

Summary of Consolidated Financial Statements for the Six Months Ended September 30, 2015

[Prepared under Japanese GAAP, UNAUDITED]

NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897

Stock exchange listing: Tokyo

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Contact: Yukio Yokoyama, Director and CFO

Scheduled date of filing of quarterly report: November 13, 2015 (Japanese only)

Scheduled date of dividend payment: November 26, 2015

Preparation of supplementary documents: Yes

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

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

1. Consolidated Financial Results for the First Half of the Fiscal 2016 (April 1, 2015–September 30, 2015)

(1) Operating Results

(% figures represent year-on-year changes)

First Half of	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Fiscal 2016	217,942	7.9	12,398	31.8	16,088	21.6	10,817	33.2
Fiscal 2015	201,974	4.5	9,403	(5.7)	13,227	(2.6)	8,118	(5.0)

Note: Comprehensive income: 1st Half of Fiscal 2016: ¥6,629 million (down 24.3%) 1st Half of Fiscal 2015: ¥8,756 million (down 51.8%)

First Half of	Net income attributable to owners of parent per share (basic)	Net income attributable to owners of parent per share (diluted)
	(¥)	(¥)
Fiscal 2016	98.13	97.63
Fiscal 2015	73.65	73.32

(2) Financial Position

As of	Total assets	Total equity	Ratio of equity attributable to owners of parent to total assets
	(¥ million)	(¥ million)	(%)
Sept. 30, 2015	516,616	374,449	70.8
Mar. 31, 2015	512,743	369,852	70.6

Reference: Equity attributable to owners of parent as of Sept. 30, 2015: ¥365,837 million, as of Mar. 31, 2015: ¥361,783million

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 2015	—	40.00	—	35.00	75.00
Fiscal 2016	—	40.00	—	—	—
Fiscal 2016 (Fct.)	—	—	—	40.00	80.00

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

3. Forecasts of Consolidated Results for the Fiscal 2016 (April 1, 2015–March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income attributable to owners of parent per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
FY 2016	468,000	8.4	26,000	7.0	31,500	(4.5)	25,000	35.1	226.79

Note: Modifications to the forecast published most recently: Yes

Notes

(1) Changes in principal subsidiaries during the First Half of Fiscal 2016 (changes in specified subsidiaries that resulted in changes in scope of consolidation): Yes

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

Note: Refer to “Changes in principal subsidiaries during the First Half of Fiscal Year 2016” 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: Yes

2) Changes other than 1): Yes

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:

First Half of Fiscal 2016	117,463,685 shares
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FY 2015	117,463,685 shares
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2) Number of shares of treasury stock outstanding as of the end of:

First Half of Fiscal 2016	7,223,201 shares
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FY 2015	7,231,787 shares
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3) Average number of shares outstanding during the period:

First Half of Fiscal 2016	110,236,485 shares
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First Half of Fiscal 2015	110,226,954 shares
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*Notes for the implementation status of audit process

This Summary of Consolidated Financial Statements is not subject to the audit process under the Financial Instruments and Exchange Act. As of the day of the disclosure of this release, the audit procedures under the Financial Instruments and Exchange Act had 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. Refer to “Explanation Concerning Consolidated Forecasts” on page 4 of this material for further information.

Qualitative Information Concerning First Half Results

(1) Qualitative Information Concerning Consolidated Business Results

During the first half under review, the Japanese economy continued to stage a gradual recovery, with employment and income generally improving and consumer spending showing a steady rebound. The prospects of this recovery remain uncertain, however, with a growing risk of downward pressure on the Japanese economy caused by a downturn in the economies of China and other emerging Asian countries.

In regards to food safety, the Nissin Foods Group (the “Group”) positions it as its most important management issue, and is thoroughly checking the safety of its products and raw materials, while at the same time working to strengthen its quality control system.

The Group also pursues a global strategy that focuses on emerging countries with high potential for growth, and works to build a robust corporate base to enable an immediate response to changes in the management environment, with the overall aim being to maximize its group-wide synergy.

The following is an overview of consolidated results:

Consolidated results (¥ million)

	First Half of Fiscal 2015	First Half of Fiscal 2016	Year on year	
			Amount	%
Net sales	201,974	217,942	+15,968	+7.9
Operating income	9,403	12,398	+2,994	+31.8
Ordinary income	13,227	16,088	+2,860	+21.6
Net income attributable to owners of parent	8,118	10,817	+2,699	+33.2

The following is an overview of performance by reportable segment:

Net sales in reported segments (¥ million)

	Net sales		Year on year	
	First Half of Fiscal 2015	First Half of Fiscal 2016	Amount	%
Nissin Food Products	96,517	101,643	+5,125	+5.3
Myojo Foods	18,151	20,010	+1,858	+10.2
Chilled and frozen foods	28,004	30,030	+2,026	+7.2
The Americas	16,176	18,075	+1,898	+11.7
China	17,716	20,504	+2,788	+15.7
Other* ¹	25,407	27,678	+2,270	+8.9
Total	201,974	217,942	+15,968	+7.9

Segment income in reported segments (¥ million)

	Segment income or loss		Year on year	
	First Half of Fiscal 2015	First Half of Fiscal 2016	Amount	%
Nissin Food Products	8,833	10,312	+1,479	+16.8
Myojo Foods	448	1,158	+709	+158.2
Chilled and frozen foods	25	403	+377	+1,497.7
The Americas	281	218	-62	-22.3
China	1,632	1,856	+224	+13.7
Other* ¹	76	(255)	-331	—
Total	11,297	13,694	+2,396	+21.2
Reconciliations	(1,893)	(1,295)	+597	—
Consolidated	9,403	12,398	+2,994	+31.8

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

*1: “Other” includes business segments not included in reportable segments such as domestic confectionary, beverages, Europe and Asia.

(i) Nissin Food Products

The sales of NISSIN FOOD PRODUCTS increased year on year especially because of the significant rise in the sales of cup-type instant noodles.

In cup-type instant noodles, the *Cup Noodle* series, which were renewed in April and based on the concept of “Plentiful ingredients!,” and the newly released *Cup Noodle Light Plus*, which is filling but low in calories, both enjoyed good sales. To add, sales of the *Cup Noodles Tom Yum Goong*, of which second year came around after its introduction, also contributed to the increased sales. In bag-type instant noodle products, the long-selling product *Demae Iccho*, which was renewed by adding toasted sesame seeds to sesame chili oil, increased its sales.

(ii) Myojo Foods

Looking at sales of MYOJO FOODS, in bag-type noodles, sales of the *MYOJO CHARUMERA* series grew substantially. In cup-type noodles, sales of the *MYOJO IPPEICHAN YOMISE NO YAKISOBA*, which celebrated its 20th anniversary in February 2015, kept growing favorably. Operating income grew year on year due to factors such as increased sales, an improved cost of goods sold ratio, and an improved efficiency in production led by a new factory.

(iii) Chilled and frozen foods

Sales of NISSIN CHILLED FOODS increased year on year, with healthy sales of the Hiyashi Chuka series (cold noodles) as a regularly consumed summer food product, ramen series led by *Gyoretsu-no-Dekiru-Mise-no-Ramen* as the core brand, and *Futomen Yakisoba*, to which a larger volume and high-quality liquid sauce were added.

NISSIN FROZEN FOODS saw increased sales mainly led by ramen products, yakisoba products, and pasta products, all of which are packed with precooked ingredients. In ramen products, the *Reito NISSIN GooTa* series centered on the *Lajao Tan Tan Men* and the *Reito Nissin Shirunashi Tan Tan Men Big* sold well, while in the yakisoba products the *Reito Nissin Chuka Shanghai Yakisoba* exhibited healthy sales. In the pasta products centered on the *Reito Nissin Mochitto Nama Pasta* series increased its sales and overall sales increased year on year.

(iv) The Americas

In the Americas, the Group aimed to become less susceptible to the effects of price competition. In the U.S., it is working to introduce products that meet market demand and to ensure the sales and operating income of existing brands. In Mexico, while the previous fiscal year saw sales volume decline due to the impact of higher retail prices as a result of the enforcement of the Special Tax on Production and Services (IEPS), sales recovered this fiscal year to increase year on year. The segment as a whole saw an increase in sales due to factors such as the weaker yen. Operating income decreased due to an increase in general expenses and other factors.

(v) China

In China, the Group is working to expand its sales area in mainland China (north, northeast, and southwest areas) as well as strengthen its *CUP NOODLES* brand. The newly introduced *BIG CUP NOODLES* showed healthy sales, and segment sales increased year on year helped in part by exchange rates. Although the fiscal year-end was changed from this consolidated fiscal year, making the first half of the previous fiscal year to be compared different from the first half under review, segment operating income increased year on year due partly to the effect of foreign exchange.

(2) Analysis of Financial Position

Note: Refer to pages from 5 to 6 for further information.

(3) Explanation Concerning Consolidated Forecasts

The full-year consolidated forecasts for Fiscal 2016 (April 1, 2015, – March 31, 2016) announced on May 14, 2015, have been revised, taking into account the recent trends in the Group’s business performance.

For details, see the “Announcement of Differences between the Consolidated Forecasts and Results for the First Half of Fiscal Year Ending March 31, 2016, and the Revision of Full-year Forecasts” published today (November 12, 2015).

Details of Notes

- (1) Changes in principal subsidiaries during the First Half of Fiscal 2016 (changes in specified subsidiaries that resulted in changes in scope of consolidation)

Newly established Zhejiang Nissin Foods Co., Ltd. has been included in our consolidated basis since this first quarter. Nissin-Universal Robina Corporation has been included in our equity method affiliates on account of their increased importance to our group.

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

NISSIN FOODS HOLDINGS (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 first half under review, and then multiplying the income before income taxes by the said estimated effective tax rate.

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

(Change in inventory valuation method)

The Company and certain consolidated subsidiaries in Japan previously used the last purchase price method as the primary method for evaluating the raw materials and supplies in its inventory. However, this has been changed to the gross average method from the first quarter under review. The purpose of this change in inventory evaluation method is to realize a more appropriate calculation of periodic income and loss upon the restructuring of the Company’s enterprise system.

The new system was launched at the start of the fiscal quarter under review, and for this reason some of the inventory receipt and delivery records from previous consolidated fiscal years were inaccessible, making it impossible to calculate the cumulative impact of retrospectively applying the gross average method. Thus, the book value of raw materials and supplies for the previous consolidated fiscal year have been used as the beginning balance of the current fiscal year, and the gross average method is applied from the fiscal quarter under review and onwards.

The impact of this change is insubstantial.

(Application of the Accounting Standard for Business Combination, etc.)

The Accounting Standard for Business Combination (ASBJ Statement No.21 of September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 of September 13, 2013), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013), and others have been applied from the first quarter under review. The difference due to the change in equity interest in subsidiaries that continued to be controlled was recorded as capital surplus. Also, the costs related to acquisition were recorded as expenses for the consolidated fiscal year in which they were incurred. In addition, for business combinations implemented after the beginning of the first quarter under review, the review of the appropriation of the acquisition cost upon settlement of temporary account processing is reflected in the consolidated quarterly financial statements for the consolidated fiscal quarter period during which business combinations were implemented. Furthermore, the net income and other statements have been changed accordingly, and minority interest has been changed to non-controlling interests. To reflect these changes, the Company has revised the financial statements for the first quarter of the previous consolidated fiscal year and the previous consolidated fiscal year.

The Accounting Standard for Business Combinations etc. are applied from the beginning of the first quarter under review in line with the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

There was no impact on the financial statements for the first half under review.

(4) Additional Information

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

To increase the appropriateness of consolidated accounting information, the provisional results as of March 31, the consolidated account closing date, of eleven subsidiaries whose account closing date is December 31, including NISSIN FOODS CO., LTD. and WINNER FOOD PRODUCTS LTD. in China, are consolidated from the first quarter of the fiscal year under review

The effect of this change in the fiscal period on the profits and losses of the above consolidated subsidiaries between January 1, 2015 and March 31, 2015 were adjusted as an increase/decrease in retained earnings.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(¥ million)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	94,365	87,625
Notes and accounts receivable-trade	54,491	55,651
Marketable securities	19,153	18,365
Merchandise and finished goods	12,015	12,672
Raw materials and supplies	11,053	12,269
Others	10,852	11,679
Less: Allowance for doubtful receivables	(422)	(372)
Total current assets	201,507	197,892
Fixed assets		
Tangible fixed assets		
Land	51,097	51,180
Others, net	96,151	104,365
Total tangible fixed assets	147,249	155,545
Intangible fixed assets		
Goodwill	701	480
Others	7,511	7,457
Total intangible fixed assets	8,212	7,938
Investments and other assets		
Investments in securities	135,441	136,254
Net defined benefit asset	268	268
Others	20,385	18,746
Less: Allowance for doubtful accounts	(322)	(29)
Total investments and other assets	155,773	155,239
Total fixed assets	311,236	318,723
Total assets	512,743	516,616

(¥ million)

As of March 31, 2015

As of September 30, 2015

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	44,896	46,139
Short-term borrowings	3,870	3,058
Accrued payables	27,085	27,339
Accrued income taxes	5,163	6,190
Others	22,010	18,445
Total current liabilities	103,027	101,174
Long-term liabilities		
Long-term debt	9,461	12,219
Net defined benefit liability	3,394	2,980
Others	27,008	25,792
Total long-term liabilities	39,863	40,992
Total liabilities	142,891	142,166
Equity		
Shareholders' equity		
Common stock	25,122	25,122
Capital surplus	48,417	48,421
Retained earnings	273,319	281,436
Less: Treasury stock, at cost	(21,684)	(21,660)
Total shareholders' equity	325,175	333,320
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	35,102	33,386
Deferred gain (loss) on derivatives under hedge accounting	57	2
Land revaluation reserve	(5,739)	(5,739)
Foreign currency translation adjustments	6,016	4,292
Remeasurements of defined benefit plans	1,169	574
Total accumulated other comprehensive income (loss)	36,608	32,516
Stock acquisition rights	1,518	1,856
Non-controlling interests	6,551	6,755
Total equity	369,852	374,449
Total liabilities and equity	512,743	516,616

2. Consolidated Statements of Income and Comprehensive Income (Consolidated Statements of Income)

(¥ million)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	201,974	217,942
Cost of sales	115,029	121,625
Gross profit	86,945	96,317
Selling, general and administrative expenses	77,541	83,919
Operating income	9,403	12,398
Non-operating income		
Interest income	434	391
Dividend income	998	799
Gain on sales of marketable securities	-	802
Equity in earnings of associates	1,321	1,502
Foreign exchange gain	877	-
Other non-operating income	411	585
Total non-operating income	4,044	4,080
Non-operating expenses		
Interest expense	111	141
Foreign exchange loss	-	133
Taxes and dues	53	-
Other non-operating expenses	55	115
Total non-operating expenses	220	390
Ordinary income	13,227	16,088
Extraordinary gains		
Gain on sales of fixed assets	46	33
Gain on sales of investments in securities	745	912
Other extraordinary gains	3	-
Total extraordinary gains	795	946
Extraordinary losses		
Loss on disposal of fixed assets	151	155
Impairment losses	641	-
Bad debt expenses	-	508
Other extraordinary losses	78	15
Total extraordinary losses	871	679
Income before income taxes	13,152	16,354
Income taxes	5,004	5,488
Net income	8,148	10,866
Net income (loss) attributable to non-controlling interests	29	48
Net income attributable to owners of parent	8,118	10,817

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income	8,148	10,866
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	4,474	(1,786)
Deferred gain (loss) on derivatives under hedge accounting	(0)	(55)
Foreign currency translation adjustments	(1,537)	(1,659)
Defined retirement benefit plans	(204)	(590)
Share of other comprehensive income (loss) in associates	(2,124)	(146)
Total other comprehensive income (loss)	608	(4,237)
Comprehensive income	8,756	6,629
(Breakdown)		
Comprehensive income attributable to owners of parent	8,817	6,726
Comprehensive income attributable to non-controlling interests	(60)	(97)

3. Segment Information

Net sales and income or loss by reportable segment:

Six months ended September 30, 2014

(¥ million)

	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.

Six months ended September 30, 2015

(¥ million)

	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	101,643	20,010	30,030	18,075	20,504	190,264	27,678	217,942	—	217,942
Intersegment sales	1,505	2,802	655	0	54	5,018	12,595	17,614	(17,614)	—
Total	103,149	22,812	30,686	18,076	20,558	195,282	40,273	235,556	(17,614)	217,942
Segment income (loss)	10,312	1,158	403	218	1,856	13,949	(255)	13,694	(1,295)	12,398

(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 ¥1,295 million, consisting of ¥934 million from retirement benefit expenses, minus ¥221 million from the amortization of goodwill, ¥43 million from elimination of intersegment transactions and minus ¥2,051 million from group expenses.
- *3. Segment income is reconciled to operating income in the quarterly consolidated statement of income.

(Major subsequent events)

At an extraordinary meeting of the Board of Directors held on August 27, 2015, the Company resolved to acquire an additional equity in NISSIN-AJINOMOTO ALIMENTOS LTDA., a joint venture with Ajinomoto Co., Inc. in Brazil, and make it a subsidiary. On October 30, 2015, the Company acquired its equity and made it a consolidated subsidiary of the Company.

(1) Outline of the business combination

(i) Outline of the acquired company

Name: NISSIN-AJINOMOTO ALIMENTOS LTDA.

Business: Manufacture and sales of instant noodles

(ii) Main reasons for the business combination

Promote growth in the business in Brazil in South America and strengthen the operating base in Brazil

(iii) Date of the business combination: October 30, 2015

(iv) Legal form of the business combination: Acquisition of its equity for cash

(v) Name after the business combination: NISSIN-AJINOMOTO ALIMENTOS LTDA.

(vi) Change in the ratio of voting rights after the acquisition

Ratio of voting rights held immediately before the business combination: 50%

Ratio of additional voting rights acquired on the date of the business combination: 50%

Ratio of voting rights after the acquisition: 100%

(vii) Reason for deciding on company from which to acquire its equity: A subsidiary of the Company has acquired its equity for cash.

(2) Cost of acquisition of the acquired company and a breakdown of the consideration

The acquisition cost has not been determined at this time. The consideration for the additional equity acquired on the date of the business combination is 32,500 million yen.

(3) Difference between the cost of acquisition of the acquired company and the sum of acquisition costs for transactions that have led to the acquisition of the company

The difference has not been determined yet.

(4) Goodwill that has occurred, reasons for the goodwill, the method for amortizing goodwill, and the period for the amortization of goodwill

These matters have not yet been determined.

(5) Assets and liabilities accepted on the date of business combination, and a breakdown of these items

These matters have not yet been determined.