

Simmering a New Future

ANNUAL REPORT 2013



NISSIN FOODS HOLDINGS

NISSIN FOODS Group: Our story is the history of instant noodles. We invented them and discovered their universal appeal. We have an ambitious goal to take the creativity, marketing power and technical strength that carried us to leadership in Japan and apply them as a global company serving up food enjoyment with the taste of home—in all corners of the world.

We know where, and we know what we should do. The kettle is already on.

Forward-looking Statements

This report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future that are based on management's estimates, assumptions and projections at the time of publication. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the domestic and international economic circumstances surrounding the Company's businesses, competitive activity, related laws and regulations, product development programs and exchange fluctuations.

Contents



 You may click on the section titles to jump directly to that section.

Move the World of Food

EVOLUTION: Noodles are one of the earliest prepared foods, but who is to say they cannot evolve further? In fact, we moved the world of food with the first instant noodles in 1958, and we continue to apply food science and technology to advance the innovations we began 55 years ago. The latest product to emerge from our laboratory is *Nissin Ra-O*, using our original three-layer thick straight non-fried noodles, a new bag-type instant noodle with a texture close to that served up in real ramen shops. Since its introduction in Japan in 2012, it has gained wide attention among consumers.

JAPAN: *Nissin Ra-O*, the ultimate peak of achievement in instant noodles
(Shown here with a serving suggestion)





Be Consistent and Changing

STRATEGY: One way we maintain high average selling price and sales volume is through a strong and consistent brand. Another way is through rapid introduction of flavors geared to the times. For example, more than 80 *Cup Noodle* products (excluding special-event products) have been launched in Japan in the 42 years since its introduction. The result is *Cup Noodle* remains Japan's No. 1 brand*, and in July 2011, the cumulative number of servings sold in Japan passed the 20 billion level.

JAPAN: *Cup Noodle*, ideal enjoyment, convenience and packaging resourcefulness

*Nationwide sales share for cup-type instant noodle market, all categories January 1996–June 2013, INTAGE Inc., MFI Data

Build a Local Global Brand

POTENTIAL: The world is rapidly shrinking, and our market is growing dramatically, in particular, across Asia, where noodles enjoy the highest popularity. We reach and retain swelling numbers of newly affluent consumers, by using strong marketing power to introduce products that are original, tasty, safe and highly convenient. We know that food cultures are diverse, and, so, aggressively develop localized products to satisfy each palate with popular “home-cooked” taste, backed by equally unique marketing. To the world, we present the same NISSIN identity everywhere, but our products are as varied as the people who enjoy them.

CHINA: Cup Noodles in popular local variations growing in step with China’s expansion



From the Earth and For the Earth

PASSION: The NISSIN FOODS Group respects and responsibly draws on the bounty of nature for wholesome ingredients that are served up in innovative products for our customers around the globe. That they find them to be tasty, convenient and thoroughly enjoyable reflects a passion we share with our founder. He invented instant noodles to be a world food. And, today they are fast becoming so. With so many cultures and so many interpretations of great taste, we are now exploring various possibilities for foods to realize “the pleasures and delights food can provide.”



TO OUR
SHAREHOLDERS



Change is Boiling Up

The NISSIN FOODS Group's philosophy EARTH FOOD CREATOR signifies the Group's aspiration to contribute to society and the earth by gratifying people everywhere with pleasures and delights food can provide. The Group has formulated and announced Medium-Term Business Plan 2015, covering the three-year period beginning fiscal 2014 (the year ending March 31, 2014), to realize the Group philosophy by pursuing growth overseas and focusing on developing into a global company. This is the ideal opportunity to share with you the background and specifics of the business plan, the Group business strategy, and specific measures to implement the strategy.

President
Koki Ando

A handwritten signature in black ink that reads "Koki Ando". The signature is written in a cursive, flowing style.

TO OUR SHAREHOLDERS

Review of the Previous Medium-Term Business Plan—the Three Years Preceding the New Business Plan

In fiscal 2013 (the year ended March 31, 2013), the final year of the previous medium-term business plan, net sales increased by 0.6% year on year to ¥382,793 million (US\$4,070 million), operating income decreased by 8.6% to ¥23,954 million (US\$255 million), and net income increased by 1.7% to ¥18,855 million (US\$200 million). Although we accomplished sales growth during the three-year period of the previous medium-term plan, we did not reach the targets in the plan, in part because of the Great East Japan Earthquake. Nevertheless, during the course of the plan we introduced technological innovations that will pay off in the future and new products based on those technological innovations: for instance, we launched in Japan *Nissin Ra-O*, the ultimate achievement in bag-type instant noodles, and improved the quality of *Nissin-no-Donbei* and *Menshokunin*. Speaking of *Nissin Ra-O* bag-type noodles in particular, we were able to realize quality comparable to that of fresh noodles and recorded sales at a pace that far exceeded expectations. We also pursued new value through the rice products *Cup Noodle Gohan* and *Cup Noodle Onigiri* (frozen foods). Furthermore, in the frozen foods business, we captured the No. 1 position in market share in

the retail frozen noodles market with products including the *Reito Nissin Spa-O Premium* series of high-quality frozen pasta. In this way, we further strengthened earning power in the domestic business.

In our overseas business, we achieved substantial business expansion and profitability improvement in China, where sales of high-quality *Cup Noodles* products rose sharply along with the purchasing power of consumers. We established in Singapore the Regional Headquarters of Asia, a headquarters responsible for overall strategy in Asia, a market that continues to show rapid growth, and proceeded with development of production and sales structures in India, Thailand, Vietnam and other emerging markets. Furthermore, we established a joint venture company with YILDIZ HOLDING A.S., Turkey's largest consumer products group, as a foothold for expansion into the Middle East and Africa. I believe that through these activities we were able to build a foundation for overseas business growth.

In this way, although we fell short of the objectives in the previous medium-term business plan, we managed to achieve concrete results that will pave the way to success in the new medium-term business plan objectives of strengthening of earning power in the domestic business and the building of a foundation for overseas business growth.

Medium-Term Business Plan 2015—Aspiring to Develop into a Global Company

We regard the period of the newly established Medium-Term Business Plan 2015 as a time for sowing the seeds for realization of the Group's philosophy EARTH FOOD CREATOR and a turning point for the NISSIN FOODS Group's development into a global company. Basic strategies set forth in the plan for achieving these objectives are strengthening of earning power in the domestic business, speeding up of growth in the overseas business, and strengthening of common groupwide platform capabilities as a global company.

Strengthening Earning Power in the Domestic Business: Introduction of the High-Speed Branding System and Opening of a New R&D Center

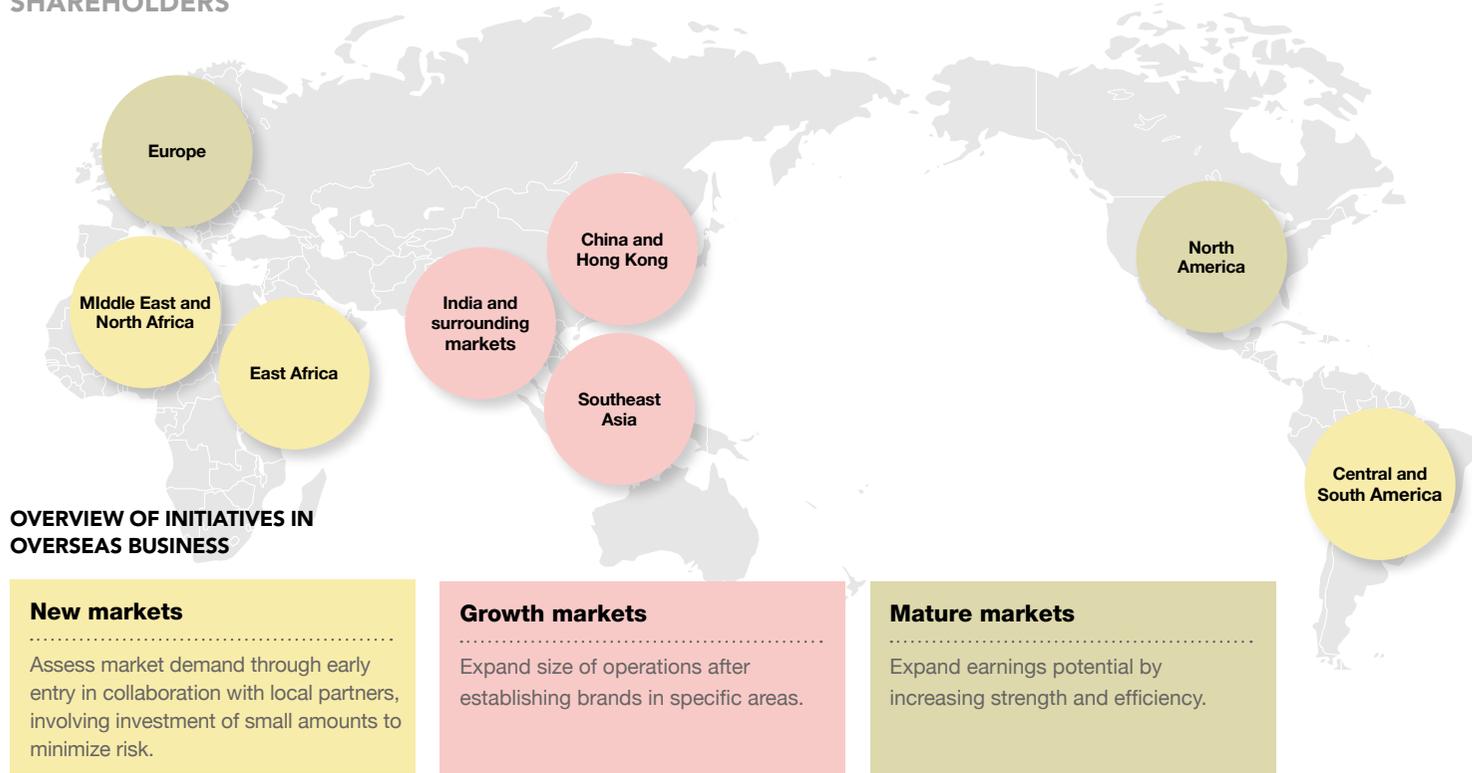
As demand for instant noodles increases worldwide, NISSIN FOODS Group must of course accelerate its global development. In Japan, where the processes of societal aging and diversifying consumer needs continue, we are working to create new demand through in-depth market cultivation. What will make this possible are technological innovation and marketing capabilities, key strengths of the Group.

In fiscal 2014, we will strengthen our marketing capabilities by initiating the High-Speed Branding System (HBS), a new business model for introducing in markets



New R&D center (Tokyo, Japan), opening November 2013

TO OUR
SHAREHOLDERS



OVERVIEW OF INITIATIVES IN
OVERSEAS BUSINESS

New markets

Assess market demand through early entry in collaboration with local partners, involving investment of small amounts to minimize risk.

Growth markets

Expand size of operations after establishing brands in specific areas.

Mature markets

Expand earnings potential by increasing strength and efficiency.

around the world approximately 1,000 new product SKUs developed over the course of a one-year period—each within three months of internal approval. We have now outgrown the luxury of basing sales promotions and advertising on research conducted over six months to a year. In today's markets, to gain the advantages we seek, three months is as long as we can afford to take. I suspect that few other manufacturers in the world would consider this.

To further strengthen the R&D function with a view to the Group's future medium- to long-term growth, in November 2013 we plan to complete construction in Hachioji, Tokyo of a new R&D center approximately twice the combined size of the Group's current research institutes. This R&D center will enable us to accelerate and upgrade business development in Japan and overseas and reduce costs.

The quality of Japanese instant ramen is far and away the highest in the world, and it will

be the task of the new R&D center to control ramen quality. Science is constantly advancing, and previously acceptable safety standards may suddenly become outdated due to developments in medicine or advances in analysis techniques. We want to make the new R&D center a world instant noodle quality control center so that we can promptly detect new developments that affect the business and, for instance, announce to instant noodle makers around the world when the use of a certain raw

material or source should be avoided.

We will also consolidate within the new R&D center the research institutes and development divisions of our domestic operating companies, which are now dispersed across Japan, and pursue greater efficiency in product development. In this way, we will further boost our technological innovation capabilities while simultaneously exploiting the potential for cross-organizational synergies by engaging in more rigorous cost reduction activities at all Group companies to further strengthen earning power.

Speeding Up Growth in the Overseas Business: Activities in Mature Markets, Growth Markets, and New Markets

In 2013, the NISSIN FOODS Group will mark the 55th anniversary of the invention of *Chicken Ramen*, the world's first instant noodles, by our founder Momofuku Ando. Demand for instant noodles, a safe, delicious, reasonably priced product that can be simply prepared and stored at room temperature, is growing in nearly every part of the world. Total worldwide demand in the calendar 2012 exceeded 100 billion servings.

The new medium-term business plan reflects our belief that business development activities must be adapted to the degree of economic development and characteristics of

TO OUR SHAREHOLDERS

overseas markets. We have classified overseas markets into three types: mature markets, growth markets, and new markets. We define mature markets as areas where noodles are already an established part of food culture that offer prospects for profitability improvement through further strengthening and efficiency improvement: for instance, Europe and North America. In North America, by focusing on certain customer segments, we aim to earn profits through strengthening of the NISSIN brand and introducing new value propositions. In Europe, we will pursue profit improvement in existing markets and expansion of market coverage.

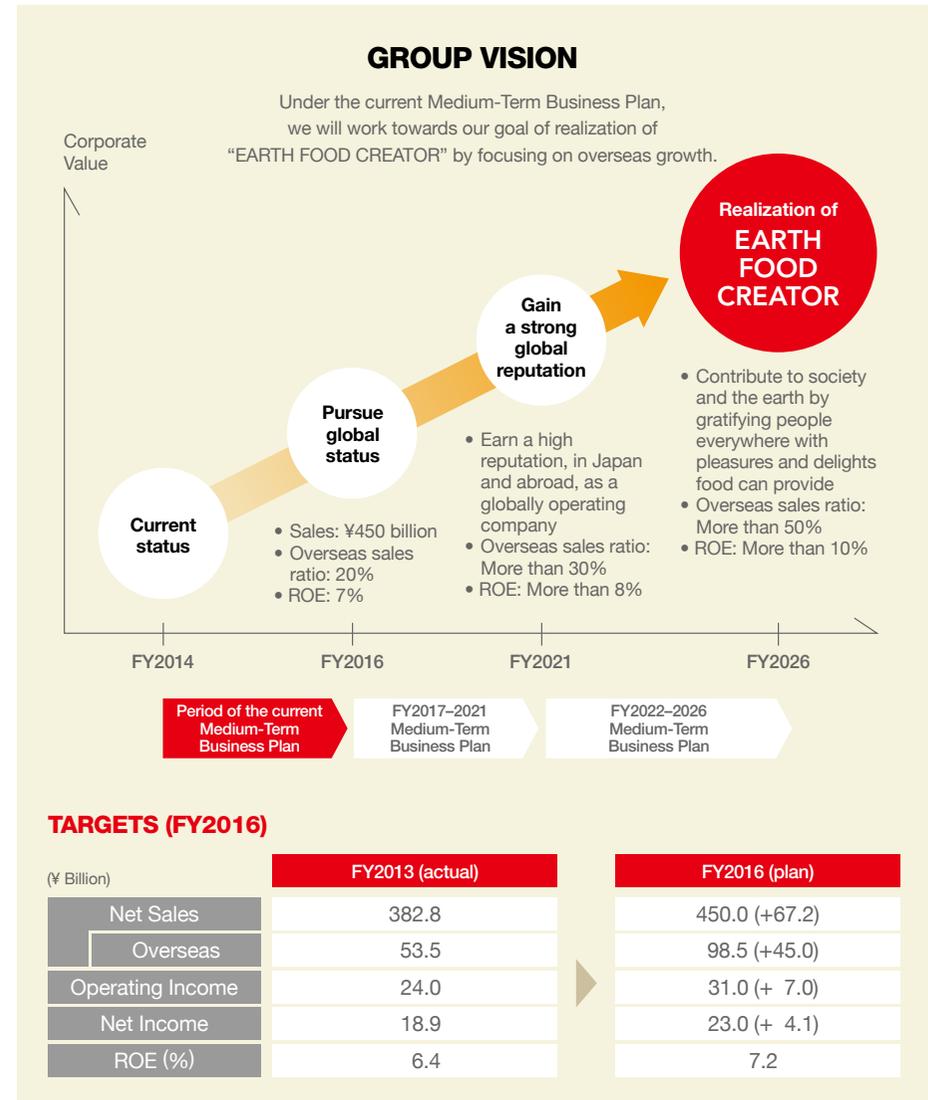
By growth markets, we refer to Southeast Asia, China, India and surrounding areas. These are densely populated regions where noodles are an established part of the food culture, to begin with, and further expansion of the instant noodles market can be expected. In these markets, we intend to create new customer segments and work to establish the NISSIN brand. First of all, in China, we will work to strengthen the earning power of the *Cup Noodles* series, mainly in Hong Kong, where we have overwhelmingly high market share, and extend the model that has been successful in southern China to the eastern, northern, and southwestern regions of the country. In the rest of Asia, we will focus on specific customer segments and regions and seek share expansion and cross-implementation in those sectors on the basis of branding.

New markets, such as Africa and South America, are regions where there is potential for demand expansion similar to that in growth markets but noodles are not an established part of the food culture. We must assess the market potential in these regions and plan to pursue geographical expansion utilizing existing business bases.

New Medium-Term Plan Objective—Toward Realization of Our “EARTH FOOD CREATOR” Philosophy Statement

For fiscal 2016, the final year of the medium-term business plan, we have set targets of net sales of ¥450.0 billion, operating income of ¥31.0 billion, net income of ¥23.0 billion, an overseas sales ratio of 20%, and ROE of 7%. Furthermore, as milestones toward achievement of the future vision for the Group, that is, becoming an “EARTH FOOD CREATOR,” in fiscal 2021 we will aim for an overseas sales ratio of 30% or higher and ROE exceeding 8%. Eventually, as the threshold of a global company, we will aim to achieve an overseas sales ratio of 50% or higher and ROE exceeding 10%.

As a food culture creator that pursues new possibilities in food, the NISSIN FOODS Group will mount a united effort to satisfy the physical and spiritual appetites of people all over the world.



REVIEW OF OPERATIONS



SINCE
1958

55 YEARS >

Japan
Chicken Ramen



SINCE
1971

42 YEARS >

Japan
Cup Noodle



SINCE
1972

41 YEARS >

U.S.A.
Top Ramen



SINCE
1974

39 YEARS >

Brazil
Nissin Lamen



SINCE
1984

29 YEARS >

Hong Kong
Demae Iccho
Instant Ramen



SINCE
2003

10 YEARS >

U.S.A.
CHOW MEIN

Long-selling Brands

Japan

Nissin Food Products

NISSIN FOOD PRODUCTS CO., LTD. achieved higher sales of bag-type instant noodle products *Nissin Ra-O* (non-fried, fresh bag-type noodles) and *Nissin-no-Donbei*, products made by applying new technologies cultivated in cup-type instant noodles. In addition, a number of cup-type instant noodle products sold briskly, including the *Cup Noodle Light* series, which proposed a new way of eating noodles in summer by adding ice, the *Cup Noodle King* series, which satisfies hearty appetites with the largest portion in *Cup Noodle* history, and the *Nissin-no-Donbei* series, popular for its chewy, thick, straight udon-style noodles made using our triple-layer thick, straight noodle preparation process. In March 2013, we began nationwide sales of *Nissin Ra-O* bag-type noodles and renewed the *Cup Noodle Gohan* series, simplifying preparation and making the price more affordable. As a result, net sales in this segment rose 0.8% to ¥200,841 million (US\$2,135 million), and operating income rose 1.5% to ¥23,810 million (US\$253 million).

Myojo Foods

MYOJO FOODS CO., LTD. struggled in fierce sales competition with competitors for bag-type noodles including *MYOJO CHARUMERA*. In the results for cup-type instant noodles, higher sales of an addition to the *MYOJO IPPEICHAN* series launched as a collaborative product with a popular animation series and the *MYOJO HYOBANYA* series of open-price products failed to compensate for declines in sales of other products. As a result, net sales in this segment fell 6.4% to ¥39,336 million (US\$418 million), and operating income fell 37.8% to ¥1,713 million (US\$18 million).

NISSIN FOOD PRODUCTS



MYOJO FOODS



JAPAN: *Chicken Ramen*, the world's first instant noodle; traditionally topped with a fresh egg



Japan



JAPAN: GooTa Fruits Tappuri Granola, appealing to adults who appreciate health and beauty

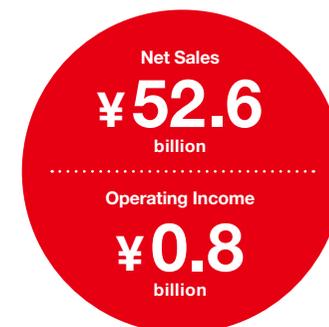
Chilled and Frozen Foods

NISSIN CHILLED FOODS CO., LTD. faced adverse selling conditions and was unable to counter stagnant demand in the chilled noodles market. Despite strong sales of *Nissin-no-Chanpon* and *Nissin No Futomen Yakisoba*, products that offer flavor found only in chilled noodles, overall sales decreased from the previous fiscal year. NISSIN FROZEN FOODS CO., LTD. enjoyed strong sales of spaghetti products such as the *Reito Nissin Spa-O Premium* series and *Reito Mochitto Nama Pasta* series and achieved a sales increase for *Reito Nissin Capsule-Style Cup Noodle Onigiri*, a new offering for the frozen rice ball market. Income was down year on year due to soaring raw materials prices and higher selling expenses. As a result, net sales of chilled and frozen foods fell 1.6% year on year to ¥52,565 million (US\$559 million), while operating income fell 47.7% to ¥819 million (US\$9 million).

Confectionery, Drinks and Other

Although NISSIN CISCO CO., LTD. and NISSIN YORK CO., LTD. posted excellent business results, stagnation in the food service business was a drag on overall performance in this category. As a result, although sales increased, income fell year on year.

CHILLED AND FROZEN FOODS



OTHER*



Note: Confectionery, beverage and food service in Japan

Overseas

The Americas

In the Americas, we worked to enhance new product lines with the aim of making the business operation less susceptible to price competition. Sales of *Big Cup Noodles*, a line targeted for development into a future mainstay product, were strong thanks to the introduction of new flavors to boost sales. Sales of *Top Ramen*, *Cup Noodles* and other long-selling products were also robust. Regional net sales increased by 6.1% year on year to ¥25,917 million (US\$276 million), and operating income was ¥236 million (US\$3 million), a turnaround from an operating loss the previous fiscal year.

China

In China (including Hong Kong), both sales and income increased as a result of sales network expansion and brand strategy success in China, where the middle class continues to grow. Sales of *Cup Noodles* products such as *Hap Mei Do* and *Kai Bei Le* rose sharply, primarily in urban areas, and *Demae Iccho* also sold well. As a result, regional net sales increased by 11.5% year on year to ¥20,848 million (US\$222 million), and operating income increased by 76.1% to ¥1,836 million (US\$20 million).

U.S.A.: *Big Cup Noodles*, new short noodles make a big meal served with a spoon



THE AMERICAS



CHINA



Overseas

Although in fiscal 2013 sales and profits in Asia fell as a result of intensified competition in India, we will implement a new growth strategy for fiscal 2014 and beyond. Sales and operating income in Europe were at roughly the levels of the previous year.

Total demand in Asia (excluding Japan and China) in the calendar 2012 was 36.77 billion servings, accounting for 36% of total worldwide demand of 101.40 billion servings. For this reason, in April 2012 we established the Regional Headquarters of Asia (RHQ-Asia) in Singapore to support overseas subsidiaries in devising and implementing strategies. RHQ-Asia provides exhaustive support from a location closer to the market culturally and geographically. For a while longer, we will continue to make upfront investment with the principal aim of accelerating business development.

Asia

The Company established a new subsidiary in Vietnam and seeks penetration of the NISSIN brand of non-fried bag-type noodles. We built new plants in India and Thailand.

Europe

The latest news is our expansion into Turkey, a new market for instant noodles: The Company launched NISSIN YILDIZ GIDA SANAYI VE TICARET A.S., a joint venture company in partnership with a pasta company of YILDIZ HOLDING A.S., and plans to launch an instant noodle business to complement the existing pasta business.

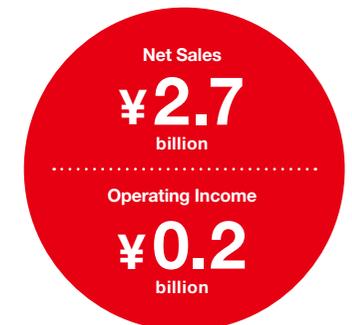
EUROPE: Soba, cup-type yakisoba



ASIA



EUROPE



QUALITY AND SAFETY



Uncompromising Safety Behind the Taste

To provide customers with products that they can enjoy with confidence and peace of mind, the NISSIN FOODS Group has established independent analysis and inspection systems and a quality assurance system that extends from farm to table, covering all operations from raw materials procurement to production, distribution and sales, as well as all business sites, by rigorous traceability from raw materials to finished product. Furthermore, Group companies share opinions and comments from customers and reflect them in prompt improvement of products and services.

Food Safety Research Institute

The Food Safety Research Institute was established in 2002 to ensure quality based on science. The Institute's activities include development of new analysis and inspection methods, confirmation of the quality of procured raw materials, supplier inspections and confirmation of quality control systems in Group companies

and supplier production plants. Since the institute is responsible for providing information for management decision making on food safety matters, which is the most important social responsibility of a food products company, it is an independent organization under the direct control of the president.

The institute's simultaneous analysis of residual agricultural chemicals using Food Automatic Analytical Systems for Residual Agricultural Chemicals (FASRAC), and Nissin's Evaluation Systems for Mammalian Genotoxicity (NESMAGET), both independently developed by the institute, are highly rated, and the institute even performs contracted inspections for outside parties.

SOCIAL / ENVIRONMENTAL
ACTIVITIES

Creating Our Own Recipes for Change



SOCIAL / ENVIRONMENTAL ACTIVITIES



CONTRIBUTIONS TO SOCIETY

Hyakufukushi Project: Aiming for 100 Socially Beneficial Activities over 50 Years

Since 2008, the NISSIN FOODS Group has been implementing the Hyakufukushi Project to fulfill our corporate responsibility. Group employees are carrying on the spirit of our founder Momofuku Ando, who enthusiastically devoted

himself to socially beneficial activities. Their goal is to engage in a total of 100 socially beneficial activities by 2058, our centennial anniversary. A total of ten projects have been conducted to date. Five themes guide project selection: Creation, Food, The Earth, Health, and Children.

In the sixth project, the “Run and Eat” Children’s Education Project, members of the NISSIN FOODS GROUP TRACK AND FIELD TEAM visited 50 elementary schools in all 47 prefectures of Japan over the course of two and a half years to teach children correct running technique and impart proper knowledge of nutrition.

The tenth project is the All Japan “Ikumen” Menu Contest. In this cooking contest, which enables fathers to create a deeper bond with their children through shared creation, fun, and experience, fathers and their children collaborate to create original recipes using instant noodles.

The NISSIN FOODS Group will continue to contribute to a brighter, richer future through the Hyakufukushi Project.

Support for the Activities of the Ando Foundation

Ever since our founder Momofuku Ando established the Ando Foundation using his own

funds in 1983, the foundation has engaged in undertakings to promote the healthy spiritual and physical development of youths and food culture in keeping with the founder’s principle that food and sports are the two most important factors in leading a healthy life. The foundation’s main activities are support for track and field, the popularization of camping and outdoor activities, and awards programs that encourage creative research and food product development. The NISSIN FOODS Group endorses the principles of the Ando Foundation and enthusiastically supports its activities.

ACTIVITIES TO PRESERVE THE NATURAL ENVIRONMENT

Environmentally Friendly Corporate Activities

The NISSIN FOODS Group engages in corporate activities to preserve the natural environment. In 2008, the Group established the NISSIN FOODS Group Environmental Charter, which sets forth fundamental principles and action guidelines that promote the practice of green management. The Company has set up the Group Environmental Council for the purpose of promoting environmental preserva-

tion. The council is developing an environmental management system for the Group by establishing a Group environmental policy and discussing environmental targets and important matters concerning environmental activities.

Group companies are proceeding with the acquisition of certification under the ISO 14001 international standard for environmental management systems and engaging in activities to protect the environment according to the characteristics of each business site.

Measures to Conserve Energy and Reduce CO₂ in Production

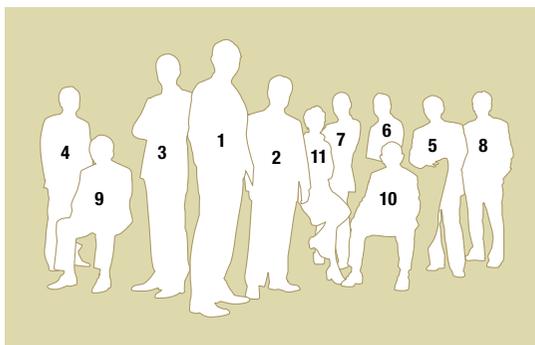
Since fiscal 2007, the NISSIN FOODS Group has been sequentially converting the boiler fuel used in production at its plants from heavy oil to natural gas. In addition, the plants that use heavy oil implement various measures to reduce CO₂. Since fiscal 2013, the plants have been working to increase energy efficiency by such means as substantially reducing steam flow generated in the steaming process and are converting to energy-saving, long-life LED lighting and lighting with motion sensors. In fiscal 2013, these activities resulted in a 15% reduction in the Group’s overall CO₂ emissions from fiscal 2006 level to 165 thousand tons.

BOARD
OF DIRECTORS



BOARD OF DIRECTORS

Board of Directors



1. President & Representative Director

Koki Ando
CEO (Chief Executive Officer)

2. Vice President & Representative Director

Susumu Nakagawa
COO (Chief Operating Officer)

3. Senior Managing Director

Noritaka Ando
CSO (Chief Strategic Officer)

4. Managing Director

Akihide Matsuo
In charge of Production and Resourcing
In charge of Chilled and Frozen Foods Business

5. Managing Director

Tsunao Kijima
CBO (Chief Business Officer)

6. Director

Mitsuru Tanaka
CDO (Chief Development Officer)

7. Director

Yukio Yokoyama
CFO (Chief Financial Officer)

8. Director

Yoshinori Miura
President & Representative Director of
NISSIN FOOD PRODUCTS CO., LTD.

9. Outside Director

Ken Kobayashi *1
President & Chief Executive Officer of
Mitsubishi Corp.

10. Outside Director

Masahiro Okafuji *1
President & Chief Executive Officer of
ITOCHU Corp.

11. Independent Outside Director

Yoko Ishikura *1 *3
Professor, Graduate School of
Media Design, Keio University

Audit & Supervisory Board Members and Executive Officers

Audit & Supervisory Board Member (Full-time)

Osamu Tetsubayashi

Audit & Supervisory Board Member (Outside - Full-time)

Kazuo Kanamori *2

Audit & Supervisory Board Member (Outside)

Toru Horinouchi *2

Audit & Supervisory Board Member (Outside - Independent)

Hiroshi Takano *2 *3

Senior Executive Officer

Toshihiro Yamada
CQO (Chief Quality Officer)

Executive Officers

Kiyotaka Ando

Chief Representative, China
President & Managing Director of
Nissin Foods Co., Ltd.
Chairman of Nissin Foods (China)
Holding Co., Ltd.

Shigeo Kitara

CIO (Chief Information Officer)

Kazuhito Kusumoto

CRO (Chief Resourcing Officer)

Koji Sakai

General Manager, Technology
Control Division, Production
Headquarters

Satoru Sasaki

CAO (Chief Administrative Officer)

Hitoshi Suzuki

General Manager, Advertising Control
Division, Management Strategy
Headquarters

Kazuhiro Tadokoro

CHO (Chief Human Resources Officer)

Hideki Hattori

CCO (Chief Communication Officer)

Masahiro Homma

CLO (Chief Legal Officer)

Yasuhiro Yamada

CPO (Chief Production Officer)

Notes: 1. Indicates an outside director as provided for in Article 2-15 of the Companies Act.

2. Indicates an outside audit & supervisory board member as provided for in Article 2-16 of the Companies Act.

3. Designated for independent director/audit & supervisory board member as specified by the Tokyo Stock Exchange and other exchanges in Japan.

CORPORATE GOVERNANCE

Basic Policy on Corporate Governance

The NISSIN FOODS Group provides safe, worry-free food products and engages in business to maximize benefits to all its stakeholders, including shareholders, consumers, employees and local communities.

We regard the enhancement and strengthening of corporate governance as one of our most important management priorities and strive to achieve highly objective and transparent management. To achieve this objective, we appoint multiple directors and audit & supervisory board members from outside, actively reflect in management the opinions of experts and pursue management vitalization and transparency. In addition, in June 1998 we introduced an executive officer system to promote rapid decision-making and to separate management oversight from business execution.

Corporate Governance Structure

The Board of Directors of NISSIN FOODS HOLDINGS CO., LTD. consists of fifteen members: eleven directors, including three outside directors, and four audit & supervisory board members, of which three are outside audit & supervisory board members. The Board meets monthly and convenes extraordinary meetings as otherwise necessary. The Board decides on important matters concerning business execu-

tion, including basic management policies and strategy, and supervises the execution of duties by the directors.

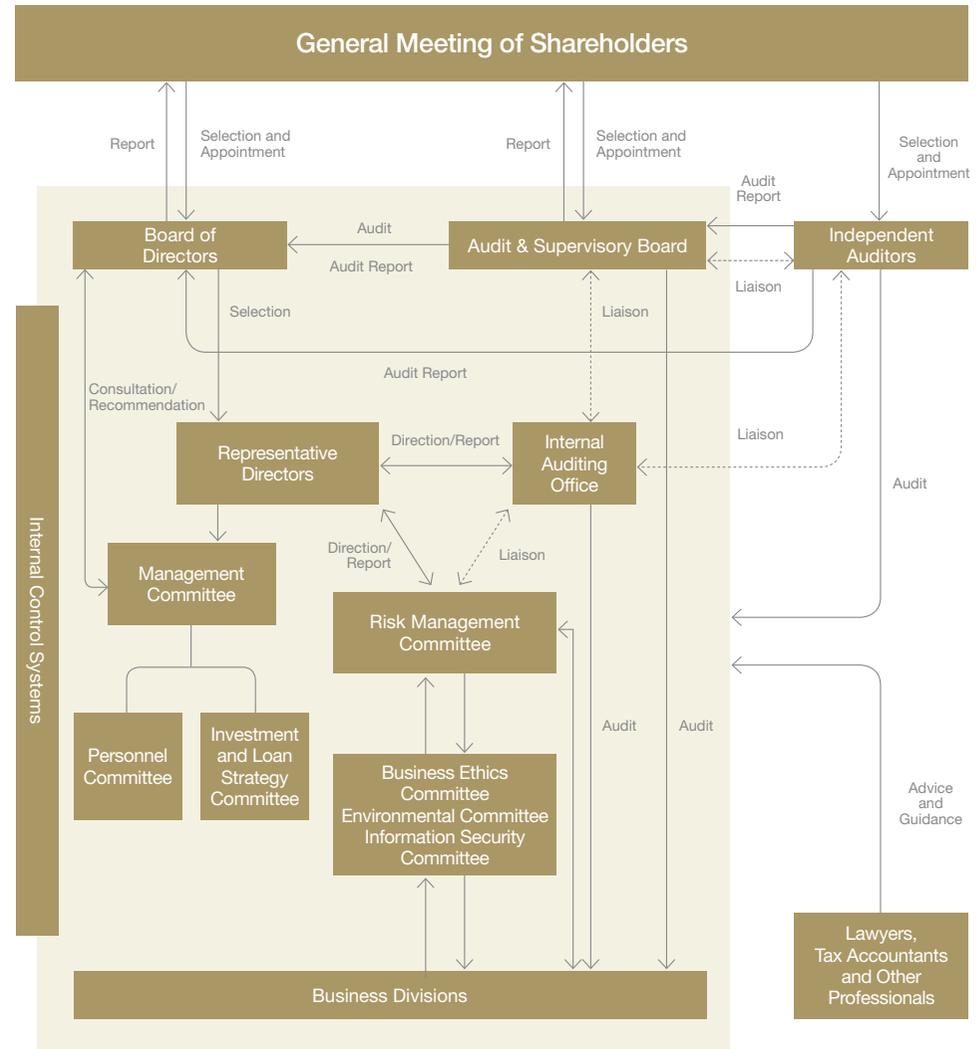
The Management Committee, an advisory body to the Board of Directors consisting of the full-time directors and full-time audit & supervisory board members, meets twice monthly to discuss matters to be decided by the Board and to discuss and decide matters delegated to it by the Board.

The Investment and Loan Strategy Committee, an advisory body to the Management Committee consisting of the CSO (Chief Strategic Officer) as chairman and each platform member, meets monthly for preliminary assessments of and discussion about important investment projects.

The Personnel Committee, consisting of several full-time directors, including the representative directors and chief officers, meets monthly to discuss important Group human resource strategies.

In addition, a structure is in place for the representative directors to oversee the execution of duties by the directors, executive officers and presidents of key operating companies under which these executives report to and consult with the representative directors.

CORPORATE GOVERNANCE STRUCTURE





Financial Section

Contents

Head Office (Tokyo, Japan)

CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

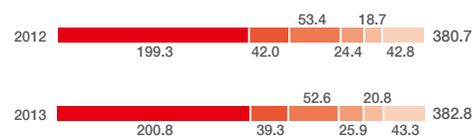
Years ended March 31,		Millions of yen (except per share information)					
		2013	2012	2011	2010	2009	2008
For the Year	Net sales	¥ 382,793	¥ 380,675	¥ 374,932	¥ 371,178	¥ 362,057	¥ 385,470
	Cost of sales	211,347	213,707	203,202	203,037	202,304	195,664
	Gross profit	171,446	166,968	171,730	168,141	159,753	189,806
	Selling, general and administrative expenses	147,492	140,756	137,192	140,799	136,201	162,134
	Operating income	23,954	26,212	34,538	27,342	23,552	27,672
	Other income (expenses)	5,439	5,408	145	3,813	(180)	17
	Income before income taxes and minority interests	29,393	31,620	34,683	31,155	23,372	27,689
	Income taxes	10,195	12,887	13,597	10,270	7,385	14,279
	Minority interests in earnings (loss) of consolidated subsidiaries	343	194	330	389	96	(181)
	Net income	18,855	18,539	20,756	20,496	15,891	13,591
	Comprehensive income	34,884	18,541	13,239	—	—	—
Per Share	Net income —basic	¥ 171.12	¥ 167.97	¥ 187.56	¥ 177.02	¥ 129.98	¥ 111.17
	—diluted	170.57	167.59	187.30	176.91	—	—
	Cash dividends	75.00	75.00	70.00	60.00	50.00	50.00
	Equity* ¹	2,782.25	2,545.31	2,454.67	2,406.26	2,287.21	2,310.36
At Year-End	Working capital* ²	¥ 48,865	¥ 60,949	¥ 56,472	¥ 67,772	¥ 69,536	¥ 76,699
	Property, plant and equipment, net	133,788	126,360	125,882	109,278	101,132	93,803
	Total assets	446,132	414,717	409,749	408,410	408,729	392,695
	Long-term liabilities	33,296	37,194	44,499	48,371	34,426	22,917
	Equity* ³	315,027	286,657	277,595	271,951	285,569	288,844
	R&D expenses	¥ 4,321	¥ 4,385	¥ 4,081	¥ 3,807	¥ 3,477	¥ 3,446
	Capital expenditures	21,582	18,937	30,810	18,448	17,572	10,766
Value & Performance Indicators	Operating margin (%) ⁴	6.3	6.9	9.2	7.4	6.5	7.2
	Return on assets (%) ⁵	4.4	4.5	5.1	5.0	4.0	3.4
	Return on equity (%) ⁶	6.4	6.7	7.7	7.5	5.7	4.8
	Inventory turnover (times) ⁷	11.5	13.4	14.1	13.7	13.5	13.4

Notes: 1. Equity per share = (Equity - Minority interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury stock)
 2. Working capital = Total current assets - Total current liabilities
 3. Equity: In compliance with the Corporate Law, from fiscal 2007, the amount of equity includes the amount of minority interests.
 4. Operating margin = Operating income / Net sales

5. Return on assets = Net income / Average total assets
 6. Return on equity = Net income / Average total equity
 7. Inventory turnover = Cost of sales / Average total inventory

NET SALES BY SEGMENT

(Billions of yen)



■ Nissin Food Products ■ Myyo Foods
 ■ Chilled and Frozen Foods ■ The Americas
 ■ China ■ Others

OPERATING INCOME AND OPERATING MARGIN

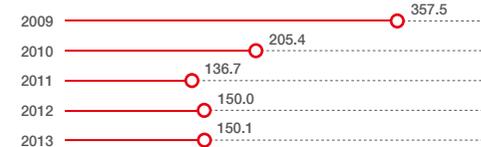
(Billions of yen)



■ Operating income ● Operating margin

INTEREST COVERAGE RATIO

(Times)



* Interest coverage ratio = Operating cash flow / Interest payments

FINANCIAL REVIEW

NISSIN FOODS HOLDINGS CO., LTD. (the “Company”) and its subsidiaries and associated companies (associates) operate the production and sales of instant noodles and other instant foods as their core business, to further develop their business domain in various foods, logistics and other related businesses. The scope of consolidation for fiscal 2013, the year ended March 31, 2013, covers the Company, 44 consolidated subsidiaries (27 in Japan and 17 overseas) and four associates accounted for by the equity method (collectively, the “Group”).

INCOME ANALYSIS

Net Sales

Consolidated net sales of the Group for fiscal 2013 amounted to ¥382,793 million (US\$4,070 million), a 0.6% increase on the previous fiscal year's ¥380,675 million. Among consolidated net sales, domestic net sales alone (excluding intersegment sales) decreased by 0.3% year on year to ¥328,580 million (US\$3,494 million). As a result, the share of overseas net sales increased by 0.8 percentage point to 14.2%.

During the fiscal year under review, the Japanese economy generally continued to face challenges, buffeted by deceleration in overseas economies, including the debt crisis in Europe and the slowing growth of emerging countries. However, towards the end of fiscal 2013, improving business sentiment was evidenced by a correction of the strong yen based on the new government's economic policies and a rise in stock prices.

Looking at the global market for instant noodles, the Group's mainstay business, worldwide demand for instant noodles in calendar year 2012 increased by 2.7% over the previous year to 101.42 billion servings, according to the World Instant Noodles Association (WINA). In the Asian market, which accounted for 85.0% of the worldwide demand in 2012, the demand for instant noodles was 86.21 billion servings and marked a 2.5% year-on-year increase. As for the Group, the domestic instant noodle industry enjoyed a revitalization of the market for bag-type (formerly known as “pillow-type”) instant noodles, thanks to technological innovation mainly in terms of superior noodle attributes, such as “mouth-feel.” Nonetheless, the industry saw a slight decline in overall demand for instant noodles compared with the previous fiscal year, when there was a spike in demand following the Great East Japan Earthquake. Among overseas markets, on the other hand, both the Americas and China

businesses achieved growth in revenues and operating income, although some other areas faced a challenging business climate. The Americas business enjoyed the positive effect of a product price raise, while the China business took advantage of steady performance of premium-price products and expansion of the areas where the *Cup Noodles* products are sold.

In this environment, the Group harnessed its strong technological innovation and marketing capabilities to develop products in line with the Group philosophy of being an EARTH FOOD CREATOR and contributing to society by gratifying people everywhere with pleasures and delights food can provide, and sought to further enhance its brand value. The Group also pursued a global strategy focusing on emerging countries with high growth potential and worked to strengthen the systems that will allow the Group to compete on the world stage and execute its strategies swiftly.

The sales breakdown by segment (excluding intersegment sales) shows that the total sales of the Nissin Food Products and Myojo Foods segments, both of which are chiefly focused on the instant noodle business in the domestic market, amounted to ¥240,177 million (US\$2,554 million), and accounted for 62.7% of total consolidated net sales. In the Nissin Food Products segment, bag-type instant noodles, especially *Nissin Ra-O* and *Nissin-no-Donbei*, both of which use technologies cultivated in cup-type instant noodles, expanded sales. In cup-type instant noodles, the *Cup Noodle Light* series, which proposed a new eating style with *ICE Cup Noodle Light* in the summer, the *Cup Noodle King* series, featuring the largest amount of noodles by weight in *Cup Noodle* history, and the *Nissin-no-Donbei* series, with its well-received chewy, thick, straight udon-style noodles made

by the triple-layer thick, straight noodle preparation process, all sold briskly. In the fourth quarter, in a bid to expand sales, the Company rolled out its *Nissin Ra-O* bag-type noodles across Japan, and they have been well-received by consumers. In the Myojo Foods segment, bag-type noodles, including *MYOJO CHARUMERA*, had faced intense sales competition with rival companies, and sales ended up falling below their year-ago level. In cup-type instant noodles, *MYOJO IPPEICHAN*, including collaborative products released in conjunction with a popular animation, and *MYOJO HYOBANYA*, which are open-price products, experienced growing sales, but fell short of offsetting declines in other products, resulting in decreased sales.

The chilled and frozen foods segment, which comprises the production and sales of chilled and frozen food products, saw decreasing sales compared to the previous fiscal year. Within this segment, sales of products of NISSIN CHILLED FOODS CO., LTD. reflected stagnant demand for chilled noodles in the market. Although *Nissin-no-Chanpon* and *Nissin-no-Futomen Yakisoba*, which claim the great taste unique to chilled noodles, performed solidly, overall sales declined. At NISSIN FROZEN FOODS CO., LTD., sales of spaghetti products such as the *Reito Nissin Spa-O Premium* series and the *Reito Mochitto Nama Pasta* series remained strong, and *Reito Nissin Capsule-Style Cup Noodle Onigiri*, a new offering for the frozen rice ball market also expanded sales.

In the Americas segment, the Group aimed to become less susceptible to the effect of price competition and worked to strengthen its new product series. Consequently, sales of *Big Cup Noodles* were strong, reflecting efforts to expand sales through the introduction of new flavors, part of a bid to develop the series into a core product in the future.

Long-selling products such as *Top Ramen* and *Cup Noodles* also posted solid sales.

In the China segment, where the middle-income class continues to grow, sales increased thanks to expansion of the marketing and sales network and brand strategy. Sales of cup-type instant noodles such as *Hap Mei Do* and *Kai Bei Le* grew significantly, especially in urban areas, and sales of *Demae Iccho* were also strong.

Other business areas, which are not reported as stand-alone segments, include domestic confectionery, beverages and food service businesses and overseas businesses in Europe and Asia. The aggregate sales of other business areas increased compared with the previous fiscal year.

(Please refer to Review of Operations on pp. 9–12 for details of performance by product category.)

Cost of Sales and Selling, General and Administrative Expenses

The cost of sales for fiscal 2013 decreased by 1.1% from the previous fiscal year to ¥211,347 million (US\$2,247 million) despite the increase in net sales. This result was realized by converting products sold in Japan on an open-price system to a quotation price system and the lower price of wheat, and also by price increases for major products in the U.S. and Mexico, and strong sales of various *Cup Noodles* series in China. Reflecting the fall in cost of sales against the increase of net sales, the ratio of cost of sales to net sales dropped by 0.9 percentage point to 55.2%.

Selling, general and administrative (“SG&A”) expenses

amounted to ¥147,492 million (US\$1,568 million). Among SG&A expenses, promotional expenses increased by 7.2% from the previous fiscal year to ¥70,552 million (US\$750 million), with a 1.1 percentage-point rise in the ratio to net sales. Distribution expense, on the other hand, declined by 3.1% to ¥22,024 million (US\$234 million), also with a 0.2 percentage-point drop in the ratio to net sales. Advertising expenses resulted in a slight decrease of 0.5% year on year to ¥11,001 million (US\$117 million), while the ratio to net sales maintained the same level as that of the previous fiscal year. As a result, total SG&A expenses increased by 4.8%.

Operating Income, Other Income (Expenses) and Net Income

The increase in SG&A expenses exceeded the increase in net sales and the decrease in the cost of sales, and, as a result, consolidated operating income for fiscal 2013 decreased by 8.6% to ¥23,954 million (US\$255 million) from

the previous fiscal year. The ratio of operating income to net sales also declined by 0.6 percentage point to 6.3%.

Net other income edged up to ¥5,439 million (US\$58 million) from ¥5,408 million in the previous fiscal year. While a ¥5,452 million gain on transfer of the substitutional portion of employees’ pension fund was recorded in the previous fiscal year, there were profit-increasing factors in fiscal 2013, such as ¥1,538 million in foreign exchange gain against ¥2,237 million in foreign exchange loss in the previous fiscal year and a ¥742 million increase in equity earnings of associates.

As a result of the above, income before income taxes and minority interests for fiscal 2013 amounted to ¥29,393 million (US\$313 million), down by 7.0% from the previous fiscal year. Net income resulted in a 1.7% year-on-year increase to ¥18,855 million (US\$200 million), maintaining the ratio of net income to net sales at the same level as that of the previous fiscal year as of 4.9%. Accordingly, net income per share increased by ¥3.15 to ¥171.12 (US\$1.82) from the previous year’s ¥167.97.

▶ COSTS AND EXPENSES, AND NET SALES RATIO

Years ended March 31,	Millions of yen			
	2013		2012	
		Net Sales Ratio		Net Sales Ratio
Cost of sales	¥211,347	55.2	¥213,707	56.1
SG&A expenses	147,492	38.5	140,756	37.0
Promotional expenses	70,552	18.4	65,795	17.3
Advertising expenses	11,001	2.9	11,051	2.9
Distribution expenses	22,024	5.8	22,720	6.0
Other expenses	43,916	11.5	41,190	10.8

▶ WORKING CAPITAL AND CURRENT RATIO

(Billions of yen) / (%)

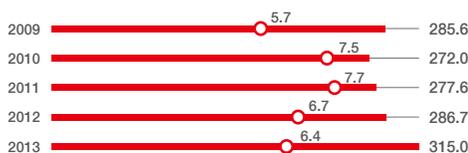


■ Working capital ○ Current ratio

Working capital = Total current assets – Total current liabilities
Current ratio = Total current assets / Total current liabilities

▶ SHAREHOLDERS’ EQUITY AND ROE

(Billions of yen) / (%)



■ Shareholders' equity ○ ROE

Shareholders' equity = Total equity – Minority interests

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash and cash equivalents as of March 31, 2013 stood at ¥64,015 million (US\$681 million), a decrease of ¥7,726 million from the previous fiscal year-end.

Net cash provided by operating activities decreased by ¥560 million to ¥32,045 million (US\$341 million). Major cash-increasing factors included decreases in negative adjustments for accrued retirement benefits to employees and for inventories of ¥4,917 million and ¥2,673 million, respectively. On the other hand, major cash-decreasing factors included a ¥2,228 million decrease in income before income taxes and minority interests and a ¥5,558 million decrease in the adjustment for trade notes and accounts payable.

Net cash used in investing activities recorded a significant year-on-year increase of ¥18,420 million to ¥31,251 million (US\$332 million). This increase was mainly attributable to a ¥4,171 million decrease in proceeds from sales and redemption of marketable securities and a ¥13,679 million increase in payments for purchases of investments in securities.

Net cash used in financing activities rose by ¥629 million to ¥10,071 million (US\$107 million). While net increase in treasury stock declined by ¥1,475 million, proceeds from long-term borrowings also decreased by ¥1,254 million.

Assets, Liabilities and Net Assets

Total assets as of March 31, 2013 amounted to ¥446,132 million (US\$4,744 million), up by 7.6% from the previous

fiscal year-end. Return on assets (ROA) dropped by 0.1 percentage point to 4.4%, reflecting the total assets' rate of increase surpassing that of net income.

Total current assets decreased by 3.4% year on year to ¥146,675 million (US\$1,560 million). This was attributable mainly to a ¥4,771 million decrease in marketable securities due to sales and redemptions of debts securities.

Net property, plant and equipment rose by 5.9% to ¥133,788 million (US\$1,423 million), reflecting expanded capital expenditures.

Investments and other assets amounted to ¥165,670 million (US\$1,762 million), a sizable year-on-year increase by 21.3%, chiefly due to a total of ¥28,963 million from investments in securities, investments in unconsolidated subsidiaries and associates and other investments.

Total liabilities resulted in a 2.4% year-on-year increase to ¥131,106 million (US\$1,394 million). While long-term debt decreased by ¥5,261 million, decreases were surpassed by increasing effects, such as a ¥3,534 million increase in other payables and a ¥3,354 million increase in deferred tax liabilities.

Total current liabilities rose year on year by 7.6% to ¥97,809 million (US\$1,040 million). As current assets decreased against liabilities, working capital as of March 31, 2013 dropped by 19.8% to ¥48,865 million (US\$520 million). The current ratio also declined by 17.1 percentage points to 150.0%, from 167.1% of the previous fiscal year-end.

Total equity as of March 31, 2013 increased by 9.9% to ¥315,027 million (US\$3,350 million). The effect of decreasing factors, such as ¥8,264 million in cash dividends paid, was offset by ¥18,855 million in net income posted, a ¥7,944 million increase in unrealized gain on available-for-sale securities and a ¥7,573 million decrease in the debit balance of foreign currency translation adjustments, resulting in a net ¥28,370 million increase in total equity. Equity per share also rose by 9.3% from ¥2,545.31 for the previous fiscal year-end to ¥2,782.25 (US\$29.58).

CASH FLOW HIGHLIGHTS

Years ended March 31,	Millions of yen	
	2013	2012
Net cash provided by operating activities	¥ 32,045	¥ 32,605
Net cash used in investing activities	(31,251)	(12,832)
Net cash used in financing activities	(10,071)	(9,442)
Cash and cash equivalents at end of the year	¥ 64,015	¥ 71,741

TOTAL ASSETS AND ROA

(Billions of yen) / (%)



■ Total assets ○ ROA

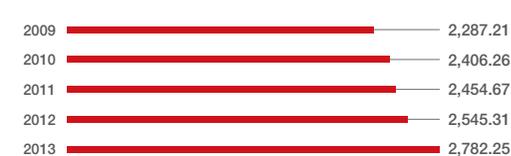
EQUITY RATIO

(%)



EQUITY PER SHARE

(Yen)



ADDITIONAL INFORMATION

Significant Business Agreements

Joint-venture agreement with Hebei Jinmailang Mianye Co., Ltd.

With regard to the Company's capital participation in Hebei Hualong F&N Industry Group Co., Ltd., a major manufacturer of instant noodles and flour in the PRC (hereafter "Hebei Hualong"), which was undertaken to expand and thereby reinforce the Company's instant noodle operations in the PRC, the Company concluded on May 12, 2004, a joint-venture agreement with Hebei Jinmailang Mianye Co., Ltd., the parent company of Hebei Hualong.

Hebei Jinmailang Mianye split Hebei Hualong into two new companies: Nissin Hualong Foods Co., Ltd. (now renamed Jinmailang Foods Co., Ltd.) and Hebei Nissin Hualong Paper Products Co., Ltd. (now renamed Hebei Jinmailang Paper Products Co., Ltd.). Through capital increases subscribed by its Hong Kong-based subsidiary, Nissin Foods Co., Ltd., the Company had acquired 14.9% of registered equity in each newly established company during the fiscal year ended March 31, 2005.

In order to accelerate a joint-venture with Jinmailang Group, Jinmailang Nissin Foods Co., Ltd. was established in August 2011 and asset restructuring and reorganization process were started. In April 2012, Nissin Foods Co., Ltd., a subsidiary of the Company, invested in 14.3% of the shares of Jinmailang Nissin Foods Co., Ltd. At the time of the completion of asset restructuring, Nissin Foods Co., Ltd. will acquire additional shares of Jinmailang Nissin Foods Co., Ltd. The percentage of the Company's total shareholding will be 33.4%, and the total investment is expected to reach about ¥20 billion.

Risk Information

Conditions that have the potential to significantly influence the decisions of investors are presented below. Any conditions with reference to the future are based on information available at the time of publication of this annual report. The Company acknowledges the possibility that these risks can arise and will make every effort to

prevent such risks from appearing and address resulting situations if such risks do appear.

(1) Food safety issues

The Company's basic philosophy is to provide safe foods that consumers can enjoy without worry. In the past, a high incidence of disquieting developments, such as avian influenza, residual pesticides in foods, falsely labeled food products, radioactive contamination of foods and toxic substances mixed in food products, threatened to undermine food quality and safety. The needs of consumers with regard to food safety have become more sophisticated. To enhance its ability to meet these needs, the Company established the Food Safety Research Institute in 1988 and continues its endeavor to enhance its research function and strengthen its quality control system. However, the Company's financial position and financial performance could be unfavorably influenced were unusual health-related situations to arise in the future that were beyond the Company's conjecture, or if rumors were to mar the image of the Company's products, even though such rumors were based on incidents not directly affecting the Company's products.

(2) Risk derived from changes in demographic trends

In Japan, the birth rate remains low, and the population is aging rapidly. Accordingly, the number of young consumers, who are the major customers of the Company, has been decreasing, and therefore the market of our products is expected to remain unchanged or otherwise decrease over the long term. In the face of such a business climate, the Company is making ever-greater efforts to develop new products that closely meet the needs of each age bracket in order to maintain and expand our customer base. However, were the decrease in population to accelerate, the overall demand in the instant noodle market would shrink, negatively affecting the Company's financial position and financial performance.

(3) Risk of decline in brand value

The Company's mainstay products, particularly *Chicken Ramen* and the *Cup Noodle* series, have become familiar household items for most consumers, thanks to years of accumulated technical expertise and product development activities. The Company emphasizes the establishment and enhancement of its brands. However, new products flood the instant noodle market every year, and the relative brand value of the Company's products could decline if another company were to achieve a revolutionary breakthrough in instant noodle development.

(4) Risk of product liability

As a food maker, the Company believes its mission is to provide safe, worry-free products to consumers, and therefore applies strict quality control standards to its manufacturing activities. In addition, the Food Safety Research Institute studies ways to ensure the safety of raw materials and strives to reinforce quality control systems at each manufacturing facility. The Company also endeavors to lessen the potential of product liability claims that could affect its financial position, and therefore is insured against product liability. However, if an accident occurs through product liability and a situation arises wherein the Company must recall certain products, the insurance carried by the Company may not be sufficient to cover all claims. A tarnished reputation in society and a weakened corporate image could erode consumers' willingness to buy the Company's products. This situation could hurt the Company's financial position and financial performance.

(5) Risk of increases in prices of raw materials

The primary raw materials used for the Company's products are agricultural commodities such as flour and palm oil, and petroleum-based items for packaging and wrappers. The prices of these raw materials fluctuate with changing market conditions. Therefore, the Company's financial performance could be adversely impacted if the prices of raw materials skyrocket, as

there exist more factors than ever to boost their prices, such as political unrest or international disputes occurring in the countries that produce these raw materials, and crop failures caused by abnormal weather associated with global warming.

(6) Risk of natural disasters

The Company has manufacturing facilities both in Japan and overseas. If a natural disaster, such as a large-scale earthquake or flooding from a typhoon, were to occur and manufacturing facilities incurred damage, the Company's production infrastructure as well as its financial position and financial performance could suffer because, for example, an interruption in operations would reduce output and repairs to facilities and equipment would raise expenses. Furthermore, serious accidents at electric power plants caused by natural disasters could also negatively affect the Company's production infrastructure, financial position and financial performance, through lowered electricity supply, large-scale blackouts and radioactive contamination.

(7) Risk related to overseas operations

The Company produces food products, including instant noodles, based on the basic policy of local production and local marketing in 14 countries. If political unrest or international disputes arise in the regions where the Company's subsidiaries and associates operate, or if issues threaten to undermine food safety, or if legal controls in certain countries create a situation that hinders production activities, then the financial position and financial performance of the subsidiaries, associates and/or the Company could suffer.

(8) Risk related to information systems

The Company uses computers to process and store information on production, sales and administration. The Company had adopted all conceivable measures to safeguard these information systems from computer virus-induced crashes, damage by hackers and the risk of

a breach in information security. However, the Company's financial position and financial performance could be adversely affected if the Company's systems were damaged and/or if data were leaked outside the organization, due to illegal access to the systems by unauthorized individuals through technologies that the Company has not envisioned, or unknown computer virus getting through established safeguards.

(9) Risk related to retirement benefit accounting

Costs and obligations pertaining to retirement benefits are determined based on discount rates and other predetermined criteria used in actuarial calculations and on the expected rate of return on pension assets. If actual results differ from predetermined criteria, or if predetermined criteria are amended, the actuarial difference is charged to the income of the fiscal year following the one in which the difference occurred. If a decline in discount rates and/or returns on the pension assets persists, the Company will have to carry a higher burden of pension-related costs, and this could hurt the Company's financial position and financial performance.

(10) Risk of declining market values on marketable securities

The Company invests in marketable securities to ensure efficient application of funds, while it is the policy of the Company to maintain the integrity of principal. However, the Company's financial position and financial performance could be adversely affected if worsening market conditions cause market values to decline or sluggish performances by equity investments force the Company to apply the accounting for impairment.

(11) Risk related to the accounting for impairment of fixed assets

The Company owns various tangible fixed assets for the purpose of its business. These fixed assets could face in the future a substantial decline in their fair value and/or future cash flows they are to generate, and thus would have the possibility of impairment loss recognition in accordance with the accounting for impairment of fixed

assets. Such circumstances could negatively affect the Company's financial position and financial performance.

(12) Reliance on certain business clients

The Company substantially relies on specific business parties for sales of products and procurement of certain raw materials. Reliance on specific trading companies for sales of products aims at reducing the effort expended on credit control and minimizing credit risk through concentration of transactions among highly creditworthy companies. Reliance on specific vendors for procurement of certain raw materials also aims at efficient and stable procurement. However, if the business activities of these sales agents were to fail and the Company had difficulty collecting accounts receivable, or if the supply of raw materials were suspended and the Company's production had to be halted, the Company's own financial position and financial performance could be negatively affected.

(13) Exchange rate fluctuations

The Company expands its businesses in various overseas regions. The local financial statements in each region are translated to Japanese yen for the purpose of preparing consolidated financial statements. Hence, exchange rate fluctuations may have an effect on the Group's consolidated results and financial position, even if there is no change in the value in local currencies.

**CONSOLIDATED
BALANCE
SHEET**

NISSIN FOODS
HOLDINGS CO., LTD.
and Consolidated
Subsidiaries

As of March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
ASSETS			
Current assets:			
Cash and deposits (Notes 4 and 5)	¥ 64,351	¥ 67,600	\$ 684,221
Marketable securities (Notes 4, 5 and 6)	6,065	10,836	64,487
Receivables:			
Trade (Note 5)	47,073	46,490	500,510
Other	3,346	4,138	35,577
Less: Allowance for doubtful receivables	(280)	(262)	(2,977)
Inventories (Note 8)	19,351	17,507	205,752
Deferred tax assets (Note 16)	4,550	4,247	48,379
Other current assets	2,218	1,259	23,583
Total current assets	146,674	151,815	1,559,532
Property, plant and equipment:			
Land (Notes 7, 11 and 14)	52,429	48,000	557,459
Buildings and structures (Notes 7, 9, 10 and 14)	97,504	93,367	1,036,725
Machinery, equipment and vehicles (Notes 9, 10 and 14)	133,353	124,941	1,417,895
Leased assets	1,341	1,067	14,258
Construction in progress	4,335	1,493	46,093
Other	1,473	1,510	15,661
	290,435	270,378	3,088,091
Less: Accumulated depreciation	(156,647)	(144,018)	(1,665,571)
Property, plant and equipment, net	133,788	126,360	1,422,520
Investments and other assets:			
Investments in securities (Notes 5 and 6)	102,062	89,966	1,085,189
Investments in unconsolidated subsidiaries and associates (Note 5)	44,677	34,982	475,035
Other investments (Note 5)	9,425	2,252	100,213
Long-term loans	1,665	1,465	17,703
Intangible assets:			
Goodwill	2,620	2,649	27,858
Other (Note 9)	2,057	1,290	21,871
Deferred tax assets (Note 16)	1,422	2,205	15,120
Other assets	2,083	2,071	22,148
Less: Allowance for doubtful receivables	(341)	(338)	(3,627)
Total investments and other assets	165,670	136,542	1,761,510
Total assets	¥ 446,132	¥ 414,717	\$ 4,743,562

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings (Notes 5, 12 and 14)	¥ 1,342	¥ 1,781	\$ 14,269
Current portion of long-term debt (Notes 12, 13 and 14)	5,655	1,546	60,128
Payables (Note 5):			
Trade	43,653	44,877	464,147
Other	28,100	24,566	298,777
Accrued income taxes (Notes 5 and 16)	7,143	6,814	75,949
Other current liabilities (Note 20)	11,916	11,282	126,698
Total current liabilities	97,809	90,866	1,039,968
Long-term liabilities:			
Long-term debt (Notes 5, 12, 13 and 14)	7,841	13,102	83,371
Accrued retirement benefits to employees (Note 15)	7,496	9,450	79,702
Deferred tax liabilities (Note 16)	12,039	8,685	128,006
Deferred tax liabilities on land revaluation (Note 11)	2,920	2,962	31,047
Other long-term liabilities	3,000	2,995	31,899
Total long-term liabilities	33,296	37,194	354,025
Equity (Note 15):			
Common stock:			
Authorized—500,000,000 shares;			
Issued—117,463,685 shares in 2013 and 2012	25,123	25,123	267,124
Capital surplus	48,416	48,416	514,790
Stock acquisition rights (Note 22)	899	659	9,559
Retained earnings (Notes 17 and 27)	257,068	247,139	2,733,312
Treasury stock, at cost—7,271,935 shares at March 31, 2013 and 7,291,193 shares at March 31, 2012	(21,798)	(21,856)	(231,771)
Accumulated other comprehensive income (loss):			
Unrealized gain (loss) on available-for-sale securities (Note 6)	12,329	4,386	131,090
Land revaluation reserve (Note 11)	(6,620)	(7,275)	(70,388)
Foreign currency translation adjustments	(7,937)	(15,509)	(84,391)
Subtotal	307,480	281,083	3,269,325
Minority interests	7,547	5,574	80,244
Total equity	315,027	286,657	3,349,569
Total liabilities and equity	¥446,132	¥414,717	\$4,743,562

See notes to consolidated financial statements.

**CONSOLIDATED
STATEMENT OF
INCOME**

NISSIN FOODS
HOLDINGS CO., LTD.
and Consolidated
Subsidiaries

Year ended
March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Net sales	¥382,793	¥380,675	\$4,070,101
Cost of sales	211,347	213,707	2,247,177
Gross profit	171,446	166,968	1,822,924
Selling, general and administrative expenses (Note 18)	147,492	140,756	1,568,230
Operating income	23,954	26,212	254,694
Other income (expenses):			
Interest and dividend income	2,673	2,646	28,421
Equity in earnings of associates	1,888	1,146	20,074
Interest expense	(213)	(217)	(2,265)
Foreign exchange gain (loss)	1,538	(2,237)	16,353
Gain on sales of fixed assets	348	158	3,700
Gain on sales of investments in securities (Note 6)	360	—	3,828
Subsidy income (Note 10)	17	426	181
Gain on transfer of substitutional portion of employees' pension fund (Note 15)	—	5,452	—
Insurance income	152	—	1,616
Loss on disposal and sales of fixed assets	(395)	(915)	(4,200)
Loss on reduction of fixed assets (Note 10)	—	(426)	—
Loss on impairment of fixed assets (Note 9)	(1,275)	(182)	(13,557)
Loss on revaluation of investments in securities, unconsolidated subsidiaries and associates, and other	—	(454)	—
Loss from natural disaster	(236)	—	(2,509)
Loss on cancellation of manufacturing subcontract agreement	(310)	(175)	(3,296)
Other, net	892	186	9,485
Income before income taxes and minority interests	29,393	31,620	312,525
Income taxes (Note 16):			
Current	10,221	9,983	108,676
Deferred	(26)	2,904	(276)
	10,195	12,887	108,400
Net income before minority interests	19,198	18,733	204,125
Minority interests in earnings (loss) of consolidated subsidiaries	343	194	3,647
Net income	¥ 18,855	¥ 18,539	\$ 200,478

See notes to consolidated financial statements.

**CONSOLIDATED
STATEMENT OF
COMPREHENSIVE
INCOME**

NISSIN FOODS
HOLDINGS CO., LTD.
and Consolidated
Subsidiaries

Year ended
March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Net income before minority interests	¥19,198	¥18,733	\$204,125
Other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities	7,925	4,002	84,264
Land revaluation reserve	—	374	—
Foreign currency translation adjustments	3,903	(1,768)	41,499
Share of other comprehensive income (loss) in associates	3,858	(2,800)	41,021
Total other comprehensive income (loss)	15,686	(192)	166,784
Comprehensive income	34,884	18,541	370,909
Total comprehensive income attributable to:			
Owners of the parent	34,371	18,462	365,454
Minority interests	513	79	5,455

See notes to consolidated financial statements.

**CONSOLIDATED
STATEMENT OF
CHANGES IN
EQUITY**

NISSIN FOODS
HOLDINGS CO., LTD.
and Consolidated
Subsidiaries

Year ended
March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Common stock:			
Balance at beginning and end of the year	¥ 25,123	¥ 25,123	\$ 267,124
Capital surplus:			
Balance at beginning of the year	¥ 48,416	¥ 48,416	\$ 514,790
Sales of treasury stock	(9)	(1)	(96)
Transfer from retained earnings	9	1	96
Balance at end of the year	¥ 48,416	¥ 48,416	\$ 514,790
Stock acquisition rights (Note 22):			
Balance at beginning of the year	¥ 659	¥ 428	\$ 7,007
Net change during the year	240	231	2,552
Balance at end of the year	¥ 899	¥ 659	\$ 9,559
Retained earnings (Notes 17 and 27):			
Balance at beginning of the year	¥247,139	¥236,831	\$2,627,741
Net income	18,855	18,539	200,478
Cash dividends paid	(8,264)	(8,280)	(87,868)
Reversal of land revaluation reserve	(656)	44	(6,975)
Transfer to capital surplus	(9)	(1)	(96)
Other	3	6	32
Balance at end of the year	¥257,068	¥247,139	\$2,733,312
Treasury stock, at cost:			
Balance at beginning of the year	¥ (21,856)	¥ (20,394)	\$ (232,387)
Acquisition of treasury stock	(3)	(1,478)	(32)
Sales of treasury stock	61	16	649
Balance at end of the year	¥ (21,798)	¥ (21,856)	\$ (231,770)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Accumulated other comprehensive income			
Unrealized gain (loss) on available-for-sale securities (Note 6):			
Balance at beginning of the year	¥ 4,386	¥ 381	\$ 46,635
Net change during the year	7,943	4,005	84,455
Balance at end of the year	¥ 12,329	¥ 4,386	\$ 131,090
Land revaluation reserve (Note 11):			
Balance at beginning of the year	¥ (7,275)	¥ (7,650)	\$ (77,352)
Net change during the year	656	375	6,974
Balance at end of the year	¥ (6,619)	¥ (7,275)	\$ (70,378)
Foreign currency translation adjustments:			
Balance at beginning of the year	¥ (15,509)	¥ (11,053)	\$ (164,902)
Net change during the year	7,572	(4,456)	80,510
Balance at end of the year	¥ (7,937)	¥ (15,509)	\$ (84,392)
Minority interests:			
Balance at beginning of the year	¥ 5,574	¥ 5,513	\$ 59,266
Net change during the year	1,972	61	20,968
Balance at end of the year	¥ 7,546	¥ 5,574	\$ 80,234
Total equity	¥315,027	¥ 286,657	\$3,349,569

See notes to consolidated financial statements.

**CONSOLIDATED
STATEMENT OF
CASH FLOWS**

NISSIN FOODS
HOLDINGS CO., LTD.
and Consolidated
Subsidiaries

Year ended
March 31, 2013

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Operating activities:			
Income before income taxes and minority interests	¥ 29,393	¥ 31,620	\$ 312,525
Depreciation and amortization	14,345	14,955	152,525
Loss on impairment of fixed assets	1,275	182	13,557
Increase (decrease) in allowance for doubtful receivables	(2)	15	(21)
Increase (decrease) in accrued retirement benefits to employees	(1,950)	(6,867)	(20,734)
Interest and dividend income	(2,673)	(2,646)	(28,421)
Interest expense	213	217	2,265
Foreign currency exchange loss (gain)	(1,431)	297	(15,215)
Equity in earnings of associates	(1,888)	(1,146)	(20,074)
Loss on disposal and sales of property, plant and equipment	46	757	489
Loss on reduction of fixed assets	—	426	—
Gain on sales of marketable securities, investments in securities and other	(419)	(0)	(4,455)
Loss on revaluation of marketable securities, investments in securities and other	85	406	904
(Increase) decrease in trade notes and accounts receivable	600	281	6,380
(Increase) decrease in inventories	(777)	(3,450)	(8,262)
Increase (decrease) in trade notes and accounts payable	(1,819)	3,739	(19,341)
Increase (decrease) in other payables	1,553	607	16,512
Other, net	1,458	1,411	15,502
Subtotal	38,009	40,804	404,136
Interest and dividends received	3,961	3,276	42,116
Interest paid	(213)	(217)	(2,265)
Income taxes paid	(11,664)	(12,608)	(124,019)
Income taxes refunded	1,952	1,350	20,755
Net cash provided by operating activities	32,045	32,605	340,723

See notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2013	2012	2013
Investing activities:			
Net (increase) decrease in time deposits	1,629	(543)	17,321
Payments for purchases of marketable securities	(500)	(0)	(5,316)
Proceeds from sales and redemption of marketable securities	2,581	6,752	27,443
Payments for purchases of property, plant and equipment, and other	(21,078)	(19,188)	(224,115)
Proceeds from sales of property, plant and equipment, and other	2,149	1,538	22,850
Payments for purchases of investment in securities	(18,835)	(5,156)	(200,266)
Proceeds from sales and redemption of investments in securities	6,660	3,246	70,813
Payments for purchases of investment in subsidiaries resulting in change in scope of consolidation	(1,903)	—	(20,234)
Net (increase) decrease in loans receivable	(185)	860	(1,967)
Other, net	(1,769)	(341)	(18,810)
Net cash used in investing activities	(31,251)	(12,832)	(332,281)
Financing activities:			
Net increase (decrease) in short-term borrowings	(453)	104	(4,817)
Proceeds from long-term borrowings	399	1,653	4,242
Repayment of long-term borrowings	(1,641)	(1,354)	(17,448)
Net (increase) decrease in treasury stock	(3)	(1,477)	(32)
Cash dividends paid	(8,264)	(8,280)	(87,868)
Cash dividends paid to minority shareholders	(18)	(23)	(191)
Other, net	(91)	(65)	(967)
Net cash used in financing activities	(10,071)	(9,442)	(107,081)
Effect of exchange rate changes on cash and cash equivalents	1,551	(547)	16,491
Net increase (decrease) in cash and cash equivalents	(7,726)	9,784	(82,148)
Cash and cash equivalents at beginning of the year	71,741	61,957	762,797
Cash and cash equivalents at end of the year (Note 4)	¥ 64,015	¥ 71,741	\$ 680,649

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries

01

BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of NISSIN FOODS HOLDINGS CO., LTD. (the "Company") and consolidated subsidiaries (collectively, the "Group") are prepared on the basis of accounting principles generally accepted in Japan and related accounting regulations prescribed in the Financial Instruments and Exchange Act of Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2012 to the 2013 presentation. Such reclassifications had no effect on consolidated net income or equity.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translation of yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan and has been made at ¥94.05 = US\$1.00, the exchange rate prevailing on March 31, 2013. This translation should not be construed as a representation that yen can be converted into U.S. dollars at the above or any other rate.

02

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and associates

The accompanying consolidated financial statements include the accounts of the Company and the significant companies which it controls directly or indirectly under the control or influence concept. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the accompanying consolidated financial statements by the equity method. The assets and liabilities of consolidated subsidiaries are stated at fair value as of their respective dates of acquisition. Consolidation of the remaining subsidiaries and associates would not have a material effect on the accompanying consolidated financial

statements. All significant intercompany balances and material unrealized gains from intercompany transactions have been eliminated.

The Company acquired the shares of NISSIN YILDIZ GIDA SANAYI VE TICARET A.S. Effective for the year ended March 31, 2013, NISSIN YILDIZ GIDA SANAYI VE TICARET A.S. has been included in the scope of consolidation. The Company also increased its share holding in Frente Co., Ltd. Effective for the year ended March 31, 2013, the equity method of accounting has been applied to this associate.

The Company's consolidated subsidiaries outside Japan prepare their financial statements in accordance with International Financial Reporting Standards or accounting principles generally accepted in the United States of America. However, certain items are adjusted in the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated May 17, 2006).

The balance sheet date of overseas consolidated subsidiaries is December 31. Any significant differences in intercompany accounts and transactions arising from intervening intercompany transactions during the period from January 1 through March 31 have been adjusted as necessary.

The numbers of consolidated subsidiaries and associates accounted for by the equity method for the years ended March 31, 2013 and 2012 were as follows:

	2013	2012
Consolidated subsidiaries	44	43
Associates accounted for by the equity method	4	3

(b) Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and all highly liquid investments with an insignificant risk of changes in value and with maturities of three months or less from the acquisition date.

(c) Securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or available-for-sale securities. Trading securities are carried at fair value and held-to-maturity debt securities are carried at amortized cost. Marketable securities classified as

available-for-sale securities are carried at fair value with any changes in unrealized gain or loss, net of the applicable income taxes, reported in a separate component of equity. Cost of securities sold is determined by the moving-average method. Non-marketable securities classified as available-for-sale securities are carried at cost based on the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(d) Inventories

Finished goods and merchandise are principally stated at the lower of cost or net selling value, with cost being determined by the average method. Raw materials and supplies are principally stated at the lower of cost or net selling value, with cost being determined by the last purchase price method.

(e) Hedging activities

The Group manages risk of adverse fluctuations in foreign exchange and interest rates in the underlying liabilities with derivative financial instruments ("derivatives"). For foreign currency forward contracts and interest rate swaps, the gains or losses are deferred until maturity of the hedged transactions if they meet requirements for hedge accounting, i.e., hedging purpose, high effectiveness and high correlation between the hedging instruments and the hedged items. Foreign currency options are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statements of income.

An evaluation of hedge effectiveness has been omitted, since the significant conditions of the hedging instruments and hedged items were the same and the risk of changes in cash flows was completely avoided.

The Group does not anticipate any losses arising from credit risk, since the Group enters into these derivatives with major international financial institutions with high credit ratings to reduce the risk of counterparties' non-performance.

(f) Property, plant and equipment (except for leased assets)

Property, plant and equipment are stated at cost. Depreciation is computed principally by the declining-balance method. Certain consolidated subsidiaries apply the straight-line method. The straight-line method is also applied to the head office building of the Company (in Osaka) and the buildings and structures of General Research Institute of Food Science and Technology and Food Safety Research Institute. In addition, the straight-line method is applied to buildings (except for the attachments to the buildings) acquired on or after April 1, 1998. The range of useful lives is principally from 15 to 50 years for buildings and 10 years for machinery and equipment.

(g) Intangible assets (except for leased assets)

Intangible assets are amortized by the straight-line method. Purchased software is amortized by the straight-line method over a five-year period, the estimated useful life used by the Group.

(h) Leased assets

Leased assets under finance lease contracts that do not transfer ownership to the lessee and which were entered into on or after April 1, 2008 are depreciated to a residual value of zero by the straight-line method using the term of the contract as the useful life. Leased assets under finance lease contracts that do not transfer ownership to the lessee and were entered into on or before March 31, 2008 are accounted for as operating lease transactions.

(i) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Accrued retirement benefits to employees

The Company and certain domestic consolidated subsidiaries have defined benefit pension plans. Accrued retirement benefits to employees have been provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for net unrecognized actuarial gain or loss and unrecognized prior service cost. The estimated benefit is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Net unrecognized actuarial gain or loss is credited or charged to income in the year following the year in which the gain or loss was incurred.

Net unrecognized prior service cost is credited or charged to income in the year in which the gain or loss was incurred.

Other consolidated subsidiaries have unfunded retirement benefit plans.

(k) Allowance for doubtful receivables

The allowance for doubtful receivables is calculated based on the historical

experience with bad debts and an estimate of certain uncollectible amounts determined after an analysis of specific individual doubtful receivables.

(l) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. Deferred tax assets and liabilities are provided for temporary differences between the balances of assets and liabilities reported for financial reporting purposes and the corresponding balances for tax reporting purposes.

(m) Goodwill

Goodwill is amortized by the straight-line method over a certain period reasonably determined for each investment on a case-by-case basis, but for no longer than 20 years, or are charged to income as incurred if the amount is deemed to be immaterial.

(n) Stock options

In accordance with “Accounting Standard for Stock Options” (ASBJ (Accounting Standards Board of Japan) Statement No. 8, December 27, 2005), the Company and its domestic subsidiaries accounted for stock options granted to their directors, executive officers and employees on and after April 3, 2009 as expense on the date of grant based on the fair value at the grant date.

(o) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if stock options were exercised.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

(p) New accounting pronouncements

Accounting Standard for Retirement Benefits—On May 27, 2012, ASBJ issued ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits.” Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income) after adjusting for tax effects, and any resulting deficit or surplus shall be recognized

as a liability or asset. The revision allows the estimated amount of retirement benefits to be allocated to periods of service according to the benefit formula, other than straight-line allocation. The calculation method for discount rates is also revised. The Group applies the revised accounting standard from the beginning of the annual period beginning on April 1, 2013. The liability for retirement benefits is recognized in the consolidated balance sheet including actuarial gains and losses and past service costs. The Group calculates the projected benefit obligation and retirement benefit costs according to the benefit formula method. The effects of adopting the revised accounting standard is an increase in other comprehensive income of ¥255 million (US\$2,711 thousand) and a decrease in retained earnings of ¥2,094 million (US\$22,265 thousand). However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

03

CHANGES IN METHOD OF ACCOUNTING AND DISCLOSURES

Changes in accounting procedures

Accompanying revisions in the Corporation Tax Act of Japan, the Company and its consolidated subsidiaries in Japan have changed their method of accounting for depreciation of tangible fixed assets that were purchased on or after April 1, 2012, to reflect tax act revisions. The effect of this change on consolidated operating income and income before income taxes and minority interests for the year ended March 31, 2013 was immaterial.

04

CASH AND CASH EQUIVALENTS

A reconciliation of cash and deposits in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows at March 31, 2013 and 2012 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Cash and deposits	¥64,351	¥67,600	\$684,221
Time deposits with maturities exceeding three months	(3,575)	(4,959)	(38,012)
Marketable securities redeemable within three months	3,239	9,100	34,440
Cash and cash equivalents	¥64,015	¥71,741	\$680,649

05

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group holds financial instruments according to its policy. Investments comprise of low-risk financial assets and borrowings that are financed by banks. The Group is exposed to financial risks such as credit risk on trade receivables, foreign currency risk on trade payables, market risk on securities or interest rate risk on long-term debt. The Group manages these risks and executes derivatives in accordance with policies established and approved at a management meeting of the Company, and no derivatives are used for trading or speculative purposes.

(a) Fair value of financial instruments as of March 31, 2013 and 2012 is summarized as follows:

March 31, 2013	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
Cash and deposits	¥ 64,351	¥ 64,351	¥ —
Trade receivables	47,073	47,073	—
Marketable securities and investments	101,640	117,468	15,828
Total	¥213,064	¥228,892	¥15,828
Trade payables	¥ 43,653	¥ 43,653	¥ —
Short-term borrowings	1,342	1,342	—
Other payables	28,100	28,100	—
Accrued income taxes	7,143	7,143	—
Long-term debt	7,841	7,894	53
Total	¥ 88,079	¥ 88,132	¥ 53

March 31, 2013	Thousands of U.S. dollars		
	Book value	Fair value	Unrealized gain (loss)
Cash and deposits	\$ 684,221	\$ 684,221	\$ —
Trade receivables	500,510	500,510	—
Marketable securities and investments	1,080,702	1,248,996	168,294
Total	\$2,265,433	\$2,433,727	\$168,294
Trade payables	\$ 464,147	\$ 464,147	\$ —
Short-term borrowings	14,269	14,269	—
Other payables	298,777	298,777	—
Accrued income taxes	75,949	75,949	—
Long-term debt	83,371	83,934	563
Total	\$ 936,513	\$ 937,076	\$ 563

March 31, 2012	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
Cash and deposits	¥ 67,600	¥ 67,600	¥ —
Trade receivables	46,490	46,490	—
Marketable securities and investments	94,272	102,887	8,615
Total	¥208,362	¥216,977	¥8,615
Trade payables	¥ 44,877	¥ 44,877	¥ —
Short-term borrowings	1,781	1,781	—
Other payables	24,566	24,566	—
Accrued income taxes	6,814	6,814	—
Long-term debt	13,102	13,166	64
Total	¥ 91,140	¥ 91,204	¥ 64

Notes:

1. Fair value of deposits, trade receivables and payables, short-term borrowings, accrued income taxes and other payables approximate the book value because of their short-term clearing.
2. Fair value of marketable securities and investments are quoted from market or financial institutions.
3. Fair value of long-term debt is calculated with assumed discount rate.

(b) Maturity analysis for financial assets and securities with contractual maturities as of March 31, 2013 and 2012 is summarized as follows:

March 31, 2013	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 64,351	¥ —	¥ —	¥ —
Trade receivables	47,073	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
I. Bonds				
National government	—	—	—	—
Corporate	2,192	6,697	10,058	1,005
Other	482	—	—	—
II. Other	3,391	660	—	—
Total	¥117,489	¥7,357	¥10,058	¥1,005

Thousands of U.S. dollars				
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
March 31, 2013				
Cash and deposits	\$ 684,221	\$ —	\$ —	\$ —
Trade receivables	500,510	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
I. Bonds				
National government	—	—	—	—
Corporate	23,307	71,207	106,943	10,686
Other	5,125	—	—	—
II. Other	36,055	7,017	—	—
Total	\$1,249,218	\$78,224	\$106,943	\$10,686

Millions of yen				
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
March 31, 2012				
Cash and deposits	¥ 67,600	¥ —	¥ —	¥ —
Trade receivables	46,490	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
I. Bonds				
National government	—	—	—	—
Corporate	504	5,761	10,479	3,776
Other	1,081	437	—	—
II. Other	9,251	5	412	—
Total	¥124,926	¥6,203	¥10,891	¥3,776

06

SECURITIES

(c) Carrying value of financial assets whose fair value cannot be reliably estimated at March 31, 2013 and 2012 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2013	2012	2013
Available-for-sale securities			
Investments in unconsolidated subsidiaries and associates	¥36,801	¥30,901	\$391,292
Unlisted equity securities	6,703	3,194	71,271
Preferred equity securities	7,000	7,000	74,428
Investment in anonymous partnership	—	—	—
Other	¥10,084	¥2,670	\$107,220

(a) Information regarding marketable securities classified as available-for-sale securities at March 31, 2013 and 2012 is summarized as follows:

	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gain (loss)
March 31, 2013			
Securities whose carrying value exceeds their acquisition cost:			
I. Equity securities	¥23,402	¥46,215	¥22,813
II. Bonds			
National government	—	—	—
Corporate	17,613	17,799	186
Other	433	482	49
III. Other	4,622	5,131	509
Subtotal	¥46,070	¥69,627	¥23,557
Securities whose carrying value does not exceed their acquisition cost:			
I. Equity securities	¥19,188	¥16,673	¥ (2,515)
II. Bonds			
National government	—	—	—
Corporate	7,307	7,213	(94)
Other	—	—	—
III. Other	252	252	—
Subtotal	¥26,747	¥24,138	¥ (2,609)
Total	¥72,817	¥93,765	¥20,948

	Thousands of U.S. dollars		
March 31, 2013	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
I. Equity securities	\$248,825	\$491,388	\$242,563
II. Bonds			
National government	—	—	—
Corporate	187,273	189,250	1,977
Other	4,604	5,125	521
III. Other	49,144	54,556	5,412
Subtotal	\$489,846	\$740,319	\$250,473
Securities whose carrying value does not exceed their acquisition cost:			
I. Equity securities	\$204,019	\$177,278	\$(26,741)
II. Bonds			
National government	—	—	—
Corporate	77,693	76,694	(999)
Other	—	—	—
III. Other	2,679	2,679	—
Subtotal	\$284,391	\$256,651	\$(27,740)
Total	\$774,237	\$996,970	\$222,733

	Millions of yen		
March 31, 2012	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
I. Equity securities	¥21,056	¥33,406	¥12,350
II. Bonds			
National government	—	—	—
Corporate	19,307	19,605	298
Other	—	—	—
III. Other	1,035	1,200	165
Subtotal	¥41,398	¥54,211	¥12,813
Securities whose carrying value does not exceed their acquisition cost:			
I. Equity securities	¥22,477	¥19,221	¥ (3,256)
II. Bonds			
National government	—	—	—
Corporate	6,318	5,988	(330)
Other	1,518	1,518	—
III. Other	9,252	9,252	—
Subtotal	¥39,565	¥35,979	¥ (3,586)
Total	¥80,963	¥90,190	¥ 9,227

(b) Sales of investments in securities classified as available-for-sale securities for the year ended March 31, 2013 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
March 31,	2013	2013
Proceeds from sales	¥1,748	\$18,586
Aggregate gain	419	4,455
Aggregate loss	—	—

Note: The respective transaction for the year ended March 31, 2012 is not disclosed due to its immateriality.

07

INVESTMENT PROPERTIES

The Group owns investment property such as buildings and land for rent in Tokyo and other areas. Net operating income from these properties was ¥494 million (\$5,253 thousand) and ¥403 million for the years ended March 31, 2013 and 2012 respectively. The details of investment properties are as follows:

2013	Thousands of U.S. dollars	
	Millions of yen	
Net book value at March 31, 2012	¥5,891	\$ 62,637
Net change for the year ended March 31, 2013	¥ (59)	\$ (627)
Net book value at March 31, 2013	¥5,832	\$ 62,010
Fair value at March 31, 2013	¥9,657	\$102,679

2012	Millions of yen	
Net book value at March 31, 2011		¥ 3,348
Net change for the year ended March 31, 2012		¥ 2,543
Net book value at March 31, 2012		¥ 5,891
Fair value at March 31, 2012		¥10,366

Notes:

1. Net book value represents net of accumulated depreciation.
2. Increase during the fiscal years ended March 31, 2013 and 2012 mainly consisted of acquisition of land and improvement of buildings.
3. Fair value is mainly calculated by the Company, based on the internal real estate appraisal standard.

08

INVENTORIES

Inventories as of March 31, 2013 and 2012 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Merchandise and finished goods	¥10,022	¥ 9,652	\$106,560
Raw materials and supplies	9,329	7,855	99,192
Total	¥19,351	¥17,507	\$205,752

09

LOSS ON IMPAIRMENT OF FIXED ASSETS

The Group recognized losses on impairment of fixed assets for the years ended March 31, 2013 and 2012 as follows:

Location	Usage	Asset type
(March 31, 2013)		
Shimonoseki City, Yamaguchi Prefecture and other locations	Idle assets	Buildings, machinery and equipment, and other assets
Shinjuku Ward, Tokyo	Idle assets	Software in progress
(March 31, 2012)		
Natori City, Miyagi Prefecture and other locations	Idle assets	Land, machinery and equipment, and other assets
AJI-NO-MINGEI FOOD SERVICE CO., LTD. and other companies	Business assets	Buildings, machinery and equipment, and other assets

The Group's business assets are grouped according to manufacturing unit or usage, and the Group's idle assets are grouped on an individual asset basis.

Consequently, the Group has written down the carrying value of idle fixed assets whose fair value has declined to their respective memorandum value. As a result, the Group recorded loss on impairment of fixed assets of ¥1,275 million (US\$13,557 thousand) in the accompanying consolidated statement of income for the year ended March 31, 2013. The impairment loss for the year ended March 31, 2013 consisted of losses on buildings and structures of ¥53 million (US\$564 thousand), losses on machinery and equipment of ¥477 million (US\$5,072 thousand), losses on software in progress of ¥744 million (US\$7,911 thousand) and losses on other fixed assets of ¥1 million (US\$11 thousand).

Loss on impairment of fixed assets recognized in the year ended March 31, 2012 was ¥182 million. This impairment loss consisted of losses on buildings and structures of ¥36 million, losses on land of ¥73 million, and losses on other fixed assets of ¥73 million.

10

PROPERTY, PLANT AND EQUIPMENT

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section. The deferred gain on property, plant and equipment taxable for tax purposes in the future was ¥1,186 million (US\$12,610 thousand) and ¥1,223 million as of March 31, 2013 and 2012, respectively.

11

LAND REVALUATION RESERVE

Based on the Land Revaluation Law and the Amended Land Revaluation Law, the Company revalued the land it holds for use in the course of ongoing operations at March 31, 2002. The resulting land revaluation difference represents an unrealized devaluation of land and has been debited directly, net of income taxes, under "Land revaluation reserve" in equity. The market value of the land as of March 31, 2013 and 2012 declined by ¥7,812 million (US\$83,062 thousand) and ¥7,058 million, respectively, compared with the carrying value of the land revalued as of March 31, 2002 except a part impaired after the revaluation.

12

SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings, which amounted to ¥1,342 million (US\$14,269 thousand) and ¥1,781 million as of March 31, 2013 and 2012, respectively, generally represent notes payable to banks. Long-term debt (excluding the current portion thereof), amounted to ¥7,841 million (US\$83,371 thousand) and ¥13,102 million as of March 31, 2013 and 2012, respectively.

The average interest rates on short-term borrowings were 0.73% and 0.69% at March 31, 2013 and 2012, respectively. The average interest rate on long-term borrowings at March 31, 2013 and 2012 were 1.20% and 1.40%, respectively.

Long-term debt at March 31, 2013 is as follows:

13

FINANCIAL COVENANTS

	Millions of yen	Thousands of U.S. dollars
Secured long-term borrowings at interest rate of 1.01%	¥ 3,600	\$ 38,278
Unsecured long-term borrowings at interest rates ranging from 1.09% to 1.90%	9,571	101,765
Lease Obligations	325	3,456
	¥13,496	\$143,499
Current portion of long-term debt	(5,655)	(60,128)
	¥ 7,841	\$ 83,371

The aggregate annual maturities of long-term debt subsequent to March 31, 2013 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2014	¥ 5,655	\$ 60,128
2015	1,128	11,994
2016	915	9,729
2017	1,116	11,866
2018	448	4,763
2019 and thereafter	4,234	45,018
Total	¥13,496	\$143,498

A subsidiary of the Company entered into a syndicated loan agreement with five financial institutions for which Mizuho Bank, Ltd. is the arranger. The debt amounting to ¥3,600 million (\$38,278 thousand) and ¥4,000 million as of March 31, 2013 and 2012, respectively, includes the following non-consolidated financial covenants.

1. The amount of equity on the balance sheets is required to be equal or larger than 75% of equity on the balance sheets as of September 30, 2008 or as of the previous fiscal year, whichever is larger.
2. Ordinary loss for two consecutive years is not allowed.

14

PLEGGED ASSETS

Assets were pledged as collateral for short-term borrowings of ¥300 million (US\$3,190 thousand), long-term debt of ¥5,857 million (US\$62,275 thousand) and the current portion of long-term debt of ¥822 million (US\$8,740 thousand) as of March 31, 2013 and for short-term borrowings of ¥300 million, long-term debt of ¥6,679 million and the current portion of long-term debt of ¥822 million as of March 31, 2012. The assets pledged are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Land	¥1,009	¥1,009	\$10,728
Buildings and structures	1,268	1,393	13,482
Machinery, equipment and vehicles	1,076	1,451	11,441

15

ACCRUED RETIREMENT BENEFITS TO EMPLOYEES

The Company and domestic consolidated subsidiaries have defined benefit pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

(Exemption from benefit obligations with respect to substitutional portion of governmental welfare pension plans)

On April 1, 2011, the Company and certain of its domestic consolidated subsidiaries obtained approval from the Japanese Ministry of Health, Labor and Welfare for exemption from benefit obligations related to past employee services with respect to a substitutional portion of governmental welfare pension plans. Based upon the approval, the Company and certain of its domestic consolidated subsidiaries returned the minimum reserve on March 30, 2012.

The effect on the consolidated statements of income was ¥5,452 million and recorded as gain on transfer of benefit obligation relating to employees' pension fund for the year ended March 31, 2012.

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the accompanying consolidated balance sheets as of March 31, 2013 and 2012 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
(a) Retirement benefit obligation (Note 2)	¥(33,673)	¥(33,077)	\$(358,033)
(b) Plan assets at fair value	26,572	23,041	282,531
(c) Unfunded retirement benefit obligation (a+b)	¥ (7,101)	¥(10,036)	\$ (75,502)
(d) Unrecognized actuarial loss (gain)	(395)	586	(4,200)
(e) Accrued retirement benefit to employees, net (c+d)	¥ (7,496)	¥ (9,450)	\$ (79,702)

Note: Certain domestic consolidated subsidiaries apply a simplified method to calculate retirement benefit obligation.

The components of retirement benefit costs for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
(a) Service cost (Notes 1 and 2)	¥ 982	¥ 1,119	\$10,441
(b) Interest cost	725	717	7,709
(c) Expected return on pension assets	(524)	(483)	(5,571)
(d) Amortization of actuarial loss (gain)	587	1,208	6,241
(e) Amortization of past service cost	—	(761)	—
(f) Total net periodic pension cost (a+b+c+d+e)	¥1,770	¥ 1,800	\$18,820
(g) Gain on transfer of substitutional portion of employees' pension fund	—	(5,452)	—
(h) Total (f+g)	¥1,770	¥(3,652)	\$18,820

Notes:

- Employee's contributions to defined benefit pension plans have been excluded.
- The components of retirement benefit costs of certain domestic consolidated subsidiaries, which have been calculated by a simplified method are included in service cost in the above table.

16

INCOME TAXES

The assumptions used in accounting for the above plans for the years ended March 31, 2013 and 2012 were as follows:

	2013	2012
Discount rate	Principally 1.9%	Principally 2.5%
Expected rate of return on plan assets	Principally 2.5%	Principally 2.5%

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporate taxes, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of 37.68% and 40.33% for the years ended March 31, 2013 and 2012, respectively.

Overseas consolidated subsidiaries are subject to the income taxes of the respective countries in which they operate.

The effective tax rates for the year ended March 31, 2013 differ from the Company's statutory tax rate for the following reasons:

	2013
Statutory tax rate	37.68%
Entertainment expenses not deductible for income tax purposes	0.94
Loss on revaluation of investments in securities	(1.39)
Equity in earnings of associates	(2.42)
Amortization of goodwill	1.33
Tax loss carryforwards recorded by consolidated subsidiaries	(1.27)
Difference in consolidated subsidiaries' applicable tax rates	(1.03)
Other	0.84
Effective tax rates	34.68%

The difference between the Company's statutory tax rate and the effective tax rate for the year ended March 31, 2012 is not disclosed as the difference is less than five percent of the statutory tax rate.

The tax effects of temporary differences which gave rise to significant portions of the deferred tax assets and liabilities at March 31, 2013 and 2012 are presented below:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Deferred tax assets:			
Unrealized losses on securities	¥ 2,111	¥ 2,195	\$ 22,446
Accrued retirement benefits to employees	2,636	3,413	28,028
Accounts payable	2,061	1,721	21,914
Loss on impairment of fixed assets	1,211	992	12,876
Accrued bonuses	1,310	1,127	13,929
Other long-term payables	1,079	981	11,473
Depreciation and amortization	757	852	8,049
Tax loss carryforwards of consolidated subsidiaries	7,547	6,824	80,244
Other	423	239	4,497
Gross deferred tax assets	19,135	18,344	203,456
Less: Valuation allowance	(13,163)	(11,892)	(139,958)
Total deferred tax assets	5,972	6,452	63,498
Deferred tax liabilities:			
Deferred capital gain on properties	(1,731)	(1,755)	(18,405)
Unrealized gain (loss) on available-for-sale securities	(6,921)	(3,375)	(73,589)
Revaluation gain recognized upon consolidation	(2,680)	(3,084)	(28,495)
Other	(708)	(471)	(7,528)
Total deferred tax liabilities	(12,040)	(8,685)	(128,017)
Net deferred tax (liabilities) assets	¥ (6,068)	¥ (2,233)	\$ (64,519)

17

SHAREHOLDERS' EQUITY

The Companies Act of Japan (the "Companies Act"), provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

The Company's legal reserve included in retained earnings at March 31, 2013 and 2012 amounted to ¥6,280 million (US\$66,773 thousand).

Under the Companies Act, upon the issuance and sale of new shares of capital stock, the entire amount of the proceeds is required to be accounted for as capital stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the proceeds of the sale of new shares as additional paid-in capital included in capital surplus.

Movements in issued common stock and treasury stock for the years ended March 31, 2013 and 2012 are summarized as follows:

Number of shares				
				2013
	March 31, 2012	Increase	Decrease	March 31, 2013
Common stock and treasury stock:				
Common stock	117,463,685	—	—	117,463,685
Treasury stock	7,291,193	987	20,245	7,271,935

Number of shares				
				2012
	March 31, 2011	Increase	Decrease	March 31, 2012
Common stock and treasury stock:				
Common stock	117,463,685	—	—	117,463,685
Treasury stock	6,795,554	500,923	5,284	7,291,193

Dividend payments on common stock approved during the years ended March 31, 2013 and 2012 are as follows:

	Millions of yen (Thousands of U.S. dollars)	Yen (U.S. dollars)	2013	
	Total amount of dividend	Dividend per share	Record date	Effective date
Approved by:				
General meeting of shareholders held on June 28, 2012	¥3,856 (\$40,999)	¥35 (\$0.37)	March 31, 2012	June 29, 2012
Board of Directors meeting held on November 7, 2012	¥4,408 (\$46,869)	¥40 (\$0.43)	September 30, 2012	November 27, 2012

	Millions of yen	Yen	2012	
	Total amount of dividend	Dividend per share	Record date	Effective date
Approved by:				
General meeting of shareholders held on June 29, 2011	¥3,873	¥35	March 31, 2011	June 30, 2011
Board of Directors meeting held on October 27, 2011	4,407	¥40	September 30, 2011	November 28, 2011

18

RESEARCH AND DEVELOPMENT COSTS

Costs relating to research and development activities are charged to income as incurred. Research and development costs included in cost of sales and selling, general and administrative expenses totaled ¥4,321 million (US\$45,944 thousand) and ¥4,385 million for the years ended March 31, 2013 and 2012, respectively.

(a) Finance leases

Leased assets presented in the accompanying consolidated balance sheet as of March 31, 2013 consisted of those under finance lease contracts that do not transfer ownership to the lessee and which were entered into on or after April 1, 2008, principally for vending machines for the instant noodle business.

The following pro-forma amounts represent the acquisition cost, accumulated depreciation/amortization and net book value of the property leased to the Group at March 31, 2013 and 2012, which would have been reflected in the accompanying consolidated balance sheets if finance leases, without transferring the ownership to the lessee starting on or before March 31, 2008 which are currently accounted for as operating leases, had been capitalized:

	Millions of yen		
	Acquisition cost	Accumulated depreciation/amortization	Net book value
2013			
Machinery and vehicles	¥167	¥162	¥ 5
Equipment	46	44	2
Intangible fixed assets and other	—	—	—
Total	¥213	¥206	¥ 7

	Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation/amortization	Net book value
2013			
Machinery and vehicles	\$1,776	\$1,723	\$53
Equipment	489	468	21
Intangible fixed assets and other	—	—	—
Total	\$2,265	\$2,191	\$74

	Millions of yen		
	Acquisition cost	Accumulated depreciation/amortization	Net book value
2012			
Machinery and vehicles	¥264	¥236	¥28
Equipment	155	129	26
Intangible fixed assets and other	6	6	0
Total	¥425	¥371	¥54

Future minimum lease payments subsequent to March 31, 2013 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2014	¥ 7	\$ 74
2015 and thereafter	—	—
Total	¥ 7	\$ 74

Note:
The acquisition cost and future minimum lease payment under finance leases presented in the above tables include the imputed interest expense.

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥47 million (US\$500 thousand) and ¥109 million, which were approximately equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms assuming a nil residual value for the years ended March 31, 2013 and 2012, respectively.

(b) Operating leases

The Group has lease commitments under non-cancelable operating leases as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
As a lessor			
Due within one year	¥ 34	¥ 34	\$ 362
Due over one year	1,565	1,598	16,640
Total	¥1,599	¥1,632	\$17,002

20

DERIVATIVE FINANCIAL INSTRUMENTS

As described in Note 2(e), the Group utilizes derivatives to hedge the risk of fluctuations in foreign exchange rate and interest rate on certain liabilities. Contract amounts of outstanding derivative positions accounted for by hedge accounting as of March 31, 2013 are ¥2,068 million (US\$21,988 thousand) for interest rate swap.

The outstanding balance of derivative contracts which do not qualify for hedge accounting at March 31, 2012 is as follows:

	Thousands of U.S. dollars		Millions of yen	
	Contracts outstanding	Expiring beyond one year	Fair value	Unrealized gain (loss)
March 31, 2012				
Currency options:				
Call options on U.S. dollars, buy	\$2,500	\$ —	¥ 0	¥ 0
Put options on U.S. dollars, sell	3,500	—	(42)	(42)
Total			¥(42)	¥(42)

Notes:

1. There was no outstanding balance of derivative contracts which do not qualify for hedge accounting at March 31, 2013.
2. Fair values of currency option contracts are valued at the market rates reported by the financial institutions handling these transactions for the Group, as of the end of the fiscal year.
3. Disclosure of fair value information on derivatives of forward foreign exchange contracts and interest rate swaps has been omitted, because almost all open derivatives positions qualified for hedge accounting at March 31, 2013 and 2012.

21

AMOUNTS PER SHARE

Amounts per share at March 31, 2013 and 2012 for the years then ended were as follows:

	Yen		U.S. dollars
	2013	2012	2013
Equity	¥2,782.25	¥2,545.31	\$29.58
Cash dividends applicable to the year	75.00	75.00	0.80

	2013		2012		
	Net income (Millions of yen)	Weighted-average number of shares (Thousands of shares)	Per share (Yen)	Per share (U.S. dollars)	Per share (Yen)
Net income—basic	¥18,855	110,189	¥171.12	\$1.82	¥167.97
Stock options	—	353	—	—	—
Net income—diluted	¥18,855	110,542	¥170.57	\$1.81	¥167.59

The amounts per share of equity have been computed based on the number of shares of common stock outstanding at the year-end. Basic net income per share has been computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective fiscal years together with the interim cash dividends paid.

STOCK
OPTIONS

Stock options as of March 31, 2013 are as follows:

No.	Date of grant	Persons granted	Number of shares for options			Yen (U.S. dollars)		Millions of yen (Thousands of U.S. dollars)
			Granted and vested	Exercised	Canceled	Fair value at grant date	Average stock price at exercise	Book value
2	June 26, 2009	12 Directors	74,300	13,400	—	¥2,325 (\$25)	¥3,035 (\$32)	¥142 (\$1,510)
3	June 26, 2009	9 Executive Officers and Employees	3,155	210	—	¥2,677 (\$28)	—	¥ 8 (\$ 85)
4	June 26, 2009	32 Directors of subsidiaries	11,284	4,042	—	¥2,677 (\$28)	¥3,035 (\$32)	¥ 19 (\$ 202)
6	June 29, 2010	11 Directors	73,200	11,200	—	¥2,616 (\$28)	¥3,035 (\$32)	¥162 (\$1,722)
7	June 29, 2010	10 Executive Officers and Employees	5,710	121	—	¥3,003 (\$32)	—	¥ 17 (\$ 181)
8	June 29, 2010	31 Directors of subsidiaries	21,329	5,117	—	¥3,003 (\$32)	¥3,035 (\$32)	¥ 49 (\$ 521)
9	June 29, 2011	8 Directors	73,200	2,700	—	¥2,141 (\$23)	¥3,035 (\$32)	¥151 (\$1,606)
10	June 29, 2011	13 Executive Officers	11,049	1,275	—	¥2,614 (\$28)	¥3,070 (\$33)	¥ 26 (\$ 276)
11	June 29, 2011	35 Directors of subsidiaries	22,677	3,575	—	¥2,614 (\$28)	¥3,035 (\$32)	¥ 50 (\$ 532)
12	April 2, 2012	1 Executive Officer	1,044	1,044	—	¥3,069 (\$33)	¥3,070 (\$33)	—
13	June 28, 2012	8 Directors	85,900	3,100	—	¥2,244 (\$24)	¥3,035 (\$32)	¥186 (\$1,978)
14	June 28, 2012	10 Executive Officers	8,666	—	—	¥2,709 (\$29)	—	¥ 23 (\$ 245)
15	June 28, 2012	36 Directors of subsidiaries	26,477	1,751	—	¥2,709 (\$29)	¥3,035 (\$32)	¥ 67 (\$ 712)

Notes:

1. All stock options granted were vested.
2. The exercise period is 40 years from the grant date of each option.
3. The exercise price is ¥1 for each option.

Stock options as of March 31, 2012 are as follows:

No.	Date of grant	Persons granted	Number of shares for options			Yen		Millions of yen
			Granted and vested	Exercised	Canceled	Fair value at grant date	Average stock price at exercise	Book value
2	June 26, 2009	12 Directors	74,300	11,000	—	¥2,325	—	¥147
3	June 26, 2009	9 Executive Officers and Employees	3,155	210	—	¥2,677	¥3,080	¥ 8
4	June 26, 2009	32 Directors of subsidiaries	11,284	2,829	—	¥2,677	¥2,926	¥ 23
6	June 29, 2010	11 Directors	73,200	8,700	—	¥2,616	—	¥169
7	June 29, 2010	10 Executive Officers and Employees	5,710	121	—	¥3,003	¥3,080	¥ 17
8	June 29, 2010	31 Directors of subsidiaries	21,329	2,978	—	¥3,003	¥2,930	¥ 55
9	June 29, 2011	8 Directors	73,200	—	—	¥2,141	—	¥157
10	June 29, 2011	13 Executive Officers	11,049	—	—	¥2,614	—	¥ 29
11	June 29, 2011	35 Directors of subsidiaries	22,677	1,664	—	¥2,614	¥2,930	¥ 55

Notes:

1. All stock options granted were vested.
2. The exercise period is 40 years from the grant date of each option.
3. The exercise price is ¥1 for each option.

23

OTHER COMPREHENSIVE INCOME

The fair value of options granted as of the grant date was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	No. 12	No. 13	No. 14	No. 15
Volatility of stock price	3.66%	21.57%	23.89%	23.89%
Estimated remaining outstanding period	2 days	12.0 years	4.3 years	4.3 years
Estimated dividend	¥75 per share	¥75 per share	¥75 per share	¥75 per share
Risk free interest rate	0.13%	1.02%	0.15%	0.15%

Other comprehensive income for the years ended March 31, 2013 and 2012 is as follows.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Unrealized gain (loss) on available-for-sale securities			
Gain (loss) arising during the year	¥12,139	¥ 3,707	\$129,070
Reclassification adjustments to profit or loss for the year	(419)	1,999	(4,455)
Amount before income tax effect	11,720	5,706	124,615
Income tax effect	(3,795)	(1,704)	(40,351)
Total	¥ 7,925	¥ 4,002	\$ 84,264
Land revaluation reserve			
Gain (loss) arising during the year	¥ —	¥ —	\$ —
Reclassification adjustments to profit or loss for the year	—	—	—
Amount before income tax effect	—	—	—
Income tax effect	—	374	—
Total	¥ —	¥ 374	\$ —
Foreign currency translation adjustments			
Gain (loss) arising during the year	¥ 3,903	¥(1,768)	\$ 41,499
Reclassification adjustments to profit or loss for the year	—	—	—
Amount before income tax effect	3,903	(1,768)	41,499
Income tax effect	—	—	—
Total	¥ 3,903	¥(1,768)	\$ 41,499
Share of other comprehensive income (loss) in associates			
Gain (loss) arising during the year	¥ 3,858	¥(2,800)	\$ 41,021
Total	¥ 3,858	¥(2,800)	\$ 41,021
Total other comprehensive income (loss)	¥15,686	¥ (192)	\$166,784

(a) Overview of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how resources are allocated among the Group. According to the operating unit strategy of seven operating companies in Japan and four overseas business regions, the reportable segments consist of "Nissin Food Products," "Myojo Foods," "Chilled and frozen foods," "The Americas" and "China." The segments of "Nissin Food

Products," "Myojo Foods," "The Americas" and "China" are operating the business of manufacturing and selling Cup- and bag-type noodles. The "Chilled and frozen foods" is operating the business of manufacturing and selling chilled and frozen foods.

Change in reportable segments

Effective from the year ended March 31, 2013, the Company changed its classification of the Group's performance evaluation. Consequently, the group expenses,

which were previously included in "Nissin Food Products" segment, are allocated to "Reconciliations."

As a result of this change, compared to the previous classification, the segment income of "Nissin Food Products" increased by ¥3,046 million (US\$32,387 thousand) and the segment income of "Reconciliations" decreased by the same amount.

Figures of the previous year's segment information have been retroactively revised in accordance with the classification applied for the year ended March 31, 2013.

(b) Net sales, income or loss, assets and other items by reportable segments

	Millions of yen									
Year ended March 31, 2013	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	¥200,841	¥39,336	¥52,565	¥25,917	¥20,848	¥339,507	¥ 43,286	¥382,793	¥ —	¥382,793
Intersegment sales	191	1,137	553	—	96	1,977	16,526	18,503	(18,503)	—
Total	201,032	40,473	53,118	25,917	20,944	341,484	59,812	401,296	(18,503)	382,793
Segment income (loss)	23,810	1,713	819	236	1,836	28,414	98	28,512	(4,558)	23,954
Segment assets	134,628	47,987	28,226	13,279	31,362	255,482	107,366	362,848	83,284	446,132
Other items										
Depreciation and amortization	7,624	1,050	1,249	1,011	554	11,488	2,857	14,345	—	14,345
Investments in associates	—	—	—	—	—	—	33,317	33,317	—	33,317
Capital investment	11,141	1,320	1,284	883	2,820	17,448	4,161	21,609	(27)	21,582

	Thousands of U.S. dollars									
Year ended March 31, 2013	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	\$2,135,470	\$418,246	\$558,905	\$275,566	\$221,669	\$3,609,856	\$460,245	\$4,070,101	\$ —	\$4,070,101
Intersegment sales	2,031	12,089	5,880	—	1,021	21,021	175,715	196,736	(196,736)	—
Total	2,137,501	430,335	564,785	275,566	222,690	3,630,877	635,960	4,266,837	(196,736)	4,070,101
Segment income (loss)	253,163	18,214	8,708	2,509	19,522	302,116	1,042	303,158	(48,464)	254,694
Segment assets	1,431,451	510,229	300,117	141,191	333,461	2,716,449	1,141,584	3,858,033	885,529	4,743,562
Other items										
Depreciation and amortization	81,064	11,164	13,280	10,750	5,890	122,148	30,377	152,525	—	152,525
Investments in associates	—	—	—	—	—	—	354,248	354,248	—	354,248
Capital investment	118,458	14,035	13,652	9,389	29,984	185,518	44,243	229,761	(287)	229,474

Notes:

- "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and food service business and overseas business in Europe and Asia.
- Operating loss under "Reconciliations" amounted to ¥4,558 million (US\$48,464 thousand), consisting of minus ¥508 million (US\$5,401 thousand) from retirement benefit expenses, minus ¥1,044 million (US\$11,100 thousand) from the amortization of goodwill, ¥40 million (US\$425 thousand) from elimination of intersegment transactions and minus ¥3,046 million (US\$32,387 thousand) from group expenses.
- Segment income is reconciled to operating income of consolidated statement of income.
- Segment assets under "Reconciliations" includes the asset which cannot be allocated to any particular segment amounting to ¥83,284 million (US\$885,529 thousand). The amount mainly consists of ¥79,635 million (US\$846,730 thousand) of surplus investment funds, ¥2,620 million (US\$27,858 thousand) of goodwill, and ¥1,030 million (US\$10,952 thousand) of other investments.

Millions of yen										
Year ended March 31, 2012	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	¥199,284	¥42,005	¥53,434	¥24,432	¥18,695	¥337,850	¥42,825	¥380,675	¥ —	¥380,675
Intersegment sales	303	1,051	578	—	85	2,017	16,620	18,637	(18,637)	—
Total	199,587	43,056	54,012	24,432	18,780	339,867	59,445	399,312	(18,637)	380,675
Segment income (loss)	23,468	2,753	1,565	(341)	1,043	28,488	2,059	30,547	(4,335)	26,212
Segment assets	129,794	48,456	28,888	12,275	25,786	245,199	88,111	333,310	81,407	414,717
Other items										
Depreciation and amortization	8,405	1,039	1,209	753	473	11,879	3,076	14,955	—	14,955
Investments in associates	—	—	—	—	—	—	26,399	26,399	—	26,399
Capital investment	8,573	682	1,557	2,211	756	13,779	5,191	18,970	(33)	18,937

Notes:

- "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and food service business and overseas business in Europe and Asia.
- Operating loss under "Reconciliations" amounted to ¥4,335 million, consisting of minus ¥577 million from retirement benefit expenses, minus ¥750 million from the amortization of goodwill, minus ¥56 million from elimination of intersegment transactions and minus ¥2,952 million from group expenses.
- Segment income is reconciled to operating income of consolidated statement of income.
- Segment assets under "Reconciliations" includes the asset which cannot be allocated to any particular segment amounting to ¥81,407 million. The amount mainly consists of ¥73,870 million of surplus investment funds, ¥2,649 million of goodwill, and ¥4,888 million of other investments.

(c) Supplemental information

Information by product or service groups

Millions of yen (Thousands of U.S. dollars)			
Year ended March 31, 2013	Instant noodle and associated business	Other business	Consolidated
Sales to third party	¥ 334,653 (\$3,558,246)	¥ 48,140 (\$511,855)	¥ 382,793 (\$4,070,101)

Millions of yen			
Year ended March 31, 2012	Instant noodle and associated business	Other business	Consolidated
Sales to third party	¥ 332,766	¥ 47,909	¥ 380,675

Notes:

- Classification of the businesses is based on product types and characteristics.
- Major products of each business:
 - Instant noodle and associated business: bag-type instant noodles, cup-type instant noodles, chilled foods and frozen foods
 - Other business: confectioneries, beverages and the food service business

Geographical information

Year ended March 31, 2013	Millions of yen (Thousands of U.S. dollars)			Consolidated
	Japan	North America	Other areas	
Sales to third party	¥ 328,580 (\$3,493,674)	¥ 25,971 (\$276,140)	¥ 28,242 (\$300,287)	¥ 382,793 (\$4,070,101)
Property, plant and equipment	¥ 116,078 (\$1,234,216)	¥ 7,575 (\$80,542)	¥ 10,135 (\$107,762)	¥ 133,788 (\$1,422,520)

Year ended March 31, 2012	Millions of yen			Consolidated
	Japan	North America	Other areas	
Sales to third party	¥329,676	¥24,495	¥26,504	¥380,675
Property, plant and equipment	¥114,219	¥ 7,118	¥ 5,023	¥126,360

Note: Classification of the countries or regions is based on geographical proximity.

Information by major customers

Year ended March 31, 2013	Millions of yen (Thousands of U.S. dollars)	
	Sales	Main reportable segment
Mitsubishi Corporation	¥ 135,325 (\$1,438,862)	Nissin Food Products
ITOCHU Corporation	¥ 95,466 (\$1,015,056)	Nissin Food Products

Year ended March 31, 2012	Millions of yen	
	Sales	Main reportable segment
Mitsubishi Corporation	¥131,590	Nissin Food Products
ITOCHU Corporation	¥ 90,036	Nissin Food Products

Information on loss on impairment of fixed assets by reportable segments

	Millions of yen (Thousands of U.S. dollars)							
Year ended March 31, 2013	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Loss on impairment of fixed assets	¥ 224 (\$2,382)	¥ 62 (\$659)	¥ 211 (\$2,243)	¥ — (\$ —)	¥ 33 (\$351)	¥ 745 (\$7,922)	¥ — (\$ —)	¥ 1,275 \$13,557

	Millions of yen							
Year ended March 31, 2012	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Loss on impairment of fixed assets	¥0	¥ —	¥ —	¥ —	¥ —	¥182	¥ —	¥182

Note: "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and food service business and overseas business in Europe and Asia.

Information on goodwill by reportable segments

	Millions of yen (Thousands of U.S. dollars)							
Year ended March 31, 2013	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Amortization of goodwill	¥ — (\$ —)	¥ 398 (\$ 4,232)	¥ 147 (\$1,563)	¥ 334 (\$3,551)	¥ — (\$ —)	¥ 165 (\$ 1,754)	¥ — (\$ —)	¥ 1,044 (\$11,100)
Balance of goodwill	¥ — (\$ —)	¥ 1,407 (\$14,960)	¥ 73 (\$ 776)	¥ 181 (\$1,925)	¥ — (\$ —)	¥ 959 (\$10,197)	¥ — (\$ —)	¥ 2,620 (\$27,858)

	Millions of yen							
Year ended March 31, 2012	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Amortization of goodwill	¥ —	¥ 398	¥147	¥ 45	¥ —	¥160	¥ —	¥ 750
Balance of goodwill	¥ —	¥1,805	¥220	¥227	¥ —	¥397	¥ —	¥2,649

Note: "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and food service business and overseas business in Europe and Asia.

25

RELATED PARTY TRANSACTIONS

The Group had concluded lease contracts with related parties, whose shares are wholly owned by certain directors of the Company and their relatives. The amount of lease payments to these companies for the years ended March 31, 2013 and 2012 was ¥456 million (US\$4,848 thousand) and ¥507 million, respectively, and the outstanding balance of lease obligations and other liabilities at March 31, 2013 and 2012 were ¥93 million (US\$989 thousand) and ¥60 million, respectively.

The Group also purchased real estate from certain directors of the Company and their relatives for the amount of ¥405 million (US\$4,306 thousand) for the year ended March 31, 2013.

26

BUSINESS COMBINATIONS

Common control transaction

1. Summary of transaction

(1) Name of acquired entity:

Nissin Foods (U.S.A.) Co., Inc.

Major business of the acquired entity:

Instant noodle manufacturing and marketing

(2) Business combination date:

February 26, 2013

(3) Legal form of business combination:

Acquisition of shares through a contribution in kind (debt-equity swap)

(4) Name of the entity after business combination:

Nissin Foods (U.S.A.) Co., Inc.

(5) Overview of transaction:

With the aim of improving the entity's financial position, the Company has underwritten a third-party allotment of the entity through the method of debt-equity swap.

2. Summary of accounting treatment applied

The transaction was treated as a business combination under common control in accordance with ASBJ Statement No. 21, "Accounting Standard for Business Combinations" and ASBJ Guidance No. 10, "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," issued on December 26, 2008.

3. Acquisition of additional shares of subsidiary

(1) Detail of acquisition cost

	Millions of yen	Thousands of U.S. dollars
Total par value of loans receivable subject to contribution in kind	¥6,211	\$66,039
Allowance for doubtful receivables recorded for the above loans receivable	124	1,318
Acquisition cost	6,087	64,721

(2) Amount of goodwill, causes of goodwill, method and period of amortization

- Amount of goodwill:

¥288 million (US\$ 3,062 thousand)

- Causes of goodwill:

Goodwill arose from the acquisition of additional shares of the subsidiary as the difference between the acquisition cost and the resulting decrease in minority interests.

- Method and period of amortization:

One-time amortization

27

SUBSEQUENT EVENTS

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2013, was approved at a meeting of the shareholders of the Company held on June 26, 2013:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥35 = US\$0.37 per share)	¥3,856	\$40,999

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of NISSIN FOODS HOLDINGS CO., LTD.:

We have audited the accompanying consolidated balance sheet of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2013

**BUSINESS
AREAS OF
CONSOLIDATED
SUBSIDIARIES
AND ASSOCIATES**

As of March 31, 2013

Company	Capital	Business Area	Equity Ownership (%)
CONSOLIDATED SUBSIDIARIES			
NISSIN FOOD PRODUCTS CO., LTD.	¥5,000 million	Instant noodle manufacturing and marketing	100.0
MYOJO FOODS CO., LTD.	¥3,143 million	Instant noodle manufacturing and marketing	100.0
NISSIN CHILLED FOODS CO., LTD.	¥100 million	Chilled food marketing	100.0
NISSIN FROZEN FOODS CO., LTD.	¥100 million	Frozen food marketing	100.0
NISSIN CISCO CO., LTD.	¥2,600 million	Confectionery manufacturing and marketing	100.0
NISSIN YORK CO., LTD.	¥870 million	Beverage and dairy product manufacturing and marketing	100.0
AJI-NO-MINGEI FOOD SERVICE CO., LTD.	¥365 million	Food service	76.1
NISSIN BUSINESS SUPPORT CO., LTD.	¥50 million	Intergroup business support	100.0
NISSIN ASSET MANAGEMENT CO., LTD.	¥50 million	Real estate and leasing management	100.0
Sapporo Nissin Co., Ltd.	¥250 million	Instant noodle manufacturing and marketing	100.0 (100.0)
Nissin Plastics Co., Ltd.	¥450 million	Container manufacturing and marketing	100.0 (100.0)
Nissin F.D. Foods Co., Ltd.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Kagawa Nissin Food Products Co., Ltd.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Nissin Enterprise Corporation	¥300 million	Shipping and warehousing	100.0 (100.0)
Ajinihon Co., Ltd.	¥95 million	Soup manufacturing and marketing	46.4 (46.4)
NISHINIHON MYOJO CO., LTD.	¥90 million	Instant noodle manufacturing and marketing	100.0 (100.0)
UNI-STAR CO., LTD.	¥150 million	Soup manufacturing and marketing	100.0 (100.0)
MYOJO SUPPLY SERVICE CO., LTD.	¥90 million	Contracted manufacturing	100.0 (100.0)
Saitama Nissin Food Products Co., Ltd.	¥30 million	Chilled and frozen food manufacturing and marketing	100.0 (100.0)
MYOJO FRESH CO., LTD.	¥400 million	Chilled food manufacturing and marketing	100.0 (100.0)
Shikoku Nissin Food Products Co., Ltd.	¥98 million	Frozen food manufacturing and marketing	100.0 (100.0)
Takamatsu Nissin Food Products Co., Ltd.	¥80 million	Frozen food manufacturing and marketing	100.0 (100.0)
Mie Nissin Food Products Co., Ltd.	¥100 million	Frozen food manufacturing and marketing	100.0 (100.0)
Circle Liners Co., Ltd.	¥50 million	Shipping and warehousing	100.0 (100.0)
Nicky Foods Co., Ltd.	¥60 million	Frozen food manufacturing and marketing	100.0 (100.0)
Uji Kaihatsu Development Co., Ltd.	¥100 million	Golf course management	95.1 (1.1)
Nissin Netcom Co., Ltd.	¥24 million	Real estate and restaurant management	100.0

Company	Capital	Business Area	Equity Ownership (%)
CONSOLIDATED SUBSIDIARIES			
Nissin Foods (U.S.A.) Co., Inc.	US\$149,706 thousand	Instant noodle manufacturing and marketing	94.4
MYOJO U.S.A., INC.	US\$5,000 thousand	Chilled food manufacturing and marketing	96.0
Nissin Foods de Mexico S.A. de C.V.	MXN 215,191 thousand	Instant noodle manufacturing and marketing	100.0
Nissin Foods Co., Ltd.	HK\$671,600 thousand	Instant noodle manufacturing and marketing	100.0
Winner Food Products Ltd.	HK\$29,975 thousand	Instant noodle and frozen food manufacturing and marketing	74.0
Miracle Foods Co., Ltd.	HK\$21,000 thousand	Container manufacturing and marketing	100.0 (100.0)
Nissin Foods (China) Holding Co., Ltd.	US\$40,500 thousand	Invests in businesses in China	100.0 (100.0)
Shanghai Nissin Foods Co., Ltd.	US\$44,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
Guangdong Shunde Nissin Foods Co., Ltd.	HK\$130,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
Zhuhai Golden Coast Winner Food Products Ltd.	HK\$84,000 thousand	Instant noodle manufacturing and marketing	70.5 (70.5)
Guangyougnan Food Products (Shenzhen) Co., Ltd.	HK\$11,000 thousand	Frozen food manufacturing and marketing	100.0 (100.0)
NISSIN FOODS (ASIA) PTE. LTD.	SG\$205,082 thousand	Instant noodle manufacturing and marketing/Supervising Asian business	100.0
Indo Nissin Foods Ltd.	INR 2,650,000 thousand	Instant noodle manufacturing and marketing	97.1 (97.1)
Nissin Foods India Ltd.	INR 500 thousand	Instant noodle marketing	100.0 (100.0)
Nissin Foods Kft.	HUF 1,000,000 thousand	Instant noodle manufacturing and marketing	100.0
Nissin Foods GmbH	EUR 25 thousand	Instant noodle marketing	100.0 (99.0)
NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.	TL 70,000 thousand	Pasta and instant noodle manufacturing and marketing	50.0
ASSOCIATES ACCOUNTED FOR BY THE EQUITY METHOD			
Nissin-Ajinomoto Alimentos Ltda.	BRL 12,688 thousand	Instant noodle manufacturing and marketing	50.0
THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED	THB 180,000 thousand	Instant noodle manufacturing and marketing	21.2
MAREVEN FOOD HOLDINGS LIMITED	RUB 398 thousand	Holding company of instant noodle businesses	33.5
Frente Co., Ltd.	¥1,090 million	Confectionery manufacturing and marketing	20.0

Note: The figures in () of equity ownership show percentage of indirect ownership.

CORPORATE DATA

NISSIN FOODS HOLDINGS CO., LTD.

Head Office

28-1, 6-chome, Shinjuku, Shinjuku-ku Tokyo 160-8524, Japan
Telephone: 81-3-3205-5111 Fax: 81-3-3205-5059

Osaka Head Office

1-1, 4-chome, Nishinakajima, Yodogawa-ku Osaka 532-8524, Japan
Telephone: 81-6-6305-7711 Fax: 81-6-6304-1288

Website

<http://www.nissinfoods-holdings.co.jp>

Research Institutes

Research Institute of Food Science and Technology Food Safety Research Institute

(As of March 31, 2013)

HISTORY

1948	Chukososha Co., Ltd. established.	1990	Capital participation in Yoke Co., Ltd. (now NISSIN YORK CO., LTD.).	2003	Aggregate sales of <i>Cup Noodle</i> brand since launch in 1971 top 20 billion servings.
1958	<i>Chicken Ramen</i> , the world's first instant noodle product, introduced; Company name changed to Nissin Food Products Co., Ltd.	1991	Capital participation in Cisco Co., Ltd. (now NISSIN CISCO CO., LTD.).	2004	Capital alliance with Hebei Hualong F&N Industry Group Co., Ltd. (now, Jinmailang Nissin Foods Co., Ltd.)
1963	Listed on the Second Section of the Tokyo and Osaka Stock Exchanges.		Bangalore Plant of Indo Nissin Foods Ltd. begins operation.	2005	Nissin Foods marks a world first with its <i>Space Ram</i> , developed for the space shuttle Discovery.
1970	Nissin Foods (U.S.A.) Co., Inc., the Company's first overseas operation, established in Gardena, California.	1992	Long-life fresh noodles developed; <i>Nissin Rao</i> introduced.	2006	Aggregate sales of <i>Cup Noodle</i> brand 25 billion servings in the world.
1971	<i>Cup Noodle</i> introduced; Kanto Plant begins operation.	1993	Nissin Foods GmbH established in Germany; PT. NISSINMAS begins operation.	2007	MYOJO FOODS CO., LTD. becomes a wholly owned subsidiary of Nissin Foods; FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD. begins operation in Shanghai, China.
1972	Listed on the First Section of the Tokyo, Osaka and Nagoya Stock Exchanges.	1994	Nissin Foods (Thailand) Co., Ltd. begins operation.	2008	The Group completes transformation to a pure holding company effective October 1, 2008.
1973	Shiga Plant and General Research Center begin operation.	1995	<i>Nissin Spa-O</i> introduced.	2009	Capital alliance with MAREVEN FOOD HOLDINGS LIMITED (formerly, ANGLESIDE LIMITED), a Russian instant noodle holding company.
1975	Shimonoseki Plant begins operation; Nissin-Ajinomoto Alimentos Ltda. established in São Paulo, Brazil.	1996	Guangdong Shunde Nissin Foods Co., Ltd., Nissin-Universal Robina Corporation, Shizuoka Plant, and Shanghai Nissin Foods Co., Ltd. begin operation.	2011	CUPNOODLES MUSEUM (officially, Momofuku Ando Instant Ramen Museum) opened in Minatomirai, Yokohama.
1977	Construction of new headquarters completed; main office moved to its present location in Yodogawa-ku, Osaka.	1997	Nissin's "hungry?" series wins the International Advertising Festival (CANNES LIONS).		
1983	Chilled foods division begins operation.	1999	Share unit (minimum trading unit) reduced from 1,000 shares to 100 shares. The Momofuku Ando Instant Ramen Museum in Ikeda City, Osaka Prefecture, the world's first instant noodle museum, opened.		
1984	Nissin Foods Co., Ltd. established in Hong Kong.	2001	Consolidated net sales exceeded ¥300 billion for the first time; contracted as official supplier to the 2002 FIFA World Cup™.		
1986	Expansion into frozen food business.	2002	Food Safety Research Institute established; <i>Nissin GooTa</i> series introduced.		
1988	Construction of Tokyo Head Office building completed; Central Research Institute begins operation.				

INVESTOR INFORMATION

NISSIN FOODS HOLDINGS CO., LTD.

As of March 31, 2013 (US\$1=¥94.05)

Date of Establishment	September 1948
Number of Employees	461 (parent company) 7,822 (consolidated basis)
Common Stock	Authorized: 500,000,000 shares Issued: 117,463,685 shares Number of Shareholders: 43,160 (Excluding owners of odd-lot shares)
Paid-in Capital	¥25,123 million (\$267 million)
Stock Listings	Tokyo Stock Exchange and Osaka Securities Exchange (Ticker Code: 2897)
Independent Auditors	Deloitte Touche Tohmatsu LLC
Transfer Agent	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

CONSOLIDATED PER SHARE DATA

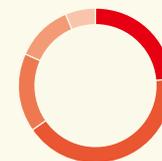
Years ended March 31,	2009	2010	2011	2012	2013
Net income per share (EPS)	¥129.98	¥177.02	¥187.56	¥167.97	¥171.12
Equity (book-value) per share (BPS)	¥2,287.21	¥2,406.26	¥2,454.67	¥2,545.31	¥2,782.25
Price earnings ratio (PER) (Times)	22.3	17.8	15.6	18.4	25.6
Price-to-book ratio (PBR) (Times)	1.3	1.3	1.2	1.2	1.6
Dividend	¥50.00	¥60.00	¥70.00	¥75.00	¥75.00
Payout ratio (%)	38.47	33.89	37.32	44.70	43.80
Share price: High	¥4,100	¥3,590	¥3,340	¥3,195	¥4,385
Low	¥2,280	¥2,610	¥2,730	¥2,812	¥2,824

Notes: 1. From the fiscal year ended March 31, 2008, number of issued shares excludes the numbers of treasury stocks at term-end.
2. Equity per share = (Equity - Minority interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury stock)
3. Price earnings ratio and price-to-book ratio are calculated based on the share price at year-end.

FURTHER INFORMATION

For further information, please contact: IR OFFICE, FINANCIAL HEADQUARTERS
Tel: 81-3-3205-5027 Fax: 81-3-3205-5179
Regularly updated IR information in English is also available on NISSIN FOODS HOLDINGS website at <http://www.nissinfoods-holdings.co.jp/english/>

DISTRIBUTION OF OWNERSHIP AMONG SHAREHOLDERS



Financial Institutions	23.88%
Other Corporations	41.58%
Foreign Corporations	16.40%
Individuals and Other	11.94%
Treasury Stock	6.19%

PRINCIPAL SHAREHOLDERS

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Ando Foundation	7,904	6.72%
Mitsubishi Corp.	7,800	6.64
ITOCHU Corp.	7,800	6.64
State Street Bank and Trust Company	7,450	6.34
Ando International Y.K.	4,000	3.40
Mizuho Corporate Bank, Ltd.	3,375	2.87
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,629	2.23
ONO PHARMACEUTICAL CO., LTD.	2,460	2.09
EZAKI GLICO CO., LTD.	2,361	2.00
Japan Trustee Services Bank, Ltd. (Account in Trust)	2,221	1.89
Total	47,999	40.86

Note: In addition to the above, the Company holds 7,271,935 shares of treasury stock.

SHARE PRICE RANGE AND TRADING VOLUME ON TSE





<http://www.nissinfoods-holdings.co.jp/english/>