



Integrated Report 2020
For the year ended March 31, 2020

FINANCIAL DATA

Financial Data

CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Years ended March 31,	IFRS Millions of yen (except per share information)		
	FY2020	FY2019	FY2018
For the year			
Revenue	¥468,879	¥450,984	¥440,909
Cost of sales	301,599	295,823	282,837
Gross profit	167,279	155,161	158,072
Selling, general and administrative expenses	129,485	126,283	123,722
Gain on investments accounted for using the equity method	4,543	3,966	3,569
Other income (expenses)	(1,085)	(3,875)	(2,743)
Operating profit	41,252	28,967	35,175
Finance income (costs)	1,397	2,198	1,977
Profit before tax	42,650	31,166	37,153
Income tax expenses	11,528	11,242	8,035
Profit attributable to non-controlling interests	1,805	567	(17)
Profit attributable to owners of the parent	29,316	19,356	29,134
Comprehensive income	13,355	8,409	37,178
Per share			
Profit attributable to owners of the parent per share - primary	¥281.45	¥185.85	¥279.81
- diluted	279.93	184.90	278.45
Cash dividends	110.00	110.00	90.00
Equity ¹	3,148.63	3,137.40	3,166.83
At year-end			
Working capital ²	¥46,103	¥17,245	¥34,287
Property, plant and equipment, net	240,063	216,831	188,219
Total assets	576,621	557,577	528,726
Non-current liabilities	80,877	43,378	40,831
Equity	354,063	352,545	353,128
R & D expenses	¥7,549	¥9,335	¥7,777
Capital expenditures	39,742	57,602	52,007
Value and Performance Indicators			
Operating margin (%) ³	8.8	6.4	8.0
Return on assets (%) ⁴	5.2	3.6	5.7
Return on equity (%) ⁵	9.0	5.9	9.2
Inventory turnover (times) ⁶	9.3	9.5	9.6

Note:1. Equity per share (IFRS) = (Equity - non-controlling interests) / Number of shares outstanding as of the year-end (excluding treasury share)

2. Working capital = Total current assets - Total current liabilities

3. Operating margin (IFRS) = Operating profit / Revenue

4. Return on assets (IFRS) = Profit attributable to owners of the parent / Average total assets

5. Return on equity (IFRS) = Profit attributable to owners of the parent / (Average total equity - Average non-controlling interests)

6. Inventory turnover = Cost of sales / Average total inventory

7. Amounts presented in this summary (IFRS) are rounded down to the nearest million yen.

Years ended March 31,	JGAAP *8 Millions of yen (except per share information)			
	FY2018	FY2017	FY2016	FY2015
Net sales	¥516,400	¥495,716	¥468,084	¥431,575
Cost of sales	282,272	270,220	260,496	242,916
Gross profit	234,128	225,496	207,588	188,659
Selling, general and administrative expenses	200,016	196,878	181,188	164,358
Operating income	34,112	28,618	26,400	24,301
Other income (expenses)	3,413	6,900	10,579	4,714
Income before income taxes and non-controlling interests	37,525	35,518	36,979	29,015
Income taxes	8,407	11,789	10,092	10,296
Net income attributable to non-controlling interests	14	171	2	214
Net income attributable to owners of the parent	29,104	23,558	26,885	18,505
Comprehensive income	33,237	10,991	19,606	37,956
Per share				
Net income attributable to owners of the parent per share - primary	¥279.52	¥221.33	¥245.52	¥167.88
- diluted	278.16	220.25	244.22	167.10
Cash dividends	90.00	85.00	80.00	75.00
Equity ¹	3,519.36	3,276.55	3,332.94	3,282.02
At year-end				
Working capital ²	¥39,354	¥42,040	¥60,039	¥98,481
Property, plant and equipment, net	214,071	188,014	168,886	147,249
Total assets	568,112	537,181	553,069	512,744
Long-term liabilities	45,541	47,815	50,495	39,864
Equity ³	391,777	353,518	371,689	369,853
R & D expenses	¥7,777	¥7,650	¥7,183	¥6,431
Capital expenditures	52,007	36,340	32,786	22,960
Value and Performance Indicators				
Operating margin (%) ⁴	6.6	5.8	5.6	5.6
Return on assets (%) ⁵	5.3	4.3	5.0	3.7
Return on equity (%) ⁶	8.2	6.7	7.4	5.3
Inventory turnover (times) ⁷	9.7	9.6	10.4	11.0

Note:1. Equity per share (JGAAP) = (Equity - non-controlling interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury share)

2. Working capital = Total current assets - Total current liabilities

3. Equity: In compliance with the Corporate Law, from fiscal 2007, the amount of equity includes the amount of non-controlling interests.

4. Operating margin (JGAAP) = Operating income / Net sales

5. Return on assets (JGAAP) = Net income attributable to owners of the parent / Average total assets

6. Return on equity (JGAAP) = Net income attributable to owners of the parent / (Average total equity - Average non-controlling interests - Average stock acquisition rights)

7. Inventory turnover = Cost of sales / Average total inventory

8. Amounts for FY2019 presented in this summary (JGAAP) are rounded down to the nearest million yen.

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1. Consolidated Statement of Financial Position

Consolidated financial statements
Consolidated statement of financial position

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Assets				
Current assets				
Cash and cash equivalents	7	57,125	60,163	552,820
Trade and other receivables	8, 33	72,749	77,932	716,093
Inventories	9	32,729	32,454	298,209
Income taxes receivable		1,964	2,701	24,824
Other financial assets	10, 33	8,233	10,273	94,403
Other current assets	11	6,095	4,258	39,127
Total current assets		178,898	187,784	1,725,480
Non-current assets				
Property, plant and equipment	12	216,831	240,063	2,205,857
Goodwill and intangible assets	13	4,470	3,806	34,973
Investment property	16	7,157	7,108	65,320
Investments accounted for using the equity method		43,021	47,436	435,880
Other financial assets	10, 33	92,738	77,209	709,455
Deferred tax assets	17	12,564	12,844	118,022
Other non-current assets	11	1,896	368	3,383
Total non-current assets		378,679	388,837	3,572,892
Total assets		557,577	576,621	5,298,373

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	18,33	106,823	104,815	963,111
Borrowings	19,33	29,103	6,631	60,933
Provisions	20	820	337	3,100
Accrued income taxes		6,894	6,294	57,840
Other financial liabilities	19,33	767	3,418	31,414
Other current liabilities	21	17,243	20,183	185,455
Total current liabilities		161,653	141,681	1,301,856
Non-current liabilities				
Borrowings	19,33	13,297	41,630	382,527
Other financial liabilities	19,33	5,282	18,350	168,613
Defined benefit liabilities	22	5,664	5,828	53,555
Provisions	20	284	207	1,905
Deferred tax liabilities	17	16,408	12,393	113,883
Other non-current liabilities	21	2,442	2,467	22,672
Total non-current liabilities		43,378	80,877	743,158
Total liabilities		205,031	222,558	2,045,014
Equity				
Share capital	23	25,122	25,122	230,843
Capital surplus	23	50,614	50,639	465,312
Treasury shares	23	(6,718)	(6,660)	(61,200)
Other components of equity	23	29,235	12,275	112,795
Retained earnings	23	228,526	246,616	2,266,072
Total equity attributable to owners of the parent		326,781	327,994	3,013,823
Non-controlling interests		25,764	26,068	239,535
Total equity		352,545	354,063	3,253,358
Total liabilities and equity		557,577	576,621	5,298,373

2. Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income and comprehensive income
Consolidated statement of income

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (From April 1, 2018 To March 31, 2019)	FY2020 (From April 1, 2019 To March 31, 2020)	FY2020 (From April 1, 2019 To March 31, 2020)
Revenue	25	450,984	468,879	4,308,363
Cost of sales		295,823	301,599	2,771,290
Gross profit		155,161	167,279	1,537,073
Selling, general and administrative expenses	26	126,283	129,485	1,189,792
Gain on investments accounted for using the equity method		3,966	4,543	41,744
Other income	27	6,945	1,951	17,935
Other expenses	27	10,821	3,036	27,902
Operating profit		28,967	41,252	379,058
Finance income	28	2,525	2,544	23,377
Finance costs	28	326	1,147	10,539
Profit before tax		31,166	42,650	391,896
Income tax expense	17	11,242	11,528	105,927
Profit		19,923	31,122	285,969
Profit attributable to				
Owners of the parent		19,356	29,316	269,383
Non-controlling interests		567	1,805	16,586
Profit		19,923	31,122	285,969

	Notes	FY2019 (From April 1, 2018 To March 31, 2019)	FY2020 (From April 1, 2019 To March 31, 2020)	FY2020 (From April 1, 2019 To March 31, 2020)
Earnings per share	31			
Basic earnings per share (Yen)		185.85	281.45	2.58
Diluted earnings per share (Yen)		184.90	279.93	2.57

Consolidated Statement of Comprehensive Income

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (From April 1, 2018 To March 31, 2019)	FY2020 (From April 1, 2019 To March 31, 2020)	FY2020 (From April 1, 2019 To March 31, 2020)
Profit		19,923	31,122	285,969
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	30	(6,458)	(11,692)	(107,442)
Remeasurements of defined benefit plans	30	(905)	91	841
Share of other comprehensive income of investments accounted for using the equity method	30	(80)	57	529
Total items that will not be reclassified to profit or loss		(7,444)	(11,543)	(106,070)
Items that may be reclassified to profit or loss				
Net change in debt instruments measured at fair value through other comprehensive income	30	2	(19)	(175)
Cash flow hedges	30	50	2	26
Foreign currency translation differences on foreign operations	30	(1,783)	(8,252)	(75,830)
Share of other comprehensive income of investments accounted for using the equity method	30	(2,339)	2,046	18,802
Total items that may be reclassified to profit or loss		(4,070)	(6,222)	(57,176)
Total other comprehensive income		(11,514)	(17,766)	(163,247)
Comprehensive income		8,409	13,355	122,721
Comprehensive income attributable to:				
Owners of the parent		7,891	12,444	114,345
Non-controlling interests		517	911	8,376
Comprehensive income		8,409	13,355	122,721

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3. Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity

		(Millions of yen)						
		Equity attributable to owners of the parent				Other components of equity		
Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income	
	25,122	51,218	(58,002)	1,819	(2,922)	(41)	30,039	
	-	-	-	-	-	-	-	
30	-	-	-	-	(1,733)	44	(6,442)	
23	-	-	(8)	-	-	-	-	
23	-	8	102	(110)	-	-	-	
23	-	-	51,190	-	-	-	-	
24	-	-	-	-	-	-	-	
32	-	-	-	401	-	-	-	
	-	141	-	-	-	-	-	
	-	(754)	-	-	-	-	-	
	-	-	-	-	-	-	8,152	
	-	-	-	-	-	-	-	
	-	(604)	51,284	290	-	-	8,152	
	25,122	50,614	(6,718)	2,110	(4,656)	3	31,749	
	-	-	-	-	-	-	-	
30	-	-	-	-	(7,401)	14	(11,690)	
23	-	-	(6)	-	-	-	-	
23	-	24	64	(88)	-	-	-	
23	-	-	-	-	-	-	-	
24	-	-	-	-	-	-	-	
32	-	-	-	270	-	-	-	
	-	0	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	(179)	
	-	-	-	-	-	-	-	
	-	25	57	181	-	-	(179)	
	25,122	50,639	(6,660)	2,292	(12,057)	17	19,879	

		(Millions of yen)						
		Equity attributable to owners of the parent				Other components of equity		
Notes	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total	
	-	2,458	31,353	280,083	329,776	23,352	353,128	
	-	-	-	19,356	19,356	567	19,923	
30	(912)	(2,420)	(11,464)	-	(11,464)	(50)	(11,514)	
	(912)	(2,420)	(11,464)	19,356	7,891	517	8,409	
23	-	-	-	-	(8)	-	(8)	
23	-	-	(110)	-	0	-	0	
23	-	-	-	(51,190)	-	-	-	
24	-	-	-	(10,414)	(10,414)	(826)	(11,241)	
32	-	-	401	-	401	-	401	
	-	-	-	-	141	2,654	2,796	
	-	-	-	-	(754)	-	(754)	
	912	(9)	9,055	(9,055)	-	-	-	
	-	-	-	(252)	(252)	67	(185)	
	912	(9)	9,346	(70,913)	(10,886)	1,894	(8,992)	
	-	28	29,235	228,526	326,781	25,764	352,545	
	-	-	-	29,316	29,316	1,805	31,122	
30	100	2,103	(16,872)	-	(16,872)	(893)	(17,766)	
23	-	2,103	(16,872)	29,316	12,444	911	13,355	
23	-	-	-	-	(6)	-	(6)	
23	-	-	(88)	-	0	-	0	
23	-	-	-	-	-	-	-	
32	-	-	-	(11,457)	(11,457)	(913)	(12,371)	
24	-	-	270	-	270	-	270	
	-	-	-	-	0	313	314	
	-	-	-	-	-	-	-	
	(100)	11	(268)	268	-	-	-	
	-	-	-	(38)	(38)	(7)	(45)	
	(100)	11	(87)	(11,226)	(11,230)	(607)	(11,838)	
	-	2,143	12,275	246,616	327,994	26,068	354,063	

		(Thousands of U.S. dollars)						
		Equity attributable to owners of the parent				Other components of equity		
Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income	
	230,843	465,080	(61,733)	19,394	(42,783)	28	291,731	
	-	-	-	-	-	-	-	
30	-	-	-	-	(68,007)	133	(107,416)	
23	-	-	(58)	-	-	-	-	
23	-	222	591	(813)	-	-	-	
23	-	-	-	-	-	-	-	
24	-	-	-	-	-	-	-	
32	-	-	-	2,483	-	-	-	
	-	8	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	(1,650)	
	-	-	-	-	-	-	-	
	-	231	532	1,669	-	-	(1,650)	
	230,843	465,312	(61,200)	21,064	(110,791)	161	182,664	

		(Thousands of U.S. dollars)						
		Equity attributable to owners of the parent				Other components of equity		
Notes	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total	
	-	263	268,634	2,099,849	3,002,674	236,742	3,239,417	
	-	-	-	269,383	269,383	16,586	285,969	
30	921	19,332	(155,037)	-	(155,037)	(8,209)	(163,247)	
	921	19,332	(155,037)	269,383	114,345	8,376	122,721	
23	-	-	-	-	(58)	-	(58)	
23	-	-	(813)	-	0	-	0	
23	-	-	-	-	-	-	-	
24	-	-	-	(105,281)	(105,281)	(8,392)	(113,673)	
32	-	-	2,483	-	2,483	-	2,483	
	-	-	-	-	8	2,877	2,886	
	-	-	-	-	-	-	-	
	(921)	101	(2,470)	2,470	-	-	-	
	-	-	(349)	(349)	(68)	(418)	(418)	
	(921)	101	(801)	(103,160)	(103,197)	(5,583)	(108,780)	
	-	19,696	112,795	2,266,072	3,013,823	239,535	3,253,358	

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4. Consolidated Statement of Cash Flows

Consolidated statement of cash flows

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (From April 1, 2018 To March 31, 2019)	FY2020 (From April 1, 2019 To March 31, 2020)	FY2020 (From April 1, 2019 To March 31, 2020)
Operating activities				
Profit before tax		31,166	42,650	391,896
Depreciation and amortization		20,304	25,191	231,480
Impairment losses		9,544	1,347	12,377
Increase (decrease) in defined benefit liabilities		1,524	172	1,585
Finance income and costs		(2,085)	(536)	(4,929)
(Gain) loss on investments accounted for using the equity method		(3,966)	(4,543)	(41,744)
(Gain) loss on sales of fixed assets		(5,303)	(123)	(1,137)
(Increase) decrease in inventories		(3,201)	(951)	(8,738)
(Increase) decrease in trade and other receivables		(84)	(6,091)	(55,975)
Increase (decrease) in trade and other payables		3,683	3,405	31,291
Other		(2,754)	6,205	57,023
Subtotal		48,829	66,726	613,129
Interest and dividends received		4,204	4,720	43,374
Interest paid		(271)	(583)	(5,365)
Income taxes paid		(13,138)	(15,084)	(138,605)
Income taxes refunded		1,117	1,754	16,123
Cash flows from operating activities		40,740	57,533	528,656
Investing activities				
Payments into time deposits		(13,039)	(2,142)	(19,688)
Proceeds from redemption of time deposits		15,704	3,702	34,018
Payment for purchases of property, plant and equipment and others		(51,757)	(37,933)	(348,559)
Proceeds from sales of property, plant and equipment and others		9,891	484	4,448
Payment for acquisition of intangible assets		(1,412)	(745)	(6,848)
Payment for purchases of investments in securities		(749)	(1,061)	(9,750)
Proceeds from sales and redemption of investments in securities		193	996	9,155
Payment for purchases of marketable securities		(5,617)	(3,721)	(34,198)
Proceeds from sales of marketable securities		2,214	-	-
Other		28	8	74
Cash flows from investing activities		(44,544)	(40,413)	(371,346)
Financing activities				
Net increase (decrease) in short-term borrowings	29	20,747	(21,375)	(196,413)
Proceeds from long-term borrowings	29	4,573	31,262	287,262
Repayment of long-term borrowings	29	(3,503)	(3,782)	(34,755)
Repayment of lease liabilities		(320)	(4,183)	(38,437)
Net increase in treasury shares		(8)	(6)	(58)
Cash dividends paid		(10,414)	(11,457)	(105,281)
Cash dividends paid to non-controlling-interest shareholders		(826)	(913)	(8,392)
Proceeds from payment from non-controlling interest shareholders		666	313	2,877
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation		2,155	-	-
Other		0	0	0
Cash flows from financing activities		13,069	(10,142)	(93,198)
Effect of exchange rate changes on cash and cash equivalents		(1,761)	(3,939)	(36,196)
Net increase (decrease) in cash and cash equivalents		7,504	3,037	27,914
Cash and cash equivalents at the beginning of year	7	49,620	57,125	524,906
Cash and cash equivalents at the end of year	7	57,125	60,163	552,820

1. Reporting Entity

NISSIN FOODS HOLDINGS Co., Ltd. (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/).

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 principal activities of the Group are described in Note 6 "Segment information."

2. Basis of Preparation

(1) Compliance with IFRSs

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (hereinafter, "IFRSs").

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 at the Board of Directors meeting held on June 25, 2020.

(2) Basis of measurement

The Group's consolidated financial statements have been prepared on a historical cost basis, except for certain 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.

Amounts presented in the consolidated financial statements are rounded down to the nearest million yen and thousand dollars.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate of ¥108.83 to US\$1.00, the approximate rate of exchange at March 31, 2020.

The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

3. Significant Accounting Policies

(1) Basis of consolidation

The consolidated financial statements include financial statements of the Company and its subsidiaries, and interests in investments in associates.

1) Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group considers that it has control over an entity when it has exposures to variable returns arising from its involvement with the entity, or when it has rights on the returns and has the ability to affect those returns through the exercise of its power over the entity.

The acquisition date of a subsidiary is the date on which the Group obtained control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which the Group loses control.

In cases where the accounting policies applied by a subsidiary are different from those applied by the Group, adjustments are made to the subsidiary's financial statements, if necessary.

The fiscal year-end date of some subsidiaries is different from that of the Group since, primarily due to local regulations and laws enforced in the regions where the subsidiaries are located, requiring fiscal year end-date other than that of the Company, it is impracticable to unify the fiscal year-end date.

In such cases, the financial figures of the subsidiaries based on provisional closing on the fiscal year end of the Company are used.

All material intragroup transactions, assets, liabilities and unrealized gains or losses arising from intragroup transactions are eliminated on consolidation.

Comprehensive income of the subsidiaries is attributed to owners of the parent and to the non-controlling interests even if non-controlling interests have a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration is recognized directly in equity attributable to owners of the parent.

If the Group loses control over a subsidiary, gains or losses derived from such loss of control of the subsidiary shall be recognized in profit or loss.

2) Associates

An associate is an entity over which the Group has significant influence.

Investments in associates are accounted for using the equity method from the date on which the Group obtained the significant influence until the date on which it ceases to have the influence.

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In cases where the accounting policies applied by an associate are different from those applied by the Group, adjustments are made to the associate's financial statements, if necessary.

The fiscal year-end date of the associates is different from that of the Group since, primarily due to local regulations and laws enforced in the regions where the associates are located or where the stocks of the associates are listed or due to relations with other shareholders, it is impracticable to unify the fiscal year-end date.

(2) Business combinations

Business combinations are accounted for using the acquisition method. Consideration transferred in a business combination is measured as the sum of the acquisition-date fair value of the assets transferred in exchange for control over an acquiree, the liabilities assumed and equity interests issued by the Company.

The identifiable assets acquired and the liabilities assumed in the acquiree are measured at their acquisition-date fair values, except:

- 1) Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognized and measured in accordance with International Accounting Standard (hereinafter, "IAS") 12 "Income Taxes," and IAS 19 "Employee Benefits," respectively.
- 2) Assets and disposal groups classified as held for sale at the acquisition date in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (hereinafter, "IFRS 5"), which are measured in accordance with IFRS 5.
- 3) Liabilities or equity instruments related to share-based payment transactions of the acquiree or share-based payment transactions of the Company entered into to replace such transactions of the acquiree, which are measured in accordance with IFRS 2 "Share-based Payment" (hereinafter, "IFRS 2").

The excess of the sum of the consideration transferred, the amount recognized for non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill in the consolidated statement of financial position.

If the excess is negative, then a gain from a bargain purchase is recognized as profit in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the items for which the accounting is incomplete are measured by provisional amounts.

Where new information obtained during the measurement period, which shall not exceed one year from the acquisition date, if known, would have affected measurement of the amounts recognized as of that date, the provisional amounts recognized at the acquisition date are retrospectively adjusted.

Acquisition-related costs are expensed when incurred. The Group accounts for the acquisition of additional non-controlling interests as an equity transaction, and accordingly, it does not recognize goodwill attributable to such transactions.

(3) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions, or an approximation of the rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates at the end of each reporting period.

Differences arising from the translation and settlement are recognized in profit or loss. However, exchange differences arising from translation or settlement of financial assets measured at fair value through other comprehensive income (hereinafter, "FVTOCI") and cash flow hedges are recognized in other comprehensive income.

The assets and liabilities (including goodwill recognized in acquisition and adjustment of fair values) of foreign operations are translated into Japanese yen using the exchange rates at the end of each reporting period, while income and expenses of foreign operations are translated into Japanese yen

using the average exchange rate for the period, unless there was significant change in the exchange rate during the period. Differences arising from the translation are recognized in other comprehensive income.

On the disposal of the interest in a foreign operation, the cumulative amount of the foreign currency translation difference related to the foreign operation is reclassified to profit or loss in the same period.

(4) Financial instruments

1) Non-derivative financial assets

(A) Classification

The Group classifies financial assets other than derivatives into financial assets measured at amortized cost, financial assets measured at FVTOCI and financial assets measured at fair value through profit or loss (hereinafter, "FVTPL").

(a) Financial assets measured at amortized cost

Investments in debt instruments with contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and which are held in order to collect the contractual cash flows are measured at amortized cost.

(b) Debt instruments measured at FVTOCI

Financial assets are classified as debt instruments measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and sell the asset.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Equity instruments measured at FVTOCI

Financial assets, other than those measured at amortized cost or debt instruments at FVTOCI, whose subsequent changes in the fair value were irrevocably designated at initial recognition as measured at FVTOCI are classified as financial assets measured at FVTOCI.

(d) Financial assets measured at FVTPL

Financial assets, other than those measured at amortized cost or FVTOCI, are classified as financial assets measured at FVTPL. Financial assets measured at FVTPL are measured at fair value at initial recognition, and transaction costs are recognized in profit or loss when incurred.

(B) Initial recognition and measurement

The Group recognizes financial assets when the Group becomes a party to the contractual provisions for the financial assets.

(C) Subsequent measurement

Financial assets are measured according to their classification after initial recognition.

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method. Interest incurred is included in finance income in the consolidated statement of income.

(b) Financial assets measured at FVTOCI

(b-1) Debt instruments measured at FVTOCI

Changes in the fair value of debt instruments measured at FVTOCI are recognized in other comprehensive income, except impairment gain or loss and currency exchange difference, until the instruments are derecognized.

When the asset is derecognized, the amount previously recognized in other comprehensive income is transferred to profit or loss.

(b-2) Equity instruments measured at FVTOCI

Changes in the fair value of equity instruments measured at FVTOCI are recognized in other comprehensive income. When the asset is derecognized, or its fair value declines significantly, the amount previously recognized in other comprehensive income is transferred directly to retained earnings.

Dividends from the financial assets are recognized in profit or loss.

(c) Financial assets measured at FVTPL

Financial assets measured at FVTPL are measured at fair value after initial recognition, and the changes in the fair value are recognized in profit or loss.

(D) Derecognition

Financial assets are derecognized when the contractual rights to the cash flow expire or are transferred, or when substantially all the risks and rewards of ownership are transferred. Financial assets are derecognized on the date of the sale when sold in a normal manner.

(E) Impairment of financial assets

The Group recognizes an allowance for doubtful accounts on expected credit loss of financial assets measured at amortized cost.

(Determining significant increases in credit risks)

The Group assesses at the end of each reporting period whether the credit risks of financial instruments have significantly increased after initial recognition.

The Group determines whether the credit risk has significantly increased based on changes in the risk of a default occurring after initial recognition, and in assessing whether there is any change in the risk of default, the Group takes into account the following matters:

- Deterioration of the counterparty's financial condition
- Past due information
- Significant changes in credit ratings provided by third-party agencies

(Expected credit loss approach)

Expected credit losses are the present value of the difference between contractual cash flows the Group has a right to receive pursuant to a contract and the cash flows actually expected to be received by the Group.

If the credit risk on a financial asset has increased significantly after initial recognition, the Group measures the allowance for doubtful accounts for the financial asset at an amount equal to the lifetime expected credit loss.

If the credit risk has not increased significantly, the Group measures the allowance for doubtful accounts for that financial asset at an amount equal to the 12 month expected credit loss.

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Notwithstanding the above, the Group measures the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

The provision for the allowance for doubtful accounts for financial assets is recognized in profit or loss.

2) Non-derivative financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

The Group recognizes financial liabilities measured at amortized cost on the issue date and other financial liabilities on the transaction date when the Group becomes a party to the contractual provisions.

The Group derecognizes financial liabilities when they are extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expires.

(A) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value at initial recognition and thereafter. The subsequent changes in fair value are recognized in profit or loss.

(B) Financial liabilities measured at amortized cost

Financial liabilities other than those measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are measured at the fair value less transaction costs that are directly attributable to the issue of the financial liabilities at initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method after initial recognition, and interest incurred is included in finance costs in the consolidated statement of income.

3) Derivatives and hedge accounting

Derivatives are initially measured at fair value at the date the contract is entered into, and are subsequently remeasured at fair value at the end of each reporting period.

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts to mitigate risks such as foreign exchange and interest rate risks.

If derivatives are designated as hedging instruments, the nature of the hedged item determines how gain or loss resulting from remeasurement is recognized.

The Group designates derivatives as hedging instruments of cash flow hedges (i.e., hedging exposure to changes in cash flows from recognized assets or liabilities, or specific risks related to highly probable forecasted transactions).

At the inception of hedges, the Group documents the hedging relationship between a hedging instrument and hedged item to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge.

When a derivative used for hedging offsets the fair value of a hedged item or changes in cash flows, the Group assesses and documents at the inception of the hedging relationship and on an ongoing basis whether the hedging relationship meets the hedge effectiveness requirements.

The Group performs ongoing assessment of hedge effectiveness at the end of each reporting period or, if earlier, upon a significant change in circumstances affecting the hedge effectiveness requirements.

Hedges that qualify for stringent requirements for hedge accounting are accounted for as follows:

(A) Fair value hedges

Gains or losses on hedging instruments are recognized in profit or loss. Gains or losses on hedged items are recognized in profit or loss with adjusting carrying amounts of the hedged items.

(B) Cash flow hedges

The effective portion of gain or loss on hedging instruments is recognized in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss.

The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

In cases where hedged items result in the recognition of non-monetary assets or liabilities, the amounts recognized in other comprehensive income are accounted for as adjustments to the original carrying amount of nonmonetary assets or liabilities.

When hedged future cash flow is no longer expected to occur, any related cumulative gain or loss that has been recognized in equity as other comprehensive income is reclassified to profit or loss.

When hedged future cash flow is still expected, any related cumulative gain or loss that has been recognized in equity as other comprehensive income remains in equity until the future cash flow occurs.

4) Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and presented as a net amount in the consolidated statement of financial position only when the Group has a legally enforceable right to set off recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5) Fair value of financial instruments

Fair value of financial instruments that are being traded in active financial markets at the end of each reporting period refers to quoted prices or dealer quotations. If there is no active market, fair value of financial instruments is determined using appropriate valuation models.

Determined fair value is classified into three levels according to observability of the inputs of valuation techniques used to measure the fair value.

Level 1 is measured at quoted prices in active markets for identical assets or liabilities.

Level 2 is the fair value of assets or liabilities other than those measured at Level 1, and is measured with inputs that are observable for the asset or liability, either directly or indirectly.

Level 3 is measured with inputs that are unobservable for the asset or liability.

6) Finance income and finance costs

Finance income mainly consists of interest income, dividend income and derivative gain, excluding gains on hedging instruments which are recognized in other comprehensive income. Interest income is recognized upon occurrence using the effective interest method.

Finance costs mainly consist of interest expense and derivative loss, excluding losses on hedging instruments which are recognized in other comprehensive income.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments that are readily convertible into known amounts of cash and subject to insignificant risk of change in value, and due within three months from the date of acquisition.

(6) Inventories

The acquisition cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at the lower of acquisition cost or net realizable value, and the costs are determined by primarily using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The acquisition cost includes any costs directly attributable to the acquisition of the asset; and dismantlement, removal and restoration costs; as well as borrowing costs eligible for capitalization.

Except for assets that are not subject to depreciation, such as land, assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items are as follows:

- Buildings and structures: 15 to 50 years

- Machinery: 10 years

- Tools and fixtures: 2 to 22 years

The estimated useful lives and depreciation method are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Upon derecognition of property, plant and equipment, net proceeds from disposal or sales less the carrying amount are recognized in profit or loss.

(8) Investment property

Investment property is property held to earn rentals or for capital appreciation or both.

Investment property is measured by using the cost model for property, plant and equipment and is stated at cost less accumulated depreciation and accumulated impairment losses.

Except for land, assets are depreciated using the straight-line method over their estimated useful lives.

(9) Goodwill and intangible assets

1) Goodwill

Goodwill is not amortized and is stated at acquisition cost less accumulated impairment losses. Goodwill is allocated to assets, cash-generating units or groups of cash-generating units that are identified according to location and type of business and tested for impairment annually or more frequently if there is any indication of impairment.

Impairment losses on goodwill are recognized in profit or loss, and no subsequent reversal is made.

2) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Separately acquired intangible assets are measured at cost at initial recognition, and the costs of intangible assets acquired in business combinations are recognized at fair value at the acquisition date.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

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The estimated useful lives of major intangible assets with finite useful lives are as follows:

- Software: 5 years
- Trademark: 10 to 20 years

The estimated useful lives and amortization method of intangible assets are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortized, but they are tested for impairment annually or more frequently if there is any indication of impairment.

Expenditures on research activities to obtain new scientific or technical knowledge are recognized as expenses when they incurred.

Expenditures on development activities are capitalized as intangible assets, if, and only if, they are reliably measurable, they are technically and commercially feasible, it is highly probable that they will generate future economic benefits, and the Group intends and has adequate resources to complete their development and use or sell them.

(10) Lease

(Lessee)

Lease liabilities are initially measured at the present value of the accrued lease payments. Right-of-use assets are measured at the initial amount of the lease liabilities adjusted for any initial direct costs and any prepaid lease payments, plus any costs including restoration obligation and other factors under lease contracts.

The lease term is determined by adjusting an estimated term of a reasonably certain option to extend the non-cancelable term under the lease agreement.

Right-of-use assets are depreciated using the straight-line method over their estimated useful lives or the lease term, whichever is shorter.

Lease payments are apportioned between financial costs and the reduction of the outstanding liability using the interest method.

Financial costs are recognized in the consolidated statements of income.

The Group does not recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low-value assets. The Group recognizes the lease payments associated with these leases as expenses on either a straight-line basis or another systematic basis over the lease term.

(Lessor)

Lease payments are recognized as income on a straight-line basis over the lease term. Rent income from subleased property is recognized as income.

(11) Impairment of non-financial assets

The Group assesses at the end of each fiscal year whether there is any indication that each asset, or the cash-generating unit (or the group of cash-generating units) to which the asset belongs, may be impaired.

When there is any indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are estimated at the same time of every fiscal year.

The recoverable amount of an asset or cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use.

In determining the value in use, estimated future cash flows are discounted to the present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available fair value indicators. Only if the recoverable amount of an asset or cash-generating unit falls below its carrying amount, is the carrying amount reduced to its recoverable amount and the impairment loss recognized.

The Group assesses whether there is any indication that an impairment loss recognized for an asset other than goodwill in prior years may no longer exist or may have decreased, such as if there are any changes in assumptions used for the determination of the recoverable amount.

If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. In cases where the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, impairment loss is reversed up to the lower of the estimated recoverable amount, or the carrying amount (net of depreciation) that would have been determined if no impairment loss had been recognized in prior years.

(12) Assets held for sale

An asset or asset group that is expected to be recovered through a sale transaction rather than through continuing use is classified as a non-current asset or into a disposal group held for sale when the following conditions are met:

it is highly probable that the asset or asset group will be sold within one year, the asset or asset group is available for immediate sale in its present condition and Group management is committed to the sale plan. In such cases, the non-current asset is not depreciated or amortized and is measured at the lower of its carrying amount and its fair value less costs of disposal.

(13) Employee benefits

1) Post-employment benefits

The Group has corporate pension fund plans, employee pension fund plans and lump-sum payment plans as defined benefit pension plans. Also, the Company and certain consolidated subsidiaries have defined contribution plans, in addition to defined benefit pension plans.

Regarding defined benefit plans, current service costs are calculated using the projected unit credit method in actuarial calculations made at the consolidated fiscal year-end date, and service costs and net interest are recognized in profit or loss when incurred.

As for the discount rate, the discount period is determined based on the period until the expected date of benefit payments in each fiscal year, and the discount rate is determined by reference to market yields on high-quality corporate bonds at the end of the fiscal year corresponding to the discount period.

All of the actuarial gains/losses incurred in the period are recognized in other comprehensive income, and the cumulative amount that is recognized as other components of equity is immediately reclassified to retained earnings. Net retirement benefit liabilities are the present value of defined benefit obligations less fair value of plan assets.

Regarding defined contribution plans, the amount of contributions by the Group is recognized as expenses at the time employees render services that give entitlement to the benefit.

2) Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis, and are recognized as an expense when the related services are rendered.

For bonuses, when there is a present legal or constructive obligation to make payments of bonuses, and a reliable estimate of the obligation can be made, the estimated amount to be paid is accounted for as a liability.

For paid absence obligations, when there is a legal or constructive obligation with respect to accumulating paid absence systems and a reliable estimate of the obligation can be made, the estimated amount to be paid based on those systems is accounted for as a liability.

(14) Share-based payments

The Group has implemented share option plans as equity-settled share-based payment plans. The fair value of the share option at the grant date is recognized as an expense over the vesting period, and the corresponding amount is recognized as an increase in other components of equity.

The fair value of options granted is determined using the Black-Scholes model, taking into account the terms and conditions of the options.

(15) Provisions

Provisions are recognized if the Group has present obligations (i.e., legal or constructive obligations) as a result of past events, if it is probable that settling the obligations will require outflows of resources embodying economic benefits and if the obligations can be estimated reliably.

Where the effect of the time value of money is material, the amount of provisions is measured at the present value of the expenditures expected to be required to settle the obligations.

In calculating the present value, the Group uses the pretax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. Increases due to passage of time are recognized as finance costs.

(Asset retirement obligations)

Costs for restoring of leased property used by the Group to its original condition or removal of hazardous materials associated with the property are estimated based on historical experience and recognized as a provision for asset retirement obligations.

While these costs are expected to be incurred after more than one year, they will be affected by future business plans.

(Provision for losses on lawsuits)

For provisions for losses due to payment of compensation for damages that could arise as a result of lawsuits, the estimated loss resulting from the payment of compensation for damages is recognized if a lawsuit is filed and if it is probable that compensation for damages to an outside third party will have to be paid.

(Restructuring provisions)

Provision for restructuring is recognized at the expected amount of losses on the businesses to be restructured. The provision is recognized when there is a detailed formal plan, and implementation or announcement of such a plan creates valid expectations in other affected parties that the execution of the liquidation plan will be virtually certain.

(16) Revenue from contracts with customers

The Group recognizes revenue in the amount that reflects a consideration to which the Group expects to be entitled in exchange for the transfer of goods and services to customers, based on the following five-step approach:

- Step 1: Identify the contracts with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to separate performance obligations
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group sells consumer products, including instant noodles, chilled noodles, frozen noodles, confectionery and beverages. For sales of such products, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

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Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items.

(17) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that the Group will comply with the conditions attached to them and receive the grants. With regard to government grants related to an acquisition of assets, the amount of grants is deducted from the acquisition cost of the assets.

(18) Income tax expenses

Income tax expenses consist of current income taxes and deferred income taxes. Income tax expenses are recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized directly in equity or in other comprehensive income.

1) Current income tax

Tax expenses for the period are measured at the amount of income taxes payable in respect of the taxable profit for a period. These tax amounts are calculated based on tax rates that have been enacted or substantially enacted at the end of the period.

2) Deferred income tax

Deferred income taxes are calculated based on the temporary differences between the tax base of assets and liabilities and the carrying amount at the end of each reporting date.

A deferred tax asset is recognized for deductible temporary differences, carryforward of unused tax losses and tax credits that will reduce future tax obligations to the extent that it is probable that future taxable profit will be available against which they can be utilized. A deferred tax liability is recognized for all taxable temporary differences in principle.

The deferred tax asset or liability is not recognized for the following temporary differences from:

(A) Goodwill

(B) The initial recognition of assets or liabilities in transactions that are not business combinations and that at the time of transaction, affect neither accounting profit nor taxable profit or loss

The deferred tax liability for the taxable temporary differences associated with investments in subsidiaries and associates is not recognized to the extent that it is highly probable that the timing of the reversal of the temporary difference is able to be controlled, and the temporary difference will not reverse in the foreseeable future.

The deferred tax asset for the deductible temporary differences arising from investments in subsidiaries and associates is recognized, to the extent that it is highly probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year in which the related temporary differences will reverse, based on tax rates that have been enacted or substantially enacted by the fiscal year end.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and income taxes are levied by the same taxation authority on the same taxable entity, or income taxes are levied on different taxable entities but these entities intend to settle the current tax assets and liabilities on a net basis or these current tax assets and liabilities will be realized simultaneously.

(19) Equity

1) Ordinary shares

For ordinary shares, their issue prices are recorded in share capital and share surplus. Cost (net of tax) associated with the issue of ordinary shares is deducted from share capital and capital surplus.

2) Treasury shares

When the Group acquires shares of the Company, the amount of the consideration paid, including transaction costs directly attributable to the acquisition, is deducted from equity. When the Group disposes of treasury shares, the difference between the carrying amount and the consideration received from the disposal is recognized in equity.

(20) Earnings per share

Basic earnings per share are calculated by dividing profit or loss for a period attributable to ordinary shareholders of the parent company by the weighted-average number of ordinary shares issued, adjusted by the number of treasury shares during the period.

Diluted earnings per share are calculated by adjusting the effects of dilutive potential ordinary shares.

(Changes in accounting policies)

During the current consolidated fiscal year, 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 liabilities on the date of initial application in relation to the leasing contracts previously classified as operating leases in accordance with IAS 17.

The lease liabilities 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 lessee's lease assets which were previously classified as finance lease contracts in accordance with IAS 17, right-of-use assets and lease liabilities are measured on the date of initial application at amounts equal to lease assets and lease liabilities, respectively, that were recorded on the books in accordance with IAS 17 prior to the date of initial application of IFRS 16.

The difference 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, which are 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 of land and buildings that are expected to be used longer than the initial non-cancellable period.

Accordingly, the Group recorded right-of-use assets of ¥ 20,659 million and lease liabilities of ¥ 19,558 million on the date of initial application of IFRS 16. The initial adoption has no material impact on the Group's operating profit or profit. When applying IFRS 16, the Group adopted the following practical expedient.

- Reliance on previous assessment on whether a lease is onerous, applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets prior to the date of initial application of IFRS 16, as an alternative to impairment testing of right-of-use assets.
- Exclusion of initial direct costs from the right-of-use assets measured as of the date of initial application.

4. Significant Accounting Estimates and Judgements on Estimates

In preparing the consolidated financial statements in accordance with IFRSs, management is required to apply accounting policies and make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses.

These estimates and assumptions are reviewed continuously.

The effects of changes in estimates are recognized in the period of the change and in future periods.

Furthermore, due to uncertainties in the estimates and assumptions such as coronavirus disease 2019 (COVID-19), significant adjustments to the carrying amount of assets or liabilities may be required in future periods.

The following are significant accounting estimates and judgements associated with estimates in the consolidated financial statements of the Group.

- (A) Financial instruments (3. Significant accounting policies (4) Financial instruments, 10. Other financial assets and 33. Financial instruments)
- (B) Impairment of non-financial assets (3. Significant accounting policies (11) Impairment loss of non-financial assets and 14. Impairment of non-financial assets)
- (C) Recoverability of deferred tax assets (3. Significant accounting policies (18) Income tax expenses and 17. Income taxes)
- (D) Accounting and valuation of provisions (3. Significant accounting policies (15) Provisions and 20. Provisions)
- (E) Measurement of defined benefit liabilities (3. Significant accounting policies (13) Employee benefits and 22. Employee benefits)
- (F) Estimates of useful life and residual value of property, plant and equipment and intangible assets (3. Significant accounting policies (7) Property, plant and equipment, (9) Goodwill and intangible assets, 12. Property, plant and equipment and 13. Goodwill and intangible assets)

5. New Standards and Interpretations Not Yet Adopted

None of the new accounting standards and interpretations that have been issued or amended by the date of approval of the consolidated financial statements has a material impact on the Group's consolidated financial statements.

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6. 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 performed in order to make decisions about resources to be allocated and assess its performance.

The Group employs a 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 mainly 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 profit and performance

The accounting methods for the operating segments that are reported are generally the same as described in Note 3 "Summary of significant accounting policies."

Reportable segment profit is on an operating profit basis. Intersegment revenue and transfers are based on market prices.

Fiscal Year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

	Reportable segments						Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Revenue										
Sales to external customers	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 operating segments not included in reportable segments. It includes the domestic confectionery and beverages business, and overseas businesses in 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 in the consolidated statement of income.

Fiscal Year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

	Reportable segments						Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Revenue										
Sales to external customers	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

	Reportable segments						Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Revenue										
Sales to external customers	1,849,808	335,688	526,571	605,733	395,875	3,713,677	594,686	4,308,363	-	4,308,363
Intersegment sales	13,676	60,124	4,083	61	9,917	87,862	285,282	373,145	(373,145)	-
Total	1,863,485	395,813	530,654	605,794	405,792	3,801,540	879,969	4,681,509	(373,145)	4,308,363
Segment profit (Operating profit)	253,366	20,154	12,958	37,495	44,710	368,685	60,820	429,506	(50,447)	379,058
Finance income	-	-	-	-	-	-	-	-	-	23,377
Finance costs	-	-	-	-	-	-	-	-	-	10,539
Profit before tax	-	-	-	-	-	-	-	-	-	391,896
Other items										
Depreciation and amortization	108,498	17,490	12,354	9,491	17,814	165,647	65,396	231,044	436	231,480
Impairment losses (non-financial assets)	1,320	1,702	-	-	-	3,023	9,354	12,377	-	12,377
Gain on investments accounted for using the equity method	-	-	-	-	-	-	41,744	41,744	-	41,744
Capital expenditures	234,204	13,702	15,914	22,005	40,182	326,009	45,086	371,096	(5,394)	365,702

Note 1: "Others" consists of the operating segments not included in reportable segments. It includes the domestic confectionery and beverages business, and overseas businesses in Europe and Asia.

2: Operating profit under "Reconciliations" amounted to minus ¥ 5,490 million (\$50,447 thousand), consisting of minus ¥ 100 million (\$921 thousand) from elimination of intersegment transactions and minus ¥ 5,389 million (\$49,526 thousand) from group expenses.

3: Segment profit is adjusted to operating profit in the consolidated statement of income.

(3) Information by product and service

Sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Instant noodles and associated businesses	386,147	403,659	3,709,085
Other businesses	64,837	65,219	599,278
Total	450,984	468,879	4,308,363

Note 1: Classification of the business is based on the type, nature, etc., of products.

2: Main products in each business

- Instant noodles and associated businesses: Bag-type noodles, cup-type noodles, chilled foods and frozen foods
- Other businesses: Instant rice, confectionery and beverages

(4) Geographical Information (Note 1)

Sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Japan	327,386	340,636	3,129,982
The Americas (Note 2)	63,440	65,928	605,796
Other areas	60,158	62,315	572,594
Total	450,984	468,879	4,308,363

Note 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 (Note 3)

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Japan	181,328	203,559	1,870,438
The Americas (Note 4)	17,677	16,235	149,185
Other areas	31,223	31,433	288,834
Total	230,230	251,229	2,308,458

Note 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.

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(5) Major customers

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

Main reportable segment	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Mitsubishi Shokuhin Co., Ltd.	67,241	71,850	660,209
NISSIN FOOD PRODUCTS			

7. Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Cash and deposits	57,125	60,163	552,820
Total	57,125	60,163	552,820

8. Trade and Other Receivables

The details of trade and other receivables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Trade accounts receivable	69,536	75,745	696,002
Trade notes receivable	28	9	89
Accounts receivable - other	3,520	2,597	23,867
Allowance for doubtful accounts	(499)	(535)	(4,920)
Others	163	114	1,055
Total	72,749	77,932	716,093

Note 1: Trade and other receivables is presented net of allowance for doubtful accounts in the consolidated statement of financial position.

2: Trade and other receivables is classified as a financial asset measured at amortized cost.

9. Inventories

The details of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Merchandise and finished goods	15,026	14,522	133,441
Raw materials and supplies	17,702	17,931	164,768
Total	32,729	32,454	298,209

Note: There is no significant difference between the amount of inventories recognized as expense or cost and cost of sales for the fiscal years ended March 31, 2019 and 2020.

10. Other Financial Assets

(1) Other financial assets

The details of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Derivative assets	26	44	411
Equity securities	86,114	70,341	646,344
Investment trusts	2,231	5,972	54,883
Bonds	7,091	7,369	67,716
Deposits	4,105	2,352	21,619
Other	1,402	1,401	12,882
Total	100,971	87,483	803,858
Current assets	8,233	10,273	94,403
Non-current assets	92,738	77,209	709,455
Total	100,971	87,483	803,858

Note: Derivative assets and investment trusts are classified as financial assets measured at FVTPL.

Equity securities and bonds are classified as financial assets measured at FVTOCI.

Deposits are classified as financial assets measured at amortized cost.

(2) Equity instruments measured at FVTOCI

The details of major equity instruments measured at FVTOCI and their fair values are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
ONO PHARMACEUTICAL CO., LTD	8,828	10,118	92,977
Ezaki Glico Co., Ltd.	12,222	9,534	87,604
HOUSE FOODS GROUP INC.	7,565	5,992	55,062
Premier Foods Plc	8,680	5,295	48,662
Kagome Co., Ltd.	4,848	4,372	40,181
Taisho Pharmaceutical Holdings Co., Ltd.	4,788	3,013	27,693
ITOCHU Corporation	2,544	2,849	26,179

Note 1: Equity securities are mainly held for strategic purposes, and thus designated as equity financial assets measured at FVTOCI.

2: The Group derecognizes some financial assets measured at FVTOCI by sale for reasons including asset efficiency and changes in business relationships.

(3) The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the year are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)	
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Fair value				
Cumulative gains or losses recognized as other comprehensive income (Note)				
	52	36	290	220
			2,671	2,023

Note: The Group transfers the cumulative gains or losses recognized as other comprehensive income in equity to retained earnings.

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11. Other Assets

The details of other assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Other current assets			
Prepaid expenses	1,513	1,465	13,463
Advance payments	1,155	1,296	11,909
Consumption tax receivables	1,992	4	42
Other	1,434	1,492	13,712
Total	6,095	4,258	39,127
Other non-current assets			
Prepaid expenses	1,550	56	517
Retirement benefit assets	125	117	1,077
Other	219	194	1,789
Total	1,896	368	3,383

12. Property, Plant and Equipment

(1) Property, Plant and Equipment

The changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of property, plant and equipment are as follows:

Acquisition Cost	(Millions of yen)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at April 1, 2018	136,329	178,011	16,170	28,088	30,312	4,680	393,592
Additions	2,678	10,269	644	661	39,012	3,019	56,285
Reclassifications from construction in progress	33,466	20,948	1,131	-	(55,547)	-	-
Sales and disposals	(518)	(3,980)	(603)	(17)	(15)	(196)	(5,332)
Exchange differences on translation of foreign operations	(709)	(381)	(85)	(127)	(19)	1	(1,321)
Other	9	(59)	38	-	(501)	15	(497)
Balance at March 31, 2019	171,256	204,807	17,296	28,604	13,240	7,520	442,726
Effect of change in accounting policy	-	-	-	-	-	15,355	15,355
Balance at April 1, 2019 (after adjustment)	171,256	204,807	17,296	28,604	13,240	22,875	458,081
Additions	2,126	5,699	846	3	23,982	5,751	38,409
Reclassifications from construction in progress	6,612	20,361	474	3	(27,452)	-	-
Sales and disposals	(1,713)	(9,943)	(597)	(8)	(152)	(798)	(13,214)
Exchange differences on translation of foreign operations	(3,595)	(3,801)	(432)	(390)	(420)	(95)	(8,736)
Other	58	316	(0)	1	(597)	67	(154)
Balance at March 31, 2020	174,743	217,440	17,586	28,213	8,601	27,799	474,386

Accumulated depreciation and accumulated impairment losses	(Millions of yen)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at April 1, 2018	72,888	118,546	12,053	42	176	1,663	205,372
Depreciation	4,727	11,564	1,381	-	-	703	18,376
Sales and disposals	(420)	(3,321)	(517)	-	-	(190)	(4,450)
Impairment losses	1,443	4,149	217	-	728	62	6,601
Exchange differences on translation of foreign operations	34	41	(35)	-	0	0	41
Other	(33)	(23)	(2)	-	-	12	(47)
Balance at March 31, 2019	78,640	130,956	13,096	42	905	2,251	225,894
Effect of change in accounting policy	-	-	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	78,640	130,956	13,096	42	905	2,251	225,894
Depreciation	5,429	12,501	1,281	-	-	4,091	23,304
Sales and disposals	(1,540)	(9,438)	(564)	-	(152)	(80)	(11,775)
Impairment losses	468	498	0	-	-	-	967
Exchange differences on translation of foreign operations	(853)	(1,935)	(279)	-	(14)	(6)	(3,090)
Other	2	386	0	-	(509)	(857)	(977)
Balance at March 31, 2020	82,148	132,968	13,534	42	229	5,398	234,322

Carrying amount	(Millions of yen)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at April 1, 2018	63,440	59,464	4,117	28,045	30,135	3,016	188,219
Balance at March 31, 2019	92,615	73,851	4,199	28,561	12,335	5,268	216,831
Balance at March 31, 2020	92,595	84,471	4,051	28,170	8,372	22,401	240,063

Acquisition Cost	(Thousands of U.S. dollars)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at March 31, 2019	1,573,610	1,881,907	158,929	262,838	121,665	69,101	4,068,053
Effect of change in accounting policy	-	-	-	-	-	-	141,091
Balance at April 1, 2019 (after adjustment)	1,573,610	1,881,907	158,929	262,838	121,665	210,190	4,209,142
Additions	19,539	52,372	7,778	29	220,366	52,847	352,934
Reclassifications from construction in progress	60,757	187,093	4,361	34	(252,246)	-	-
Sales and disposals	(15,747)	(91,369)	(5,491)	(80)	(1,396)	(7,340)	(121,426)
Exchange differences on translation of foreign operations	(33,036)	(34,930)	(3,976)	(3,592)	(3,863)	(876)	(80,274)
Other	534	2,911	(1)	17	(5,493)	615	(1,415)
Balance at March 31, 2020	1,605,658	1,997,985	161,599	259,246	79,032	255,442	4,358,965

Accumulated depreciation and accumulated impairment losses	(Thousands of U.S. dollars)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at March 31, 2019	722,602	1,203,316	120,340	394	8,320	20,687	2,075,661
Effect of change in accounting policy	-	-	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	722,602	1,203,316	120,340	394	8,320	20,687	2,075,661
Depreciation	49,891	114,872	11,774	-	-	37,599	214,137
Sales and disposals	(14,152)	(86,730)	(5,184)	-	(1,396)	(737)	(108,202)
Impairment losses	4,308	4,581	2	-	-	-	8,892
Exchange differences on translation of foreign operations	(7,842)	(17,789)	(2,568)	-	(134)	(64)	(28,398)
Other	23	3,553	4	-	(4,684)	(7,874)	(8,977)
Balance at March 31, 2020	754,830	1,221,804	124,367	394	2,105	49,606	2,153,108

Carrying amount	(Thousands of U.S. dollars)						Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	
Balance at April 1, 2018	582,935	546,396	37,831	257,700	276,902	27,717	1,729,484
Balance at March 31, 2019	851,008	678,590	38,588	262,444	113,345	48,414	1,992,391
Balance at March 31, 2020	850,827	776,181	37,231	258,852	76,927	205,836	2,205,857

Note 1: Right-of-use assets were leased assets under finance leases in the previous fiscal year.

(2) Right-of-use assets

The breakdown of book value of right-of-use assets (Lease assets related to finance leases for the previous consolidated fiscal year) in each fiscal year are as follows:

Carrying amount	(Millions of yen)			Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	
Balance at April 1, 2018	91	2,452	472	3,016
Balance at March 31, 2019	85	4,720	462	5,268

Carrying amount	(Thousands of U.S. dollars)			Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	
Balance at April 1, 2018	841	22,533	4,342	27,717
Balance at March 31, 2019	789	43,374	4,250	48,414

Note 2: Balances at March 31, 2020 are disclosed in 15. Leases.

13. Goodwill and Intangible Assets

(1) Goodwill and intangible assets

The changes in acquisition costs, accumulated amortization and accumulated impairment losses, and carrying amounts of goodwill and intangible assets are as follows:

Acquisition cost	(Millions of yen)					Total
	Goodwill	Trademarks	Softwares	Others		
Balance at April 1, 2018	35,119	3,526	9,028	4,550	52,225	
Additions	-	0	381	954	1,336	
Sales and disposals	-	(47)	(39)	(0)	(87)	
Reclassification	-	1	756	(757)	-	
Exchange differences on translation of foreign operations	(3,425)	(261)	(35)	(386)	(4,107)	
Other	-	-	0	(19)	(19)	
Balance at March 31, 2019	31,694	3,219	10,092	4,339	49,346	
Effect of change in accounting policy	-	-	-	35	35	
Balance at April 1, 2019 (after adjustment)	31,694	3,219	10,092	4,375	49,382	
Additions	-	0	487	844	1,333	
Sales and disposals	-	-	(517)	(6)	(523)	
Reclassification	-	-	614	(614)	-	
Exchange differences on translation of foreign operations	(6,820)	(713)	(85)	(902)	(8,520)	
Other	-	-	0	359	360	
Balance at March 31, 2020	24,874	2,506	10,592	4,056	42,030	

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(Millions of yen)					
Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Softwares	Others	Total
Balance at April 1, 2018	34,698	1,614	5,252	2,404	43,969
Amortization	-	79	1,674	127	1,881
Sales and disposals	-	(1)	(34)	-	(35)
Impairment losses	-	1,291	-	1,651	2,942
Exchange differences on translation of foreign operations	(3,443)	(156)	(27)	(233)	(3,861)
Other	-	-	(0)	(19)	(19)
Balance at March 31, 2019	31,254	2,826	6,865	3,930	44,876
Effect of change in accounting policy	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	31,254	2,826	6,865	3,930	44,876
Amortization	-	0	1,793	92	1,887
Sales and disposals	-	-	(115)	(4)	(120)
Exchange differences on translation of foreign operations	(6,817)	(709)	(70)	(880)	(8,477)
Other	-	44	-	13	58
Balance at March 31, 2020	24,437	2,162	8,473	3,152	38,225

(Millions of yen)					
Carrying amount	Goodwill	Trademarks	Softwares	Others	Total
Balance at April 1, 2018	421	1,912	3,776	2,145	8,256
Balance at March 31, 2019	440	393	3,226	409	4,470
Balance at March 31, 2020	437	344	2,119	905	3,806

(Thousands of U.S. dollars)					
Acquisition cost	Goodwill	Trademarks	Softwares	Others	Total
Balance at March 31, 2019	291,231	29,584	92,738	39,876	453,429
Effect of change in accounting policy	-	-	-	326	326
Balance at April 1, 2019 (after adjustment)	291,231	29,584	92,738	40,202	453,756
Additions	-	3	4,482	7,762	12,248
Sales and disposals	-	-	(4,755)	(55)	(4,811)
Reclassification	-	-	5,643	(5,643)	-
Exchange differences on translation of foreign operations	(62,669)	(6,552)	(783)	(8,289)	(78,296)
Other	-	-	6	3,302	3,309
Balance at March 31, 2020	228,561	23,035	97,332	37,278	386,206

(Thousands of U.S. dollars)					
Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Softwares	Others	Total
Balance at March 31, 2019	287,184	25,970	63,086	36,115	412,357
Effect of change in accounting policy	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	287,184	25,970	63,086	36,115	412,357
Amortization	-	8	16,480	854	17,342
Sales and disposals	-	-	(1,061)	(43)	(1,104)
Exchange differences on translation of foreign operations	(62,641)	(6,523)	(644)	(8,088)	(77,897)
Other	-	412	-	126	539
Balance at March 31, 2020	224,543	19,868	77,861	28,963	351,236

(Thousands of U.S. dollars)					
Carrying amount	Goodwill	Trademarks	Softwares	Others	Total
Balance at April 1, 2018	3,874	17,572	34,698	19,716	75,861
Balance at March 31, 2019	4,046	3,613	29,651	3,763	41,075
Balance at March 31, 2020	4,017	3,166	19,470	8,317	34,973

Note 1: Amortization of intangible assets is included in cost of sales and selling, general and administrative expenses in the consolidated statement of income.

2: Research and development expenditure expensed for the years ended March 31, 2019 and 2020 are ¥ 9,335 million and ¥ 7,549 million (\$69,365 thousand), respectively.

14. Impairment Loss of Non-financial Asset

The Group allocates property, plant and equipment into cash-generating units based on the smallest identifiable group of assets that generate cash inflows that are largely independent.

The details of impairment losses recognised for assets are as follows:

The impairment losses are included in "Other expenses" in the consolidated statement of income.

FY2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)				
Segment	Location	Category	Component	FY2019 (From April 1, 2018 to March 31, 2019)
MYOJO FOOD	Ranzan, Saitama prefecture	Business assets	Buildings	3
			Machinery and equipment	35
The Americas	USA	Business assets	Buildings	1,431
			Machinery and equipment	3,419
			Construction in progress	728
			Other assets	328
China	China	Business assets	Machinery and equipment	41
			Other assets	2
Others	Indonesia	Business assets	Machinery and equipment	652
Reconciliations	Brazil	Business assets	Intangible assets	2,900
Total				9,544

Details of the impairment losses

The Group's business assets are grouped according to manufacturing unit or usage, and the Group's idle assets are grouped on an individual asset basis.

In the United States, profitability declined due to sharp increases in raw materials, distribution costs, personnel costs and other factors. In Brazil, profitability of intangible assets recognized at the time of consolidation became lower than that initially projected. The recoverable amount is mainly measured by value in use, which is calculated by discounting future cash flows to the present value at discount rates of 11.0% in the United States and 14.3% in Brazil.

FY2020 (from April 1, 2019 to March 31, 2020)

				(Millions of yen)	(Thousands of U.S. dollars)
Segment	Location	Category	Component	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
NISSIN FOOD	Shimonoseki, Yamaguchi prefecture	Idle assets	Machinery and equipment	143	1,320
MYOJO FOOD	Ranzan, Saitama prefecture	Business assets	Buildings	12	112
			Machinery and equipment	173	1,589
Others	Uji, Kyoto prefecture	Business assets	Structure	34	315
			Other assets	320	2,947
			Buildings	422	3,878
Others	Vietnam	Business assets	Other assets	235	2,163
			Hungary	Idle assets	Machinery and equipment
					Tools, furniture and fixtures
Total				1,347	12,377

Details of the impairment losses

The Group's business assets are grouped according to manufacturing unit or usage, and the Group's idle assets are grouped on an individual asset basis.

The carrying amount of the relevant assets were reduced to their net recoverable amounts when it was determined that it was not possible that the book values of such assets would be recovered due to a downturn in profitability. As a result, the Group recorded loss on impairment in the consolidated statement of income.

The recoverable value of idle asset is valued at zero as memorandum value, measured at value in use. The recoverable value of business asset is measured at its fair value less costs of disposal or value in use.

Certain business assets are mainly measured at fair value determined by real estate appraisers. The fair value is categorized under Level 3 in the fair value hierarchy since significant unobservable inputs are included.

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15. Leases

FY2019 (From April 1, 2018 to March 31, 2019)

Lessee

(1) Finance lease payments

As a lessee, the Group leases assets, including vending machines in the instant noodle business.

The total of future minimum lease payments in each leasing period and the present value as well as future financial expenses under finance lease contracts are as follows:

	(Millions of yen)	
	Minimum lease payments	Present value of minimum lease payments
	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1 year or less	837	767
Over 1 year through 5 years	2,754	2,593
Over 5 years	2,364	2,345
Total	5,955	5,705
Financial charges	250	-
Present value of minimum lease payments	5,705	5,705

(2) Operating leases

Minimum lease payments associated with operating leases recognized as expenses are as follows:

	(Millions of yen)
	FY2019 (As of March 31, 2019)
Minimum lease payments	3,147

The total of future minimum lease payments under non-cancellable operating lease contracts are as follows:

	(Millions of yen)	
	Minimum lease payments	
	FY2019 (As of March 31, 2019)	
1 year or less		139
Over 1 year through 5 years		73
Over 5 years		-
Total		212

Lessor

(1) Operating leases

Operating lease expenses received by the Group are for land and buildings.

The total of future minimum lease receivables under non-cancellable operating lease contracts are as follows:

	(Millions of yen)	
	Minimum lease receivables	
	FY2019 (As of March 31, 2019)	
1 year or less		33
Over 1 year through 5 years		134
Over 5 years		1,229
Total		1,397

FY2020 (From April 1, 2019 to March 31, 2020)

1. Items that related to right-of-use assets

As a lessee, the Group leases assets, including Business Offices.

Depreciation charge, additions, and book values of right-of-use assets are as follows:

Depreciation charge	Buildings and Structures	Machineries and Vehicles	Tools, Furniture and Fixtures	Land	Others	(Millions of yen)
						Total
FY2020 (From April 1, 2019 to March 31, 2020)	2,690	962	101	308	102	4,165

Depreciation charge	Buildings and Structures	Machineries and Vehicles	Tools, Furniture and Fixtures	Land	Others	(Thousands of U.S. dollars)
						Total
FY2020 (From April 1, 2019 to March 31, 2020)	24,725	8,843	935	2,837	937	38,279

	(Millions of yen)	(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Additions to right-of-use assets	6,123	56,267

Book values	Buildings and Structures	Machineries and Vehicles	Tools, Furniture and Fixtures	Land	Others	(Millions of yen)
						Total
FY2020 (From April 1, 2019 to March 31, 2020)	11,222	6,323	269	4,458	458	22,731

Book values	Buildings and Structures	Machineries and Vehicles	Tools, Furniture and Fixtures	Land	Others	(Thousands of U.S. dollars)
						Total
FY2020 (From April 1, 2019 to March 31, 2020)	103,118	58,103	2,476	40,965	4,209	208,873

2. Expenses relating to leases and cash-out-flows

Expenses relating to leases and cash-out-flows are as follows.

	(Millions of yen)	(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Interest expenses on lease liabilities	264	2,431
Expenses relating to short-term leases accounted for applying the optional recognition exemption	218	2,011
Expenses relating to leases of low-value assets accounted for applying the optional recognition exemption	80	740

Total amount of cash-out flows incurred by lease are as follows.

	(Millions of yen)	(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Total cash outflow for leases	4,183	38,437

Maturity analysis of lease liabilities is described at "Notes of consolidated financial statements, 33. Financial assets (4) Liquidity risks management".

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3. Lessor

The Group leases buildings under operating leases.

Revenues generated from operating lease are as follows.

	(Millions of yen)	(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Lease expenses (excluding variable leases)	33	308
Variable lease payments that do not depend on an index or a rate	-	-
Variable lease payments that depend on an index or a rate	-	-
Total	33	308

Maturity analysis

Lease payments receivable under operating leases by payment period at each fiscal year end are as follows.

FY2020 (As of March 1, 2020)

	(Millions of yen)						
	Within 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Above 5 years	Total
Total undiscounted lease payments	33	33	33	33	33	1,195	1,363

	(Thousands of U.S. dollars)						
	Within 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Above 5 years	Total
Total undiscounted lease payments	308	308	308	308	308	10,985	12,529

16. Investment Property

(1) Investment property

The changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of investment properties are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Acquisition cost			
Beginning balance	8,691	8,624	79,247
Additions	56	-	-
Disposals	(123)	-	-
Ending balance	8,624	8,624	79,247

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Accumulated depreciation and impairment losses			
Beginning balance	1,466	1,467	13,483
Depreciation	47	48	443
Disposals	(45)	-	-
Ending balance	1,467	1,515	13,927

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Carrying amount	7,157	7,108	65,320

(2) Fair value

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Investment property	6,968	6,968	64,029

Note 1: Fair value of investment property is mainly determined by external real estate appraisers referring to market prices of similar assets.

2: The fair value is categorized under Level 3 in the fair value hierarchy, as significant unobservable inputs are included.

(3) Income and expense from investment properties

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Rent income	450	425	3,909
Direct expenses	144	146	1,341

17. Income Taxes

(1) Income tax expense

1. Income tax expense

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Current tax expense			
Tax expense in current year	12,852	11,895	109,302
Total current tax expense	12,852	11,895	109,302
Deferred tax expense			
Occurrence and reversal of temporary differences	(788)	(367)	(3,375)
Net changes on unrecognized deferred tax assets	(811)	-	-
Adjustments to deferred tax attributable to changes in tax rates and laws	(9)	-	-
Total deferred tax expense	(1,609)	(367)	(3,375)
Total	11,242	11,528	105,927

2. Reconciliation of effective tax rate

	FY2019 (From April 1, 2018 to March 31, 2019)		FY2020 (From April 1, 2019 to March 31, 2020)
Effective statutory tax rate		30.62	30.62
Gain on investments accounted for using the equity method		(3.90)	(3.26)
Tax credits		(2.48)	(1.72)
Non-deductible permanent items such as dividends received		(1.43)	(1.06)
Net changes on unrecognized deferred tax assets		10.54	(1.55)
Other		2.71	3.99
Average effective tax rate		36.07	27.03

(2) Deferred tax assets and deferred tax liabilities

1. Deferred tax assets and deferred tax liabilities

Balances and movements of deferred tax assets and deferred tax liabilities by nature are as follows:

	(Millions of yen)			
	FY2018 (As of April 1, 2018)	Recognized through profit	Recognized in other comprehensive income	FY2019 (As of March 31, 2019)
Deferred tax assets				
Net defined benefit liability	738	-	402	1,141
Accounts payable	2,664	(365)	-	2,299
Accrued bonuses	1,200	54	-	1,255
Long-term accounts payable	78	11	-	90
Property, plant and equipment and intangible assets	5,656	11	-	5,667
Unused tax losses of subsidiaries	353	(343)	-	9
Other	7,145	996	-	8,141
Total deferred tax assets	17,837	365	402	18,606
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(7,975)	1,840	-	(6,134)
Other financial assets	(12,682)	-	(745)	(13,427)
Other	(2,119)	(768)	-	(2,887)
Total deferred tax liabilities	(22,776)	1,072	(745)	(22,449)
Net amount	(4,939)	1,438	(342)	(3,843)

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	(Millions of yen)			
	FY2019 (As of April 1, 2019)	Recognized through profit	Recognized in other comprehensive income	FY2020 (As of March 31, 2020)
Deferred tax assets				
Net defined benefit liability	1,141	-	(41)	1,099
Accounts payable	2,299	532	-	2,832
Accrued bonuses	1,255	240	-	1,496
Long-term accounts payable	90	8	-	98
Property, plant and equipment and intangible assets	5,667	(284)	-	5,383
Unused tax losses of subsidiaries	9	37	-	47
Other	8,141	(1,453)	-	6,688
Total deferred tax assets	18,606	(918)	(41)	17,646
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(6,134)	511	-	(5,623)
Other financial assets	(13,427)	-	3,459	(9,968)
Other	(2,887)	1,282	-	(1,604)
Total deferred tax liabilities	(22,449)	1,794	3,459	(17,195)
Net amount	(3,843)	875	3,418	450

	(Thousands of U.S. dollars)			
	FY2019 (As of March 31, 2019)	Recognized through profit	Recognized in other comprehensive income	FY2020 (As of March 31, 2020)
Deferred tax assets				
Net defined benefit liability	10,484	-	(377)	10,106
Accounts payable	21,132	4,896	-	26,028
Accrued bonuses	11,537	2,214	-	13,751
Long-term accounts payable	827	76	-	904
Property, plant and equipment and intangible assets	52,078	(2,614)	-	49,463
Unused tax losses of subsidiaries	91	340	-	432
Other	74,813	(13,355)	-	61,457
Total deferred tax assets	170,965	(8,442)	(377)	162,145
Deferred tax liabilities				
Property, plant and Equipment and Intangible assets	(56,371)	4,701	-	(51,669)
Other financial assets	(123,379)	-	31,786	(91,592)
Other	(26,531)	11,788	-	(14,743)
Total deferred tax liabilities	(206,283)	16,490	31,786	(158,005)
Net amount	(35,318)	8,048	31,409	4,139

2. Net amounts of deferred tax assets and deferred tax liabilities included in the consolidated statement of financial position

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Deferred tax assets	12,564	12,844	118,022
Deferred tax liabilities	(16,408)	(12,393)	(113,883)
Net amount	(3,843)	450	4,139

(3) Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized

Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Deductible temporary differences	25,398	26,570	244,147
Carry forwards of unused tax losses	34,058	27,677	254,322
Carry forwards of tax credits	430	332	3,054
Total	59,887	54,580	501,523

Tax loss carryforwards for which no deferred tax assets are recognized will expire as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
1st year	1,748	3,092	28,417
2nd year	3,371	2,034	18,693
3rd year	2,211	2,653	24,378
4th year	3,498	1,696	15,586
5th year and thereafter	23,227	18,201	167,245
Total	34,058	27,677	254,322

(4) Taxable temporary differences for investments in subsidiaries and affiliates for which no deferred tax liabilities are recognized. Taxable temporary differences for which no deferred tax liabilities are recognized regarding investments in subsidiaries amount to ¥ 106,939 million, and ¥ 113,654 million (\$1,044,326 thousand) as of March 31, 2019 and 2020, respectively.

18. Trade and Other Payables

The details of trade and other payables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Trade payables	57,100	54,319	499,123
Notes payable	1,526	1,102	10,132
Non-trade payables	42,289	43,472	399,457
Other	5,906	5,920	54,398
Total	106,823	104,815	963,111

Note: Trade and other payables are classified as financial liabilities measured at amortized cost.

19. Borrowings and Other Financial Liabilities

(1) Details of financial liabilities

The details of borrowings and other financial liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)	Average interest rate	Date of maturity
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)		
Derivative liabilities	29	28	258		
Short-term borrowings	25,370	3,893	35,772	0.30%	
Current portion of long-term borrowings	3,733	2,738	25,161	0.63%	
Long-term borrowings	13,297	41,630	382,527	0.31%	2021~2033
Lease liabilities	5,705	21,427	196,889	1.54%	2020~2056
Long-term guarantee deposit	314	313	2,880		
Total	48,450	70,030	643,488		
Current liabilities	29,870	10,050	92,347		
Non-current liabilities	18,579	59,980	551,140		
Total	48,450	70,030	643,488		

Note 1: The average interest rate is the weighted average interest rate on the balance of borrowings as of March 31, 2020.

2: Derivative liability is classified as financial liability measured at FVTPL, and borrowing is classified as financial liability measured at amortized cost.

3: There are no financial covenants on borrowings that have a significant effect on the Group's financial activities.

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(2) Pledged assets for liabilities

1. Pledged assets	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Land	2,185	2,188	20,109
Building and equipment	5,359	5,128	47,128
Machinery and vehicle	110	0	0
Total	7,656	7,317	67,239

2. Liabilities related to the pledged assets	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Short-term borrowings	900	500	4,594
Current portion of long-term borrowings	1,689	1,636	15,038
Long-term borrowings	9,406	7,956	73,112
Total	11,996	10,093	92,745

20. Provisions

The changes in provisions are as follows:

	(Millions of yen)			
	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at April 1, 2018	78	281	1,100	1,459
Increase	-	68	-	68
Decrease (provision used)	-	(53)	(353)	(406)
Decrease (provision reversed)	-	(14)	-	(14)
Increase due to passage of time	0	7	-	7
Exchange differences on translation of foreign operations	-	(9)	-	(9)
Balance at March 31, 2019	78	279	746	1,104
Increase	-	29	-	29
Decrease (provision used)	-	(71)	(456)	(528)
Decrease (provision reversed)	-	(2)	-	(2)
Increase due to passage of time	0	17	-	17
Exchange differences on translation of foreign operations	-	(74)	-	(74)
Balance at March 31, 2020	78	176	289	544

	(Thousands of U.S. dollars)			
	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at March 31, 2019	720	2,568	6,862	10,151
Increase	-	267	-	267
Decrease (provision used)	-	(661)	(4,199)	(4,860)
Decrease (provision reversed)	-	(25)	-	(25)
Increase due to passage of time	1	156	-	158
Exchange differences on translation of foreign operations	-	(684)	-	(684)
Balance at March 31, 2020	722	1,620	2,663	5,006

The following table presents the carrying amount of provisions recognized in the consolidated statement of financial position.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Current liabilities	820	337	3,100
Non-current liabilities	284	207	1,905
Total	1,104	544	5,006

21. Other Liabilities

The details of other liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Other current liabilities			
Accrued bonuses	3,956	4,723	43,399
Deposits payable	2,855	2,750	25,271
Consumption tax payables	1,429	2,712	24,925
Obligation for unused paid absences	3,709	3,969	36,477
Refund liabilities (accrued rebates)	4,733	5,420	49,808
Other	559	606	5,573
Total	17,243	20,183	185,455
Other non-current liabilities			
Accrued long-term expenses	2,064	2,064	18,967
Other	378	403	3,705
Total	2,442	2,467	22,672

22. Employee Benefits

The Group has adopted funded and unfunded defined benefit pension plans, and defined contribution plans to cover employee retirement benefits.

Funded defined benefit plans have been operated by a corporate pension fund that is legally separated from the Group in accordance with laws and regulations, including the Defined-Benefit Corporate Pension Act.

Certain consolidated subsidiaries have adopted lump-sum payment plans.

Additionally, certain consolidated subsidiaries have also adopted corporate defined contribution plans based on the Defined Contribution Pension Act.

The benefits of the plans are determined based on years of service and salary levels of employees.

The Group, the Board of representatives of corporate pension fund and the pension fund management institutions are legally required to act in the best interests of plan participants in executing their responsibilities for managing the plan assets.

The main defined benefit plan of the Group is exposed to the following actuarial risks.

Investment risk	The discount rate used to determine present value of defined benefit plan obligations is based on market yields on instruments of high-quality corporate bonds. If the profit of plan assets is below the market yields, there is a possibility of a shortage of funds.
Interest rate risk	Interest rate risk involves the potential for an increase in defined benefit plan obligations if market yields on instruments of high-quality corporate bonds decrease. However, it will be partially offset by the increase in fair values of debt instruments or plan assets.
Longevity risk	The present value of the defined benefit plan obligations is calculated based on the mortality rate based on best estimate of the scheme participants during and after employment. Longer life expectancy for scheme participants will result in an increase in defined benefit plan obligations.

(1) Defined Benefit Plans

1. Defined benefit obligations and plan assets

The details of the retirement benefit liabilities and assets recognized in the consolidated statement of financial position are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Present value of the defined benefit obligations	41,914	41,422	380,615
Fair value of plan assets	(36,376)	(35,711)	(328,136)
Net defined benefit liabilities	5,538	5,711	52,478
Amounts recognized in the consolidated statement of financial position			
Retirement benefit liabilities	5,664	5,828	53,555
Retirement benefit assets	125	117	1,077

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2. Present value of defined benefit obligations

The changes in the present value of defined benefit obligations are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Balance at the beginning	40,385	41,914	385,138
Current service expense	1,766	1,859	17,087
Interest expense	312	244	2,242
Remeasurements			
Actuarial gains and losses arising from changes in demographic assumptions	-	(38)	(352)
Actuarial gains and losses arising from changes in financial assumptions	1,475	(552)	(5,079)
Actuarial gains and losses arising from experience adjustments	(33)	(16)	(152)
Benefits paid	(1,981)	(1,964)	(18,052)
Other	(9)	(23)	(218)
Balance at the end	41,914	41,422	380,615

3. Fair values of plan assets

The changes in the fair values of plan assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Balance at the beginning	36,371	36,376	334,246
Interest income	271	185	1,706
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	133	(475)	(4,364)
Contributions provided by employer	1,410	1,407	12,931
Benefits paid	(1,810)	(1,782)	(16,381)
Balance at the end	36,376	35,711	328,136

4. Details of defined benefit cost

The details of defined benefit cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Service cost			
Current service cost	1,766	1,859	17,087
Interest expense	312	244	2,242
Interest income	(271)	(185)	(1,706)
Total defined benefit cost recognized in profit or loss	1,807	1,918	17,624
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	(133)	475	4,364
Actuarial gains and losses arising from changes in demographic assumptions	-	(38)	(352)
Actuarial gains and losses arising from changes in financial assumptions	1,475	(552)	(5,079)
Actuarial gains and losses arising from experience adjustments	(33)	(16)	(152)
Total defined benefit cost recognized in other comprehensive income	1,307	(132)	(1,218)
Total	3,115	1,785	16,405

5. Components of plan assets

The details of plan assets by category are as follows:

	(Millions of yen)		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	2,055	-	2,055
Equity securities (Overseas)	3,569	-	3,569
Bonds (Domestic)	7,329	1,015	8,345
Bonds (Overseas)	1,943	-	1,943
General account for life insurance companies (Note 1)	-	6,058	6,058
Alternative investments (Note 2)	-	11,889	11,889
Other	2,513	-	2,513
Total	17,411	18,964	36,376

FY2020 (As of March, 2020)

	(Millions of yen)			(Thousands of U.S. dollars)		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	2,842	-	2,842	26,118	-	26,118
Equity securities (Overseas)	2,773	-	2,773	25,488	-	25,488
Bonds (Domestic)	8,589	1,008	9,598	78,929	9,268	88,198
Bonds (Overseas)	2,299	-	2,299	21,125	-	21,125
General account for life insurance companies (Note 1)	-	6,041	6,041	-	55,509	55,509
Alternative investments (Note 2)	-	9,507	9,507	-	87,358	87,358
Other	2,648	-	2,648	24,338	-	24,338
Total	19,154	16,556	35,711	176,000	152,135	328,136

Note 1: A certain interest rate and principal for the general account of life insurance are guaranteed by life insurance companies.

2: Alternative investments include hedge funds and others.

6. Matters related to actuarial assumptions

The significant actuarial assumptions used to measure present value of defined benefit obligations are as follows:

	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)
Discount rate (%)		0.6
Life expectancy (years)		26.0

7. Sensitivity analysis of actuarial assumptions

With an assumption of all other actuarial assumptions being constant, changes in the defined benefit obligations calculated according to changes in each significant actuarial assumption arising as of March 31, 2019

and March 31, 2020 are as follows. Sensitivity analysis results may not actually represent changes accurately in defined benefit obligations since other interrelated actuarial assumptions also change.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Discount rate increases by 0.5%	(2,813)	(2,789)	(25,629)
Life expectancy increase by 1 year	624	617	5,673

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8. Impact on future cash flows

(i) Funding policy for plan assets and expected contributions to plan assets

The funding policies for plan assets of the Group are as follows.

The purpose of the corporate pension fund which is the major component of the Group's plan, is to secure necessary returns over the long term within limits of acceptable risk in assets management in order to ensure benefit and lump-sum payments in the future.

In particular, we set the target return rate and asset composition ratio by investment asset within the allowable risk range specified by the fiscal year, and manage the assets by maintaining that proportion.

For asset composition ratio, we discuss the introduction of plan assets highly correlated with changes in the defined benefit obligation when necessary.

Also, when unforeseen circumstances occur in the market environment, it is possible to temporarily adjust the weight of risk assets according to internal regulations.

In relation to funding the corporate pension fund, rules stipulate that the amount of contributions as of the last day of a fiscal year (i.e., reference date) should be recalculated every five years in order to maintain the balance of the pension financing.

Also, as for the corporate pension reserve as of each fiscal year, the amount of premium contribution will be recalculated if the amount of pension fund falls below the reserve fund after deduction of allowable deficiency carried forward.

During the year ending March 31, 2021, ¥ 1,389 million (\$12,765 thousand) will be paid to plan assets as contributions.

(ii) Maturity analysis for the defined benefit obligations

The weighted-average durations of the defined benefit obligations were 14.8 years and 15.0 as of March 31, 2019 and March 31, 2020, respectively.

(2) Defined Contribution Plans

The amounts recognized as cost of sales and selling, general and administrative expenses related to the defined contribution plan were ¥ 70,917 million and ¥ 71,196 million (\$654,197 thousand) for the years ended March 31, 2019 and 2020, respectively.

23. Equity and Other Equity Items

(1) Equity and treasury shares

1. Shares authorized

	(Shares)	
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)
Authorized		
Ordinary shares	500,000,000	500,000,000
Issued		
Beginning balance	117,463,685	105,700,000
Change during the year	(11,763,685)	-
Ending balance	105,700,000	105,700,000

Note:1. All of the issued shares of the Company are ordinary shares that have no par value.

2. The number of outstanding shares decreased for the previous fiscal year is due to the cancellation of treasury shares.

2. Treasury shares

	(Shares)	
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)
Treasury shares		
Beginning balance	13,329,298	1,543,266
Change during the year	(11,786,032)	(13,946)
Ending balance	1,543,266	1,529,320

Note:The Company adopts share option plans and utilizes treasury shares for delivery of shares due to its exercise. Contract conditions and amounts are described in Note 32. "Share-based payments."

(2) Capital surplus

The Companies Act requires that more than half of the payment or contribution upon issuance of shares must be appropriated as share capital and the rest be appropriated as capital reserve which is included in capital surplus.

Capital reserve may be appropriated to share capital by resolution of the General Meeting of Shareholders.

(3) Retained earnings

The Companies Act requires that an amount equal to one-tenth of dividends must be appropriated as capital reserve or as legal reserve until the total of the aggregate amount of capital reserve and legal reserve equals a quarter of share capital. Legal reserve may be appropriated to reduce a deficit, and also may be reversed by resolution of the General Meeting of Shareholders.

(4) Other components of equity

1. Net gain (loss) on revaluation of financial assets measured at FVTOCI

Net gain (loss) on revaluation of financial assets measured at FVTOCI is the accumulated amount of changes in the fair value of financial assets measured at FVTOCI.

2. Remeasurements of defined benefit plans

Remeasurements of defined benefit plans include the effect of any variances between actuarial assumptions at the beginning of the year and actual results and the effects of changes in actuarial assumptions.

Remeasurements of defined benefit plans are recognized in other comprehensive income and immediately reclassified from other components of equity to retained earnings in the period when they occur.

3. Share of other comprehensive income of investments accounted for using the equity method

Share of other comprehensive income of investments accounted for using the equity method includes net gain (loss) on revaluation of financial assets measured at FVTOCI, remeasurements of defined benefit plans and exchange differences on translation of foreign operations.

4. Exchange differences on translation of foreign operations

Foreign currency translation differences arise from the translation of financial statements of foreign operations prepared in foreign currencies.

5. Cash flow hedges

Cash flow hedge is the portion of the change in the fair value of the hedging instrument that meets the hedge effectiveness requirements under hedge accounting.

24. Dividends

The details of dividends are as follows:

FY2019 (From April 1, 2018 to March 31, 2019)

1. Dividend paid

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 27, 2018	4,686	45	Mar 31, 2018	Jun 28, 2018
Board of Directors meeting held on November 7, 2018	5,728	55	Sep 30, 2018	Nov 29, 2018

2. Dividends with an effective date after the fiscal year end are as follows:

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 26, 2019	5,728	55	Mar 31, 2019	Jun 27, 2019

FY2020 (From April 1, 2019 to March 31, 2020)

1. Dividend paid

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	(Thousands of U.S. dollars)	(U.S. dollars)
General Meeting of Shareholders held on June 26, 2019	5,728	55	Mar 31, 2019	Jun 27, 2019	52,638	0.5
Board of Directors meeting held on November 7, 2019	5,729	55	Sep 30, 2019	Nov 28, 2019	52,643	0.5

2. Dividends with an effective date after the fiscal year end are as follows:

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	(Thousands of U.S. dollars)	(U.S. dollars)
General Meeting of Shareholders held on June 25, 2020	5,729	55	Mar 31, 2020	Jun 26, 2020	52,642	0.5

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25. Revenue

The disaggregation of revenue for each product or geographical segment of the our reportable segments is as follows:

Reportable segment	Revenue segment	(Millions of yen)		(Thousands of U.S. dollars)
		FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
NISSIN FOOD PRODUCTS	Instant noodles	179,289	187,296	1,721,003
	Other	13,967	14,017	128,804
	Total	193,256	201,314	1,849,808
MYOJO FOODS	Instant noodles	32,212	35,851	329,422
	Chilled and frozen products	670	681	6,265
	Total	32,882	36,532	335,688
Chilled and frozen foods	Chilled and frozen products	55,228	57,128	524,929
	Other	196	178	1,641
	Total	55,424	57,306	526,571
The Americas	Instant noodles	62,218	64,318	590,999
	Chilled and frozen products	1,207	1,603	14,733
	Total	63,425	65,922	605,733
China	Hong Kong	17,549	17,618	161,894
	Mainland China	23,898	25,464	233,981
	Total	41,447	43,083	395,875
Other	Instant noodles	18,121	18,204	167,270
	Beverages and confectionery	42,095	42,274	388,441
	Other	4,331	4,241	38,974
	Total	64,547	64,719	594,686
Revenue in the consolidated financial statements		450,984	468,879	4,308,363

26. Selling, General and Administrative Expenses

The details of selling, general and administrative expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Advertising expenses	14,294	14,078	129,363
Freight and storage charges	36,266	37,267	342,440
Employee salaries	22,378	22,057	202,679
Promotion expenses	12,127	12,670	116,424
Commissions and charges	8,343	9,458	86,907
Other	32,873	33,952	311,975
Total	126,283	129,485	1,189,792

27. Other Income and Other Expenses

The details of other income are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Other income			
Gain on sales of fixed assets	5,635	592	5,442
Subsidy	-	356	3,276
Other	1,310	1,003	9,217
Total	6,945	1,951	17,935

The details of other expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Other expenses			
Loss on disposal and sales of fixed assets	331	468	4,304
Impairment losses (Note)	9,544	1,347	12,377
Loss on liquidation of associates	-	383	3,521
Other	945	837	7,698
Total	10,821	3,036	27,902

Note: Details of impairment losses are described in Note 14 "Impairment loss of non-financial assets."

28. Finance Income and Finance Costs

The details of finance income are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Finance income			
Dividend income			
Financial assets measured at FVTOCI			
Investments derecognized during the year	0	5	54
Investments held at the end of the year	1,452	1,469	13,500
Subtotal	1,452	1,474	13,555
Interest income			
Financial assets measured at amortized cost	1,011	981	9,019
Subtotal	1,011	981	9,019
Derivative income	-	39	362
Other	61	47	439
Total	2,525	2,544	23,377

The details of finance costs are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Finance costs			
Interest expense			
Borrowings	271	319	2,934
Lease liabilities	-	264	2,431
Subtotal	271	583	5,365
Foreign exchange loss	54	501	4,607
Other	-	61	567
Total	326	1,147	10,539

29. Cash Flow

Reconciliation of liabilities arising from financing activities

The changes in liabilities arising from financing activities are as follows:

	(Millions of yen)			
	Long-term borrowings (Note 1)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2018	17,611	3,235	3,005	60
Movement by cash inflow/outflow from financing activities	1,070	20,747	(320)	-
Acquisition	-	-	3,033	-
Exchange differences on translation of foreign operations	(1,651)	1,387	(12)	-
Fair value movement	-	-	-	(30)
Balance at March 31, 2019	17,030	25,370	5,705	29

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FY2020(From April 1, 2019 to March 31, 2020)

	(Millions of yen)			
	Long-term borrowings (Note 1)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2019 (Note 2)	17,030	25,370	19,558	29
Movement by cash inflow/outflow from financing activities	27,480	(21,375)	(4,183)	-
Acquisition	-	-	6,123	-
Exchange differences on translation of foreign operations	(141)	(102)	(70)	-
Fair value movement	-	-	-	(1)
Balance at March 31, 2020	44,368	3,893	21,427	28

	(Thousands of U.S. dollars)			
	Long-term borrowings	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2019 (Note 2)	156,483	233,123	179,712	270
Movement by cash inflow/outflow from financing activities	252,507	(196,413)	(38,437)	-
Acquisition	-	-	56,267	-
Exchange differences on translation of foreign operations	(1,302)	(937)	(652)	-
Fair value movement	-	-	-	(12)
Balance at March 31, 2020	407,688	35,772	196,889	258

Note 1: Long-term borrowings include long-term borrowings due within one year.

Note 2: Due to cumulative effect of changes in accounting policies, lease liabilities are increased by ¥ 13,852 million (\$ 127,286 thousand).

30. Other Comprehensive Income

The details of other comprehensive income and the amount arising during the current year, reclassification adjustments to profit or loss and the related tax effects are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Items that will not be reclassified to profit or loss			
Equity instruments measured at FVTOCI			
Amount arising during the year	(5,731)	(15,146)	(139,172)
Before income tax effect	(5,731)	(15,146)	(139,172)
Income tax effect	(726)	3,453	31,730
Equity instruments measured at FVTOCI	(6,458)	(11,692)	(107,442)
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	(80)	57	529
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	(80)	57	529
Remeasurements of defined benefit plans			
Amount arising during the year	(1,307)	132	1,218
Before income tax effect	(1,307)	132	1,218
Income tax effect	402	(41)	(377)
Remeasurements of defined benefit plans	(905)	91	841
Total items that will not be reclassified to profit or loss	(7,444)	(11,543)	(106,070)
Items that may be reclassified to profit or loss			
Debt instruments measured at FVTOCI			
Amount arising during the year	3	(36)	(334)
Reclassification adjustments	-	7	67
Before income tax effect	3	(28)	(266)
Income tax effect	(1)	9	91
Debt instruments measured at FVTOCI	2	(19)	(175)
Foreign currency translation differences on foreign operations			
Amount arising during the year	(1,783)	(8,252)	(75,830)
Reclassification adjustments	-	-	-
Before income tax effect	(1,783)	(8,252)	(75,830)
Income tax effect	-	-	-
Foreign currency translation differences on foreign operations	(1,783)	(8,252)	(75,830)
Cash flow hedges			
Amount arising during the year	71	52	480
Reclassification adjustments	(3)	(45)	(418)
Before income tax effect	68	6	61
Income tax effect	(17)	(3)	(35)
Cash flow hedges	50	2	26
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	(2,339)	2,046	18,802
Reclassification adjustments	-	-	-
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	(2,339)	2,046	18,802
Items that may be reclassified to profit or loss	(4,070)	(6,222)	(57,176)
Total of other comprehensive income	(11,514)	(17,766)	(163,247)

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31. Earnings per Share

(1) Basic earnings per share	(Thousands of U.S. dollars)		
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Profit for the year attributable to owners of the parent (Millions of yen)	19,356	29,316	269,383
Weighted average number of ordinary shares outstanding (One hundred shares)	1,041,507	1,041,650	
Basic earnings per share (Yen)	185.85	281.45	2.58
(2) Diluted earnings per share			
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Profit for the year attributable to owners of the parent (Millions of yen)	19,356	29,316	269,383
Profit adjustments (Millions of yen)	-	-	-
Diluted profit for the year (Millions of yen)	19,356	29,316	269,383
Weighted average number of ordinary shares outstanding (One hundred shares)	1,041,507	1,041,650	
Adjustment due to stock acquisition rights to shares (One hundred shares)	5,338	5,643	
Diluted weighted average number of ordinary shares (One hundred shares)	1,046,846	1,047,293	
Diluted earnings per share (Yen)	184.90	279.93	2.57
Outline of dilutive shares without dilutive effect that were not included in the calculation of diluted net income	-	-	-

32. Share-Based Payments

(1) Outline of share-based payments

The Company issues stock acquisition rights as stock options to directors, executive officers and employees in order to motivate and inspire the recipients to enhance the Company's results and value of shares.

Exercise periods are defined in allocation contracts, and options expire if they are not exercised within the period.

The options will also be forfeited if a person granted options retires from the Company, unless permitted in allocation contracts (e.g., expiration of the term).

The options granted are accounted for as equity-settled share-based payments.

Expenses arising from equity-settled share-based payment transactions recorded in selling, general and administrative expenses of the consolidated statement of profit or loss and amounted to ¥ 401 million and ¥ 270 million (\$2,483 thousand) for the years ended March 31, 2019 and 2020, respectively.

The details of the Group's stock option plan are as follows:

	Grant date	Options granted (Shares)	Due date for exercise	Exercise price (Yen)	Fair value at grant date (Yen)	Fair value at grant date (U.S. dollars)
2nd	Jun 26, 2009	74,300	Jun 26, 2049	1	2,325	21
3rd	Jun 26, 2009	3,155	Jun 26, 2049	1	2,677	24
4th	Jun 26, 2009	11,284	Jun 26, 2049	1	2,677	24
6th	Jun 29, 2010	73,200	Jun 29, 2050	1	2,616	24
7th	Jun 29, 2010	5,710	Jun 29, 2050	1	3,003	27
8th	Jun 29, 2010	21,329	Jun 29, 2050	1	3,003	27
9th	Jun 29, 2011	73,200	Jun 29, 2051	1	2,141	19
10th	Jun 29, 2011	11,049	Jun 29, 2051	1	2,614	24
11th	Jun 29, 2011	22,677	Jun 29, 2051	1	2,614	24
13th	Jun 28, 2012	85,900	Jun 28, 2052	1	2,244	20
14th	Jun 28, 2012	8,666	Jun 28, 2052	1	2,709	24
15th	Jun 28, 2012	26,477	Jun 28, 2052	1	2,709	24
17th	Jun 26, 2013	80,000	Jun 26, 2053	1	3,003	27
18th	Jun 26, 2013	7,990	Jun 26, 2053	1	3,461	31
19th	Jun 26, 2013	26,914	Jun 26, 2053	1	3,461	31
21st	Jun 26, 2014	56,500	Jun 26, 2054	1	4,323	39
22nd	Jun 26, 2014	7,179	Jun 26, 2054	1	4,805	44
23rd	Jun 26, 2014	19,837	Jun 26, 2054	1	4,805	44
24th	Jun 25, 2015	52,300	Jun 25, 2055	1	4,692	43
25th	Jun 25, 2015	7,284	Jun 25, 2055	1	5,162	47
26th	Jun 25, 2015	17,141	Jun 25, 2055	1	5,162	47
28th	Jun 28, 2016	39,500	Jun 28, 2056	1	4,830	44
29th	Jun 28, 2016	4,249	Jun 28, 2056	1	5,322	48
30th	Jun 28, 2016	9,627	Jun 28, 2056	1	5,322	48
33rd	Jun 28, 2017	35,500	Jun 28, 2057	1	6,027	55
34th	Jun 28, 2017	11,048	Jun 28, 2057	1	6,841	62
35th	Jun 28, 2017	10,893	Jun 28, 2057	1	6,841	62
36th	Jun 27, 2018	33,600	Jun 27, 2058	1	7,247	66
37th	Jun 27, 2018	10,007	Jun 27, 2058	1	8,098	74
38th	Jun 27, 2018	9,377	Jun 27, 2058	1	8,098	74
40th	Jun 27, 2019	29,700	Jun 26, 2059	1	5,768	53
41st	Jun 27, 2019	7,120	Jun 26, 2059	1	6,749	62
42nd	Jun 27, 2019	7,537	Jun 26, 2059	1	6,749	62

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(2) Number of stock options and weighted average exercise price

	FY2019		FY2020	
	(From April 1, 2018 to March 31, 2019)		(From April 1, 2019 to March 31, 2020)	
	Number of shares (Shares)	Weighted average exercise price (Yen)	Number of shares (Shares)	Weighted average exercise price (Yen)
Beginning balance of outstanding shares	506,602	1	536,177	1
Granted	53,087	1	44,357	1
Exercised	23,512	1	14,765	1
Expired	-	-	-	-
Expired at maturity	-	-	-	-
Ending balance of outstanding shares	536,177	1	565,769	1
Ending balance of exercisable shares	536,177	1	565,769	1

As of March 31, 2019, the exercise price of outstanding stock options was 1 yen and the weighted average remaining contractual life was 34.57 years.

The weighted average share price on the date of exercise for the fiscal year ended March 31, 2019 was ¥ 7,029.95 (\$64.59).

As of March 31, 2020, the exercise price of outstanding stock options was 1 yen and the weighted average remaining contractual life was 33.95 years.

The weighted average share price on the date of exercise for the fiscal year ended March 31, 2020 was ¥ 7,192.09 (\$66.08).

(3) Fair value measurement of stock options

The weighted average fair value at the measurement date of the stock options granted during the years ended March 31, 2019 and March 31, 2020 was ¥ 7,558.82 and ¥ 6,092.15 (\$55.97), respectively.

To determine the expenses for share-based payments, the Black-Scholes option-pricing model is used to evaluate options.

The assumptions used for the Black-Scholes option-pricing model are as follows:

FY2019(From April 1, 2018 to March 31, 2019)

	36th	37th	38th	39th
Stock price at grant date (Yen)	8,330	8,330	8,330	7,810
Volatility of stock price (%) (Note 1)	23.38	23.00	23.00	29.16
Estimated remaining outstanding period (Years) (Note 2)	12.9	2.6	2.6	0.01
Estimated dividend (Yen per share) (Note 3)	90	90	90	90
Risk free interest rate (%) (Note 4)	0.17	(0.13)	(0.13)	(0.11)

FY2020(From April 1, 2019 to March 31, 2020)

	(U.S. dollars)		
	40th	41st	42nd
Stock price at grant date (Yen)	7,000	7,000	7,000
Volatility of stock price (%) (Note 1)	23.06	19.62	19.62
Estimated remaining outstanding period (Years) (Note 2)	12.4	2.3	2.3
Estimated dividend (Yen per share) (Note 5)	110	110	110
Risk free interest rate (%) (Note 4)	(0.05)	(0.23)	(0.23)
	64	64	64
	1.01	1.01	1.01

Note 1: The volatility of stock prices is determined based on the stock price history in the most recent period that corresponds with the expected remaining outstanding period from grant date.

2: The estimated remaining outstanding period is determined mainly based on the average duration of service.

3: The estimated dividend is determined based on the dividend during the period ended March 31, 2018.

4: The risk free interest rate is determined based on the average compound rate of long-term government bonds whose maturity is close to the estimated remaining outstanding period.

5: The estimated dividend is determined based on the dividend during the period ended March 31, 2019.

33. Financial Instruments

(1) Capital management

The Group manages its capital in accordance with finance policy focused on financial health, equity profitability and equity efficiency in order to maximize enterprise value with continuous growth as a going concern.

Comparison between net liabilities and equity of the Group is as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Interest-bearing debts	48,106	69,689	640,350
Cash and cash equivalents	57,125	60,163	552,820
Interest-bearing debts(Net)	(9,019)	9,525	87,529
Equity(Equity attributable to owners of the parent)	326,781	327,994	3,013,823

(2) Financial risk management

The Group is exposed to a variety of risks, such as credit risk, liquidity risk and market risk (foreign exchange risk and interest rate risk).

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts to hedge market risk.

Derivative transactions are used according to the authorization policy set by the Group, and the Group does not have a policy to execute speculative transactions by utilizing derivative assets.

The Group funds required capital (mainly by bank loan) in accordance with the capital expenditure plan. Temporary surplus cash is invested in highly secured financial instruments, and short-term working capital is funded by bank loan.

The Group is always exposed to financial risks during corporate operation. The Group enters into risk management in order to minimize financial risks. The Group prevents the sources of the risks and tries to minimize risks when they are not avoidable.

(3) Credit risk management

Credit risk is the financial loss risk that a customer or counterparty of financial instruments will default on contractual obligations.

The Group is exposed to credit risks of customers associated with trade accounts receivable, trade notes receivable and other receivables (loan receivables to customers).

The sales management and accounting departments of the Group monitor the financial situations of major customers on a regular basis in accordance with the Group's policy for trade receivables, and also control due dates and outstanding balances for each customer.

The Group also identifies indications of concern regarding collections from the parties whose financial situations worsen and minimizes such risks. Concentration of credit risks on specific customer does not exist.

There is counterparty risk when the Group utilizes derivative transactions. The Group enters into derivative transaction generally with highly rated financial institutions in order to reduce credit risk.

For financial assets, the maximum exposure of the Group is the total of carrying amount after impairment disclosed in the consolidated financial statements and the balance of guarantee liabilities.

There is no material balance of overdue receivables which has not been impaired.

Receivables with carrying amounts that are expected to be difficult to collect are recognized as impairment loss for the amount between the carrying and recoverable amount.

The changes of allowance for doubtful accounts are as follows:

	Expected credit losses in 12 months	Expected credit losses in lifetime			Total
		Trade receivables	Financial assets whose credit losses increased significantly	Credit-impaired financial assets	
Balance at April 1, 2018	2	395	122	55	575
Increase	0	81	0	-	81
Decrease	(1)	(104)	(0)	(5)	(112)
Direct write-offs	-	(0)	-	(49)	(49)
Foreign exchange	-	-	-	0	0
Other	(0)	0	-	4	3
Balance at March 31, 2019	1	372	122	3	499
Increase	1	74	-	1	77
Decrease	(0)	(108)	(1)	-	(109)
Direct write-offs	-	(7)	-	-	(7)
Foreign exchange	-	(9)	-	(1)	(10)
Other	0	75	-	11	87
Balance at March 31, 2020	2	396	121	15	535

Financial Data

(Thousands of U.S. dollars)

	Expected credit losses in 12 months	Expected credit losses in lifetime			Total
		Trade receivables	Financial assets whose credit losses increased significantly	Credit-impaired financial assets	
Balance at March 31, 2019	12	3,418	1,123	35	4,589
Increase	11	682	-	14	708
Decrease	(5)	(992)	(10)	-	(1,008)
Direct write-offs	-	(72)	-	-	(72)
Foreign exchange	-	(85)	-	(11)	(96)
Other	1	693	-	105	800
Balance at March 31, 2020	19	3,643	1,113	144	4,920

(4) Liquidity risk management

Liquidity risk is the risk that the Group will encounter troubles in cash control due to changes in market environment or deterioration of financial results of the subsidiaries of the Group, or that the Group will have no alternative but to raise funds with costs substantially higher than usual.

Trade and other payables, interest-bearing debts and other non-current payables are exposed to liquidity risk. The Group controls the risk by preparing and updating its cash flow plans on a timely basis and maintaining enough liquidity.

Maturity analysis of financial liabilities (including derivative financial instruments) is as follows.

FY2019(As of March 31, 2019)

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	106,823	106,823	106,823	-	-	-	-	-
Borrowings	42,400	42,400	29,103	2,580	1,991	1,874	1,789	5,060
Lease obligations	5,705	5,891	767	776	715	660	605	2,366
Non-current guarantee deposit received	314	314	-	0	-	-	-	314

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts		29	29	13

FY2020(As of March 31, 2020)

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	104,815	104,815	104,815	-	-	-	-	-
Borrowings	48,261	48,261	6,631	4,722	7,597	7,515	7,153	14,641
Lease liabilities	21,427	23,901	3,799	3,129	2,307	2,154	1,888	10,620
Non-current guarantee deposit received	314	314	-	-	0	-	-	314

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts		28	28	-

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	963,111	963,111	963,111	-	-	-	-	-
Borrowings	443,460	443,460	60,933	43,388	69,813	69,053	65,732	134,539
Lease liabilities	196,889	219,619	34,910	28,758	21,206	19,798	17,355	97,590
Non-current guarantee deposit received	2,890	2,890	-	-	1	-	-	2,888

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts		258	258	-

(5) Market risk management

Market risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in market prices. Market risk consists of foreign exchange risk, interest rate risk and other price risk.

1. Foreign exchange risk control

Foreign exchange risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rates.

In terms of imports in foreign currencies, the Group utilizes forward foreign exchange contracts to reduce risk. However, cost fluctuations greater than those expected may temporarily occur due to foreign exchange rate fluctuations.

The principal foreign exchange risk of the Group is the rise of purchase prices due to fluctuations in foreign exchange rates.

Sensitive analysis of foreign exchange rates

Assuming that the Japanese yen appreciates by 1% against the US dollar, the effect on income before tax is as follows.

The effect of translation of financial instruments based on functional currency and assets, liabilities, income and expenses of foreign operations are not included.

And it is assumed that other currencies which are not used in this calculation remain constant.

(Millions of yen) (Thousands of U.S. dollars)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Income before tax	105	44	410

2. Interest rate risk management

Interest rate risk is the risk that fair values of financial instruments or future cash flows will fluctuate due to changes in market interest rate.

The Group is exposed to interest rate risk due to borrowing funds from financial institutions.

The Group is exposed to interest rate risk because the Group borrows funds with fixed interest rates and variable interest rates.

The Group reduces such risk by maintaining a balance of borrowings with fixed interest rates and variable interest rates, and also utilizes interest rate swap contracts.

Sensitivity analysis of interest rates

Assuming that interest rates increase by 1% for the borrowings with variable interest rates and the expected original principal remains constant, the effect on income before tax of the Group is as follows.

(Millions of yen) (Thousands of U.S. dollars)

	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Income before tax	157	230	2,116

(6) Fair value of financial instruments

1. Measurement of fair value of financial instruments

The measurements of major financial instruments are as follows.

Financial Data

(a) Equity securities

Marketable securities are measured using market prices at the end of each fiscal year.

Non-marketable securities are measured in accordance with valuation techniques including the net assets approach, market comparable approach and the discounted cash flow approach.

The market comparable approach calculates the share value of the Company by selecting listed companies that belong to similar industries and analyzing their financial indicators.

Under the discounted cash flow approach, the fair value is calculated by capital cost and earnings.

(b) Investment trusts and bonds

Investment trusts and bonds are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(c) Derivatives

Derivatives are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(d) Borrowings

Borrowings with variable interest rates are stated at their book values because their fair values are deemed to be nearly equal to their book values.

The fair value of borrowings is the present value of remaining principal and interest discounted using a deemed interest rate on equivalent new borrowings.

2. Financial instruments measured at fair value on a recurring basis

The fair value hierarchy of financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position is as follows:

FY2019 (As of March 31, 2019)

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	26	-	26
Equity securities	83,106	-	3,007	86,114
Investment trusts	126	2,104	-	2,231
Bonds	-	4,877	-	4,877
Total	83,233	7,008	3,007	93,249
Financial liabilities:				
Derivative liabilities	-	29	-	29
Total	-	29	-	29

FY2019 (As of March 31, 2020)

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	44	-	44
Equity securities	67,637	-	2,704	70,341
Investment trusts	112	5,808	-	5,921
Bonds	50	5,090	-	5,140
Total	67,799	10,943	2,704	81,447
Financial liabilities:				
Derivative liabilities	-	28	-	28
Total	-	28	-	28

	(Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	411	-	411
Equity securities	621,495	-	24,849	646,344
Investment trusts	1,032	53,374	-	54,407
Bonds	459	46,773	-	47,232
Total	622,987	100,559	24,849	748,396
Financial liabilities:				
Derivative liabilities	-	258	-	258
Total	-	258	-	258

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and 2020.

The changes in financial instruments categorized as Level 3 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Beginning balance	3,026	3,007	27,636
Gains and losses			-
Other comprehensive income (Note)	(18)	52	483
Purchases	10	50	459
Sales and settlements	(10)	(405)	(3,729)
Others	-	-	-
Ending balance	3,007	2,704	24,849

Note: Gains and losses recognized in other comprehensive income are included in "Financial assets measured at FVTOCI" in the consolidated statement of comprehensive income.

3. Financial instruments measured at amortized cost

The carrying amount and fair value of major financial instruments measured at amortized cost are as follows:

	(Millions of yen)				(Thousands of U.S. dollars)	
	FY2019 (As of March 31, 2019)		FY2020 (As of March 31, 2020)		FY2020 (As of March 31, 2020)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Borrowings (Note)	17,030	17,056	44,368	44,401	407,688	407,988
Total	17,030	17,056	44,368	44,401	407,688	407,988

Note: Borrowings are mainly classified into Level 3.

4. Valuation process

Fair values of financial instruments are measured in accordance with valuation policies and procedures approved by appropriate authorities and the valuation method for each asset and liability is determined by the appraiser in the Group.

(7) Offsetting financial assets and financial liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position and the amount of financial assets and liabilities that are under enforceable master netting arrangements or similar agreements, but are not offset because they do not meet a part or all criteria for offsetting.

Rights to offset based on enforceable master netting arrangements or similar agreements are enforceable only in certain circumstances, such as default on obligations by counterparties due to bankruptcy or other reasons.

FY2019 (As of March 31, 2019)

	(Millions of yen)				
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables		277	34	242	242
Total		277	34	242	242

	(Millions of yen)				
	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	131	34	96	-	96
Total	131	34	96	-	96

Financial Data

FY2020 (As of March 31, 2020)

					(Millions of yen)
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	1,132	67	1,064	-	1,064
Total	1,132	67	1,064	-	1,064

(Thousands of U.S. dollars)

	Gross amount of financial assets	Gross amount of financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	10,403	620	9,783	-	9,783
Total	10,403	620	9,783	-	9,783

(Millions of yen)

	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	149	67	81	-	81
Total	149	67	81	-	81

(Thousands of U.S. dollars)

	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	1,369	620	749	-	749
Total	1,369	620	749	-	749

(8) Derivatives and hedge accounting

The Company designates forward foreign exchange contracts as hedging instruments to hedge the variability of cash flows concerning foreign currency-denominated liabilities or forecasted transactions in foreign currencies, and designates interest rate swap contracts as hedging instruments to hedge fluctuations in cash flows related to borrowings with variable interest rates. Derivatives are managed according to the Company's internal rules, which stipulate authorization and limitation of transactions.

In order to reduce credit risk, the counterparties to these derivatives are limited to highly rated financial institutions.

Carrying amount and changes in fair values of hedging instruments by type of hedge accounting are as follows:

FY2019 (As of March 31, 2019)

					(Millions of yen)
Hedge type	Risk type	Hedging instrument	Notional amount	Carrying amount (fair value) (Note)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions			
		Buying contracts			
	USD	704	26	-	
	Interest rate risk	Interest rate swaps			
		Fixed-rate payment, variable rate receipt	1,410	-	29
		Total	2,115	26	29

The average rate applied to the forward foreign exchange contracts is ¥104.9 per US dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

FY2020 (As of March 31, 2020)

				(Millions of yen)	
Hedge type	Risk type	Hedging instruments	Notional amount	Carrying amount (fair value) (Note)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions			
		Buying contracts			
	USD	1,088	44	-	
	Interest rate risk	Interest rate swaps			
		Fixed-rate payment, variable rate receipt	1,323	-	28
		Total	2,411	44	28

(Thousands of U.S. dollars)

Hedge type	Risk type	Hedging instruments	Notional amount	Carrying amount (fair value)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions			
		Buying contracts			
	USD	10,000	411	-	
	Interest rate risk	Interest rate swaps			
		Fixed-rate payment, variable rate receipt	12,160	-	258
		Total	22,160	411	258

The average rate applied to the forward foreign exchange contracts are ¥103.4 per US dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

Note: The amount on the consolidated statement of financial position of each current and non-current assets and liabilities are recorded in "Other financial assets" or "Other financial liabilities" based on their maturity dates.

The cash flows in cash flow hedges are expected to be generated in one month to one year for the forward foreign exchange contracts and one month to fifteen years for interest rate swap contracts, and are expected to have an effect on profit or loss in the same period.

The changes in cash flow hedges arising from hedge instruments designated as cash flow hedge are as follows:

FY2019 (From April 1, 2018 to March 31, 2019)

				(Millions of yen)		
	Foreign exchange risk	Interest rate risk	Total			
Balance at April 1, 2018	(35)	(5)	(41)			
Amount arising during the year (Note 1)	86	(14)	71			
Reclassification adjustments (Note 2)	(8)	4	(3)			
Income tax effect	(24)	6	(17)			
Balance at March 31, 2019	18	(9)	8			

FY2020 (From April 1, 2019 to March 31, 2020)

			(Millions of yen)	(Thousands of U.S. dollars)		
	Foreign exchange risk	Interest rate risk	Total	Foreign exchange risk	Interest rate risk	Total
Balance at March 31, 2019	18	(9)	8	165	(86)	79
Amount arising during the year (Note 1)	74	(22)	52	683	(203)	480
Reclassification adjustments (Note 2)	(53)	7	(45)	(487)	69	(418)
Income tax effect	(8)	4	(3)	(74)	41	(35)
Balance at March 31, 2020	31	(19)	11	285	(179)	106

Note 1: Changes in fair value of hedged items used as the basis for recognition of the ineffective portion of hedges match with the changes in fair value of hedged instruments.

2: Reclassification adjustment attributed to effects of hedged items on profit or loss are recognized under finance income or costs on the consolidated statement of income.

Financial Data

34. Related-Party Transactions

(1) Related-party transactions

FY2019 (As of March 31, 2019)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)
Other related party	Intech Lease K.K.	Lease of vending machines	429	Lease obligations	193

FY2020 (As of March 31, 2020)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)	Transaction amount (Thousands of U.S. dollars)	Outstanding balance (Thousands of U.S. dollars)
Other related party	Intech Lease K.K.	Lease of vending machines	514	Lease liabilities	278	4,730	2,557

Note: Leases are executed after comparing quotations on general lease operations with other lease companies.

(2) Compensation of key management personnel

Compensation for the Group's directors and other executives is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Remuneration and bonuses	963	872	8,021
Share-based payments	371	251	2,312
Total	1,335	1,124	10,334

35. Subsidiaries and Associates

(1) The Group's subsidiaries and associates are summarized in the "Business areas of consolidated subsidiaries and associates."

(2) Consolidated subsidiaries with material non-controlling interests

Summarized financial information on the consolidated subsidiary with material non-controlling interests is as follows:

Summarized financial information is based on amounts before elimination in consolidation.

NISSIN FOODS CO., LTD. (NISSIN FOODS CO., LTD. and its group companies)

1. General information

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Non-controlling interests held by non-controlling owner (%)	30.00	30.00	30.00
Accumulated non-controlling interests of the subsidiary	16,763	16,949	155,744

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Profit allocated to the non-controlling interests of the subsidiary	1,168	1,479	13,594

2. Summarized statements of financial position

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Current assets	42,126	42,716	392,508
Non-current assets	22,161	23,398	215,002
Current liabilities	11,046	12,414	114,068
Non-current liabilities	865	979	8,995
Equity	52,376	52,722	484,446

3. Summarized statements of income and comprehensive income

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Revenue	42,394	44,162	405,792
Profit	3,487	3,971	36,493
Comprehensive income	1,621	2,288	21,027

4. Summarized statements of cash flows

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (From April 1, 2018 to March 31, 2019)	FY2020 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2019 to March 31, 2020)
Net cash from operating activities	5,591	7,736	71,085
Net cash from investing activities	(3,646)	(5,345)	(49,118)
Net cash from financing activities	(1,087)	(1,411)	(12,970)
Effect of exchange rate changes on cash and cash equivalents	(742)	(1,735)	(15,948)
Net increase (decrease) in cash and cash equivalents	114	(756)	(6,952)

36. Commitments

Commitments on payment after the end of each reporting period are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2019 (As of March 31, 2019)	FY2020 (As of March 31, 2020)	FY2020 (As of March 31, 2020)
Commitments to purchase property, plant and equipment	4,562	6,355	58,398

37. Events after the Reporting Period

There are no material subsequent events to be disclosed.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NISSIN FOODS HOLDINGS CO., LTD.:

Opinion

We have audited the consolidated financial statements of NISSIN FOODS HOLDINGS CO., LTD. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2020, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Member of
Deloitte Touche Tohmatsu Limited

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

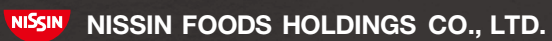
Financial Data

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 25, 2020



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