure of the NISSIN ACADEMY



Training Hours and Expenses in FY 3/2023

	NISSIN FOOD PRODUCTS employees*	Domestic and Overseas group company employees
Total training hours	48,519 hours	146,251 hours
Training hours per person	21 hours	12 hours
Training expenses per person	¥59,860	¥23,429

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

Human Resource Development ▶

Diversity, Equity, 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.

[NISSIN FOODS Group Policy on Human Rights ▶](#)

Utilizing Diverse Human Resources

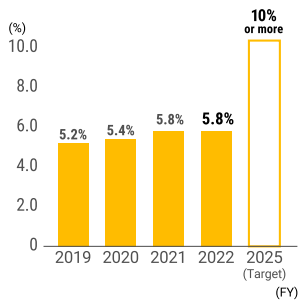
As the NISSIN FOODS Group moves ahead with challenges in new areas such as globalization and digital transformation (DX), we are actively hiring mid-career employees with a variety of experience, knowledge, and expertise. To enable mid-career employees to demonstrate their abilities as quickly as possible, 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 subordinate's 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.

Women's Skills Development

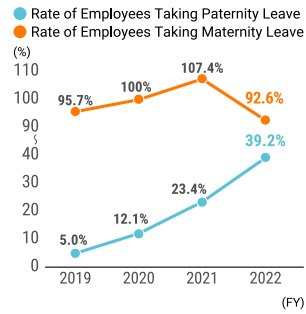
The NISSIN FOODS Group is establishing supportive employment systems and raising awareness within the Group toward promoting more active roles for women. In the interest of growing the number of women in active management roles, we have also been promoting the enhancement and development of our human resources, conducting selective training programs for female leaders since FY 3/2017. We are working toward this in a multifaceted way, including setting numerical targets to promote active roles for women in each department, launching a sponsorship system in which officers personally commit to mentoring women, implementing programs for supervisors to learn how to manage in a diverse environment, promoting career development sessions and skill-sharing study groups led by senior female colleagues, 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 active roles for women in the workplace.

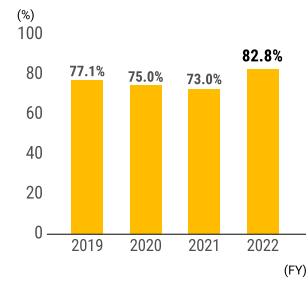
Percentage of Female Managers



Rate of Employees Taking Childcare Leave*1



Mid-Career Hire Ratio



*1 (Number of employees taking childcare leave/number of births*2) x 100% in the relevant fiscal year.

*2 For males, the number of spouses who gave birth to a child.

Diversity and Inclusion ▶

TOPICS

5th Platinum Career Award for Excellence

As we enter the era of 100-year life spans and the working years increase, the "Platinum Career Awards" (Sponsor: Mitsubishi Research Institute, Inc., Initiative for Co-creating the Future; Collaborator: Toyo Keizai Inc.; Supporter: Ministry of Health, Labor and Welfare of Japan, Tokyo Stock Exchange) honors companies that support the formation of "platinum careers," allowing people regardless of age learn and hone their skills, and engage in activities fostering personal growth, corporate development, and solutions to social issues. The NISSIN FOODS Group was selected for the Award for Excellence and was lauded for the following: an open job recruitment system that lets employees apply for positions of choice regardless of age if they meet certain requirements; a system introducing employees concerned about career development to appropriate counselors; an education program to support improvement of IT literacy; and initiatives supporting skill acquisition for employees.



Creating a Workplace of Job Satisfaction

Efforts to Instill the Corporate Philosophy

The NISSIN FOODS Group recognizes that sharing and instilling 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 engages with employees in Japan and overseas six times a year, creating opportunities to communicate our corporate philosophy.

Scope: NISSIN FOODS HOLDINGS employees (including employees seconded to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)

	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023
I feel a sense of job satisfaction	74%	78%	77%	79%
I am satisfied with my departmental environment	67%	71%	69%	69%
I am satisfied with the ease of working	57%	61%	58%	58%

Scope: domestic and overseas group company employees

	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023
I want to achieve the company's vision and strategies together	82%	79%*	84%	78%

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

Health and Productivity Management ▶

Labor Practices and Work Environments ▶

Human Resource Development ▶

TOPICS

Efforts to Promote the Adoption of the "10 NISSIN Rules"

The NISSIN FOODS Group established the "10 NISSIN Rules" as a set of behavioral guidelines for our employees to abide by.

01. Cultivate brand ownership to the fullest.
02. Aim for first entry and strive to be number one in every category.
03. Create with your own hands. Restructure it if someone is to overcome it.
04. Draw on wisdom from the outside to accelerate the business.
05. Diversity is powerful. Embrace our differences to thrive.
06. Strive for new experiences and wisdom. The future is bright for those who constantly challenge themselves.
07. Forge ahead in the face of uncertainty. Turn back immediately if you notice mistakes.
08. Lead and persuade through accountability, not through authority.
09. Challenge the impossible, and break through barriers.
10. It's our job to make work fun. This will accelerate growth.

In addition to the philosophy training, we conduct the "10 NISSIN Rules Workshop" to encourage each employee to learn these ten rules and superimpose their own values onto the direction of the company, all with the goal of letting each person's distinct values shine. In FY 3/2024, approximately 450 employees in Japan who joined Nissin in FY 3/2019 - 3/2023 gathered at the Cup Noodles Museum Yokohama to tour the facility and engaged in discussions with employees from other departments over 8 sessions to contemplate what it means to work the Nissin way. By linking these rules to their own ways of working, each participant develops an independent, problem-solving attitude even in the face of rapidly changing environments, contributing, in turn, to improvements in corporate value.



OUTSIDE DIRECTOR

MESSAGE FROM AN OUTSIDE DIRECTOR

**Supporting Stronger Governance
and Promoting Sustainability from
a Global Perspective**

MASATO MIZUNO

Outside Director (Independent)

NISSIN FOODS HOLDINGS CO., LTD.



Career summary

Mar. 1966	Joined MIZUNO Corporation
May 1978	Director of MIZUNO Corporation
May 1988	President (CEO) of MIZUNO Corporation
Jun. 2006	Chairman of the Board of MIZUNO Corporation
Jul. 2014	Senior Corporate Advisor of MIZUNO Corporation (Current)
Jun. 2016	Outside Director, Independent Director of the Company (Current)

Offering a Global Perspective Backed by Experience

For over 20 years, I served on the Olympic Committee (IOC) Sport and Environment Commission. Commissioners would often collaborate with the United Nations Environment Programme (UNEP), an auxiliary body of the United Nations General Assembly, which enabled me to have discussions with experts across different fields at the UNEP headquarters in Nairobi, Kenya. Through these interactions, I gained invaluable insights, learning from a variety of global and specialized perspectives. Armed with this wealth of experience, I now assist the NISSIN FOODS Group in fostering a global perspective on sustainability, particularly regarding certain environmental aspects.

Furthermore, having been President and CEO of Mizuno, a leading Japanese sporting goods manufacturer, I am able to actively share my thoughts on the state of corporate management and brand strategy. The word "brand" is said to derive from the Old Norse word *brandr*, which means "to burn" and refers to the brand mark cattle breeders burned into their livestock to show that the animals belonged to them. In a contemporary context, branding is about carving out a distinct identity from other companies. In brand strategy, you must establish a unique competitive advantage that cannot be found anywhere else. This begins with the ideation process and continues with product development, advertising, and publicity. In this sense, among the companies I have observed over the years, I applaud the NISSIN FOODS Group for their meticulous brand strategies, which are rooted in extremely nuanced marketing.

The Gravitational Pull at the Heart of Nissin's Growth

Our board of directors thrives on vibrant discussions enriched by the diverse insights of our external directors. Currently, I chair the Management Advisory Committee, and I'm impressed with the measures in place to amplify the effectiveness of this committee and the board.



In terms of risk management, my work with Mizuno is guided by the mantra "Always be prepared." I see that the NISSIN FOODS Group similarly anticipates various risks and follows through with thorough precautions. Yet, in these tumultuous times where global circumstances remain unpredictable, forecasting the future proves challenging. Nissin is already expanding beyond Japan for robust operations in regions like the Americas, China, Asia, and Europe. Given the global nature of the business, inherent risks abound. As external directors, we must remain vigilant, ensuring the proper risk management functions are in place.

When it comes to succession planning, board discussions are grounded in fairness. What I seek in a leader is a compelling gravitational force, an assurance that when they speak, it resonates with unwavering trust and a willingness to follow. Nissin founder Momofuku Ando was one such leader who exuded an incredible passion and possessed a strong magnetic pull. The current CEO, Koki Ando, embodies this charisma and exemplifies true leadership capable of articulating a clear vision for Nissin's future. I believe that these qualities are important factors when selecting a successor. Take our business in the Americas, for instance. Despite taking on the risk of an average 36% price hike, sales volumes remained steady, generating significant profits. In an inflationary U.S. market, broadening our reach through relative affordability is no small feat. After all, growth doesn't come without risks. Had we stuck with the conventional low pricing strategy, substantial gains would have eluded us. I believe it is this legacy of allure and leadership that continues to propel the growth potential of the NISSIN FOODS Group today.

A Desire for Nissin to Grow with a View of the Bigger Picture and High Ethical Standards

As many companies make efforts toward achieving a sustainable society, the NISSIN FOODS Group is no exception as it pushes forward with its sustainability efforts. Notably, the Group offers great social value in ensuring “food security,” a state where everyone has access to sufficient, safe, and nutritious food. Its founder, Momofuku Ando, left behind the words “Create foods to serve society” (*Shoku-so I-se*). Koki Ando carries on this legacy, actively contributing to communities by providing support for children, aiding in disaster relief through Nissin products, and striving to eradicate hunger. In an age of overabundance, COO



Noritaka Ando has spearheaded the development and commercialization of the *KANZEN MEAL* series, which offers solutions to modern challenges like excessive calorie intake and hidden hunger due to an unbalanced diet. Additionally, Nissin’s commitment to the environment is evident in its ongoing efforts to meet the objectives set out in its environmental strategy, “EARTH FOOD CHALLENGE 2030.”

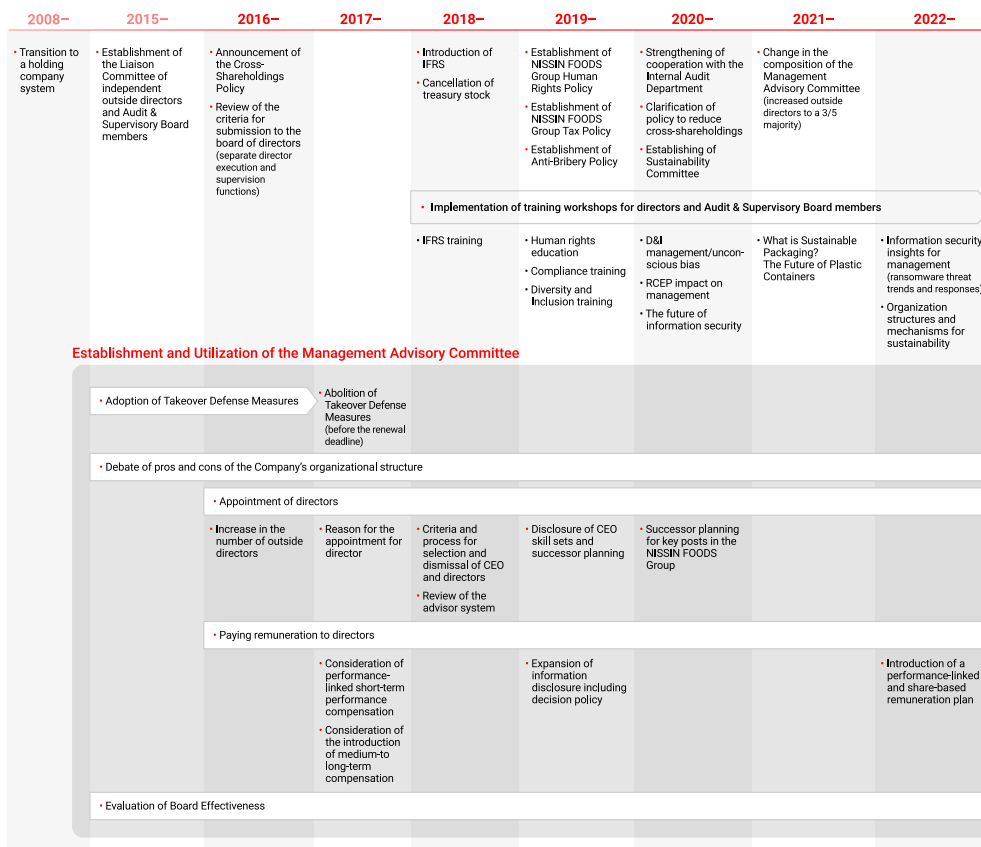
Today, we face an increasingly uncertain future marked by deepening environmental issues and international turmoil, but I firmly believe that ethics should underpin anything we attempt to accomplish. Moving forward, I hope the NISSIN FOODS Group will demonstrate strong growth, equipped with a view of the bigger picture and a profound ethical desire to make the world a better place.

Policies and Structure

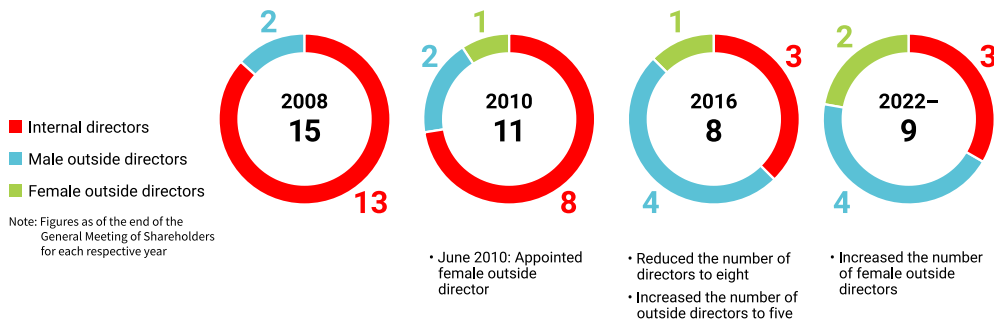
Basic Concept

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 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.

Our Corporate Governance Journey



Changes in the Composition of the Board of Directors



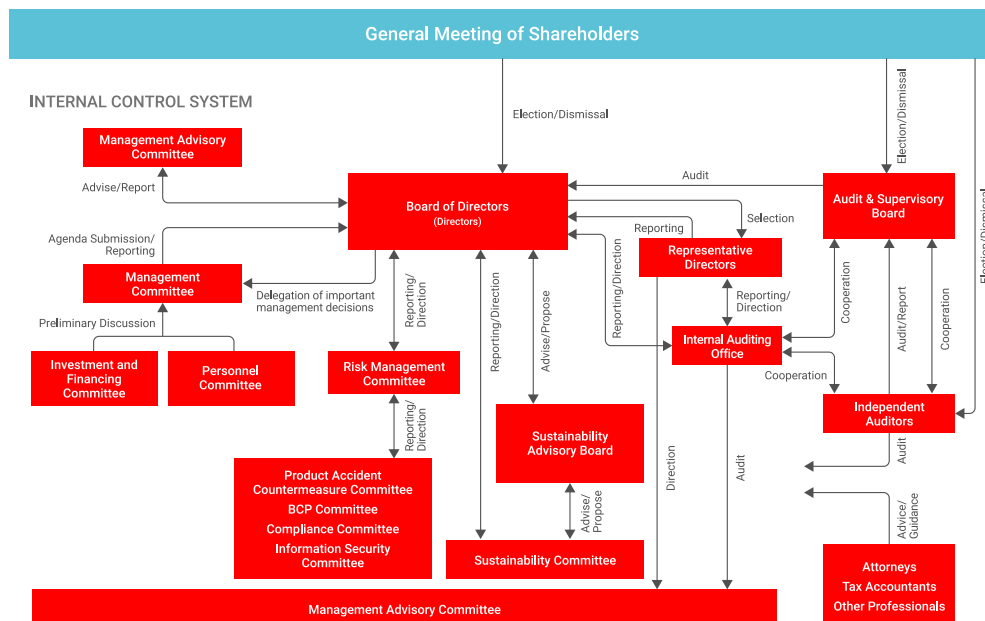
Corporate Governance Structure

At the NISSIN FOODS Group, we appoint outside directors and outside Audit & Supervisory Board Members to oversee and supervise our operations from an impartial and independent standpoint. We've also implemented an executive officer system to ensure swift business execution, ensuring both objectivity and transparency in management. Rather than adopt a nominating committee structure or an auditing committee structure, we've instead chosen to employ the structure of a company with an Audit & Supervisory Board. We have reduced the number of internal directors from 9 to 3, based on a resolution at the 68th Ordinary General Meeting of Shareholders held on June 28, 2016, and increased the number of outside directors from 5 to 6, based on a resolution at the 74th Ordinary General Meeting of Shareholders held on June 28, 2022, all for the purpose of strengthening governance. By making outside directors a majority of the total number of directors, we further strengthen our supervisory functions and aim for swifter decision-making.

Corporate Governance Report (June 28, 2023)



Corporate Governance Structure















Overview of Each Meeting Body (FY 3/2023)

Meeting Bodies	Chairperson/Committee Chairperson	Purpose/Content
Board of Directors	President	<p>The board of directors deliberates and decides on important management issues in accordance with laws and regulations, the Articles of Incorporation, and the board of directors regulations. This body also receives reports on the status of business execution by directors and serves a supervisory function in this area, among others. In addition, in order to appropriately separate the roles of management supervision and business execution, we have introduced the executive officer system and established the Management Committee, which deliberates and makes decisions on matters as delegated by the board of directors. With this system, we have created an environment where the board of directors can hold more focused discussions on important matters related to overall management, such as management policies and business plans.</p> <p>In appointing the candidates that make up the board of directors, we aim to further strengthen the supervisory function of management by ensuring that the majority of directors are outside directors.</p> <p>FY 3/2023 Discussions</p> <ul style="list-style-type: none"> Monitoring of the NISSIN FOOD Group's Mid- to Long-Term Growth Strategy (including the adjustment of the EARTH FOOD CHALLENGE 2030 CO₂ reduction targets and the implementation of an Internal Carbon Pricing system). Formulation/monitoring of annual business plans Progress of business plans in each business Mid- to long-term capital policies Monitoring of committee activity status Evaluation of effectiveness of the board of directors etc
Management Committee	President	<p>The Company holds meetings of the Management Committee twice every month, in principle, to improve management efficiency. The Committee consists of directors (excluding outside directors), responsible executive officers, and full-time Audit & Supervisory Board Members to discuss matters to be resolved by the board of directors and to discuss and decide matters delegated to the Committee by the board of directors in accordance with the Regulations for Approval.</p>
Management Advisory Committee	Independent outside director	<p>In 2015, the Company established the Management Advisory Committee, which is chaired by an independent outside director and with a majority of members as independent officers, in order to strengthen the supervisory functions of the board of directors and at the same time ensure transparency and fairness in management. The Management Advisory Committee, an advisory body to the board of directors, meets three times a year in principle to deliberate on the following agenda items and contributes to board of directors discussions by reporting the results of these deliberations to the board.</p> <p>The Management Advisory Committee discusses the following agenda items.</p> <ol style="list-style-type: none"> Selection and Dismissal of CEO and Directors The Committee deliberates on the policies and criteria for the appointment and dismissal of members of senior management, including candidates for the position of director, and deliberates and supervises the methods of this series of procedures. Director Remuneration The Committee deliberates and supervises policies for determining the remuneration of individual directors and the appropriateness of this decision-making process from the perspectives of management transparency and fairness. Other Matters Related to Corporate Governance In addition to the above, other necessary agenda items are set and discussed as appropriate in order to further improve the Company's governance system. <p>Furthermore, the board of directors must consult with the Management Advisory Committee prior to deliberating and passing resolutions on the above matters. The board of directors also respects and gives due consideration to reports from the Management Advisory Committee in deliberating and passing resolutions on these matters.</p>
Audit & Supervisory Board		<p>The Audit & Supervisory Board conducts audits of director decision-making processes and execution of their duties in accordance with the Companies Act, other laws and regulations, the Articles of Incorporation, and other rules. The total number of Audit & Supervisory Board Members shall be no more than four, and the majority of them shall be outside members.</p>

Board of Directors, Audit & Supervisory Board Member Activities

(As of June 28, 2023)

	Name (Years in Office)	Title	FY 3/2023 Board of Directors* (Attendance)	FY 3/2023 Management Advisory Committee Meetings* (Attendance)	Audit & Supervisory Board (Attendance)*
	Koki Ando (49 years)	President & Representative Director, CEO	◎ 10/10 times	○ 4/4 times	-
	Noritaka Ando (15 years)	Executive Vice President & Representative Director, COO President & Representative Director, NISSIN FOOD PRODUCTS CO., LTD.	○ 10/10 times	○ 4/4 times	-
	Yukio Yokoyama (13 years)	Director, CSO, and Managing Executive Officer	○ 10/10 times	Observer	-
	Ken Kobayashi (12 years)	Outside Director	○ 9/10 times	-	-
	Masahiro Okafuji (12 years)	Outside Director	○ 9/10 times	-	-
	Masato Mizuno (7 years)	Outside Director	○ 10/10 times	◎ 4/4 times	-

	Name (Years in Office)	Title	FY 3/2023 Board of Directors* (Attendance)	FY 3/2023 Management Advisory Committee Meetings* (Attendance)	Audit & Supervisory Board (Attendance)*
	Yukiko Nakagawa (4 years)	Outside Director	○ 10/10 times	○ 4/4 times	-
	Eietsu Sakuraba (3 years)	Outside Director	○ 10/10 times	○ 4/4 times	-
	Yuka Ogasawara (1 year)	Outside Director	○ 7/7 times	○ 2/2 times	-
	Masahiko Sawai (5 years)	Full-Time Audit & Supervisory Board Member	○ 10/10 times	-	◎ 12/12 times
	Naohiro Kamei (4 years)	Full-Time Outside Audit & Supervisory Board Member	○ 10/10 times	Observer	○ 12/12 times
	Ayumi Michi (New)	Outside Audit & Supervisory Board Member	-	Observer	-

Note: The ◎ symbol indicates chairperson or committee chairperson.

* Attendance status for FY 3/2023

Reasons for Appointment of Board of Directors, Audit & Supervisory Board Member



Skills Matrix

(As of June 28, 2023)

Name	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	-	-	-	-	-	○	○
Ayumi Michi	-	-	-	-	-	-	○

Skill Details and Reasons for Selection

Skill	Details, Reasons for Selection	
Business Management	Possesses solid expertise, experience, and track record in general corporate management necessary to formulate and execute sustainable growth strategies over the medium to long term in the midst of a dramatically changing business environment.	
Brand Strategy	Possesses a wealth of expertise and experience in brand strategy necessary to further clarify and establish the competitive advantages of CUP NOODLE by core value and by overseas region, while also increasing sales and profits steadily, even in a mature market such as Japan, to continue to achieve growth over the medium and long term.	
Food Technology	Possesses knowledge for fostering innovation in the food industry, as well as expertise and experience in quality, production, and technological development to (1) further advance and develop advanced technological capabilities, (2) achieve a stable supply of safe, secure, high quality products that incorporate advanced technologies, and (3) create new food cultures and develop the complete nutrition food business as a FUTURE FOOD CREATOR.	
Sustainability	Possesses a wealth of expertise and experience in the field of sustainability necessary to achieve our corporate vision and sustainable growth by pursuing CSV management, and to meet the challenge to utilize finite resources effectively and reduce the impact of climate change (Earth Food Challenge 2030).	
Structural Reform	Human Resources and Organization	Possesses a wealth of expertise and experience in human resources and organizations necessary to foster innovative organizations that continue to execute strategies and create new food cultures, as well as to define and implement a NISSIN-style transformation roadmap.
	IT	Possesses a wealth of expertise and experience in digital fields necessary to the pursuit of the group-wide NISSIN Business Transformation movement, which aims to transform our business models toward true digital technologies in this environment of rapidly changing IT technology.
Finance and Accounting	Possesses solid expertise and experience in the fields of finance and accounting necessary to ensure accurate financial reporting, build solid financial foundations, and formulate financial strategies toward investment in growth for sustainable corporate value enhancement and stronger shareholder returns.	
Risk and Legal	Possesses solid expertise and experience in the fields of risk management, corporate governance, and law necessary to establish an appropriate governance structure, which is the foundation for sustainable corporate value enhancement, and to achieving our mission of providing a stable supply of food products.	

While each of these skills is deemed crucial for our company's management, they are listed in order of priority based on their relative importance.



Major Initiatives for Strengthening Corporate Governance

Major Initiatives for Strengthening Corporate Governance

Analysis and Evaluation of Board Effectiveness






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 3/2023, we conducted a third-party assessment via questionnaire and interview.

The results of the FY 3/2023 assessment confirmed that the board of directors' operational effectiveness is appropriately maintained in all respects. The assessment details are outlined below.

Efforts to Address Issues Presented in FY 3/2022	Regarding our goal of enhancing dialogue with shareholders, we have strengthened our reporting on SR/IR activities. To improve training for our directors, not only have we expanded programs for newly-appointed directors and enhanced our follow-up system after their appointment, but we have also implemented on-site inspections of manufacturing bases. Regarding the enhancement of discussion for important agenda items, we have continued to improve operations in accordance with the time needed to address each item.
Summary of FY 3/2023 Evaluation of Board Effectiveness	As a result of the discussions, the Board of Directors and Management Advisory Committee Meetings were judged to be functioning effectively and were evaluated very favorably in terms of the operations ideas needed to improve effectiveness. The directors on the board were found to have exchanged ideas freely, offering ample knowledge and experience and shared information with such entities as independent outside directors and the Audit & Supervisory Board. Additionally, items noted in the previous fiscal year, including training for directors, were evaluated positively.
Issues to be Addressed for Further Effectiveness Improvement	They emphasized the management supervision and constructive discussions for forward-thinking, best-outcome decisions expected of the Board of Directors. A diverse group of directors participated with an outlook that made effective use of the time available for full-member discussions. This allowed them to recognize the need to establish important agenda items and secure time to discuss said items. Key agenda items include deepening discussions on overseas expansion and human capital from the perspective of our Mid- to Long-Term Growth Strategy as we work to further enhance the effectiveness of the Board of Directors.

Management Advisory Committee

In 2015, the Company established the Management Advisory Committee, which is chaired by an independent outside director and with a majority of members as independent officers, in order to strengthen the supervisory functions of the board of directors and at the same time ensure transparency and fairness in management. The Management Advisory Committee, an advisory body to the board of directors, meets three times a year in principle to deliberate on the following agenda items, and contributes to board of directors discussions by reporting the results of these deliberations to the board.

Theme	Past Discussions (excerpts)	Reference Link
1. Selection and Dismissal of CEO and Directors The Committee deliberates on the policies and criteria for the appointment and dismissal of members of senior management, including candidates for the position of director, and deliberates and supervises the methods of this series of procedures.	Appointment Standards for Director Candidates	Succession Plan 
	Composition of the Board of Directors	Changes in the Composition of the Board of Directors 
2. Director Remuneration The Committee deliberates and supervises policies for determining remuneration of individual directors and the appropriateness of this decision-making process from the perspectives of management transparency and fairness.	Policies and Procedures for Determining Remuneration	Director Remuneration 
	Evaluation of the Board of Director's Operations	Analysis and Evaluation of Board Effectiveness 
3. Other Matters Related to Corporate Governance In addition to the above, other necessary agenda items are set and discussed as appropriate in order to further improve the Company's governance system.	Planning CEO Succession	Succession Plan 
	Abolition of Takeover Defense Measures	—

Furthermore, the board of directors must consult with the Management Advisory Committee prior to deliberating and passing resolutions on the above matters. The board of directors also respects and gives due consideration to reports from the Management Advisory Committee in deliberating and passing resolutions on these matters.

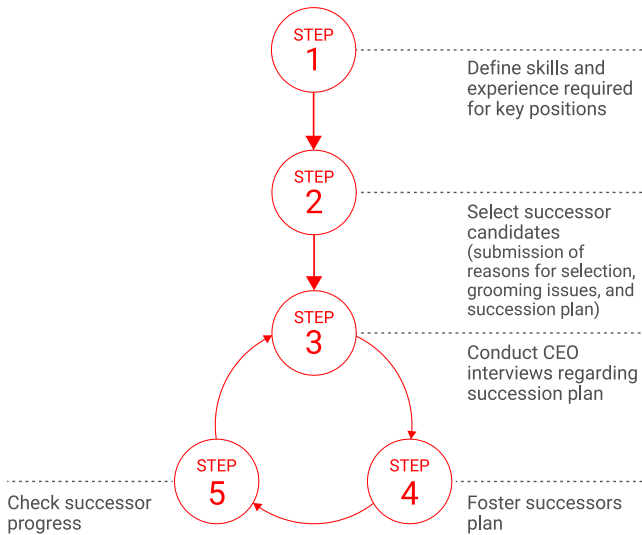
Succession Plan

To develop perpetually as an EARTH FOOD CREATOR, constantly creating new food while solving environmental and social issues, the Group must strategically groom corporate managers who set forth a medium- and long-term mission and realize and execute the corporate philosophy.

In selecting a successor to the CEO, the board of directors shall, in principle, select a candidate from among those who have been elected as directors or executive officers. In addition to past achievements, this candidate shall have a strong sense of ownership and responsibility for realizing the Group's vision. He or she shall also be well-respected both inside and outside the Company because of his or her decisiveness, ability to move events forward, ability to shape and inspire people, high moral character, and sense of justice. The board of directors selects candidates who have a broad range of experience and knowledge in management, but also have an enterprising spirit toward advanced insights and a high level of management decision-making ability. After consultation with the Management Advisory Committee, the board of directors decides whether the relevant person is suitable as a successor.

In grooming successors to key positions, like directors, executive officers, presidents of operating companies, and chief officers, we are striving to fill the pipeline in a systematic manner by implementing the PDCA (Plan-Do-Check-Act) cycle, which involves the formulation of development plans, interviews with the CEO, execution of plans, and checking of progress.

Training Process for CEO and Key Positions

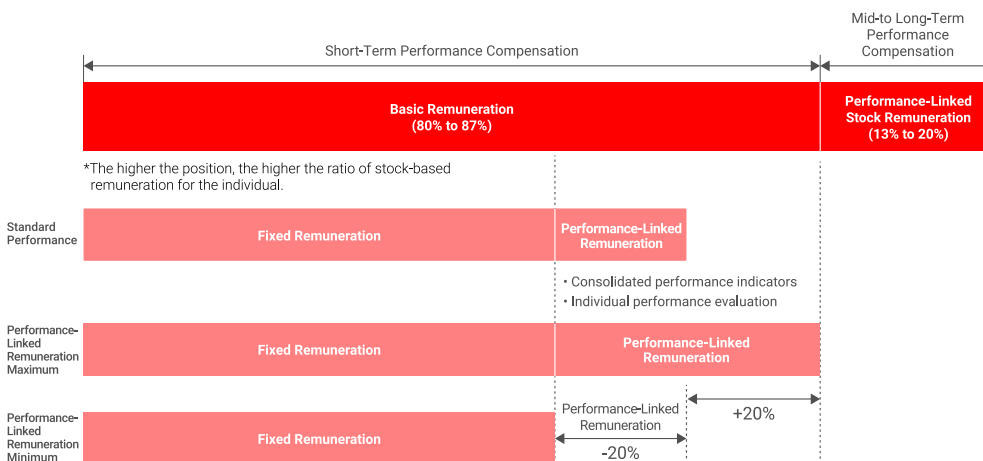


Director Remuneration

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

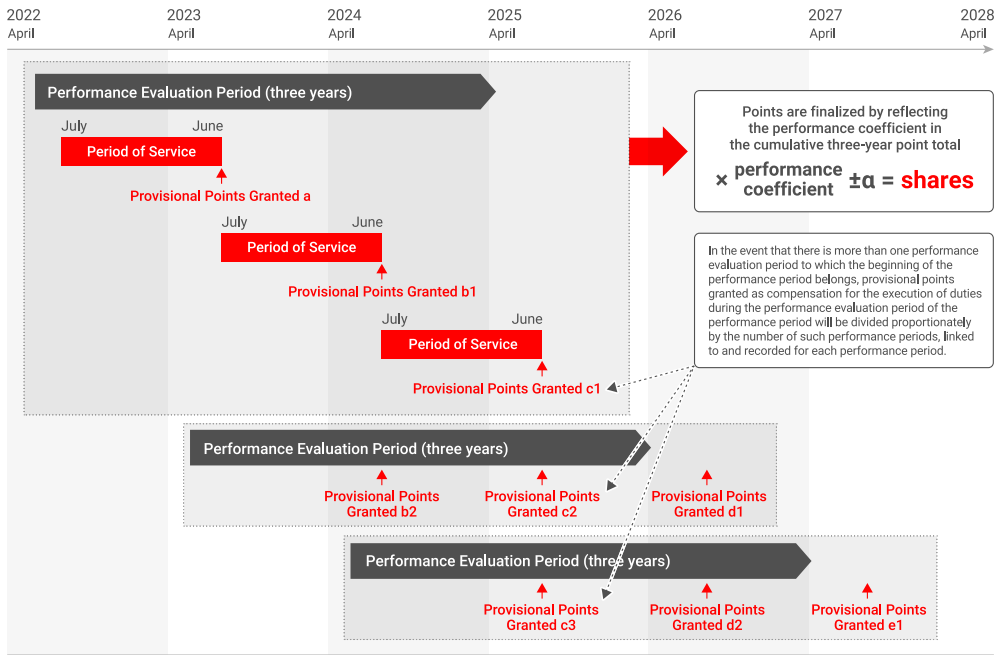
To evaluate individual performance, the Company clarifies the individual responsibility and performance for each director and evaluates their degree of accomplishment towards plans and compared with the previous fiscal year, based on the belief that the individual performance accomplished through business 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 differ, depending on the position of each individual.

Performance-Linked and Share-Based Remuneration Plan

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., underperformance 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

(Millions of yen)

Officer Category	Total Remuneration	Total Remuneration by Type				Number of Eligible Officers (Persons)
		Basic Remuneration		Performance-Linked and Share-Based Remuneration	Stock Options	
		Fixed Remuneration	Performance-Linked Remuneration			
Directors (Excluding Outside Directors)	846	464	34	117	230	3
Audit & Supervisory Board Members (Excluding Outside Members)	16	16	-	-	-	1
Outside Officers	88	88	-	-	-	8
Total	951	569	34	117	230	12

* The aforementioned "Performance-Linked Remuneration" under "Basic Remuneration" reflects performance from the previous fiscal year (FY 3/2022). "Performance-linked and share-based remuneration" refers to the amount accounted for as an expense during this fiscal year under this system.

Total Consolidated Remuneration per Officer

(Millions of yen)

Name	Total Performance-Linked Remuneration	Officer Category	Company Category	Consolidated Remuneration by Type Total Remuneration by Type			
				Basic Remuneration		Performance-Linked and Share-Based Remuneration	Stock Options
				Fixed Remuneration	Performance-Linked Remuneration		
Koki Ando	554	Board of Directors	Submitting Company	302	22	74	155
Noritaka Ando	295	Board of Directors	Submitting Company	94	5	33	61
		Board of Directors	NISSIN FOOD PRODUCT	94	5	-	-

* The aforementioned "Performance-Linked Remuneration" under "Basic Remuneration" reflects performance from the previous fiscal year (FY 3/2022). "Performance-Linked, Share-Based Remuneration" refers to the amount accounted for as an expense during this fiscal year under this system

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

At the time we published our FY 3/2021 financial results on May 11, 2021, we announced our policy to sell an additional ¥10 billion over the following two years. Subsequently, we sold a total of ¥11.363 billion based on market value, achieving the goal of this policy by the end of FY 3/2022. As of the end of FY 3/2016, immediately following the Tokyo Stock Exchange's establishment of its Corporate Governance Code on June 1, 2016, we saw a strategic cross-shareholdings balance of ¥92.496 billion. As a result of efforts to reduce strategic cross-shareholdings, the balance as of FY 3/2023 was 9.4% of total equity as of FY 3/2023 (¥467.949 billion). Excluding strategic cross-shareholdings of overseas companies, the amount becomes equivalent to 8.5% of shareholders' equity. The number of companies in which we engaged in strategic cross-shareholdings as of FY 3/2023 was 57.

Group Governance

NISSIN FOODS CO., LTD. (listed on the Main Board of the Hong Kong Exchanges and Clearing; hereinafter referred to as "Hong Kong Nissin") and KOIKE-YA Inc. (hereinafter referred to as "KOIKE-YA") are listed subsidiaries of the Company.

Since Hong Kong Nissin and KOIKE-YA are listed subsidiaries, the Company respects the independence of the listed subsidiaries based on the understanding that properly protecting the interests of the listed subsidiaries and their shareholders and stakeholders other than the Company will contribute to increasing the corporate value of the subsidiaries.

Based on the policy above, the Company intends to maximize the corporate value of the group by establishing a group governance system that includes publicly traded subsidiaries. This governance system will reflect the Basic Policy on the Construction of Internal Control Systems and other policies established by the Company, even as we ensure the independence of management among the publicly listed subsidiaries.

Tax Principle

In accordance with the philosophy of our founder's spirit of Shoku-i Sei-shoku (Food-related jobs are a sacred profession), the NISSIN FOODS Group provides safe and worry-free food products, promotes business to maximize benefits to all stakeholders, and recognizes the enhancement and strengthening of corporate governance as one of the most important management priorities in order to practice highly objective and transparent management.

In the area of tax compliance, we have also established the NISSIN FOODS Group Tax Policy, promote stronger tax compliance awareness among NISSIN FOODS Group companies and employees, and constantly strive to develop and operate an appropriate tax compliance system.

Taxes Paid by Segment (FY 3/2022)

Segment	Taxes paid (Billions of yen)	Percentage (%)
Japan	10.8	76
Americas	1.2	9
China (includes Hong Kong)	2.0	14
Asia	0.2	1
EMEA	0.0	0
Total	14.2	100

[NISSIN FOODS Group Tax Principle ▶](#)

Internal Controls

Officers and employees of the Company and its subsidiaries (hereafter collectively referred to as the “NISSIN FOODS Group”) shall make efforts to be deeply aware of corporate social responsibility, to comply with the relevant laws and regulations, and to commit to act with conforming with social ethics when executing their daily duties pursuant to the “NISSIN FOODS Group Ethics Regulations” and “NISSIN FOODS Group Compliance Regulations.”

[Matters Related to Internal Control System ▶](#)

Compliance

In principle, the Compliance Committee, which is chaired by the Chief Strategy Officer (CSO), convenes once a quarter to share trends in consultations and reports to the internal reporting desk, looks into the cases that occur, and considers measures to anticipate and prevent recurrences. Any issues and matters are handled by the office of the Compliance Committee, which is composed primarily of the Compliance Group under the Legal Affairs Department, and compliance managers assigned to each company and department.

[Compliance ▶](#)

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

Financial Highlights

11-Year Financial Summary

(Billions of yen)

	Japanese GAAP (J-GAAP)					International Financial Reporting Standards (IFRS)						
	(FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Consolidated Operating Results												
Net sales/Revenue	382.8	417.6	431.6	468.1	495.7	440.9	451.0	468.9	506.1	569.7	669.2	
Overseas sales ratio (%)	14.0	17.6	19.2	21.6	22.2	26.7	27.3	27.2	27.8	29.7	36.6	
Operating profit	24.0	27.7	24.3	26.4	28.6	35.2	29.0	41.3	55.5	46.6	55.6	
Ordinary profit/Profit before tax	31.0	34.8	33.0	30.7	32.9	37.2	31.2	42.7	56.2	49.2	58.0	
Net income attributable to owners of the parent/Profit attributable to owners of the parent	18.9	19.3	18.5	26.9	23.6	29.1	19.4	29.3	40.8	35.4	44.8	
Comprehensive income/Comprehensive income attributable to owners of the parent	34.9	37.4	38.0	19.6	11.0	37.6	7.9	12.4	66.9	52.8	51.5	
Consolidated Financial Position												
Assets/Total assets	446.1	479.5	512.7	553.1	537.2	528.7	557.6	576.6	663.5	683.4	708.4	
Equity ratio/Equity attributable to owners of the parent (%)	68.7	69.4	70.6	65.1	63.5	62.4	58.6	56.9	57.9	59.6	60.8	
Return on equity/Return on equity attributable to owners of the parent (ROE) (%)	6.4	6.0	5.3	7.4	6.7	9.2	5.9	9.0	11.5	8.9	10.7	
EBITDA*	39.3	43.0	40.4	45.0	45.9	52.1	53.1	67.5	76.0	74.9	84.5	
Consolidated Cash Flows												
Cash flows from operating activities	32.0	30.2	30.4	36.2	33.2	44.9	40.7	57.5	72.7	52.9	64.8	
Cash flows from investing activities	-31.3	-9.5	-4.8	-45.8	-29.8	-47.8	-44.5	-40.4	-26.5	-3.5	-32.1	
Cash flows from financing activities	-10.1	-8.5	-8.0	-3.0	-26.1	-11.1	13.1	-10.1	-19.0	-44.4	-47.7	
Per Share Indicators												
Net assets per share/Equity attributable to owners of the parent per share (BPS) (yen)	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	4,247.0	
Net income per share/Basic earnings per share (EPS) (yen)	171.1	174.8	167.8	245.5	221.3	279.8	185.8	281.4	391.9	343.5	440.8	
Investment Index												
Price-earnings ratio (PER) (times)	25.6	26.6	35.2	21.5	27.9	26.4	40.9	32.0	20.9	24.9	27.5	
Dividend payout ratio (%)	43.8	42.9	44.7	32.6	38.4	32.2	59.2	39.1	30.6	37.8	31.8	
Other												
Capital investment	21.6	27.5	23.0	32.8	36.3	52.0	57.6	39.7	34.0	28.3	32.7	
Depreciation and amortization	14.3	14.5	15.4	17.5	15.4	17.8	20.3	25.2	25.4	28.2	29.2	
R&D Expenses	4.3	5.3	6.4	7.2	7.7	7.8	9.3	7.5	7.9	10.1	11.4	

* EBITDA per J-GAAP: Operating income + Depreciation and amortization + Amortization of goodwill
 EBITDA calculation method from FY 3/2023 and retroactively revised from FY 3/2019
 EBITDA: (Operating income ± Other income and expenses + Depreciation and amortization)

Non-Financial Highlights

Environmental Data (As of October 31, 2023)

CO₂Emissions*¹

(1,000t-CO₂)

	2018	2019	2020	2021	2022
Scope 1	237	254	284	293	296
Scope 2	179	174	178	165	134
Scope 3	3,655	3,601	3,975	3,783	3,745
Total	4,070	4,029	4,437	4,241	4,175

(10,000 m³)

	2018	2019	2020	2021	2022
Water Usage* ¹	535.0	545.1	637.0	658.4	675.9

(%)

	2018	2019	2020	2021	2022
Recycling Rate* ²	99.5	99.6	99.7	99.7	99.8

(%)

	2018	2019	2020	2021	2022
Certified Palm Oil Procurement Ratio* ³	20.1	21.1	26.0	36.0	37.7

(1,000t)

	2018	2019	2020	2021	2022
Plastic Waste* ⁴	15.4	14.7	14.7	15.0	6.2

*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

* CO₂emissions data collection period

- Scope 1 and 2: 2018 to 2020 (fiscal years); 2021 to 2022 (January to December)
- Scope 3: 2018 to 2019 (fiscal years); 2020 to 2022 (January to December)

Employee Data (As of March 31, 2023)

(Ppl)

	2018	2019	2020	2021	2022
Number of Employees (Consolidated)	12,539	12,983	14,467	14,633	15,227

(%)

	2018	2019	2020	2021	2022
Employees with Disabilities*1	2.18	2.36	2.30	2.32	2.23

Percentage of Non-Japanese National Employees*2 (%)

	2022	
	Employee Ratio	Manager Ratio
Japan	45	65
China/Hong Kong	12	14
U.S.	5	4
Brazil	20	5
India	3	3
Other	14	9

Female Representation*3 (%)

(%)

	2021	2022
Ratio of Women Total Employees (Permanent)	34	35
Ratio of Women in All Managers	15	17
Ratio of Women in Executive Assistant Roles	15	17
Ratio of Women in Management	12	16
Ratio of Female Managers in Sales-Generation Departments (e.g., Sales and Marketing)	15	15
Ratio of Women in STEM-Related Roles (Science, Technology, Engineering and Mathematics)	32	30

	2021	2022	Targets
Ratio of Women in Management Roles*4	6%	5.8%	FY 3/2026 10%+

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

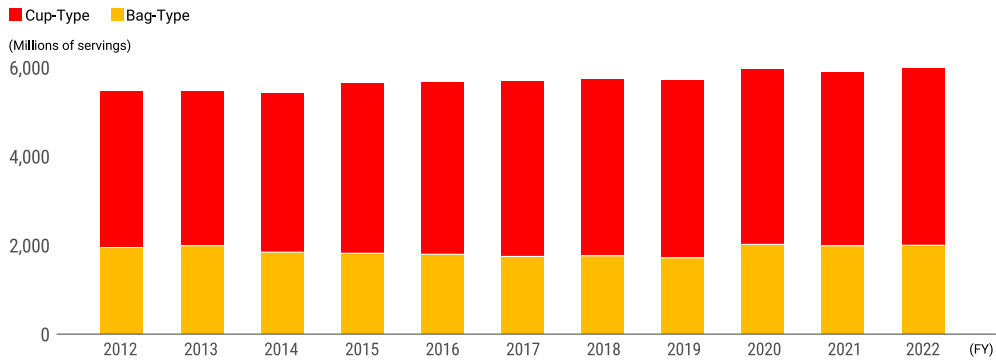
*2 Scope: Permanent employees at domestic and overseas group companies (excluding NISSIN FOODS U.S.A.)

*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.)

Diversity & Inclusion ▶

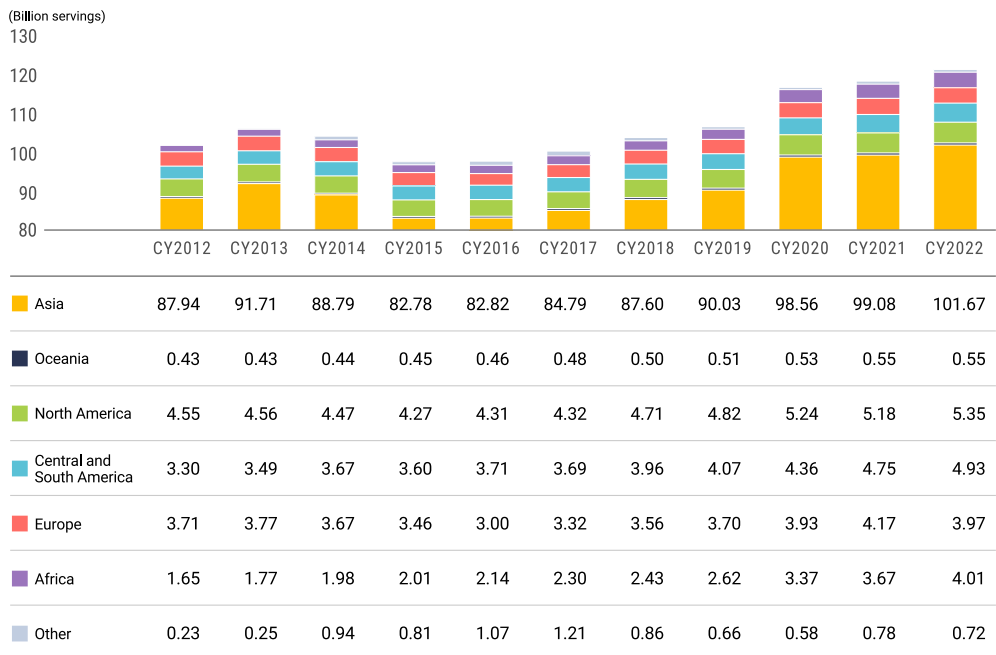
Total Demand for Domestic Instant Noodles (Bag-Type/Cup-Type)



Source: JCFA=Japan Convenience Foods Industry Association

* Shipment basis through FY 3/2021; retail sales basis in FY 3/2022 and later.

Global Instant Noodle Market/Total Demand (by Region)



Source: WINA (World Instant Noodles Association)

* Retroactive adjustments have been made for certain countries/regions.

The NISSIN FOODS Group published VALUE REPORT 2023 as an online integrated 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 that is 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.

VALUE REPORT 2023 showcases topics of keen interest to our stakeholders, presenting a report that elucidates the growth potential of the NISSIN FOODS Group in an easily comprehensible manner.

It is our hope that VALUE REPORT 2023 will lead to valuable dialogue with more stakeholders.

Reporting Period

FY 3/2023 (April 1, 2022 – March 31, 2023)

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.