

Summary of Consolidated Financial Statements for the Six Months Ended September 30, 2014

[Prepared under Japanese GAAP, UNAUDITED]

NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897

Stock exchange listing: Tokyo

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Scheduled date of dividend payment: November 26, 2014

Preparation of supplementary documents: Yes

Holding of financial results meeting: Yes (Briefing session for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Half of the Fiscal 2015 (April 1, 2014–September 30, 2014)

(1) Operating Results

(% figures represent year-on-year changes)

First Half of	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal 2015	201,974	4.5	9,403	-5.7	13,227	-2.6	8,118	-5.0
Fiscal 2014	193,258	8.3	9,968	12.0	13,586	22.1	8,544	37.7

Note: Comprehensive income: 2nd Q of Fiscal 2015: ¥8,756 million (down 51.8%) 2nd Q of Fiscal 2014: ¥18,173 million (up 156.1%)

First Half of	Net income per share (primary)		Net income per share (diluted)	
	(¥)		(¥)	
Fiscal 2015	73.65		73.32	
Fiscal 2014	77.52		77.23	

(2) Financial Position

As of	Total assets	Net assets	Equity ratio
	(¥ million)	(¥ million)	(%)
Sept. 30, 2014	475,498	347,722	71.1
Mar. 31, 2014	479,469	342,300	69.4

Reference: Shareholders' equity as of Sept. 30, 2014: ¥337,894 million, as of Mar. 31, 2014: ¥332,739 million

2. Details of Dividends

	Cash dividend per share				
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal 2014	—	40.00	—	35.00	75.00
Fiscal 2015 (Forecast)	—	40.00	—	35.00	75.00

Note: Modifications to the dividend forecast published most recently: None

3. Forecasts of Consolidated Results for the Fiscal 2015 (April 1, 2014–March 31, 2015)

(% figures represent changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Fiscal 2015	440,000	5.4	26,000	-6.2	31,000	-11.0	20,000	3.8	181.43

Note: Modifications to the forecast published most recently: None

Notes

(1) Changes in principal subsidiaries during the first half of Fiscal 2015 (changes in specified subsidiaries that resulted in changes in scope of consolidation): Yes

-Newly consolidated: Fujian Nissin Foods Co., Ltd.

Note: Refer to "Changes in principal subsidiaries during the first half of Fiscal Year 2015" on page 5 of this material for further information.

-Excluded from consolidation: None

(2) Application of special accounting methods for quarterly consolidated financial statements: Yes

Note: Refer to "Application of special accounting methods for quarterly consolidated financial statements" on page 5 of this material for further information.

(3) Changes in significant accounting policy, procedure and presentation methods for consolidated financial statements:

1) Changes due to revisions of accounting standards: None

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) as of the end of:

Second Quarter of Fiscal 2015	117,463,685 shares
Fiscal 2014	117,463,685 shares

2) Number of shares of treasury stock outstanding as of the end of:

Second Quarter of Fiscal 2015	7,231,095 shares
Fiscal 2014	7,242,013 shares

3) Average number of shares outstanding during the period:

Second Quarter of Fiscal 2015	110,226,954 shares
Second Quarter of Fiscal 2014	110,212,012 shares

*Notes for the implementation status of quarterly review process

This Summary of Consolidated Financial Statements is not subject to the quarterly review process under the Financial Instruments and Exchange Act. As of the day of the disclosure of this release, the review procedures under the Financial Instruments and Exchange Act have not been completed.

* Notes for proper use of forecasts and other remarks

Forecasts contain forward-looking statements based on estimates made as of the day of release of these materials. Actual results may differ materially depending on a number of factors including but not limited to potential risks and uncertainties. The assumptions and other issues related to the above forecasts are described on page 4.

Qualitative Information Concerning Six Month Results

(1) Qualitative Information Concerning Consolidated Business Results

During the first half under review, the Japanese economy continued to stage a steady recovery seen in higher stock prices and an improvement of the employment environment, driven by the gradual permeation of policies executed by the government and the Bank of Japan.

On the other hand, while showing a gradual recovery from the adverse effects of the last-minute demand ahead of the consumption tax hike, consumer spending in Japan appears to have slowed recently in terms of the pace of its recovery, partly because of the unseasonable weather. In addition, with the persistent upward pressure on costs driven by the appreciation of the yen, such as higher raw materials prices and energy costs, the business environment during the first half of the fiscal year under review continued to be uncertain.

Moreover, consumer awareness of food safety and security is growing worldwide amid meat safety scandals in China.

In this environment, the Nissin Foods Group leveraged the newly strengthened product development capabilities of its NISSIN Global Innovation Center, and focused on developing high value-added products to meet consumer needs and further enhance its brand value. The Group positions food safety as its most important management issue, and in collaboration with the newly opened NISSIN Global Food Safety Institute and NISSIN Shanghai Food Safety Research Institute in China, it continues to strengthen quality assurance systems for the products manufactured at the Group's plants in Japan and overseas.

The Group also pursued a global strategy focusing on emerging countries with high growth potential, and worked to build a robust corporate base to enable an immediate response to changes in the management environment with an aim for the maximization of its group-wide synergy.

The following is an overview of consolidated results:

Consolidated results (Millions of yen)

	1H FY2014	1H FY2015	Year on year	
			Amount	%
Net sales	193,258	201,974	+ 8,716	+ 4.5
Operating income	9,968	9,403	- 565	- 5.7
Ordinary income	13,586	13,227	- 358	- 2.6
Net income	8,544	8,118	- 425	- 5.0

The following is an overview of performance by reportable segment:

Net sales in reported segments (Sales to third party) (Millions of yen)

	Segment net sales		Year on year	
	1H FY2014	1H FY2015	Amount	%
Nissin Food Products	93,255	96,517	+ 3,262	+ 3.5
Myojo Foods	18,719	18,151	- 568	- 3.0
Chilled and frozen foods	27,001	28,004	+ 1,002	+ 3.7
The Americas	15,117	16,176	+ 1,059	+ 7.0
China	14,150	17,716	+ 3,566	+ 25.2
Other* ¹	25,013	25,407	+ 395	+ 1.6
Total	193,258	201,974	+ 8,716	+ 4.5

Segment income in reported segments (Sales to third party) (Millions of yen)

	Segment income or loss		Year on year	
	1H FY2014	1H FY2015	Amount	%
Nissin Food Products	9,443	8,833	- 611	- 6.5
Myojo Foods	520	448	- 72	- 13.8
Chilled and frozen foods	427	25	- 403	- 94.1
The Americas	89	281	+ 192	+ 215.2
China	1,372	1,632	+ 260	+ 18.9
Other* ¹	(39)	76	+ 116	-
Total	11,814	11,297	- 517	- 4.4
Reconciliations	(1,845)	(1,893)	- 48	-
Consolidated	9,968	9,403	- 565	- 5.7

Note: Segment income is reconciled to operating income of the consolidated statements of income.

*1: "Other" for 1H FY2015 includes business segments not included in reportable segments such as domestic confectionary, beverages, Europe and Asia. "Other" for 1H FY2014 included food service business in addition to the businesses included in 1H FY2015.

(i) Nissin Food Products

Turning to the sales of NISSIN FOOD PRODUCTS, in bag-type instant noodles, the growth of *Chicken Ramen* and, non-fried noodles, the *Nissin RAOH* series, continued to be strong. Of particular note was *Nissin RAOH Tan Tan Men*, which was released in August as the first authentic Chinese recipe in the bag-type instant noodle series that are just like fresh noodles. Substantial sales growth was seen by this particular product, featuring top-notch noodles and broth used for the *Nissin RAOH* series.

In cup-type instant noodles, *Cup Noodles* series continued to make a significant contribution to overall sales growth due to factors including that *Cup Noodles Tom Yum Goong*, which was launched in April, continued to enjoy good sales, and that *Nissin Cup Noodle Light Soumen* archived a good reputation. The product was launched in July as a “*Cup Noodles* with Japanese traditional style,” with a light but rich and tasty broth.

In addition, *Nissin Curry Meshi* was launched in our attempt to establish a new genre, the third type of curry, which is neither curry roux nor retort-packed food. It performed well, and the Rice Set Meals series also grew in sales. Although sales increased owing to the above factors, higher raw materials prices and higher distribution costs pushed operating profit down.

(ii) Myojo Foods

Moving on to the sales of MYOJO FOODS, in bag-type noodles, sales increased due to well-performed products including the *MYOJO CHARUMERA* series and *MYOJO CHUKA ZANMAI* series, both of which were renewed and introduced in the first quarter. In cup-type instant noodles, although the mainstay brands *MYOJO IPPEICHAN YOMISE NO YAKISOBA* and *MYOJO CHARUMERA CUP* performed well, other products struggled and didn’t achieve the year-ago results. Consequently, instant noodle sales decreased overall, and operating profit was lower than the year-ago level, impacted by an increase in raw materials costs and depreciation and amortization costs.

(iii) Chilled and frozen foods

Sales of products of NISSIN CHILLED FOODS in the first half of the fiscal year under review exceeded the year-ago level. In particular, on top of the mainstay brand *Gyoretsu-no-Dekiru-Mise-no-Ramen*, *Futomen Yakisoba* and *Zaru Tsukemen*, whose distinctive textures enabled by chilled process were received well, contributed to the increased sales. Among the new products, easy-to-prepare *Nissin RAOH* and *Youkai Watch Yakisoba*, which introduced the concept of “eating for parents and children,” both contributed to higher sales.

Turning to sales of NISSIN FROZEN FOODS products, Spaghetti and Ramen with precooked ingredients, both of which are mid-priced product lines, mainly showed a strong sales performance. In particular, the *Reito NISSIN Mochitto Nama Pasta* series with glutinous palatability and the satisfyingly filling *Reito NISSIN Spa-O Premium Big* series were well received by consumers and grew strongly. *Reito NISSIN GooTa Shinra Tan Tan Men* in the *Reito NISSIN GooTa* series was renewed and released in September. Its sales remained strong, showing year-on-year growth. However, operating income fell short of the previous year’s level, reflecting higher raw material costs and other factors.

(iv) The Americas

In the Americas, the Group aimed to become less susceptible to the effect of price competition and worked to strengthen its high value-added products. In the U.S., sales achieved steady year-on-year growth thanks to further progress in business relations with major retailers. In Mexico, sales showed a steady recovery despite the adverse effect of higher retail prices as a result of the enforcement of the Special Tax on Production and Services (IEPS), which led to higher sales and income for the segment as a whole.

(v) China

In China, both sales and income increased thanks to the expansion of the sales area and a successful product approach focusing on targeted consumer segments, primarily in major cities in mainland China. In particular, sales of Chinese version of *Cup Noodles “Hap Mei Do”* grew mainly in the Eastern China and Southern China areas owing to the pursuit of aggressive sales strategies including an increased number of times of food sampling that targets younger generations in large cities.

(2) Analysis of Financial Position

Note: Refer to pages from 6 to 7 for further information.

(3) Explanation Concerning Consolidated Forecasts

The full-year consolidated forecasts for the fiscal year ending March 31, 2015, which was announced on May 8, 2014 in the Summary of Consolidated Financial Statements for the Year Ended March 31, 2014 remains unchanged.

Details of Notes

- (1) Changes in principal subsidiaries during the First Quarter of Fiscal 2015 (changes in specified subsidiaries that resulted in changes in scope of consolidation)

Four subsidiaries, including Nissin Foods (H.K.) Management Co., Ltd., Dongguan Nissin Packaging Co., Ltd., Nissin Koikeya Foods (China & HK) Co., Ltd., and Fujian Nissin Foods Co., Ltd. have been included in our consolidated basis on account of their increased importance to our group.

- (2) Application of special accounting methods for quarterly consolidated financial statements: Yes

The Company calculates tax expenses by reasonably assuming an effective tax rate after the application of tax effect accounting for net income before income taxes of the consolidated fiscal year, including the net income before taxes of the second quarter under review, and multiplying the income before income taxes by the said estimated effective tax rate. Income taxes – deferred has been included in income taxes.

- (3) Changes in significant accounting policy, procedure and presentation methods for consolidated financial statements:
None

- (4) Additional Information

(Changes in matters related to the fiscal periods of consolidated subsidiaries, etc.)

In order to increase the appropriateness of consolidated accounting information, the closing dates of fiscal years of two consolidated subsidiaries, Nissin Foods (U.S.A.) Co., Inc. and MYOJO U.S.A., INC., have been changed from December 31 to March 31 from the first quarter of the fiscal year under review. With respect to Nissin Foods de Mexico S.A. de C.V., a consolidated subsidiary, and Nissin-Ajinomoto Alimentos Ltda., an equity method associate, the Company has shifted to a new consolidated accounting method of provisionally settling the accounts of these subsidiaries as of March 31, the consolidated account settlement date.

The effect of these fiscal period changes on the profits and losses of the above consolidated subsidiaries and equity method associates between January 1, 2014 and March 31, 2014 were adjusted as an increase/decrease in retained earnings.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2014	As of Sept. 30, 2014
Assets		
Current assets		
Cash and deposits	79,923	92,003
Notes and accounts receivable-trade	51,298	48,932
Marketable securities	11,725	7,331
Merchandise and finished goods	10,032	12,352
Raw materials and supplies	10,926	11,483
Other	11,282	10,816
Less: Allowance for doubtful receivables	(369)	(357)
Total current assets	174,819	182,562
Fixed assets		
Tangible fixed assets		
Land	51,063	51,101
Other, net	96,556	93,974
Total tangible fixed assets	147,620	145,076
Intangible fixed assets		
Goodwill	1,832	1,473
Other	4,477	6,092
Total intangible fixed assets	6,309	7,566
Investments and other assets		
Investments in securities	131,843	121,070
Other	19,203	19,548
Less: Allowance for doubtful accounts	(327)	(325)
Total investments and other assets	150,720	140,293
Total fixed assets	304,650	292,936
Total assets* ¹	479,469	475,498

*1: Major factor(s) of the change: A decrease of ¥10,773 million in investments in securities

(Millions of Yen)

	As of March 31, 2014	As of Sept. 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable—trade	43,461	42,155
Short-term borrowings	3,332	3,573
Accrued payables	24,536	22,362
Accrued income taxes	7,306	5,004
Other current liabilities	21,530	16,655
Total current liabilities	100,167	89,752
Long-term liabilities		
Long-term debt	9,441	8,979
Liability for retirement benefits	6,290	5,670
Other long-term liabilities	21,269	23,373
Total long-term liabilities	37,001	38,024
Total liabilities*²	137,168	127,776
Equity		
Shareholders' equity		
Common stock	25,122	25,122
Capital surplus	48,416	48,416
Retained earnings	263,585	268,022
Less: Treasury stock, at cost	(21,710)	(21,680)
Total shareholders' equity	315,413	319,881
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	17,562	22,065
Deferred gain (loss) on derivatives under hedge accounting	38	37
Land revaluation reserve	(5,898)	(5,898)
Foreign currency translation adjustments	5,214	1,615
Defined retirement benefit plans	408	193
Total accumulated other comprehensive income (loss)	17,325	18,013
Stock acquisition rights	1,180	1,518
Minority interests	8,381	8,309
Total equity*³	342,300	347,722
Total liabilities and equity	479,469	475,498

*2: Major factor(s) of the change: A decrease of ¥2,174 million in accrued payables and a decrease of ¥2,301 million in accrued income taxes

*3: Major factor(s) of the change: An increase of ¥4,502 million in unrealized gain (loss) on available-for-sale securities

2. Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of Yen)

	Six months ended Sept. 30, 2013	Six months ended Sept. 30, 2014
Net sales	193,258	201,974
Cost of sales	108,450	115,029
Gross profit	84,807	86,945
Selling, general and administrative expenses	74,838	77,541
Operating income	9,968	9,403
Non-operating income		
Interest income	550	434
Dividend income	1,094	998
Gain on sales of marketable securities	412	—
Equity in earnings of associates	1,213	1,321
Foreign exchange gain	274	877
Other non-operating income	278	411
Total non-operating income	3,821	4,044
Non-operating expenses		
Interest expense	128	111
Taxes and dues	—	53
Other non-operating expenses	75	55
Total non-operating expenses	204	220
Ordinary income	13,586	13,227
Extraordinary gains		
Gain on sales of fixed assets	131	46
Gain on sales of investments in securities	398	745
Other extraordinary gains	0	3
Total extraordinary gains	531	795
Extraordinary losses		
Loss on disposal of fixed assets	437	151
Impairment loss	—	641
Other extraordinary losses	175	78
Total extraordinary losses	612	871
Income before income taxes and minority interests	13,504	13,152
Income taxes	4,852	5,004
Income before minority interests	8,652	8,148
Minority interests in earnings of consolidated subsidiaries	108	29
Net income	8,544	8,118

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	Six months ended Sept. 30, 2013	Six months ended Sept. 30, 2014
Net income before minority interests	8,652	8,148
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	1,177	4,474
Deferred gain (loss) on derivatives under hedge accounting	—	(0)
Foreign currency translation adjustments	6,064	(1,537)
Defined retirement benefit plans	127	(204)
Share of other comprehensive income (loss) in associates	2,150	(2,124)
Total other comprehensive income (loss)	9,521	608
Comprehensive income	18,173	8,756
Total comprehensive income attributable to:		
Owners of the parent	17,612	8,817
Minority interests	560	(60)

3. Segment Information

Net sales and income or loss by reportable segment:

Six months ended September 30, 2013

(Millions of Yen)

	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others *1	Total	Reconciliations *2	Consolidated *3
Net sales										
Sales to third party	93,255	18,719	27,001	15,117	14,150	168,244	25,013	193,258	—	193,258
Intersegment sales	1,209	629	594	—	56	2,489	8,179	10,668	(10,668)	—
Total	94,465	19,348	27,595	15,117	14,206	170,734	33,192	203,926	(10,668)	193,258
Segment income (loss)	9,443	520	427	89	1,372	11,853	(39)	11,814	(1,845)	9,968

(Notes)

- *1. “Others” consists of the operating segments not included in reportable segments. It includes domestic confectionary, beverages and food service business, and overseas businesses in Europe and Asia.
- *2. Operating loss under “Reconciliation” amounted to minus ¥1,845 million, consisting of ¥197 million from retirement benefit expenses, minus ¥456 million from the amortization of goodwill, ¥76 million from elimination of intersegment transactions and minus ¥1,664 million from group expenses.
- *3. Segment income is reconciled to operating income in the quarterly consolidated statement of income.

Six months ended September 30, 2014

(Millions of Yen)

	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others *1	Total	Reconciliations *2	Consolidated *3
Net sales										
Sales to third party	96,517	18,151	28,004	16,176	17,716	176,566	25,407	201,974	—	201,974
Intersegment sales	1,630	2,268	570	0	61	4,531	9,971	14,502	(14,502)	—
Total	98,148	20,419	28,574	16,177	17,777	181,097	35,378	216,476	(14,502)	201,974
Segment income (loss)	8,833	448	25	281	1,632	11,221	76	11,297	(1,893)	9,403

(Notes)

- *1. “Others” consists of the operating segments not included in reportable segments. It includes domestic confectionary and beverages business, and overseas businesses in Europe and Asia.
- *2. Operating loss under “Reconciliation” amounted to minus ¥1,893 million, consisting of ¥358 million from retirement benefit expenses, minus ¥344 million from the amortization of goodwill, ¥42 million from elimination of intersegment transactions and minus ¥1,950 million from group expenses.
- *3. Segment income is reconciled to operating income in the quarterly consolidated statement of income.