

Last Updated: January 14, 2020

**NISSIN FOODS HOLDINGS CO., LTD.**

Koki Ando, President & Representative Director, CEO

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Securities Code: 2897

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

The corporate governance of NISSIN FOODS HOLDINGS CO., LTD. (the “Company”) is described below.

### **I. Basic Concept on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information**

#### **1. Basic Concept [Updated]**

While providing safe and worry-free foods, and promoting businesses to maximize benefits to all stakeholders including shareholders, consumers, employees, business partners, local communities, and local residents, the Company recognizes enhanced and strengthened corporate governance as one of the top priorities for management and strives for highly objective and transparent management. To achieve this objective, the Company has already appointed more than one Outside Director and Outside Audit & Supervisory Board Member, and has proactively incorporated the opinions of outside experts in management, thereby endeavoring to invigorate management and make it transparent. In particular with regard to Directors, based on a resolution at the 68th Ordinary General Meeting of Shareholders held on June 28, 2016, we have reduced the number of Internal Directors by six, to three, and increased the number of Outside Directors by one, to five. By making Outside Directors the majority, the Company is further strengthening supervisory functions and promoting swifter decision-making. The basic concept on corporate governance of the Company is as described above. However, due to the resignation of one Outside Director, the Company has four Outside Directors as of the date of this report.

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 are Independent Outside Audit & Supervisory Board Members). Furthermore, the Company is striving to further enhance corporate governance by placing several staff specializing in assisting 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 Company changed its trade name from “Nissin Food Products Co., Ltd.” to “NISSIN FOODS HOLDINGS CO., LTD.” on October 1, 2008, and made a transition to the holding company system effective the same date. The Company has structured a system in which the Company becomes a holding company, and instant noodle business, chilled foods business, and frozen foods business are respectively transferred to subsidiaries to be established through an incorporation-type company split to position them at the same level as other subsidiaries. The Company made this transition to the holding company system as we determined it necessary to build management structure to help further boost competitiveness of operating companies in order to lead the NISSIN FOODS Group (the “Group”) to achieve significant growth going forward. We aim to maximize corporate value of the entire Group in accordance with the Medium-Term Business Plan.

#### **[Disclosure Based on the Principles of the Japan’s Corporate Governance Code] [Updated]**

The Company complies with all of the principles of Japan’s Corporate Governance Code revised in June, 2018.

[Principle 1-4]

■ Policy on Reduction of Cross-Shareholdings in Listed Companies

In addition to obtaining dividends and capital gains, the Company holds shares in listed companies as deemed necessary for forming positive relationships with business partners and enhancing corporate value over the medium to long term by promoting smooth operations.

The Board of Directors regularly verifies such shares from the above-mentioned perspective, taking into consideration information such as earnings targets based on capital cost, actual returns, and the status of transactions, to determine their continued holdings and the Company adopts a basic policy of selling shares whose grounds for holding have weakened as soon as practicable.

#### ■ Standards for Exercising the Voting Rights as to Cross-Holdings of Shares

In exercising voting rights of shares in listed companies held, the Company appropriately exercises them by evaluating overall factors including if such exercise contributes to enhancing its corporate value over the medium to long term and if it contributes to common interests of shareholders of the companies to be invested in.

[Principle 1-7]

#### ■ Transactions with Related-Parties

In the event of transactions between a Director and the Company (self-transactions and indirect transactions) or transactions between a principal shareholder (with 10% or higher holding) and the Company, such transactions shall be discussed before their implementation at a meeting of the Board of Directors, and in addition, the Director who carried out said transaction shall be required to report said transaction at a meeting of the Board of Directors without delay after implementing said transaction. The Company has set forth these procedures in the Board of Directors Regulations and other internal company regulations.

[Principle 2-6]

#### ■ Roles of Corporate Pension Funds as Asset Owners

To ensure that beneficiaries continue to receive stable pension benefits in the future, the Group formulated the composition ratio for plan assets, keeping in mind risks and returns. The management status of plan assets is regularly monitored and the composition ratio for plan assets is reviewed as necessary by the Asset Management Committee, which is composed of members including the Company's finance and accounting department. The plan trustee is comprehensively evaluated and monitored taking into consideration information such as their management performance, management policy, management structure, and management process.

[Principle 3-1 (1)]

#### ■ Corporate Philosophy

The Company embraces "EARTH FOOD CREATOR," which is built on the spirit of its founder, as the Group Philosophy.

In the EARTH FOOD CREATOR philosophy, the resolve and universal tenet of the Group are clearly stated as "the NISSIN FOODS Group explores various possibilities for food and creates dream-inspiring delicious tastes. We contribute to society and the earth by gratifying people everywhere with pleasures and delights food can provide."

The spirit of our founder is expressed in the four phrases propounded by the founder Momofuku Ando, "食足世平 Shoku-soku Se-hei," "食創為世 Shoku-so Isei," "美健賢食 Bi-ken Ken-shoku," and "食為聖職 Shoku-i Sei-shoku." These phrases form the core of the Group and are our enduring founding values.

"食足世平 Shoku-soku Se-hei (Peace will come to the world when there is enough food)": Food is the most important pillar supporting human life. The business operations of the Group originated from this basic human principle.

"食創為世 Shoku-so Isei (Create foods to serve society)": A spirit of creativity is the most important thing of all for a company. The Group creates foods to serve society. We are creating a new food culture and providing people all over the world with happiness and inspiration.

"美健賢食 Bi-ken Ken-shoku (Eat wisely for beauty and health)": The Group pursues food functionality and advocates a wise diet.

"食為聖職 Shoku-i Sei-shoku (Food-related jobs are a sacred profession)": It is the mission of the Group to provide the world with safe, delicious, healthy food.

## ■ Corporate Strategies and Business Plans

### (1) Medium-term management policy

Based on the four elements that make up the spirit of our founder - “食足世平 Shoku-soku Se-hei,” “食創為世 Shoku-so Isei,” “美健賢食 Bi-ken Ken-shoku,” and “食為聖職 Shoku-i Sei-shoku” - our aim is to become an “EARTH FOOD CREATOR,” as set out in the Group Philosophy, through our commitment to creating food for the world around us. We go about our work in a “Creative” and “Unique” manner every day, and provide enjoyment of food for a “Global” audience, in order to make people all over the world “Happy.” Within the Medium-Term Business Plan 2021 (“Medium-Term Plan”), which we have formulated for the five-year period starting in the fiscal year ended March 31, 2017, we have set out numerical targets with an emphasis on “earning power through operations” and “value in capital markets,” as key requirements for “recognition as a global company.”

### (2) Overall strategy

To achieve the numerical targets under the Medium-Term Plan, we intend to implement the following five strategies in order to ensure profitability.

#### (a) Promoting global branding

We intend to improve profitability by accelerating overseas expansion of CUP NOODLES, as a high value-added product that makes the most of our strengths as a company, and by increasing the number of units sold overseas by 50%. We intend to pinpoint the right approach for design, flavor and promotion, based on a clearly defined target market (young people with a certain standard of living), in order to penetrate the market more efficiently and effectively.

#### (b) Focusing on priority overseas locations

We have earmarked BRICs (Brazil, Russia, India, China) as priority locations from the two key perspectives, based on market appeal (scale of instant noodle market and its growth potential) and opportunities for the Company (strength of business foundations and scope to expand market for cup-type and other value-added products over the short to medium term). We are determined to secure profit growth in these areas. In China, we are planning to further expand our growing sales area for high-margin CUP NOODLES products. In India, we are focusing on growth in bag-type instant noodle products in urban areas and on stepping up CUP NOODLES sales to the country’s rapidly-growing population of middle-income earners. In Brazil and Russia, we are aiming to build on solid foundations as market leader to expand the market for value-added cup-type instant noodle products, so that we can secure an even larger market share and increase profits.

#### (c) Laying stronger foundations for our domestic profit base

In order to establish a business model that will be less susceptible to declining population numbers and other changes in population or consumer composition, we intend to focus more closely on the domestic market, with an emphasis on marketing, and we are also planning to invest in upgrading plants in order to save labor and improve food safety. By conducting these initiatives, we will lay stronger foundations for our instant noodle profit base in Japan, with the aim of becoming a “century brand company.”

#### (d) Establishing a second pillar that generates revenue and profit

We are stepping up initiatives aimed at developing our confectionary and cereal business into a second primary revenue and profit source, both in Japan and overseas. We intend to grow individual brands even further, strengthen cooperation based on technical synergy between the confectionery and cereal companies, expand overseas operations and make use of M&A to increase sales to around ¥100 billion, including equity method companies. In terms of chilled and frozen foods, and beverages, we are aiming to increase profit growth domestically, based on our efforts to establish brands throughout the previous medium-term period.

#### (e) Developing and strengthening human resources for global management

Thanks to active investment in strengthening platforms, we have been able to establish a framework to support growth. Looking ahead to the future, we intend to step up human resource development measures within the Group, including running a selection-based in-house university program, promoting diversity, and reinforcing overseas trainee systems. In addition, we are planning to recruit from outside the Group. By combining human resource development measures within the Group and recruitment from outside the Group, we will increase management human resources in an effort to accelerate global management.

Specific details are published on the Company’s website.  
[https://www.nissin.com/en\\_jp/ir/management/strategies/](https://www.nissin.com/en_jp/ir/management/strategies/)

[Principle 3-1 (2)]

■ Basic Concept and Policies on Corporate Governance

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[Principle 3-1(3)]

■ Policies and Procedures in Determining the Remuneration

(1) Policy on remuneration for Directors

Remuneration for Directors of the Company is provided for the purpose of heightening the motivation and morale of those Directors in fulfilling their roles, achieving short-term business performance and making contributions to continuous improvement of corporate value over the medium term.

i) Composition of remuneration

Remuneration for Director consists of the “basic remuneration” paid according to position and role importance of the Director as well as corporate performance and individual performance and the “remuneration-type stock options” for the purpose of increasing motivation and incentives toward the contribution to sustained improvement of business performance and enhancement of corporate value over the medium to long term.

a. Basic remuneration

This remuneration consists of the fixed portion based on the position and the role of the Director and the performance-based portion that is linked to business performance of the Company and the degree of personal achievements during the fiscal year under review.

The performance-based portion is designed to be varied within the range of up to 20% of the base amount according to the actual results of the “consolidated performance indicators” and “individual performance evaluation indicators” of the Company and will be reflected in the performance-based portion of the “basic remuneration” of the following fiscal year.

b. Remuneration-type stock options

The Company provides part of the remuneration as stock options for shares so that heightened motivation and morale to contribute to sustained improvement of business performance and enhancement of corporate value over the medium to long term will result in promotion of shareholders' interest of the Company.

The percentages of the “basic remuneration” and the “remuneration-type stock options” to the total amount are designed to be about 60-80% for the former and about 20-40% for the latter, depending on the position and the fluctuations in the stock price.

However, in view of the nature of the duties, the remuneration for Outside Director is not linked to business performance and consists only a fixed portion of the “basic remuneration” paid according to the position.

ii) Procedures for determining remuneration

The “basic remuneration” for each individual is determined based on the position and role importance, business performance and surveys on the standards of officers’ remuneration conducted by third parties.

The Management Advisory Committee chaired by an Independent Outside Director and the majority of which are Independent Officers deliberates and verifies the appropriateness, whereupon the Board of Directors makes the determination.

(2) Policy on remuneration for Audit & Supervisory Board Members

Although remuneration for Audit & Supervisory Board Member is determined through discussions with the Audit & Supervisory Board within the scope of the total amount resolved by the General Meeting of Shareholders, in view of the nature of auditing service, remuneration for Audit & Supervisory Board Member is not linked to business performance and consists only a fixed portion of the “basic remuneration” paid according to the position.

[Principle 3-1(4)]

■ Policies and Procedures for Selection of Candidates for Directors and Audit & Supervisory Board Members

(Composition of the Board of Directors and Criteria for Selection of Candidates for Directors)

In order to develop the Group’s operations in Japan and overseas under its philosophy, “EARTH FOOD CREATOR,” the Group selects candidates who possess extensive experience, deep insight, and advanced specialization, while taking into account the balance of knowledge, experience, and capabilities; diversity in fields of specialization and gender; and appropriateness of scale of the Board of Directors as a whole.

Candidates for Internal Directors are selected from among those people who are involved in Group management, such as Executive Officers, Chief Officers, Presidents of operating companies, and Chief Representatives in each area, in addition to President & Representative Director, CEO, Executive Vice President & Representative Director, COO.

Candidates for Outside Directors are selected from those who, as well as satisfy the standards of the Companies Act, are management executives, academic experts and the like, based on their deep insight and advanced specialization with extensive experience in domestic and overseas economics, finance, industry trends, corporate strategy, marketing, advanced research, etc., and who are capable of not only checking in the Board of Directors meetings from an objective standpoint the legality of management and the appropriateness of decision-making in the execution of duties, but also, the Group expects, providing advice leading to business activities that will enhance corporate value in the Board of Directors meetings, etc.

As for the procedures for the above, candidates are decided by the Board of Directors after the appropriateness of them is deliberated and verified by the Management Advisory Committee.

Candidates for the management team (hereinafter refers to Directors with special titles and Executive Officers with special titles) are selected from among persons selected as Director as above and from among the Executive Officers in principle who have past achievements, a strong sense of purpose toward the realization of the Group’s philosophy, strong leadership, popularity inside and outside the Company, and high capabilities in management judgment from such factors as experience, knowledge and expertise, and after these selected individuals are subjected to the deliberation and verification by the Management Advisory Committee, the Board of Directors judges whether these selected individuals are suitable persons as members of the management team.

Concerning dismissal of members of the management team, in addition to the annual examination carried out by the Management Advisory Committee based on performance results, in the event of circumstances arising suggestive of the individual meeting the criteria for dismissal (through (1) an action that violates the

laws and regulations, the Articles of Incorporation, or internal rules such as the Code of Conduct and that has caused or has the risk of causing a significant loss or a hindrance of business in the Group, (2) a significant difficulty in execution of duties, and (3) revelation that the individual is lacking the various requirements stated in the criteria for selecting), the grounds for the dismissal shall be examined and verified at the Management Advisory Committee and the decision of dismissal will be made by the Board of Directors.

(Composition of the Audit & Supervisory Board and Criteria for Selection of Candidates for Audit & Supervisory Board Members)

Based on the Companies Act and other laws and regulations, as well as the Articles of Incorporation and other regulations, the Audit & Supervisory Board audits the process of decision-making by the Directors and the status of their execution of duties.

The number of the Audit & Supervisory Board Members is four or fewer, the majority of whom are Outside Audit & Supervisory Board Members.

The criteria for selecting candidates for Audit & Supervisory Board Members (internal) is to select people who can perform auditing and ensure management soundness from a perspective based on extensive operational experience in the Group.

The criteria for selecting candidates for Outside Audit & Supervisory Board Members is to select people who satisfy the standards of the Companies Act, and who have extensive experience and advanced specialization, which are necessary for audit.

As for the procedures for the above, candidates are decided by the Board of Directors after the appropriateness of them is deliberated and verified by the Management Advisory Committee and after obtaining the approval of the Audit & Supervisory Board.

(Criteria for Assessing Externality and Independency of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members)

The Company appoints Outside Directors and Outside Audit & Supervisory Board Members as independent officers in accordance with requirements for outside directors and outside audit & supervisory board members defined in the Companies Act and the criteria for independency defined by the Tokyo Stock Exchange.

[Principle 3-1(5)]

■ Reasons for Nominating Each Candidate for Directors and Audit & Supervisory Board Members

Reasons for nominating each candidate for Directors and Audit & Supervisory Board Members are stated on the Notice of the 71st Ordinary General Meeting of Shareholders posted on the Company's website.

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

[Supplementary Principle 4-1(1)]

■ Agenda for Deliberation at the Board of Directors

To implement the corporate strategy and achieve the target metrics of operating performance, the Board of Directors of the Company with attendance of Outside Directors engages in comprehensive and substantive deliberation over corporate strategy, medium- to long-term plans and business challenges. Accordingly, the Board of Directors determines certain important matters for the Company and the Group companies including M&A, organizational change, and a large amount of asset acquisition or disposal in accordance with these strategies, and delegates any other subjects that fall below a certain level of criteria as determined based on the amount specified in the Regulations for Approval to such subordinate functions as the Management Committee, CEO, COO, Executive Officers, Chief Officers, and regional Chief Representatives.

[Supplementary Principle 4-1(3)]

■ Succession Plan for CEO

To develop perpetually as an EARTH FOOD CREATOR, the Group must strategically groom corporate managers who set forth a medium- and long-term mission and realize and execute the corporate philosophy.

When choosing the CEO successor, candidates are selected from among persons selected as Director and from among the Executive Officers in principal who have past achievements, a strong ownership and sense of responsibility toward realization of the Group's philosophy, and popularity from inside and outside the Company for exceptional capabilities in decision-making, reaching breakthroughs, winning peoples' hearts and minds, and a clear sense of morals and values, as well as having broad experience and knowledge relating to corporate management, a keen spirit to acquire cutting-edge insight, and excellent business judgement.

After the selected individual is subjected to the deliberation and verification by the Management Advisory Committee, the Board of Directors judges whether the selected individual is suitable person as the successor.

[Principle 4-8]

■ Number of Independent Outside Directors and Ratio of Independent Outside Directors in the Board of Directors

The Board of Directors of the Company comprises seven Directors, of which two are Independent Outside Directors. In addition to the Independent Outside Directors, there are also two more Outside Directors. Including the two Independent Outside Directors, there are four Outside Directors in total. As a result, Outside Directors make up the majority of Directors under the existing system, and there is effective action being taken to make management more transparent and to strengthen the supervisory function.

[Principle 4-9]

■ Criteria for Externality and Independency of Independent Outside Directors

The Company appoints Outside Directors as independent officers in accordance with requirements for Outside Directors defined by the Companies Act and the independence standards set out by the Tokyo Stock Exchange.

[Principle 4-11(1)]

■ Views on the Balance of Knowledge, Experience and Capabilities, Diversity and Scale of the Board of Directors as a Whole

In order to develop the Group's operations in Japan and overseas under its philosophy, "EARTH FOOD CREATOR," the Group selects candidates, while taking into account the balance of knowledge, experience, and capabilities; diversity in fields of specialization and gender; and appropriateness of scale of the Board of Directors within the scope stipulated by the Articles of Incorporation as a whole.

[Supplementary Principle 4-11(2)]

■ Status of Concurrent Positions of Directors and Audit & Supervisory Board Members with Other Listed Companies' Officers

The Company posts the status of concurrent positions of Directors and Audit & Supervisory Board Members every year in the Notice of Ordinary General Meeting of Shareholders.

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

[Supplementary Principle 4-11(3)]

● ■ Analysis and evaluation of Effectiveness of the Board of Directors

The Company obtains self-evaluations from each Director and Audit & Supervisory Board Member by way of questionnaires concerning effectiveness of the Board of Directors. The summary of the analysis and evaluation results of the questionnaire conducted for the fiscal year ended March 31, 2019 are as follows:

(1) Assessment process

The assessment was performed by going through the following process:

- (i) The questionnaire was conducted on Directors and Audit & Supervisory Board Members on an anonymous basis.
- (ii) The answers from the questionnaire were aggregated and analyzed.
- (iii) The Management Advisory Committee assessed effectiveness of the Board of Directors based on the analysis results, deliberated any issues and reported the results to the Board of Directors.
- (iv) The Board of Directors shared the assessment results and confirmed any issues to be addressed for the coming fiscal year.

(2) Structure of the questions

- “Role of the Board of Directors”
- “Composition of the Board of Directors and the systems for nomination and remuneration of the members of management team”
- “Systems to support the Board of Directors”
- “Management of the Board of Directors”
- Management Advisory Committee

(3) Overview of the questionnaire results

The Company confirmed that both the supervisory functions and the decision-making functions expected to the Board of Directors were properly working and the effectiveness was being ensured. Meanwhile, suggestions were made that efforts were necessary to make the discussions more substantial, in order to make the Board of Directors meetings more open, open-minded and welcoming of constructive arguments and exchange of opinions.

It should be added that it was confirmed that improvements had been made to the following matters identified as issues as a result of the self-evaluations conducted in the fiscal year ended March 31, 2018.

- (i) Providing opportunities of appropriate training for Directors and Audit & Supervisory Board Members
- (ii) Strengthening of the whistleblowing system

We are committed to mounting efforts to increase effectiveness of the Board of Directors by making improvements on a continuous basis.

[Supplementary Principle 4-14(2)]

■ Policy on Training Directors and Audit & Supervisory Board Members

To ensure that management supervision and auditing functions are sufficiently conducted by the Directors and Audit & Supervisory Board Members, the Company provides information necessary to the execution of duties in an appropriate and timely manner. Furthermore, to ensure sufficient deliberation at Board of Directors meetings, Outside Directors and Outside Audit & Supervisory Board Members are provided in advance with Board of Directors meeting materials, explanations, and related information. In addition, when such Outside Directors and Outside Audit & Supervisory Board Members assume office, they are provided with orientations, dialogues with the management team, and other ongoing opportunities for understanding the Company’s operations. Furthermore, the Company provides Directors and Audit & Supervisory Board Members with opportunities for training by third-party institutions, with the Company bearing the costs of such training.

[Principle 5-1]

■ Policy on Constructive Dialogue with Shareholders

For dialogues with our shareholders, the Company has assigned the General Affairs Division as contact point for individual investors and the IR Office for institutional investors.

For dialogues (interviews) with our shareholders, IR Office studies how to handle them with Representative Directors and the Director and CFO, and takes appropriate actions.

The Company has the Finance Platform lead to work closely with PR Platform, General Affairs Platform, Legal Platform and other to exchange opinions based on their respective expertise in each division concerning disclosure and accountability of financial results, items subject to timely disclosure and the like.

The Company holds financial results meetings for institutional investors twice a year (the first half and the full year) and mainly President & Representative Director, CEO provides briefing. In addition, the Company arranges telephone conferences twice a year (the first quarter and the third quarter) where the Director and CFO provides briefing on the financial results. Furthermore, IR Office serves as a contact point for interviews with institutional investors. The Company also held a small meeting for institutional investors and securities analysts in June 2019 to share the review on the Third year of the Medium-Term Business Plan 2021.

For individual investors, the General Affairs Division takes the initiative in publishing the NISSIN REPORT and disclosing information on the Company’s website. Additionally, the Company often holds presentation



meeting for individual investors as necessary. There is a dedicated point of contact in the General Affairs Division.

The IR Office and the General Affairs Division regularly collect opinions received from institutional investors and shareholders and share this information with the Representative Directors, officers, presidents of the Group companies, and other relevant divisions. In addition, this information is reported to the Board of Directors and at other meetings.

The Company obtains updated information on the shareholder composition from the register of shareholders as of March 31 and September 30 of every year, and performs research on effective owners of the shares.

When engaging in dialogues with our shareholders and investors, the Company never communicates insider information (undisclosed material facts). The Company maintains “silent periods” from the date following the end of each quarter to the announcement of results, during which the Company refrains from communicating with our shareholders and investors concerning financial information.

## 2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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### [Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
Ando Foundation	7,904,300	7.47
Mitsubishi Corp.	7,800,028	7.37
ITOCHU Corp.	5,400,000	5.10
The Master Trust Bank of Japan, Ltd. (Account in Trust)	4,512,300	4.26
Ando International Y.K.	3,945,500	3.73
Mizuho Bank, Ltd.	3,375,000	3.19
Japan Trustee Services Bank, Ltd. (Account in Trust)	3,370,600	3.18
JP Morgan Chase Bank	2,764,874	2.61
MUFG Bank, Ltd.	2,273,598	2.15
STATE STREET BANK WEST CLIENT – TREATY	2,049,559	1.93

Controlling Shareholder (except for Parent Company)	—
Parent Company	N/A

Supplementary Explanation

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### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 50 to less than 100

### 4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Special Circumstances Which May Have Material Impact on Corporate Governance

The Company's consolidated subsidiary NISSIN FOODS CO., LTD. has strengthened its corporate structure to speed up its decision-making capability and better respond to change, and in order to expand its presence in the Chinese market, it was listed on the Main Board of the Hong Kong Exchanges and Clearing on December 11, 2017.

The Company intends to maintain close cooperation with said listed subsidiary while respecting its independence in its business activities.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors [Updated]	7
Appointment of Outside Directors	Appointed
Number of Outside Directors [Updated]	4
Number of Independent Officers Designated from among Outside Directors [Updated]	2

#### Outside Directors' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ken Kobayashi	From another company					○						
Masahiro Okafuji	From another company					○						
Masato Mizuno	From another company								○			
Yukiko Nakagawa	Academic											

\* Categories for "Relationship with the Company"

“○” when the Director presently falls or has recently fallen under the category;

“△” when the Director fell under the category in the past;

“●” when a close relative of the Director presently falls or has recently fallen under the category; and

“▲” when a close relative of the Director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary of the Company

d. Party whose major business partner is the Company or an executive thereof

e. Major business partner of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a business partner of the Company (which does not correspond to any of d., e., or f.) (the Director himself / herself only)

i. Executive of a corporation to which outside officers are mutually appointed (the Director himself / herself only)

j. Executive of a corporation that receives a donation from the Company (the Director himself / herself only)

k. Other

Outside Directors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Ken Kobayashi		<p>Mr. Ken Kobayashi concurrently serves as Chairman of the Board of Mitsubishi Corporation. The Company is engaged in transactions including sales of products and procurement of materials with Mitsubishi Corporation.</p>	<p>Since joining Mitsubishi Corporation, Mr. Ken Kobayashi has serviced various positions including General Manager of Singapore Branch, Division COO of Plant Project Division, Division COO of Ship, Aerospace &amp; Transportation Systems Division, Group CEO of Industrial Finance, Logistics &amp; Development Group, and assumed the post of President and CEO from June 2010 to March 2016, and the current post of Chairman of the Board since April 2016, chairing the Board of Directors. He has superior knowledge acquired through his extensive business experience at Mitsubishi Corporation and extensive experience as a management executive of a general trading company. When making management decisions, he forms opinions and makes judgments from an objective standpoint, and has fulfilled the role of an overseer and supervisor of the execution of Directors' duties.</p> <p>Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as Outside Director.</p>
Masahiro Okafuji		<p>Mr. Masahiro Okafuji concurrently serves as Chairman &amp; Chief Executive Officer of ITOCHU Corporation. The Company is engaged in transactions including sales of products and procurement of materials with ITOCHU Corporation.</p>	<p>Since joining ITOCHU Corporation, Mr. Masahiro Okafuji has served primarily in textile business, assuming posts of President of Textile Company, President of ITOCHU Corporation from April 2010 to March 2018, and the current post of Chairman &amp; Chief Executive Officer since April 2018. He has superior knowledge acquired through his abundant business experience at ITOCHU Corporation and extensive experience as a management executive of a general trading company. When making management decisions, he states opinions and makes judgments from an objective standpoint, and has fulfilled the role of an overseer and supervisor of the execution of Directors' duties.</p> <p>Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as Outside Director.</p>

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Masato Mizuno	○	<p>Although there are dealings between MIZUNO Corporation, at which he serves as Chairman and the Company, the amount of those dealings is less than 1% of the net sales of either party. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders</p>	<p>Mr. Masato Mizuno has extensive experience and superior knowledge as a management executive at MIZUNO Corporation. When making management decisions, he forms opinions and makes judgments from an objective standpoint, and has fulfilled the role of an overseer and supervisor of the execution of Directors' duties. Furthermore, he provides timely and appropriate advice with regard to "Promoting global branding," "Focusing on priority locations," and "Developing and strengthening human resources for global management," as set out in the Medium-Term Business Plan. In addition, he has assertively stated his opinions and attended meetings of the Management Advisory Committee as a member of the committee.</p> <p>Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as Outside Director. Although there are dealings between MIZUNO Corporation, at which he serves as Chairman and the Company, the amount of those dealings is less than 1% of the net sales of either party. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders, and the Company has appointed him as Independent Director.</p>

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yukiko Nakagawa	○	No items to report.	<p>Dr. Yukiko Nakagawa earned a doctor's degree at the Graduate School of Business and Commerce of Keio University and has been continuing with research on diversity and innovation. At the same time, she has been holding teaching positions at Rikkyo University and other educational institutions in Japan and overseas. In such ways and others, she has accumulated many years of business experience as an expert in human resource management as well as human resource development on a global scale and insight and knowledge as an academic. Although she has no experience of direct involvement in corporate management, she has extensive experience in supervision of corporate management gained by working as an outside director at other corporations such as EDION Corporation and Renesas Electronics Corporation. Therefore, the Company has determined that she will carry out her role in an appropriate manner as an overseer and supervisor of the execution of Directors' duties.</p> <p>Accordingly, the Company has determined that her high level of expertise, knowledge, and her broad-ranging experience, are necessary to increase the Group's corporate value going forward, and the Company has appointed her as Outside Director. There are no special dealings between Rikkyo University, at which she serves as Professor of Graduate School of Business Administration, or Renesas Electronics Corporation, at which she serves as Outside Director and the Group. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders, and the Company intends to designate her as Independent Director.</p>

**[Voluntary Committees]**

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Chairperson's Attributes [Updated]

	Committee Equivalent to Nominating Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Management Advisory Committee	Management Advisory Committee
Total Committee Members	7	7
Full-time Members	0	0
Internal Directors	3	3
Outside Directors	2	2
Outside Experts	0	0
Other	2	2
Chairperson	Outside Director	Outside Director

Supplementary Explanation [Updated]

The Management Advisory Committee is established as an organization to contribute to deliberations and resolutions to be made by the Board of Directors by reporting findings on any of the following matters upon receiving request from the Board of Directors for consultation.

- (a) Policy of appointment of Directors, names of candidates and procedures thereof
- (b) Appointment and dismissal of Directors with special titles such as President & Representative Director, Executive Vice President & Representative Director, and Senior Managing Director and policy thereof
- (c) Appointment and dismissal of Executive Officers with special titles and policy thereof
- (d) Policy on determining remuneration for the Directors and procedures thereof
- (e) Evaluation on operation of the Board of Directors
- (f) Matters concerning governance
- (g) Other matters pertinent to the above

The Committee consists of four Independent Officers and three Internal Directors, and an Outside Director (Independent Committee member) is appointed as chairperson. The Committee is held three times a year. The office is established in the Company's General Affairs Division.

**[Audit & Supervisory Board Member]**

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Member Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Member	3

Cooperation among Audit & Supervisory Board Member, Financial Auditor and Internal Audit Department

In order for the Company to ensure a tripartite audit, Internal Auditing Office, which is under the direct control of President & Representative Director, CEO, is engaged in internal audits, in addition to audits conducted by Audit & Supervisory Board Members and Financial Auditor. The three parties hold meetings once every two months in principle with the aim of improving efficiency of the audit and exchange opinions over observation of the audit and relevant information.

Appointment of Outside Audit & Supervisory Board Member	Appointed
Number of Outside Audit & Supervisory Board Member	2
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Member	2

Outside Audit & Supervisory Board Member's Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Naohiro Kamei	From another company										△			
Chisugi Mukai	Lawyer													

\* Categories for "Relationship with the Company"

“○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;

“△” when the Audit & Supervisory Board Member fell under the category in the past;

“●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category; and

“▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiary

c. Non-executive director or executive of a parent company of the Company

d. Audit & Supervisory Board Member of a parent company of the Company

e. Executive of a fellow subsidiary of the Company

f. Party whose major business partner is the Company or an executive thereof

g. Major business partner of the Company or an executive thereof

h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

j. Executive of a business partner of the Company (which does not correspond to any of f., g., or h.) (the Audit & Supervisory Board Member himself / herself only)

k. Executive of a corporation to which outside officers are mutually appointed (the Audit & Supervisory Board Member himself / herself only)

l. Executive of a corporation that receives a donation from the Company (the Audit & Supervisory Board Member himself / herself only)

m. Other



Outside Audit & Supervisory Board Member's Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Naohiro Kamei	○	<p>Mr. Naohiro Kamei served as executive of Mizuho Bank Ltd., which is one of the banks with which the Company has an account, until March 2006. However as more than 13 years have passed since he retired from this office, the Company has determined that there is no risk of a conflict of interest with the general shareholders. In addition, Mr. Kamei served as Executive Officer of Mizuho Securities Co., Ltd., which has transactions with the Group, until April 2010. However as more than nine years have passed since he retired from this office, the Company has determined that there is no risk of this impacting on his independence.</p>	<p>Mr. Naohiro Kamei has many years of experience in serving in the financial industry through positions in The Fuji Bank Limited (current Mizuho Bank, Ltd.) and Mizuho Securities Co., Ltd., and also is well-versed in corporate management from his previous and current posts such as President &amp; Representative Director of Mizuho Capital Partners Co., Ltd., Director of Cobalt Investments Co., Ltd. and Outside Corporate Auditor of KYORIN Holdings, Inc. Accordingly, the Company has determined that his insight as a professional in finance and accounting as well as extensive experience as management executive can be leveraged in the Group's auditing, and the Company has appointed him as Outside Audit &amp; Supervisory Board Member. In view that there is no transaction between KYORIN Holdings, Inc., at which he has served as Outside Corporate Auditor, and the Group, and that it has been more than nine years since he retired from Mizuho Securities Co., Ltd. that the Group has transactions with (no actual transaction in FY2018), the Company has determined that there should be no potential conflict of interest with general shareholders.</p>

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Chisugi Mukai	○	No items to report.	The Company has appointed Mr. Chisugi Mukai as Outside Audit & Supervisory Board Member to receive his guidance and advice from a professional point of view as a lawyer. Although he has no experience of direct involvement in corporate management, he is well-versed in corporate legal affairs as a lawyer and possesses ample knowledge for governing corporate management gained from his experience as auditor at other corporations. Therefore, the Company has determined that he will carry out his duties in an appropriate manner. The Company has determined that requirements for independence, including that he is not from a major shareholder or major business partner, are satisfied and that there is no risk of a conflict of interest with ordinary shareholders.

**[Independent Officers]**

Number of Independent Officers [Updated]	4
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Matters relating to Independent Officers

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**[Incentives]**

Implementation of Measures to Provide Incentives to Directors	Performance-Based Pay, Stock Options
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Supplementary Explanation

The Company has granted stock options to the Company’s Directors (excluding Outside Directors), Executive Officers (including those already retired) and employees, as well as subsidiaries’ directors (including those already retired) for the purpose of providing incentives toward enhancement of business performance of the Company and promoting value sharing with our shareholders.

Remuneration for Director consists of the “basic remuneration” paid according to position and role importance of the Director as well as corporate performance and individual performance and the “remuneration-type stock options” for the purpose of increasing motivation and incentives toward the contribution to sustained improvement of business performance and enhancement of corporate value over the medium to long term.

a. Basic remuneration

This remuneration consists of the fixed portion based on the position and the role of the Director and the performance-based portion that is linked to business performance of the Company and the degree of personal achievements during the fiscal year under review.

The performance-based portion is designed to be varied within the range of up to 20% of the base amount according to the actual results of the “consolidated performance indicators” and “individual performance

evaluation indicators” of the Company and will be reflected in the performance-based portion of the “basic remuneration” of the following fiscal year.

b. Remuneration-type stock options

The Company provides part of the remuneration as stock options for shares so that heightened motivation and morale to contribute to sustained improvement of business performance and enhancement of corporate value over the medium to long term will result in promotion of shareholders’ interest of the Company.

The percentages of the “basic remuneration” and the “remuneration-type stock options” to the total amount are designed to be about 60-80% for the former and about 20-40% for the latter, depending on the position and the fluctuations in the stock price.

However, in view of the nature of the duties, the remuneration for Outside Director is not linked to business performance and consists only a fixed portion of the “basic remuneration” paid according to the position.

Recipients of Stock Options	Internal Directors / Employees / Subsidiaries’ directors / Other
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Supplementary Explanation

Recipients of stock options are the Company’s Directors (excluding Outside Directors), Executive Officers, some of the employees, and some of directors of the Company’s subsidiaries.

**[Director Remuneration]**

Disclosure of Individual Directors’ Remuneration	Selected Directors
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Supplementary Explanation

The total amounts by type of remuneration for each classification of Directors, Audit & Supervisory Board Members, and Outside Directors and Outside Audit & Supervisory Board Members are reported in annual securities report.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof [Updated]

Remuneration for Director consists of the “basic remuneration” paid according to position and role importance of the Director as well as corporate performance and individual performance (not exceeding ¥700 million per year (of which ¥100 million or less is for Outside Directors); by resolution of the 68th Ordinary General Meeting of Shareholders held on June 28, 2016), and the “remuneration-type stock options” (not exceeding ¥500 million per year (by resolution of the 60th Ordinary General Meeting of Shareholders held on June 27, 2008)) for the purpose of increasing motivation and incentives toward the contribution to sustained improvement of business performance and enhancement of corporate value over the medium- to long-term within the scope of the total amount resolved by the General Meeting of Shareholders. However, in view of the nature of the duties, the remuneration for Outside Director is not linked to business performance and consists only of “basic remuneration” paid according to the position.

The procedures for the above are decided by the Board of Directors after the appropriateness of said procedures is deliberated and verified by the Management Advisory Committee, the majority of which are Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

Furthermore, although remuneration for Audit & Supervisory Board Member is determined through discussions with the Audit & Supervisory Board within the scope of the total amount resolved by the General Meeting of Shareholders (not exceeding ¥60 million per year, by resolution of the 47th Ordinary General Meeting of Shareholders held on June 29, 1995), in view of the nature of auditing service, remuneration for Audit & Supervisory Board Member is not linked to business performance and consists only of “basic remuneration” paid according to the position. The Company resolved to abolish the Retirement Benefits Plan for Officers at the General Meeting of Shareholders held in June 2008.

**[Supporting System for Outside Directors and / or Audit & Supervisory Board Member]**

While we do not place staff dedicated to assisting the operations of Outside Directors, staff of the General Affairs Division that serves as the office for the Board of Directors and employees of other relevant divisions perform supporting duties for information sharing among Directors including distribution of materials in advance and sending meeting results to ensure smooth execution of Outside Directors’ duties. In addition, for Outside Audit & Supervisory Board Members, several dedicated staff members for Audit & Supervisory Board Members (Full-time) perform supporting duties to ensure smooth execution of Outside Audit & Supervisory Board Members.

**[Status of Persons Who Have Retired from a Position Such as President & Representative Director]**  
[Updated]

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
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Total Number of Retired President & Representative Directors, etc. Holding Advisory or Any Other Position in the Company [Updated]	0
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## 2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

The Company has seven Directors (of which, four are Outside Directors) and they attend “regular meetings of the Board of Directors” that are held on a regular basis and “extraordinary meetings of the Board of Directors” held on an as-needed basis to deliberate and resolve matters to be resolved by the Board of Directors as stipulated in the laws and regulations, the Articles of Incorporation and various other regulations. Also, the Directors monitor other Directors’ execution of their duties upon receiving reports on the status of execution of duties by Directors. Besides meetings of the Board of Directors, the Directors also attend meetings of the Management Committee (consisting of Directors (excluding Outside Directors), Executive Officers with special titles and Audit & Supervisory Board Members (Full-time)) that are regularly held, to take part in decision-making and monitoring other Directors on execution of their duties.

The Company has three Audit & Supervisory Board Members (of which, two are Outside Audit & Supervisory Board Members). Each Audit & Supervisory Board Member attends important meetings including the meetings of the Board of Directors in compliance with the Audit Standards of Audit & Supervisory Board Members predefined by the Audit & Supervisory Board, and in accordance mainly with the audit policy and audit plans for the fiscal year under review. Each member also collects information from Directors and Executive Officers regarding the status of execution of their duties through interviews, inspects important approval/decision documents, and performs on-site inspections at the head office and other principal business locations. They also perform audits by monitoring or verifying the status of the internal control systems with regard to which the Board of Directors made a resolution.

With regard to nomination of candidates for Directors and Audit & Supervisory Board Members, and decisions on remunerations, etc., following deliberations and verifications over the appropriateness by the Management Advisory Committee, they are deliberated and determined by the Board of Directors for Directors, while for the Audit & Supervisory Board Members, the decision on nomination is subject to consent of the Audit & Supervisory Board and the decision on their remunerations is also delegated to the Audit & Supervisory Board.

Pursuant to the approval from the shareholders at the 61st Ordinary General Meeting of Shareholders held on June 26, 2009, the Company appointed Deloitte Touche Tohmatsu (Converted to a limited liability company and changed its name to Deloitte Touche Tohmatsu LLC on July 1, 2009) as Financial Auditor with an audit contract signed, and has commissioned it to perform audits in accordance with the Companies Act and Financial Instruments and Exchange Act.

## 3. Reasons for Adoption of Current Corporate Governance System [Updated]

The Company has adopted the structure of a company with an Audit & Supervisory Board instead of a company with committees or a company with an audit and supervisory committee, thereby appointing Outside Directors and Outside Audit & Supervisory Board Members who monitor execution of the Company’s business operation from an independent and fair standpoint, and ensuring transparency of the business management under the executive officers system introduced to build a mechanism allowing prompt execution of business operations.

With the aim of strengthening governance, based on a resolution at the 68th Ordinary General Meeting of Shareholders held on June 28, 2016, we have reduced the number of Internal Directors by six, to three, and increased the number of Outside Directors by one, to five. By making Outside Directors the majority, the Company is further strengthening supervisory functions and promoting swifter decision-making. Although the basic concept on corporate governance of the Company is as described above. However, due to the resignation of one Outside Director, the Company has four Outside Directors as of the date of this report.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Energize General Meetings of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	To ensure that our shareholders are provided with time to sufficiently review information on the convocation notice, the Company now sends out the convocation notice three weeks in advance starting from the 59th Ordinary General Meeting of Shareholders held in June 2007.
Scheduling OGMs Avoiding the Peak Day	The Ordinary General Meeting of Shareholders for June 2019 was held on June 26.
Allowing Electronic or Magnetic Exercise of Voting Rights	The electronic or magnetic exercise of voting rights has been adopted since the 58th Ordinary General Meeting of Shareholders held in June 2006.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in the electronic voting platform for institutional investors operated by Investor Communications Japan Inc. (ICJ, Inc.) since June 2007.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company provided an English version (summary translation) of the convocation notices every year starting from the General Meeting held in June 2007. The Company has provided a full English version of the convocation notices since the General Meeting held in June 2016, by posting them on the Company's website, the ICJ platform and other platforms.
Other	The contents of the convocation notices are posted on the Company's website one week before the notice is sent out. The English version of the convocation notices is posted on the website and also on TDnet for viewing pursuant to request from Tokyo Stock Exchange.

#### 2. IR Activities

	Supplementary Explanation	Explanation by Representative
Regular Briefings for Individual Investors	In fiscal 2018, company briefings for individual investors were held five times at major cities across Japan. In addition, in December 2018, an online company briefing was held for individual shareholders and individual investors.	Not provided
Regular Briefings for Analysts and Institutional Investors	The Company holds financial results meetings twice a year on the dates of announcement for the year-end financial results and the second quarter-end financial results at the Tokyo Head Office where President & Representative Director, CEO as presenter reports the results. The Company utilizes visual tools to communicate with analysts and institutional investors. The Company also held a small meeting for institutional investors and securities analysts in June 2019 to share the review on the third year of the Medium-Term Business Plan 2021.	Provided

Regular Briefings for Overseas Investors	Regular investor briefings for overseas investors were held by the Directors in Europe and the United States. In addition to actively participating in IR conferences for overseas investors, the Company also set up opportunities for interviews with a broad range of overseas investors.	Not provided
Posting of IR Materials on Website	Convocation notice of general meeting of shareholders, reporting documents attached thereto, financial statements, supplementary documents for financial results meeting, annual securities reports, quarterly reports, NISSIN REPORT, annual reports (in English), corporate governance reports, various press releases and the like are posted.	
Establishment of Department and/or Manager in Charge of IR	IR Office is responsible for the investor relations (phone: +81-3-3205-5027).	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	They are provided in the “NISSIN FOODS Group Ethics Regulations,” which all officers and employees are obliged to comply with.
Implementation of Environmental Activities, CSR Activities, etc.	For details, please refer to the “NISSIN FOODS Group Sustainability Report” posted on the Company’s website at the following URL. <a href="https://www.nissin.com/en_jp/csr/report/">https://www.nissin.com/en_jp/csr/report/</a>

Other	<p>(Progress on Measures for Health and Productivity Management)  The Company considers one of the most important management issues is to ensure that in its business operations, all employees maintain and promote their physical and mental health and demonstrate their capabilities to the maximum extent possible based on “美健賢食 Bi-ken Ken-shoku (Eat wisely for beauty and health),” one of the elements that make up the spirit of our founder. In 2018, the Company formulated the “NISSIN FOODS Group’s Declaration of Health and Productivity Management” and worked to strategically promote health management.  The Company is supporting the health of its employees through such efforts as offering health guidance and providing consultations with an industrial physician. In addition, to promote greater awareness among employees and the practice of health conscious activities, the Company has been carrying out various initiatives, including seminars.  The Company’s efforts were evaluated and it was selected as one of the companies in the large enterprise category (White 500) of the “2019 Certified Health and Productivity Management Organization Recognition Program.”</p> <p>(Promotion of Active Participation by Female Human Resources)  Since 2016, the Company has been putting efforts into “promotion of active participation by female human resources” as the first step toward realizing the “promotion of diversity,” which is considered as one of the important policies in the medium-term management strategy.  The Company has been recognized for its multi-faceted efforts on female resources and in the “Nadeshiko Brands” was selected as one of the “Semi-Nadeshiko Brands” as a company that is actively implementing the promotion of active participation by female resources in 2019.</p> <p>(Support for Balancing Career and Child-Rearing)  Since 2015, the Company has been putting efforts into the “promotion of the work style reform” and “support for balancing career and family life.” In addition to introducing a telecommuting work system that enables flexible work times, and a flex-time system without core time, the Company has been implementing various measures for employees while taking childcare leave such as education and training regarding work styles and career advancement after the return to work.  The Company has been recognized for such efforts to provide multi-faceted support for the child-rearing needs of employees, and it received “Platinum Kurumin” certification in 2019 from the Tokyo Labour Bureau as a company that provides excellent child-rearing support.</p>
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## IV. Matters Related to Internal Control System

### 1. Basic Concept on Internal Control System and Progress of System Development [Updated]

#### (1) Basic policy of business operation

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

#### (Basic Philosophy)

- (a) Objective of our work is to place customer satisfaction first and to provide products and services which bring happiness to people’s lives.
- (b) We shall make efforts to be aware of corporate social responsibility, comply with laws and regulations and fair business practice, and enhance business activities with transparency.
- (c) We shall be aware that we are corporate citizens, fostering high ethical standards and following common sense.

#### (Code of Conduct)

- (a) Objective of our work is to place customer satisfaction first and to provide products and services which bring happiness to people’s lives.
- (b) We shall make efforts to be aware of corporate social responsibility, comply with laws and regulations and fair business practice, and enhance business activities with transparency.
- (c) We shall be aware that we are corporate citizens, fostering high ethical standards and following common sense.

#### (Code of Conduct)

- (a) Employees shall maintain fair, impartial and transparent relations with consumers, employees and workers, business partners, shareholders and all other stakeholders.
- (b) Employees shall support internationally recognized human rights protection standards and respect the basic human rights of all people. They shall not conduct any actions that impair the dignity of any individual.
- (c) Employees shall not discriminate against anyone on such grounds as nationality, ethnicity, religion, gender, age, social status, disability or the like.
- (d) Employees shall not engage in harassment based on the status, authority, gender or any other factor.
- (e) Employees shall strive to create and develop products and services that give priority to the health and safety of people.
- (f) Such products and services must not endanger the health or property of consumers and Employees shall take sincere and swift actions to settle any problems arising from their quality.
- (g) In pursuing profit in the course of carrying out their duties, Employees must not make decisions or conduct themselves in a manner that is at odds with the social conscience.
- (h) Employees must break off all ties with any anti-social forces or groups that pose a threat to civic social order and security.
- (i) Employees shall behave in a way that prevents contradictions between personal interests and corporate interests.
- (j) Employees shall commit to the disclosure activity of corporate information and shall not engage in insider-trading or use non-disclosed information to provide benefits or favors to any third party.
- (k) Employees shall tightly control such information as pertains to corporate secrets and must not disclose or divulge such information to others outside the Company, either during their tenure or thereafter.
- (l) Employees shall strive to maintain and secure intellectual property rights while respecting the intellectual property rights of others.
- (m) Employees shall maintain fair and free competition and shall not engage in unfair competition.
- (n) Employees shall work to prevent any form of corruption, including extortion based on abuse of a dominant bargaining position and bribery aimed at gaining or retaining business benefits.
- (o) Employees shall take the utmost care to ensure that their business activities do not adversely affect the global environment.
- (p) Employees shall endeavor to collaborate and work closely with the local community and to work to make active contributions to the local community.

- (q) In the event of making a donation or other monetary contribution, Employees shall comply with the laws and ordinances as well as internal regulations.
  - (r) In such case that a problem not addressed herein should arise, Employees must judge and act on such problem in accordance with the general principles of this Code.
  - (s) Employees shall observe the code of conduct set out in this Article and shall, in the event of discovering any conduct in breach of the Code, immediately submit a report in accordance with the whistle-blowing system set forth separately.
- (2) System ensuring the execution of duties of Directors and employees comply with the laws and regulations and the Articles of Incorporation / System ensuring the reliability of financial reporting
- (a) For the purpose of compliance with the laws and regulations and the Articles of Incorporation and the like, the Company shall develop “NISSIN FOODS Group Ethics Regulations” and “NISSIN FOODS Group Compliance Regulations” and shall ensure that officers and employees of NISSIN FOODS Group understand.
  - (b) “Compliance Committee” shall be set up with Executive Vice President & Representative Director, COO serving as chairperson to make efforts to have officers and employees comply with the laws and regulations, Articles of Incorporation, and various regulations alike. Furthermore, “Compliance Group” shall be established within the Legal Division to strengthen measures.
  - (c) Each division of NISSIN FOODS Group shall consult with outside specialists including lawyers as necessary upon carrying out its duties for the purpose of avoiding risks of non-compliance with the laws and regulations, Articles of Incorporation, and various regulations alike.
  - (d) Internal Auditing Office which is under direct control of President & Representative Director, CEO shall audit major business offices of NISSIN FOODS Group on a regular basis and confirm if the laws and regulations, Articles of Incorporation, and various regulations alike are being complied.
  - (e) The Company shall establish “NISSIN FOODS Group Internal Reporting Regulations” as a reporting system when violation of laws and regulations, Articles of Incorporation, and various regulations alike occur, or is about to occur, and shall ensure that officers and employees of NISSIN FOODS Group thoroughly understand. NISSIN FOODS Group shall not dismiss or treat disadvantageously the person who has made the reporting in question.
  - (f) Audit & Supervisory Board Members shall audit the appropriateness of the execution of duties of Directors pursuant to “Audit & Supervisory Board Regulations,” “Audit Standards of Audit & Supervisory Board Members,” and the like.
  - (g) Human resources shall be appropriately placed to develop and promote the construction and administration of internal control systems for the purpose of ensuring the reliability of financial reporting.
- (3) System relating to storage and management of information in regard to the execution of duties of Directors

The Company shall record legal documents including minutes of General Meeting of Shareholders and Meeting of the Board of Directors and the like, in addition to important information in regard to the execution of duties of Directors such as written approvals, to paper documents or electromagnetic media. It shall appropriately store and manage the information pursuant to the laws and regulations and the “Document Management Regulations,” shall, to the extent necessary, verify the status of storage and management, respond to the request of inspection given by the Directors and Audit & Supervisory Board Members, and review the regulations as appropriate.

- (4) Regulations and other systems relating to risk management of losses
- (a) The Company shall set up a “Risk Management Committee” with Executive Vice President & Representative Director, COO serving as chairperson to prevent, identify, manage, and address against various risks in regard to NISSIN FOODS Group.
  - (b) NISSIN FOODS Group shall set up “Audit Standards of Food Safety” and develop a system primarily conducted by NISSIN Global Food Safety Institute to investigate and verify the safety of food products ranging from raw materials to products, based on its awareness that the most important issue is to constantly ensure safe and worry-free food products.

- (c) NISSIN FOODS Group, based on the “NISSIN FOODS Group Code of Risk Management,” shall position product accidents, BCP (Business Continuity Plan), compliance, and information security as the Group’s key risks, set up committees, and address said risks.
  - (d) The Company shall set up an “Environmental Committee” as an organization to address environmental and safety risks. In the event a material accident occurs in environmental aspects, pursuant to the manual, it shall be immediately responded, stabilized, and resolved.
  - (e) The “Environmental Committee” shall review various manuals including “Industrial Waste Treatment Manual” as necessary and shall confirm the status of the operation on a regular basis.
- (5) System ensuring the efficiency of execution of duties of Directors / System ensuring the execution of duties of employees comply with the laws and regulations and the Articles of Incorporation
- (a) The Company shall hold “regular meetings of the Board of Directors” on a regular basis and “extraordinary meetings of the Board of Directors” as appropriate when necessary. The meetings shall consist of Directors and Audit & Supervisory Board Members who shall discuss and decide on important matters pursuant to the laws and regulations, Articles of Incorporation, and “Board of Directors Regulations.” Furthermore, the members of the meetings shall receive reports in regard to the execution of duties of Directors, and conduct supervision and the like.
  - (b) The Company shall hold a meeting of the “Management Committee” twice every month in principle to improve management efficiency. The Committee consists of Directors (excluding Outside Directors), Responsible Executive Officers and Audit & Supervisory Board Members (Full-time). The Committee shall discuss matters which are to be resolved by the Board of Directors, and shall discuss and decide matters which authorities are delegated to the Committee by the Board of Directors pursuant to the “Regulations for Approval,” as well as execute business operations.
  - (c) The Company shall hold a “Group Company Strategic Presentation” every month in principle. Reports, proposals, and confirmations in regard to strategies (products, finance, human resource and the like) shall be made by the presidents of the major subsidiaries and overseas regional Chief Representatives, and status of execution of duties of subsidiaries shall be supervised.
  - (d) The Company shall hold a “Chief Officer Strategy Presentation” every month in principle, and the Presentation shall consist of chief officers. Strategies shall be proposed by the chief officers, and status of execution of platform duties shall be supervised.
  - (e) As a preliminary discussion body of the Board of Directors and Management Committee, the Company shall hold a meeting of the “Investment and Financing Committee” every month in principle. The Committee shall consist of members summoned in principle from each platform. The Committee shall perform screenings and reviews of important investment and financing and the like in advance.
  - (f) As a preliminary discussion body of the Board of Directors and Management Committee, the Company shall hold a meeting of the “Personnel Committee” every month in principle and the Committee shall consist of chief officers and the like. Human resource strategy of the Group shall be reviewed.
  - (g) The Company shall hold a meeting of the “Management Advisory Committee,” an advisory body to the Board of Directors, the majority of which are Independent Directors / Audit & Supervisory Board Members, three times a year in principle, in order to ensure transparency and fairness in nomination, remuneration, and governance.
  - (h) The Company shall hold a “Liaison Committee of Independent Outside Directors and Audit & Supervisory Board Members” comprising Independent Outside Directors and Audit & Supervisory Board Members. The Liaison Group shall meet twice a year, and the Audit & Supervisory Board Members shall ensure fulsome information sharing with Outside Directors.
  - (i) The Company shall establish regulations such as “Administrative Authorities Regulations” and “Division of Responsibilities Regulations” to ensure that appropriate and efficient duties of Directors and employees are executed in order that the authority and responsibility of each officer shall be made clear.
  - (j) The term of office of Directors shall be one (1) year, for the purpose of clarifying their management responsibility, and allowing quick actions to be taken in response to the changes in management environment.
- (6) System ensuring the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

- (a) "NISSIN FOODS Group Ethics Regulations" and "NISSIN FOODS Group Compliance Regulations" shall be the ethical and operational guideline for business operations in the NISSIN FOODS Group.
  - (b) The department in charge in the Company shall be the contact department and shall receive reports on a regular basis in regard to business performance of the NISSIN FOODS Group. Furthermore, important matters shall be approved by the in-house approving authorities or by the subsidiaries pursuant to the "Regulations for Approval." If matters exceed the scope of such authority, it shall be approved by the Board of Directors and the like of the Company.
  - (c) Audit & Supervisory Board Members and the Internal Auditing Office shall conduct audits including periodical visiting audits to confirm if operations of NISSIN FOODS Group are complying with the laws and regulations, Articles of Incorporation and various regulations alike.
- (7) Matters relating to employees assisting Audit & Supervisory Board Members in the event the Audit & Supervisory Board Members request the placement of employees to assist their duties

The Company set up an Audit & Supervisory Board Office directly under the Audit & Supervisory Board and placed several dedicated employees as ones to assist the duties of the Audit & Supervisory Board Members. The Audit & Supervisory Board has expressed its opinion that assistance is sufficient.

- (8) Matters regarding independence of employees assisting the duties of Audit & Supervisory Board Members from Directors, and the procurement of effectiveness of such instruction
    - (a) Matters regarding personnel such as appointment and transfers of employees assisting the duties of the Audit & Supervisory Board Members shall be decided conditional on consent from the Audit & Supervisory Board Members (Full-time) in advance. The performance management shall be conducted by the Audit & Supervisory Board Members (Full-time).
    - (b) For the purpose of ensuring the effectiveness of instructions given by the Audit & Supervisory Board Members, employees assisting the duties of the Audit & Supervisory Board Members shall not additionally hold duties relating to the business execution of the Company, and shall carry out the duties under the directions of the Audit & Supervisory Board Members.
  - (9) Reporting system by Directors and employees to Audit & Supervisory Board Members, and other reporting systems to Audit & Supervisory Board Members
    - (a) In the event facts that may cause significant damages to the NISSIN FOODS Group are discovered, Directors of the NISSIN FOODS Group shall immediately report the facts concerned to the Audit & Supervisory Board of the Company.
    - (b) Pursuant to the "Audit Standards of Audit & Supervisory Board Members," in addition to matters provided under the laws and regulations, facts that may cause material impact in finance and operations of NISSIN FOODS Group, the decisions and the like shall be immediately reported by Directors and employees of NISSIN FOODS Group to the Company's Audit & Supervisory Board Members.
    - (c) In the event facts that may cause significant damages to the NISSIN FOODS Group are discovered, employees of NISSIN FOODS Group shall report the facts concerned to the Audit & Supervisory Board Members.
    - (d) NISSIN FOODS Group shall not treat ones who have reported the aforementioned three items disadvantageously on the grounds that such reporting was made.
    - (e) If expenses necessary to request advice from lawyers, certified public accountants, and other outside specialists, to outsource investigation, analysis and other administrations for the purpose of conducting audit are requested by the Audit & Supervisory Board Members or the Audit & Supervisory Board, Directors, Executive Officers, and employees shall not refuse such requests, except in cases where the expenses under such requests are determined to be unnecessary in the execution of duties of the Audit & Supervisory Board Members.
- (10) Other systems ensuring the effectiveness of audits conducted by the Audit & Supervisory Board Members

- (a) "Regular meetings of the Audit & Supervisory Board" in which all Audit & Supervisory Board Members attend shall be held on the day before the meeting of the Board of Directors or the date of the meeting in

principle, and “extraordinary meetings of the Audit & Supervisory Board” shall be held as necessary. Ideas shall be exchanged in regard to Audit & Supervisory Board Members’ opinions and important issues upon auditing between the Audit & Supervisory Board Members and the results shall be reported on a regular basis to the Board of Directors as an Audit & Supervisory Board Report.

- (b) Directors and employees shall report monthly performance and financial situations on a regular basis to the Board of Directors and the Management Committee and the like. Various minutes, written approvals and other important documents relating to business operations shall be circulated to, and be read through by, the Audit & Supervisory Board Members (Full-time). Furthermore, if requested by the Audit & Supervisory Board Members, sufficient explanations shall be provided.
- (c) Audit & Supervisory Board Members, while closely working with Internal Auditing Office and Financial Auditor on a steady basis, shall hold regular meetings with them once every two (2) months in principle to exchange information, establishing a system where audits are carried out effectively by the Audit & Supervisory Board Members.

(11) Basic concept toward elimination of antisocial forces and the status toward such elimination

The Basic policy of NISSIN FOODS Group upon conducting corporate activities is based on the idea that “Any relationships with antisocial forces and organizations that threaten the order and security of civil society shall be severed.” The policy is stated clearly in the Code of Conduct under the “NISSIN FOODS Group Code of Ethics” and the Company shall ensure that it is thoroughly understood.

The Company shall place General Affairs Division as its supervisory department to handle antisocial forces. The General Affairs Division shall play a key role in continuously gathering information from government bodies and outside specialized organizations, developing a system which will be able to address unexpected situations with prompt cooperation.

**2. Basic Concept Toward Elimination of Antisocial Forces and Status Thereof [Updated]**

Basic concept toward elimination of antisocial forces and the status toward such elimination

The Basic policy of NISSIN FOODS Group upon conducting corporate activities is conventionally based on the idea that “Any relationships with antisocial forces and organizations that threaten the order and security of civil society shall be severed.” The policy is stated clearly in the Code of Conduct under the “NISSIN FOODS Group Code of Ethics” formulated in June 2002 (revised in March 2019).

Within the Company, the General Affairs Division, which is the Company’s supervisory department to handle antisocial forces, plays a key role in continuously gathering information from government bodies and outside specialized organizations, developing a system which will be able to address unexpected situations with prompt cooperation.

**V. Other**

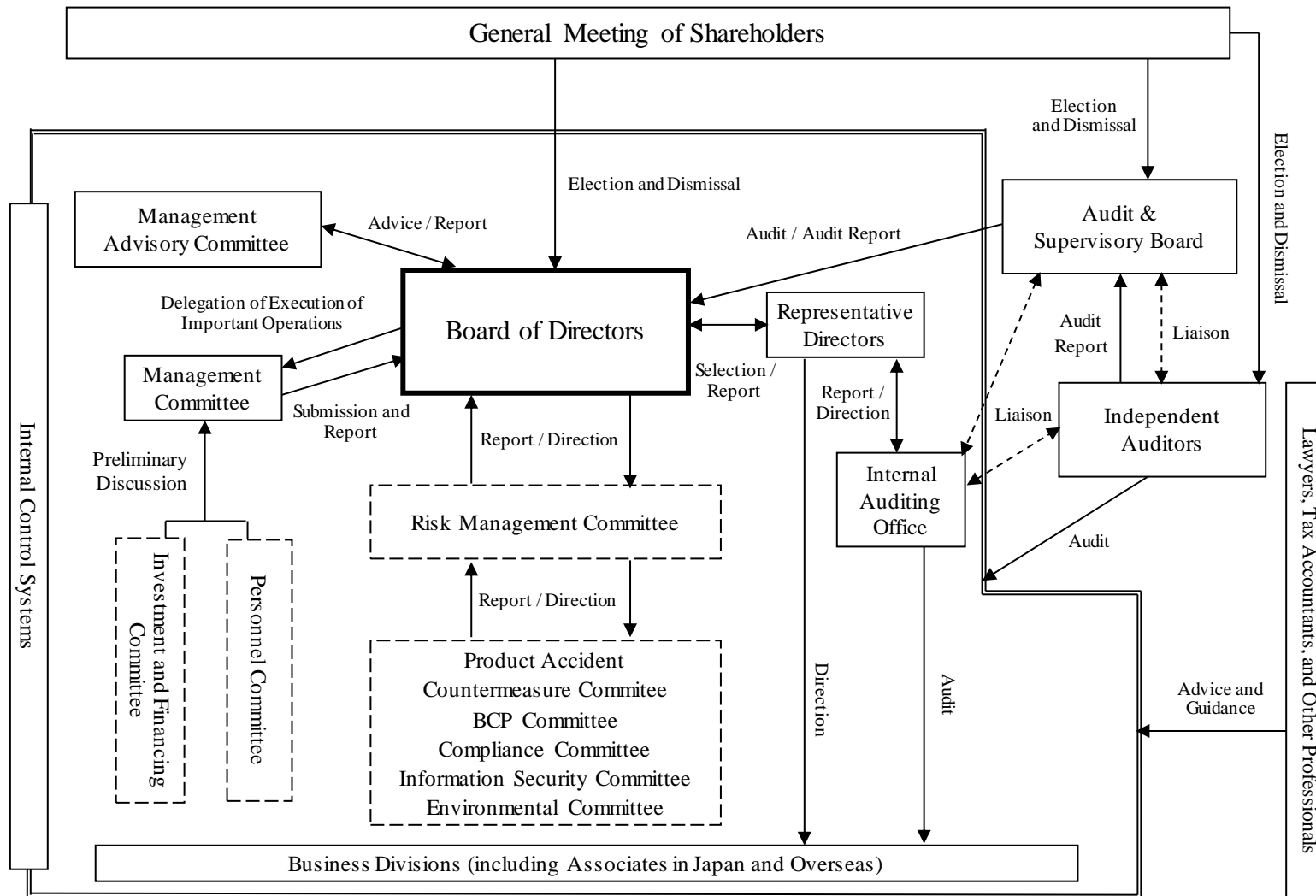
**1. Adoption of Takeover Defense Measures**

Adoption of Takeover Defense Measures	Not adopted
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Supplementary Explanation
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## 2. Other Matters Concerning Corporate Governance System[Updated]

- (1) In preparation for a contingency in which the number of serving Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company has taken steps to prevent interruption of the audit system by appointing one Alternate Audit & Supervisory Board Member (Outside) in advance following approval at the Ordinary General Meeting of Shareholders held in June 2006, and thereafter the Company re-appointed the same Alternate Audit & Supervisory Board Member every two years. Said individual was re-appointed the member again at the 71st Ordinary General Meeting of Shareholders held on June 26, 2019.
- (2) As part of the initiatives to establish our internal control systems, the Company revised “NISSIN FOODS Ethics Regulations” to “NISSIN FOODS Group Ethics Regulations,” and “NISSIN FOODS Internal Reporting Regulations” to “NISSIN FOODS Group Internal Reporting Regulations” in March 2008 respectively. The Company at the same time established “NISSIN FOODS Group Compliance Regulations” and “NISSIN FOODS Group Insider Trading Management Regulations” to reinforce its compliance framework.
- (3) Following additional appointment of one Outside Director (Independent Director) in June 2015 to have four Outside Directors among the Board members, the Company further appointed another one Outside Director (Independent Director) in June 2016 to bring the number of Outside Directors to five. However, due to the resignation of one Outside Director, the Company has four Outside Directors as of the date of this report.





[Chart of the In-house Structure for Timely Disclosure of the Company's Information]

