

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2016

[Prepared under Japanese GAAP, UNAUDITED]

NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897

Stock exchange listing: Tokyo

URL: http://www.nissin.com/en_jp/

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Representative: Koki Ando, President, Representative Director and CEO

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Scheduled date of general meeting of shareholders: June 28, 2016 (Japanese only)

Scheduled date of filing of securities report: June 28, 2016 (Japanese only)

Scheduled date of dividend payment: June 29, 2016

Preparation of supplementary documents: Yes

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

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

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2016 (April 1, 2015–March 31, 2016)

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2016	468,084	8.5	26,399	8.6	30,733	-6.8	26,884	45.3
FY 2015	431,575	3.3	24,300	-12.3	32,980	-5.3	18,505	-4.0

Note: Comprehensive income: FY 2016: ¥19,606million (down 48.3%); FY 2015: ¥37,955 million (up 1.5%)

	Net income attributable to owners of parent per share (primary) (¥)	Net income attributable to owners of parent per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/net sales (%)
FY 2016	245.52	244.22	7.4	5.8	5.6
FY 2015	167.88	167.10	5.3	6.6	5.6

Reference: Equity in earnings of affiliates: FY 2016: ¥2,781 million; FY 2015: ¥2,929 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
FY 2016	553,068	371,688	65.1	3,332.94
FY 2015	512,743	369,852	70.6	3,282.02

Reference: Equity attributable to owners of parent: as of March 31, 2016: ¥360,042 million, as of March 31, 2015: ¥361,783 million

(3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash used in investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
FY 2016	36,183	(45,759)	(3,010)	88,689
FY 2015	30,353	(4,840)	(8,022)	105,896

2. Details of Dividends

	Cash dividend per share					Total (Annual) (¥ million)	Payout ratio (consolidated) (%)	Ratio of total amount of dividends to net assets (consolidated) (%)
	End of 1 st quarter (¥)	End of 2 nd quarter (¥)	End of 3 rd quarter (¥)	Year-end (¥)	Annual (¥)			
FY 2015	—	40.00	—	35.00	75.00	8,267	44.7	2.4
FY 2016	—	40.00	—	40.00	80.00	8,730	32.6	2.4
FY 2017 (Forecast)	—	40.00	—	40.00	80.00		39.3	

3. Forecasts of Consolidated Results for the FY 2017 (April 1, 2016–March 31, 2017)

(% figures represent changes from the previous 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)	(%)	(¥)
1 st Half of FY 2017	240,000	10.1	9,000	-27.4	11,500	-28.5	10,500	-2.9	97.20
FY 2017	500,000	6.8	27,000	2.3	31,000	0.9	22,000	-18.2	203.66

Notes:

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

-Newly consolidated: Zhejiang Nissin Foods Co., Ltd., Nissin Technology Alimentos Brasil Ltda.

-Excluded from consolidation: None

(2) 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

(3) Number of shares outstanding (common stock)

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

FY 2016 117,463,685 shares

FY 2015 117,463,685 shares

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

FY 2016 9,438,151 shares

FY 2015 7,231,787 shares

3) Average number of shares outstanding during the period:

FY 2016 109,500,186 shares

FY 2015 110,229,570 shares

(Reference). Individual (Nissin Food Holdings Co., Ltd.) Financial Results for the Fiscal Year ended March 31, 2016 (April 1, 2015–March 31, 2016)

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2016	37,968	17.2	8,167	-21.9	8,933	-39.9	8,386	1.3
FY 2015	32,383	17.0	10,464	27.2	14,855	21.4	8,275	-25.9

	Net income per share (primary) (¥)	Net income per share (diluted) (¥)
FY 2016	76.59	76.19
FY 2015	75.08	74.73

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
FY 2016	405,689	256,123	62.7	2,353.74
FY 2015	386,244	261,582	67.3	2,359.24

Reference: Equity attributable to owners of parent: as of March 31, 2016: ¥254,263 million, as of March 31, 2015: ¥260,064 million

* 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.

1. Analysis of Operating Results and Financial Position

(1) Qualitative Information Concerning Consolidated Business Results

During the fiscal year ended March 31, 2016, the Japanese economy remained at a stalemate, mainly reflecting a sense of stagnation in consumer spending, although employment and income conditions were improving. The business environment continued to be uncertain, 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 and resource-rich countries.

In this environment, the Nissin Foods Group made efforts to ensure the penetration of revised prices and enhance its brand value through the effective launch of new products and the renewal of its products based on accurate product development and marketing according to targets set after the price revision of domestic products implemented in the previous fiscal year.

With regard to food safety, we position it as the Group's most important management issue and work to further strengthen the quality control system.

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.

〈Consolidated results〉

(¥ Million)

	FY 2015	FY 2016	Year on year	
	From April 1, 2014 To March 31, 2015	From April 1, 2015 To March 31, 2016	Amount	%
Net sales	431,575	468,084	+ 36,508	+ 8.5
Operating income	24,300	26,399	+ 2,098	+ 8.6
Ordinary income	32,980	30,733	- 2,247	- 6.8
Net income attributable to owners of parent	18,505	26,884	+8,379	+ 45.3

The following is an overview of performance by reportable segment

〈Sales and Operating income of reportable segment〉

(¥ Million)

	Net sales		Change	Operating income/loss		Change
	FY 2015	FY 2016		FY 2015	FY 2016	
NISSIN FOOD PRODUCTS	215,760	223,612	+ 7,851	23,636	23,967	+ 330
MYOJO FOODS	39,191	41,609	+ 2,417	1,424	1,373	-51
Chilled and frozen foods	56,626	59,810	+ 3,183	(203)	715	+ 919
The Americas	35,745	48,280	+ 12,534	662	1,060	+ 398
China	34,509	40,883	+ 6,374	3,277	4,143	+ 865
Other	49,742	53,888	+ 4,146	(1,090)	(1,271)	-181
Total	431,575	468,084	+ 36,508	27,706	29,987	+ 2,281

Note: Segment income is reconciled to Operating income of the consolidated statements of income

Note: "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 due to a rise in the sales of cup-type instant noodles.

In cup-type instant noodles, the Cup Noodle series, which was renewed in April 2015 based on the concept of “Plentiful ingredients!!,” sold favorably, and the newly released *Cup Noodle Light Plus*, which is low in calories but includes added vegetables and food fiber, contributed to the increased sales. The *Nissin-no-Donbei* series, whose quality was rediscovered, particularly by young people, as “10-minute Donbei,” among others, became a popular topic due to a web promotion played out at the end of 2015, and also sold well. In bag-type instant noodle products, sales of the long-selling product *Demae Iccho*, which was renewed by adding toasted sesame seeds to the sesame chili oil, increased.

Operating income increased year on year as sales remained strong, despite higher expenses due to rising raw material prices and the introduction of ERP.

(ii) Myojo Foods

Looking at sales of Myojo Foods, in bag-type noodles, sales of the *Myojo Charumera* series grew. In cup-type noodles, sales of the *Myojo Ipppeichan Yomise No Yakisoba*, which celebrated its 20th anniversary in February 2015, kept growing favorably. Operating income declined year on year due to adverse effects such as a rise in advertising expenses to strengthen brands, although increased sales, an improved cost of goods sold ratio, and higher efficiency in production enable by a new factory made a contribution.

(iii) Chilled and frozen foods

Sales of Nissin Chilled Foods increased year on year, with the significant sales growth of the ramen series led by its core brand, *Gyoretsu-no-Dekiru-Mise-no-Ramen*. In the Yakisoba series, sales of *Futomen Yakisoba*, which features hearty thick noodles and high-quality liquid sauce, remained solid. Sales of the Hiyashi Chuka series (cold noodles) as a regularly consumed summer food product also increased year on year.

Nissin Frozen Foods saw increased sales, mainly led by pasta products and ramen products, both of which are packed with precooked ingredients. In pasta products, the *NISSIN Mochitto Nama Pasta* series, whose sticky texture has been well received, showed healthy sales. In ramen products, the *NISSIN GooTa* series centered on the *Rajao Tan Tan Men* sold well, and sales of *NISSIN Chuka Shirunashi Tan Tan Men Omori* increased significantly, up by 80% from the previous year. In yakisoba products, the *NISSIN Chuka Shanghai Yakisoba* contributed to increased sales.

(iv) The Americas

In the Americas, the Group aimed to become less susceptible to the effects of price competition in the U.S. and Mexico. In the U.S., it is working to introduce high value-added products that meet market demand and to ensure the sales and operating income of existing brands. In Mexico, while the previous fiscal year saw the 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. In addition, Nissin Foods do Brasil Ltda. (formerly “Nissin-Ajinomoto Alimentos Ltda.”), which has become a consolidated subsidiary from the third quarter of the fiscal year under review, contributed to its sales increase. The overall segment sales and operating income increased.

(v) China

In China, the Group is working to expand its sales area in mainland China (the north, northeast, and southwest areas) as well as strengthen its *Cup Noodles* brand. The Group also implemented price revisions mainly in the south area at the end of September 2015, and has been working to achieve their penetration. The newly introduced *Big Cup Noodles* and *Made-in-Hong Kong Demae Iccho* 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 coverage period of the previous fiscal year to be compared different from that of the fiscal year under review, segment operating income increased year on year, due partly to the effect of foreign exchange.

〈Outlook for the FY 2017 ending March 31, 2017〉

Refer to page 2 for details.

The projected exchange rates for the major currencies used in the forecasts for overseas subsidiaries are ¥122.7 to US\$1.00, ¥14.5 to HK\$1.00, ¥17.4 to CNY1.00, and ¥28.0 to BRL1.00.

(2) Financial Position

Refer to page 9 for details.

〈Cash Flow〉

(¥ Million)

	FY 2015	FY 2016	Change
	From April 1, 2014 To March 31, 2015	From April 1, 2015 To March 31, 2016	
Net cash provided by operating activities	30,353	36,183	+ 5,829
Net cash used in investing activities	(4,840)	(45,759)	- 40,919
Net cash used in financing activities	(8,022)	(3,010)	+ 5,011
Effect of exchange rate changes on cash and cash equivalents	5,062	(4,883)	- 9,946
Net increase (decrease) in cash and cash equivalents	22,553	(17,470)	- 40,024
Cash and cash equivalents at beginning of the year	80,201	105,896	+ 25,695
Cash and cash equivalents at end of the year	105,896	88,689	-17,207

Please refer to page 15 for details of cash flow.

Indicators related to cash flow are as follows:

		FY 2013	FY 2014	FY 2015	FY 2016
Equity ratio	(%)	68.7	69.4	70.6	65.1
Equity ratio based on market capitalization	(%)	108.3	107.0	127.1	103.3
Net cash interest-bearing liabilities ratio	(years)	0.5	0.5	0.5	0.9
Interest coverage ratio	(times)	150.1	120.8	122.6	105.4

(Notes)

Equity ratio = (Net assets – Stock acquisition rights – Non-controlling interests) / Total assets

Equity ratio based on market capitalization = Market capitalization / Total assets

Net cash interest-bearing liabilities ratio = Interest-bearing liabilities / Net cash

Interest coverage ratio = Net cash / Interest expenses

* All indicators are calculated on a consolidated basis.

* Market capitalization is calculated on the number of shares outstanding as of the year-end (excluding treasury stocks).

* Net cash is net cash provided by operating activities as reported on the consolidated statements of cash flows.

* Interest-bearing liabilities are all liabilities shown on the consolidated balance sheets on which interest is paid.

Interest payment is interest paid as reported on the consolidated statements of cash flows.

(3) Basic Policy on the Distribution of Profits and Forecast Dividends for the Fiscal Year Ended March 31, 2015 and Fiscal Year Ending March 31, 2016

The Company constantly endeavors to increase the Group's earnings potential, recognizing growth in the corporate value and the provision of appropriate shareholder returns as the most important management priorities. Our basic policy is to provide continuous and stable returns to shareholders while taking business results and future capital requirements into consideration.

With respect to the use of retained earnings, we will provide for capital needs, such as capital investments, R&D spending, and M&A, for the purpose of further increasing corporate value, and will efficiently invest surplus funds with investment risks taken into account.

For the year ended March 31, 2016, the Company plans to pay a year-end dividend of ¥40 per share, for an annual dividend of ¥80 per share combined with an interim dividend of ¥40 per share paid in November 2015.

For the year ending March 31, 2017, the Company plans to pay an ordinary annual dividend of ¥80 per share (including an interim dividend of ¥40 per share), resulting in a payout ratio of 39.3%.

2. Management Policies

(1) Management Policies

Guided by its founder's spirit of “食足世平 Shoku-soku Se-hei (Peace will come to the world when there is enough food.),” “食創為世 Shoku-so I-sei (create foods to serve society),” “美健賢食 Bi-ken Ken-shoku (Eat wisely for beauty and health)” and “食為聖職 Shoku-i Sei-shoku (Food related jobs are a sacred profession),” the Nissin Foods Group pursues to create food for the world, addresses creative and unique tasks every day, offers happiness to the people worldwide in global area through food, and aims to embody the Group philosophy “EARTH FOOD CREATOR.”

As a general food company group, the Group also aims to be a branding corporation that is formed as an aggregate of top brands by always creating and cultivating the top brands in each category, and strives to secure and enhance the corporate value and benefits common to its shareholders by building a more solid business base.

(2) Medium- and Long-Term Management Strategies

The Group has formulated the “Medium-Term Management Plan 2021” for five years starting from the fiscal year ending March 31, 2017 to March 31, 2021. In this plan, the Group has also set numerical targets focusing on “earning power centered on core businesses” and “corporate value in the capital market” as prerequisites to be acclaimed as one of the global companies.

Details of the Medium-Term Management Plan 2021 are described at the following URL.

(The website of the Company)

https://www.nissin.com/en_jp/ir/

(3) Company Initiatives

The Japanese economy is expected to head toward a moderate recovery, thanks partly to the effects of various policies amid continued improvements in the employment and income situations. However, the outlook is expected to be uncertain, given concerns such as weaker-than-expected consumer confidence and business confidence and increasing uncertainty surrounding overseas economies.

In this environment, the Group will thoroughly pursue “earning power centered on core businesses” and “corporate value in the capital market” based on the Medium-Term Management Plan 2021 for five years starting from the fiscal year ending March 31, 2017 to March 31, 2021.

Positioning food safety as its most important management issue, the Group will further strengthen its quality control system and conduct leading-edge studies for food safety in the Kyurito Building of the Global Food Safety Institute that was established in August 2015.

With respect to CSR activities, the Group will continue to make efforts to build a trusted corporate group by cooperating with the United Nations World Food Programme (Japan Association for the World Food Programme) and promoting the Hyakufukushi Project in which we will conduct a total of 100 CSR activities for 50 years from 2008 and sports support activities, among other things.

The Company will also promote sustainable growth and improve its corporate value over the medium and long term by conducting corporate governance-conscious management based on a proper understanding and practice of the Corporate Governance Code, which began to be applied to companies listed on the Tokyo Stock Exchange.

3 . Basic Concept of the Selection of Accounting Standards

The Group applies the Japanese standards to its accounting standards to secure period comparability of its consolidated financial statements and comparability with industry peers in Japan. With respect to the application of International Financial Reporting Standards (IFRS), the Group intends to respond appropriately to IFRS, taking into account various circumstances in Japan and overseas.

4. Consolidated Financial Statements

1. Consolidated Balance Sheets

(¥ Million)

	FY 2015 As of March 31, 2015	FY 2016 As of March 31, 2016
Assets		
Current assets		
Cash and deposits	94,365	87,110
Notes and accounts receivable—trade	54,491	61,391
Marketable securities	19,153	3,804
Finished goods and merchandise	12,015	12,444
Raw materials and supplies	11,053	14,724
Deferred tax assets	4,688	5,657
Others	6,163	6,138
Allowance for doubtful receivables	(422)	(347)
Total current assets	201,507	190,923
Fixed assets		
Tangible fixed assets		
Building and structures, net	44,249	52,867
Machinery, equipment and vehicles, net	40,498	44,885
Tools and fixtures, net	2,949	3,818
Land	51,097	52,694
Leased assets, net	1,012	1,003
Construction in progress	5,912	12,071
Others, net	1,528	1,544
Total tangible fixed assets	147,249	168,886
Intangible fixed assets		
Goodwill	701	28,549
Others	7,511	13,740
Total intangible fixed assets	8,212	42,290
Investments and other assets		
Investments in securities	135,441	145,246
Investments in capital	15,292	783
Long-term loans	2,004	1,235
Deferred tax assets	950	792
Liability for retirement benefit	268	202
Others	2,138	3,082
Less: Allowance for doubtful accounts	(322)	(374)
Total investments and other assets	155,773	150,968
Total fixed assets	311,236	362,145
Total assets	512,743	553,068

(¥ Million)

	FY 2015 As of March 31, 2015	FY 2016 As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable—trade	44,896	51,324
Short-term borrowings	3,870	18,457
Accrued payables	27,085	31,301
Lease liabilities within one year	153	188
Accrued income taxes	5,163	7,262
Others	21,857	22,351
Total current liabilities	103,027	130,885
Long-term liabilities		
Long-term borrowings	9,461	13,041
Lease liabilities beyond one year	432	456
Asset retirement obligations	55	55
Deferred tax liabilities	21,346	24,021
Deferred tax liabilities for remeasurements	2,454	2,081
Liability for retirement benefits	3,394	7,987
Others	2,719	2,850
Total long-term liabilities	39,863	50,494
Total liabilities	142,891	181,380
Equity		
Shareholders' equity		
Common stock	25,122	25,122
Capital Surplus	48,417	48,177
Retained earnings	273,319	293,803
Treasury stock, at cost	(21,684)	(35,836)
Total shareholders' equity	325,175	331,267
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	35,102	43,172
Deferred gains on hedges	57	(261)
Land revaluation reserve	(5,739)	(6,379)
Foreign currency translation adjustments	6,016	(4,576)
Accumulated adjustment for retirement benefits	1,169	(3,178)
Total accumulated other comprehensive income	36,608	28,774
Stock acquisition rights	1,518	1,859
Minority interests	6,551	9,786
Total equity	369,852	371,688
Total liabilities and equity	512,743	553,068

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

(¥ Million)

	FY 2015 From April 1, 2014 To March 31, 2015	FY 2016 From April 1, 2015 To March 31, 2016
Net sales	431,575	468,084
Cost of sales	242,915	260,496
Gross profit	188,659	207,587
Selling, general and administrative expenses	164,358	181,188
Operating income	24,300	26,399
Non-operating income		
Interest income	889	932
Dividend income	1,875	1,411
Gain on sales of marketable securities	-	802
Equity in earnings of affiliates	2,929	2,781
Foreign exchange gain	2,486	-
Others	1,014	875
Total non-operating income	9,195	6,803
Non-operating expenses		
Interest expenses	247	343
Foreign exchange loss	-	1,384
Loss from investment partnership	-	394
Tax and dues	53	-
Others	214	348
Total non-operating expenses	515	2,470
Ordinary income	32,980	30,733
Extraordinary gains		
Gain on sales of fixed assets	385	228
Gain on sales of investments in securities	2,505	5,128
Margin associated with the acquisition in stages	-	6,640
Gain from booking negative goodwill	-	206
Others	200	608
Total extraordinary gains	3,090	12,811
Extraordinary losses		
Loss on sales of fixed assets	143	35
Loss on disposal of fixed assets	431	358
Impairment loss	5,057	1,093
Loss on investments in capital of subsidiaries and affiliates	-	628
Bad debts loss	-	734
Loss on sales of investments in capital	-	1,316
Loss on valuation of stocks of subsidiaries and affiliates	720	-
Loss on cancellation of manufacturing subcontract agreement	333	-
Differences occurred in the change of retirement benefit accounting rules to general rules	-	736
Others	370	1,663
Total extraordinary losses	7,056	6,566
Income before income taxes and minority interests	29,014	36,978
Income taxes	10,491	11,211
Income taxes adjustment	(195)	(1,120)
Total income taxes	10,295	10,091
Net income	18,719	26,887
Net income attributable to non-controlling interests	214	2
Net income attributable to owners of parent	18,505	26,884

(Consolidated Statements of Comprehensive Income)

(¥ Million)

	FY 2015 From April 1, 2014 To March 31, 2015	FY 2016 From April 1, 2015 To March 31, 2016
Net income	18,719	26,887
Other comprehensive income (loss)		
Unrealized gain on available-for-sale securities	16,478	8,007
Deferred gains on hedges	19	(319)
Land revaluation difference	159	45
Foreign currency translation adjustments	8,045	(6,010)
Share of other comprehensive income (loss) of entities accounted for by the equity method	(6,237)	(4,662)
Remeasurements of defined benefit plans	771	(4,341)
Total other comprehensive income (loss)	19,236	(7,280)
Comprehensive income	37,955	19,606
Total comprehensive income attributable to:		
Owners of the parent	37,798	19,738
Non-controlling interests	156	(132)

3. Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2015

(¥ Million)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,122	48,416	263,585	(21,710)	315,413
Increase (decrease) during the year					
Cash dividends paid			(8,267)		(8,267)
Net income attributable to owner of parent			18,505		18,505
Acquisition of treasury stock				(9)	(9)
Sales of treasury stock		0		35	36
Reversal of land revaluation reserve			84		84
Change in scope of consolidation			(726)		(726)
Change of fiscal term of consolidated subsidiaries			40		40
Change of fiscal term of equity method company			127		127
Change of interests held by parent company due to transactions with non-controlling-interest shareholder					—
Others			(29)		(29)
Net changes of items other than shareholders' equity					—
Total increase (decrease) during the year	-	0	9,734	26	9,761
Balance at the end of the year	25,122	48,417	273,319	(21,684)	325,175

	Accumulated other comprehensive income						Stock acquisition rights	Minority interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation reserve	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the year	17,562	38	(5,898)	5,214	408	17,325	1,180	8,381	342,300
Increase (decrease) during the year									
Cash dividends paid									(8,267)
Net income attributable to owner of parent									18,505
Acquisition of treasury stock									(9)
Sales of treasury stock									36
Reversal of land revaluation reserve									84
Change in scope of consolidation									(726)
Change of fiscal term of consolidated subsidiaries									40
Change of fiscal term of equity method company									127
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									—
Others									(29)
Net changes of items other than shareholders' equity	17,540	19	159	802	760	19,282	337	(1,829)	17,790
Total increase (decrease) during the year	17,540	19	159	802	760	19,282	337	(1,829)	27,551
Balance at the end of the year	35,102	57	(5,739)	6,016	1,169	36,608	1,518	6,551	369,852

Fiscal Year ended March 31, 2016

(¥ Million)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,122	48,417	273,319	(21,684)	325,175
Increase (decrease) during the year					
Cash dividends paid			(8,267)		(8,267)
Net income attributable to owner of parent			26,884		26,884
Acquisition of treasury stock				(14,180)	(14,180)
Sales of treasury stock		4		28	33
Reversal of land revaluation reserve			686		686
Change in scope of consolidation			22		22
Change of fiscal term of consolidated subsidiaries			1,157		1,157
Change of fiscal term of equity method company					—
Change of interests held by parent company due to transactions with non-controlling-interest shareholder		(244)			(244)
Others					—
Net changes of items other than shareholders' equity					—
Total increase (decrease) during the year	—	(239)	20,483	(14,151)	6,091
Balance at the end of the year	25,122	48,117	293,803	(35,836)	331,267

	Accumulated other comprehensive income						Stock acquisition rights	Minority interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation reserve	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the year	35,102	57	(5,739)	(6,016)	1,169	36,608	1,518	6,551	369,852
Total increase (decrease) during the year									
Cash dividends paid									(8,267)
Net income attributable to owner of parent									26,884
Acquisition of treasury stock									(14,180)
Sales of treasury stock									33
Reversal of land revaluation reserve									686
Change in scope of consolidation									22
Change of fiscal term of consolidated subsidiaries									1,157
Change of fiscal term of equity method company									—
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									(244)
Others									—
Net changes of items other than shareholders' equity	8,069	(319)	(640)	(10,593)	(4,348)	(7,833)	341	3,235	(4,255)
Total increase (decrease) during the year	8,069	(319)	(640)	(10,593)	(4,348)	(7,833)	341	3,235	1,836
Balance at the end of the year	43,172	(261)	(6,379)	(4,576)	(3,178)	28,774	1,859	9,786	371,688

4. Consolidated Statements of Cash Flows

(¥ Million)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows provided by operating activities		
Income before income taxes and minority interests	29,014	36,978
Depreciation and amortization	15,439	17,499
Impairment loss	5,057	1,093
Increase (decrease) in allowance for doubtful receivables	41	(129)
Increase (decrease) in liability for retirement benefits	(1,791)	(1,769)
Interest and dividend income	(2,764)	(2,344)
Interest expenses	247	343
Foreign currency exchange loss (gain)	(2,359)	1,641
Equity in earnings of affiliates (gain)	(2,929)	(2,781)
Loss (gain) on disposal and sales of property, plant and equipment	189	166
Loss (gain) on sales of marketable securities, investments in securities and other	(2,505)	(4,614)
Loss (gain) on revaluation of marketable securities, investments in securities and other	720	1,022
(Increase) decrease in trade notes and accounts receivable	(2,587)	(4,902)
(Increase) decrease in inventories	(1,264)	(2,593)
Increase (decrease) in trade notes and accounts payable	566	4,823
Increase (decrease) in accrued payable	1,751	2,275
Margin associated with the acquisition in stages (gain)	—	(6,640)
Other, net	99	1,603
Subtotal	36,926	41,671
Interest and dividends received	6,086	4,549
Interest paid	(247)	(343)
Income taxes paid	(13,641)	(10,580)
Income taxes refunded	1,229	885
Net cash provided by operating activities	30,353	36,183
Cash flows used in investing activities		
Increase in time deposits	(6,032)	(3,690)
Proceeds from redemption of time deposits	3,069	8,397
Payment for purchases of marketable securities	(0)	(0)
Proceeds from sales and redemption of marketable securities	8,401	799
Payment for purchases of property, plant and equipment and others	(19,951)	(32,510)
Proceeds from sales of property, plant and equipment and others	1,828	1,810
Payment for purchases of investments in securities	(16,244)	(11,760)
Proceeds from sales and redemption of investments in securities	27,578	21,816
Payment of loans receivable	(68)	(0)
Collection of loans receivable	69	388
Payment for acquisition of shares of subsidiaries with the change in the scope of consolidation	—	(30,634)
Proceeds from sale of shares of subsidiaries without the change in the scope of consolidation	—	583
Other, net	(3,492)	(1,230)
Net cash used in investing activities	(4,840)	(45,759)

(¥ Million)

	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows used in financing activities		
Net increase (decrease) in short-term borrowings	654	14,800
Proceeds from long-term borrowings	2,365	4,490
Repayment of long-term borrowings	(2,623)	(2,006)
Net increase in treasury stock	(9)	(14,180)
Cash dividends paid	(8,267)	(8,267)
Cash dividends paid to non-controlling-interest shareholders	(12)	(12)
Proceeds from payment from non-controlling-interest shareholders	—	1,664
Proceeds from sale of shares of subsidiaries without the change of the scope of consolidation	—	749
Other, net	(129)	(249)
Net cash used in financing activities	(8,022)	(3,010)
Effect of exchange rate changes on cash and cash equivalents	5,062	(4,883)
Net increase (decrease) in cash and cash equivalents	22,553	(17,470)
Cash and cash equivalents at beginning of the year	80,201	105,896
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	2,574	134
Increase (decrease) in cash and cash equivalents resulting from the change in the fiscal year-end of consolidated subsidiaries	567	128
Cash and cash equivalents at end of the year	105,896	88,689

5. Notes on Consolidated Financial Statements

(Notes on the Premise of Going concern)

None

(Changes in significant accounting policy)

(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 consolidated fiscal year under review. The purpose of this change in the 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 consolidated fiscal year 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. Accordingly, the book value of raw materials and supplies for the previous consolidated fiscal year have been used as the beginning balance of the fiscal year under review, and the gross average method is applied from the fiscal year under review onwards.

The impact of this change was 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 consolidated fiscal year under review. The difference due to the change in equity interest in subsidiaries that continued to be controlled was recorded as capital surplus. In addition, 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 fiscal year under review, the review of the appropriation of the acquisition cost upon the settlement of temporary account processing is reflected in the consolidated financial statements for the consolidated fiscal year 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 previous consolidated fiscal year.

The Accounting Standard for Business Combinations and the other Standards are applied from the beginning of the consolidated fiscal year 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.

As a result, income before income taxes for the consolidated fiscal year under review increased ¥244 million, and capital surplus at the end of the fiscal year under review declined ¥244 million.

In the consolidated statement of cash flows for the consolidated fiscal year under review, cash flows pertaining to the purchase or sales of shares of subsidiaries not resulting in a change in the scope of consolidation are stated in cash flows from financing activities, and expenses related to the purchase of shares of subsidiaries resulting in a change in the scope of consolidation or cash flows pertaining to expenses arising from the purchase or sales of shares of subsidiaries not resulting in a change in the scope of consolidation are stated in cash flows from operating activities.

The amount of net income per share and the amount of net income per share (diluted) increased ¥2.23 and ¥2.22, respectively.

(Business combination, etc.)

(Business combination by acquisition)

(1) Outline of the business combination

(i) Name and business of the acquired company

Name: Nissin-Ajinomoto Alimentos Ltda.

Business: Manufacture and sale of instant noodles

(ii) Major reasons for the business combination

The business combination was conducted to promote the further growth of business in Brazil, 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 equity for cash

(v) Name after the business combination: Nissin Foods do Brasil 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 the company from which to acquire its equity: A subsidiary of the Company has acquired its equity for cash.

(2) Period when the consolidated financial statements include the results of the acquired company

October 1, 2015 to March 31, 2016

However, from April 1 to September 30, 2015, the results of the acquired company as an equity method affiliate were included in the consolidated financial statements.

(3) Cost of acquisition of the acquired company and breakdown of the consideration

Market value of the equity held immediately before the business combination at the date of the business combination	10,532 million yen
Cash paid for the acquisition of additional shares	32,500 million yen
Cost of acquisition	43,032 million yen

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

Margin associated with the acquisition in stages: 6,640 million yen

(5) Content and amount of major acquisition-related expenses

Compensation and fees, etc. for financial advisory 7 million yen

Compensation and fees, etc. to the lawyer 13 million yen

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

(i) Amount of goodwill

916 million Brazilian real (28,935 million yen)

Noted that the tentative amount stated in the previous financial statements is revised due to the settlement of accounting transactions.

(ii) Reason for the goodwill

Goodwill has occurred in association with expected excess earnings power after the business combination.

(iii) Method and period for the amortization of goodwill

Straight-line method over 20 years

(7) Amount and breakdown of assets accepted and liabilities assumed on the date of the business combination

Current assets	5,466 million yen
Fixed assets	15,460 million yen
<u>Total assets</u>	<u>20,927 million yen</u>
Current liabilities	3,814 million yen
Long-term liabilities	3,015 million yen
<u>Total liabilities</u>	<u>6,830 million yen</u>

(8) Estimated amount of the impact of the business combination on the consolidated statement of income on the assumption that it has been completed on the commencement date of the consolidated fiscal year and its calculation method

Net sales	13,442 million yen
Operating income	25 million yen
Ordinary income	(250 million yen)
Net income attributable to owners of parent	(583 million yen)

(Calculation method of amount of impact)

The difference between net sales and profits and losses calculated on the assumption that the business combination has been completed on the commencement date of the consolidated fiscal year and net sales and profits and losses on the consolidated statement of income of the acquired company is regarded as the estimated amount of the impact.

A: Segment Information

1. 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.

The Group employs holding company system. According to the operating unit strategy of six 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 bag-type and cup-type noodles. The "Chilled and frozen foods" is operating the business of manufacturing and selling chilled and frozen foods.

2. Net sales, income or loss, assets and other items by reportable segment

The accounting methods of reported business segments are generally the same as the statements in "Important items used as basic materials for the preparation of consolidated financial statements." Incomes in the reported segments are values based on operating income. Intersegment sales or transfers are based on current market prices.

3. Information on net sales, income or loss, assets and other items by reportable segments

Fiscal Year ended March 31, 2015

(¥ Million)

	Reportable segment						Others *1	Total	Reconciliation *2 *4	Consolidated *3
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal				
Net sales										
Sales to third party	215,760	39,191	56,626	35,745	34,509	381,833	49,742	431,575	—	431,575
Intersegment sales	3,017	4,757	1,594	1	107	9,478	20,507	29,985	(29,985)	—
Total	218,778	43,948	58,221	35,746	34,616	391,311	70,249	461,561	(29,985)	431,575
Segment operating income (loss)	23,636	1,424	(203)	662	3,277	28,796	(1,090)	27,706	(3,405)	24,300
Segment assets	147,221	48,723	29,004	18,333	52,868	296,151	116,303	412,454	100,289	512,743
Other items										
Depreciation and Amortization	6,732	1,558	1,174	1,431	1,089	11,986	3,453	15,439	—	15,439
Investment in entities accounted for by the equity method	—	—	—	—	—	—	34,019	34,019	—	34,019
Increase(decrease) in fixed assets and intangible assets	6,879	3,288	828	1,575	2,966	15,537	7,436	22,974	(14)	22,959

(Notes)

1. "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionary, beverages and overseas business in Europe and Asia.
2. Operating income under "Reconciliation" amounted to minus ¥3,405 million, consisting of ¥1,098 million from retirement benefit expenses, minus ¥666 million from the amortization of goodwill, ¥63 million from elimination of intersegment transactions and minus ¥3,901 million from group expenses.
3. Segment income is adjusted to Operating income of Consolidated Statements of Income.
4. Segment assets under "Reconciliation" include the corporate assets which cannot be allocated to any particular segment amounting to ¥100,289 million. The amount mainly consists of ¥94,832 million of surplus investment funds at parent company, ¥701 million of goodwill, and ¥4,755 million of other investments.

Fiscal Year ended March 31, 2016

(¥ Million)

	Reportable segment						Others *1	Total	Reconciliation *2 *4	Consolidated *3
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal				
Net sales										
Sales to third party	223,612	41,609	59,810	48,280	40,883	414,195	53,888	468,084	—	468,084
Intersegment sales	1,898	6,154	1,554	2	106	9,716	26,805	36,522	(36,522)	—
Total	225,511	47,763	61,364	48,282	40,989	423,912	80,693	504,606	(36,522)	468,084
Segment income	23,967	1,373	715	1,060	4,143	31,259	(1,271)	29,987	(3,587)	26,399
Segment assets	157,074	48,906	28,714	39,245	56,993	330,933	117,140	448,073	104,995	553,068
Other items										
Depreciation and Amortization	6,738	1,908	1,056	1,968	1,237	12,909	4,589	17,499	—	17,499
Investment in entities accounted for by the equity method	—	—	—	—	—	—	28,249	28,249	—	28,249
Increase(decrease) in fixed assets and intangible assets	9,599	4,724	1,191	2,520	7,559	25,595	7,213	32,808	(22)	32,785

(Notes)

1. “Others” consists of the operating segments not included in reportable segments. It includes domestic confectionary, beverages and overseas business in Europe and Asia.
2. Operating income under “Reconciliation” amounted to minus ¥3,587million, consisting of ¥1,737 million from retirement benefit expenses, minus ¥1,144 million from the amortization of goodwill, minus ¥76 million from elimination of intersegment transactions and minus ¥4,103 million from group expenses.
3. Segment income is adjusted to Operating income of Consolidated Statements of Income.
4. Segment assets under “Reconciliation” include the corporate assets which cannot be allocated to any particular segment amounting to ¥104,995 million. The amount mainly consists of ¥74,056 million of surplus investment funds, ¥28,549 million of goodwill, and ¥2,388 million of other investments.

B: Related Information

■ Fiscal Year ended March 31, 2015

1. Information by product and service

(¥ Million)

	Instant noodles and ancillary businesses	Other Businesses	Total
Sales to third party	380,045	51,530	431,575

(Notes) 1. Business segments are classified, taking the type, nature, etc. of products into account.

2. Main products in each business

(1) Instant noodles and ancillary businesses: Bag-type instant noodles, cup-type noodles, chilled foods, frozen foods

(2) Other businesses: Confectionery and beverages

2. Information by region

(¥ Million)

	Japan	North America	Other Areas	Total
Sales to third party	348,180	35,804	47,589	431,575
Fixed assets	120,241	8,809	18,198	147,249

(Notes) National or geographic segments are based on geographic proximity.

3. Information by major customer

(¥ Million)

Company	Amount	Main reportable segment
Mitsubishi Corporation	168,180	Nissin Food Products
ITOCHU Corporation	123,594	Nissin Food Products

■ Fiscal Year ended March 31, 2016

1. Products and Services

(¥ Million)

	Instant noodles and ancillary businesses	Other Businesses	Total
Sales to third party	410,449	57,634	468,084

(Notes) 1. Business segments are classified, taking the type, nature, etc. of products into account.

2. Main products in each business

(1) Instant noodles and ancillary businesses: Bag-type instant noodles, cup-type noodles, chilled foods, frozen foods

(2) Other businesses: Confectionery and beverages

2. Information by region

(¥ Million)

	Japan	North America	Other Areas	Total
Sales to third party	366,723	48,298	53,062	468,084
Fixed assets	129,317	16,774	22,793	168,886

(Notes) National or geographic segments are based on geographic proximity.

3. Information of major customers

(¥ Million)

	Amount	Main reportable segment
Mitsubishi Corporation	182,076	Nissin Food Products
ITOCHU Corporation	141,734	Nissin Food Products

C: Information on the impairment loss of fixed assets by reportable segment

■ Fiscal Year ended March 31, 2015

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China			
Impairment loss	137	657	141	—	404	3,716	—	5,057

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

■ Fiscal Year ended March 31, 2016

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China			
Impairment loss	152	169	567	—	—	204	—	1,093

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

D: Information on the amortization and unamortized balance of goodwill by reportable segment

■ Fiscal Year ended March 31, 2015

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China			
Amount of amortization for FY 2015	—	397	—	45	—	223	—	666
Balance as of March 31, 2015	—	611	—	90	—	—	—	701

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

■ Fiscal Year ended March 31, 2016

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China			
Amount of amortization for FY 2016	—	397	—	746	—	—	—	1,144
Balance as of March 31, 2016	—	213	—	28,336	—	—	—	28,549

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

E: Information on the gain on negative goodwill by reportable segment

■ Fiscal Year ended March 31, 2015

None

■ Fiscal Year ended March 31, 2015

¥206 million gain on negative goodwill as a result of acquiring shares in subsidiaries is recorded in Others. Segment income in each reportable segment does not include the gain on negative goodwill.

(Per Share Information)

Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2016	
Net assets per share(¥)	3,282.02	Net assets per share(¥)	3,332.94
Net income per share (primary) (¥)	167.88	Net income per share (primary) (¥)	245.52
Net income per share (diluted) (¥)	167.10	Net income per share (diluted) (¥)	244.22

(Note) The calculation basis of the amount of net income per share and the amount of net income per share (diluted) is as follows.

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Net income per share (primary) (¥)		
Net income attributable to owners of parent(¥ million)	18,505	26,884
Amount not belonging to common shares (million yen)	—	—
Net income attributable to owners of parent pertaining to common shares (million yen)	18,505	26,884
Average number of shares outstanding during the period (hundred)	1,102,295	1,095,001
Amount of net income per share (diluted)		
Adjusted amount of net income attributable to owners of parent (million yen)	—	—
Number of increased common shares (million shares)	5,154	5,831
(Stock acquisition rights of common shares)	(5,154)	(5,831)
Outline of dilutive shares that were not included in the calculation of net income per share (diluted) due to the lack of the dilution effect.	—	—

(Material subsequent event)

None

(Additional information)

Changes to matters related to the fiscal years 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 consolidated 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, and increase and decrease of cash and cash equivalents from this change is stated as “Increase (decrease) in cash and cash equivalents resulting from the change in the fiscal year-end of consolidated subsidiaries” in the consolidated cash flow statement.

Notes other than the above are omitted as the necessity of disclosing them in the summary of consolidated financial statements is deemed not to be great.

Notes other than the above are omitted as the necessity of disclosing them in the summary of consolidated financial statements is deemed not to be great.