

Financial Data Book

For the year ended March 31, 2024



CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Years ended March 31,	IFRS					
	Millions of yen (except per share information)					
	2019	2020	2021	2022	2023	2024
For the year						
Revenue	¥450,984	¥468,879	¥506,107	¥569,722	¥669,248	¥732,933
Cost of sales	295,823	301,599	324,350	375,219	448,170	474,303
Gross profit	155,161	167,279	181,756	194,502	221,078	258,630
Selling, general, and administrative expenses	126,283	129,485	136,590	151,518	173,823	197,252
Gain on investments accounted for using the equity method	3,966	4,543	5,435	3,656	7,998	13,038
Other income (expenses)	(3,875)	(1,085)	4,930	(26)	384	(1,054)
Operating profit	28,967	41,252	55,532	46,614	55,636	73,361
Finance income	2,198	1,397	702	2,568	2,313	3,554
Profit before income tax expenses	31,166	42,650	56,233	49,182	57,950	76,915
Income tax expenses	11,242	11,528	12,893	10,927	9,568	18,197
Profit attributable to noncontrolling interests	567	1,805	2,511	2,842	3,620	4,547
Profit attributable to owners of the parent	19,356	29,316	40,828	35,412	44,760	54,170
Comprehensive income	8,409	13,355	70,687	58,311	56,310	84,684
Per share ^{*1}						
Profit attributable to owners of the parent per share - primary	¥ 61.95	¥93.82	¥130.65	¥114.50	¥146.94	¥178.16
- diluted	61.63	93.31	129.90	113.84	146.04	177.04
Cash dividends ^{*1,2}	110.00	110.00	120.00	130.00	140.00	120.00
Equity ^{*1,3}	1,045.80	1,049.54	1,228.79	1,326.55	1,415.70	1,621.91
At year-end						
Working capital ^{*4}	¥17,245	¥46,103	¥68,467	¥91,664	¥81,404	¥91,351
Property, plant, and equipment, net	216,831	240,063	257,135	260,506	265,839	315,573
Total assets	557,577	576,621	663,530	683,423	708,374	812,382
Noncurrent liabilities	43,378	80,877	81,444	70,870	55,665	63,874
Equity	352,545	354,063	421,435	444,590	467,949	535,010
Research and development ("R&D") expenses	¥9,335	¥7,549	¥7,852	¥10,127	¥11,353	¥10,845
Capital expenditures	57,602	39,742	34,032	28,309	32,718	74,968
Value and Performance Indicators						
Operating margin (%) ^{*5}	6.4	8.8	11.0	8.2	8.3	10.0
Return on assets (%) ^{*6}	3.6	5.2	6.6	5.3	6.4	7.1
Return on equity (%) ^{*7}	5.9	9.0	11.5	8.9	10.7	11.7
Inventory turnover (times) ^{*8}	9.5	9.3	8.8	8.5	8.6	7.8

Note : 1. The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024.

Basic earnings per share and diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the fiscal year ended March 31, 2019.

2. The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024.

The dividend per share for the fiscal year ended March 31, 2024 was recorded as ¥80 for the interim dividend before the stock split and ¥40 for the year-end dividend after the stock split, resulting in a total annual dividend of ¥120.00 when simply summed up. If the stock split was not considered, the year-end dividend per share for the fiscal year ended March 31, 2024 would be ¥120, and the total annual dividend would be ¥200.

3. Equity per share (IFRS) = (Equity — noncontrolling interests) / Number of shares outstanding as of the year-end (excluding treasury share).

4. Working capital = Total current assets — Total current liabilities.

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

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

7. Return on equity (IFRS) = Profit attributable to owners of the parent / (Average total equity — Average noncontrolling interests).

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

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

1. Consolidated Statement of Financial Position

Consolidated statement of financial position

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Assets				
Current assets				
Cash and cash equivalents	8	87,388	96,659	638,396
Trade and other receivables	9,34	101,483	116,407	768,819
Inventories	10	57,187	64,060	423,090
Income taxes receivable		2,092	1,137	7,513
Other financial assets	11,34	10,770	18,752	123,849
Other current assets	12	7,240	7,832	51,732
Total current assets		266,162	304,849	2,013,402
Noncurrent assets				
Property, plant, and equipment	13	265,839	315,573	2,084,230
Goodwill and intangible assets	14	11,651	12,207	80,625
Investment property	17	7,224	7,231	47,762
Investments accounted for using the equity method	3	87,538	95,577	631,248
Other financial assets	11,34	51,022	59,228	391,180
Deferred tax assets	18	13,737	16,619	109,766
Other noncurrent assets	12	5,199	1,095	7,235
Total noncurrent assets		442,211	507,533	3,352,048
Total assets		708,374	812,382	5,365,451

	Notes	(Millions of yen)		(Thousands of U.S. dollars)
		FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	19,34	140,346	161,453	1,066,332
Borrowings	20,34	12,948	12,941	85,473
Accrued income taxes		4,474	7,819	51,647
Other financial liabilities	20,34	5,007	4,905	32,397
Other current liabilities	22	21,981	26,377	174,214
Total current liabilities		184,758	213,498	1,410,065
Noncurrent liabilities				
Borrowings	20,34	23,272	21,911	144,718
Other financial liabilities	20,34	14,850	17,037	112,524
Defined benefit liabilities	23	5,092	5,293	34,964
Provisions	21	484	469	3,099
Deferred tax liabilities	18	9,418	16,408	108,369
Other noncurrent liabilities	22	2,547	2,753	18,188
Total noncurrent liabilities		55,665	63,874	421,866
Total liabilities		240,424	277,372	1,831,931
Equity				
Share capital	24	25,122	25,122	165,925
Capital surplus	24	43,585	44,054	290,961
Treasury shares	24	(11,431)	(11,341)	(74,906)
Other components of equity	24	34,003	65,570	433,065
Retained earnings	24	339,147	369,779	2,442,237
Total equity attributable to owners of the parent		430,427	493,185	3,257,283
Noncontrolling interests	36	37,522	41,824	276,236
Total equity		467,949	535,010	3,533,519
Total liabilities and equity		708,374	812,382	5,365,451

2. Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income and comprehensive income

		(Millions of yen)		(Thousands of U.S. dollars)
	Note	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Revenue	26	669,248	732,933	4,840,720
Cost of sales		448,170	474,303	3,132,575
Gross profit		221,078	258,630	1,708,145
Selling, general, and administrative expenses	27	173,823	197,252	1,302,773
Gain on investments accounted for using the equity method	7	7,998	13,038	86,112
Other income	28	2,121	2,334	15,415
Other expenses	28	1,737	3,388	22,380
Operating profit		55,636	73,361	484,519
Finance income	29	3,256	4,138	27,335
Finance costs	29	943	584	3,862
Profit before income tax expense		57,950	76,915	507,991
Income tax expense	18	9,568	18,197	120,189
Profit		48,381	58,717	387,802
Profit attributable to				
Owners of the parent		44,760	54,170	357,771
Noncontrolling interests	36	3,620	4,547	30,031
Profit		48,381	58,717	387,802
Earnings per share	32			
Basic earnings per share (yen)		146.94	178.16	1.17
Diluted earnings per share (yen)		146.04	177.04	1.16

Consolidated Statement of Comprehensive Income

		(Millions of yen)		(Thousands of U.S. dollars)
	Note	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Profit		48,381	58,717	387,802
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net change in equity instruments measured at FVTOCI	31	4,885	11,453	75,644
Remeasurements of defined benefit plans	31	2,177	(3,067)	(20,261)
Share of other comprehensive income of investments accounted for using the equity method	31	(8,238)	(7,485)	(49,435)
Total items that will not be reclassified to profit or loss		(1,175)	900	5,947
Items that may be reclassified to profit or loss				
Cash flow hedges	31	(29)	6	40
Foreign currency translation differences on foreign operations	31	5,309	17,413	115,007
Share of other comprehensive income of investments accounted for using the equity method	31	3,824	7,647	50,506
Total items that may be reclassified to profit or loss		9,103	25,066	165,553
Total other comprehensive income		7,928	25,966	171,501
Comprehensive income		56,310	84,684	559,303
Comprehensive income attributable to				
Owners of the parent		51,538	77,939	514,756
Noncontrolling interests		4,771	6,744	44,547
Comprehensive income		56,310	84,684	559,303

3. Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity

(Millions of yen)

	Note	Equity attributable to owners of the parent						Net change in financial instruments measured at fair value through other comprehensive income
		Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Other components of equity		
						Foreign currency translation differences on foreign operations	Cash flow hedges	
Balance at April 1, 2022		25,122	49,862	(11,828)	2,629	2,398	66	40,343
Profit		-	-	-	-	-	-	-
Other comprehensive income (loss)	31	-	-	-	-	4,257	(32)	4,883
Total comprehensive income (loss)		-	-	-	-	4,257	(32)	4,883
Acquisition of treasury shares	24	-	(17)	(9,794)	-	-	-	-
Disposal of treasury shares	24	-	0	24	(13)	-	-	-
Cancellation of treasury shares	24	-	(0)	10,166	-	-	-	-
Share-based payment transactions	33	-	115	-	317	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	(6,375)	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(24,431)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	(6,277)	397	303	-	-	(24,431)
Balance at March 31, 2023		25,122	43,585	(11,431)	2,933	6,655	33	20,796
Profit		-	-	-	-	-	-	-
Other comprehensive income (loss)	31	-	-	-	-	15,147	5	11,442
Total comprehensive income (loss)		-	-	-	-	15,147	5	11,442
Acquisition of treasury shares	24	-	-	(11)	-	-	-	-
Disposal of treasury shares	24	-	(17)	101	(63)	-	-	-
Share-based payment transactions	33	-	165	-	-	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	321	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(2,629)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	469	89	(63)	-	-	(2,629)
Balance at March 31, 2024		25,122	44,054	(11,341)	2,869	21,802	39	29,609

(Millions of yen)

	Note	Equity attributable to owners of the parent						Noncontrolling interests	Total
		Other components of equity				Retained earnings	Total		
		Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Total				
Balance at April 1, 2022		-	(215)	45,221	299,281	407,660	36,930	444,590	
Profit		-	-	-	44,760	44,760	3,620	48,381	
Other comprehensive income (loss)	31	2,082	(4,413)	6,777	-	6,777	1,151	7,928	
Total comprehensive income (loss)		2,082	(4,413)	6,777	44,760	51,538	4,771	56,310	
Acquisition of treasury shares	24	-	-	-	-	(9,812)	-	(9,812)	
Disposal of treasury shares	24	-	-	(13)	(11)	0	-	0	
Cancellation of treasury shares	24	-	-	-	(10,166)	-	-	-	
Share-based payment transactions	33	-	-	317	-	432	-	432	
Cash dividend paid	25	-	-	-	(12,733)	(12,733)	(2,474)	(15,207)	
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	(6,375)	(1,549)	(7,924)	
Transfer from other components of equity to retained earnings		(2,082)	8,214	(18,299)	18,299	-	-	-	
Other		-	-	-	(283)	(283)	(156)	(439)	
Total transactions with owners of the parent		(2,082)	8,214	(17,995)	(4,895)	(28,771)	(4,179)	(32,951)	
Balance at March 31, 2023		-	3,584	34,003	339,147	430,427	37,522	467,949	
Profit		-	-	-	54,170	54,170	4,547	58,717	
Other comprehensive income (loss)	31	(2,988)	162	23,769	-	23,769	2,197	25,966	
Total comprehensive income (loss)		(2,988)	162	23,769	54,170	77,939	6,744	84,684	
Acquisition of treasury shares	24	-	-	-	-	(11)	-	(11)	
Disposal of treasury shares	24	-	-	(63)	(19)	0	-	0	
Share-based payment transactions	33	-	-	-	-	165	-	165	
Cash dividend paid	25	-	-	-	(15,709)	(15,709)	(1,095)	(16,804)	
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	321	(1,462)	(1,140)	
Transfer from other components of equity to retained earnings		2,988	7,502	7,861	(7,861)	-	-	-	
Other		-	-	-	52	52	115	167	
Total transactions with owners of the parent		2,988	7,502	7,797	(23,537)	(15,181)	(2,442)	(17,623)	
Balance at March 31, 2024		-	11,249	65,570	369,779	493,185	41,824	535,010	

(Thousands of U.S. dollars)

	Equity attributable to owners of the parent							
	Note	Share capital	Capital surplus	Treasury shares	Other components of equity			
					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
Balance at March 31, 2023		165,925	287,862	(75,499)	19,371	43,957	222	137,351
Profit		-	-	-	-	-	-	-
Other comprehensive income (loss)	31	-	-	-	-	100,042	36	75,570
Total comprehensive income (loss)		-	-	-	-	100,042	36	75,570
Acquisition of treasury shares	24	-	-	(75)	-	-	-	-
Disposal of treasury shares	24	-	(117)	668	(422)	-	-	-
Share-based payment transactions	33	-	1,092	-	-	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	2,123	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(17,363)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	3,098	593	(422)	-	-	(17,363)
Balance at March 31, 2024		165,925	290,961	(74,906)	18,948	143,999	259	195,558

(Thousands of U.S. dollars)

	Equity attributable to owners of the parent							
	Note	Other components of equity			Retained earnings	Total	Noncontrolling interests	Total
		Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total				
Balance at March 31, 2023		-	23,676	224,578	2,239,924	2,842,792	247,822	3,090,614
Profit		-	-	-	357,771	357,771	30,031	387,802
Other comprehensive income (loss)	31	(19,734)	1,070	156,985	-	156,985	14,515	171,501
Total comprehensive income (loss)		(19,734)	1,070	156,985	357,771	514,756	44,547	559,303
Acquisition of treasury shares	24	-	-	-	-	(75)	-	(75)
Disposal of treasury shares	24	-	-	(422)	(127)	1	-	1
Share-based payment transactions	33	-	-	-	-	1,092	-	1,092
Cash dividend paid	25	-	-	-	(103,752)	(103,752)	(7,235)	(110,988)
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	2,123	(9,659)	(7,535)
Transfer from other components of equity to retained earnings		19,734	49,552	51,923	(51,923)	-	-	-
Other		-	-	-	345	345	761	1,106
Total transactions with owners of the parent		19,734	49,552	51,500	(155,458)	(100,265)	(16,133)	(116,398)
Balance at March 31, 2024		-	74,298	433,065	2,442,237	3,257,283	276,236	3,533,519

4. Consolidated Statement of Cash Flows

Consolidated statement of cash flows

		(Millions of yen)		(Thousands of U.S. dollars)
	Note	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Operating activities				
Profit before tax		57,950	76,915	507,991
Depreciation and amortization		29,198	31,262	206,477
Impairment losses		177	478	3,157
Increase (decrease) in defined benefit liabilities		(2,610)	4,505	29,757
Finance income and costs		(2,411)	(3,120)	(20,610)
(Gain) loss on investments accounted for using the equity method		(7,998)	(13,038)	(86,112)
(Gain) loss on sales and retirement of property, plant and equipment and others		278	379	2,509
(Increase) decrease in inventories		(7,868)	(3,370)	(22,258)
(Increase) decrease in trade and other receivables		(10,232)	(10,568)	(69,798)
Increase (decrease) in trade and other payables		10,456	14,355	94,814
Other		6,189	2,917	19,266
Subtotal		<u>73,129</u>	<u>100,716</u>	<u>665,192</u>
Interest and dividends received		5,156	8,064	53,261
Interest paid		(705)	(1,262)	(8,336)
Income taxes paid		(13,158)	(16,688)	(110,219)
Income taxes refunded		388	3,293	21,750
Cash flows from operating activities		<u>64,809</u>	<u>94,123</u>	<u>621,648</u>
Investing activities				
Payments into time deposits		(2,733)	(9,513)	(62,829)
Proceeds from redemption of time deposits		2,418	3,130	20,674
Payment for purchases of property, plant and equipment and others		(25,279)	(62,088)	(410,071)
Proceeds from sales of property, plant and equipment and others		211	87	580
Payment for acquisition of intangible assets		(424)	(478)	(3,158)
Payment for purchases of investments in securities		(10,554)	(657)	(4,342)
Proceeds from sales and redemption of investments in securities		4,297	8,851	58,461
Payments for acquisition of businesses		-	(1,254)	(8,287)
Other		7	10	66
Cash flows from investing activities		<u>(32,057)</u>	<u>(61,912)</u>	<u>(408,905)</u>
Financing activities				
Net increase (decrease) in short-term borrowings	30	(601)	(549)	(3,632)
Proceeds from long-term borrowings	30	-	6,876	45,416
Repayment of long-term borrowings	30	(8,675)	(8,701)	(57,472)
Repayments of lease liabilities	30	(5,479)	(5,467)	(36,107)
Net increase in treasury shares		(9,812)	(11)	(75)
Cash dividends paid		(12,733)	(15,709)	(103,752)
Cash dividends paid to non-controlling-interest shareholders		(2,474)	(1,095)	(7,235)
Proceeds from payment from non-controlling-interest shareholders		354	-	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		(8,253)	(1,147)	(7,575)
Other		0	(517)	(3,418)
Cash flows from financing activities		<u>(47,676)</u>	<u>(26,323)</u>	<u>(173,854)</u>
Effect of exchange rate changes on cash and cash equivalents		306	3,383	22,345
Net increase (decrease) in cash and cash equivalents		<u>(14,617)</u>	<u>9,271</u>	<u>61,233</u>
Cash and cash equivalents at the beginning of year	8	<u>102,005</u>	<u>87,388</u>	<u>577,162</u>
Cash and cash equivalents at the end of year	8	<u>87,388</u>	<u>96,659</u>	<u>638,396</u>

1. Reporting Entity

Nissin Foods Holdings Company Limited (hereinafter, the "Company") is a stock company domiciled in Japan. The addresses of its registered head office and main offices are disclosed on the Company's website (https://www.nissin.com/en_jp/).

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 7 "Segment Information".

2. Basis of Preparation

(1) Compliance with International Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards.

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 adopted the provisions of Article 93 of the same Ordinance.

The Group's consolidated financial statements were approved by Takashi Yano, Executive Officer and Chief Financial Officer, on September 30, 2024.

(2) 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 ¥151.41 to \$1.00, the approximate rate of exchange on March 31, 2024.

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 changes in the scope of consolidation and equity method application

There are no relevant matters.

4. 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 it is impracticable to unify the fiscal year end date primarily due to local regulations and laws enforced in the regions where the subsidiaries are located.

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 in consolidation.

Comprehensive income of the subsidiaries is attributed to the owners of the parent and to the noncontrolling interests even if noncontrolling 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 noncontrolling interests and the fair value of the consideration is recognized directly in equity attributable to the 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.

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 it is impracticable to unify the fiscal year end date 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.

(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 "Noncurrent Assets Held for Sale and Discontinued Operations," 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."

The excess of the sum of the consideration transferred, the amount recognized for noncontrolling 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 the 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 noncontrolling 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 a 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) Nonderivative 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 loss of financial assets

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

(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 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.

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) Nonderivative financial liabilities

Financial liabilities are classified into financial liabilities measured at FVTPL 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, canceled, or expires.

(A) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL 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 FVTPL 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.

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 an 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 nonmonetary 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 are 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 an 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 are 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.

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 are 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 reasonably certain option term to the noncancelable 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 statement 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 under operating leases as income are recognized on a straight-line basis over the lease term. Rent income from subleased property is recognized as income.

(11) Impairment loss of nonfinancial 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, or its value in use.

In determining the value in use, estimated future cash flows are discounted to the present value using pretax 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, the carrying amount is 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 noncurrent 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 noncurrent 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) Postemployment 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 Company introduced a framework referred to as Board Benefit Trust (BBT), which is a share-based payment plan for the directors and other executives, in order to increase motivation of directors to enhance the Group's performance and increasing corporate value over the medium to long term. The fair value of equity-settled share-based payment plan on the grant date is recognized as an expense over the vesting period, and the corresponding is recognized as an increase in capital. The fair value of cash-settled share-based payment plan is recognized as an expense over the vesting period, and the corresponding amount is recognized as an increase in liabilities. In addition, the fair value of the liabilities is remeasured at the end of the period and the settlement date, and changes in fair value are recognized as net profit or loss. With the introduction of the share-based payment plan, the stock option plan has been discontinued except for those already granted.

(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, the performance obligation is judged to have been satisfied upon delivery of the products because the customer obtains control over the products upon delivery. Therefore, the revenue is recognized upon delivery.

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) Temporary differences arising from initial recognition of assets and liabilities in transactions, if the transactions are not business combinations, affect neither accounting profit nor taxable profit, and do not give rise to equal taxable and deductible temporary differences

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.

The Group has adopted exceptions for the recognition and disclosure of deferred tax assets and deferred tax liabilities arising from enacted, or substantively enacted, tax laws in order to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (OECD).

(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)

From the current consolidated fiscal year, the Group has adopted the following revised accounting standard.

Standard	The title of standard	Contents
IAS 12	Income taxes	Revisions requiring to disclosure of corporate exposure of corporate income tax arising from tax regimes that have been enacted or substantively enacted to implement the Pillar Two Model Rules announced by the OECD.

There is no material impact on the Group's results of consolidated financial position due to the application of above standard.

5. Significant Accounting Estimates and Judgements on Estimates

In preparing the consolidated financial statements in accordance with IFRS Accounting Standards, 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.

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

- (A) Financial Instruments (4. Significant Accounting Policies (4) Financial Instruments, 11. Other Financial Assets and 34. Financial Instruments)
- (B) Impairment Loss of Nonfinancial Assets (4. Significant Accounting Policies (11) Impairment loss of nonfinancial assets and 15. Impairment Loss of Nonfinancial Assets)
- (C) Recoverability of deferred tax assets (4. Significant Accounting Policies (18) Income tax expenses and 18. Income Taxes)
- (D) Accounting and valuation of provisions (4. Significant Accounting Policies (15) Provisions and 21. Provisions)
- (E) Measurement of defined benefit liabilities (4. Significant Accounting Policies (13) Employee benefits and 23. Employee Benefits)
- (F) Estimates of useful life and residual value of property, plant, and equipment and intangible assets (4. Significant Accounting Policies (7) Property, plant, and equipment, (9) Goodwill and Intangible Assets, 13. Property, Plant, and Equipment, and 14. Goodwill and Intangible Assets)

6. New Standards and Interpretations Not Yet Adopted

The following new or amended standards and interpretations announced by the approval date of the consolidated financial statements are not mandatory as of March 31, 2024. The Group did not choose to adopt them before the required adoption date. The impact of the adoption of IFRS 18 on the Group is under assessment and cannot be estimated at this time.

Furthermore, the impact from the adoption of other new or amended standards is immaterial.

Standard	The title of standard	Mandatory application period	The Group's application period	Outline of new standards and amendments
IFRS18	Presentation and Disclosure in Financial Statements	January 1, 2027	FY 3/2028	<ul style="list-style-type: none"> • Improvement of comparability in the profit or loss statement. • Enhancement of transparency for management-defined performance measures. • More useful grouping of information in financial statements.

7. 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.

In the current fiscal year, the Group has changed the method of presenting "NISSIN FOODS VIETNAM CO., LTD.," which was included in the Others segment, to the China segment resulting from the review of the business management classification of the Group.

Segment information for the previous consolidated fiscal year is disclosed based on the classification of reportable segments for the current consolidated fiscal year.

The Group employs a holding company system of eight 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 and beverages," "Confectionery," "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 and beverages" segment is operating the business of manufacturing and selling chilled and frozen foods and beverages.

The "Confectionery" segment is operating the business of manufacturing and selling confectionery.

(2) Revenues and performances of reportable segments

The accounting methods for the operating segments that are reported are generally the same as described in Note 4 "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, 2023 (from April 1, 2022, to March 31, 2023)

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods and beverages	Confectionery	The Americas	China	Subtotal				
Revenue											
Sales to external customers	220,204	40,511	86,838	74,057	140,042	66,972	628,627	40,621	669,248	-	669,248
Intersegment sales	1,439	5,470	757	462	47	2,832	11,008	39,459	50,467	(50,467)	-
Total	221,643	45,981	87,595	74,520	140,089	69,804	639,635	80,080	719,716	(50,467)	669,248
Segment profit (operating profit)	26,795	2,373	3,890	2,768	12,483	8,360	56,672	5,392	62,065	(6,428)	55,636
Finance income											3,256
Finance costs											943
Profit before tax											57,950
Other items											
Depreciation and amortization	14,038	2,236	2,507	2,835	1,657	2,776	26,051	3,114	29,165	32	29,198
Impairment losses (nonfinancial assets)	-	-	-	-	-	177	177	-	177	-	177
Gain on investments accounted for using the equity method	-	-	-	-	-	-	-	7,998	7,998	-	7,998
Capital expenditures	12,591	1,400	2,481	1,672	6,334	4,610	29,091	3,571	32,662	(126)	32,535

Note 1: "Others" consists of the business segments not included in reportable segments such as domestic other business, Europe, Asia and new businesses.

2: Operating profit under "Reconciliations" amounted to minus ¥6,428 million, consisting of minus ¥279 million from elimination of intersegment transactions and minus ¥6,149 million from group expenses.

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

Fiscal Year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods and beverages	Confectionery	The Americas	China	Subtotal				
Revenue											
Sales to external customers	232,221	43,450	95,221	85,150	160,333	66,452	682,830	50,102	732,933	-	732,933
Intersegment sales	1,404	5,853	821	419	54	3,022	11,575	42,191	53,766	(53,766)	-
Total	233,626	49,304	96,043	85,569	160,387	69,474	694,405	92,294	786,699	(53,766)	732,933
Segment profit (operating profit)	29,741	2,818	7,692	4,496	21,486	8,129	74,365	7,146	81,512	(8,151)	73,361
Finance income											4,138
Finance costs											584
Profit before tax											76,915
Other items											
Depreciation and amortization	14,453	2,125	2,585	2,993	2,461	3,340	27,960	3,262	31,222	40	31,262
Impairment losses (nonfinancial assets)	28	-	-	287	-	162	478	-	478	-	478
Gain on investments accounted for using the equity method	-	-	-	-	-	-	-	13,038	13,038	-	13,038
Capital expenditures	23,419	1,384	3,629	5,216	26,377	4,551	64,579	10,437	75,016	(47)	74,968

(Thousands of U.S. dollars)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods and beverages	Confectionery	The Americas	China	Subtotal				
Revenue											
Sales to external customers	1,533,727	286,975	628,899	562,383	1,058,935	438,889	4,509,811	330,909	4,840,720	-	4,840,720
Intersegment sales	9,275	38,662	5,424	2,768	358	19,959	76,449	278,654	355,104	(355,104)	-
Total	1,543,003	325,637	634,324	565,152	1,059,294	458,849	4,586,261	609,563	5,195,825	(355,104)	4,840,720
Segment profit (operating profit)	196,433	18,614	50,807	29,696	141,908	53,692	491,152	47,202	538,354	(53,835)	484,519
Finance income											27,335
Finance costs											3,862
Profit before tax											507,991
Other items											
Depreciation and amortization	95,460	14,039	17,075	19,773	16,254	22,060	184,665	21,546	206,211	265	206,477
Impairment losses (nonfinancial assets)	188	-	-	1,898	-	1,071	3,157	-	3,157	-	3,157
Gain on investments accounted for using the equity method	-	-	-	-	-	-	-	86,112	86,112	-	86,112
Capital expenditures	154,673	9,141	23,973	34,456	174,211	30,062	426,519	68,933	495,453	(314)	495,138

Note 1: "Others" consist of the business segments not included in reportable segments, such as domestic other business, Europe, Asia and new businesses.

2: Operating profit under "Reconciliations" amounted to minus ¥8,151 million, consisting of minus ¥303 million from elimination of intersegment transactions and minus ¥7,828 million 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)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Instant noodles and associated businesses	543,264	588,213	3,884,903
Other businesses	125,984	144,720	955,816
Total	669,248	732,933	4,840,720

Note 1: Business segments are classified, taking the type, nature, etc., of products into account.

2: Main products in each business

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

(2) Other businesses: Cup-type rice, confectionery, and beverages

(4) Geographical Information (Note 1)

Sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Japan	423,202	459,486	3,034,714
The Americas (Note 2)	140,049	160,338	1,058,966
Other areas	105,997	113,109	747,038
Total	669,248	732,933	4,840,720

Note 1: Revenue is based on the location of the customers, classified by country or region.

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

Noncurrent assets (Note 3)

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Japan	211,610	223,113	1,473,574
The Americas (Note 4)	30,145	58,125	383,893
Other areas	43,328	54,343	358,919
Total	285,084	335,583	2,216,387

Note 3: Noncurrent assets are based on the location of the assets and exclude financial instruments, deferred tax assets, and retirement benefit assets.

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

(5) Major customers

Major customers accounting for 10% or more of consolidated revenue for the years ended March 31, 2023 and 2024, is as follows:

	Main reportable segment	(Millions of yen)		(Thousands of U.S. dollars)
		FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Mitsubishi Shokuhin Co., Ltd.	NISSIN FOOD PRODUCTS	81,654	92,302	609,618

8. Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Cash and deposits	87,388	96,659	638,396
Total	87,388	96,659	638,396

9. Trade and Other Receivables

The details of trade and other receivables are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Trade accounts receivable	99,337	112,099	740,369
Trade notes receivable	31	40	267
Accounts receivable - other	3,209	5,622	37,136
Allowance for doubtful accounts	(1,258)	(1,541)	(10,179)
Others	163	185	1,226
Total	101,483	116,407	768,819

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

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

10. Inventories

The details of inventories are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Merchandise and finished goods	26,328	30,025	198,306
Raw materials and supplies	30,858	34,034	224,783
Total	57,187	64,060	423,090

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, 2023 and 2024.

11. Other Financial Assets

(1) Other financial assets

The details of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Derivative assets	50	57	380
Equity securities	49,139	57,167	377,566
Investment trusts	3,960	4,183	27,627
Bonds	150	150	991
Deposits	7,123	14,400	95,106
Other	1,368	2,022	13,356
Total	61,792	77,980	515,030
Current assets	10,770	18,752	123,849
Noncurrent assets	51,022	59,228	391,180
Total	61,792	77,980	515,030

Notes: 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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Mitsubishi Corporation	5,126	11,287	74,548
ITOCHU Corporation	5,464	8,215	54,257
ONO PHARMACEUTICAL CO., LTD.	8,187	4,995	32,994
TBS HOLDINGS, INC.	1,844	4,219	27,868
SAHA PATHANAPIBUL Pub. Co., Ltd.	3,978	4,165	27,512
HOUSE FOODS GROUP INC.	3,105	3,421	22,594

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)	
FY 3/2023 (From April 1, 2022, to March 31, 2023)		FY 3/2024 (From April 1, 2023, to March 31, 2024)		FY 3/2024 (From April 1, 2023, to March 31, 2024)	
Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)
3,310	2,374	8,804	3,789	58,148	25,029

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

12. Other Assets

The details of other assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Other current assets			
Prepaid expenses	2,290	2,683	17,720
Advance payments	875	898	5,937
Consumption tax receivables	107	40	269
Other	3,967	4,209	27,804
Total	7,240	7,832	51,732
Other noncurrent assets			
Prepaid expenses	35	27	183
Retirement benefit assets	4,828	524	3,466
Other	334	542	3,586
Total	5,199	1,095	7,235

13. 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:

(Millions of yen)							
Acquisition cost	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2022	196,337	243,621	20,181	31,072	8,504	33,613	533,330
Additions	1,029	4,429	780	20	23,537	3,287	33,085
Reclassifications from construction in progress	3,269	11,619	999	62	(15,951)	-	-
Sales and disposals	(825)	(4,244)	(506)	(9)	(15)	(1,556)	(7,158)
Exchange differences on translation of foreign operations	2,448	2,458	306	366	(298)	392	5,674
Other	(13)	(561)	(1)	(216)	(424)	(86)	(1,303)
Balance at March 31, 2023	202,246	257,323	21,759	31,295	15,352	35,650	563,627
Additions	3,775	4,254	1,319	16	55,439	7,366	72,172
Reclassifications from construction in progress	8,216	17,496	951	13,733	(40,397)	-	-
Sales and disposals	(1,676)	(7,144)	(1,045)	-	-	(3,128)	(12,995)
Exchange differences on translation of foreign operations	4,931	7,755	712	353	3,136	384	17,274
Other	28	(122)	40	-	(440)	(329)	(823)
Balance at March 31, 2024	217,521	279,563	23,738	45,399	33,090	39,942	639,256

(Millions of yen)							
Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2022	93,296	151,996	15,387	42	-	12,099	272,823
Depreciation	6,718	15,359	1,400	-	-	4,528	28,006
Sales and disposals	(648)	(3,918)	(490)	-	-	(1,398)	(6,455)
Impairment losses	39	38	43	-	-	-	120
Exchange differences on translation of foreign operations	1,029	2,658	301	-	-	80	4,069
Other	(39)	4	(44)	-	-	(696)	(775)
Balance at March 31, 2023	100,394	166,138	16,598	42	-	14,613	297,788
Depreciation	7,149	16,631	1,627	-	-	4,681	30,090
Sales and disposals	(1,444)	(6,726)	(934)	-	-	(2,860)	(11,966)
Impairment losses	118	358	1	-	-	-	478
Exchange differences on translation of foreign operations	2,280	4,659	484	-	-	219	7,644
Other	(0)	(41)	(1)	-	-	(309)	(352)
Balance at March 31, 2024	108,498	181,020	17,776	42	-	16,344	323,682

(Millions of yen)							
Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2022	103,040	91,624	4,793	31,029	8,504	21,513	260,506
Balance at March 31, 2023	101,851	91,184	5,161	31,252	15,352	21,036	265,839
Balance at March 31, 2024	109,022	98,543	5,962	45,357	33,090	23,597	315,573

(Thousands of U.S. dollars)

Acquisition cost	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2023	1,335,751	1,699,512	143,715	206,695	101,398	235,453	3,722,526
Additions	24,937	28,100	8,716	109	366,152	48,651	476,667
Reclassifications from construction in progress	54,268	115,554	6,282	90,705	(266,811)	-	-
Sales and disposals	(11,074)	(47,185)	(6,903)	-	-	(20,664)	(85,827)
Exchange differences on translation of foreign operations	32,570	51,225	4,703	2,337	20,718	2,536	114,091
Other	186	(806)	270	-	(2,912)	(2,174)	(5,436)
Balance at March 31, 2024	1,436,640	1,846,400	156,783	299,847	218,545	263,802	4,222,021

(Thousands of U.S. dollars)

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2023	663,067	1,097,277	109,624	283	-	96,517	1,966,769
Depreciation	47,221	109,847	10,746	-	-	30,921	198,736
Sales and disposals	(9,543)	(44,424)	(6,173)	-	-	(18,892)	(79,034)
Impairment losses	781	2,364	12	-	-	-	3,157
Exchange differences on translation of foreign operations	15,064	30,774	3,202	-	-	1,447	50,490
Other	(1)	(274)	(9)	-	-	(2,043)	(2,329)
Balance at March 31, 2024	716,589	1,195,564	117,403	283	-	107,949	2,137,791

(Thousands of U.S. dollars)

Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2023	672,684	602,235	34,090	206,411	101,398	138,936	1,755,756
Balance at March 31, 2024	720,051	650,836	39,379	299,564	218,545	155,853	2,084,230

14. 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:

(Millions of yen)

Acquisition cost	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2022	34,153	5,632	12,987	4,966	57,740
Additions	-	-	276	133	410
Sales and disposals	-	(1)	(152)	-	(153)
Reclassification	-	3	452	(455)	-
Exchange differences on translation of foreign operations	441	42	0	57	541
Other	-	16	24	308	349
Balance at March 31, 2023	34,594	5,693	13,589	5,010	58,888
Additions	266	690	156	252	1,365
Sales and disposals	-	-	(119)	(19)	(138)
Reclassification	-	-	428	(428)	-
Exchange differences on translation of foreign operations	3,797	378	0	589	4,766
Other	-	28	61	71	161
Balance at March 31, 2024	38,658	6,791	14,117	5,476	65,044

(Millions of yen)

Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2022	28,822	2,708	10,378	3,625	45,535
Amortization	-	1	1,000	111	1,113
Sales and disposals	-	(1)	(136)	-	(138)
Impairment	-	56	-	-	56
Exchange differences on translation of foreign operations	395	42	0	52	490
Other	-	(38)	15	205	181
Balance at March 31, 2023	29,217	2,767	11,257	3,994	47,237
Amortization	-	47	929	130	1,107
Sales and disposals	-	-	(106)	-	(106)
Impairment	-	-	-	-	-
Exchange differences on translation of foreign operations	3,680	355	0	469	4,505
Other	-	28	52	12	92
Balance at March 31, 2024	32,898	3,199	12,133	4,606	52,836

(Millions of yen)

Carrying amount	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2022	5,331	2,924	2,608	1,340	12,205
Balance at March 31, 2023	5,377	2,926	2,332	1,015	11,651
Balance at March 31, 2024	5,760	3,592	1,984	869	12,207

(Thousands of U.S. dollars)

Acquisition cost	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2023	228,484	37,606	89,754	33,090	388,935
Additions	1,757	4,561	1,032	1,667	9,019
Sales and disposals	-	-	(788)	(127)	(916)
Reclassification	-	-	2,831	(2,831)	-
Exchange differences on translation of foreign operations	25,082	2,501	4	3,894	31,482
Other	-	186	408	475	1,069
Balance at March 31, 2024	255,324	44,856	93,242	36,166	429,590

(Thousands of U.S. dollars)

Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2023	192,970	18,281	74,350	26,382	311,985
Amortization	-	313	6,140	861	7,315
Sales and disposals	-	-	(704)	-	(704)
Impairment	-	-	-	-	-
Exchange differences on translation of foreign operations	24,307	2,350	-	3,098	29,757
Other	-	186	345	79	611
Balance at March 31, 2024	217,278	21,130	80,133	30,422	348,965

(Thousands of U.S. dollars)

Carrying amount	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2023	40,268	21,913	17,467	7,605	87,254
Balance at March 31, 2024	38,046	23,725	13,109	5,744	80,625

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: R&D expenditure expenses for the years ended March 31, 2023 and 2024, are ¥11,353 million and ¥10,845 million (\$71,631 thousand), respectively.

(2) Significant intangible assets

Intangible assets included in the consolidated statement of financial position are goodwill (carrying amount: ¥4,447 million (\$29,375 thousand)) and trademarks (carrying amount: ¥2,920 million(\$19,285 thousand)) recognized in connection with the acquisition of KOIKE-YA Inc. in FY 2021.

Trademarks recognized through the acquisition of KOIKE-YA Inc. are deemed to be intangible assets with indefinite useful lives, as there is no foreseeable limit to the period over which intangible assets are expected to generate net cash inflows.

(3) Impairment test of goodwill

In the current consolidated fiscal year, the carrying amount of the major goodwill allocated to each cash-generating unit is the goodwill of ¥4,447 million (\$29,375 thousand) recognized through the acquisition of KOIKE-YA Inc. As a result of the impairment test of goodwill, no impairment loss of goodwill was recognized.

Because recoverable amounts are measured at net realizable value based on quoted market prices, the hierarchy of fair value is classified as Level 1.

15. Impairment Loss of Nonfinancial 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 recognized for assets are as follows:

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

FY 3/2023 (from April 1, 2022, to March 31, 2023)

(Millions of yen)

Segment	Location	Category	Component	FY 3/2023
				(From April 1, 2022, to March 31, 2023)
China	Hong Kong	Business assets	Trademarks	56
			Tools, furniture and fixtures	43
			Buildings and structures	39
			Machinery and equipment	38
Total			177	

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 was reduced to their net recoverable amounts when it was determined that it was not possible that the carrying amounts 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 business asset is measured at its fair value, less costs of disposal or value in use.

FY 3/2024 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

(Thousands of U.S. dollars)

Segment	Location	Category	Component	FY 3/2024	FY 3/2024
				(From April 1, 2023, to March 31, 2024)	(From April 1, 2023, to March 31, 2024)
NISSIN FOOD PRODUCTS	Ritto, Shiga prefecture	Business assets	Machinery and equipment	28	188
Confectionery	Kazo, Saitama prefecture	Business assets	Machinery and equipment	287	1,897
			Tools, furniture and fixtures	0	1
China	Hong Kong	Business assets	Buildings and structures	118	781
			Machinery and equipment	42	279
			Tools, furniture and fixtures	1	11
Total			478	3,157	

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 was reduced to their net recoverable amounts when it was determined that it was not possible that the carrying amounts 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 business asset is measured at its fair value, less costs of disposal or value in use.

16. Leases

As a lessee, the Group leases assets, including business offices.

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

Depreciation charges, additions, and carrying amounts of right-of-use assets are as follows:

	(Millions of yen)					
Depreciation charge	Buildings and structures	Machineries and vehicles	Tools, furniture, and fixtures	Land	Others	Total
FY 3/2023 (From April 1, 2022, to March 31, 2023)	2,821	1,127	158	420	103	4,630
FY 3/2024 (From April 1, 2023, to March 31, 2024)	2,939	1,175	163	402	106	4,788

	(Thousands of U.S. dollars)					
Depreciation charge	Buildings and structures	Machineries and vehicles	Tools, furniture, and fixtures	Land	Others	Total
FY 3/2024 (From April 1, 2023, to March 31, 2024)	19,414	7,762	1,081	2,661	704	31,624

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Additions to right-of-use assets	3,287	7,367	48,658

	(Millions of yen)					
Carrying amount	Buildings and structures	Machineries and vehicles	Tools, furniture, and fixtures	Land	Others	Total
FY 3/2023 (Balance at March 31, 2023)	10,524	4,790	149	5,568	181	21,214
FY 3/2024 (Balance at March 31, 2024)	12,833	4,748	78	5,934	56	23,651

	(Thousands of U.S. dollars)					
Carrying amount	Buildings and structures	Machineries and vehicles	Tools, furniture, and fixtures	Land	Others	Total
FY 3/2024 (Balance at March 31, 2024)	84,758	31,358	516	39,196	376	156,206

2. Expenses relating to leases and cash outflows

Expenses relating to leases are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Interest expenses on lease liabilities	294	282	1,866
Expenses relating to short-term leases accounted for applying the optional recognition exemption	346	1,606	10,608
Expenses relating to leases of low-value assets accounted for applying the optional recognition exemption	75	124	822

Total amount of cash outflows incurred by lease are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Total cash outflow for leases	5,479	5,467	36,107

Maturity analysis of lease liabilities is described in "Notes to the consolidated financial statements, 34. Financial assets (4) Liquidity risks management."

3. Lessor

The Group contracts buildings as operating leases.

Revenues incurred by operating lease contacts are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Lease income (excluding variable leases)	33	33	221
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	33	221

Maturity analysis

Due date-wise balances of operating leases at each fiscal year end are as follows:

FY 3/2023 (As of March 31, 2023)

	(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	1,094	1,262

FY 3/2024 (As of March 31, 2024)

	(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	1,061	1,229

FY 3/2024 (As of March 31, 2024)

	(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	221	221	221	221	221	7,008	8,118

17. 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)
Acquisition cost	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Beginning balance	8,674	8,497	56,125
Reclassifications from construction in progress	4	72	480
Additions	-	-	-
Disposals	(181)	(20)	(135)
Ending balance	8,497	8,550	56,470

	(Millions of yen)		(Thousands of U.S. dollars)
Accumulated depreciation and impairment losses	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Beginning balance	1,366	1,273	8,410
Depreciation	73	64	424
Disposals	(166)	(19)	(126)
Ending balance	1,273	1,318	8,708

	(Millions of yen)		(Thousands of U.S. dollars)
Carrying amount	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Carrying amount	7,224	7,231	47,762

(2) Fair value

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Investment property	7,129	7,080	46,762

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)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Rent income	409	425	2,811
Direct expenses	207	207	1,370

18. Income Taxes

(1) Income tax expense

1. Income tax expense

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Current tax expense			
Tax expense in current year	12,132	17,065	112,710
Total current tax expense	12,132	17,065	112,710
Deferred tax expense			
Occurrence and reversal of temporary differences	349	1,132	7,478
Net changes in unrecognized deferred tax assets	(2,913)	-	-
Total deferred tax expense	(2,563)	1,132	7,478
Total	9,568	18,197	120,189

Note: Current tax expense includes the amount of tax benefits from tax loss carryforwards, tax credits, and deductible temporary differences, which were not recognized before. The amount of decrease in tax expense resulting from these tax benefits for the years ended March 31, 2023, was ¥1,825 million.

2. Reconciliation of effective tax rate

	(%)	
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Effective statutory tax rate	30.62	30.62
Gain on investments accounted for using the equity method	(4.23)	(5.19)
Tax credits	(1.74)	(2.19)
Nondeductible permanent items, such as dividends received	(0.61)	(0.51)
Net changes in unrecognized deferred tax assets	(6.77)	1.27
Other	(0.76)	(0.34)
Average effective tax rate	16.51	23.66

In Japan, a corporate tax corresponding to the global minimum tax was established in the 2023 tax reform. Including provisions related to it (hereinafter referred to as the "Global Minimum Tax"), the Tax Reform Act ("Act for Partial Revision of the Income Tax Act, etc." (Act No. 3 of 2023)) (hereinafter referred to as the "Revised Corporation Tax Act") was enacted on March 28, 2023. The Revised Corporation Tax Act introduced the Income Inclusion Rule (IIR), which is one of the BEPS Global Minimum Tax rules. Applicable from the fiscal year starting on or after April 1, 2024, an additional tax will be imposed on parent companies located in Japan up to the minimum tax rate (15%) of the taxes borne by the subsidiaries, etc., of those parent companies located in Japan.

For some countries in which the Groups has consolidated subsidiaries, there is a possibility that the effective statutory tax rate could fall below 15%, and, therefore, it is possible that an additional tax could be imposed on those subsidiaries. However, the Group has applied the temporary exceptional measure set forth in "IAS 12 Income Taxes," and has not recognized deferred tax assets and liabilities related to income taxes arising from the Global Minimum Tax rules. It has also not included the aforementioned in the disclosed amounts.

Even assuming that an additional tax could be imposed for the current fiscal year on a consolidated basis, the impact on the consolidated financial statements would be immaterial.

(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)

	FY 3/2023 (As of April 1, 2022)	Recognized through profit or loss	Recognized in other comprehensive income	FY 3/2023 (As of March 31, 2023)
Deferred tax assets				
Net defined benefit liability	1,028	26	(928)	125
Accounts payable	3,351	1,062	-	4,414
Accrued bonuses	1,687	134	-	1,821
Long-term accounts payable	149	11	-	160
Property, plant, and equipment and intangible assets	5,073	(63)	-	5,010
Unused tax losses of subsidiaries	0	1,239	-	1,240
Other	7,724	595	-	8,320
Total deferred tax assets	19,016	3,005	(928)	21,093
Deferred tax liabilities				
Property, plant, and equipment and intangible assets	(7,405)	315	-	(7,089)
Other financial assets	(13,967)	-	4,282	(9,684)
Total deferred tax liabilities	(21,372)	315	4,282	(16,774)
Net amount	(2,356)	3,321	3,354	4,318

(Millions of yen)

	FY 3/2023 (As of March 31, 2023)	Recognized through profit or loss	Recognized in other comprehensive income	FY 3/2024 (As of March 31, 2024)
Deferred tax assets				
Net defined benefit liability	125	(153)	1,346	1,318
Accounts payable	4,414	428	-	4,842
Accrued bonuses	1,821	536	-	2,358
Long-term accounts payable	160	(0)	-	160
Property, plant, and equipment and intangible assets	5,010	177	-	5,187
Unused tax losses of subsidiaries	1,240	(1,133)	-	106
Other	8,320	(43)	-	8,276
Total deferred tax assets	21,093	(188)	1,346	22,250
Deferred tax liabilities				
Property, plant, and equipment and intangible assets	(7,089)	(260)	-	(7,350)
Other financial assets	(9,684)	-	(5,003)	(14,688)
Total deferred tax liabilities	(16,774)	(260)	(5,003)	(22,039)
Net amount	4,318	(449)	(3,657)	211

(Thousands of U.S. dollars)

	FY 3/2023 (As of March 31, 2023)	Recognized through profit or loss	Recognized in other comprehensive income	FY 3/2024 (As of March 31, 2024)
Deferred tax assets				
Net defined benefit liability	829	(1,012)	8,890	8,707
Accounts payable	29,155	2,827	-	31,982
Accrued bonuses	12,031	3,544	-	15,576
Long-term accounts payable	1,060	(2)	-	1,058
Property, plant, and equipment and intangible assets	33,090	1,173	-	34,263
Unused tax losses of subsidiaries	8,193	(7,488)	-	705
Other	54,951	(287)	-	54,663
Total deferred tax assets	139,311	(1,245)	8,890	146,956
Deferred tax liabilities				
Property, plant, and equipment and intangible assets	(46,824)	(1,722)	-	(48,546)
Other financial assets	(63,964)	-	(33,048)	(97,012)
Total deferred tax liabilities	(110,788)	(1,722)	(33,048)	(145,559)
Net amount	28,522	(2,967)	(24,157)	1,397

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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Deferred tax assets	13,737	16,619	109,766
Deferred tax liabilities	(9,418)	(16,408)	(108,369)
Net amount	4,318	211	1,397

(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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Deductible temporary differences	14,050	20,932	138,251
Carryforwards of unused tax losses	14,159	12,746	84,188
Carryforwards of tax credits	203	165	1,096
Total	28,413	33,845	223,536

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

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
1st year	957	1,226	8,103
2nd year	1,181	867	5,727
3rd year	836	672	4,443
4th year	649	662	4,376
5th year and thereafter	10,533	9,317	61,537
Total	14,159	12,746	84,188

(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 ¥280,697 million and ¥343,165 million (\$2,266,465 thousand) as of March 31, 2023 and 2024, respectively.

19. Trade and Other Payables

The details of trade and other payables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Trade payables	70,741	79,242	523,364
Notes payable	860	1,470	9,715
Nontrade payables	60,240	70,510	465,693
Other	8,503	10,229	67,559
Total	140,346	161,453	1,066,332

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

20. 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
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)		
Derivative liabilities	1	0	1		
Short-term borrowings	4,340	4,548	30,038	4.00%	
Current portion of long-term borrowings	8,608	8,393	55,434	0.46%	
Long-term borrowings	23,272	21,911	144,718	1.96%	2025-2033
Lease liabilities	18,877	21,285	140,581	1.44%	2024-2049
Long-term guarantee deposit	664	657	4,339		
Other	314	-	-		
Total	56,079	56,796	375,114		
Current liabilities	17,956	17,846	117,870		
Noncurrent liabilities	38,123	38,949	257,243		
Total	56,079	56,796	375,114		

Note 1: The average interest rate is the weighted-average interest rate on the balance of borrowings as of March 31, 2024.

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.

(2) Pledged assets for liabilities

1. Pledged assets

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Land	2,083	2,083	13,760
Building and structure	4,369	4,153	27,430
Machinery and vehicle	0	0	0
Total	6,453	6,236	41,191

2. Liabilities related to the pledged assets

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Current portion of long-term borrowings	1,208	1,166	7,702
Long-term borrowings	4,319	3,153	20,825
Total	5,527	4,319	28,527

21. Provisions

The changes in provisions are as follows:

	(Millions of yen)		
	Provision for asset retirement obligations	Provision for losses on lawsuit	Total
Balance at April 1, 2022	220	48	268
Increase	-	236	236
Decrease (provision used)	-	(25)	(25)
Decrease (provision reversed)	-	(2)	(2)
Increase due to passage of time	0	5	5
Exchange differences on translation of foreign operations	-	2	2
Balance at March 31, 2023	220	264	484
Increase	-	25	25
Decrease (provision used)	-	(50)	(50)
Decrease (provision reversed)	(3)	(25)	(29)
Increase due to passage of time	0	2	2
Exchange differences on translation of foreign operations	-	36	36
Balance at March 31, 2024	216	252	469

	(Thousands of U.S. dollars)		
	Provision for asset retirement obligations	Provision for losses on lawsuit	Total
Balance at March 31, 2023	1,455	1,743	3,199
Increase	-	168	168
Decrease (provision used)	-	(332)	(332)
Decrease (provision reversed)	(25)	(170)	(196)
Increase due to passage of time	1	17	19
Exchange differences on translation of foreign operations	-	242	242
Balance at March 31, 2024	1,430	1,668	3,099

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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Noncurrent liabilities	484	469	3,099
Total	484	469	3,099

22. Other Liabilities

The details of other liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Other current liabilities			
Accrued bonuses	4,831	6,278	41,468
Deposits payable	3,048	3,303	21,815
Consumption tax payables	1,681	1,767	11,673
Obligation for unused paid absences	5,132	5,516	36,431
Refund liabilities (accrued rebates)	6,304	8,418	55,599
Other	983	1,093	7,225
Total	21,981	26,377	174,214
Other noncurrent liabilities			
Accrued long-term expenses	2,250	2,478	16,372
Other	296	275	1,816
Total	2,547	2,753	18,188

23. 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 pension 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 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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Present value of the defined benefit obligations	40,323	40,901	270,137
Fair value of plan assets	(40,232)	(43,595)	(287,928)
Subtotal	91	(2,693)	(17,791)
Effect of asset ceiling	172	7,462	49,289
Net defined benefit liabilities	263	4,769	31,498
Amounts recognized in the consolidated statement of financial position			
Retirement benefit liabilities	5,092	5,293	34,964
Retirement benefit assets	4,828	524	3,466

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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Balance at the beginning	43,005	40,323	266,322
Current service expense	1,999	2,063	13,626
Past service expense (including loss (gain) related to plan curtailment)	(33)	-	-
Interest expense	374	567	3,748
Remeasurements			
Actuarial gains and losses arising from changes in demographic assumptions	-	26	175
Actuarial gains and losses arising from changes in financial assumptions	(3,118)	(331)	(2,192)
Actuarial gains and losses arising from experience adjustments	(68)	131	865
Benefits paid	(1,840)	(1,846)	(12,195)
Other	6	(32)	(212)
Balance at the end	40,323	40,901	270,137

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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Balance at the beginning	40,222	40,232	265,718
Interest income	326	577	3,811
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	(184)	2,850	18,825
Contributions provided by employer	1,401	1,324	8,747
Contributions by plan participants	-	159	1,050
Benefits paid	(1,532)	(1,548)	(10,224)
Balance at the end	40,232	43,595	287,928

4. Details of effect of asset ceiling

The details of asset ceiling are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Balance at the beginning	90	172	1,136
Remeasurements	0	2	13
Effect of asset ceiling (excluding amounts included in interest income)	80	7,288	48,139
Balance at the end	172	7,462	49,289

5. Details of defined benefit cost

The details of defined benefit cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Service cost			
Current service cost	1,999	2,063	13,626
Past service expense and settlement gains and losses	(33)	-	-
Interest expense	374	567	3,748
Interest income	(326)	(577)	(3,811)
Total defined benefit cost recognized in profit or loss	2,014	2,053	13,562
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	184	(2,850)	(18,825)
Actuarial gains and losses arising from changes in demographic assumptions	-	26	175
Actuarial gains and losses arising from changes in financial assumptions	(3,118)	(331)	(2,192)
Actuarial gains and losses arising from experience adjustments	(68)	131	865
Adjustment for the restriction on assets related to retirement benefits	-	7,288	48,139
Total defined benefit cost recognized in other comprehensive income	(3,002)	4,264	28,163
Total	(988)	6,317	41,726

6. Components of plan assets

The details of plan assets by category are as follows:

FY 3/2023 (As of March 31, 2023)

	(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)	3,711	-	3,711
Equity securities (overseas)	4,220	-	4,220
Bonds (domestic)	7,785	-	7,785
Bonds (overseas)	3,082	-	3,082
General account for life insurance companies (Note 1)	28	6,166	6,195
Alternative investments (Note 2)	-	10,726	10,726
Other	4,510	-	4,510
Total	23,339	16,893	40,232

FY 3/2024 (As of March 31, 2024)

	(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)	4,475	-	4,475	29,557	-	29,557
Equity securities (overseas)	4,652	-	4,652	30,724	-	30,724
Bonds (domestic)	7,380	-	7,380	48,743	-	48,743
Bonds (overseas)	2,914	-	2,914	19,246	-	19,246
General account for life insurance companies (Note 1)	353	5,863	6,217	2,337	38,726	41,063
Alternative investments (Note 2)	-	13,728	13,728	-	90,671	90,671
Other	4,227	-	4,227	27,921	-	27,921
Total	24,003	19,592	43,595	158,531	129,397	287,928

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.

7. Matters related to actuarial assumptions

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

	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)
Discount rate (%)	1.5	1.7
Life expectancy (years)	26.6	26.7

8. 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, 2023 and 2024, 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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Discount rate increase by 0.5%	(2,526)	(2,547)	(16,826)
Life expectancy increase by 1 year	513	500	3,306

9. 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, the Group sets the target return rate and asset composition ratio by investment asset within the allowable risk range specified by the fiscal year and manages the assets by maintaining that proportion.

For asset composition ratio, the Group discussed 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 ended March 31, 2025, ¥1,416 million (\$9,355 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 14.5 years and 14.6 years as of March 31, 2023 and 2024, respectively.

(2) Employee benefit expenses

The amounts recognized as cost of sales and selling, general, and administrative expenses related to the employee benefit expenses were ¥100,193 million and ¥110,832 million (\$732,001 thousand) for the years ended March 31, 2023 and 2024, respectively.

24. Equity and Other Equity Items

(1) Equity and treasury shares

1. Shares authorized

	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)
Authorized		(Shares)
Ordinary shares (Note 2)	500,000,000	1,200,000,000
Issued		
Beginning balance	104,222,300	102,861,500
Change during the year (Note 3)	(1,360,800)	205,723,000
Ending balance	102,861,500	308,584,500

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

2: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024, resulting in an increase of 700,000,000 shares in the total number of authorized shares during the current consolidated fiscal year.

3: The changes in the number of issued shares during the previous consolidated fiscal year and the current consolidated fiscal year were a decrease of 1,360,800 shares due to the cancellation of treasury shares and an increase of 205,723,000 shares due to the above stock split, respectively.

2. Treasury shares

(Shares)

	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)
Treasury shares		
Beginning balance	1,786,406	1,515,187
Change during the year (Note 1,2)	(271,219)	2,992,335
Ending balance (Note 3)	1,515,187	4,507,522

Note 1: 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 33. "Share-Based Payments." The Company has introduced equity-settled and cash-settled share-based payment schemes (BBT) from this fiscal year and has discontinued the stock option plans, except for those already granted.

2: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024, resulting in an increase of 3,017,724 shares of treasury shares during the current consolidated fiscal year.

3: The number of treasury shares for the previous consolidated fiscal year and the current consolidated fiscal year included 41,800 shares and 233,400 shares, respectively, held by the trust account related to the BBT.

(2) Capital surplus

The Companies Act of Japan requires that more than half of the payment or contribution upon issuance of shares must be appropriated as share capital and the rest must 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 of Japan 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.

(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.

25. Dividends

The details of dividends are as follows:

FY 3/2023 (From April 1, 2022, to March 31, 2023)

1. Dividend paid

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 28, 2022	6,146	60	March 31, 2022	June 29, 2022
Board of directors' meeting held on November 10, 2022	6,590	65	September 30, 2022	November 29, 2022

Note: The total amount of dividends based on the board of directors meeting held on November 10, 2022, includes a dividend of ¥2 million for the Company's shares held by the trust accounts related to the BBT.

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 28, 2023	7,604	75	March 31, 2023	June 29, 2023

Note: The total amount of dividends based on the annual general meeting of shareholders held on June 28, 2023, includes a dividend of ¥3 million for the Company's shares held by the trust accounts related to the BBT.

FY 3/2024 (From April 1, 2023, to March 31, 2024)

1. Dividends 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 28, 2023	7,604	75	March 31, 2023	June 29, 2023	50,221	0.4
Board of directors' meeting held on November 9, 2023	8,114	80	September 30, 2023	November 29, 2023	53,589	0.5

Note 1: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024. For the "dividend per share" with a record date before December 31, 2023, the actual amount of the dividend before the stock split is stated.

2: The total amount of dividends based on the annual general meeting of shareholders held on June 28, 2023, includes ¥3 million (\$20 thousand) in dividends for the Company's shares held by the trust account related to the BBT. Additionally, the total amount of dividends based on the board of directors meeting held on November 9, 2023, includes ¥6 million (\$41 thousand) in dividends for the Company's shares held by the trust account related to the BBT.

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 26, 2024	12,172	40	March 31, 2024	June 27, 2024	80,390	0.2

Note 1: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024. For the "dividend per share" based on the annual general meeting of shareholders held on June 26, 2024, the amount of the dividend after the stock split is stated.

2: The total amount of dividends based on the annual general meeting of shareholders held on June 26, 2024, includes ¥9 million (\$61 thousand) in dividends for the shares of our company held in the trust account related to the BBT.

26. Revenue

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

In the current fiscal year, the Group has changed the method of presenting "NISSIN FOODS VIETNAM CO., LTD.", which was included in the Others segment, to the China segment, resulting from the review of the business management classification of the Group.

Segment information for the previous consolidated fiscal year is disclosed based on the classification of reportable segments for the current consolidated fiscal year.

Reportable segment	Classification	(Millions of yen)		(Thousands of U.S. dollars)
		FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
NISSIN FOOD PRODUCTS	Instant noodles	199,300	210,826	1,392,422
	Other	20,904	21,395	141,305
	Total	220,204	232,221	1,533,727
MYOJO FOODS	Instant noodles	39,967	42,885	283,243
	Chilled and frozen products	543	564	3,731
	Total	40,511	43,450	286,975
Chilled and frozen foods and beverages	Chilled and frozen products	66,854	69,775	460,840
	Beverages	19,826	25,350	167,431
	Other	158	95	628
	Total	86,838	95,221	628,899
Confectionery	Confectionery	74,053	85,141	562,323
	Other	4	9	60
	Total	74,057	85,150	562,383
The Americas	Instant noodles	137,352	157,281	1,038,779
	Chilled and frozen products	2,690	3,051	20,155
	Total	140,042	160,333	1,058,935
China	Hong Kong and other	24,993	25,037	165,362
	Mainland China	41,978	41,414	273,526
	Total	66,972	66,452	438,889
Other	Instant noodles	36,861	45,664	301,594
	Beverages	306	298	1,973
	Confectionery	440	410	2,710
	Other	3,013	3,729	24,630
	Total	40,621	50,102	330,909
Revenue in the consolidated financial statements		669,248	732,933	4,840,720

27. Selling, General, and Administrative Expenses

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

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Advertising expenses	18,931	23,083	152,457
Freight and storage charges	53,379	56,731	374,687
Employee salaries	28,881	32,303	213,350
Promotion expenses	16,704	17,899	118,219
Commissions and charges	14,095	17,696	116,880
Other	41,831	49,537	327,177
Total	173,823	197,252	1,302,773

28. Other Income and Other Expenses

The details of other income are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Other income			
Gain on sales of fixed assets	53	61	405
Subsidy	774	402	2,657
Other	1,293	1,870	12,352
Total	2,121	2,334	15,415

The details of other expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Other expenses			
Loss on disposal and sales of fixed assets	331	441	2,914
Impairment losses (Note)	177	478	3,157
Waste disposal expenses	-	558	3,685
Loss on voluntary recall of products	186	-	-
Other	1,041	1,911	12,623
Total	1,737	3,388	22,380

Note: Details of impairment losses are described in Note 15 "Impairment Loss of Nonfinancial Assets."

29. Finance Income and Finance Costs

The details of finance income are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Finance income			
Dividend income			
Financial assets measured at FVTOCI			
Investments derecognized during the year	60	143	945
Investments held at the end of the year	1,100	1,146	7,574
Subtotal	1,160	1,289	8,519
Interest income			
Financial assets measured at amortized cost	2,062	2,624	17,332
Subtotal	2,062	2,624	17,332
Derivative income	-	218	1,441
Other	33	6	41
Total	3,256	4,138	27,335

The details of finance costs are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Finance costs			
Interest expense			
Borrowings	395	302	1,996
Lease liabilities	294	282	1,866
Subtotal	689	584	3,862
Foreign exchange loss	235	-	-
Other	17	-	-
Total	943	584	3,862

30. Cash Flow

Reconciliation of liabilities arising from financing activities

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

FY 3/2023 (From April 1, 2022, to March 31, 2023)

	(Millions of yen)			
	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2022	40,326	4,588	19,455	11
Movement by cash inflow/outflow from financing activities	(8,675)	(601)	(5,479)	-
Acquisition	-	-	3,287	-
Exchange differences on translation of foreign operations	230	353	1,613	-
Fair value movement	-	-	-	(10)
Balance at March 31, 2023	31,881	4,340	18,877	1

FY 3/2024 (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2023	31,881	4,340	18,877	1
Movement by cash inflow/outflow from financing activities	(1,825)	(549)	(5,467)	-
Acquisition	-	-	7,367	-
Exchange differences on translation of foreign operations	249	757	507	-
Fair value movement	-	-	-	(1)
Balance at March 31, 2024	30,305	4,548	21,285	0

(Thousands of U.S. dollars)

	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2023	210,561	28,668	124,676	8
Movement by cash inflow/outflow from financing activities	(12,056)	(3,632)	(36,107)	-
Acquisition	-	-	48,658	-
Exchange differences on translation of foreign operations	1,649	5,001	3,354	-
Fair value movement	-	-	-	(7)
Balance at March 31, 2024	200,153	30,038	140,581	1

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

31. 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)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Items that will not be reclassified to profit or loss			
Equity instruments measured at FVTOCI			
Amount arising during the year	602	16,457	108,692
Before income tax effect	602	16,457	108,692
Income tax effect	4,282	(5,003)	(33,048)
Equity instruments measured at FVTOCI	4,885	11,453	75,644
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	(8,238)	(7,485)	(49,435)
Share of other comprehensive income of investments accounted for using the equity method	(8,238)	(7,485)	(49,435)
Remeasurements of defined benefit plans			
Amount arising during the year	3,106	(4,413)	(29,152)
Before income tax effect	3,106	(4,413)	(29,152)
Income tax effect	(928)	1,346	8,890
Remeasurements of defined benefit plans	2,177	(3,067)	(20,261)
Total items that will not be reclassified to profit or loss	(1,175)	900	5,947
Items that may be reclassified to profit or loss			
Foreign currency translation differences on foreign operations			
Amount arising during the year	5,309	17,413	115,007
Reclassification adjustments	-	-	-
Before income tax effect	5,309	17,413	115,007
Income tax effect	-	-	-
Foreign currency translation differences on foreign operations	5,309	17,413	115,007
Cash flow hedges			
Amount arising during the year	403	(111)	(734)
Reclassification adjustments	(446)	120	792
Before income tax effect	(42)	8	57
Income tax effect	13	(2)	(17)
Cash flow hedges	(29)	6	40
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	3,824	7,647	50,506
Reclassification adjustments	-	-	-
Share of other comprehensive income of investments accounted for using the equity method	3,824	7,647	50,506
Items that may be reclassified to profit or loss	9,103	25,066	165,553
Total other comprehensive income	7,928	25,966	171,501

32. Earnings per Share

(1) Basic earnings per share	(Thousands of U.S. dollars)		
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Profit for the year attributable to owners of the parent (Millions of yen)	44,760	54,170	357,771
Weighted-average number of ordinary shares outstanding (One hundred shares)	3,046,154	3,040,594	
Basic earnings per share (Yen)	146.94	178.16	1.00
(2) Diluted earnings per share	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Profit for the year attributable to owners of the parent (Millions of yen)	44,760	54,170	357,771
Profit adjustments (Millions of yen)	-	-	-
Diluted profit for the year (Millions of yen)	44,760	54,170	357,771
Weighted-average number of ordinary shares outstanding (One hundred shares)	3,046,154	3,040,594	
Adjustment due to stock acquisition rights to shares (One hundred shares)	18,560	18,534	
Adjustment of shares related to BBT (One hundred shares)	213	681	
Diluted weighted-average number of ordinary shares (One hundred shares)	3,064,927	3,059,811	
Diluted earnings per share (Yen)	146.04	177.04	1.00
Outline of dilutive shares without dilutive effect that were not included in the calculation of diluted profit	-	-	-

Note 1: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024. Basic earnings per share and diluted earnings per share have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

2: The Company's shares held by the trust accounts related to the BBT are included in the treasury shares deducted in the calculation of the average number of common shares during the period for the purpose of calculating earnings per share. In the calculation of earnings per share, the average number of such treasury shares deducted during the period is 83,600 shares and 197,400 shares for the years ended March 31, 2023 and 2024 respectively.

33. Share-Based Payments

(1) Stock options

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 income amounted to ¥317 million for the years ended March 31, 2023.

At the Annual General Meeting of Shareholders held on June 28, 2022, a resolution that the Company discontinued the stock option plan was made and no new stock options were granted to directors, executive officers and employees as remuneration for execution of duties.

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	June 26, 2009	222,900	June 26, 2049	1	775	5
3rd	June 26, 2009	9,465	June 26, 2049	1	892	5
4th	June 26, 2009	33,852	June 26, 2049	1	892	5
6th	June 29, 2010	219,600	June 29, 2050	1	872	5
7th	June 29, 2010	17,130	June 29, 2050	1	1,001	6
8th	June 29, 2010	63,987	June 29, 2050	1	1,001	6
9th	June 29, 2011	219,600	June 29, 2051	1	714	4
10th	June 29, 2011	33,147	June 29, 2051	1	871	5
11th	June 29, 2011	68,031	June 29, 2051	1	871	5
13th	June 28, 2012	257,700	June 28, 2052	1	748	4
14th	June 28, 2012	25,998	June 28, 2052	1	903	5
15th	June 28, 2012	79,431	June 28, 2052	1	903	5
17th	June 26, 2013	240,000	June 26, 2053	1	1,001	6
18th	June 26, 2013	23,970	June 26, 2053	1	1,154	7
19th	June 26, 2013	80,742	June 26, 2053	1	1,154	7
21st	June 26, 2014	169,500	June 26, 2054	1	1,441	9
22nd	June 26, 2014	21,537	June 26, 2054	1	1,602	10
23rd	June 26, 2014	59,511	June 26, 2054	1	1,602	10
24th	June 25, 2015	156,900	June 25, 2055	1	1,564	10
25th	June 25, 2015	21,852	June 25, 2055	1	1,721	11
26th	June 25, 2015	51,423	June 25, 2055	1	1,721	11
28th	June 28, 2016	118,500	June 28, 2056	1	1,610	10
29th	June 28, 2016	12,747	June 28, 2056	1	1,774	11
30th	June 28, 2016	28,881	June 28, 2056	1	1,774	11
33rd	June 28, 2017	106,500	June 28, 2057	1	2,009	13
34th	June 28, 2017	33,144	June 28, 2057	1	2,280	15
35th	June 28, 2017	32,679	June 28, 2057	1	2,280	15
36th	June 27, 2018	100,800	June 27, 2058	1	2,416	15
37th	June 27, 2018	30,021	June 27, 2058	1	2,699	17
38th	June 27, 2018	28,131	June 27, 2058	1	2,699	17
40th	June 26, 2019	89,100	June 26, 2059	1	1,923	12
41st	June 26, 2019	21,360	June 26, 2059	1	2,250	14
42nd	June 26, 2019	22,611	June 26, 2059	1	2,250	14
43rd	June 25, 2020	90,000	June 25, 2060	1	2,732	18
44th	June 25, 2020	15,756	June 25, 2060	1	3,045	20
45th	June 25, 2020	22,443	June 25, 2060	1	3,045	20
48th	June 25, 2021	76,500	June 25, 2061	1	2,338	15
49th	June 25, 2021	12,165	June 25, 2061	1	2,629	17
50th	June 25, 2021	17,418	June 25, 2061	1	2,629	17
51st	June 28, 2022	86,100	June 28, 2062	1	2,677	17
52nd	June 28, 2022	11,811	June 28, 2062	1	2,984	19
53rd	June 28, 2022	17,229	June 28, 2062	1	2,984	19

Note: The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024.

Accordingly, the number of shares and the fair value at the grant date have been stated to reflect the converted figures after the stock split.

2. Number of stock options and weighted-average exercise price

	FY 3/2023		FY 3/2024	
	(From April 1, 2022, to March 31, 2023)		(From April 1, 2023, to March 31, 2024)	
	Number of shares (Shares)	Weighted-average exercise price (Yen)	Number of shares (Shares)	Weighted-average exercise price (Yen)
Beginning balance of outstanding shares	1,771,542	1	1,875,768	1
Granted	115,140	1	-	-
Exercised	10,914	1	40,596	1
Expired	-	-	-	-
Expired at maturity	-	-	-	-
Ending balance of outstanding shares	1,875,768	1	1,835,172	1
Ending balance of exercisable shares	1,875,768	1	1,835,172	1

As of March 31, 2023, the exercise price of outstanding stock options was ¥1, and the weighted-average remaining contractual life was 32.19 years.

The weighted-average share price on the date of exercise for the fiscal year ended March 31, 2023, was ¥2,913.33 (\$19.24).

As of March 31, 2024, the exercise price of outstanding stock options was ¥1, and the weighted-average remaining contractual life was 31.20 years.

The weighted-average share price on the date of exercise for the fiscal year ended March 31, 2024, was ¥4,155.75 (\$27.44).

The Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024.

The number of shares and the weighted-average exercise prices at the date of exercise for stock options have been stated to reflect the converted figures after the stock split.

3. Fair value measurement of stock options

The weighted-average fair value at the measurement date of the stock options granted during the year ended March 31, 2023, was ¥2,754.10 (\$18.18).

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

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

FY 3/2023 (From April 1, 2022, to March 31, 2023)

	51st	52nd	53rd
Stock price at grant date (Yen)	3,077	3,077	3,077
Volatility of stock price (%) (Note 1)	21.98	25.27	25.27
Estimated remaining outstanding period (Years) (Note 2)	10.8	2.4	2.4
Estimated dividend (Yen per share) (Note 3)	40	40	40
Risk-free interest rate (%) (Note 4)	0.38	(0.06)	(0.06)

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 (excluding the commemorative dividend) during the period ended March 31, 2022.

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 Company implemented a three-for-one stock split of its common stock with an effective date of January 1, 2024. The weighted-average fair value at the measurement date of stock option, stock price at grant date and estimated dividend have been stated to reflect the converted figures after the stock split.

FY 3/2024 (From April 1, 2023, to March 31, 2024)

There are no relevant matters.

(2) Equity-settled and cash-settled share-based payment plan (BBT)

The Company introduced a framework referred to as BBT, which is a share-based payment plan for the directors and other executives, in order to increase motivation of directors to enhance the Group's performance and increasing corporate value over the medium to long term.

1. Outline of share-based payment plan

This is a share-based payment plan in which the Company's shares are acquired through a trust using the funds contributed by the Company, and the Company's shares and cash equivalent to the market value of the Company's shares (hereinafter referred to as "Company Shares, etc.") are granted to the Company's directors and executive officers, as well as certain directors of subsidiaries designated by the Company's board of directors, excluding outside directors of the Company and such subsidiaries (hereinafter referred to as "Eligible Officers") in accordance with the share grant regulations for officers established by the Company and its subsidiaries. The initial performance measurement period is set to be three fiscal years starting from April 1, 2022, to April 1, 2024, and from April 1, 2023, each fiscal year will be considered the first year of a three-year performance measurement period. Eligible Officers, excluding those who do not concurrently serve as the Company's directors or executive officers will be paid performance-linked and share-based payment linked to the achievement ratio of the Company's consolidated performance indicators during each of the eligible periods, while those who do not serve as the Company's directors or executive officers will be paid fixed share-based payment according to their position, not linked to the Company's consolidated performance. The timing of distribution of Company Shares, etc., to the Eligible Officers is basically at their retirement.

2. Share-based compensation expense

Expenses arising from the share-based payment plan recorded in selling, general, and administrative expenses of the consolidated statement of income amounted to ¥186 million and ¥235 million (\$1,555 thousand) for the years ended March 31, 2023 and 2024, respectively.

3. Fair value of granted points

There is no information to be reported as no points have been granted at the end of the current fiscal year and the previous fiscal year.

4. Change in the number of points during the period

There is no information to be reported as no points have been granted at the end of the current fiscal year and the previous fiscal year.

34. Financial Instruments

(1) Capital management

The Group manages its capital in accordance with a 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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Interest-bearing debts	55,099	56,138	370,773
Cash and cash equivalents	87,388	96,659	638,396
Interest-bearing debts (net)	(32,288)	(40,520)	(267,622)
Equity (equity attributable to owners of the parent)	430,427	493,185	3,257,283

(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 transactions generally with highly rated financial institutions in order to reduce credit risk.

For financial assets, the maximum exposure of the Group is the total 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 amounts.

The changes in allowance for doubtful accounts are as follows:

	(Millions of yen)				
	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, 2022	7	446	121	116	691
Increase	1	615	-	23	640
Decrease	(5)	(78)	-	-	(84)
Direct write-offs	-	(5)	-	-	(5)
Foreign exchange	0	17	-	2	19
Other	(0)	27	-	(29)	(2)
Balance at March 31, 2023	3	1,021	121	112	1,258
Increase	7	187	-	-	194
Decrease	(0)	(82)	-	-	(82)
Direct write-offs	-	(7)	-	-	(7)
Foreign exchange	0	99	-	16	116
Other	0	1	-	60	61
Balance at March 31, 2024	10	1,220	121	189	1,541

(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, 2023	22	6,749	800	739	8,312
Increase	47	1,239	-	-	1,287
Decrease	(4)	(543)	-	-	(547)
Direct write-offs	-	(51)	-	-	(51)
Foreign exchange	0	658	-	110	769
Other	0	10	-	397	409
Balance at March 31, 2024	67	8,062	800	1,248	10,179

(4) Liquidity risk management

Liquidity risk is the risk that the Group will encounter troubles in cash control due to changes in the 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 noncurrent 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:

FY 3/2023 (As of March 31, 2023)

	Carrying amount	Contractual cash flow						(Millions of yen)	
			Within 1 year	1 year-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Nonderivative financial liabilities:									
Trade and other payables	140,346	140,346	140,346	-	-	-	-	-	
Borrowings	36,222	36,329	12,948	8,342	7,934	4,210	1,440	1,452	
Lease liabilities	18,877	22,633	5,145	3,400	2,239	1,437	1,321	9,088	
Noncurrent guarantee deposit received	664	664	-	-	-	-	-	664	
Other financial liabilities	314	314	314	-	-	-	-	-	

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

FY 3/2024 (As of March 31, 2024)

	Carrying amount	Contractual cash flow						(Millions of yen)	
			Within 1 year	1 year-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Nonderivative financial liabilities:									
Trade and other payables	161,453	161,453	161,453	-	-	-	-	-	
Borrowings	34,853	34,935	12,941	8,184	9,863	1,873	676	1,395	
Lease liabilities	21,285	25,813	4,862	3,448	2,396	2,274	2,138	10,692	
Noncurrent guarantee deposit received	657	657	-	2	2	-	-	652	
Other financial liabilities	-	-	-	-	-	-	-	-	

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year	Within 1 year	More than 1 year	Within 1 year	More than 1 year
Derivative financial liabilities:								
Interest rate swap contracts			0		0		-	0

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flow	Within 1 year	1 year-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Nonderivative financial liabilities:								
Trade and other payables	1,066,332	1,066,332	1,066,332	-	-	-	-	-
Borrowings	230,192	230,737	85,473	54,057	65,145	12,374	4,469	9,216
Lease liabilities	140,581	170,489	32,116	22,778	15,829	15,020	14,124	70,620
Noncurrent guarantee deposit received	4,339	4,339	-	14	13	-	-	4,311
Other financial liabilities	-	-	-	-	-	-	-	-

(Thousands of U.S. dollars)

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

(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 values 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 depreciates by 1% against the U.S. dollar, the effect on income before tax is as follows:

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

It is assumed that other currencies that are not used in this calculation remain constant.

	(Millions of yen)	(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Income before tax	(837)	(3)
		(22)

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)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Income before tax	105	118
		782

(6) Fair value of financial instruments

1. Measurement of fair value of financial instruments

The measurements of major financial instruments are as follows:

(a) Equity securities

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

Nonmarketable 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 investee 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 carrying amounts because the carrying amounts approximate fair value.

The fair value of borrowings is the present value of the 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:

FY 3/2023 (As of March 31, 2023)

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	50	-	50
Equity securities	45,493	-	3,645	49,139
Investment trusts	167	3,793	-	3,960
Bonds	50	100	-	150
Total	45,711	3,943	3,645	53,300
Financial liabilities:				
Derivative liabilities	-	1	-	1
Other	-	-	314	314
Total	-	1	314	316

FY 3/2024 (As of March 31, 2024)

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	57	-	57
Equity securities	52,857	-	4,309	57,167
Investment trusts	184	3,998	-	4,183
Bonds	50	100	-	150
Total	53,092	4,156	4,309	61,558
Financial liabilities:				
Derivative liabilities	-	0	-	0
Other	-	-	-	-
Total	-	0	-	0

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	380	-	380
Equity securities	349,102	-	28,464	377,566
Investment trusts	1,219	26,407	-	27,627
Bonds	330	661	-	991
Total	350,652	27,449	28,464	406,566
Financial liabilities:				
Derivative liabilities	-	1	-	1
Other	-	-	-	-
Total	-	1	-	1

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and 2024.

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

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Beginning balance	3,771	3,645	24,078
Gains and losses			
Other comprehensive income (Note)	312	352	2,325
Purchases	-	539	3,566
Sales and Settlements	(437)	(165)	(1,095)
Others	-	(62)	(409)
Ending balance	3,645	4,309	28,464

Note: The gains and losses included in other comprehensive income related to financial assets measured at FVTOCI at the consolidated statement of financial position date. These gains and losses are included in "Financial assets measured at FVTOCI" and "Foreign currency translation differences on foreign operations" in the consolidated statement of comprehensive income.

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

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Beginning balance	250	314	2,079
Gains and losses (Note)	63	202	1,338
Settlements	-	(517)	(3,417)
Ending balance	314	-	-

Note: The gains and losses included in profit or loss relate to financial liabilities measured at FVTPL at the consolidated statement of financial position date. These gains and losses are included in "Other income" or "Other expenses" in the consolidated statement of income.

If the unobservable inputs have been changed to reflect reasonably possible alternative assumptions, the effect is expected to be insignificant.

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)	
	FY 3/2023 (As of March 31, 2023)		FY 3/2024 (As of March 31, 2024)		FY 3/2024 (As of March 31, 2024)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Borrowings (Note)	31,881	31,392	30,305	29,920	200,153	197,615
Total	31,881	31,392	30,305	29,920	200,153	197,615

Note: Borrowings, including current portion of long-term borrowings, are mainly classified into Level 2 and Level 3. The fair value of borrowings is the present value of the remaining principal and interest discounted using a deemed interest rate on equivalent new borrowings.

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 amounts of financial assets and liabilities offset in the consolidated statement of financial position and the amounts 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.

FY 3/2023 (As of March 31, 2023)

(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	1,580	116	1,464	-	1,464
Total	1,580	116	1,464	-	1,464

(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	202	116	85	-	85
Total	202	116	85	-	85

FY 3/2024 (As of March 31, 2024)

(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	2,022	116	1,906	-	1,906
Total	2,022	116	1,906	-	1,906

(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	13,359	767	12,592	-	12,592
Total	13,359	767	12,592	-	12,592

(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	117	116	1	-	1
Total	117	116	1	-	1

(Thousands of U.S. dollars)

	Gross amount of financial liabilities	Gross amount of financial assets 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	777	767	10	-	10
Total	777	767	10	-	10

(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:

FY 3/2023 (As of March 31, 2023)				(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	2,670	50	-
	Interest rate risk	Interest rate swaps			
Fixed-rate payment and, variable rate receipt		976	-	1	
Total			3,647	50	1

The average rate applied to the forward foreign exchange contracts is ¥126.3 per U.S. dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

FY 3/2024 (As of March 31, 2024)				(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	757	54	-
	Interest rate risk	Interest rate swaps			
Fixed-rate payment and, variable rate receipt		861	3	0	
Total			1,618	57	0

				(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	5,000	360	-
	Interest rate risk	Interest rate swaps			
Fixed-rate payment and, variable rate receipt		5,689	20	1	
Total			10,689	380	1

The average rate applied to the forward foreign exchange contracts is ¥130.5 per U.S. dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

Note: The amounts in the consolidated statement of financial position of current and noncurrent 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 9 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:

FY 3/2023 (From April 1, 2022, to March 31, 2023)				(Millions of yen)	
	Foreign exchange risk	Interest rate risk	Total		
Balance at April 1, 2022	71	(8)	63		
Amount arising during the year (Note 1)	397	5	403		
Reclassification adjustments (Note 2)	(451)	4	(446)		
Income tax effect	16	(3)	13		
Balance at March 31, 2023	34	(0)	33		

FY 3/2024 (From April 1, 2023, to March 31, 2024)

	(Millions of yen)			(Thousands of U.S. dollars)		
	Foreign exchange risk	Interest rate risk	Total	Foreign exchange risk	Interest rate risk	Total
Balance at April 1, 2023	34	(0)	33	228	(4)	223
Amount arising during the year (Note 1)	(111)	0	(111)	(735)	0	(734)
Reclassification adjustments (Note 2)	116	3	120	766	26	792
Income tax effect	(1)	(1)	(2)	(9)	(8)	(17)
Balance at March 31, 2024	37	2	39	249	13	263

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 adjustments attributed to the effects of hedged items on profit or loss are recognized under finance income or costs in the consolidated statement of income.

35. Related-Party Transactions

(1) Related-party transactions

FY 3/2023 (From April 1, 2022, to March 31, 2023)

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	430	Lease liabilities	151

FY 3/2024 (From April 1, 2023, to March 31, 2024)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)	(Thousands of U.S. dollars)	
						Transaction amount	Outstanding balance
Other related party	Intech Lease K.K.	Lease of vending machines	390	Lease liabilities	108	2,579	714

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)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Remuneration and bonuses	1,220	1,379	9,112
Performance-based stock compensation	171	210	1,387
Share-based payments	294	-	-
Total	1,686	1,589	10,500

36. Subsidiaries and Associates

(1) The Company does not own the majority of voting rights of KOIKE-YA Inc. However, the Company determined that it has control over KOIKE-YA Inc. and included it in the scope of consolidation, considering the fact that the Company holds 45.12% of the voting rights of KOIKE-YA Inc., the dispersion of voting rights in KOIKE-YA Inc., and the voting patterns exercised in KOIKE-YA Inc.'s past shareholders' meetings.

(2) Consolidated subsidiaries with material noncontrolling interests

Summarized financial information on the consolidated subsidiary with material noncontrolling 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)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Noncontrolling interests held by noncontrolling owner (%)	27.95	27.95	27.95
Accumulated noncontrolling interests of the subsidiary	19,520	22,257	147,001

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Profit allocated to the noncontrolling interests of the subsidiary	2,007	1,783	11,779

2. Summarized statements of financial position

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Current assets	44,836	51,096	337,471
Noncurrent assets	34,077	39,637	261,792
Current liabilities	14,692	15,070	99,537
Noncurrent liabilities	1,330	2,479	16,373
Equity	62,890	73,184	483,352

3. Summarized statements of income and comprehensive income

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Revenue	68,905	69,474	458,849
Profit	6,227	6,213	41,040
Comprehensive income	2,929	4,890	32,301

4. Summarized statements of cash flows

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2023 (From April 1, 2022, to March 31, 2023)	FY 3/2024 (From April 1, 2023, to March 31, 2024)	FY 3/2024 (From April 1, 2023, to March 31, 2024)
Net cash from operating activities	9,382	12,531	82,766
Net cash from investing activities	(3,747)	(9,088)	(60,025)
Net cash from financing activities	(10,270)	(4,408)	(29,116)
Effect of exchange rate changes on cash and cash equivalents	(453)	625	4,132
Net decrease in cash and cash equivalents	(5,089)	(339)	(2,243)

37. Commitments

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

		(Millions of yen)	(Thousands of U.S. dollars)
	FY 3/2023 (As of March 31, 2023)	FY 3/2024 (As of March 31, 2024)	FY 3/2024 (As of March 31, 2024)
Commitments to purchase property, plant, and equipment	15,845	36,494	241,030

38. Subsequent events

The Company has decided to acquire its own shares at the meeting of the board of directors held on May 13, 2024, in accordance with the provisions of Article 156 of the Companies Act of Japan, as applied by replacing certain terms under the provision of Article 165, Paragraph 3 of the same Act.

(1) Reason for acquisition of treasury shares

In our Mid-to Long-Term Growth Strategy 2030, we have set four Economic Value Targets for Creating Shared Value (CSV) management: "Sustainable profit growth," "Efficient use of capital," "Safe use of debt," and "Stable shareholder returns." We have determined that maintaining financial discipline while enhancing shareholder returns and improving capital efficiency would contribute to the improvement of our corporate values. Consequently, we have decided to purchase our shares as treasury shares.

(2) Details of the acquisition

- 1) Type of shares to be acquired: Shares of Common stock of the Company
- 2) Total number of shares to be acquired: 6,200,000 shares (maximum) (2.03% of the total number of shares outstanding (excluding treasury shares))
- 3) Total amount of acquisition price: ¥20,000,000,000 (maximum)
- 4) Period: From May 14, 2024, to November 29, 2024
- 5) Method of acquisition: Market transactions on the Tokyo Stock Exchange

INDEPENDENT AUDITOR'S REPORT

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

<Audit of Consolidated Financial Statements>

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, 2024, 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 material accounting policy information, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Revenue recognition (Note 7. Segment Information and Note 26. Revenue)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>As disclosed in Note 7. "Segment Information" and Note 26. "Revenue" to the consolidated financial statements, revenue recognized for the NISSIN FOOD PRODUCTS segment amounted to ¥232,221 million for the year ended March 31, 2024, which accounted for 31% of the Group's total consolidated revenue.</p> <p>The NISSIN FOOD PRODUCTS segment mainly consists of NISSIN FOOD PRODUCTS CO., LTD. ("Nissin Food Products"), which manufactures a wide variety of bag-type and cup-type noodles in its five domestic factories and sells to both wholesalers and retailers through Japanese trading companies.</p> <p>The revenue is calculated by multiplying the unit price registered in the Enterprise Resource Planning ("ERP") system by the sales quantities entered into the ERP system based on orders received and fixed upon shipment. Nissin Food Products constantly launches new products, requiring frequent registration of new unit prices in the ERP system. Additionally, Nissin Food Products also sells a wide variety of products in large quantities on a daily basis, generating a high volume of shipment and sales data.</p> <p>There are automated internal controls in place to mitigate the risks of material misstatements in the sales process such as order receipt, shipping, recording of sales, billing and cash collection, all of which are processed in the same ERP system. However, the Nissin Food Product's revenue process also includes manual controls. As such, as more unit prices are registered in the ERP system and shipping volumes increase, the possibility of revenue being inaccurately recognized due to inappropriate unit prices and sales quantities entered into the system also increases.</p> <p>Accordingly, we determined the accuracy of revenue recognition to be a key audit matter.</p>	<p>In order to evaluate the accuracy of revenue recognition, we performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We tested the design and operating effectiveness of controls over sales processes related to order receipt, shipping, billing and recording of sales, specifically focusing on processes to ensure that the sales information was complete and accurate in the ERP system. • With the assistance of our Information Technology ("IT") specialists, we tested the effectiveness of general IT controls, such as access controls, change management controls, and IT operation controls of the ERP system that support the sales processes. • We analyzed revenues by department and by customer in order to identify unusual transactions or trends, such as unexpected achievement of profit targets, significant fluctuations, and high-margin transactions. • We analyzed revenues by product brand based on sales quantities in order to identify unusual transactions or trends. • We selected samples of revenue transactions using a non-statistical method and inspected supporting documents, such as details of payments issued by customers and bank statements in order to test the accuracy of revenue.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Financial Data Book, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 IFRS Accounting Standards, 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 IFRS Accounting Standards 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.

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 IFRS Accounting Standards, 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to NISSIN FOODS HOLDINGS CO., LTD., and its subsidiaries were ¥270 million and ¥93 million, respectively.

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
September 30, 2024