Nissin Foods Group CLO Masahiro Homma on Building a Legal Department from Scratch in the Asia Pacific Region

Career Development

Nissin Foods Holdings Co., Ltd. Chief Legal Officer Masahiro Homma has spent nearly 20 years advocating for the position of in-house counsel in Japan. Through his role, advising one of the largest instant-noodle manufacturing companies in the world, Homma has been a pioneer for change both within his own department, and in legal departments across the Asia Pacific region — breaking down barriers and setting an example for future generations of in-house counsel in the process.

> “Even now, I think that no more than 15 Japanese-listed companies have the position of general counsel or CLO,” Homma says. “However, rapid globalization has seemingly forced Japanese companies to reconsider their position. Many companies are starting to strengthen their legal department, and I have been fortunate to have been part of this transformation.”

Simply put, Homma is setting a standard for in-house counsel in Japan. When he started his position at Nissin in 2013, he was the company’s first chief legal officer. In an attempt to expand business abroad, Nissin CEO Koki Ando followed an instinct and called to hire a CLO with expansive global experience.

And Homma was a strong candidate for the position. Following his graduation from Chuo University in Tokyo, he attempted to complete certification of the Japanese bar exam. However, at the time, the acceptance rate was 1.8 percent and many did not pass until they were 28. Homma passed at 23.

Afterward, he entered the world of private practice, during which he studied at the University of London and worked in New Delhi, India to elevate his global perspective. In 1997, he returned to Tokyo to join the legal revolution occurring in the country. He quickly became an indispensable member of any legal department he joined.

“In 1999, the managing partner of the law firm I was working in told me, jokingly, that he was sick of me and didn’t want to pay my salary anymore. He requested that I become a partner of the firm. However, I saw this as a critical moment for my career,” Homma reflects.

At the time, a close friend was working as in-house counsel for General Electric (GE), and encouraged Homma to move in-house. He was ultimately recruited to serve as general counsel of GE’s Japanese subsidiaries, starting a 19-year career working for multinational companies like AIG and Dell. In 2013, he received a recruiting call from Nissin.

“The opportunity to work for Nissin, which at the time was undergoing massive global expansion, seemed like an exciting career move,” Homma explains. “The CEO wanted to strengthen the Nissin legal department, and I was to oversee the reorganization.”

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However, upon his arrival, Homma quickly realized that he would be inheriting a legal department that was not conducive to global expansion: It consisted of very few in-house counsel with pertinent practice area expertise and there were little avenues by which an in-house lawyer could provide strategic advice to executives. In order to strengthen the legal department’s voice within the company, he would have to create a new team almost from scratch.

“I wanted experienced lawyers. My department is rather small, but each member of my team carries

at least 10 to 20 years of experience in the field. I felt it was important for senior executives at Nissin to understand the value of the legal department, and recognize the importance of providing a legal voice to business strategy," he explains.

Now, over four years later, Homma is immensely proud of the department he has created, and for the precedent he has set in other departments around Asia. He advises CLOs struggling to find a seat at the executive table to establish a value proposition that's too strong to overlook. And if a path doesn't exist, pave one.

"I worked very hard to advocate to our management team about the importance of the legal department. Now, many people at Nissin believe that if they have a problem, ask legal. That's advice I wanted to convey early on," Homma mentions.

Not only did he have to champion this position in Japan, but internationally as well. The Nissin Foods Group employs nearly 11,000 employees across 29 domestic and 43 overseas subsidiaries, all of which are looking to Homma for legal guidance. As a result, he spends one month a year visiting every Nissin site to "market" the legal department and the services it provides.

"The modern legal department is centered around trust. And in order to obtain trust, you have to convince those in your company that you are there to support and not burden them. So, I try to put more value into selling 'my face' rather than obligate formalities such as reporting forms," Homma says.

To broaden his international regulatory expertise, Homma recently attended the ACC Global General Counsel Summit in Paris, France. The experience proved to be an invaluable networking opportunity, where he was able to connect with general counsel from different regions and practice areas to stay abreast of topical legal updates.

"As Nissin continues to grow, having these relationships will prove to be quite useful in expanding our global perspective. One of the greatest benefits of attending the Global General Counsel Summit is the representation of general counsel from around the world," Homma asserts.

It has been a busy time for Nissin, which recently celebrated the distribution of 40 billion servings of its iconic instant noodle product "Cup Noodles" since its launch. While achievements like these showcase progress in the company's worldwide engagement, Homma hopes to continue building on this momentum in an attempt to make Nissin Foods the go-to instant food product in the world.

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"At the end of the day, the legal department is not making the food. We're not doing the cook work. But as far as I'm concerned, we are part of a team with the goal of engaging with as many people as we can," Homma notes.

The company recently released its Medium-Term Business Plan 2021, which aims to increase its overseas operating income to 30 percent or higher (from 22 percent) and overall income to ¥550 billion (from ¥468.1 billion). While lofty, this expansion represents the future of the company, and the

legal department will work diligently to help the company achieve its objectives.

Homma credits Nissin's business plan with contributing to this expansive engagement. The company employs a top-down model, meaning that Nissin's overall mission, as envisioned by Founder Momofuku Ando, is implemented on a global, regional, and local scale based on the needs of the consumer. Products are then overseen and diversified based on where they're sold in. This means that the product in Thailand tastes different than one in Brazil.

"Our products vary by region to best suit the needs of the customer. We customize our products by culture and by country," he explains. "However, as part of our global branding strategy, we are planning to develop a unified global flavor."

However, the complexities of operating on a varied platform should not be underestimated. When asked about what projects he anticipates to be increasingly top of mind in 2018, Homma was quick to respond: "food safety."

"Every country has a very particular requirement regarding food safety, which can be influenced by different factors. We work to help interpret predated law with the local government, and establish formal legislative and administrative procedures accordingly," Homma explains.

In 2019, Nissin Food Products in Japan will create the Kansai Plant — a "next-generation smart factory" designed to improve product safety through technological advancement. The plant will house the company's new research and development center, and will realize cost reductions through potential labor savings of 50 percent or more. To Homma, using technology to not only streamline processes, but also ensure quality, is an important component to future success.

"Our goal is to produce food that is safer, healthier, and more delicious. It's our hope to provide the highest quality food to our customer, and I will work to meet their needs," he shares.

For over 20 years, Homma has been an innovator in the legal field. At Nissin, he spearheaded the creation of a legal department that has since set the standard for future generations of in-house counsel in the Asia Pacific region and beyond. Looking to the future, Homma strives to continue advocating for the legal department's place within the company, and hopes that one day, every CLO might find a seat at the executive table.

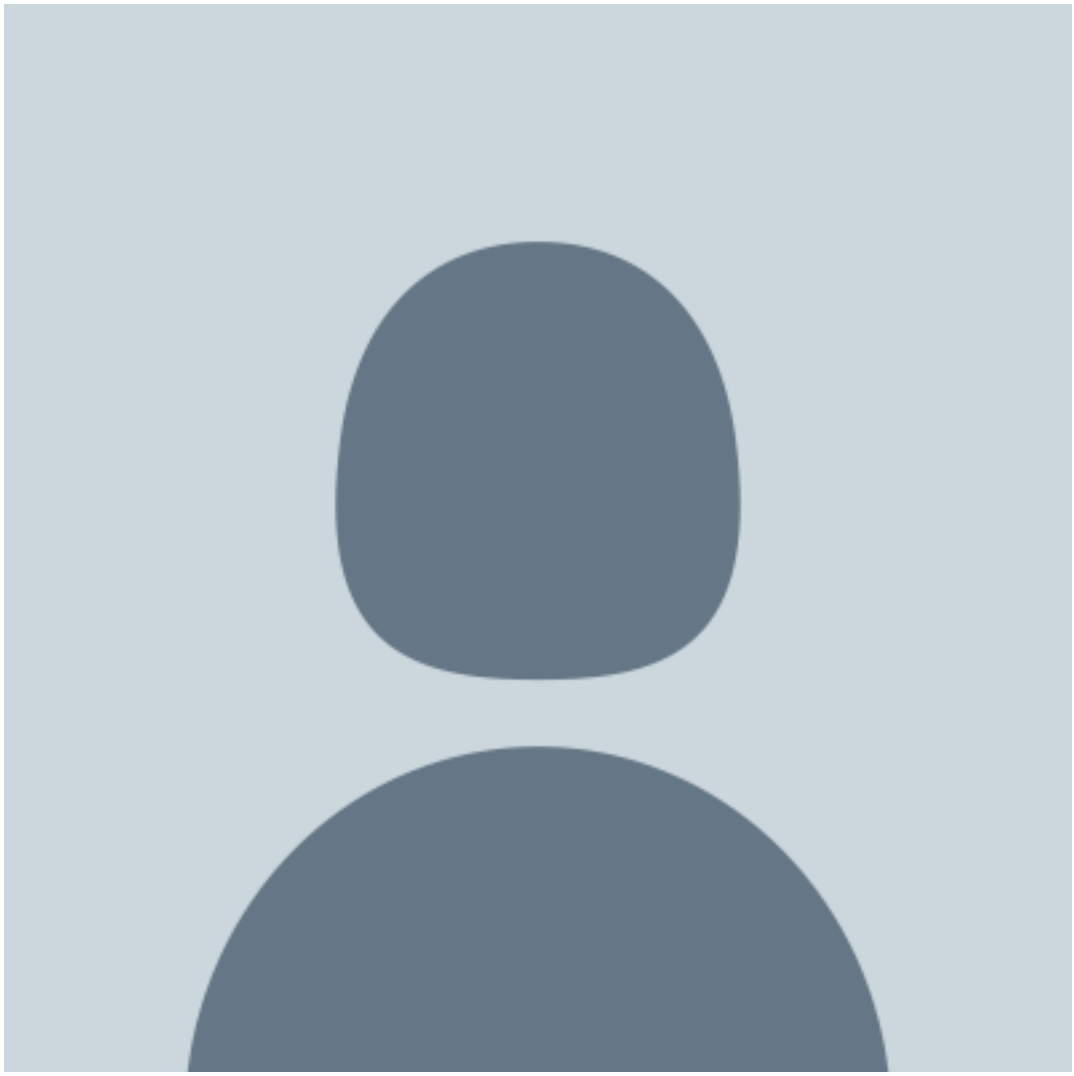
Until then, he will keep building on the foundation he created nearly five years ago, and remain an example for those aspiring to create an effective, global legal department from scratch.

Getting to know... Masahiro Homma

Do you have any hobbies? What do you do in your spare time?
I enjoy building and creating ship models. In addition, I'm currently writing a long thesis about in-house counsel in Japan.

Where are you going for your next vacation?
My only ambition for my next vacation is to take time where I don't have to do anything.

If you could have dinner with anyone living or dead, who would it be?
I would love to have dinner with a hundred different people. But at this moment, I would like to spend some special time with Ben Heineman Jr. He was the boss I worked for at GE and a legendary figure

in our profession.

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