

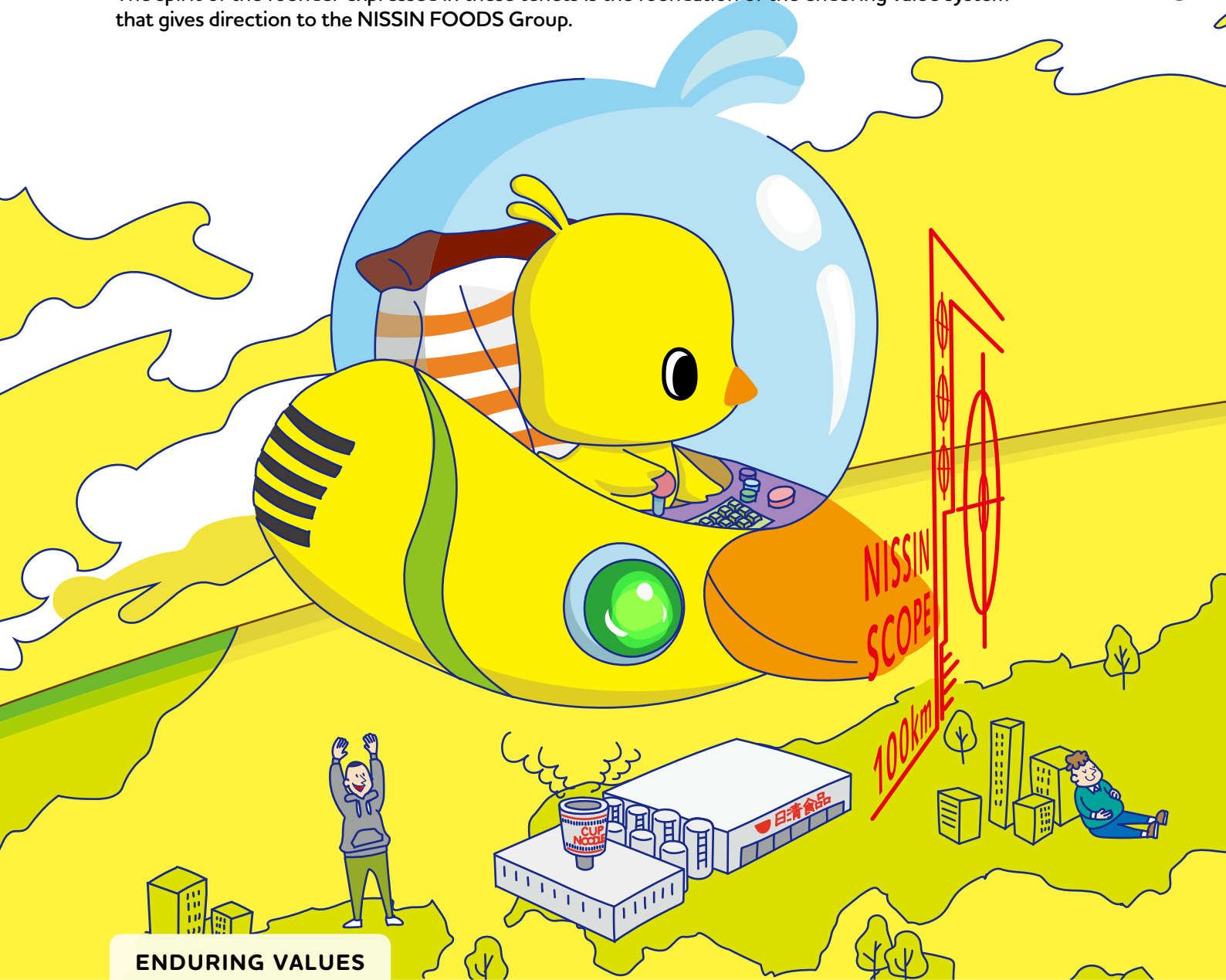
# EARTH FOOD CREATOR REPORT

NISSIN FOODS GROUP  
SUSTAINABILITY REPORT

# 2019

# Providing even greater satisfaction through the joy and happiness of food.

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



## ENDURING VALUES

Shoku-soku Se-hei

### 食足世平

**Peace will come to the world when there is enough food**

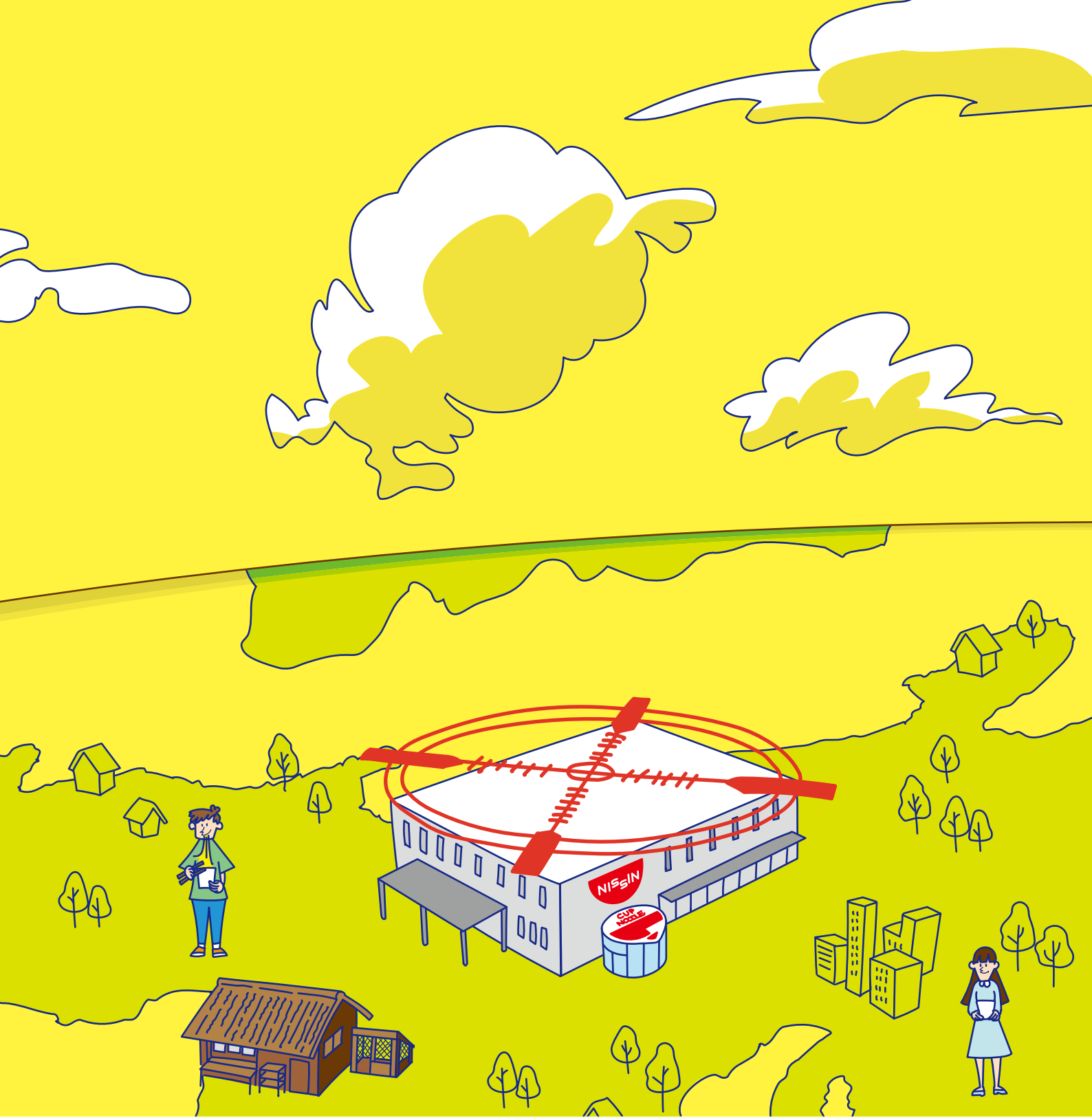
Food is the most important pillar supporting human life. People can discuss culture, art, and ideas only when they have sufficient food. If the supply of food is disrupted, a country is bound to decline and conflict invariably occurs. The business operations of the NISSIN FOODS Group originated from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

Shoku-so I-sei

### 食創為世

**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.



Bi-ken Ken-shoku

## 美健賢食

**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.

Shoku-i Sei-shoku

## 食為聖職

**Food related jobs are a 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.



## We want to contribute to human happiness with products that give due consideration to human health and the environment

### Looking Back on the 60th Anniversary of the Foundation of the NISSIN FOODS Group

In 2018, we marked 60 years since the invention of Chicken Ramen, the world's first instant noodles. During the year, we developed new products and conducted various promotions, and combined with the effects of the airing by NHK of "Manpuku," a drama series modeled on the lives of our founder Momofuku Ando and his wife Masako, sales of the Chicken Ramen brand reached a new record high in fiscal 2019. As a result, we were able to renew the awareness of many consumers regarding the value of instant noodles.

In 2018, we also commenced operation of a next-generation smart factory at the Kansai Plant, reducing the need for manpower and enhancing the level of food safety through the use of the Internet of Things (IoT),\* artificial intelligence (AI), and robot technology. By appropriately processing data from some 70,000 sensors and devices, it is possible to monitor in real time the first-in, first-out status of materials, expiration dates, amounts used, and other information, bolstering safety and quality control. In addition to securing stable production systems through labor saving, we established business continuity planning (BCP) countermeasures in the form of systems that can continue manufacturing even during an emergency situation. These activities laid the foundations for achieving sustainable growth by the Group.

\* A system that allows all objects within a certain vicinity to exchange information via Internet communications



## Working to Address Environmental and Social Issues

We have been confronted by numerous environmental and social issues in recent years including natural disasters, resource depletion, and wealth disparities. Cognizant that natural disaster can cause spikes in the cost of raw materials, damage to manufacturing plants, and other detrimental effects, the Group takes measures to address climate change. In addition to reducing energy consumption in business processes and raising productivity, we are working to set the next Medium-Term Environment Targets that will start in fiscal 2022. Instant noodles are products with extremely low life-cycle CO<sub>2</sub> emissions, but to reduce environmental impact even further, the Group is developing containers made from biomass resources (paper, biomass plastic, and biodegradable plastic) and promoting the use of sustainable palm oil and meat alternatives made from soy.

In addition to employee work style reforms, in fiscal 2019 we formulated the new NISSIN FOODS Group Policy on Human Rights and issued the NISSIN FOODS Group Declaration of Health and Productivity Management. In accordance with these measures, we established systems for respecting the human rights of all employees of business partners and the Group, and took measures to maintain and enhance the mental and physical health of employees based on the concept of “eat wisely for beauty and health,” one of the philosophies of the Group’s founder.

## Collaboration with Regional Organizations

Since environmental and social issues are not something that can be overcome through the efforts of the Group alone, collaboration with other companies, industry organizations, the national government, and others is essential. NISSIN FOODS HOLDINGS participates as a managing company in the Clean Ocean Material Alliance established by the Ministry of Economy, Trade and Industry in January 2019 and is working to address the problem of plastic waste in the oceans.

The World Instant Noodles Association is an industry organization whose mission is to contribute to enhancing the quality of instant noodles and dietary habits, and I serve

as its chairman (→ p. 20). When disasters occur, the Association supplies instant noodles to the affected regions as relief supplies. At the 9th World Instant Noodles Summit held in Osaka in August 2018, instant noodle manufacturers from around the world gathered to discuss the future of instant noodles with “Innovating Happiness for 100 Years” as the theme. During the summit, topics such as the global shift of food brands towards healthier products and the expansion of ethical consumption, which promotes the selection and purchase of products that take the environment and society into consideration, were addressed. In addition, the Osaka Declaration was issued, adding the values of nutrition and eco-sustainability to the five key development principles of instant noodles formulated by Momofuku Ando: “tasty, safe, convenient, preservable and affordable.”

## Looking Ahead to the 100th Anniversary

In the 61 years since instant noodles were first created, they have become a global food with some 100 billion servings consumed annually. The seeds originally planted by the Company founder remain loved by people around the world because instant noodles have maximum and unchanging value as a food that warms people’s bodies and hearts, whether during times of emergency or normal times.

The Group has maintained the legacies handed down by the founder and now seeks to solve various environmental and social issues through its business so that it can contribute to achieving the Sustainable Development Goals (SDGs). It is our hope that when we mark the 100th anniversary of the Company’s establishment, we continue to be a company that creates happiness by developing delicious products consumers can eat with confidence and that take health and the global environment into consideration.

**Koki Ando**  
President & Representative Director  
Chief Executive Officer  
NISSIN FOODS HOLDINGS CO., LTD.

安藤宏基

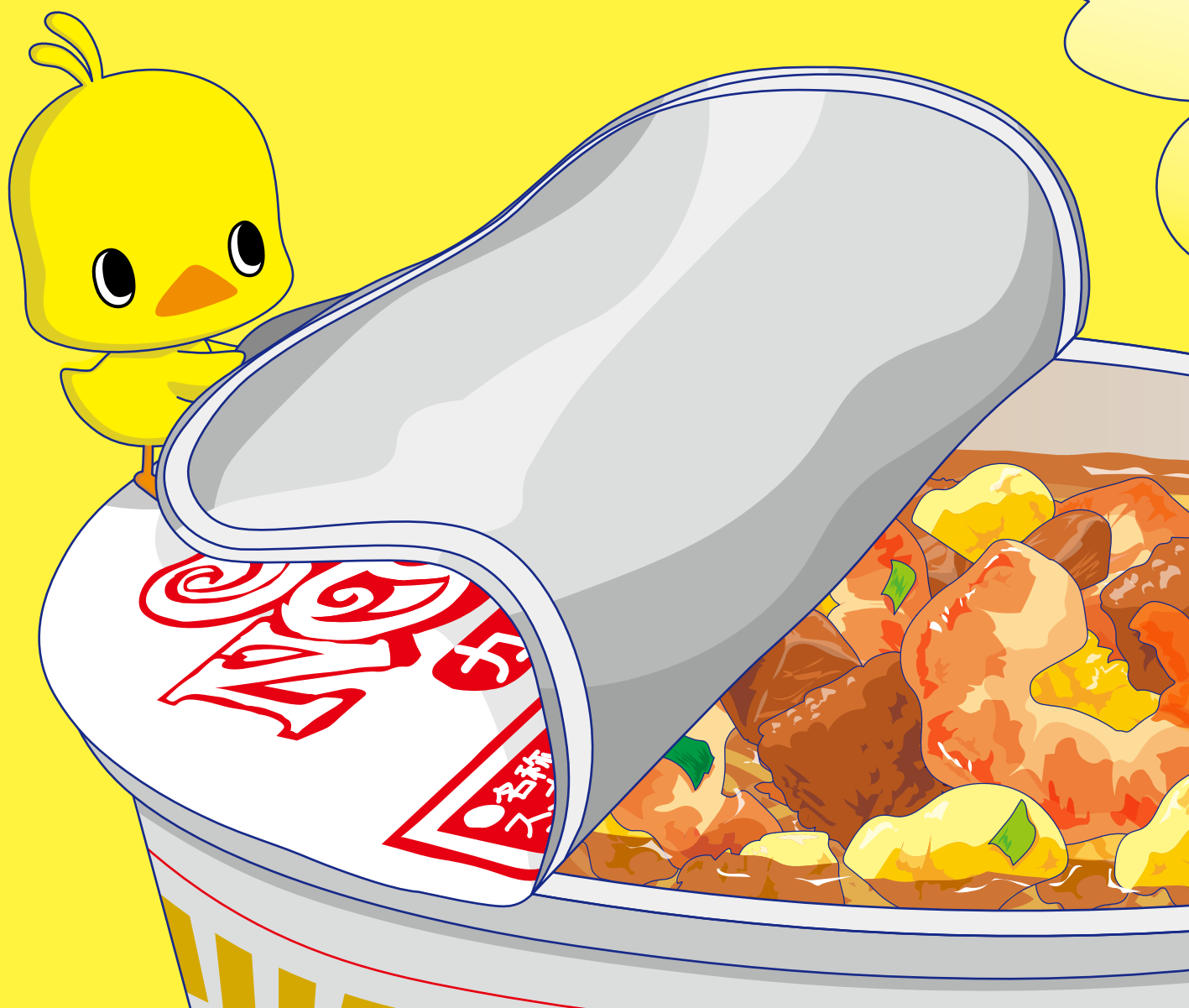


# From a Single Noodle to Outer Space

Sometimes we imagine dietary habits in outer space, and at other times we scrutinize the ingredients used in a single noodle. The perspective of the NISSIN FOODS Group is both broad and deep.

We hold fast to the founding principles while always encouraging free thinking and broad perspectives.

We will continue striving to be an EARTH FOOD CREATOR that provides satisfaction to humankind through the happiness and joy of food.



- Editorial Policy**..... This report provides information about the philosophy and activities of the NISSIN FOODS Group in relation to its corporate social responsibilities (CSR) as a member of society. The report contains information about our initiatives in the areas of food safety, the environment, social contribution, employees and compliance.
- Period Covered by this Report**..... This report covers fiscal 2019 (April 1, 2018–March 31, 2019) but also includes any significant information from before and after that period.
- Publication Date**..... June 2019 (previous report: June 2018)

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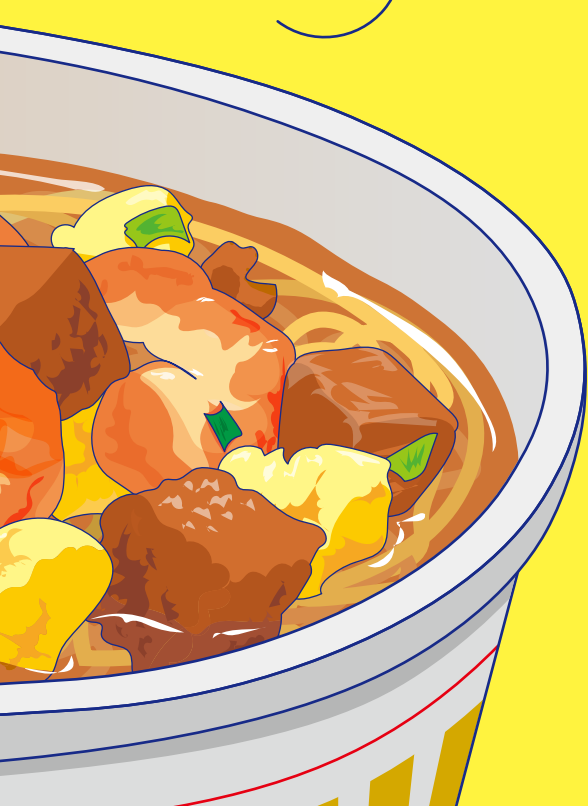
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**Scope of this Report**..... This report covers mainly NISSIN HOLDINGS CO., LTD., and the NISSIN FOODS Group, which comprises seven Japanese business corporations and multiple overseas business corporations. The scope of aggregation for environmental and social performance data are stated in each case.

**Referenced Guidelines**.....

- Japanese Ministry of the Environment, Environment Reporting Guidelines 2018
- GRI Sustainability Reporting Standards
- ISO 26000 – Guideline on Social Responsibility

# Next-Generation Smart Factory Pursues Enhance Safety and Productivity Using IoT Technologies

Operations commenced at the Kansai Plant, NISSIN FOODS PRODUCTS' newest plant, in October 2018. State-of-the-art facilities and IoT technologies have been introduced to raise productivity through automation and higher efficiency at this next-generation smart factory, which enhances product safety and productivity to the ultimate level. The 300 m long by 150 m wide building located on an approximately 100,000 m<sup>2</sup> site features 10 manufacturing lines and can produce up to 4 million servings per day and 1 billion servings per year, making it one of the largest-scale food plants in Japan. NISSIN FOODS PRODUCTS implemented three innovations at the Kansai Plant to provide safe and delicious foods to consumers.

## INNOVATION 01 NASA Room—The World's Highest-Level Quality Management System

The plant has a Nissin Automated Surveillance Administration (NASA) Room for centralized monitoring and management, and a structure was created to enable integrated, on-screen management of all information regarding equipment, quality control cameras, electric power, water, workers, and so on in the plant. This makes it possible to use video images and various quantitative data to ascertain and manage the operational status of machinery and all manufacturing processes without the need for workers to enter the manufacturing lines. Camera feeds and control data for all products are stored on servers for extended periods, enabling immediate tracing if a problem should occur.



All data in the plant is integrated in the NASA Room.

### Features of the Management System

Quality control cameras

**700 units**



Defect Rate  
**Less than 1 per 1 million units**

(1/100th the rate of launch failures of space rockets)

Manufacturing process checkpoints

**15 locations**



### 15 Checkpoints

- (1) Confirmation of noodle dough quality by camera inspection
- (2) Noodle wave camera inspection
- (3) Confirmation of appearance of noodles fried in oil by camera inspection
- (4) Noodle weight check
- (5) Metal detector
- (6) Soup volume check
- (7) Toppings volume check
- (8) Lid type check
- (9) Check for misalignment of lid and cup designs
- (10) Confirmation of cup printing by camera inspection
- (11) Check for wrinkles in shrink wrap
- (12) Product weight check
- (13) Foreign material inspection using X-rays
- (14) Cardboard case quantity inspection
- (15) Confirmation of cardboard case printing by camera

### Overview of the Kansai Plant

Name: NISSIN FOOD PRODUCTS Kansai Plant / Location: 21-1 Shimomagari, Ritto City, Shiga Prefecture  
 Commencement of operations: Phase 1: October 2018, Phase 2: March 2019, Phase 3: December 2019 (planned)  
 Products manufactured: Cup-type noodles & bag-type noodles  
 Site area: 99,865 m<sup>2</sup> / Plant floor area: 118,108 m<sup>2</sup> / Building: 300 m long by 150 m wide  
 Production capacity (daily): 4 million servings (following commencement of phase 3 operations)



INNOVATION

# 02 Enhancing Safety through Automation

The use of robot technologies make it possible to automate processes that were performed by workers in the past such as confirmation, inspection, and transportation of raw materials and containers. The creation of work processes that do not involve people reduces the risk of human error.

Materials brought into the plants are transported to the designated location by automated guided vehicles. Robots open the cardboard boxes containing ingredients brought into the plant under the direction of the NASA Room, and only ingredients that undergo inspection by automated sorting and inspection machines are transported by machine to the manufacturing lines. Ingredients that pass inspection are placed in sealed containers and are not touched again by human hands, ensuring safety. Loading cups was previously performed manually but is now fully automated.



An automated guided vehicle



Cup loading



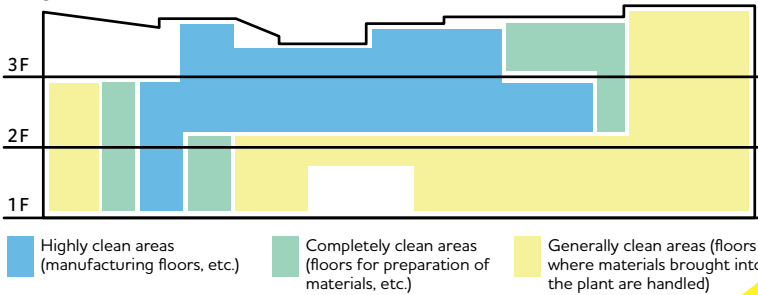
Opening ingredient cardboard boxes

INNOVATION

# 03 Strict sanitary control enforced through three area categories

The plant is divided into three areas—highly clean areas, completely clean areas, and generally clean areas reducing the risk that foreign material will be introduced from outside the plant. Materials that enter generally clean areas from outside the plant are transported to completely clean areas, where they are unpackaged, sorted, and inspected and then sealed in stainless steel tanks for transportation to the manufacturing areas, which are highly clean areas. By not placing highly clean and generally clean areas adjacent to one another, entry by foreign material from outside the plant is prevented and high-precision sanitary control can be performed.

Diagram of Areas



## A Smart Design with a Futuristic Feel

The Kansai Plant has a simple yet refined design that evokes an overall sense of highly advanced technology, high quality, and cleanliness worthy of its description as a smart factory. The manufacturing lines can be viewed from an observation walkway,\* which highlights the corporate red color from floor to ceiling and creates a lasting impression, and the rhythmical movements of the machinery can be viewed on monitors.

\* Plant tours are conducted for local elementary schools that make advance reservations



The plant entrance takes the form of a Cup Noodle lid



Red and white are used throughout the observation walkway

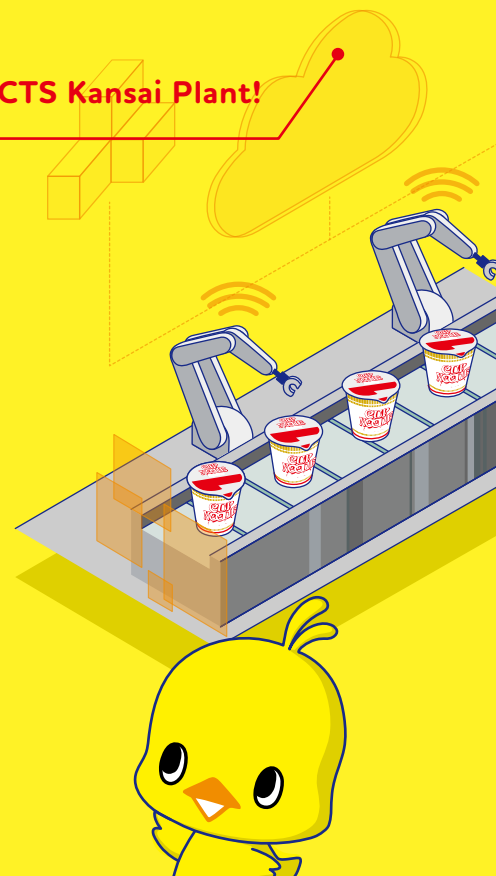


# Creating Future Food Culture at the Kansai Plant

Last year, the NISSIN FOODS Group celebrated the 60th anniversary of its establishment. In Eastern culture, one's 60th birthday is considered to a significant milestone, and 2019 marks the start of a new era for the Group. With the commencement of operations at the Kansai Plant, a next-generation smart factory, the Group will launch a new food culture to the world.

## Noritaka Ando

Executive Vice President & Representative Director, Chief Operating Officer  
NISSIN FOODS HOLDINGS CO., LTD.  
President & Representative Director  
NISSIN FOOD PRODUCTS CO., LTD.



### Establishing Safe and Stable Food Production Systems and Fulfilling Our Mission as a Food Products Company

It has been 45 years since completion of the Shiga Plant, which until now has been responsible for supplying products to the western Japan region, and installation of high-efficiency machinery and future expandability have become issues. It was also necessary to enhance food safety, a lifeline of food products companies, and to establish an environment that can ensure stable production in preparation for future labor shortages.

To address these issues, NISSIN FOOD PRODUCTS gathered the instant noodle manufacturing technological knowledge it has acquired since its foundation and adopted the world's highest-level quality control systems and robot technologies to create and begin operation of the labor-saving, safety-enhancing Kansai Plant. The earthquake-proof performance of the building and BCP measures were reinforced to establish stable supply structures at the Kansai Plant and fulfill NISSIN FOOD PRODUCTS' mission as a food products company.

### IoT Technology Raises Labor Productivity and Advances Work Quality

Japan's population continues to shrink and age at a rapid pace. It is projected that in 2036, one in three people will be at least 65 years old, and in 2055, the population will drop below 100 million, with about one in 2.6 persons at least 65 years old.<sup>1</sup> Consequently, securing labor is a major issue.

At the Kansai Plant, robot technology and AI are used to reduce labor by more than 50% and establish structures that will not be impacted by the declining workforce. By automating and increasing the efficiency of processes that in the past were performed manually, employees can

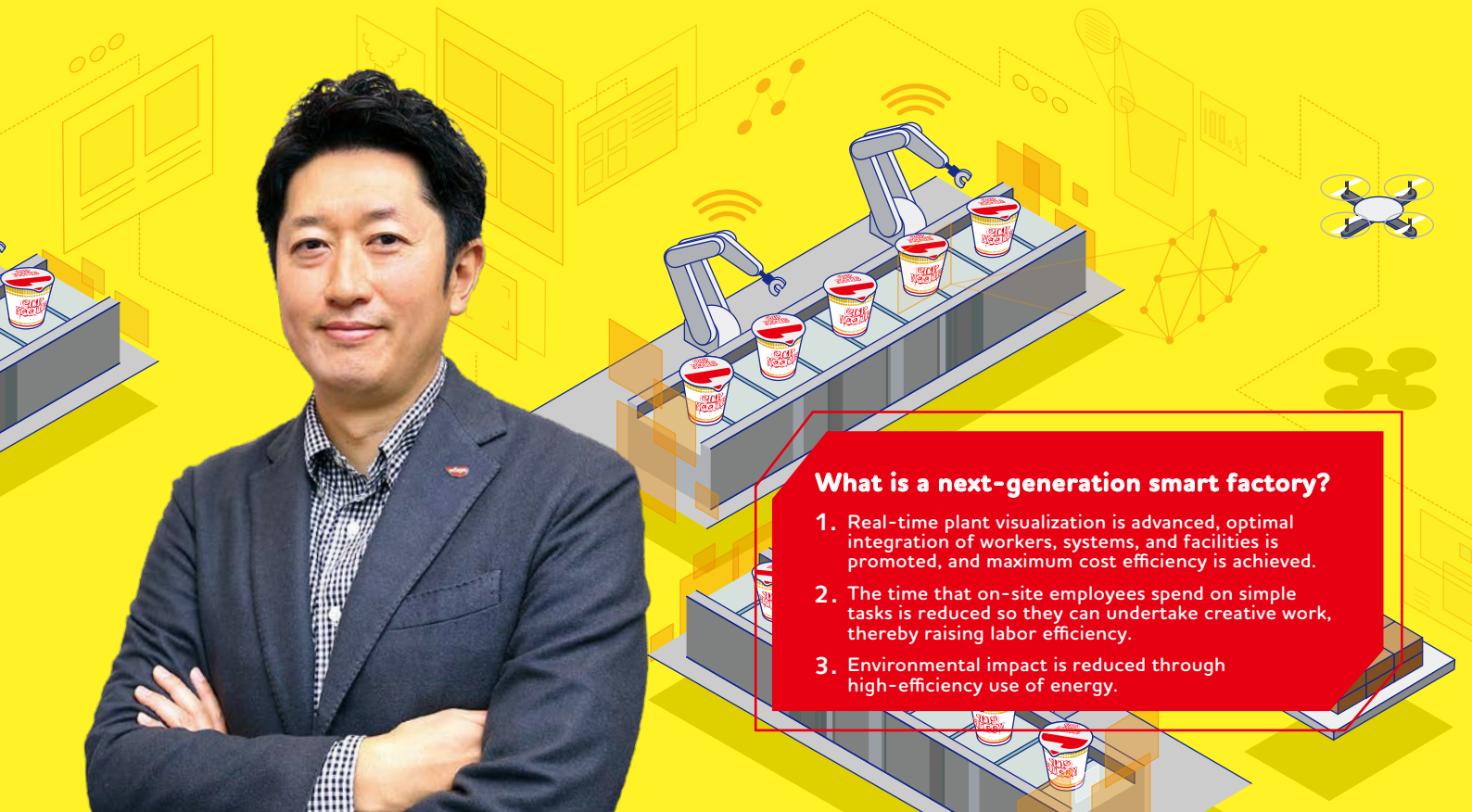
perform more creative work with higher added value, leading to increased labor productivity. This is the so-called work style reforms from operators to creators. The Kansai Plant is the first step in tackling the challenging issues of creating unmanned plants in the future.

<sup>1</sup> Source: 2018 Annual Report on the Aging Society (Cabinet Office)

### Reducing Environmental Impact and Using Sustainable Palm Oil

A large-scale co-generation system is used at the Kansai Plant. The system generates electricity from gas, and the heat generated is used to produce steam. The steam is then used with steaming machines and fryers, establishing a manufacturing structure with high energy conversion efficiency and low CO<sub>2</sub> emissions. In addition, a system was introduced whereby the status of products in each manufacturing process is inspected using various cameras and devices, and the results are appropriately processed by an information system using the IoT so that defective products can be immediately removed at the point of detection of the abnormality. This eliminates disposal arising after the completion stage, reducing the volume of waste. The paper check sheets used in the past have been eliminated and management is performed centrally on an information system, leading to a paperless operation.

Moreover, NISSIN FOODS HOLDINGS joined the Roundtable on Sustainable Palm Oil (RSPO)<sup>2</sup> in October 2017 in order to secure palm oil that takes into consideration deforestation prevention, biodiversity preservation, and the human rights of plantation workers. In March 2019, the Kansai Plant began manufacturing products using RSPO certified palm oil, a first in the Japanese instant noodles industry.<sup>3</sup>



### What is a next-generation smart factory?

1. Real-time plant visualization is advanced, optimal integration of workers, systems, and facilities is promoted, and maximum cost efficiency is achieved.
2. The time that on-site employees spend on simple tasks is reduced so they can undertake creative work, thereby raising labor efficiency.
3. Environmental impact is reduced through high-efficiency use of energy.

<sup>2</sup> A non-profit membership organization established in 2004 by palm oil producers, manufacturers, retailers, environmental organizations, and others. The RSPO promotes the production and use of sustainable palm oil and has approximately 4,200 members that undertake activities in accordance with its mission.

<sup>3</sup> Among the 37 instant noodle manufacturers that are members of the Japan Convenience Foods Industry Association (as of March 1, 2019)

### Maintaining Harmony with Local Communities Fun and Safe Plant Tours

As a manufacturing plant open to the local community, the Kansai Plant welcomes social studies tours by students from elementary schools in nearby cities and towns. At the plant, the students learn about manufacturing processes by observing manufacturing lines and videos. They participate in the hands-on My CUPNOODLES Factory, where they can make their own Cup Noodle with their preferred soup and toppings, and also apply product package labels to create wall art. We want to make the Kansai Plant into a facility where visitors can learn about our safety initiatives through fun experiences.

### Creating New Value That Does Not yet Exist through Digital Management

Society is changing at a rapid pace. We don't know where the trend of digitization including the IoT, AI, and Robotic Process Automation (RPA)<sup>4</sup> will end. Companies that are not able to adapt will be left behind.

NISSIN FOOD PRODUCTS has positioned 2019 as year one of its digital era and is promoting higher management efficiency through the use of digital technologies. By using the time created through higher efficiency for creative tasks, we believe that we will be able to go "Beyond Instant Foods," which is a NISSIN FOOD PRODUCTS management theme. In other words, we will be able to generate new value that does not yet exist and create the food culture of the future.

It can be said that the Kansai Plant is the first step in NISSIN FOOD PRODUCTS' digital management. We will use the Kansai Plant as a starting point to continue providing unique value to society with the aim of becoming a centennial brand company, another of our management themes.

<sup>4</sup> The concept of raising operational efficiency by having robots perform routine tasks in place of human workers.



The observation walkway creates a sense of being on the manufacturing floor using background music that is based on the mechanical sounds of the plant



My CUPNOODLES Factory

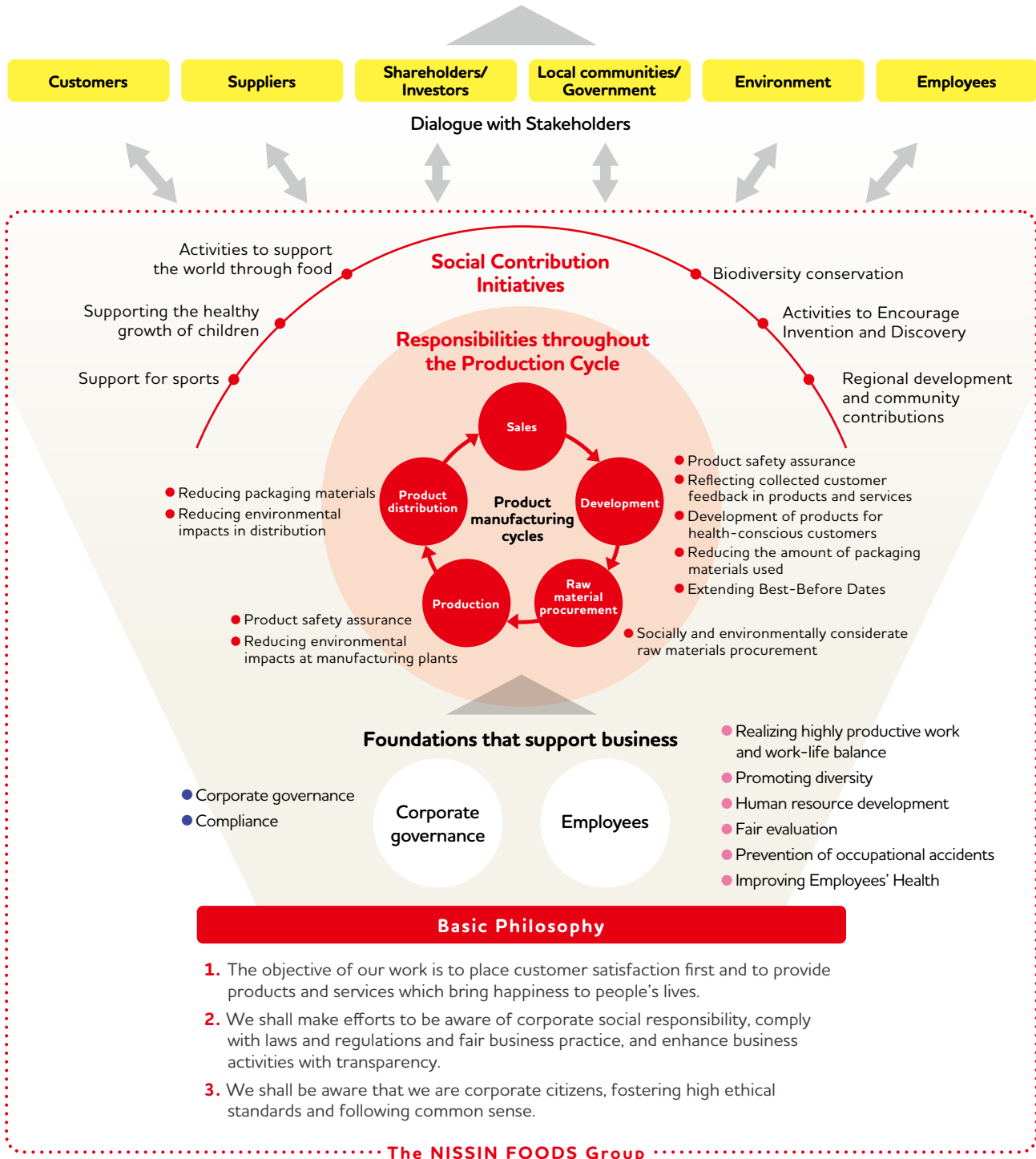


Completed wall art created by tour participants by applying product labels

# Approach to Sustainability

We are keenly aware of our corporate social responsibilities, comply with relevant laws in the ordinary course of business, and act in accordance with social ethics in keeping with the spirit of founder Momofuku Ando. This spirit is expressed in four tenets: “Peace will come to the world when there is enough food,” “Create foods to serve society,” “Eat wisely for beauty and health,” and “Food-related jobs are a sacred profession.” (→p. 1)

## Creation of a Sustainable Environment and Society



## Sustainability Promotion Structures of the NISSIN FOODS Group


A fundamental premise of the NISSIN FOODS Group, which is made up of companies that produce food products, is the creation of safety management systems that ensure the supply of products that customers can eat with reassurance. It is crucial that we reduce the impacts caused by our business activities on the environment and society and increase positive effects so that we can achieve compatibility between the Group's business and the sustainability of the environment and society.

The Group has positioned the CEO as responsible for implementing sustainability measures, and the Corporate Planning Division, CSR Promotion Office, Environmental


Promotion Division, and other relevant organizations collaborate to fulfill the Group's responsibilities in all aspects of its business from development and procurement of raw materials to product sales in accordance with various policies. The Group has also established governance structures as solid foundations that support business and is reinforcing human resource development through measures such as training and raising employee awareness through Group in-house magazines. The Group also engages in active dialogue with stakeholders including customers, suppliers, shareholders and investors, local communities and governments, and employees.

### Policies

- Code of Conduct
- NISSIN FOODS Group Policy on Human Rights
- Voluntary Declaration of Consumer Orientation
- Environmental Charter
- Basic Policy on Green Procurement
- Basic Policy on Environmentally Friendly Container and Packaging Design
- Nissin Group Policy on Sustainable Procurement
- NISSIN FOODS Group Declaration of Health and Productivity Management


 [https://www.nissin.com/en\\_jp/ir/management/governance/internal\\_control/](https://www.nissin.com/en_jp/ir/management/governance/internal_control/)

 [https://www.nissin.com/en\\_jp/csr/policy/](https://www.nissin.com/en_jp/csr/policy/)

 [https://www.nissin.com/en\\_jp/csr/employee/health/](https://www.nissin.com/en_jp/csr/employee/health/)

### Dialogue with Stakeholders

- **Consumers** ..... We take the initiative in seeking input from consumers as part of our efforts to make better products.
- **Suppliers** ..... We are committed to the development of good relationships with our suppliers, including fair dealing in all purchase transactions and contracts.
- **Shareholders / Investors** ..... In addition to the timely distribution of accurate information, we are also intent on appropriate profit return to shareholders and investors.
- **Local communities / Government** .... We work in close cooperation with local communities, while contributing to their sustainable development.
- **Employees** ..... The NISSIN FOODS Group creates a workplace environment in which all employees can find satisfaction in their jobs and can give full scope to their abilities.

 [https://www.nissin.com/en\\_jp/csr/stakeholders/](https://www.nissin.com/en_jp/csr/stakeholders/)

## Solving Environmental and Social Issues through Business

The NISSIN FOODS Group is a signatory to the United Nations Global Compact and takes action to carry out the Ten Principles in the following four areas of the Compact: human rights, labor, the environment, and anti-corruption.

The Group is also working to achieve the 17 goals and 169 targets set for global achievement by 2030 in the Sustainable Development Goals (SDGs). The Group seeks to make contributions with its products. For example, the provision of free instant noodles when disasters occur contributes to Goal 2, "zero hunger," while raising awareness of our products. In addition, the sale of products for which a portion of the sales revenues donated to the United Nations World Food Programme and the Bellmark Educational Support Foundation contributes to Goal 4, "quality education," development of products that meet the


needs of health trends contribute to Goal 3, "good health and well-being."

In fiscal 2019, the Group established a new Policy on Human Rights, issued the Declaration of Health and Productivity Management, and selected 13 SDGs that it can contribute to, including those referenced above. Going forward, we will continue undertaking business activities with the aim of creating a sustainable environment and society.



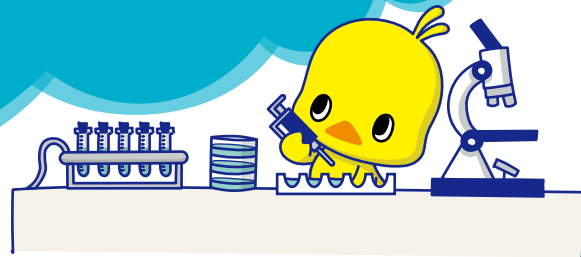
# Food Safety

Please refer to the website for detailed information concerning food safety.

 [https://www.nissin.com/en\\_jp/safety/](https://www.nissin.com/en_jp/safety/)



The NISSIN FOODS Group develops products and services with the highest priority on human health and safety and has established unique quality assurance systems to ensure that problems arising from quality are resolved in good faith and promptly.



## Product Safety Assurance

### Quality Assurance Systems

At each NISSIN FOODS Group manufacturing plant, in addition to day-to-day quality control, periodic internal audits are conducted in accordance with our own food safety audit criteria and ongoing improvements are made to address any issues identified by those audits. In addition, all plants of overseas Group companies have dual management system including quality control systems equivalent to those in Japan and analysis and inspection of raw materials and products by the NISSIN Global Food Safety Institute (the “Institute”). The Institute performs quality investigations in each stage of production, from raw materials to processing, and scientifically verifies customer reports (foreign matter, off-flavors, off-odors) collected using the VOICE system (→ p. 14).

#### ■ Acquisition of Third-Party Certification

Business sites and plants in Japan and overseas are acquiring certification under ISO 9001, the international standard for quality management systems, ISO 22000, the international standard for food safety management systems based on HACCP<sup>1</sup> techniques, and FSSC 22000,<sup>2</sup> an international standard that incorporates food defense approaches. In fiscal 2019, one frozen food plant acquired FSSC 22000 certification, and all instant noodle plants and frozen food plants in Japan have completed acquisition of FSSC 22000 certification. As a result, a total of 26 plants in Japan (including some business sites) and 23 overseas plants have acquired third-party certification.

<sup>1</sup> Hazard Analysis Critical Control Point

<sup>2</sup> An international certification standard for food safety systems created by integrating ISO 22000 and ISO/TS 22002-1

### Measures Regarding Raw Materials

#### ■ Raw Material Analysis and Investigation

The Institute analyzes raw materials for the presence of agricultural chemicals, veterinary pharmaceutical products, heavy metals, and other harmful substances as well radioactive substances, conducts investigations for the presence of contamination with genetically modified agricultural products and other substances, and checks nutrient components of finished products for the presence of allergens. The Institute also independently develops equipment and analysis methods for which techniques do not exist for use in quality assurance.

In fiscal 2019, the Institute reinforced analysis of agricultural chemicals and veterinary pharmaceuticals in raw materials originating overseas and took measures to automate analysis for hazardous substances and nutritional content so it can accommodate future increases in analysis volume.

#### ■ Quality Audits of Suppliers

The quality group, which specializes in quality control and is a part of the NISSIN FOODS HOLDINGS Resourcing Division, periodically conducts supplier inspections using the Raw and Packaging Materials Manufacturing Plant Checklist. The list covers a total of 32 items relating to laws and ordinances, facilities, raw materials and water, manufacturing processes, product inspection, sanitary control, and other quality-related matters, and it provides guidance for improvement of raw and packaging materials suppliers’ and contract manufacturers’ factories, to strengthen the quality

control of procured raw and packaging materials. It shares the inspection checklist with the Group's overseas operating companies for use by their inspectors in on-site plant inspections.

In fiscal 2019, the quality group conducted on-site plant investigations of approximately 100 companies located in Japan and overseas.

## Initiatives in Manufacturing

### ■ Prevention of Contamination by Foreign Matter

To prevent foreign matter from entering plants, the Group conducts rigorous sanitary control with regard to employees and is introducing sorters that use sieves, wind and magnetism as well as X-ray inspection devices starting with the raw material receiving stage.

### ■ Evaluation of the Manufacturing Plant Quality Control System

The Institute evaluates the status of manufacturing control at each manufacturing plant using five categories—food safety management, pest avoidance measures, manufacturing practices, maintenance (period inspection of equipment), and cleaning activities—and offers improvement proposals for any issues discovered during evaluation. In fiscal 2019, the Institute conducted 210 on-site inspections at 167 plants in Japan and 83 inspections at 78 overseas plants.\*

The Institute also carries quality audit activities to check whether quality standards in raw and packaging materials acceptance and manufacturing process

control standards are being followed and whether product audits are being correctly conducted.

\* Includes inspections conducted by the FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD. (Shanghai)

### ■ Pre-Shipment Product Inspection

To confirm whether products meet internal quality standards, the Institute carries out microbiological testing, acid value and peroxide value testing of frying oil, visual inspection, and weight checking. It conducts quality checks of product texture and flavor, such as sensory testing (sampling) by qualified food tasters.

### ■ Product History Management Covering from Raw Materials to Manufacturing and Shipment

To enable automatic tracing of the materials it sources from suppliers, NISSIN FOOD PRODUCTS attaches 2D codes to outer cartons or inner bags and manages raw material information including lot number, manufacturing date, and supplier.

NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, MYOJO FOODS, NISSIN CISCO, NISSIN YORK, Bonchi and some other plants have installed a total of more than 6,500 quality control cameras. We have put in place a system capable of keeping track of product manufacturing time using camera images and X-ray picture records and have made it possible to determine the cause of any problem that occurs within 24 hours even for trace amounts of matter.

We post country of origin information for the main raw materials used in each product on the NISSIN FOODS Group website.

## Quality Control System





## Product Allergen Labeling

There are 27 raw materials identified as food allergens, including 7 specified raw materials for which labeling is mandatory under the Food Sanitation Act and 20 raw materials for which labeling is recommended, and the Group indicates all 27 items on the website. Customers can search products that contain or do not contain food allergens.

Since the Apple Lactic Acid Bacteria (65 ml x 10) and Thomas Fruit Mix Lactic Acid Bacteria (65 ml x 8) drinks produced by NISSIN YORK contain few allergens, the

product packages include prominent illustrations that show only the allergens in the products.



Labeling example from Thomas Fruit Mix Lactic Acid Bacteria (65 ml x 8)

### Allergen Search (in Japanese)

<https://www.nissin.com/jp/products/allergens/>



## Easy-to-Understand Typography

There are individual differences in human color perception, and text may be difficult to read due to text color, size of font, color combinations, or contrast. The NISSIN FOODS Group has adopted the Universal Design (UD) concept to ensure that label information, such as raw materials lists and preparation methods, is easy to read.



Before improvement



After improvement



## Customer Response System

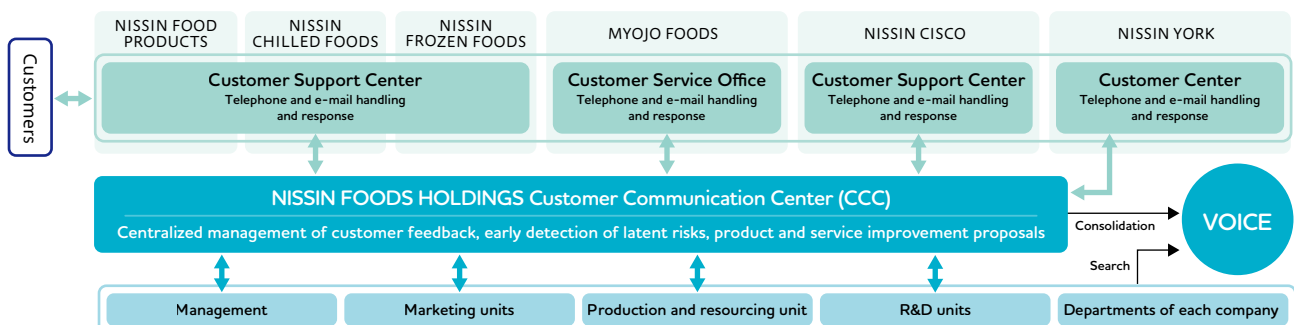
Opinions and comments from customers received at the customer support centers of six NISSIN FOODS Group companies (NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, MYOJO FOODS, NISSIN CISCO, and NISSIN YORK) are collected and analyzed at the NISSIN FOODS HOLDINGS Customer Communication Center (CCC), and the results are promptly fed back to management and the appropriate departments.

Collected customer feedback is compiled in the customer support database, named VOICE, which can be searched by all departments of any Group company. Then the feedback is applied to improve products and services, and utilized groupwide for customer satisfaction improvement.

The CCC has held the twice-monthly VOC (Voice of Customer) Meetings where the marketing, production, resourcing, and R&D units of NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, and NISSIN FROZEN FOODS summarize and share customer feedback, make improvement proposals, and confirm progress of improvements. The CCC sorts customer opinions and comments and the call reception situation at the customer support centers by category, shares the information among Group companies, offers improvement proposals to the departments in charge, and confirms the status of improvement.

In fiscal 2019, 37 of the CCC's improvement proposals were successfully reflected in product development.

### Customer Response System







## Development of Products for Health-Conscious Customers

The NISSIN FOODS Group provides products that meet the needs and preferences of customers concerned about health by developing products with lower carbohydrates, reduced sodium, nutrition reinforcement, and other health benefits.



### CUP NOODLE KOTTERI NICE (NISSIN FOOD PRODUCTS)

A product with a rich flavor but 50% less fat and carbohydrates (176 kcal)



### Myjo Low-Carb Noodles (MYOJO FOODS)

50% fewer carbohydrates (less than 200 kcal) with dietary fiber incorporated



### Myjo Low-Carb Noodles Hajimeya (MYOJO FOODS)

A product that retains the deliciousness of rich soup and noodles with 50% fewer carbohydrates



### GOROTTO GRANOLA Three Kinds of Soybeans 60% Fewer Carbohydrates (NISSIN CISCO)

A cereal with 60% fewer carbohydrates and twice as much dietary fiber as GOROTTO GRANOLA Three Kinds of Soybeans (per serving)



### All-in PASTA Series (NISSIN FOOD PRODUCTS)

Delicious instant pasta that provides a nutritionally-complete with one-third the total daily nutritional requirements\*



### Oishiku Protein Yogurt (NISSIN YORK)

Drinkable yogurt made using Lactobacillus casei (NY1301 strain), which reaches the intestine alive, and containing protein



### Nissin Green Series (NISSIN FOODS (H.K.))

Udon made from organic wheat and gyoza made from organic wheat and organic vegetables




### CUP NOODLE Very Veggie Soy Sauce (NISSIN FOODS (U.S.A.))

A product suitable for vegetarians because it contains no animal ingredients

\* Excerpted from The Ministry of Health, Labour and Welfare's "Dietary Reference Intakes for Japanese (2015). Contains one-third of the daily vitamins and minerals recommended for a male aged 30 to 49 years.

# The Environment

Please refer to the website for detailed information concerning the Environment.

 [https://www.nissin.com/en\\_jp/csr/environment/](https://www.nissin.com/en_jp/csr/environment/)



Pursuing the development of a sustainable society requires measures for preservation of the global environment in business management and activities. Based on this, the NISSIN FOODS Group is working to reduce environmental impact with a focus on plants, logistics, and products.



## Environmental Management System

To promote environmental preservation, the Environmental Council, chaired by the COO of NISSIN FOODS HOLDINGS, was established. The Council formulates Group environmental policies, confirms the status of measures for achieving environmental targets, and deliberates on key issues.

In addition, Group sites acquire certification under the ISO 14001 international standard on environmental management systems, and individual business sites undertake environmental preservation measures tailored to their particular circumstances. The NISSIN FOODS HOLDINGS Environmental Promotion Division investigates compliance with environmental laws and regulations and the implementation of environmental management at Group manufacturing plants in Japan, reports the results to each plant, and confirms the status of improvements. In fiscal 2019, investigations were conducted at 24 of 29 plants.

In order to determine the volume of greenhouse gases

emitted throughout the entire supply chain and take appropriate measures in processes with high levels of emissions, in addition to Scope 1 and 2, Scope 3 emissions are also calculated. The results of calculations of emissions by Group companies in Japan during fiscal 2018 revealed that Scope 3 emissions were approximately 1.59 million tons, accounting for approximately 87% of total Scope 1, 2, and 3 emissions. The category that accounted for a substantial part of the Scope 3 emissions was Category 1, purchased goods and services. Reducing the weight of packaging contributes to cutting CO<sub>2</sub> emissions not only in Category 1, but also Category 4, upstream transportation and distribution, Category 9, downstream transportation and distribution, and Category 12, end-of-life treatment of sold products. Accordingly, we will continue to make efforts to reduce the weight of packaging and use alternative materials. We will also continue to encourage the use of meat products made from soy, which have less environmental impact than animal-derived meat products.

### Progress toward Medium-Term Environmental Targets for FY2021

Targets	Results for FY 2019
1. 30% reduction in greenhouse gas (CO <sub>2</sub> ) emission from business operations <sup>1</sup>	26.3%
2. Maintenance of waste recycling rate of 99.5% or higher	99.5%
3. 100% ISO 14001 certification rate at Group plants <sup>2</sup>	71.8%
4. Improvement of environmental manager qualifications (Eco Test pass rate of 100%) <sup>3</sup>	62.5%

<sup>1</sup> Reduction target per unit of output at business sites in Japan subject to reporting (compared to fiscal 2006)

<sup>2</sup> Certification rate at manufacturing plants in Japan and overseas subject to inspection (at the time of target setting)

<sup>3</sup> Including alternative qualifications, such as Environmental Planner certification

### Group Companies with ISO 14001 Certification

<b>Japan</b>	NISSIN FOOD PRODUCTS (Kanto Plant, Shizuoka Plant, Kansai Plant, Shiga Plant, Shimonoseki Plant), MYOJO FOODS (Head Office, Research Center), NISSIN CISCO (Tokyo Plant, Osaka Plant), NISSIN YORK (Kanto Plant, Kansai Plant), SAPPORO NISSIN, NISSIN PLASTICS (Kanto Plant, Shiga Plant, Kansai Plant), HIGASHINIHON MYOJO (Saitama Plant), NISHINIHON MYOJO (Kobe Plant), UNI-STAR, SAITAMA NISSIN FOOD PRODUCTS, SHIKOKU NISSIN FOOD PRODUCTS, NISSIN F.D. FOODS, AJINIHON, KAGAWA NISSIN FOOD PRODUCTS
<b>Overseas</b>	NISSIN FOODS (H.K.), WINNER FOOD PRODUCTS, ZHUHAI GOLDEN COAST WINNER FOOD PRODUCTS, GUANGDONG SHUNDE NISSIN FOODS, FUJIAN NISSIN FOODS, ZHEJIANG NISSIN FOODS, NISSIN FOODS DO BRASIL, NISSIN FOODS (THAILAND), NISSIN FOODS VIETNAM

(As of May 2019)



## Reducing Environmental Impacts at Manufacturing Plants

### Reducing GHG Emissions

CO<sub>2</sub> reduction also contributes to cost reduction. The NISSIN FOODS Group is reducing CO<sub>2</sub> emissions by, for example, introducing energy-saving facilities such as LED lighting and lighting with motion sensors, installing heat pump facilities, and reusing heat energy. In addition, solar panels have been installed and biomass boilers are used at some plants.

#### CO<sub>2</sub> Emission for FY2019

**400,000** t-CO<sub>2</sub>

Scope: Manufacturing plants in Japan and overseas (excluding UNI-STAR, SAGAMI FRESH, and BONCHI)

emission status by reducing product loss that occurs in production processes and promoting recycling. Food residues, which make up the bulk of waste from our plants, are reused in animal feed and as fertilizers. We are also reducing sludge by improving wastewater treatment facilities and recycling mixed waste.

#### Waste for FY2019

**77,000** t

Scope: Manufacturing plants in Japan and overseas (excluding BONCHI)

### Energy-Saving Initiatives at Manufacturing Plants in FY2019

Annual Amount of CO<sub>2</sub> Reduction Effect (t)

Energy Conservation Measures for Facilities		
NISSIN FOOD PRODUCTS Kanto Plant	Six boilers replaced	438t
NISSIN FOOD PRODUCTS Shizuoka Plant	Air conditioning units updated with new refrigerant	119t
NISSIN PLASTICS Kanto Plant	Four UV ink curing devices replaced with energy-saving models	84t
	Lighting converted to LED	21t
	Transformers converted to top-runner type (two units)	11t
SAITAMA NISSIN FOOD PRODUCTS	Refrigeration units and air conditioning units replaced	87t
AJINIHON	Air conditioning units replaced	7t
Fuel Conversion		
BONCHI Yamagata Plant	Boiler fuel switched from Heavy Fuel Oil A to LP gas	494t
Facility efficiency increased		
KAGAWA NISSIN FOOD PRODUCTS	Freeze-drying cooling units switched to natural refrigerants models	198t
AJINIHON	Inverters replaced	15t
HIGASHINIHON MYOJO	Ventilation units switched to inverters	11t
TAKAMATSU NISSIN FOOD PRODUCTS	Water supply pumps switched to inverters	2t
Operations improved		
SHIKOKU NISSIN FOOD PRODUCTS	Number of compressors and weekly timers controlled	161t
TAKAMATSU NISSIN FOOD PRODUCTS	Freezer units replaced and air conditioning efficiency raised by lowering ceiling height	2t
Thermal recovery		
NISSIN FOOD PRODUCTS Shizuoka Plant	Flash steam recovery units installed	127t
NISSIN YORK Kanto Plant	Waste heat from boiler water supply tanks recovered	52t

#### ■ Reducing Raw Materials Waste

NISSIN FOOD PRODUCTS and MYOJO FOODS share raw ingredients inventory information. They strive to avoid wasting raw materials by transferring raw materials between the companies when certain products are discontinued and their raw materials are no longer needed.

#### ■ Reducing Container Wrapping and Packaging Materials

As part of reducing the environmental impact of packaging, the NISSIN FOODS Group adopted the Basic Policy on Environmentally Friendly Containers and Packaging Design. Under this policy, we contribute to the creation of a recycling-based society by reducing, reusing, and recycling resources. The Group is reviewing product sizes, working to reduce individual packaging and container packaging, switching to trayless packaging, and using simplified packaging.

In fiscal 2019, MYOJO FOODS modified the containers used for Umadashiya and other products, reducing the amount of plastic used by approximately 16 tons annually. NISSIN CISCO also changed the packaging design of Ciscorn BIG products, and it is expected that this will result in a reduction in plastic usage of approximately 8 tons annually compared to stand packs.

We have also made cardboard boxes smaller, which reduces the amount used, and increased the number of products per shipping case by packing them in an alternating top-up, top-down configuration. NISSIN CISCO began using this alternating configuration with Choco Flakes in fiscal 2019 and expects to reduce cardboard usage by approximately 150 tons annually.

BONCHI is reviewing product sizes starting with an update of its Kaisen Agesen series, cutting cardboard usage by approximately 28 tons and film usage by approximately 9 tons annually.

### Reducing Waste

The NISSIN FOODS Group is working to achieve zero

## Reducing Water Usage

The production plants are working to reduce the use of water necessary for manufacturing processes and to reuse water used for cooling in manufacturing processes for washing equipment or other purposes.

For example, at the Izumisano Plant of NICKY FOODS, a subsidiary of NISSIN FROZEN FOODS, water circulating tanks were installed and water reuse was started in fiscal 2019, resulting in a reduction of water usage of 12,000 tons annually.

### Water Use for FY2019

**5,340,000**m<sup>3</sup>

Scope: Manufacturing plants in Japan and overseas

## Environmental Pollution Prevention

Each NISSIN FOODS Group plant has set voluntary standards more rigorous than those stipulated in regulations and ordinances for sulfur oxides (SOx) and nitrogen oxides (NOx), causes of air pollution, and for biochemical oxygen demand (BOD) and chemical oxygen demand, indicators of water pollution, and each plant monitors the values of these indicators. Also, we have formulated an emergency response procedures manual to prepare against damage to plant facilities and outflow of environmental pollutants into the surrounding area and periodically conduct drills that envision emergency situations. There were no major pollution-related accidents or lawsuits in fiscal 2019.



## Reducing Environmental Impacts in Distribution

NISSIN FOOD PRODUCTS seeks to shorten transportation distances by manufacturing and selling products at locations near consumption regions. The company is also reviewing plants and products and is improving and updating facilities and production plans.

Joint delivery by the NISSIN FOODS Group's operating companies contributes to increasing load efficiency and reducing the number of vehicles required for delivery. In Hokkaido, for example, NISSIN FOOD PRODUCTS, MYOJO FOODS, and NISSIN CISCO deliver jointly, and in the North Tohoku, Chubu, Shikoku, and Chugoku regions, NISSIN FOOD PRODUCTS and MYOJO FOODS deliver jointly.

In addition, we are implementing modal shifts from trucking to ships and rail transportation. MYOJO FOODS is implementing a partial modal shift for transportation of freight from its Saitama Plant and Kobe Plant to its Kyushu logistics center, and NISSIN FROZEN FOODS is switching some shipping from SAITAMA NISSIN FOOD PRODUCTS to the Kyushu region to ships and railway containers.

### CO<sub>2</sub> Emissions from Transportation for FY2019

**37,000**t-CO<sub>2</sub>

Scope: Product logistics in Japan



## Development of Low Environmental Impact Plant-Derived Meat Alternatives and Cultured Meat Products

It is said that the livestock industry is the source of about 15% of the world's greenhouse gases, giving rise to substantial impact on the environment. The NISSIN FOODS Group is developing alternative products, and in addition to "soy beef" and "soy pork" made primarily from soy protein, we are also promoting the use of other meat products made from soy such as the development in 2018 of a duck-like ground meat product.

In March 2019, we were the first in the world to successfully produce bovine muscle tissue in the form of a diced steak (1.0 cm × 0.8 cm × 0.7 cm) using beef-derived muscle cells, created in collaboration with the research group of Professor Shoji Takeuchi of the

Institute of Industrial Science, the University of Tokyo.\*

This is called "cultured meat." It refers to meat that is derived from cells that undergo tissue cultivation, rather than from the body of an animal. It is believed that further development of this technology will make it possible to produce even larger muscle tissue and represents the first step in practical application of cultured steak meat that has the same food-feel as animal-derived meat.

\* A research group that was selected by the Japan Science and Technology Agency (JST) for the Research and Development Program for Future Creation (Search Acceleration Type) to work on "Development of the production technology for next generation-meat using 3D tissue engineering techniques" (R&D representative: Shoji Takeuchi)



## Environmental Consideration through Products

The NISSIN FOODS Group is responding to the desire of consumers to purchase environmentally-conscious products by developing products made with sustainable raw materials, long shelf-life products, and refillable products and by simplifying packaging.



### Use of RSPO Certified Palm Oil

NISSIN FOOD PRODUCTS uses palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO) in some products manufactured at the Kansai Plant.



### Use of FSC and PEFC Certified Paper

NISSIN YORK promotes the use of wood products produced under sustainable forestry management and uses paper certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) in the containers of some products.



### Sale of Long Shelf-Life Products

NISSIN FOOD PRODUCTS sells two products with a shelf life of three years in limited quantities. Since the products have a long shelf life, they are suitable for use as emergency supplies.



### Extending Best-Before Dates

To contribute to reducing food loss, BONCHI has extended the best-before dates of BONCHIAGE and certain other products by 30 days compared to previously. NISSIN FOOD PRODUCTS and MYOJO FOODS also extended best-before dates in 2014.



### Sale of Refillable Products

NISSIN FOOD PRODUCTS sells refillable products. By adopting packaging that is simpler than the conventional packaging used with cup-type noodle products, the amount of packaging used for containers is reduced.



### Trayless Packaging for Frozen Noodles

NISSIN FROZEN FOODS has switched to trayless packaging for nearly all noodle products sold under its own brands, reducing the amount of packaging material used.



### Use of ECO Cups

NISSIN FOOD PRODUCTS uses paper for all vertical-format containers, including CUP NOODLE containers (the ECO cup).




### Sale of Easy to Cook Products

NISSIN CHILLED FOODS sells products that require no heat and water when preparing such as fresh ramen noodles that do not need to be boiled separately and chilled Chinese-style noodle and udon noodle products that can be eaten simply by pouring sauce or broth over the food.

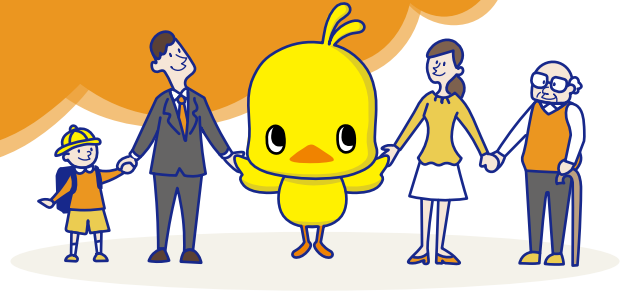
# Social Contribution

Please refer to the website for detailed information concerning Social Contribution

 [https://www.nissin.com/en\\_jp/csr/social/](https://www.nissin.com/en_jp/csr/social/)



The NISSIN FOODS Group engages in various activities that contribute to local communities and society, disseminates that creative thinking of founder Momofuku Ando, the inventor of the world's first instant noodles, and conveys to children the importance of invention and discovery.



## Supporting the Healthy Growth of Children

### Supporting Japan's Children

The NISSIN FOODS Group supports the Fund to Support Children's Future, promoted by the Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, and The Nippon Foundation. The Group donated ¥1 million in fiscal 2019, and cumulative donations since fiscal 2017 have reached ¥2,058,000.

NISSIN FOOD PRODUCTS has sold products printed with the Bellmark symbol and campaign points. Each point is converted to ¥1, and the proceeds are used to purchase necessary educational materials and equipment for schools. The company donated 13,489,201 points.

### Funding for School Meals in Developing Countries

NISSIN FOOD PRODUCTS and NISSIN FROZEN FOODS participate in the Red Cup campaign, donating a portion of sales of designated products to the United Nations World Food Programme (WFP). The cumulative donations since fiscal 2013 have reached approximately ¥222 million.



## Activities to Support the World through Food

### Emergency Food Aid through WINA



When major disasters occur, the NISSIN FOODS Group distributes instant noodles in the affected regions through the World Instant Noodles Association (WINA). From May 2008 to March 2019,

WINA donated 6.6 million servings of instant noodles in collaboration with its 61 member companies.

 <https://instantnoodles.org/en/index.html>

### Supporting the Activities to Eradicate Hunger through JAWFP



In accordance with the spirit of founder Momofuku Ando expressed in the phrase "Peace will come to the

world when there is enough food," the NISSIN FOODS Group actively supports the activities to eradicate hunger through the Japan Association for the World Food Programme (JAWFP)

**FY2019**  
Approx.  
**¥46 Million**  
**Cumulative total**  
**¥310 Million**

 <https://www1.wfp.org>



## Support for Sports

### Supporting Children's Track and Field Activities

Endorsing the belief of the Japan Association of Athletics Federations that running is where all sports begin, the NISSIN FOODS Group has sponsored the "NISSIN FOODS Cup" National Elementary School Track and Field Championships, since it was first held in 1985. Since 1999, we have sponsored the "NISSIN FOODS Cup" All Japan Elementary School Athletics Competition, held to enable elementary school children to learn correct long-distance running and endurance running techniques and training methods.

### Ando Foundation Support for Track and Field Athletes and Tennis Players


Since 2013, the Ando Foundation has sponsored the junior tennis player development program organized by the Japan Tennis Association.

Through this one-year program, players receive training from professional youth athletes. In fiscal 2019, 86 players participated in the top junior camps, 274 players attended national junior camps, and 69 top junior athletes and instructors participated in overseas tours.

The Ando Foundation, together with the Japan Association of Athletics Federations, has conducted the Ando Foundation Global Challenge Project to support overseas competition by young track and field athletes. The project supports unsponsored individuals age sixteen or older who aspire to win medals in international track and field competitions. Participants gain valuable experience by taking extended leave from school and traveling to events that draw world-class athletes. In fiscal 2019, the project provided support to seven athletes.

#### Ando Foundation

Momofuku Ando established the Ando Foundation with his personal funds in 1983 in the belief that "Eating and sports are the two pillars of health." The foundation's main activities are support for track and field events, promotion of nature activities, operation of the CUPNOODLES MUSEUMS, and an awards program that encourages creative foundational research and solid developments that lead to the creation of new food products. The NISSIN FOODS Group endorses the principles of the Ando Foundation and enthusiastically supports its activities.

 <http://www.ando-zaidan.jp/> (in Japanese)



## Activities to Encourage Invention and Discovery

### An Interactive Educational Food Museum

NISSIN FOODS HOLDINGS operates the CUPNOODLES MUSEUMS (official name: The Momofuku Ando Instant Ramen Museums), interactive educational food museums that convey the importance of invention and discovery and provide fun opportunities to learn about a can-do spirit and creative thinking, in Ikeda City, Osaka Prefecture and Yokohama City, Kanagawa Prefecture. The CUPNOODLES MUSEUM Osaka Ikeda attracted 910,000 visitors in fiscal 2019 and 9.06 million since opening in 1999. The CUPNOODLES MUSEUM Yokohama drew 1.11 million visitors in fiscal 2019 and 7.98

million since opening in 2011.

### Dietary Education for Children

NISSIN FOOD PRODUCTS has held the Chicken Ramen Oishii (Delicious) Dietary Education School program. The company teaches children in an easy-to-understand way how Chicken Ramen is made and the importance of nutritional balance through their experiences. In fiscal 2019, 1092 parents and children participated in 23 sessions held at 18 locations.



## Regional Development

### Product to Support Tohoku Recovery Efforts

Since the Great East Japan Earthquake of 2011, MYOJO FOODS has continued to create new products to support recovery efforts in the Tohoku region. Since 2013, the company has developed new products in collaboration with leading restaurants in the region. In March 2019, MYOJO

FOODS launched MYOJO Shinkaen Honten Kamaishi Ramen, created under the supervision of the owner of Shinkaen Honten, a Chinese food restaurant famous as the origin of Kamaishi ramen. A portion of the sales proceeds will be donated to Kamaishi City's Hometown Donation Fund.





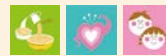
Carrying on the Spirit of the Founder

# The Hyakufukushi Project

Since 2008, its 50th anniversary, the NISSIN FOODS Group has been implementing the Hyakufukushi Project. In the spirit of founder Momofuku Ando, who was filled with enthusiasm for socially beneficial activities, the Group is engaging in a total of 100 social contribution activities over 50 years. Five themes, which draw upon the spirit of the founder and the establishing philosophy of the Ando Foundation, guide project selection: Creation, Food, the Earth, Health, and Children.



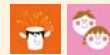
Project No. **24** **Nissin EARTH FOOD WALKER Project**



This project matches the promotion of employee health with support for children afflicted by hunger and poverty. From October 1, 2018 to March 5, 2019, the approximately 400 participating employees walked with a goal of reaching a cumulative walking distance of 10 earth circumferences. The goal was achieved during the project period, and accordingly, the Group donated ¥1 million to the United Nations WFP school feeding programme.



Project No. **23** **Forewarned is Forearmed! Chicken Ramen Survival Project**



This project provides children, who will be the leaders of tomorrow, provides education on survival skills that are beneficial after a disaster and the utility of instant noodles. Former Self-Defense Force officials dispatched to disaster areas at the time of the Great East Japan Earthquake of 2011 conducted workshops and instructed children how to make an emergency stretcher, how to transport an injured person, and how to make a fire and cook Chicken Ramen. The workshops were held at KIBOTCHA, a lodging facility in Higashimatsushima City, Miyagi Prefecture that offers disaster preparedness programs. A total of eight sessions were conducted over four days including September 1, 2018, which was National Disaster Prevention Day, with the participation of 227 children and their parents.



Project No. **22** **NISSIN BAZAAR New Outfit, New Work-style!-**



This program matches work-style reforms with support for children afflicted by hunger. In conjunction with the launch of a program that encourages employees to wear casual clothing to work, suits and other clothing that are no longer needed because of the decrease in opportunities to wear them were collected from employees and a sale event for employees was held at the Tokyo Head Office on June 8, 2018. NISSIN FOODS HOLDINGS added to the ¥650,000 collected from sales to donate a total of ¥1 million to the Fund to Support Children's Future.





Project No.  
**21**

## “Sleep Smart, Work Smart” Sixtieth-Year 60 Year Sleep Project



On the occasion of the 60th anniversary of NISSIN FOOD PRODUCTS' founding, approximately 400 employees participated in this project, which set a target of reaching 60 years of sleep time (531,000 hours) starting in December 2017. Employee participation fees totaling ¥451,000 were donated to the Fund to Support Children's Future, and an additional ¥1 million was donated to the United Nations WFP school feeding programme.



Project No.  
**19**

## Komoro Endangered Bugs Biotope Project



This projects creates beneficial habitats for butterflies and other insects that are threatened with extinction and improves biodiversity. In November 2017, NISSIN FOODS Group employees completed a biotope on the grounds of the Momofuku Ando Center in Komoro City, Nagano Prefecture. Starting in May 2018, photographs of insects taken in the biotope were collected from the public, and a digital photo catalog of 100 insects was created and posted on the Momofuku Ando Center website in March 2019.

<https://www.momofukucenter.jp/biotope/dpb.html> (in Japanese)



### The Hyakufukushi Projects so far


Project No.	Period	Project Name	Project No.	Period	Project Name
Project No. 1	February 2008- January 2013	Supporting African Communities The Kenya Oishii Project	Project No. 11	September 2013- February 2015	Cheering on Children and their Dreams Let's Have Some Run! Project
Project No. 2	October 2008- August 2017	Cultivate Nature-Experience Activities Leaders The “Idle to Idol” In-House Project	Project No. 12	May 2014, July 2014	Protecting Ourselves and Saving Others NISSIN Employee Disaster Preparation Training Project
Project No. 3	August 2008	Encouraging Emergency Preparedness The Canned Chicken Ramen Just-in-Case Project	Project No. 13	April 2015- September 2015	Losing Weight and Increasing Donations One-Ton Weight Loss Challenge Project
Project No. 4	March 2010- March 2014	STOP Global Warming Even with Instant Noodles Hot Water The Living with Hot Water Project	Project No. 14	October 2015- November 2015	Promoting Cross Cultural Understanding and the Value of Sports NISSIN Speed Running Project
Project No. 5	March 2010- November 2012	Employee Volunteering Support Program The Support for Employees' Great Volunteerism Project	Project No. 15	April 2016- September 2016	To the Moon: 9,000 Steps Each Day Nissin Walking for Charity Project
Project No. 6	September 2010- March 2013	Japan's Fastest Teach Running Techniques The Run and Eat Children's Education Project	Project No. 16	November 2016	Peeling off stickers to deliver school lunches to children! Peel off and Deliver Food —Stickers of Life Project
Project No. 7	July 2011- April 2013	Appreciating Food's Deliciousness and Fun through Learning and Cooking Kids, Come into the Kitchen! Project	Project No. 17	December 2016- April 2017	Helping eradicate hunger and poverty by scaling the Seven Summits! Seven Summits Stair-Climb Challenge Project
Project No. 8	May 2012- March 2013	Giving Inspiration to Children The Brighter Future for Tohoku Project	Project No. 18	January 2017- March 2018	Protecting a Japanese forest through tree thinning and chopstick making! Fantastic Chopsticks!! Forest Conservation Project
Project No. 9	August 2012	Storing 3-Minute Deliciousness for 3 Years The Canned Chicken Ramen & CUP NOODLES Project	Project No. 19	November 2017- March 2019	Komoro Endangered Bugs Biotope Project
Project No. 10	October 2012- March 2013	Father and Child Teams Going for the Win! The All Japan “Ikumen” Menu Contest	Project No. 20	January 2018	Super Rare Ancient Earthenware Project

Details of the Hyakufukushi Project

[https://www.nissin.com/en\\_jp/csr/social/hyakufukushi/](https://www.nissin.com/en_jp/csr/social/hyakufukushi/)

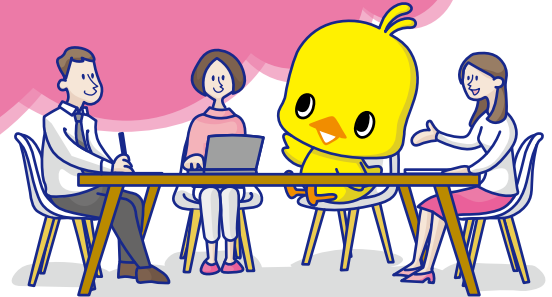
# Employees

Please refer to the website for detailed information concerning Employees.

 [https://www.nissin.com/en\\_jp/csr/employee/](https://www.nissin.com/en_jp/csr/employee/)



The NISSIN FOODS Group strives to create supportive work environments, promote diversity, enhance employee training, and support employee health so that all employees can fully demonstrate their capabilities.



## Supportive Work Environments

NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, and NISSIN FROZEN FOODS instituted the Smart Work 2000 project in fiscal 2018 as a part of work style reform. New programs whose target is to reduce total annual working hours per employee to less than 2,000 hours were created to raise employee work productivity and

help employees achieve a good work-life balance. Each department has set targets for the number of hours of overtime work and the number of days of paid leave taken, and bonuses are paid to employees in departments that reach their targets. As a result of these measures, annual working hours per employee in fiscal 2019 were 1,985 hours.

Starting in March 2018, various spaces were created in a portion of the Tokyo Head Office (see below) to facilitate efficient work by employees. In recognition of these efforts, NISSIN FOODS HOLDINGS was presented with the New Office Promotion Award of the 31st Nikkei Office Awards for 2018.

### Smart Work 2000

<b>Target</b>	Total annual working hours per person of less than 2,000 hours
<b>Scope of application</b>	Employees of NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS, NISSIN CHILLED FOODS, and NISSIN FROZEN FOODS
<b>Programs and systems</b>	<ul style="list-style-type: none"> <li>• Shortening of regular working hours through extension of the lunch break by 15 minutes</li> <li>• Flex-time system with no compulsory working hours</li> <li>• Telecommuting program (the work from home program, which enabled employees to work from home up to two days per week, was changed into a telecommuting program that allows employees to work up to 10 days per month starting in mid-March 2019)</li> <li>• Half-day paid leave system</li> <li>• Program to pay bonuses to employees of departments that have achieved their targets for reducing overtime and promoting taking of paid leave</li> <li>• If all paid leave time is used, an additional four days of special paid leave is granted.</li> </ul>

### New Programs and Spaces

- Introduction of a free address system
- Preparation of places where individuals can focus on work
- Preparation of spaces where employees can meet casually at any time
- Preparation of nap areas





## Promoting Diversity

### Diversity Promotion Structure

To promote human resource diversity, the NISSIN FOODS Group has established a Diversity Committee, consisting of fulltime members from the HR Division and voluntary members, which plays a central role in implementing various measures such as holding internal seminars.

To ascertain employees' awareness of the company, their work, and their values, every year we conduct an employee attitude survey covering Group employees in Japan. We have added to the survey questionnaire the question, "Does the company respect various differences, such as nationality and gender, and create a climate of mutual acceptance?" The percentage of employees who gave a positive response rose from 52% in fiscal 2016 to 64% in fiscal 2019.

### Women's Skills Development

The Group has made promoting more active roles for women a high priority in diversity promotion and is preparing supportive employment systems and working to raise awareness within the Group. In March 2019, the Group was selected as a Semi-Nadeshiko Brand\* by the Ministry of Economy, Trade and Industry as a company that actively encourages the success of women in the workplace.

\* The Ministry recognizes enterprises that are just below the Nadeshiko Brand without any limitation on the number of businesses.

#### Training Programs

<b>Training for Young Female Employees</b>	<ul style="list-style-type: none"> <li>Women's Career Planning Training held jointly with other food industry companies to enable participants to discuss industry-specific concerns and issues facing young female employees</li> <li>Sisters Program, which enables young female sales employees to feel free to discuss things with senior colleagues and obtain advice</li> </ul>
<b>Training for Female Manager Candidates</b>	Training for female manager and leader candidates that includes coaching instruction and practice as well as elements of leadership and mindfulness

#### Targets

Five-year period from April 1, 2016 to March 31, 2021:

- Female hiring ratio of 25% or higher in hiring of new university graduates (for career-track positions)
- Female manager ratio of 8% or higher

(→ p.28 Key Personnel and Labor Data)

### Support for Balancing Work and Nursing Care

We are preparing a flexible working environment through the flex-time system, telecommuting program, and use of lapsed annual paid leave for nursing care. In fiscal 2019, one person took nursing care leave.

### Support for Balancing Work and Parenting

The Group creates environments that support a balance between work and parenting for employees who have children. For example, the Group encourages female employees who are on childcare leave to take e-learning courses and dispatches employees to outside trainings as measures to develop skills. The Group also conducts interviews of such employees when they return to work to eliminate any concerns that they may have. Training is also held on the relationship between employees on childcare leave and their immediate supervisors. These efforts as well as the telecommuting program, the flex-time system with no compulsory working hours, and other programs were highly evaluated, and in February 2019, the Group received Platinum Kurumin certification from the Ministry of Health, Labour and Welfare as an enterprise that supports childcare.

All female employees who took childcare leave returned to work in fiscal 2019. In addition, 42 female employees made use of the reduced working hours for childcare program.



#### Target

Two-year period from April 1, 2018 to March 31, 2020:  
Paternal leave\* usage rate of 70% or higher

\* Leave for male employees for the purpose of childcare (FY2019: 61.5%)

### Employment of Persons with Disabilities

In 2013, we established a special subsidiary, NISSIN BUSINESS SUPPORT PLUS to facilitate employment for people with disabilities. Now, the company employs 31 persons in tasks that include building maintenance (cleaning), office support (mail sorting and delivery) and producing business cards and putting together product samples. The company also conducts company visits and training regarding employment conditions in order to support the effective employment of persons with disabilities. In recognition of these efforts, The company was granted the 2018 Tokyo Metropolitan Board of Education Business Contribution Enterprise Award.

### Raising Awareness of LGBT

The Harassment Response Standards (standards that clarify language and behavior that constitute harassment and the details of disciplinary actions) clearly prohibit language and behavior constituting gender discrimination. We have included LGBT-related content in training for employees posted overseas and new manager training.



## Human Resource Development

To develop and reinforce human resources for global management, the NISSIN FOODS Group is expanding and enhancing employee training.

### 1. Training for Graduates

Entry-level employees undergo training for about one month. They learn about the company history and philosophy of the founder, the operations of each division, compliance matters, and business skills. They also tour the R&D center and plants and undergo instructor training at the CUPNOODLES MUSEUM in Yokohama City, Kanagawa.

Employees who are assigned to the R&D center or a plant undergo cooking training to learn the fundamentals of food preparation, while other employees receive training specific to their job duties such as PC skills.



In addition, employees assigned to R&D departments undergo a one-month basic developer training program.

### 2. Second- and Third-Year Training

We conduct training for employees in their second and third years to identify and resolve issues relating to their work duties and support career development. Participants undergo training on skills necessary for each year such as logical thinking and problem solving so that they can effectively perform their work duties. Employees are also given opportunities to develop medium- to long-term career visions based on their personal aspirations.

### 3. Job-Specific Training

We provide training adapted to the work content of employees assigned to sales departments, the R&D center, and plants.

### 4. New Manager Training and Beat Brain Training

We conduct group training and training using e-learning for newly appointed managers in their first and second years. In their first year, new managers learn the basics of management skills necessary for leaders who have subordinates, and in their second year, they acquire through case studies basic skills for demonstrating more powerful leadership.

### 5. Desert Island Training

Desert island training is a program designed to build mental and physical toughness in newly appointed managers. By building shelters, lighting a fire, and finding food in an environment with limited resources, participants develop the strength to face and overcome difficulties without giving up. The participants come to realize the importance of food and nurture their creativity, judgment, and leadership through team problem solving. In fiscal 2019, 26 newly appointed managers around age 40, including one woman and 5 non-Japanese nationals, participated in the training on an uninhabited island in the Seto Inland Sea in Kagawa Prefecture. The training provided an opportunity for

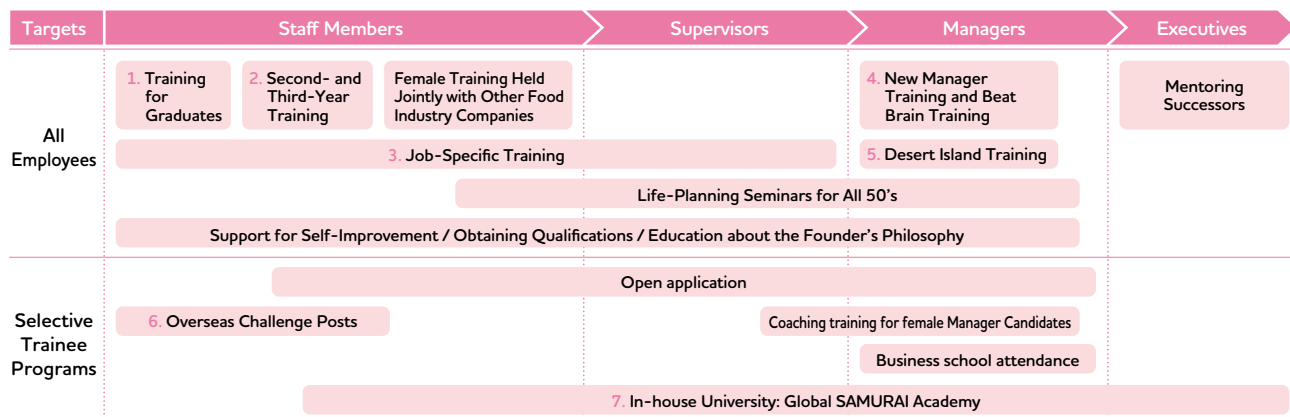


them to cultivate leadership required globally through survival training in a foreign land together with employees of various nationalities.

### 6. Overseas Challenge Posts

This is a program for nurturing people with a global management perspective in which young employees selected through open recruitment are dispatched to overseas business sites on one-year assignments. In fiscal 2019, 9 employees applied, 3 of whom were dispatched to China, Thailand, and Brazil.

## Main Human Resource Training Programs



Trainee targets: Employees of those who are employed by NISSIN FOOD PRODUCTS (including employees on temporary assignment to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)

## 7. In-House University: Global SAMURAI Academy

This program was established as an in-house university to train core management personnel at all levels from junior employees through to executives. Participants study a variety of subjects, including management skills, logical thinking, foreign languages, cross-cultural understanding, and liberal arts as they advance through the five levels below. We systematically nurture and develop the abilities of Academy graduates on a long-term basis by supporting their future career plans.

### Five Stages of the Global SAMURAI Academy

- “Young Warrior” for junior employees through to mid-level employees
- “Samurai” for team managers through to section managers
- “Robust Manager” for people at the assistant manager and divisional manager levels preparing for a future role in top management
- “Executive” for current management executives
- “Catalyst” for women with leadership potential



## Fair Evaluation

### Periodic Evaluation

With the aim of conducting fair evaluation methods, employee evaluations are performed three times annually. Staff members are evaluated by their immediate supervisors, and the responsible officer carefully reviews the evaluations. For managers, in addition to evaluations by immediate supervisors, multifaceted evaluations are performed by subordinates and colleagues in their divisions and by stakeholders in other divisions.

### Promotion Systems

We actively promote talented people regardless of age. Employees who demonstrate ability and performance, and are judged to have the qualification needed for senior positions can be promoted early so that young leaders can be developed more efficiently. We have also instituted an open internal job posting system. In fiscal 2019, 48 employees were assigned to their desired

positions through this system.

### Awards Programs

The NISSIN CREATORS AWARD is presented to employees who make contributions to the enhancement of the Group’s brand value. Employees who create exceptional inventions and innovations or demonstrate originality of thought or innovation in processes are eligible for this award. Starting in fiscal 2019, we added contributions to environmental and social problems to the areas eligible for the Small Successes Awards, which recognize small, day-to-day initiatives and successes, establishing a system to recognize efforts to solve problems faced by society.

In fiscal 2019, there were 368 applications, a 133% increase from the previous year, and awards were conferred following a judging process.

Another awards program is the NISSIN DIVERSITY AWARDS, a program that recognizes leaders and teams that promote diversity.



## Commitment to Occupational Safety and Health

In accordance with the Industrial Safety and Health Act, the NISSIN FOODS Group is committed to creating a work environment where employees can work safely and with peace of mind. We confirm whether any problems exist with respect to workplace lighting levels, temperature and humidity, air quality, noise, working space, and other factors and conduct employee stress checks. Also, at monthly meetings of the Health and Safety Committee held at each worksite, management and labor representatives discuss measures to prevent the occurrence and reoccurrence of occupational accidents, employee health promotion, and other matters.

The plants implement various measures to prevent occupational injuries, such as installation of handrails and stepladders, installation of safety covers at dangerous places, use of non-slip floor coatings, use of path markers,

installation of safety signs, and use of helmets, safety glasses, and gloves by employees. Health and Safety Committee members conduct monthly patrols inside the plants to confirm safety and sanitary conditions in work processes and share information about problem areas and dangerous behavior and consider safety measures with the plant managers at Health and Safety Committee meetings. Also, a suggestion box has been installed at each plant to enable the employees to express their views.

### Number of Occupational Injuries in FY2019

No. of lost-time injuries	5
No. of no-lost-time injuries	13

The above data covers fulltime employees of NISSIN FOODS PRODUCTS (including employees on temporary assignment to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, and other Group companies) who have been employed for at least one year.



## Promoting Health and Productivity Management

### Promotion Structures

The NISSIN FOODS Group believes that maintaining the good health of all employees at all times so that they can demonstrate their maximum capabilities and apply them to their work is a top-priority management issue, and accordingly, promotes health and productivity management.

The Group issued the NISSIN FOODS Group Declaration of Health and Productivity Management in August 2018 and implements various measures relating to employee health with the CEO of NISSIN FOODS HOLDINGS as the person with ultimate responsibility. In recognition of this series of measures to support employee health, NISSIN FOODS HOLDINGS was certified under the 2019 Certified Health and Productivity Management Organization Recognition Program (White 500) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



### Health Promotion Measures

Starting in fiscal 2020, in addition to periodic medical examinations (employees age 35 years and older undergo lifestyle disease prevention examinations), comprehensive medical examinations, which previously were limited to managers, have been made available to NISSIN FOOD PRODUCTS employees<sup>1</sup> at age 45, 50, and 55 years, and employees are actively encouraged to undergo more detailed specialized examinations. In addition, we analyze employee medical examination

results and provide health support to employees with high health risks through measures such as health guidance, consultations with an industrial physician, and referrals to hospitals. Capping cases where employees undergo treatment while working, we provide support to maintain a balance between work and their treatment.

In addition, the Group emphasizes educational measures for employees. In fiscal 2019, we held lectures conducted by industrial physicians regarding self-healthcare based on the results of medical examinations and held lectures on women's health. The Group also established a special site concerning health management on its intranet to disseminate information relating to the promotion of good health and consultation services.

Through the Hyakufukushi Project (→ p. 22), the NISSIN FOODS Group also periodically implements social contribution programs that link the promotion of employee health with support for children afflicted by hunger and poverty. The NISSIN EARTH FOOD WALKER Project (→ p. 22), conducted from October 2018 to March 2019, encouraged employees to walk 9,000 steps each day. These employee health promotion measures were recognized, and the Group was certified as a Sports Yell Company 2018 by the Japan Sports Agency and as a Tokyo Sports Promotion Company 2018 by the Tokyo Metropolitan Government for the second consecutive year.



### Key Personnel and Labor Data<sup>1,2</sup>

Fiscal year <sup>3</sup>	Number of employees			No. of new graduates (females)	Attrition rate of employees with less than three years of service	Female manager ratio	No. of re-employed persons	Average years of service (Male/Female)	Permanent turnover ratio	No. of employees taking parental leave (subtotal: males)	No. of employees taking family care leave	Paid leave usage ratio	Disabled employee ratio
	Total	Permanent (Male/Female)	Contract (Male/Female)										
2016	1,968	1,797 (1,509/288)	171 (83/88)	38(8)	11.8	3.4	38	13.3 (13.9/10.0)	4.7	29(0)	0	50.9	2.16
2017	2,044	1,855 (1,548/307)	189 (105/84)	52(11)	13.0	2.9	56	12.9 (13.5/9.9)	3.5	33(4)	1	54.4	2.06
2018	2,168	1,983 (1,645/338)	185 (107/78)	58(11)	10.5	3.8	60	12.2 (12.7/9.7)	4.5	32(4)	1	78.0	1.91
2019	2,194	2,027 (1,667/360)	167 (99/68)	48(11)	11.5	4.0	73	11.9 (12.4/9.6)	3.7	33(1)	1	98.0	2.18

<sup>1</sup> Employees of those who are employed by NISSIN FOOD PRODUCTS (including employees on temporary assignment to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)

<sup>2</sup> Employees of NISSIN BUSINESS SUPPORT PLUS

<sup>3</sup> As of March 31

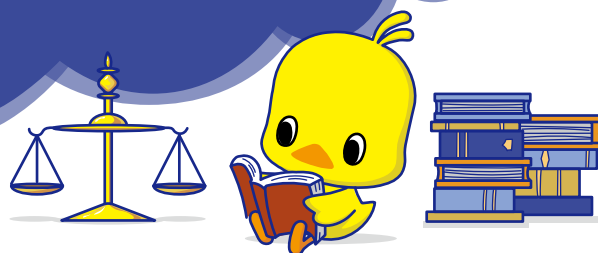
# Compliance

Please refer to the website for detailed information concerning Compliance.

[https://www.nissin.com/en\\_jp/csr/governance/compliance/](https://www.nissin.com/en_jp/csr/governance/compliance/)



Cognizant of its corporate social responsibility, the NISSIN FOODS Group complies with relevant laws and regulations and creates structures such as the Compliance Committee to ensure conduct in line with social ethics.



## Compliance System

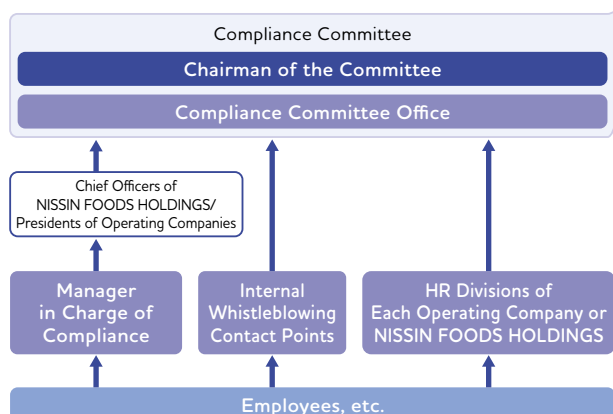
In accordance with the NISSIN FOODS Group Compliance Regulations, we appoint a manager in charge of compliance in each main division of NISSIN FOODS HOLDINGS and each Group company and hold quarterly meetings of the Compliance Committee, which is chaired by the COO. Compliance Committee members share reports on trends regarding consultations and reports made to internal whistleblowing systems and examples of issues that have occurred and investigate measures to prevent the occurrence of problems. The compliance managers appointed in each Group company and division investigate and report on conduct that may constitute violations in their respective organizations, share details of reports at Committee meetings, and hold compliance study meetings.

To raise compliance awareness, we distribute the Compliance Book to all NISSIN FOODS Group company employees in Japan. This pamphlet contains information

on topics such as relationships with suppliers, information management, and sexual and other forms of harassment as well as case studies on laws, regulations, and social norms that must be observed. In addition, compliance topics and information on internal whistleblowing systems are incorporated into various training curricula including training for entry-level employees and new managers. Each year, we implement a compliance awareness survey for all Group employees in Japan and include questions on the status of compliance with laws, regulations, and corporate ethics to determine changes in employee awareness.

The NISSIN FOODS Group established the Policy on Human Rights in fiscal 2019. We will enhance internal training even further to inform officers and employees about this policy and raise awareness regarding respect for human rights.

### Compliance Structure



### Internal Whistleblowing Contact Points

We have established an internal whistleblowing system that enables all current and former Group employees including officers and advisors to report and consult on matters such as violations of work-related laws and regulations. We have prepared three internal whistleblowing contact points to make it easy for employees to seek consultation. Anonymous consultation is possible using any of the contacts, and disadvantageous treatment of whistleblowers is prohibited. To inform personnel about the contacts points, we distribute to all Group employees in Japan a Compliance Card containing the contact information. Fifty reports and consultations were made to the whistleblowing system in fiscal 2019.

# Overview of the NISSIN FOODS Group (as of March 31, 2019)

## Corporate Information

<b>Trade name</b>	NISSIN FOODS HOLDINGS CO., LTD.
<b>Date of establishment</b>	September 1948
<b>Paid-in capital</b>	¥25,122 million
<b>Head offices</b>	TOKYO HEAD OFFICE 28-1, 6-chome, Shinjuku, Shinjuku-ku, Tokyo  OSAKA HEAD OFFICE 1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka
<b>URL</b>	<a href="https://www.nissin.com/en_jp/">https://www.nissin.com/en_jp/</a>

### Business Activities

As the Group holding company, NISSIN FOODS HOLDINGS formulates and implements management strategies for the entire Group, audits Group management, and performs other business administration and management.

1. Instant noodle production and sale
2. Chilled food production and sale
3. Frozen food production and sale
4. Confectionery and cereal food production and sale
5. Dairy products, soft drinks, chilled desserts, and production and sale of other food products

## Corporate Governance

For the purpose of further strengthening supervisory functions and promoting swifter decision-making, the NISSIN FOODS HOLDINGS Board of Directors consists of a majority of outside directors. As of March 31, 2019, the Board comprised eight directors, of whom five were outside directors.

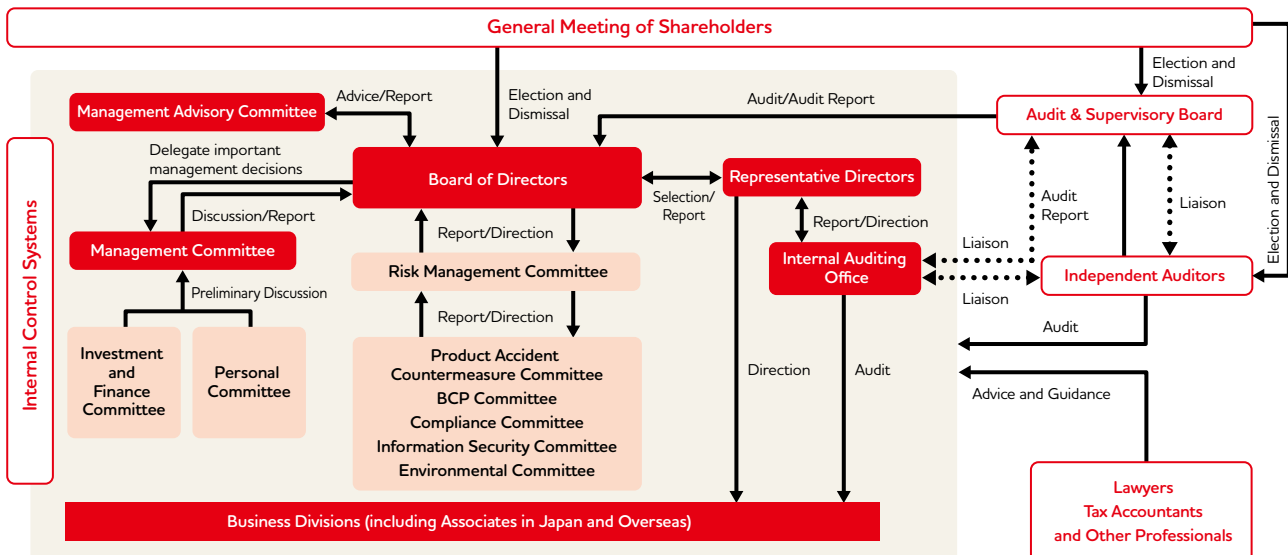
To discuss and decide important matters in accordance with laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations, the directors attend periodic regular meetings of the Board of Directors, as well as extraordinary meetings held as necessary. In addition, they monitor the status of business execution by the other directors. The directors also participate in decision-making and supervise the status of business execution by the other directors at periodically held meetings of the Management Committee, consisting of the inside directors, managing executive officers, and fulltime Audit & Supervisory Board members.

As a company with an Audit & Supervisory Board, the Company has a system for monitoring the directors' execution of duties with three Audit & Supervisory Board

members (of which, two Independent Outside Audit & Supervisory Board members). In addition, the Company is striving to further enhance corporate governance by assigning several staff specialists to assist with the operations of Audit & Supervisory Board members, enhancing the Internal Auditing Office, which improves the efficiency of audits by cooperating with Audit & Supervisory Board members, and reinforcing the internal control systems, etc.

The Audit & Supervisory Board members comply with the audit standards predetermined by the Audit & Supervisory Board and attend meetings of the Board of Directors and other important meetings in accordance with the audit policy and audit plan for the current fiscal year. They also interview the directors and executive officers concerning the status of execution of duties, examine important approval documents, and perform auditing work such as on-site audits of the head office and important business sites and monitoring and verification of the status of the internal control systems decided by resolution of the Board of Directors.

[https://www.nissin.com/en\\_jp/ir/management/governance/](https://www.nissin.com/en_jp/ir/management/governance/)





## Group Companies

### Japan

#### Instant Noodles Products and Incidental Businesses

- NISSIN FOOD PRODUCTS CO., LTD.
- SAPPORO NISSIN CO., LTD.
- NISSIN PLASTICS CO., LTD.
- NISSIN F.D. FOODS CO., LTD.
- KAGAWA NISSIN FOOD PRODUCTS CO., LTD.
- NISSIN ENTERPRISE CORPORATION
- AJINIHOH CO., LTD.
- MYOJO FOODS CO., LTD.
- HIGASHINIHOH MYOJO CO., LTD.
- NISHINIHOH MYOJO CO., LTD.
- UNI-STAR CO., LTD.

#### Chilled and Frozen Food Products and Incidental Businesses

- NISSIN CHILLED FOODS CO., LTD.
- SAITAMA NISSIN FOOD PRODUCTS CO., LTD.
- SAGAMI FRESH CO., LTD.
- NISSIN FROZEN FOODS CO., LTD.
- SHIKOKU NISSIN FOOD PRODUCTS CO., LTD.
- TAKAMATSU NISSIN FOOD PRODUCTS CO., LTD.
- MIE NISSIN FOOD PRODUCTS CO., LTD.
- CIRCLE LINERS CO., LTD.
- NICKY FOODS CO., LTD.
- SANUKI LIVESTOCK FOODS CO.,LTD

#### Confectionery and Beverages Products and Other Businesses

- NISSIN CISCO CO., LTD.
- NISSIN YORK CO., LTD.
- NISSIN ASSET MANAGEMENT CO., LTD.
- UJI KAIHATSU DEVELOPMENT CO., LTD.
- NISSIN NETCOM CO., LTD.
- BONCHI CO., LTD.
- KOIKE-YA INC.
- NISSIN BUSINESS SUPPORT PLUS CO., LTD.

- |                             |                           |
|-----------------------------|---------------------------|
| ■ Consolidated subsidiary   | ■ Equity-method affiliate |
| ■ Unconsolidated subsidiary | ■ Affiliate               |



Japanese subsidiaries and affiliates **29** companies

Overseas subsidiaries and affiliates **38** companies

Instant noodles production sites in **16** countries

### Europe

- NISSIN FOODS Kft.
- NISSIN FOODS GmbH
- MAREVEN FOOD HOLDINGS LTD.

### The Americas

- NISSIN FOODS(U.S.A.)CO., INC.
- NISSIN FOODS DO BRASIL LTDA.
- MYOJO U.S.A., INC.
- NISSIN FOODS DE MEXICO S.A. DE C.V.
- NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA

1 other companies

### Asia

- NISSIN FOODS ASIA PTE. LTD.
- INDO NISSIN FOODS PRIVATE LTD.
- NISSIN FOODS INDIA LTD.
- NISSIN FOODS VIETNAM CO., LTD.
- NISSIN FOODS(THAILAND) CO., LTD.
- NISSIN FOODS SINGAPORE PTE. LTD.
- PT. NISSIN FOODS INDONESIA
- THAI PRESIDENT FOODS PUB. CO., LTD.
- NISSIN-UNIVERSAL ROBINA CORP.
- NISSIN FOODS MECHANICAL TECHNOLOGY(THAILAND)CO., LTD.
- PREMIER DRIED FOODS CO., LTD.

### China

- NISSIN FOODS CO., LTD.
- WINNER FOOD PRODUCTS LTD.
- NISSIN FOODS (CHINA) HOLDING CO., LTD.
- GUANGDONG SHUNDE NISSIN FOODS CO., LTD.
- ZHUHAI GOLDEN COAST WINNER FOOD PRODUCTS LTD.
- NISSIN FOODS (HK) MANAGEMENT CO., LTD.
- NISSIN FOODS (H.K.) CO., LTD.
- NISSIN KOIKEYA FOODS (CHINA & HK) CO., LTD.
- DONGGUAN NISSIN PACKAGING CO., LTD.
- FUJIAN NISSIN FOODS CO., LTD.
- ZHEJIANG NISSIN FOODS CO., LTD.
- MC MARKETING & SALES (HONG KONG) LIMITED
- Kagome Nissin Foods Co., Ltd.
- FOOD SAFETY EVALUATION RESEARCH INSTITUTE CO., LTD. (Shanghai)
- BEIJING ZHENGBEN ADVERTISING CO., LTD

3 other companies

Business Activities

Instant Noodles

NISSIN FOOD PRODUCTS and MYOJO FOODS

Two NISSIN FOODS Group companies provide a wide variety of products that meet the needs of customers in the instant noodles business. NISSIN FOOD PRODUCTS has a brand portfolio that includes *Chicken Ramen*, the world's first instant noodles, *CUP NOODLES*, the world's first cup-type instant noodles, *NISSIN DONBEI*, *NISSIN YAKISO-BA U.F.O.*, and *NISSIN RAOH*. MYOJO FOODS is known for long-selling products such as *MYOJO CHARUMERA*, *MYOJO CHUKAZANMAI*, and *MYOJO IPPEI-CHAN YOMISE NOYAKISOBA*.



Chilled and Frozen Foods

NISSIN CHILLED FOODS and NISSIN FROZEN FOODS

NISSIN CHILLED FOODS sells chilled food products. The company pursues a sense of freshness and genuine flavor in products such as *Gyoretsu-no-Dekiru-Mise-no-Ramen* and *Tsukemen-no-Tatsujin*. NISSIN FROZEN FOODS sells convenient and appetizing frozen foods such as *Reito NISSIN GooTa*.



Confectionery and Beverages

NISSIN CISCO, NISSIN YORK and BONCHI

Two Group companies engage in the confectioneries business: NISSIN CISCO markets the product *COCONUT SABLE*, *Choco Flakes* and cereal products including *CISCORN* and *GOROTTO GRANOLA*, and BONCHI is known for products such as *BONCHIAGE* rice crackers. In the beverages business, NISSIN YORK sells daily lactobacillus drinks, called *PILKUL*, which is a Food for Specified Health Use (FOSHU), and *TOKACHI NOMU YOGURT*, which is fermented over a long time.



Overseas Business

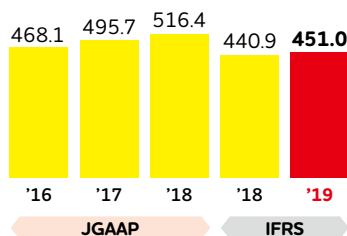
The Americas, China, Asia, Europe

Since entering the U.S. market in 1970, the NISSIN FOODS Group has expanded its business operations to Mexico, Brazil and other countries in the Americas. We have also expanded into China, Singapore, India, Thailand, Indonesia, and other countries in the Asia region, and into Hungary, Germany, and other countries in Europe. The Group's basic approach to overseas operations is to engage in local production and marketing. The Group has implemented a strategy of globalizing *CUP NOODLES* since 2016 and has begun offering common flavors, *SEAFOOD*, in markets around the world.

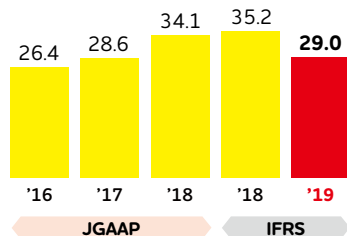


## Consolidated Business Results and Number of Employees

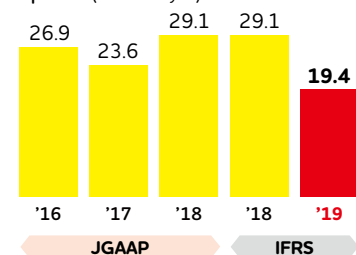
■ Net sales/revenue (billions of yen)



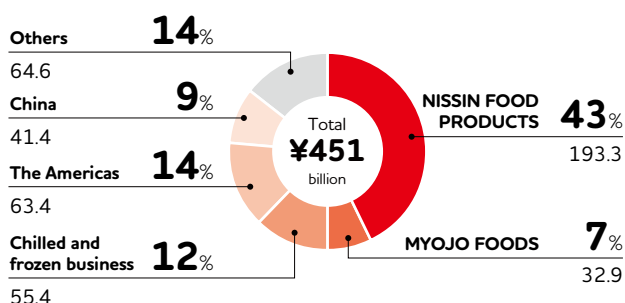
■ Operating profit (billions of yen)



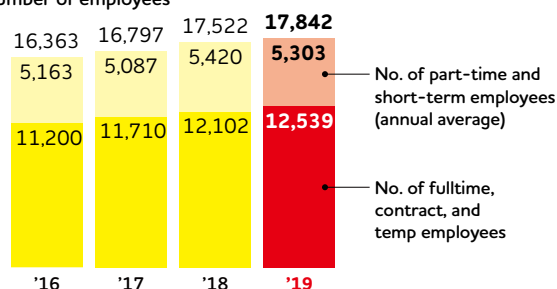
■ Net income attributable to owners of parent/Profit attributable to owners of parent (billions of yen)



■ Net sales by segment (FY2019 in billions of yen)



■ Number of employees



### Medium-Term Business Plan 2021

We treat “earning power through operations” and “value in capital markets” as requirements for recognition as a global company and set KPIs accordingly.

#### Strategy to Achieve Targets

- Promoting Global Branding: Accelerate the expansion of high value-added CUP NOODLES worldwide with the aim of improving profitability outside Japan.
- Focusing on Priority Locations: Allocate management resources to BRICs (China, India, Brazil and Russia) as prioritized areas and realize profit growth.
- Laying Stronger Foundations for our Domestic Profit Base: Realize sustainable stable profits through the cultivation of domestic instant noodles market and the investment in sophisticating plants for higher safety and less workers.
- Establish a second Primary Revenue Source: Confectionery and cereal business targets to achieve 100.0 billion yen. Profit growth of domestic businesses contributed by Chilled and Frozen business.
- Developing and Strengthening Human Resources for Global Management Accelerate global management through the increase of managerial talent by fostering human resource and employing external talents like the two wheels of a cart.

#### Review of FY2021 Targets

		Before review	After review
Earning power through operations	Revenue	550.0 bil. yen	480.0 bil. yen
	Operating profit	47.5 bil. yen	42.5 bil. yen
Capital market value	Profit <sup>1</sup>	33.0 bil. yen	30.0 bil. yen
	ROE	8%	8%
	Adjusted EPS <sup>2</sup>	330 yen	284 yen
	Market capitalization <sup>3</sup>	1 tri. yen	<sup>4</sup>

<sup>1</sup> “Profit attributable to owners of parent” under IFRS

<sup>2</sup> (Operating profit ± Other income, expenses - Income tax expenses - Profit attributable to non-controlling interests)/Average number of shares outstanding during the fiscal year (excluding treasury shares)

<sup>3</sup> Market capitalization = Stock price x Number of shares outstanding at the end of the fiscal year (excluding treasury shares)

<sup>4</sup> The Group will continuously strive to achieve market capitalization of 1 trillion yen as a passing target, regardless of the timing. The Group will also seek to raise corporate value by focusing on initiatives from a CSV perspective.

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