

# Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2017

[Prepared under Japanese GAAP, UNAUDITED]

NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897  
 Stock exchange listing: Tokyo  
 URL: [http://www.nissin.com/en\\_jp/](http://www.nissin.com/en_jp/)  
 Phone: +81-3-3205-5111  
 Representative: Koki Ando, Representative Director, President and CEO  
 Contact: Yukio Yokoyama, Director, CFO, and Managing Executive Officer  
 Scheduled date of general meeting of shareholders: June 28, 2017 (Japanese only)  
 Scheduled date of filing of securities report: June 28, 2017 (Japanese only)  
 Scheduled date of dividend payment: June 29, 2017  
 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, 2017 (April 1, 2016–March 31, 2017)

### (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 2017	495,715	+5.9	28,618	+8.4	32,864	+6.9	23,558	-12.4
FY 2016	468,084	+8.5	26,399	+8.6	30,733	-6.8	26,884	+45.3

Note: Comprehensive income: FY 2017: ¥10,991million (down 43.9%); FY 2016: ¥19,606 million (down 48.3%)

	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 2017	221.33	220.25	6.7	6.0	5.8
FY 2016	245.52	244.22	7.4	5.8	5.6

Reference: Equity in earnings of affiliates: FY 2017: ¥1,687 million; FY 2016: ¥2,781 million

### (2) Financial Position

As of	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
March 31, 2017	537,180	353,517	63.5	3,276.55
March 31, 2016	553,068	371,688	65.1	3,332.94

Reference: Equity attributable to owners of parent: as of March 31, 2017: ¥341,057 million, as of March 31, 2016: ¥360,042 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 2017	33,151	(29,814)	(26,055)	67,563
FY 2016	36,183	(45,759)	(3,010)	88,689

## 2. Details of Dividends

	Cash dividend per share					Total amount of dividends (Annual) (¥ million)	Payout ratio (consolidated) (%)	Ratio of total amount of dividends to net assets (consolidated) (%)
	End of 1 <sup>st</sup> quarter (¥)	End of 2 <sup>nd</sup> quarter (¥)	End of 3 <sup>rd</sup> quarter (¥)	Year-end (¥)	Annual (¥)			
FY 2016	—	40.00	—	40.00	80.00	8,730	32.6	2.4
FY 2017	—	40.00	—	45.00	85.00	9,011	38.4	2.6
FY 2018 (Forecast)	—	45.00	—	45.00	90.00		38.2	

## 3. Forecasts of Consolidated Results for the FY 2018 (April 1, 2017–March 31, 2018)

(% 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)	(%)	(¥)
FY 2018	520,000	+4.9	34,000	+18.8	37,000	+12.6	24,500	+4.0	235.37

### Notes:

(1) Changes in principal subsidiaries during the FY 2017 (changes in specified subsidiaries that resulted in changes in scope of consolidation): None  
 -Newly consolidated: None  
 -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: None
- 2) Changes other than 1): Yes
- 3) Changes in accounting estimates: Yes
- 4) Retrospective restatement: None

For details, please refer to “5. Notes on Consolidated Financial Statements (Changes in significant accounting policy)” of “3. Consolidated Financial Statements and Major Notes.”

(3) Number of shares outstanding (common stock)

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

FY 2017 117,463,685 shares

FY 2016 117,463,685 shares

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

FY 2017 13,373,235 shares

FY 2016 9,438,151 shares

3) Average number of shares outstanding during the period:

FY 2017 106,439,006 shares

FY 2016 109,500,186 shares

**(Reference) Individual (Nissin Food Holdings Co., Ltd.) Financial Results for the Fiscal Year ended March 31, 2017 (April 1, 2016–March 31, 2017)**

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2017	47,611	+25.4	17,256	+111.3	19,452	+117.8	21,771	+159.6
FY 2016	37,968	+17.2	8,167	-21.9	8,933	-39.9	8,386	1.3

	Net income attributable to owners of parent per share (primary) (¥)	Net income attributable to owners of parent per share (diluted) (¥)
FY 2017	204.55	203.55
FY 2016	76.59	76.19

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
FY 2017	372,447	226,796	60.5	2,163.22
FY 2016	405,689	256,123	62.7	2,353.74

Reference: Equity attributable to owners of parent: as of March 31, 2017: ¥225,170 million, as of March 31, 2016: ¥254,263 million

\* This Summary of Consolidated Financial Statements is not subject to the audit process.

\* Notes for proper use of forecasts and other remarks

Disclaimer regarding appropriate use of forecasts:

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. Please refer to page 6 for “(4) Explanation Concerning Consolidated Forecasts” of “1. Analysis of Operating Results and Financial Position.”

How to obtain supplemental information material:

The material is available through TDnet and the company’s website.

# 1 . Analysis of Operating Results and Financial Position

## (1) Qualitative Information Concerning Consolidated Business Results

During the fiscal year under review, the global economy showed a moderate recovery as a whole, while there still are uncertainties in Western countries against a backdrop of policy operations by the new administration in the U.S., the issue of UK's divorce from EU, and political situations in European countries. In Asia, economic environment of ASEAN countries seemed to pick up, although Chinese economy continued to slow down.

In Japan, its economy showed a moderate recovery due to the fact that corporates' earnings, mainly in export-oriented industry, seemed to get on an uptrend benefitted from the switched trend of the exchange rates to the depreciation of the yen and the appreciation of the dollar seen in the second half of the fiscal year, in addition to the impact from the global economy and steady trend of consumer spending.

In the instant noodles industry, total worldwide demand decreased due to the decrease in consumer spending in China, partially offset by increases in Asian countries. On the other hand, domestic total demand for instant noodles marked a record high.

Under this environment, based on the "Medium-Term Management Plan 2021," of which term covers five years from the fiscal year ending March 31, 2017, to realize the improvements of "Earning power through operations" and "Value in capital markets," we are working on the strategic themes such as 1) Promoting global branding, 2) Focusing on priority overseas locations, 3) Laying stronger foundations for our domestic profit base, 4) Establishing a second pillar that generates revenue and profit, 5) Developing and strengthening human resources for global management.

〈Consolidated results〉 (¥ Million)

	FY 2016	FY 2017	Year on year	
	From April 1, 2015 To March 31, 2016	From April 1, 2016 To March 31, 2017	Amount	%
Net sales	468,084	495,715	+ 27,631	+ 5.9
Operating income	26,399	28,618	+ 2,218	+ 8.4
Ordinary income	30,733	32,864	+ 2,131	+ 6.9
Net income attributable to owners of parent	26,884	23,558	- 3,326	- 12.4

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 2016	FY 2017		FY 2016	FY 2017	
NISSIN FOOD PRODUCTS	223,612	228,560	+ 4,947	23,967	27,683	+ 3,715
MYOJO FOODS	41,609	40,612	- 996	1,373	1,784	+ 411
Chilled and frozen foods	59,810	61,794	+ 1,983	715	1,933	+ 1,217
The Americas	48,280	60,420	+ 12,139	1,060	2,309	+ 1,249
China	40,883	35,987	- 4,896	4,143	3,405	- 737
Other	53,888	68,341	+ 14,453	(1,271)	2,638	+3,910
Total	468,084	495,715	+ 27,631	29,987	39,755	+ 9,767

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 Co., Ltd. increased year on year due to a rise in the sales of cup-type instant noodles.

*CUP NOODLE RICH*, the first premium version of *CUP NOODLE* featuring deluxe soup that is completely new to the product line, and *CUP NOODLE BIG 'Nazoniku Matsuri' Nikumori Pepper Shouyu* with ten times as the usual volume of pork mince called “Nazoniku” as regular *CUP NOODLE* contributed to sales, in addition to the continuous strong sales of the *CUP NOODLE* series, which celebrated their 45th anniversary. A growth in sales of the long-selling *Nissin-no-Donbei* series, which celebrated their 40th anniversary, was led by strong sales of its core product, *Nissin-no-Donbei Kitsune Udon*. The sales of the *Nissin Yakisoba U.F.O.* series, which also celebrated their 40th anniversary, contributed to overall sales volume increase, because the series attracted a great deal of attention. As a result, overall segment sales were strong.

(ii) Myojo Foods

Looking at sales of Myojo Foods Co., Ltd., in bag-type noodles, sales of the *Myojo Charumera* series kept growing, while, in cup-type noodles, the sales of *Myojo Ipppeichan Yomise-no-Yakisoba* series decreased year-on-year. Operating income increased year on year due to factors such as an improvement of CoGS ratio partially offset by increased promotional and selling expense intended for strengthening brand power.

(iii) Chilled and frozen foods

At Nissin Chilled Foods Co., Ltd., sales increased year on year due to increased ramen product sales centered around its core brand, *Gyoretsu-no-Dekiru-Mise-no-Ramen*, as well as strong sales of *Nissin-no-Futomen Yakisoba*, characterized by its filling thick noodles and rich liquid sauce, and of *Hiyahi Chuka* (cold noodles) series, which are mainstay products in summer season.

Nissin Frozen Foods Co., Ltd. saw increased sales mainly led by pasta products, ramen products and Japanese style noodle products. In the pasta products, the *Reito NISSIN Mochitto Nama Pasta* series, featured by sticky texture, including “Creamy Bolognese with minced beef and maitake mushroom” continued to show strong sales. In ramen products, the *Reito NISSIN GooTa* series centered on the *Lajao Tan Tan Men*, and *Shirunashimen* (noodles without soup) centered on *Reito NISSIN Chuka Shirunashi Tan Tan Men Big* increased their sales. Additionally, in Japanese style noodle products, *Kamo nanban soba* with selected soup and ingredients showed strong sales and contributed to its overall sales.

(iv) The Americas

The Group aimed to become less susceptible to the effects of price competition. It is working to introduce high value-added products in line with market needs and to secure sales and profits from existing brands. For these purposes, we had upwardly-revised prices of its products penetrated in Brazil where we saw an accelerating inflation and had *CUP NOODLES* renewed and introduced both in the U.S. and Brazil in September 2017. The overall segment sales and operating income increased year on year mainly due to Nissin Foods do Brasil Ltda. (formerly “Nissin-Ajinomoto Alimentos Ltda.”), which has become a consolidated subsidiary since the third quarter of the previous fiscal year

(v) China

In China, despite the shrinking instant noodle market size of mainland China, the Group is working to expand its geographical sales area in mainland China (north, northeast, and southwest areas) as well as strengthen its *CUP NOODLES* brand. The Group implemented price hikes mainly in the south area from the end of September 2015, and penetrated the new prices in the market. Segment sales decreased year on year due to factors including the effect of exchange rates, partially offset by healthy sales of *BIG CUP NOODLES* and *Made-in-Hong Kong Demae Iccho*. Segment operating income also decreased year on year, mainly reflecting the effect of exchange rates and initiatives for the future such as opening two facilities at Hong Kong International airport: “MY CUP NOODLES FACTORY,” where visitors can create their own completely original CUP NOODLES packages, and select favorite soup and toppings, and “DEMAE ICCHO FACTORY,” where visitors can make their own Demae Iccho noodles by kneading, spreading and steaming the dough and then drying it in hot oil.

**(2) Analysis of Financial Position**

Note: Refer to pages from 7 to 8 for further information.

### (3) Analysis of Cash Flows

〈Cash Flow〉	(¥ Million)		
	FY 2016 From April 1, 2015 To March 31, 2016	FY 2017 From April 1, 2016 To March 31, 2017	Change
Net cash provided by operating activities	36,183	33,151	- 3,032
Net cash used in investing activities	(45,759)	(29,814)	+ 15,945
Net cash used in financing activities	(3,010)	(26,055)	- 23,044
Effect of exchange rate changes on cash and cash equivalents	(4,883)	1,360	+ 6,243
Net increase (decrease) in cash and cash equivalents	(17,470)	(21,357)	- 3,886
Cash and cash equivalents at beginning of the year	105,896	88,689	- 17,207
Cash and cash equivalents at end of the year	88,689	67,563	- 21,125

Please refer to page 13 for details of cash flow.

### (4) Explanation Concerning Consolidated Forecasts

Please refer to page 1 for the full-year forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018).

The projected exchange rates for the major currencies used in the forecasts for overseas subsidiaries are ¥112.2 to US\$1.00, ¥14.4 to HK\$1.00, ¥16.3 to CNY1.00, and ¥35.4 to BRL1.00.

## 2. 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.

### 3. Consolidated Financial Statements and Major Notes

#### 1. Consolidated Balance Sheets

(¥ Million)

	FY 2016 As of March 31, 2016	FY 2017 As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	87,110	70,919
Notes and accounts receivable—trade	61,391	65,290
Marketable securities	3,804	1,155
Finished goods and merchandise	12,444	12,697
Raw materials and supplies	14,724	16,209
Deferred tax assets	5,657	5,149
Others	6,138	6,849
Allowance for doubtful receivables	(347)	(385)
Total current assets	190,923	177,887
Fixed assets		
Tangible fixed assets		
Building and structures, net	52,867	60,936
Machinery, equipment and vehicles, net	44,885	50,689
Tools and fixtures, net	3,818	4,200
Land	52,694	52,748
Leased assets, net	1,003	3,400
Construction in progress	12,071	14,488
Others, net	1,544	1,550
Total tangible fixed assets	168,886	188,013
Intangible fixed assets		
Goodwill	28,549	30,464
Others	13,740	13,606
Total intangible fixed assets	42,290	44,070
Investments and other assets		
Investments in securities	145,246	120,136
Investments in capital	783	782
Long-term loans	1,235	918
Deferred tax assets	792	2,120
Liability for retirement benefit	202	335
Others	3,082	3,046
Less: Allowance for doubtful accounts	(374)	(132)
Total investments and other assets	150,968	127,208
Total fixed assets	362,145	359,293
Total assets	553,068	537,180

(¥ Million)

	FY 2016 As of March 31, 2016	FY 2017 As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	51,324	51,705
Short-term borrowings	18,457	18,450
Accrued payables	31,301	32,961
Lease liabilities within one year	188	449
Accrued income taxes	7,262	7,926
Others	22,351	24,355
<b>Total current liabilities</b>	<b>130,885</b>	<b>135,847</b>
<b>Long-term liabilities</b>		
Long-term borrowings	13,041	15,867
Lease liabilities beyond one year	456	2,863
Asset retirement obligations	55	55
Deferred tax liabilities	24,021	16,629
Deferred tax liabilities for remeasurements	2,081	2,002
Liability for retirement benefits	7,987	7,346
Others	2,850	3,051
<b>Total long-term liabilities</b>	<b>50,494</b>	<b>47,815</b>
<b>Total liabilities</b>	<b>181,380</b>	<b>183,662</b>
<b>Equity</b>		
<b>Shareholders' equity</b>		
Common stock	25,122	25,122
Capital surplus	48,177	49,823
Retained earnings	293,803	308,074
Treasury stock, at cost	(35,836)	(58,190)
<b>Total shareholders' equity</b>	<b>331,267</b>	<b>324,830</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gain on available-for-sale securities	43,172	23,794
Deferred gains (losses) on hedges	(261)	-
Land revaluation reserve	(6,379)	(6,382)
Foreign currency translation adjustments	(4,576)	(1,403)
Accumulated adjustment for retirement benefits	(3,178)	218
<b>Total accumulated other comprehensive income</b>	<b>28,774</b>	<b>16,227</b>
Stock acquisition rights	1,859	1,626
Non-controlling interests	9,786	10,833
<b>Total equity</b>	<b>371,688</b>	<b>353,517</b>
<b>Total liabilities and equity</b>	<b>553,068</b>	<b>537,180</b>

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

(¥ Million)

	FY 2016 From April 1, 2015 To March 31, 2016	FY 2017 From April 1, 2016 To March 31, 2017
Net sales	468,084	495,715
Cost of goods sold	260,496	270,219
Gross profit	207,587	225,496
Selling, general and administrative expenses	181,188	196,878
Operating income	26,399	28,618
Non-operating income		
Interest income	932	811
Dividend income	1,411	1,405
Gain on sales of marketable securities	802	1,332
Equity in earnings of affiliates	2,781	1,687
Others	875	896
Total non-operating income	6,803	6,133
Non-operating expenses		
Interest expenses	343	356
Foreign exchange loss	1,384	774
Loss from investment partnership	394	-
Commission paid	-	276
Others	348	479
Total non-operating expenses	2,470	1,886
Ordinary income	30,733	32,864
Extraordinary gains		
Gain on sales of fixed assets	228	141
Gain on sales of investments in securities	5,128	6,834
Margin associated with the acquisition in stages	6,640	-
Insurance proceeds	-	283
Gain from booking negative goodwill	206	-
Others	608	245
Total extraordinary gains	12,811	7,505
Extraordinary losses		
Loss on sales of fixed assets	35	124
Loss on disposal of fixed assets	358	618
Impairment loss	1,093	977
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	-	1,073
Differences occurred in the change of retirement benefit accounting rules to general rules	736	-
Loss due to a fire	-	511
Settlement payout due to contract change	-	585
Loss associated with factory closure	-	609
Others	1,663	351
Total extraordinary losses	6,566	4,851
Income before income taxes	36,978	35,517
Income taxes	11,211	12,819
Income taxes adjustment	(1,120)	(1,029)
Total income taxes	10,091	11,789
Net income	26,887	23,728
Net income attributable to non-controlling interests	2	170
Net income attributable to owners of parent	26,884	23,558

(Consolidated Statements of Comprehensive Income)

(¥ Million)

	FY 2016 From April 1, 2015 To March 31, 2016	FY 2017 From April 1, 2016 To March 31, 2017
Net income	26,887	23,728
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	8,007	(19,941)
Deferred gains (losses) on hedges	(319)	261
Land revaluation difference	45	53
Foreign currency translation adjustments	(6,010)	2,312
Share of other comprehensive income (loss) of entities accounted for by the equity method	(4,662)	1,127
Remeasurements of defined benefit plans	(4,341)	3,448
Total other comprehensive income (loss)	(7,280)	(12,737)
Comprehensive income	19,606	10,991
Total comprehensive income attributable to:		
Owners of parent	19,738	11,066
Non-controlling interests	(132)	(75)

### 3. Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2016 (From April. 1, 2015 to 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 owners 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
Transfer from retained earnings to capital surplus					-
Change in scope of consolidation			22		22
Change of fiscal term of consolidated subsidiaries			1,157		1,157
Change of interests held by parent company due to transactions with non-controlling-interest shareholder		(244)			(244)
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	48,177	293,803	(35,836)	331,267

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred gains (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
Increase (decrease) during the year									
Cash dividends paid									(8,267)
Net income attributable to owners of parent									26,884
Acquisition of treasury stock									(14,180)
Sales of treasury stock									33
Reversal of land revaluation reserve									686
Transfer from retained earnings to capital surplus									-
Change in scope of consolidation									22
Change of fiscal term of consolidated subsidiaries									1,157
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									(244)
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

Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)

(¥ Million)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,122	48,177	293,803	(35,836)	331,267
Increase (decrease) during the year					
Cash dividends paid			(8,648)		(8,648)
Net income attributable to owners of parent			23,558		23,558
Acquisition of treasury stock				(22,939)	(22,939)
Sales of treasury stock		(84)		584	500
Reversal of land revaluation reserve			56		56
Transfer from retained earnings to capital surplus		78	(78)		-
Change in scope of consolidation			(228)		(228)
Change of fiscal term of consolidated subsidiaries			(387)		(387)
Change of interests held by parent company due to transactions with non-controlling-interest shareholder		1,652			1,652
Net changes of items other than shareholders' equity					-
Total increase (decrease) during the year	-	1,646	14,270	(22,354)	(6,436)
Balance at the end of the year	25,122	49,823	308,074	(58,190)	324,830

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred gains (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	43,172	(261)	(6,379)	(4,576)	(3,178)	28,774	1,859	9,786	371,688
Total increase (decrease) during the year									
Cash dividends paid									(8,648)
Net income attributable to owners of parent									23,558
Acquisition of treasury stock									(22,939)
Sales of treasury stock									500
Reversal of land revaluation reserve									56
Transfer from retained earnings to capital surplus									-
Change in scope of consolidation									(228)
Change of fiscal term of consolidated subsidiaries									(387)
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									1,652
Net changes of items other than shareholders' equity	(19,377)	261	(2)	3,173	3,397	(12,547)	(233)	1,046	(11,734)
Total increase (decrease) during the year	(19,377)	261	(2)	3,173	3,397	(12,547)	(233)	1,046	(18,170)
Balance at the end of the year	23,794	-	(6,382)	(1,403)	218	16,227	1,626	10,833	353,517

#### 4. Consolidated Statements of Cash Flows

(¥ Million)

	FY2016 From April. 1, 2015 to March 31, 2016	FY2017 From April. 1, 2016 to March 31, 2017
<b>Cash flows provided by operating activities</b>		
Income before income taxes and non-controlling interests	36,978	35,517
Depreciation and amortization	17,499	15,400
Impairment loss	1,093	977
Increase (decrease) in allowance for doubtful receivables	(129)	(206)
Increase (decrease) in liability for retirement benefits	(1,769)	4,403
Interest and dividend income	(2,344)	(2,217)
Interest expenses	343	356
Foreign currency exchange loss (gain)	1,641	1,470
Equity in earnings of affiliates (gain)	(2,781)	(1,687)
Loss (gain) on disposal and sales of property, plant and equipment	166	601
Loss (gain) on sales of marketable securities, investments in securities and other	(4,614)	(8,142)
Loss (gain) on revaluation of marketable securities, investments in securities and other	1,022	1,073
(Increase) decrease in trade notes and accounts receivable	(4,902)	(3,745)
(Increase) decrease in inventories	(2,593)	(1,513)
Increase (decrease) in trade notes and accounts payable	4,823	243
Increase (decrease) in accrued payable	2,275	1,636
Margin associated with the acquisition in stages (gain)	(6,640)	-
Others	1,603	(2,471)
Subtotal	41,671	41,697
Interest and dividends received	4,549	4,114
Interest paid	(343)	(356)
Income taxes paid	(10,580)	(12,882)
Income taxes refunded	885	578
Net cash provided by operating activities	36,183	33,151
<b>Cash flows used in investing activities</b>		
Increase in time deposits	(3,690)	(6,589)
Proceeds from redemption of time deposits	8,397	4,999
Payment for purchases of marketable securities	(0)	(0)
Proceeds from sales and redemption of marketable securities	799	350
Payment for purchases of property, plant and equipment and others	(32,510)	(30,722)
Proceeds from sales of property, plant and equipment and others	1,810	1,471
Payment for purchases of investments in securities	(11,760)	(18,330)
Proceeds from sales and redemption of investments in securities	21,816	20,034
Payment of loans receivable	(0)	(1)
Collection of loans receivable	388	314
Payment for acquisition of interests of subsidiaries with the change in the scope of consolidation	(30,364)	-
Payment for acquisition of shares of subsidiaries with the change in the scope of consolidation	-	(435)
Proceeds from sale of shares of subsidiaries with the change in the scope of consolidation	583	-
Others	(1,230)	(905)
Net cash used in investing activities	(45,759)	(29,814)

(¥ Million)

	FY2016 From April. 1, 2015 to March 31, 2016	FY2017 From April. 1, 2016 to March 31, 2017
Cash flows used in financing activities		
Net increase (decrease) in short-term borrowings	14,800	(341)
Proceeds from long-term borrowings	4,490	6,098
Repayment of long-term borrowings	(2,006)	(2,918)
Net increase in treasury stock	(14,180)	(22,939)
Cash dividends paid	(8,267)	(8,648)
Cash dividends paid to non-controlling-interest shareholders	(12)	(32)
Proceeds from payment from non-controlling-interest shareholders	1,664	2,454
Proceeds from sale of shares of subsidiaries without the change of the scope of consolidation	749	710
Others	(249)	(439)
Net cash used in financing activities	(3,010)	(26,055)
Effect of exchange rate changes on cash and cash equivalents	(4,883)	1,360
Net increase (decrease) in cash and cash equivalents	(17,470)	(21,357)
Cash and cash equivalents at beginning of the year	105,896	88,689
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	134	211
Increase (decrease) in cash and cash equivalents resulting from the change in the fiscal year-end of consolidated subsidiaries	128	20
Cash and cash equivalents at end of the year	88,689	67,563

## 5. Notes on Consolidated Financial Statements

(Notes on the Premise of Going concern)

None

(Changes in significant accounting policy)

(Change of the method of depreciating tangible fixed assets)

The method of depreciating tangible fixed assets (excluding leased assets) of the Company and its consolidated subsidiaries in Japan has primarily been the declining-balance method. Starting from the first quarter, however, it has been changed to the straight-line method. The Company examined the operation of the tangible fixed assets of the Company and its consolidated domestic subsidiaries in the development of the Medium-term Business Plan and the implementation of “investing in sophisticated plants” as the theme of the strategy, and found that the stable operation of equipment was maintained and the risk of technical obsolescence was low. The Company therefore decided that it would be more appropriate to distribute the depreciation expenses equally over the useful life of assets, and so it changed the method of depreciation to the straight-line method.

As a result, the depreciation expenses for the fiscal year under review decreased by 3,712 million yen, and each of operating income, ordinary income, and income before taxes increased by 3,493 million yen from the amounts based on the conventional method.

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26 of March 28, 2016) has been applied since the fiscal year under review.

## 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.

As stated in the "Changes in significant accounting policy", the method of depreciating tangible fixed assets (excluding lease assets) of the Company and its consolidated subsidiaries in Japan has primarily been the declining-balance method. In the fiscal year under review, however, it has been changed to the straight-line method.

As a result, the segment profit for the fiscal year under review increased 1,726 million yen in Nissin Food Products, 689 million yen in Myojo Foods, 242 million yen in Chilled and Frozen Foods, and 834 million yen in Other.

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

#### Fiscal Year ended March 31, 2016 (From April. 1, 2015 to 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 operating income (loss)	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.

Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)

(¥ 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	228,560	40,612	61,794	60,420	35,987	427,373	68,341	495,715	—	495,715
Intersegment sales	874	6,132	1,638	1	186	8,832	28,050	36,883	(36,883)	—
Total	229,434	46,744	63,432	60,421	36,173	436,206	96,392	532,599	(36,883)	495,715
Segment income	27,683	1,784	1,933	2,309	3,405	37,116	2,638	39,755	(11,137)	28,618
Segment assets	166,678	49,241	29,968	44,615	50,564	341,068	129,265	470,334	66,846	537,180
Other items										
Depreciation and Amortization	5,300	1,393	679	2,261	1,320	10,955	4,445	15,400	—	15,400
Investment in entities accounted for by the equity method	—	—	—	—	—	—	29,374	29,374	—	29,374
Increase(decrease) in fixed assets and intangible assets	9,638	1,874	1,412	4,219	6,039	23,185	13,157	36,343	(2)	36,340

(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 ¥11,137million, consisting of minus ¥4,275 million from retirement benefit expenses, minus ¥1,871 million from the amortization of goodwill, minus ¥327 million from elimination of intersegment transactions and minus ¥4,661 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 ¥66,846million. The amount mainly consists of ¥34,365 million of surplus investment funds, ¥30,464 million of goodwill, and ¥2,016 million of other investments.

B: Related Information

**Fiscal Year ended March 31, 2016 (From April. 1, 2015 to March 31, 2016)**

1. Information by product and service

(¥ 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	The Americas	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 by major customer

(¥ Million)

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

**Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)**

1. Products and Services

(¥ Million)

	Instant noodles and ancillary businesses	Other Businesses	Total
Sales to third party	426,238	69,477	495,715

(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	The Americas	Other Areas	Total
Sales to third party	385,303	60,435	49,976	495,715
Fixed assets	140,372	19,687	27,953	188,013

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

From the fiscal year under review, former "North America" was renamed as "The Americas." This change has no impact on sales and asset information. In conjunction with this change, the name of the previous fiscal year was modified accordingly.

3. Information of major customers

(¥ Million)

	Amount	Main reportable segment
Mitsubishi Corporation	180,969	Nissin Food Products
ITOCHU Corporation	138,731	Nissin Food Products

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

**Fiscal Year ended March 31, 2016 (From April. 1, 2015 to 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.

**Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)**

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China			
Impairment loss	86	35	—	—	565	290	—	977

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, 2016 (From April. 1, 2015 to 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.

**Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)**

(¥ 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 2017	—	213	—	1,554	7	96	—	1,871
Balance as of March 31, 2017	—	—	—	30,019	445	—	—	30,464

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, 2016 (From April. 1, 2015 to March 31, 2016)**

¥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.

**Fiscal Year ended March 31, 2017 (From April. 1, 2016 to March 31, 2017)**

None

## (Per Share Information)

FY2016 From April. 1, 2015 to March 31, 2016		FY2017 From April. 1, 2016 to March 31, 2017	
Net assets per share(¥)	3,332.94	Net assets per share(¥)	3,276.55
Net income attributable to owners of parent per share (primary) (¥)	245.52	Net income attributable to owners of parent per share (primary) (¥)	221.33
Net income attributable to owners of parent per share (diluted) (¥)	244.22	Net income attributable to owners of parent per share (diluted) (¥)	220.25

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

	FY2016 From April. 1, 2015 to March 31, 2016	FY2017 From April. 1, 2016 to March 31, 2017
Amount of net income attributable to owners of parent per share (primary) (¥)		
Net income attributable to owners of parent (¥ million)	26,884	23,558
Amount not belonging to common shares (¥ million)	—	—
Net income attributable to owners of parent pertaining to common shares (¥ million)	26,884	23,558
Average number of shares outstanding during the period (hundred)	1,095,001	1,064,390
Amount of net income attributable to owners of parent per share (diluted)		
Adjusted amount of net income attributable to owners of parent (¥ million)	—	—
Number of increased common shares (hundred)	5,831	5,217
(Stock acquisition rights of common shares)	(5,831)	(5,217)
Outline of dilutive shares that were not included in the calculation of net income attributable to owners of parent per share (diluted) due to the lack of the dilution effect.	—	—

(Material subsequent event)

(Application for Listing of a consolidated subsidiary)

### 1. Content and Purpose of this application

NISSIN FOODS Group passed a resolution at the regular Board of Directors held on May 12, 2017 approving the submission of an application for listing of Nissin Foods Company Limited, our consolidated subsidiary incorporated in Hong Kong ("Hong Kong Nissin") on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), and such application was submitted to the Hong Kong Stock Exchange on May 12, 2017. The purpose of the listing is to enable Hong Kong Nissin to root deeper in the local area, and to enlarge its presence as a listed company in the Chinese market from the viewpoint of anticipating sustained growth in the huge Chinese market

### 2. Outline of Hong Kong Nissin

(1)	Company name	Nissin Foods Company Limited
(2)	Location	Hong Kong Special Administrative Region of the People's Republic of China
(3)	Title and name of representative	Kiyotaka Ando, Executive Director, Chairman of the Board and Chief Executive Officer
(4)	Business	Production and sales of instant noodles, and control of the Company's China business
(5)	Capital	2,030 million Hong Kong dollars
(6)	Established	October 19, 1984
(7)	Major shareholder and its shareholding	NISSIN FOODS HOLDINGS CO., LTD. 98.5%