

# Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

[Prepared under IFRS, UNAUDITED]

## NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897  
 Stock exchange listing: Tokyo  
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 Scheduled date of general meeting of shareholders: June 25, 2020 (in Japanese)  
 Scheduled date of filing of securities report: June 25, 2020 (in Japanese)  
 Scheduled date of dividend payment: June 26, 2020  
 Preparation of supplementary documents: Yes  
 Holding of financial results meeting: Yes (Conference call for institutional investors and analysts)  
 (in Japanese)

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

### 1. Consolidated Financial Results for the FY2020 (April 1, 2019–March 31, 2020)

#### (1) Consolidated Operating Results

(% figures represent year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2020	468,879	+4.0	41,252	+42.4	42,650	+36.8	29,316	+51.5
FY 2019	450,984	+2.3	28,967	(17.6)	31,166	(16.1)	19,356	(33.6)

	Basic earnings per share	Diluted earnings per share	Ratio of equity attributable to owners of parent to profit	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	(¥)	(¥)	(%)	(%)	(%)
FY 2020	281.45	279.93	9.0	7.5	8.8
FY 2019	185.85	184.90	5.9	5.7	6.4

Reference: Gain on investments accounted for using the equity method: FY2020: ¥ 4,543 million ; FY2019: ¥ 3,966 million

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent	Book value per share
	(¥ million)	(¥ million)	(¥ million)	(%)	(¥)
As of March 31, 2020	576,621	354,063	327,994	56.9	3,148.62
As of March 31, 2019	557,577	352,545	326,781	58.6	3,137.40

#### (3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
FY 2020	57,533	(40,413)	(10,142)	60,163
FY 2019	40,740	(44,544)	13,069	57,125

## 2. Details of Dividends

	Cash dividend per share					Total dividends (Annual) (¥ million)	Payout ratio (Consolidated) (%)	Ratio of dividends to equity attributable to owners of parent (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 2019	—	55.00	—	55.00	110.00	11,457	59.2	3.5
FY 2020	—	55.00	—	55.00	110.00	11,458	39.1	3.5
FY 2021 (Forecast)	—	55.00	—	55.00	110.00		37.6	

## 3. Forecasts of Consolidated Financial Results for the FY 2021 (April 1, 2020–March 31, 2021)

(% figures represent changes from the previous year)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share (¥)
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	
FY 2021	486,000	+3.7	43,500	+5.4	30,500	+4.0	292.79

(1) Changes in principal subsidiaries during the FY 2020 (changes in specified subsidiaries that resulted in changes in scope of consolidation): Yes

-Newly consolidated: None

-Excluded from consolidation: SHANGHAI NISSIN FOODS CO.,LTD.

(2) Changes in significant accounting policy and changes in accounting estimates:

1) Changes in accounting policies required by IFRS: Yes

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

\* For more information, see page 18, “3 Consolidated Financial Statements and Major Notes

(5) Notes to Consolidated Financial Statements (Changes in accounting policies) ”

(3) Number of shares outstanding (common stock)

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

FY 2020 105,700,000 shares

FY 2019 105,700,000 shares

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

FY 2020 1,529,320 shares

FY 2019 1,543,266 shares

3) Average number of shares during the period:

FY 2020 104,165,013 shares

FY 2019 104,150,759 shares

**(Reference) Individual (NISSIN FOODS HOLDINGS CO., LTD.) Financial Results for the FY 2020 (April 1, 2019–March 31, 2020)**

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2020	50,824	+14.6	17,602	+52.4	19,062	+47.0	17,333	+1,221.6
FY 2019	44,348	(3.5)	11,550	(20.8)	12,969	(23.5)	1,311	(92.0)

	Net income attributable to owners of parent per share (primary)	Net income attributable to owners of parent per share (diluted)
	(¥)	(¥)
FY 2020	166.41	165.51
FY 2019	12.59	12.53

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(¥ million)	(¥ million)	(%)	(¥)
FY 2020	369,968	229,083	61.3	2,177.11
FY 2019	360,751	234,550	64.4	2,231.63

Reference: Equity attributable to owners of parent: as of March 31, 2020: ¥ 226,791 million, as of March 31, 2019: ¥ 232,439 million

\*This summary of consolidated financial statements is outside the scope of audits by certified public accountants or audit firms.

\* 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 consolidated fiscal year under review, the outlook for the global economy remained uncertain due to uncertainties caused by risks such as intensifying US-China trade disputes, US-Iran confrontation and the wake of coronavirus disease 2019 (COVID-19). In Western countries, although the increase of personal consumption and the number of employees showed signs of recovery, the expansion of coronavirus disease 2019 (COVID-19) depressed the economy. In Asia, economies are beginning to suffer a setback in the pace of growth given the growing concerns regarding a downside risk involved in China's economy amid the trade frictions between the United States and China, the expansion of coronavirus disease 2019 (COVID-19) and the decline in personal consumption.

In Japan, although the employment and income situation was improving, the economy slowed down and the situation was tough due to the impact of the consumption tax hike on consumer sentiment and the expansion of coronavirus disease 2019 (COVID-19).

In the instant noodles industry, total worldwide demand increased to more than 100 billion units following from previous year, reflecting growth in demand in many regions including Asian emerging countries. On the other hand, domestic total demand fell below the previous year.

Under this environment, based on the "Medium-Term Management Plan 2021" of which term covers five years from the fiscal year ended March 31, 2017, to realize the improvements of "Earning power through operations" and "Value in capital markets," we are working on the following strategies: 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 and 5) Developing and strengthening human resources for global management.

<Consolidated results>

(¥ Million)

	FY 2019	FY 2020	Year on year	
	(From April 1, 2018 to March 31, 2019)	(From April 1, 2019 to March 31, 2020)	Amount	%
Revenue	450,984	468,879	17,894	4.0
Operating profit	28,967	41,252	12,285	42.4
Profit before tax	31,166	42,650	11,483	36.8
Profit attributable to owners of parent	19,356	29,316	9,960	51.5

The following is an overview of performance by reportable segment:

#### 1) NISSIN FOOD PRODUCTS

NISSIN FOOD PRODUCTS achieved year-on-year growth in sales with a rise in sales of cup-type noodles year-on-year. Sales increased in cup-type noodles year-on-year, where the CUP NOODLE MISO, featuring rich miso soup, were strong, and the ASSARI OISHII CUP NOODLE series and the CUP NOODLE BIG series contributed to sales. In bag-type noodles, the OWAN DE TABERU series maintained strong sales, although sales of bag-type noodles decreased. In addition to normal demand for cup-type noodles and bag-type noodles, the increased demand for products due to the self-restraint in response to the expansion of coronavirus disease 2019 (COVID-19) contributed to sales. Meanwhile, profits increased year on year, due to increase in profit in nature of increase in sales, although reflecting higher depreciation expenses associated with the launch of the Kansai Plant as well as an increase in logistics costs.

Consequently, revenue was ¥ 201,314 million (+4.2%) and operating profit was ¥ 27,573 million (+16.3%) in this reportable segment.

## 2) MYOJO FOODS

MYOJO FOODS achieved year-on-year growth in sales of cup-type noodle products, reflecting strong sales of the MYOJO CHARUMERA series and the MYOJO CHUKA ZANMAI series. Other contributors to the higher sales are open-price products. In bag-type noodle products, sales achieved year-on-year growth, reflecting stable sales of the MYOJO CHARUMERA series and strong sales of the MYOJO HYOUBANYA series. In addition, the increased demand for products caused by stay-at-home request to combat coronavirus diseases 2019 (COVID-19) also contributed to the sales growth. Meanwhile, profits increased year on year, reflecting a price revision implemented in June 2019 and increased in sales volume, although increased in logistics costs and personnel costs.

Consequently, revenue was ¥ 36,532 million (+11.1%) and operating profit was ¥ 2,193 million (+7.4%) in this reportable segment.

## 3) Chilled and frozen foods

At NISSIN CHILLED FOODS, sales of its main brand GYORETSU NO DEKIRU MISE NO RAMEN series, TSUKEMEN NO TATSUJIN series, NISSIN NO RAMENYASAN series and NISSIN NO FUTOMEN YAKISOBA series were strong due to the demand expansion for products caused by stay-at-home request to combat coronavirus disease 2019 (COVID-19) and the sales decrease reflecting weak demand for chilled noodles in the unseasonable summer weather and sales declined due to the warm winter was offset. However, overall sales decreased year on year, reflecting the decrease in the other route sales.

NISSIN FROZEN FOODS achieved sales growth, helped by the NISSIN MOCHITTO NAMA PASTA, a mainstay product, the NISSIN SPA OH PREMIUM series, and the NISSIN CHUKA SHANGHAI YAKISOBA OMORI, the NISSIN GOOTA, and NISSIN CHUKA SHIRUNASHI TANTANMEN OMORI, all of which grew stably in terms of sales and the demand expansion for products caused by stay-at-home request to combat coronavirus disease 2019 (COVID-19). Meanwhile, profits decreased year on year, reflecting an increase in raw material prices and logistics costs.

Consequently, revenue was ¥ 57,306 million (+3.4%) and operating profit was ¥ 1,410 million (-8.1%) in this reportable segment.

## 4) The Americas

The Americas are working to enhance the proposal of premium products aimed at creating new demand, enhancing the profitability of existing products. Sales of NISSIN LAMEN, a core product in Brazil, contributed to remain firm, and sales of the CUP NOODLES increased strongly. Successful sales promotions for premium products in the United States also contributed to the overall sales growth in the segment. The increased demand for products due to the expansion of coronavirus disease 2019 (COVID-19) also contributed to sales. Profits increased due to factors such as the effect of price revisions and sales increase of premium products.

Consequently, revenue was ¥ 65,922 million (+3.9%) and operating profit was ¥ 4,080 million(+ ¥ 9,315 million) in this reportable segment.

## 5) China

In China, the market for high value-added products is expanding in mainland China. The Group has taken steps to expand its geographical sales area and strengthen its CUP NOODLES brand. In addition, in the wake of coronavirus disease 2019 (COVID-19), the stay-at-home economy during the period of fourth quarter has increased higher demand for premium instant noodles. In this environment, sales increased year on year thanks to strong volume of cup-type noodles in mainland China and bag-type noodles in Hong Kong, mainly in the CUP NOODLES brand and DEMA E ICCHO brand. Profit increased year on year due to increase in sales volume in mainland China and Hong Kong, and cost reduction associated with increase in volume.

Consequently, revenue was ¥ 43,083 million (+3.9%) and operating profit was ¥ 4,865 million (+26.6%) in this reportable segment.

Revenue in “Other,” which includes business segments not included in reportable segments such as domestic confectionary, beverages, Europe and Asia was ¥ 64,719 million (+0.3%) and operating profit was ¥ 6,619 million (-42.1%).

## (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 2019	FY 2020	Change
	(From April 1, 2018 to March 31, 2019)	(From April 1, 2019 to March 31, 2020)	
Net cash provided by operating activities	40,740	57,533	16,793
Net cash used in investing activities	(44,544)	(40,413)	4,130
Net cash used in financing activities	13,069	(10,142)	(23,212)
Effect of exchange rate changes on cash and cash equivalents	(1,761)	(3,939)	(2,177)
Net increase (decrease) in cash and cash equivalents	7,504	3,037	(4,466)
Cash and cash equivalents at beginning of the year	49,620	57,125	7,504
Cash and cash equivalents at end of the year	57,125	60,163	3,037

Please refer to pages from 15 to 16 for details of cash flow.

(4) Explanation Concerning Consolidated Forecasts

Please refer to page 2 for the full-year forecasts for the FY 2021 (from April 1, 2020 to March 31, 2021).

The projected exchange rates for the major currencies used in the forecasts for overseas subsidiaries are ¥ 107.0 to US\$ 1.00, ¥ 14.0 to HK\$ 1.00, and ¥ 26.0 to BRL 1.00.

## 2. Basic Concept of the Selection of Accounting Standards

From the perspective of the international comparability of financial information and quality improvements in business administration, the Group has voluntarily adopted the International Financial Reporting Standards (IFRS), starting with its consolidated financial statements for the FY 2019 (from April 1, 2018 to March 31, 2019).

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Statements of Financial Position

(¥ Million)

	FY 2019 (As of March 31, 2019)	FY 2020 (As of March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	57,125	60,163
Trade and other receivables	72,749	77,932
Inventories	32,729	32,454
Income taxes receivable	1,964	2,701
Other financial assets	8,233	10,273
Other current assets	6,095	4,258
Total current assets	178,898	187,784
Non-current assets		
Property, plant and equipment	216,831	240,063
Goodwill and intangible assets	4,470	3,806
Investment property	7,157	7,108
Investments accounted for using the equity method	43,021	47,436
Other financial assets	92,738	77,209
Deferred tax assets	12,564	12,844
Other non-current assets	1,896	368
Total non-current assets	378,679	388,837
Total assets	557,577	576,621

(¥ Million)

	FY 2019 (As of March 31, 2019)	FY 2020 (As of March 31, 2020)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	106,823	104,815
Borrowings	29,103	6,631
Provisions	820	337
Accrued income taxes	6,894	6,294
Other financial liabilities	767	3,418
Other current liabilities	17,243	20,183
Total current liabilities	161,653	141,681
Non-current liabilities		
Borrowings	13,297	41,630
Other financial liabilities	5,282	18,350
Defined benefit liabilities	5,664	5,828
Provisions	284	207
Deferred tax liabilities	16,408	12,393
Other non-current liabilities	2,442	2,467
Total non-current liabilities	43,378	80,877
Total liabilities	205,031	222,558
Equity		
Share capital	25,122	25,122
Capital surplus	50,614	50,639
Treasury shares	(6,718)	(6,660)
Other components of equity	29,235	12,275
Retained earnings	228,526	246,616
Total equity attributable to owners of parent	326,781	327,994
Non-controlling interests	25,764	26,068
Total equity	352,545	354,063
Total liabilities and equity	557,577	576,621

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

(¥ Million)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)
Revenue	450,984	468,879
Cost of sales	295,823	301,599
Gross profit	155,161	167,279
Selling, general and administrative expenses	126,283	129,485
Gain on investments accounted for using the equity method	3,966	4,543
Other income	6,945	1,951
Other expenses	10,821	3,036
Operating profit	28,967	41,252
Finance income	2,525	2,544
Finance costs	326	1,147
Profit before tax	31,166	42,650
Income tax expense	11,242	11,528
Profit	19,923	31,122
Profit attributable to		
Owners of parent	19,356	29,316
Non-controlling interests	567	1,805
Profit	19,923	31,122
Earnings per share (Yen)		
Basic earnings per share (Yen)	185.85	281.45
Diluted earnings per share (Yen)	184.90	279.93

## (Consolidated Statements of Comprehensive Income)

(¥ Million)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)
Profit	19,923	31,122
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in equity instruments measured at fair value through other comprehensive income	(6,458)	(11,692)
Remeasurements of defined benefit plans	(905)	91
Share of other comprehensive income of entities accounted for using the equity method	(80)	57
Total items that will not be reclassified to profit or loss	(7,444)	(11,543)
Items that are or may be reclassified to profit or loss		
Net change in debt instruments measured at fair value through other comprehensive income	2	(19)
Cash flow hedges	50	2
Foreign currency translation differences on foreign operations	(1,783)	(8,252)
Share of other comprehensive income of entities accounted for using the equity method	(2,339)	2,046
Total items that are or may be reclassified to profit or loss	(4,070)	(6,222)
Total other comprehensive income	(11,514)	(17,766)
Comprehensive income	8,409	13,355
Comprehensive income attributable to		
Owners of parent	7,891	12,444
Non-controlling interests	517	911
Comprehensive income	8,409	13,355

(3) Consolidated Statements of Changes in Equity  
FY2019 (From April 1, 2018 to March 31, 2019)

(¥ Million)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Other components of equity		
					Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income
Balance at April 1, 2018	25,122	51,218	(58,002)	1,819	(2,922)	(41)	30,039
Profit	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	(1,733)	44	(6,442)
Total comprehensive income	—	—	—	—	(1,733)	44	(6,442)
Acquisition of treasury shares	—	—	(8)	—	—	—	—
Sales of treasury shares	—	8	102	(110)	—	—	—
Cancelation of treasury shares	—	—	51,190	—	—	—	—
Cash dividend paid	—	—	—	—	—	—	—
Share-based payments	—	—	—	401	—	—	—
Changes in the ownership interest in subsidiaries	—	141	—	—	—	—	—
Changes in associates' interests in their subsidiaries	—	(754)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	8,152
Other	—	—	—	—	—	—	—
Total transactions with owners of parent	—	(604)	51,284	290	—	—	8,152
Balance at March 31, 2019	25,122	50,614	(6,718)	2,110	(4,656)	3	31,749

Equity attributable to owners of parent							
	Other components of equity			Retained earnings	Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of entities accounted for using the equity method	Total				
Balance at April 1, 2018	—	2,458	31,353	280,083	329,776	23,352	353,128
Profit	—	—	—	19,356	19,356	567	19,923
Other comprehensive income	(912)	(2,420)	(11,464)	—	(11,464)	(50)	(11,514)
Total comprehensive income	(912)	(2,420)	(11,464)	19,356	7,891	517	8,409
Acquisition of treasury shares	—	—	—	—	(8)	—	(8)
Sales of treasury shares	—	—	(110)	—	0	—	0
Cancellation of treasury shares	—	—	—	(51,190)	—	—	—
Cash dividend paid	—	—	—	(10,414)	(10,414)	(826)	(11,241)
Share-based payments	—	—	401	—	401	—	401
Changes in the ownership interest in subsidiaries	—	—	—	—	141	2,654	2,796
Changes in associates' interests in their subsidiaries	—	—	—	—	(754)	—	(754)
Transfer from other components of equity to retained earnings	912	(9)	9,055	(9,055)	—	—	—
Other	—	—	—	(252)	(252)	67	(185)
Total transactions with owners of parent	912	(9)	9,346	(70,913)	(10,886)	1,894	(8,992)
Balance at March 31, 2019	—	28	29,235	228,526	326,781	25,764	352,545

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Other components of equity		
					Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income
Balance at April 1, 2019	25,122	50,614	(6,718)	2,110	(4,656)	3	31,749
Profit	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	(7,401)	14	(11,690)
Total comprehensive income	—	—	—	—	(7,401)	14	(11,690)
Acquisition of treasury shares	—	—	(6)	—	—	—	—
Sales of treasury shares	—	24	64	(88)	—	—	—
Cancelation of treasury shares	—	—	—	—	—	—	—
Cash dividend paid	—	—	—	—	—	—	—
Share-based payments	—	—	—	270	—	—	—
Changes in the ownership interest in subsidiaries	—	0	—	—	—	—	—
Changes in associates' interests in their subsidiaries	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	(179)
Other	—	—	—	—	—	—	—
Total transactions with owners of parent	—	25	57	181	—	—	(179)
Balance at March 31, 2020	25,122	50,639	(6,660)	2,292	(12,057)	17	19,879

Equity attributable to owners of parent							
	Other components of equity			Retained earnings	Total	Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Share of other comprehensive income of entities accounted for using the equity method	Total				
Balance at April 1, 2019	—	28	29,235	228,526	326,781	25,764	352,545
Profit	—	—	—	29,316	29,316	1,805	31,122
Other comprehensive income	100	2,103	(16,872)	—	(16,872)	(893)	(17,766)
Total comprehensive income	100	2,103	(16,872)	29,316	12,444	911	13,355
Acquisition of treasury shares	—	—	—	—	(6)	—	(6)
Sales of treasury shares	—	—	(88)	—	0	—	0
Cancelation of treasury shares	—	—	—	—	—	—	—
Cash dividend paid	—	—	—	(11,457)	(11,457)	(913)	(12,371)
Share-based payments	—	—	270	—	270	—	270
Changes in the ownership interest in subsidiaries	—	—	—	—	0	313	314
Changes in associates' interests in their subsidiaries	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	(100)	11	(268)	268	—	—	—
Other	—	—	—	(38)	(38)	(7)	(45)
Total transactions with owners of parent	(100)	11	(87)	(11,226)	(11,230)	(607)	(11,838)
Balance at March 31, 2020	—	2,143	12,275	246,616	327,994	26,068	354,063

## (4) Consolidated Statements of Cash Flows

(¥ Million)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)
<b>Operating activities</b>		
Profit before tax	31,166	42,650
Depreciation and amortization	20,304	25,191
Impairment losses	9,544	1,347
Increase (decrease) in defined benefit liabilities	1,524	172
Finance income and costs	(2,085)	(536)
(Gain) loss on investments accounted for using the equity method	(3,966)	(4,543)
(Gain) loss on sales of fixed assets	(5,303)	(123)
(Increase) decrease in inventories	(3,201)	(951)
(Increase) decrease in trade and other receivables	(84)	(6,091)
Increase (decrease) in trade and other payables	3,683	3,405
Others	(2,754)	6,205
Subtotal	48,829	66,726
Interest and dividends received	4,204	4,720
Interest paid	(271)	(583)
Income taxes paid	(13,138)	(15,084)
Income taxes refund	1,117	1,754
Net cash provided by operating activities	40,740	57,533
<b>Investing activities</b>		
Increase in time deposits	(13,039)	(2,142)
Proceeds from redemption of time deposits	15,704	3,702
Payment for purchases of property, plant and equipment and others	(51,757)	(37,933)
Proceeds from sales of property, plant and equipment and others	9,891	484
Payment for acquisition of intangible assets	(1,412)	(745)
Payment for purchases of investments in securities	(749)	(1,061)
Proceeds from sales and redemption of investments in securities	193	996
Payment for purchases of marketable securities	(5,617)	(3,721)
Proceeds from sales of marketable securities	2,214	—
Other	28	8
Net cash used in investing activities	(44,544)	(40,413)

(¥ Million)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)
Financing activities		
Net increase (decrease) in short-term borrowings	20,747	(21,375)
Proceeds from long-term borrowings	4,573	31,262
Repayment of long-term borrowings	(3,503)	(3,782)
Repayments of lease liabilities	(320)	(4,183)
Net increase in treasury shares	(8)	(6)
Cash dividends paid	(10,414)	(11,457)
Cash dividends paid to non-controlling-interest shareholders	(826)	(913)
Proceeds from payment from non-controlling-interest shareholders	666	313
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	2,155	—
Others	0	0
Net cash used in financing activities	13,069	(10,142)
Effect of exchange rate changes on cash and cash equivalents	(1,761)	(3,939)
Net increase (decrease) in cash and cash equivalents	7,504	3,037
Cash and cash equivalents at beginning of the year	49,620	57,125
Cash and cash equivalents at end of the year	57,125	60,163

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

No items to report

(Reporting entity)

NISSIN FOODS HOLDINGS COMPANY LIMITED (hereinafter, “the Company”) is a stock company domiciled in Japan. The addresses of its registered head office and main offices are disclosed on the Company’s website ([https://www.nissin.com/en\\_jp/](https://www.nissin.com/en_jp/)). The Company’s consolidated financial statements comprise the Company and its subsidiaries (hereinafter, “the Group”) and interests in the Company’s associates.

Details of each business and principle activity of the Group are described in Note “Segment information.”

(Basis of preparation)

1) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with IFRS. Since the requirements for “Specified Company of Designated International Accounting Standards” set forth in Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” are satisfied, the Group adopts the provisions of Article 93 of the same Ordinance.

The Group's consolidated financial statements were approved by the Board of Directors held on May 11, 2020.

2) Basis of measurement

The Group’s consolidated financial statements have been prepared on an acquisition cost basis, except for specific financial instruments measured at fair value.

3) Functional currency and presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency, and amounts of less than one million yen are rounded off to the nearest million yen.

(Significant accounting policies)

No items to report except “(Changes in accounting policies)”

(Changes in accounting policies)

During the consolidated fiscal year under review, the Group adopted IFRS 16 Leases (announced in January 2016, hereinafter referred to as “IFRS 16”). Upon applying the IFRS 16 standard, the Group has chosen a transition option to recognize the cumulative effect of applying the new standard at the date of initial application.

Upon applying the IFRS 16 standard, the Group has chosen the practical expedient described in paragraph C3 of the IFRS 16 to determine whether an arrangement contains a lease, as previously identified in accordance with IAS 17 Leases (hereinafter “IAS 17”) and IFRIC 4 *Determining whether an Arrangement contains a Lease*. The requirements of IFRS 16 apply to all contracts that have been entered into since the date of the initial application. As a lessee, the Group recognized right-of-use assets and lease obligations on the date of initial application in relation to the leasing contracts previously classified as operating leases in accordance with IAS 17. The lease obligations are measured as the present value of residual lease payments discounted using the incremental borrowing rate on the date of initial application. The weighted average of the incremental borrowing rate is 1.4%. The right-of-use assets are measured initially as an amount equal to the lease liability adjusted for prepaid lease payments.

For a lessee’s lease assets classified as finance lease contracts in accordance with IAS 17 in the past, right-of-use assets and lease liabilities on the date of initial application are measured as amounts equal to lease assets and lease obligations, respectively, on the books prepared prior to the date of initial application in accordance with IAS 17.

The gap in the amount between the future minimum lease payments (discounted to the present value using the incremental borrowing rate as mentioned earlier) under non-cancellable operating leases disclosed in accordance with IAS 17 at the end of the consolidated fiscal year preceding the date of initial application, and the lease liabilities recognized on the consolidated statement of financial position as of the date of initial application was primarily attributable to the differences in estimated values for land and buildings that are to be used longer than the initial non-cancellable period.

Accordingly, the Group booked right-of-use assets at ¥ 20,659 million and lease liabilities at ¥ 19,558 million on the date of the IFRS 16 initial application. This matter will have no material impact on operating income or net earnings. Upon applying IFRS 16, the Group adopts the following practical expedient.

- Reliance on assessment to determine whether it will be disadvantageous for a lease to apply IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* prior to the date of initial application as an alternative method of impairment testing.
- Exclusion of initial direct costs from the right-of-use assets measured as of the date of initial application.

(Segment Information)

1) Outline of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to make decisions about resources to be allocated and assess its performance.

The Group employs holding company system of seven operating companies in Japan and four overseas business regions as strategy platforms, the reportable segments consist of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "Chilled and frozen foods," "The Americas" and "China." The segments of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "The Americas" and "China" are operating the business of manufacturing and selling cup- and bag-type noodles. The "Chilled and frozen foods" segment is operating the business of manufacturing and selling chilled and frozen foods.

2) Segment revenues and performance

The accounting methods of reportable business segments are generally the same as the Group's accounting policies described in "Significant accounting policies". Figures reported as segment profit are based on the operating profit reported in the condensed quarterly consolidated statements of income. Revenue from intersegment transactions and transfers are based on the current market prices.

	Reportable segment						Others *1	Total	Reconciliations *2	Consolidated *3
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Revenue										
Sales to third party	193,256	32,882	55,424	63,425	41,447	386,436	64,547	450,984	—	450,984
Intersegment sales	1,311	7,067	406	12	947	9,744	30,040	39,784	(39,784)	—
Total	194,567	39,949	55,830	63,437	42,394	396,180	94,588	490,769	(39,784)	450,984
Segment profit (loss) (Operating profit (loss))	23,699	2,041	1,534	(5,234)	3,843	25,884	11,430	37,315	(8,347)	28,967
Finance income	—	—	—	—	—	—	—	—	—	2,525
Finance costs	—	—	—	—	—	—	—	—	—	326
Profit before tax	—	—	—	—	—	—	—	—	—	31,166
Other items										
Depreciation and amortization	8,034	1,587	901	1,851	1,960	14,336	5,743	20,079	225	20,304
Impairment losses (non-financial assets)	—	39	—	5,907	44	5,991	652	6,643	2,900	9,544
Gain on investments accounted for using the equity method	—	—	—	—	—	—	3,966	3,966	—	3,966
Capital expenditures	40,036	1,190	2,246	2,851	3,495	49,821	7,819	57,640	—	57,640

(Note) 1. “Others” consists of the business segments not included in reportable segments such as domestic confectionery, beverages, Europe and Asia.

2. Operating profit (loss) under “Reconciliations” amounted to minus ¥ 8,347 million, consisting of minus ¥ 3,119 million from elimination of intersegment transactions and minus ¥ 5,227 million from group expenses.

3. Segment profit (loss) is adjusted to operating profit of consolidated statements of income.

FY 2020 (From April 1, 2019 to March 31, 2020)

(¥ Million)

	Reportable segment						Others *1	Total	Reconciliations *2	Consolidated *3
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Revenue										
Sales to third party	201,314	36,532	57,306	65,922	43,083	404,159	64,719	468,879	—	468,879
Intersegment sales	1,488	6,543	444	6	1,079	9,562	31,047	40,609	(40,609)	—
Total	202,803	43,076	57,751	65,928	44,162	413,721	95,767	509,488	(40,609)	468,879
Segment profit (Operating profit)	27,573	2,193	1,410	4,080	4,865	40,124	6,619	46,743	(5,490)	41,252
Finance income	—	—	—	—	—	—	—	—	—	2,544
Finance costs	—	—	—	—	—	—	—	—	—	1,147
Profit before tax	—	—	—	—	—	—	—	—	—	42,650
Other items										
Depreciation and amortization	11,807	1,903	1,344	1,032	1,938	18,027	7,117	25,144	47	25,191
Impairment losses (non-financial assets)	143	185	—	—	—	328	1,018	1,347	—	1,347
Gain on investments accounted for using the equity method	—	—	—	—	—	—	4,543	4,543	—	4,543
Capital expenditures	25,488	1,491	1,732	2,394	4,373	35,479	4,906	40,386	(587)	39,799

(Note) 1. “Others” consists of the business segments not included in reportable segments such as domestic confectionery, beverages, Europe and Asia.

2. Operating profit under “Reconciliations” amounted to minus ¥ 5,490 million, consisting of minus ¥ 100 million from elimination of intersegment transactions and minus ¥ 5,389 million from group expenses.

3. Segment profit is adjusted to operating profit of consolidated statements of income.

3) Information by product and service

Sales to third party

(¥ Million)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Instant noodles and ancillary businesses	386,147	403,659
Other businesses	64,837	65,219
Total	450,984	468,879

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

2. Main products in each business

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

(B) Other businesses: Instant rice, confectionery and beverages

4) Geographical Information

Sales to third party (\*1)

(¥ Million)

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Japan	327,386	340,636
The Americas (*2)	63,440	65,928
Other areas	60,158	62,315
Total	450,984	468,879

(Notes) 1. Revenue is based on the location of customers, classified by country or region.

2. Major countries of the Americas are the United States and Brazil.

Non-current assets (\*3)

(¥ Million)

	FY 2019 (As of March 31, 2019)	FY 2020 (As of March 31, 2020)
Japan	181,328	203,559
The Americas (*4)	17,677	16,235
Other areas	31,223	31,433
Total	230,230	251,229

(Notes) 3. Non-current assets are based on the location of customers and exclude financial instruments, deferred tax assets and retirement benefit assets.

4. Major countries of the Americas are the United States and Brazil.

5) Major customers

Major customer accounted for 10% or more of consolidated revenue for the fiscal year ended March 31, 2019 and 2020 is as follows:

(¥ Million)

	Main reportable segment	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Mitsubishi Shokuhin Co., Ltd.	NISSIN FOOD PRODUCTS	67,241	71,850

(Per Share Information)

1) Basic earnings per share

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Profit for the year attributable to owners of parent (¥ million)	19,356	29,316
Weighted average number of ordinary shares outstanding (hundred)	1,041,507	1,041,650
Basic earnings per share (¥)	185.85	281.45

2) Diluted earnings per share

	FY 2019 (From April 1, 2018 to March 31, 2019)	FY 2020 (From April 1, 2019 to March 31, 2020)
Profit for the year attributable to owners of parent (¥ million)	19,356	29,316
Profit adjustments (¥ million)	—	—
Diluted profit for the year (¥ million)	19,356	29,316
Weighted average number of ordinary shares outstanding (hundred)	1,041,507	1,041,650
Adjustment due to stock acquisition rights to shares (hundred)	5,338	5,643
Diluted weighted average number of ordinary shares (hundred)	1,046,846	1,047,293
Diluted earnings per share (¥)	184.90	279.93
Diluted potential ordinary shares not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive	—	—

(Material subsequent event)

No item to report