



ANNUAL REPORT 2008

Year ended March 31, 2008

Where will the next 50 years take us?

In 1958, Nissin Foods surprised the world with instant noodles. Fifty years later, the industry we launched is still opening new markets. In 1971, another surprise, cup-type noodles—soup, toppings and noodles in a single container for storage, preparation and serving. Through constant innovation and assurance of food safety and customer enjoyment we develop brands that communicate the basic wholesome taste, satisfaction and *FUN* of instant noodles. In this anniversary year, our eyes are on the future, wondering what will be the *next* new product, and the *next*, and the one after that.

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Always **FIRST**

Since our founder invented instant noodles in a garden storage shed in 1958, Nissin Foods has established itself firmly as our industry's pioneer, a constant innovator and a food safety advocate, contributing to people's lives and leveraging strong brands to bring repeated fulfillment to hungry people everywhere.

The times and people have changed completely from the day we first opened, but our purpose remains the same: to serve the very best food products in the world.



Growing to the MOON AND BACK

In 50 years, the popularity of instant noodles has spread around the world. Nissin is number-one in Japan, and a leader in every market we actively enter. In the 37 years since we introduced *Cup Noodles* to the world, Nissin has sold 27 billion servings*. That is enough, if stacked, to reach from earth to the moon and back* 3.5 times. We did it by learning to build on the universal appeal of noodles with refinements and unique varieties to suit local palate and culture.

* 768,806 km

HIGH POTENTIAL

Consider for a moment that the nearly 100 billion packages of instant noodles sold by the food industry in 2007 around the world is only six servings a month per person in China. Then, ponder the potential for a food product that is warmly welcomed and enjoyed just about everywhere it is introduced. The instant noodle market has a long way to grow.



Dreaming of **NEXT**

We believe that to grow dramatically, a company must chase a dream, and our dream has always been to be the first—of anything. Since inventing the very concept of instant noodles, and of course, *Cup Noodle*, Nissin has always sought the big breakthrough, be it an exciting and fun new food or improved food safety testing, quality assurance technology or packaging. In Japan alone, we released over 200 new product changes or innovations in 2007. Most are simple improvements, but some, we hope, have what it takes to become the next *Cup Noodle*.

A CUPFUL OF ECO INNOVATION



We strive to reduce packaging resources while introducing new ways to enjoy good food. The new, paper-based ECO cup not only features a renewable material, it displays more nutritional information and keeps food fresher and tastier, through superior sealing.





**WHAT'S
NEXT
?**

FINANCIAL HIGHLIGHTS

(Years ended March 31)	Millions of yen			Millions of U.S. dollars *1	Percent change
	2008	2007	2006	2008	(%)
FOR THE YEAR					
Net sales	¥ 385,470	¥ 358,238	¥ 321,700	\$ 3,847	7.6
Operating income	27,672	33,735	31,979	276	(18.0)
Net income	13,591	18,969	15,389	136	(28.3)
AT YEAR-END					
Total assets	¥ 392,695	¥ 410,407	¥ 366,801	\$ 3,920	(4.3)
Net assets *2	288,844	288,476	263,199	2,883	0.1
PER SHARE (Yen and U.S. dollars)					
Net income	¥ 111.17	¥ 156.12	¥ 125.09	\$ 1.11	(28.8)
Cash dividends applicable to earnings of the year	50.00	50.00	30.00	0.50	—
Net assets	2,310.36	2,304.40	2,167.81	23.06	0.3
VALUE & PERFORMANCE INDICATORS					
Operating margin (%) *3	7.2	9.4	9.9		
Return on assets (%) *4	3.4	4.9	4.2		
Return on equity (%) *5	4.8	7.0	5.9		
Inventory turnover (Times) *6	13.4	12.9	12.6		

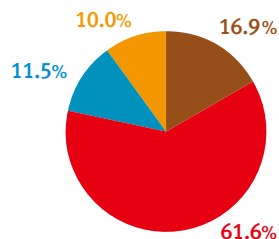
Notes:

1. U.S. dollar amounts represent translations of yen, for convenience only, at U.S.\$1 = ¥100.19, the approximate rate prevailing on March 31, 2008.
2. Net assets: In compliance with the Corporate Law, from fiscal 2007, net assets include minority interests.
3. Operating margin = Operating income / Net sales
4. Return on assets = Net income / Average total assets
5. Return on equity = Net income / Average total net assets
6. Inventory turnover = Cost of sales / Average total inventory

NISSIN FOODS CONSOLIDATED SALES BY CATEGORY

(Years ended March 31)

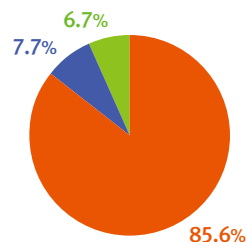
(Millions of yen)	2008	2007	2006
Instant Noodles			
Pillow-type Instant Noodles	¥ 64,915	¥ 57,871	¥ 48,919
Cup-type Instant Noodles	237,537	226,315	204,864
Chilled and Frozen Foods	44,369	41,282	40,727
Other Business	38,649	32,770	27,190
Total	385,470	358,238	321,700



NISSIN FOODS CONSOLIDATED SALES BY GEOGRAPHIC AREA

(Excluding Intersegment Sales) (Years ended March 31)

(Millions of yen)	2008	2007	2006
Japan	¥ 329,984	¥ 303,718	¥ 269,765
North America	29,559	30,505	29,903
Others	25,927	24,015	22,032
Total	385,470	358,238	321,700



FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future that are based on management's estimates, assumptions and projections at the time of publication. Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the domestic and international economic circumstances surrounding the Company's businesses, competitive activity, related laws and regulations, product development programs and exchange fluctuations.



A Branding Corporation

The world is changing, and of course, so is Nissin Foods. We have always believed that high value attracts success better than low price—especially in a world of rising raw-material costs that squeeze margins. Nissin Foods has a talent for cultivating attractive brands over decades. We do it by knowing our customers and constantly updating ourselves and our products. That is our strength and the key to developing new brands that customers will steadfastly respect and desire.

“Our goal is to increase product value... For instance, in April of this year we switched from the familiar polystyrene foam container of our mainstay product *Cup Noodle*...”

REVIEW OF BUSINESS PERFORMANCE

In the year ended March 31, 2008, Nissin Foods achieved consolidated net sales of ¥385,470 million (U.S.\$3,847 million), an increase of ¥27,232 million (U.S.\$272 million) over the previous year. MYOJO FOODS, a consolidated subsidiary for the full year, contributed to the sales increase, more than offsetting a decrease in sales caused by a price adjustment for instant noodles we implemented in Japan in January 2008. Operating income decreased by ¥6,063 million (U.S.\$61 million) year on year to ¥27,672 million (U.S.\$276 million). This is attributable to factors including a decrease in the negative actuarial difference in retirement ben-

efit expenses and increases in raw materials prices.

A MANAGEMENT POSITION APPROPRIATE FOR AN ERA OF HIGH COSTS

Prices not only of cereal grains, but also of all raw materials and fuel, have risen to unprecedented levels worldwide, and midway through 2007 the Japanese economy shifted from deflation to inflation. Sales recovered quickly after Nissin Foods last implemented a price adjustment 17 years ago, at a time when discretionary income was rising. Today, wages are stagnant, economic growth is lackluster, and only prices are increasing.

As a food manufacturer, Nissin Foods must shift to a management position that enables us to cope with the current era of high costs. Accordingly, we could not avoid passing along the cost increases in our retail prices. Although this is not a desirable situation from the perspective of consumers, a company must earn an appropriate profit to survive, and we were compelled to adjust selling prices.

COMPETING MORE EFFECTIVELY —AS A BRANDING CORPORATION

However, our goal is to increase product value, not merely increase our prices. For instance, in April of this year we switched from the familiar polystyrene foam container of our mainstay product *Cup Noodle* to a paper container that we call the ECO cup. The tremendous benefits to be had from using a paper container prompted the change: for instance, the ability to reduce CO₂ emissions by about 22%, clearer printing that makes it possible to use large, easy-to-read text and increase information content, such as a list of allergenic substances, and improved quality under long-

MAJOR BRANDS

Nissin Foods has a number of long-selling products that customers continue to favor decades after their introduction. We maintain brands that people love year after year because we change our products with the times.



Chicken Ramen

This year, the 50th anniversary of the introduction of *Chicken Ramen*, we commenced sales of *Chicken Ramen* in six countries: the U.S., Brazil, Hungary, China, Indonesia and India.



U.F.O.

To meet customer demand for products that are both genuine and easy to prepare, we have added to the *U.F.O.* series a new category of product that can be prepared in microwave ovens.

term storage thanks to improved sealing performance.

However, the feel of the new cup was an issue. Switching to a paper cup would necessarily entail a change in how the package feels to the touch, and some long-time customers would be unhappy that the package had changed. Accordingly, we retained the familiar feel of the package by using a thin layer of polystyrene foam only on the cup's surface. That shows the degree of importance we place on the feel of the cup, which we consider as much a part of the brand as the flavor of the noodles. We aspire to be a company that can continue to create as many brands loved by customers for as many years as possible. At the beginning of 2008 we introduced our vision of competing more effectively as a "Branding Corporation."

SHIFT TO A PURE HOLDING COMPANY STRUCTURE

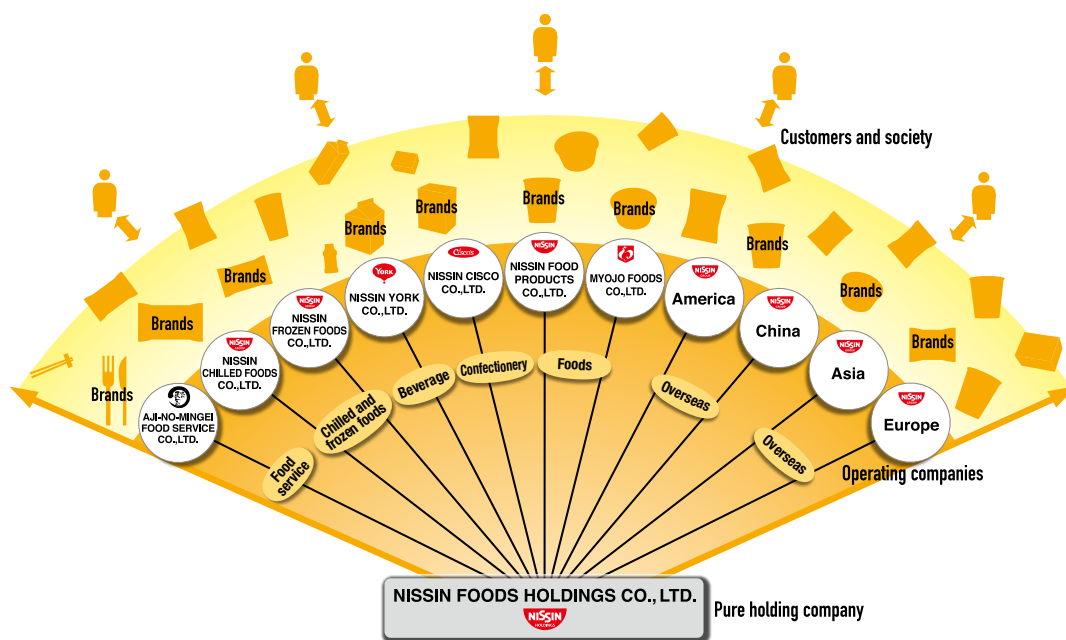
To realize the vision of a Branding Corporation, it is essential to develop a more flexible, efficient management

structure. Accordingly, in October 2008 the Nissin Group will shift to a holding company structure including seven domestic business companies and four overseas business regions and the Group will start anew as the Nissin Food Group, consisting of eleven business areas. The new organization will differ from conventional holding company organizations in that the holding company will be positioned at the bottom of the organizational structure—to emphasize its role of supporting all companies. The important components of the Group will be the eleven operating companies with profit center respon-

sibility and their presidents; the holding company will be positioned as a back-office organization to assist the operating companies.

The major objectives in adopting a holding company structure are to reinforce the Group's strategic capabilities, realize benefits from synergy creation and develop management personnel. We aim to establish a business structure that maximizes corporate value by enabling each operating company to contribute to the growth of the Group as a whole by focusing on its own business activities and achieving individual growth.

“The major objectives in adopting a holding company structure are to reinforce the Group's strategic capabilities, realize benefits from synergy creation and develop management personnel.”



“ There can be no brand trust without safety. After safety, the most important priorities are wholesomeness and environmental issues. And, of course, food products must be tasty.”

THE “EARTH FOOD CREATOR”

The Group’s corporate philosophy from the time of the shift to a holding company structure in October will be “EARTH FOOD CREATOR.” Nissin Food’s current corporate philosophy is “Peace will come to the world when the people have enough to eat.” The expression EARTH FOOD CREATOR represents an evolution from the current philosophy.

The word “earth” refers to soil as well as to our planet. Wheat and other cereal grains are born from the soil. The fish, pigs, chickens and cattle that we consume feed on cereal grains. That is to say, cereal grains are the starting point of food-stuffs. The instant noodles we make at Nissin use almost no synthetic

substances, only safe materials born from the soil. In other words, we are a food creator that produces products born from the earth and its soil.

SAFETY, HEALTH, THE ENVIRONMENT AND THE NEXT STAGE

In recent years, food safety has increasingly become an issue world-wide. This is probably because the world has learned that foods and ingredients previously thought of as safe can no longer be considered so. For instance, margarine, which is made from vegetable fat, has long held an image as being safer than butter. Rather, the trans-fatty acid contained in margarine has attracted attention and become an issue of debate in the U.S. as a possible

health hazard. In addition, analysis equipment has advanced remarkably in recent years, and it has become possible to track previously unrevealed carcinogenic substances at the PPT (parts per trillion) level. For these reasons, food manufacturers must pursue greater safety. Nissin Foods uses materials procured from around the world, and it has become necessary for us to develop a rapid inspection system that begins at the raw-materials stage.

The most important priority for food companies is safety. There can be no brand trust without safety. After safety, the most important priorities are wholesomeness and environmental issues. And, of course, food products must be tasty. They must also be enjoyable. When Nissin TV commercials are uninteresting, we receive reminders from consumers that our past TV commercials were more fun to watch.

INSTANT NOODLE MARKET PROFILE
(Calendar year 2007)

	Annual demand for instant noodles total *1 (100 millions of servings)	Population *2 (Millions)	Units per capita (Servings)
Asia	864.0	3,281	26.3
North America *3	44.4	349	12.7
Europe	24.9	454	5.5
Latin America	23.5	329	7.1
Others	21.9	2,210	1.0
Total	978.7	6,623	14.8

Notes:
 1. Source: April 8, 2008, WINA
 2. Source: 2007, World Economic Information Services
 3. U.S.A., Canada



HOSTING THE 6TH WORLD INSTANT NOODLES SUMMIT IN OSAKA

Ten leading manufacturers representing ten countries, along with 50 other companies and two organizations from 21 countries and regions around the world participated in the summit to discuss how to develop the instant noodles industry and contribute to society.

THE 6TH WORLD INSTANT NOODLES SUMMIT

Chicken Ramen, the world's first instant noodle product, invented by the late Momofuku Ando in 1958, created a new culinary culture by offering an innovative proposal for a new style of eating: easily prepared, delicious food that people can enjoy with confidence anytime. This spawned an industry that delivered 97.9 billion servings of instant noodles worldwide in calendar year 2007.

This April, the 6th World Instant Noodles Summit was held in Osaka, the birthplace of instant noodles. Noodle manufacturers from around the world gathered for the summit and engaged in earnest discussions on the theme "What role should instant noodles play in 50 years time?"

Issues discussed at the summit included the global food safety problem, the diversion of food grains for use as fuel, soaring prices of cereal grains and other raw materials that have become a target of speculation, and food support for natural disaster victims. With regard to disaster assistance, through the World Instant Noodles Association (WINA), we

provided one million servings of instant noodles in urgent support for victims of the cyclone in Myanmar and the Sichuan Earthquake.

GROWING AND PROFITING TOGETHER WITH STAKEHOLDERS

The Company constantly strives to boost the Group's earning potential. It recognizes that the enhancement of corporate value and appropriate shareholder returns are the most important management priorities, and it has formulated a basic policy of providing continuous, stable shareholder returns. In accordance with this policy, we will continue to aim for a consolidated dividend payout ratio of 30% and plan to pay an annual dividend per

share of ¥50 (U.S.\$0.5) in the coming years.

Nissin Foods will continue to reward the expectations and confidence of our stakeholders by pursuing global business development centered on our brand business. At the same time, we will continue to fulfill our social responsibility. In these endeavors, I ask your continued support and encouragement in the years to come.



President Koki Ando

“ Through the World Instant Noodles Association, we provided one million servings of instant noodles in urgent support for victims of the cyclone in Myanmar and the Sichuan Earthquake. ”

“ In other words, we are a food creator that produces products born from the earth and its soil. ”



The year 2007 marked the 40th anniversary of *Demae Iccho*, the mainstay instant noodle product in Hong Kong, where Nissin Group's market share is about 70%. For the anniversary, we conducted a massive advertising campaign in Hong Kong's busiest subway station.



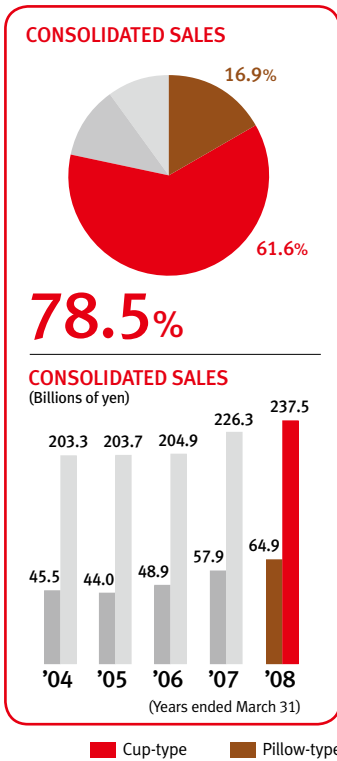


A growing name in **CHINA**

Nissin Foods is enjoying business growth in a number of overseas markets. We have positioned China, the world's largest consumer of instant noodles, where total demand is growing by double digits each year, as our most important overseas market. We will further explore the business potential of this important market and undertake to reinforce our local business infrastructure and increase profitability on the basis of production expertise developed in Japan.

REVIEW OF OPERATIONS

INSTANT NOODLES



REVIEW OF PERFORMANCE

Among pillow-type instant noodles in Japan, the 50-year-old classic, *Chicken Ramen* series and others showed strong sales, although sales of *Nissin-no-Ramen-ya-san* series declined. The aggregate net sales of pillow-type instant noodles in the domestic market increased, mainly due to the full-year consolidation of MYOJO FOODS. In overseas markets, steady sales were recorded, notably for existing products in the U.S.

Overall sales of the *Cup Noodle* series fell year on year despite the performance of *Milk Seafood Noodle*, a product developed following reports in the press and on the web of people using hot milk instead of water, a practice which quickly spread among consumers. Looking at cup *yakisoba* products, the *MYOJO IPPEI-CHAN YOMISE NO YAKISOBA* series maintained steady sales. However, sales of the *Nissin-no-Donbei* series declined, reflecting the stagnation in sales of Japanese-style instant noodles in general. On the other hand, the Company's retail price revision in January 2008 stimulated consumer preference for open-price products, and sales of *Soup Noodle* and other open price products rose sharply.

CUP-TYPE

In a tough market, we reached into our innovation box to build brand strength and perceived value with new flavors and the debut of a brand new paper cup.

NET SALES

¥237,537 million

PILLOW-TYPE

Chicken Ramen enjoyed a resurgence as Nissin Food's and the world's first instant noodle product. 50 years later, it is still one of our most popular brands.

NET SALES

¥64,915 million



The *Nissin Chin* series and *Nissin Spa-O*, items in a new category of products that are prepared in microwave ovens and without adding water, have found support from consumers who seek fresh-pasta texture from easy-to-prepare products. In overseas markets, the premium-priced cup-type noodle products *CHOW MEIN* and *Souper Meal* in North America were consistently strong sellers.

→ **FUTURE DIRECTION**

The Group will continue to aggressively launch new products that meet the diverse needs of both customers and retailers, lead by the mainstay brand values of safety and reliability demonstrated by our long-term best selling products, such as *Chicken Ramen*, *Cup Noodle*, *Nissin-no-Donbei*, *Nissin Yakisoba U.F.O.* and *MYOJO CHARUMERA*.

In overseas markets, the Group will carry out our global strategy to provide tastiness and delight to people of all countries and regions, as the pioneer inventor of instant noodles, which were created in Japan and now are spreading all over the world.

TOPICS

**MILK SEAFOOD NOODLE
A HIT PRODUCT FROM THE
BLOGOSPHERE**

About two years ago, Japanese chat rooms, blogs and text messages were lit up by talk of an underground taste sensation: “*Nissin Seafood Noodle* is delicious when prepared using hot milk instead of hot water.”

Skeptics tried it, and it was delicious, then they shared their new secret with their closest friends, and they tried it. And so it spread around the electronic village, until...*Milk Seafood Noodle*, a new cup-type noodle product was introduced in the winter of 2007.

A person in charge of product development conducted an Internet search using the two keywords “milk” and “*Seafood Noodle*,” the result was hits from about 29,000 websites and blogs. Subsequently, repeated trial production over a period of about three months at a Nissin Foods research center resulted in the perfection of a creamy, flavorful product. We launched a website that publicized the product development story simultaneously with the product launch, and the site attracted 100,000 accesses in a single week. We achieved the annual sales target of ¥3 billion for this product in about six months. We will continue to explore new flavors of cup-type noodles—no matter how improbable the source—giving new dimension to a product first launched in 1971.

● **AGGREGATE NET SALES OF PILLOW-TYPE INSTANT NOODLES IN JAPAN INCREASED.**

● **SALES WERE STEADY OVERSEAS, ESPECIALLY FOR EXISTING PRODUCTS IN THE U.S.**



Milk Seafood Noodle is the first hit noodle product born in Internet chat rooms, after customers began enthusiastically preparing our *Seafood Noodle* with hot milk. We tried it and agreed.

CHILLED AND FROZEN FOODS

CHILLED FOODS

The market for chilled noodles recovered in 2007 owing to factors that included growth in sales of chilled Chinese-style noodles due to the extreme summer heat and a successful price increase. Although revenues from mainstay product *Nissin Yakisoba* decreased slightly due to emphasis on profit margins in lieu of discounting, overall sales rose as ramen and *udon*-style noodles performed favorably and full-year sales results of MYOJO FOODS chilled prepared noodles were included in consolidation.

FROZEN FOODS

In the year under review, the market for frozen noodles for home preparation expanded on a value basis due to sharp growth in sales of frozen spaghetti. The Company identified and met consumer needs for simple preparation and genuine texture, and products such as the *Frozen Nissin Spa-O Premier Dinner* series, a high-value-added product, delivered strong sales. The market for frozen noodles for home use, notably spaghetti, is likely to expand further, and we will strive for sales and share expansion and improved profit by seeking to develop high-value-added products in each category and increasing brand value.

Frozen microwavable spaghetti is a high-value product most often eaten at dinnertime, when people are seeking a richer meal experience.

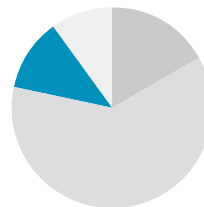
NET SALES
¥44,369 million



→ FUTURE DIRECTION

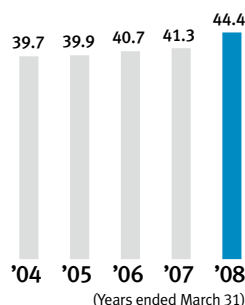
In October 2008, Nissin Foods will shift to a holding company structure, demerge the chilled food business and frozen food business into independent companies and put in place an organizational environment in which the companies can autonomously contribute to Group profits.

CONSOLIDATED SALES



11.5%

CONSOLIDATED SALES (Billions of yen)



TOPICS

EXPANDING THE PRODUCT RANGE THROUGH STRATEGIC ACQUISITION

In June 2008, the Company announced plans to acquire the shares of Nicky Foods Co., Ltd. (an unlisted company) and make it a subsidiary. Nicky Foods has products in a number of categories, notably Chinese dumplings, which it manufactures and sells primarily to the food service industry. The goal of the acquisition is to increase the corporate value of both companies by responding to increasingly diversifying consumer needs through active business cooperation utilizing the product development capabilities and rigorous quality control systems of Nissin Foods. Nissin Foods will maintain its focus on noodles for the retail market.

OTHER BUSINESS

CONFECTIONERY PRODUCTS BUSINESS (NISSIN CISCO)

We won support from retailers and customers, both of whom have strong resistance to price increases. Their understanding allowed us to respond to cost increases from soaring raw material prices and other factors by changing package sizes instead of passing along cost increases in product prices. This resulted in an increase in sales of cereal and cookies, the main product lines. We will seek to increase market share for the mainstay cereal line.

LACTOBACILLUS BEVERAGE BUSINESS (NISSIN YORK)

Sales of core products *Pilkul* (a beverage for specified health use) and *Tokachi Nomu Yogurt* grew favorably, and we expanded the line of products sold at convenience stores (500-ml paper cartons). In the coming fiscal year, we will promote the many benefits of lactic acid bacteria, while aiming to build a third brand in this category.



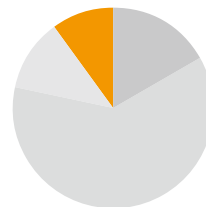
This business centers on cereal and cookies, but healthy beverages and other lifestyle-related products are growing as we release new brands.

NET SALES
¥38,649 million

→ FUTURE DIRECTION

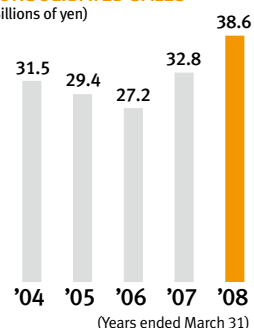
In October 2008, when Nissin Foods shifts to a holding company structure, it will demerge AJI-NO-MINGEI FOOD SERVICE, which manages the food service operations owned by MYOJO FOODS, into an independent company, joining NISSIN CISCO, which operates the confectionery business and NISSIN YORK, which operates the beverage business in an organizational environment in which the companies can contribute to Group profits. As a comprehensive food products company, we will constantly strive to create and develop market-leading brands in each category (foods, chilled and frozen foods, confectionery, beverages and food service).

CONSOLIDATED SALES



10.0%

CONSOLIDATED SALES (Billions of yen)

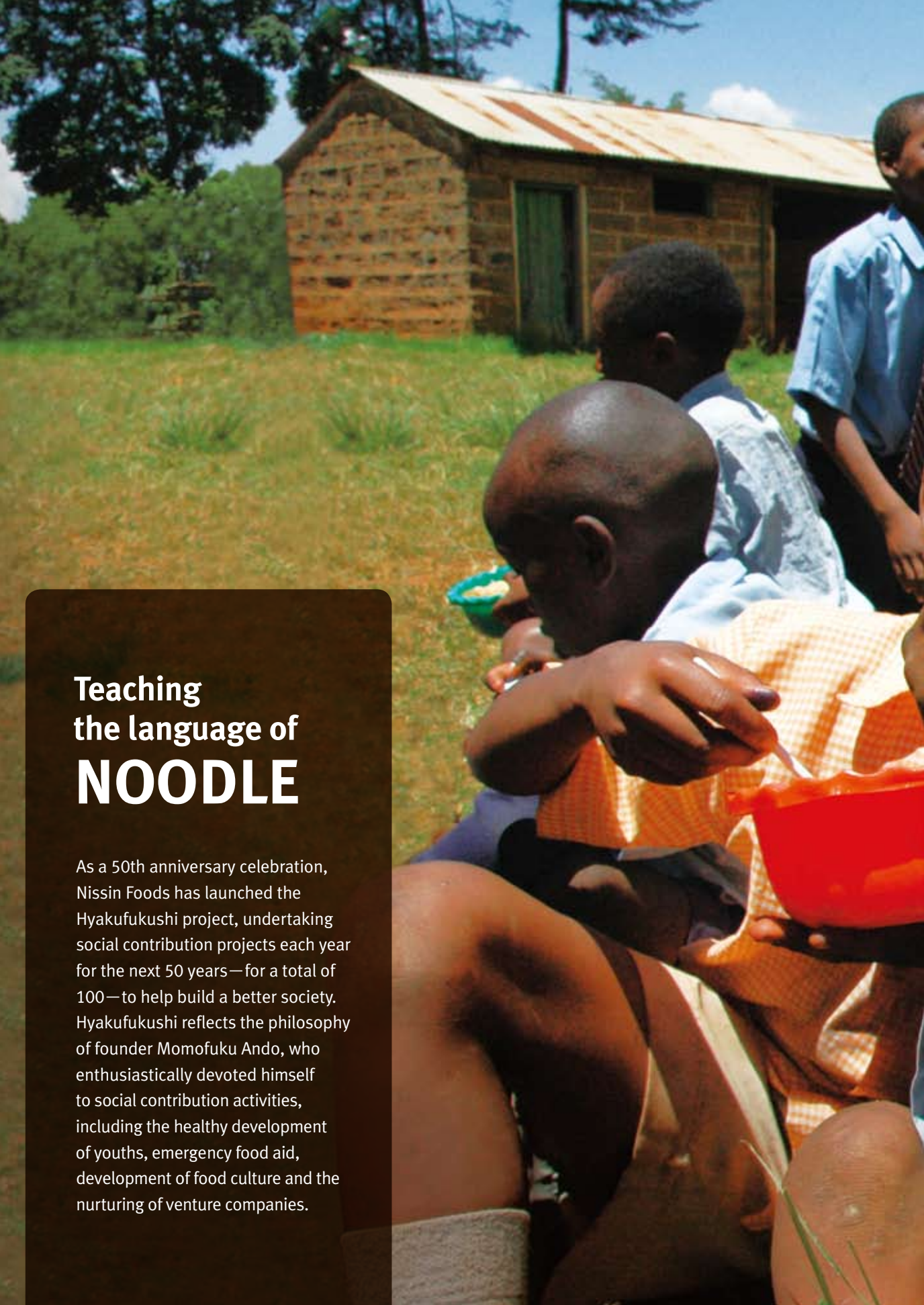


TOPICS



THE FOOD SERVICE BUSINESS (AJI-NO-MINGEI)

Since its establishment in 1964, AJI-NO-MINGEI FOOD SERVICE CO., LTD. has operated restaurants that seek to provide genuine flavor and uncompromisingly pursue great taste. The principal restaurant operation is the AJI-NO-MINGEI chain of handmade *udon* noodle restaurants. The 95 AJI-NO-MINGEI restaurants across Japan endeavor to provide imaginative cuisine that brings out of the flavor of superb ingredients.



Teaching the language of **NOODLE**

As a 50th anniversary celebration, Nissin Foods has launched the Hyakufukushi project, undertaking social contribution projects each year for the next 50 years—for a total of 100—to help build a better society. Hyakufukushi reflects the philosophy of founder Momofuku Ando, who enthusiastically devoted himself to social contribution activities, including the healthy development of youths, emergency food aid, development of food culture and the nurturing of venture companies.

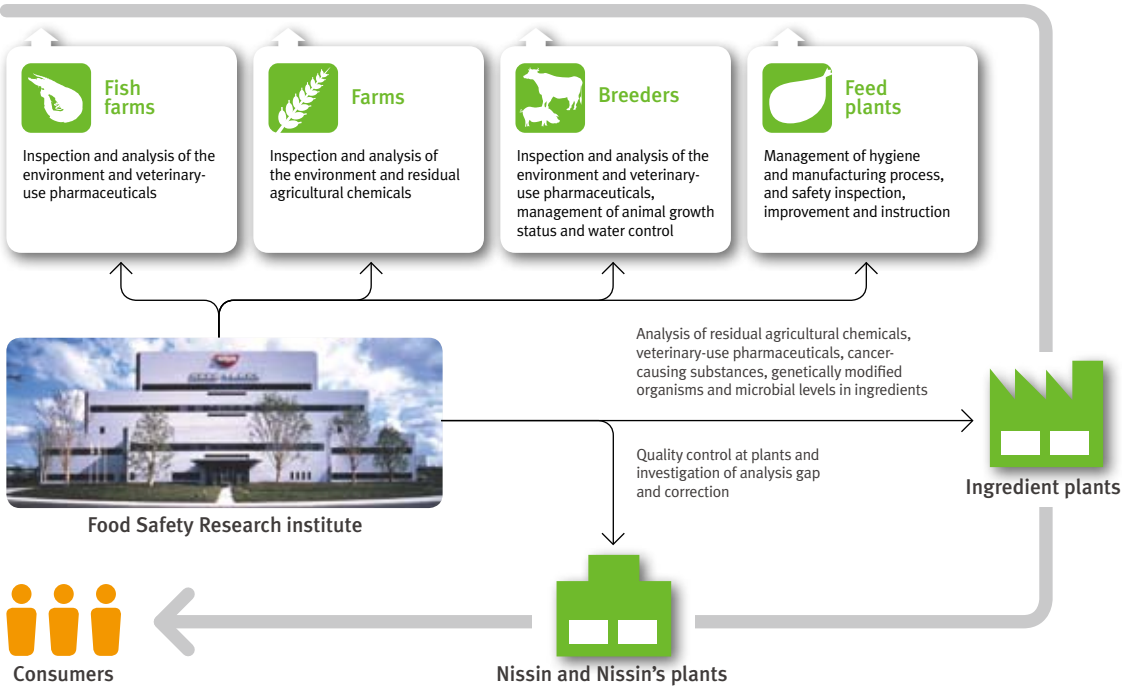


Ifururu Primary School, in Nyeri, about 200 km north of Nairobi, the capital of Kenya. We provided distribution support for the serving of *Chicken Ramen* in school meals. Local production of instant noodles will raise child nutrition and economic self-reliance.

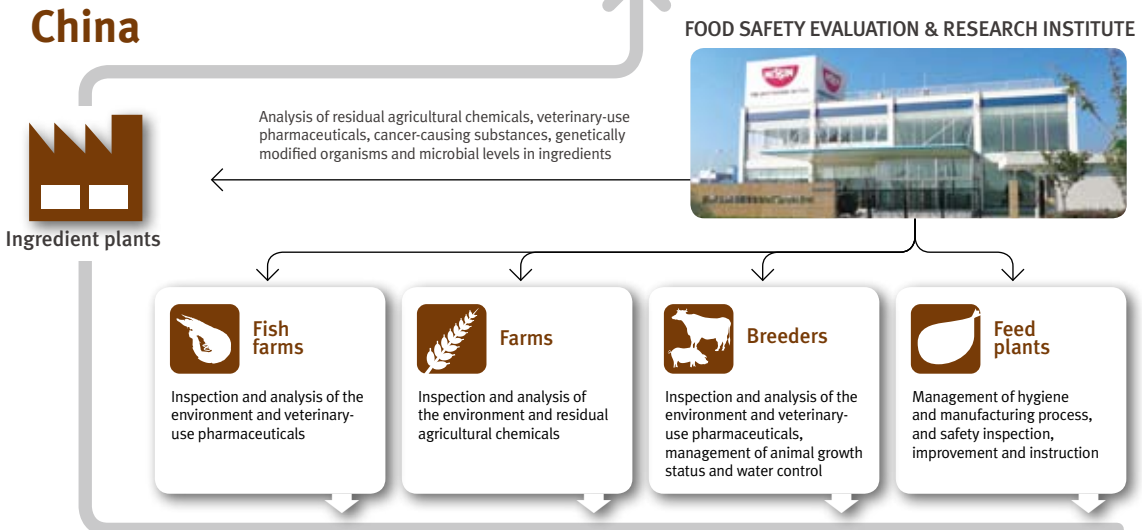
QUALITY AND SAFETY

Since 2002, the Food Safety Research Institute has applied rigid scientific methods for quality assessment to assure complete confidence in the enjoyment of our products. The institute leads safety checking during product development, develops new testing and analysis methods, surveys raw material quality and conducts supplier inspections. The FOOD SAFETY EVALUATION & RESEARCH INSTITUTE in Shanghai, China commenced full operation in January 2007, bringing greater efficiency to the procurement of high-quality raw materials.

Japan



China



ACTIVITIES OF THE FOOD SAFETY RESEARCH INSTITUTE

The Food Safety Research Institute performs safety audits under Nissin's Inspection Standards for Food Safety (NISFOS), a system established in April 2004 that covers foodsafetymanagementsystems,generalcountermeasures against hazardous substances, manufacturing standards, facilities maintenance and sanitation at the plants of raw materials suppliers. Assessments are carried out objectively using audit checklists, and results from inspections in the five categories are quantified under a points system. If a plant receives a low score, Nissin Foods provides guidance on remedial measures. In 2003, the institute obtained ISO 9001 certification and has established a rigorous quality control manual and work procedures.

In January 2007, the FOOD SAFETY EVALUATION & RESEARCH INSTITUTE commenced full-scale operation in Shanghai, China. Previously, Nissin Foods imported dried vegetables and other raw materials produced in China after performing local quality inspections, then conducted further inspections and analysis at the Food Safety Research Institute in Japan before delivering the raw materials to plants. This resulted in a considerable loss of time, and the establishment of a local research base has made possible efficient raw materials quality assurance. The current inspection structure encompasses inspections for residual agricultural chemicals, veterinary pharmaceuticals, and microorganisms as well as for heavy metals and irradiation, and within the next fiscal year, we plan to increase the number of injurious substances detected in inspections.

NASRAD-550 is a system developed by the Food Safety Research Institute that can simultaneously and rapidly analyze several hundred types of residual agricultural chemicals, feed additives and veterinary phar-

maceuticals in agricultural produce, cereal grains and marine products.

In April 2008, the institute obtained ISO 17025 certification in three areas, simultaneous analysis of residual agricultural chemicals, simultaneous analysis of veterinary pharmaceuticals and microbial testing, becoming the first organization in Japan to obtain certification for simultaneous analysis of veterinary pharmaceuticals.

ESTABLISHMENT OF A TESTING METHOD FOR CARCINOGENIC SUBSTANCES

In 2003, the Food Safety Research Institute announced Nissin Food's Evaluation Systems for Mammalian Genotoxicity (NESMAGET), a simple mutagenicity testing system that uses the manifestation of a DNA repair gene (p53R2) as an indicator, and applied for a patent. In 2007, the institute elucidated the reaction mechanism of the gene, and it was indicated that the testing method is useful in first screening for the detection of mutagenicity of pharmaceuticals and chemical substances originating in foods. In November 2007, the institute began offering analysis services to other food companies on an outsourcing basis using this testing method.

DEVELOPMENT OF A TESTING METHOD FOR ALLERGENIC SUBSTANCES

In 2006, the Food Safety Research Institute developed a method for detecting twelve of twenty specified food substances known to cause allergic diseases. This method detects compounds in these substances by amplifying specific DNA sequences in order to determine whether they are present in food samples being tested. A patent for the detection method is pending, and in 2006 a licensee began offering outsourced testing services for some of the substances for food manufacturers and other companies.



ENVIRONMENTAL ACTIVITIES

Nissin Foods is committed to a future of healthful food enjoyment, expressed in the slogan “Savoring new challenge.” This desire for health and contentment underlies our rigorous independent safety and quality standards, our care of the environment and the Nissin Foods corporate philosophy. To fulfill our corporate social responsibility, we are tackling initiatives aimed at ensuring food safety and environmental protection—two preconditions for the preparation of delicious food.

WORKING FOR THE ENVIRONMENT

Nissin Foods established its Environmental Charter in 1999, declaring a commitment to engage in business activities that further the interests of environmental protection and resource conservation, to seek harmonious coexistence with society, and to strive to improve the global environment. Since that time, we have worked to help achieve a sustainable, recycling-based society, implementing group-wide initiatives to address environmental problems.

Since the start of fiscal 2008 (year ended March 31, 2008), the Nissin Foods Group has implemented global warming countermeasures with the aim of achieving a 10% reduction in CO₂ emissions from the fiscal 2005 level. We have established medium-term environmental targets for the period through fiscal 2011, and our activities have steadily produced results. For instance, we have sharply reduced CO₂ emissions by converting the fuel used in the steam boilers at our main plants from heavy oil to natural gas, an energy source that entails lower CO₂ emissions.

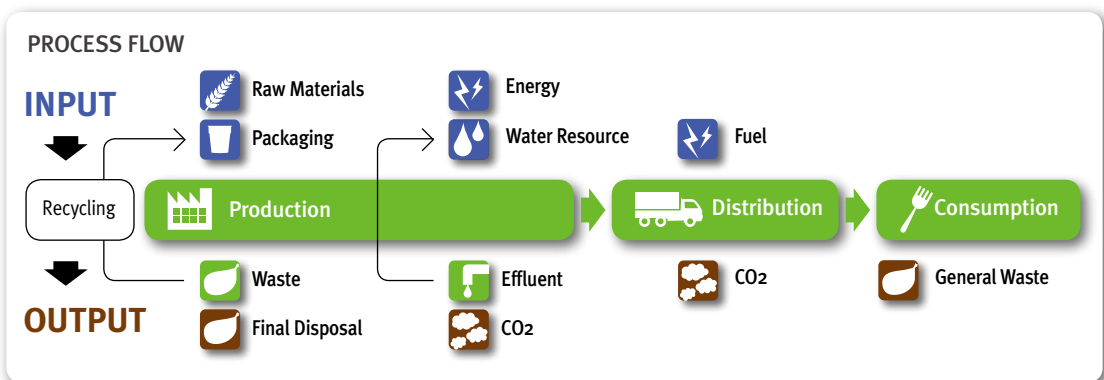
CONCRETE MEASURES TO REDUCE WASTE

In May 2007, we established the Basic Guidelines on Environmentally Friendly Container and Packaging Design. Expanding our environmental measures beyond production

activities at our plants to the products themselves, in March 2007, we launched *Cup Noodle Refill*, an eco-friendly product based on the concept “Delicious eating in eco-style.” Offering *Cup Noodle* as a refill product leads to reduction in the use of container and packaging materials.

Furthermore, in April 2008 we began converting the familiar styrofoam *Cup Noodle* container to the “ECO cup,” a newly developed paper container that reduces CO₂ emissions by 22% over the previous cup. The ECO cup, which takes its name from the initial letters of the words in the motto “For Ecology, for Customers, for Originality,” is a container that is not only eco-friendly, but also reflects consideration of our customers in the form of extensive labeling of allergenic substances and salt content, plus improved sealing to extend the preservation of flavor and freshness.

Other activities include a zero emissions initiative, whose aim is to use all waste generated at plants as resources, and participation in Team Minus 6%. This is a private-sector global warming prevention campaign launched under the auspices of the government’s Global Warming Prevention Headquarters, which was established under the provisions of the Kyoto Protocol.



SOCIAL CONTRIBUTION ACTIVITIES

Nissin Foods' social responsibility activities seek to build a better society and build harmonious coexistence and relations with local communities. We provide relief supplies following natural disasters, sponsor interactive nutrition education through the Momofuku Ando Instant Ramen Museum and support nature experience activities for children. This year, we launched the Hyakufukushi* project to further the social concerns of our founder, Momofuku Ando.

* The name means "One-hundred followers"—from the Edo-period retainers of a *seishi* (chief) of a diplomatic mission, who were called *fukushi*. It refers to Nissin employees and others who are inspired to follow the founder's ideals.



FIRST HYAKUFUKUSHI PROJECT "KENYA OISHII PROJECT"

In the first year of the Hyakufukushi project, we provided distribution support for the serving of *Chicken Ramen* in school meals for children in Africa suffering from hunger, while simultaneously helping establish local instant noodles production to further economic independence in Kenya. It is in keeping with our corporate philosophy "Peace will come to the world when the people have enough to eat." This project was named the Kenya Oishii Project (*oishii* means tasty in Japanese).

ANDO FOUNDATION TRAINING FOR NATURE EXPERIENCE LEADERS

Another theme for the first year of the Hyakufukushi project is training for volunteers to teach nature appreciation. The Ando Foundation, established by Nissin founder Momofuku Ando, plans to open the Momofuku Ando Memorial Outdoor Education and Development Training Center in April 2010 in Nagano Prefecture. The center will enable retirees and other volunteers to obtain certification as guides for children's outdoor activities. The Company will support Nissin employees aged 50 or older who volunteer to participate in this program, nicknamed the "Idle to Idol project."

WINA FOOD RELIEF FOR DISASTER VICTIMS IN MYANMAR AND CHINA

The World Instant Noodles Association (WINA) (chairman: Koki Ando; office: Nissin Food Products Co., Ltd.) has donated 1,000,000 servings of instant noodles to victims of the Myanmar cyclone and the Sichuan Earthquake in China: (as of May 27, 2008, 300,000 delivered to Myanmar and 700,000 to Sichuan).

SPACE SHUTTLE ENJOYS *UDON*, *SOBA*, *YAKITORI*, AND *INARI-ZUSHI* SPACE RATIONS

The U.S. NASA space shuttle *Endeavor* blasted off on March 11, 2008 (Japan time) carrying newly developed *udon*, *soba*, *yakitori*, and *inari-zushi*, *shouga-inari-zushi* and *okononiyaki* space rations jointly developed by Nissin Foods and the Japan Aerospace Exploration Agency (JAXA). Nissin developed these noodle side dishes to support the activities of Japan's *Kibo* laboratory and the astronauts. In future, we will apply space ration development expertise to new highly convenient processed foods applicable to various meal situations.



CORPORATE GOVERNANCE AND COMPLIANCE

Strong corporate governance is one of our most important management priorities, along with the provision of safe, high-quality food and the conduct of business that maximizes the interests of all stakeholders, including shareholders, consumers, employees and host communities. At the same time, we observe the letter and spirit of the law, in Japan and abroad, and strive for objective, highly transparent management through group-wide compliance based on clearly defined guidelines.

BASIC POLICY ON CORPORATE GOVERNANCE

In corporate governance, Nissin Foods strives to achieve highly objective and transparent management. To that end, for many years we have sought management vitalization and transparency by appointing multiple outside directors and outside corporate auditors and actively reflecting the opinions of outside authorities in management. In June 1998, we introduced an executive officer system to promote rapid decision-making and to separate management and business execution.

The Board of Directors consists of 15 members: 11 directors, including two outside directors, and four corporate auditors, including two outside corporate auditors. The Board meets monthly and convenes extraordinary meetings as necessary. The Board decides important matters concerning business execution, including basic management policies and strategy, and supervises the execution of duties by the directors.

The Company maintains two consultative bodies to the Board of Directors. The Management Committee, consisting of full-time directors and standing corporate auditors, meets twice monthly to discuss matters to be decided by the Board and to discuss and decide matters delegated to it by the Board. The Investment and Loan Strategy Committee, consisting of full-time directors, standing corporate auditors, corporate executive officers and department managers, meets monthly to conduct preliminary assessments of and discuss important investment projects. The Executive Committee, consisting of full-time directors, standing corporate auditors and corporate executive officers, meets monthly in order for the representative director (president) to supervise business execution by the corporate executive officers. At the meetings, the president conveys management policies and the corporate executive officers report to the president.

Nissin Foods has adopted the statutory auditor system. The Board of Corporate Auditors consisting of four corporate auditors, including two outside corporate auditors, is an organization that establishes audit policies and audit plans, serves as a mechanism for mutual reporting among the corporate auditors on important matters concerning audits and engages in necessary discussion and decision-making. The Board meets on alternate months and holds extraordinary meetings as necessary. Since 2006, an alternate corporate auditor (two-year term) has been elected to step in should a vacancy occur in an outside statutory auditor position.

STATE OF DEVELOPMENT OF INTERNAL CONTROL SYSTEMS

Nissin Foods regards the development, construction and appropriate operation of internal control systems as one of its most important management priorities. In May 2006, the Board of Directors decided the basic policy on the construction of internal control systems, and a group-wide initiative has been launched in response. The Company aims for continuous improvement through reviews of internal control systems at appropriate intervals and strives to construct more appropriate and efficient systems.

The corporate auditors audit the effectiveness of internal control systems in all aspects of management. The corporate auditors and the Internal Auditing Office audit and verify the effectiveness of internal controls in operational audits of individual business departments, pointing out areas for improvement and providing guidance and instructions as necessary.

The Company is also developing internal control systems related to financial reporting in response to enactment of the Financial Instruments and Exchange Law. We aim to develop and implement systems that provide checks and balances at the departmental

BOARD OF DIRECTORS AND OFFICERS (AS OF JUNE 27, 2008)



Koki Ando



Susumu Nakagawa



Akihide Matsuo



Takayuki Naruto



Taiji Matsumura



Ken Sasahara



Takahisa Yanagida



Noritaka Ando



Osamu Tetsubayashi



Takashi Yokogoshi



Toshihiro Yamada



Mitsuru Tanaka



Hironobu Nagano

President & Representative Director

Koki Ando

Senior Managing Director & Representative Director

Susumu Nakagawa
In Charge of Sales

Managing Director

Akihide Matsuo
General Manager of Chilled and Frozen Foods Division

Takayuki Naruto
In Charge of Corporate Strategy and Management

Directors

Taiji Matsumura
General Manager of International Division

Ken Sasahara
President of Nissin Foods (U.S.A.) Co., Inc.

Takahisa Yanagida
In Charge of Financial and Corporate Strategy

Noritaka Ando
In Charge of Marketing and General Manager of Corporate Strategy Division

Osamu Tetsubayashi
General Manager of Personnel Division

Takashi Yokogoshi
General Manager of Corporate Production Planning Division

Toshihiro Yamada
General Manager of Food Safety Research Institute

Mitsuru Tanaka
General Manager of Central Research Institute

Hironobu Nagano
President, MYOJO FOODS CO., LTD.

Yorihiko Kojima*
President & CEO, Mitsubishi Corp.

Eizo Kobayashi*
President & CEO, ITOCHU Corp.

Note: Non-executive Director

Standing Corporate Auditors

Yuichi Terada

Syunsaku Makizono

Corporate Auditors

Toru Horinouchi

Hiroshi Takano

Corporate Executive Officers

Tatsuya Ukon
General Manager of General Affairs Division

Kazuhiro Kusumoto
General Manager of International Division

Koji Sakai
General Manager of Technical Engineering Division

Satoru Sasaki
General Manager of Advertising Division

Kazumasa Santo
Representative Director, MYOJO FOODS CO., LTD.

Takashi Takahashi
General Manager of Shizuoka Plant

Katsumi Tomomasa
Deputy General Manager of Sales Division

Masami Nishio
Head of Internal Auditing Office

Hideki Hattori
General Manager of Corporate Communications Division

Takashi Hirota
Managing Director, Nissin Cisco Co., Ltd.

Masafumi Miyata
General Manager of Tokyo Sales Division

Hiroki Morimoto
General Manager of Sales Planning & Control Division

Yukio Yokoyama
General Manager of Financial Division

FINANCIAL SECTION

Nissin Food Products Co., Ltd. and Consolidated Subsidiaries

CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Millions of yen (except per share information)

Years ended March 31,	2008	2007	2006	2005	2004	2003
For the year						
Net sales	¥ 385,470	¥ 358,238	¥ 321,700	¥ 316,973	¥ 320,033	¥ 315,279
Cost of sales	195,664	175,296	158,209	156,877	161,979	160,258
Gross profit	189,806	182,942	163,491	160,096	158,054	155,021
Selling, general and administrative expenses	162,134	149,207	131,512	131,133	134,851	128,621
Operating income	27,672	33,735	31,979	28,963	23,203	26,400
Other income (expenses)	17	(157)	(2,167)	(1,891)	1,502	(880)
Income before income taxes and minority interests	27,689	33,578	29,812	27,072	24,705	25,520
Income taxes	14,279	14,547	14,469	10,244	10,437	10,901
Minority interests in earnings of consolidated subsidiaries	(181)	62	(46)	216	217	197
Net income	13,591	18,969	15,389	16,612	14,051	14,422
Per share						
Net income	¥ 111.17	¥ 156.12	¥ 125.09	¥ 134.36	¥ 113.61	¥ 115.65
Cash dividends	50.00	50.00	30.00	30.00	30.00	30.00
Net assets *1	2,310.36	2,304.40	2,167.81	2,091.16	1,980.14	1,892.89
At year-end						
Working capital *2	¥ 76,699	¥ 63,703	¥ 82,404	¥ 56,332	¥ 62,017	¥ 60,044
Property, plant and equipment, net	93,803	93,634	69,019	75,332	81,243	87,537
Total assets	392,695	410,407	366,801	361,105	343,645	331,994
Long-term liabilities	22,917	26,094	18,975	19,414	16,175	11,739
Net assets *3	288,844	288,476	263,199	258,139	244,439	233,708
R&D expenses	¥ 3,446	¥ 3,164	¥ 2,727	¥ 2,697	¥ 2,762	¥ 2,757
Capital expenditures	10,766	6,152	3,517	3,251	6,766	6,965
Value & performance indicators						
Operating margin (%) *4	7.2	9.4	9.9	9.1	7.3	8.4
Return on assets (%) *5	3.4	4.9	4.2	4.7	4.2	4.4
Return on equity (%) *6	4.8	7.0	5.9	6.6	5.9	6.2
Inventory turnover (times) *7	13.4	12.9	12.6	12.9	13.6	13.6

Notes: 1. Net assets per share = (Net assets – minority interests) / number of shares outstanding as of the year end (excluding treasury stocks)

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

3. Net assets: In compliance with the Corporate Law, from fiscal 2007, the amount of net assets includes the amount of minority interests.

4. Operating margin = Operating income / Net sales

5. Return on assets = Net income / Average total assets

6. Return on equity = Net income / Average total net assets

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

FINANCIAL REVIEW

The scope of consolidation for fiscal 2008, the year ended March 31, 2008, covers Nissin Food Products Co., Ltd. (the “Company”), 32 consolidated subsidiaries (17 in Japan and 15 overseas), and two affiliate companies accounted for by the equity method (together, the “Group”).

INCOME ANALYSIS

NET SALES

The Group reported increased consolidated net sales of ¥385,470 million (U.S.\$3,847 million) for fiscal 2008, a 7.6% increase on the previous fiscal year’s ¥358,238 million. This increase was largely contributed by MYOJO FOODS CO., LTD., which was consolidated for the whole fiscal year.

Japan’s contribution to consolidated net sales, excluding intersegment sales, rose by 8.6% to ¥329,984 million (U.S.\$3,294 million) from ¥303,718 million in the previous fiscal year. The share of Japan’s contribution to total consolidated net sales increased by 0.8 percentage point to 85.6%.

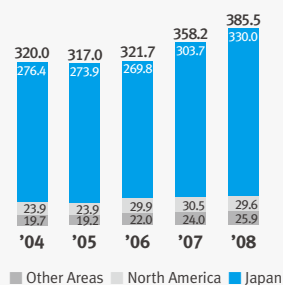
During the fiscal year under review, the domestic instant noodle industry was severely affected by the steep rise in price of raw materials. In addition, the industry continues to face a number of chronic challenges, among them, fewer young customers due to the decline in birth rates, an aging population, intense competition from neighboring business sectors, and strong pressure to discount from the retail industry. In the face of this business environment, instant noodle manufacturers are making strenuous efforts to develop and launch new products that better meet consumers’ needs, in order to raise market share.

As a food manufacturer, the Group considers the first priority of its business to be the supply of safe and reliable products to customers. In recent times the news has often featured food-safety related incidents involving other manufacturers that threaten the trust of consumers toward food products in general. Amid the public’s general sense of crisis on this matter, the Company continuously works to ensure the safety of raw materials through its own inspection systems, which are capable of detecting residual pesticides and chemicals contained in animal products.

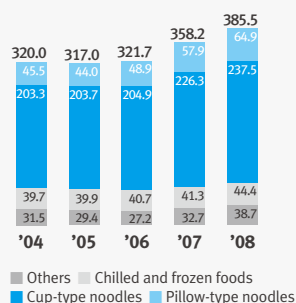
Reviewing sales performance, the Company saw a slight downtrend in the fourth quarter, under the influence of a retail price revision necessitated by rising raw material prices and in line with a sales strategy that emphasizes brand value. Overall sales were driven by pillow-type instant noodles, such as our long-selling *Chicken Ramen* series, which marks its 50th anniversary this year, as well as the *MYOJO CHARUMERA COLLECTION* series. Cup-type instant noodles also contributed strongly, especially the new and popular *Milk Seafood Noodle* in the *Cup Noodle* series, and the Nissin value cup *Soup Noodle* series. Moreover, new-category products, such as the microwavable noodle products *Nissin Chin* series and the premium frozen products *Reito Nissin Spa-O Premier Dinner* series marked steady sales. Cooked and chilled noodles and the food service business also contributed to overall sales growth.

Looking at the global market for instant noodles, worldwide demand is steadily growing. According to the World Instant Noodles Association (WINA), aggregate demand in the calendar year 2007 was 97.9 billion servings, which was a 6.4% increase on 92.0 billion servings in 2006. WINA also anticipates that demand will rise above the 100-billion line in 2008. In such circumstances, the Group solidly increased its unit sales volume in the North American market, with 2% and 3% year-on-year growth in the United States and Mexico, respectively. However, although the premium-priced cup-type noodle products *CHOW MEIN* and *Souper Meal* saw consistently stable sales, aggregate sales in North America, excluding intersegment sales, declined by 3.1% from the previous fiscal year to ¥29,559 million (U.S.\$295 million) in connection with the sale of a North American frozen food subsidiary.

SALES BY GEOGRAPHIC AREA
(excluding intersegment sales) (Billions of yen)



NET SALES BY CATEGORY
(Billions of yen)



Elsewhere around the world, the number of servings sold in the People's Republic of China (PRC) grew satisfactorily, even after a retail price revision to pass on some of the cost of raw material price increases, and secured a 1% increase year on year. As a result, the aggregate sales in the "other" overseas category, which includes the PRC, excluding intersegment sales, rose by 8.0% from the previous fiscal year to ¥25,927 million (U.S.\$259 million).

The net sales breakdown by business segment (excluding intersegment sales) shows that the sales of Instant noodles and associated business, the Company's mainstay business, amounted to ¥346,822 million (U.S.\$3,462 million) and accounted for 90.0% of total net sales. Other business recorded ¥38,648 million (U.S.\$386 million) net sales, which accounts for 10.0% of total net sales.

Within Instant noodles and associated business, pillow-type instant noodles saw a decline in sales for *Nissin-no-Ramen-ya-san*, but strong sales for the *Chicken Ramen* series, which will mark its 50th anniversary this year, as well as for the *MYOJO CHARUMERA COLLECTION* series.

Cup-type instant noodles, on the other hand, recorded lower sales for the *Cup Noodle* and the *Nissin-no-Donbei* series. Both were negatively affected by the retail price revision in January 2008, and the *Nissin-no-Donbei* series were additionally affected by the general stagnation in sales of Japanese-style noodles. However, retail price revision aroused consumers' preference for open-price products, and as a result, sales of *Soup Noodle* and other Nissin value cup open-price products rose sharply. Also, the new-category products, such as the microwavable noodle products *Nissin Chin* and the *Nissin Range Spa-O*, were favorably received by consumers demanding easy-to-cook instant noodles with rich, fresh-cooked flavor.

In global markets, existing products recorded steady unit sales, especially in the United States. (Please refer to Review of Operations on pp. 14–17 for details of performance by product category.)

COST OF SALES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The cost of sales for fiscal 2008 increased to ¥195,664 million (U.S.\$1,953 million), an 11.6% increase from the previous fiscal year, mainly due to the net sales increase and negative effects brought by steep rises in raw material prices. The ratio of cost of sales to net sales also rose by 1.8 percentage points to 50.7%.

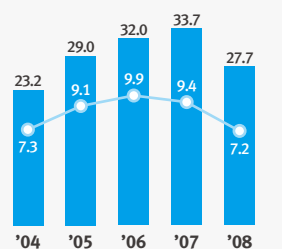
Selling, general and administrative (SG&A) expenses rose by 8.7% to ¥162,134 million (U.S.\$1,618 million), mainly due to a decrease in the negative balance of unrecognized actuarial differences in retirement benefit expenses. The ratio of SG&A expenses to net sales edged up by 0.4 percentage points, as well, to 42.1%. Among SG&A expenses, advertising expenses were ¥12,168 million, a 2.1% decrease and a 0.3 percentage point drop in the ratio to net sales year on year. On the other hand, promotional expenses increased by 4.2% from the previous fiscal year to ¥90,857 million, while the ratio to net sales dropped by 0.7 percentage point to 23.6%. The ratio of distribution expenses to net sales stayed at the previous year's level at 5.7%, and the amount increased by 8.8% to ¥22,093 million.

OPERATING INCOME, OTHER INCOME (EXPENSES) AND NET INCOME

Although the Company recorded an increase in net sales, consolidated operating income for the fiscal year under review declined to ¥27,672 million (U.S.\$276 million), an 18.0% decline from the previous fiscal year's figure of ¥33,735 million, due to increases in both cost of sales and SG&A expenses. The operating margin also declined by 2.2 percentage points to 7.2%.

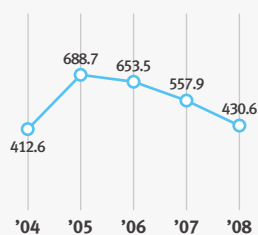
As regards other income (expenses), net other income of ¥17 million (U.S.\$170 thousand) was recorded for fiscal 2008, compared to net other expenses of ¥157 million in the previous fiscal year. Major income factors include ¥3,504 million (U.S.\$35 million) of interest and dividend income (a ¥392 million increase year on year), ¥1,201 million

OPERATING INCOME AND OPERATING MARGIN (Billions of yen)



■ Operating income ○ Operating margin

INTEREST COVERAGE RATIO* (Times)



* Interest coverage ratio = Operating cash flow / Interest payments

COSTS AND EXPENSES, AND NET SALES RATIO

Millions of yen

Years ended March 31	2008		2007	
		Net Sales Ratio		Net Sales Ratio
Cost of sales	¥ 195,664	50.7%	¥ 175,296	48.9%
SG&A expenses	162,134	42.1	149,207	41.7
Promotional expenses	90,857	23.6	87,209	24.3
Advertising expenses	12,168	3.2	12,423	3.5
Distribution expenses	22,093	5.7	20,305	5.7
Other expenses	37,016	9.6	29,270	8.2

(U.S.\$12 million) of equity in earnings of affiliates (a ¥725 million increase), and the absence of loss on revaluation of investments which was ¥1,379 million in the previous fiscal year. Major expense factors, on the other hand, were ¥2,370 million (U.S.\$24 million) of loss on impairment of fixed assets (a ¥1,241 million increase), ¥1,181 million (U.S.\$12 million) of loss on devaluation of investments in securities (a ¥1,173 million increase) and ¥628 million (U.S.\$6 million) of product recall expenses posted this fiscal year.

As a result, income before income taxes and minority interests amounted to ¥27,689 million (U.S.\$276 million), a 17.5% decline from ¥33,578 million recorded in the previous fiscal year.

Net income declined by 28.3% to ¥13,591 million (U.S.\$136 million) from ¥18,969 million year on year. The ratio of net income to net sales also dropped by 1.8 percentage points, from 5.3% to 3.5%. Net income per share, as well, decreased by ¥44.95 from ¥156.12 to ¥111.17 (U.S.\$1.11).

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Cash and cash equivalents as of March 31, 2008 amounted to ¥78,774 million (U.S.\$786 million), a ¥2,079 million increase from ¥76,695 million as of the previous fiscal year end.

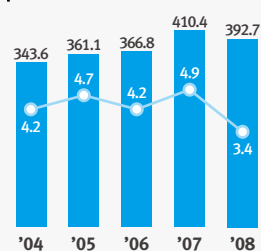
Net cash provided by operating activities decreased by ¥1,099 million to ¥25,875 million (U.S.\$258 million) from ¥26,974 million in the previous fiscal year. Major cash in-flow factors included a year-on-year decline in accrued retirement benefits to employees from ¥5,534 million in the previous year, to ¥51 million in fiscal 2008, generating a ¥5,483 million positive cash in-flow. Also there was a ¥1,338 million increase in depreciation and amortization from ¥6,188 million to ¥7,526 million, and a ¥1,241 million increase in loss on impairment of fixed assets from ¥1,129 million to ¥2,370 million. In addition, there was a decrease in trade notes and accounts receivable of ¥11,679 million, reversing a ¥1,746 million increase recorded

in the previous year. On the other hand, major cash out-flows included a ¥5,889 million decrease in income before income taxes and minority interests, a ¥5,141 million decrease in trade notes and accounts payable, and other payables which decreased ¥5,138 million, following an increase of ¥1,981 million in the previous fiscal year.

Net cash used in investing activities rose from ¥4,771 million to ¥16,601 million (U.S.\$166 million), a ¥11,830 million increase year on year. This rise was brought mainly by a ¥7,438 million increase in payments for purchases of investments in securities due to stepped-up purchases of bonds to secure efficiency in surplus fund management, as well as a ¥4,034 million increase in payments for purchases of property, plant and equipment and other for large-scale capital expenditures such as the Company's introduction of equipment to make paper containers for *Cup Noodle* and

TOTAL ASSETS AND ROA

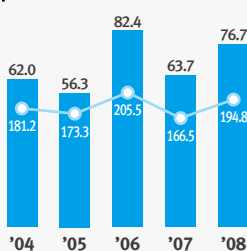
(Billions of yen) / (%)



■ Total assets ○ ROA

WORKING CAPITAL AND CURRENT RATIO

(Billions of yen) / (%)

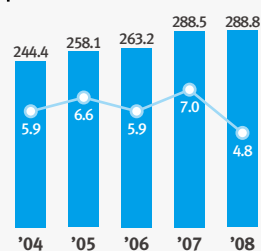


■ Working capital ○ Current ratio

Working capital = Total current assets - Total current liabilities
Current ratio = Total current assets / Total current liabilities

SHAREHOLDERS' EQUITY AND ROE

(Billions of yen) / (%)



■ Shareholders' equity ○ ROE

MYOJO FOODS' construction of a new manufacturing factory. Other cash out-flows included a ¥38,574 million decrease in proceeds from sales and redemption of marketable securities. Major cash in-flows, on the other hand, included a ¥13,226 million increase in proceeds from sales and redemption of investments in securities and the absence of ¥23,763 million in payments for purchases of new shares of consolidated

subsidiaries and others recorded in the previous fiscal year.

Net cash used in financing activities decreased by ¥594 million to ¥6,827 million (U.S.\$68 million) from the previous year's ¥7,421 million. Although repayment of short-term borrowings increased by ¥772 million, this effect was outweighed by a ¥1,180 million decrease of cash dividends paid.

CASH FLOW HIGHLIGHTS

Years ended March 31	Millions of yen		
	2008	2007	2006
Net cash provided by operating activities	¥ 25,875	¥ 26,974	¥ 26,636
Net cash used in investing activities	(16,601)	(4,771)	(20,068)
Net cash used in financing activities	(6,827)	(7,421)	(12,940)
Cash and cash equivalents at end of the year	¥ 78,774	¥ 76,695	¥ 61,570

ASSETS, LIABILITIES AND NET ASSETS

Total assets as of March 31, 2008 stood at ¥392,695 million (U.S.\$3,920 million), a 4.3% decrease from ¥410,407 million as of the previous fiscal year-end. Due to a decrease in net income relative to total assets, return on assets (ROA) dropped by 1.5 percentage points to 3.4% from 4.9% in the previous fiscal year.

Total current assets decreased by 1.2% to ¥157,633 million (U.S.\$1,573 million) from ¥159,540 million in the previous fiscal year. Although there were areas of increase, such as a ¥5,051 million growth in cash and deposits, a substantial drop of ¥11,947 million in trade receivables had a large impact.

Net property, plant and equipment amounted to ¥93,803 million (U.S.\$936 million). Large-scale capital expenditures for equipment for new paper containers and a new manufacturing facility outweighed the declines from other areas, such as depreciation and impairment losses recorded. As a result, the overall balance edged up by 0.2% from the previous year's ¥93,634 million.

Investments and other assets decreased by 10.0% to ¥136,938 million (U.S.\$1,367 million) from ¥152,210 million

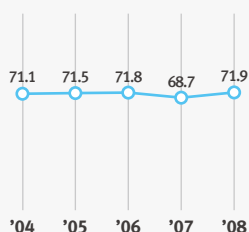
in the previous fiscal year. This decrease was mainly due to a ¥14,044 million decrease in investments in securities.

Total liabilities stood at ¥103,851 million (U.S.\$1,037 million), a 14.8% decrease from ¥121,931 million in the previous fiscal year. Among total liabilities, current liabilities decreased by 15.6% year on year to ¥80,934 million (U.S.\$808 million), mainly due to decreases of trade payables and other payables of ¥5,280 million and ¥4,662 million, respectively. Accordingly, the decrease in current liabilities exceeded the decrease in current assets, and as a result, working capital rose by 20.4% to ¥76,699 million (U.S.\$766 million) from ¥63,703 million in the previous fiscal year. The current ratio improved, as well, from 166.5% to 194.8%.

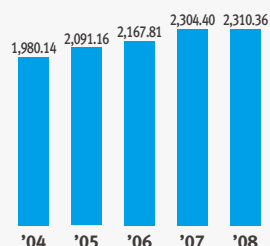
Total net assets were ¥288,844 million (U.S.\$2,883 million), edging up by 0.1% from the previous year's ¥288,476 million. Major factors for the increase included an ¥8,716 million growth in retained earnings, mainly due to postings from net income, and areas that saw major declines included a ¥7,331 million decrease in net unrealized gain on securities held.

Net assets per share were ¥2,310.36 (U.S.\$23.1), a 0.3% increase from ¥2,304.40 for the previous year as a result of a slight increase in net assets (less minority interests).

EQUITY RATIO (%)



NET ASSETS PER SHARE (Yen)



ADDITIONAL INFORMATION

SIGNIFICANT BUSINESS AGREEMENTS

With regard to the Company's capital participation in Hebei Hualong F&N Industry Group Co., Ltd., a major manufacturer of instant noodles and flour in the PRC (hereafter "Hebei Hualong"), which has undertaken to expand and thereby reinforce the Company's instant noodle operations in the PRC, the Company concluded on May 12, 2004, a joint-venture agreement with Hebei Jinmailang Mianye Co., Ltd., the parent company of Hebei Hualong.

Hebei Jinmailang Mianye split Hebei Hualong into two new companies—Nissin Hualong Foods Co., Ltd. (now renamed Jinmailang Foods Co., Ltd.), and Hebei Nissin Hualong Paper Products Co., Ltd. (now renamed Hebei Jinmailang Paper Products Co., Ltd.). Through capital increases subscribed to by its Hong Kong-based subsidiary, Nissin Foods Co., Ltd., the Company had acquired 14.9% of registered equity in each newly established company as of March 31, 2005.

The Company plans to eventually acquire an equity stake equivalent to 33.4% of registered equity in each company. The investment is expected to reach about ¥20 billion.

SUBSEQUENT EVENTS

(1) Transition Plan to a Holding Company Structure

The Company has decided to shift its corporate structure to a holding company system, with the Company as a holding company and subsidiaries under the Company as equals. See 19. Subsequent Events (b) in Notes to Consolidated Financial Statements.

(2) Abolition of the Retirement Bonus Plan for Directors and Issuance of Stock Options (Stock Acquisition Rights) to Directors as Compensation

At the general meeting of shareholders held on June 27, 2008, shareholders approved abolishing the retirement bonus plan for directors, which had characteristics of a seniority-based compensation system, as of the end of the said meeting. They also approved the introduction of a stock option system as a new stock-based compensation system for directors (excluding external directors), in order to enhance their motivation to contribute to the sustained performance over the mid- to long-term and raise corporate value. The move is meant to orient the Company's performance more firmly in the direction of positive shareholder value growth by ensuring that directors benefit not only from rises in the stock price but are also exposed to the impacts of price declines.

RISK INFORMATION

Conditions that have the potential to significantly influence the decisions of investors are presented below. Any conditions with reference to the future are based on information

available at the time of publication. The Company acknowledges the possibility that these risks can arise and will make every effort to prevent such risks from appearing and address resulting situations if such risks do appear.

(1) Food Safety Issues

The Company's basic philosophy is to provide safe foods that consumers can enjoy without worry. In recent years, a high incidence of disquieting developments, such as bovine spongiform encephalopathy, the problem of residual pesticides in foods and avian influenza, has threatened to undermine food safety. The needs of consumers in regard to food safety have become more sophisticated. To enhance its ability to meet this need, the Company established the Food Safety Research Institute and continues to strengthen its quality control system. However, the Company's financial position and fiscal performance could be unfavorably influenced if unusual health-related situations arise in the future that are beyond the Company's conjecture, or if rumors mar the image of the Company's products, even though such rumors were based on incidents not directly affecting the Company's products.

(2) Reduced Brand Value

The Company's mainstay products, particularly the *Chicken Ramen* and the *Cup Noodle* series, have become household items to most consumers, thanks to years of accumulated technical expertise and product development activities. The Company emphasizes the establishment and protection of its brands. However, new products flood the instant noodle market every year, and the relative brand value of the Company's products could decline if another company were to achieve a revolutionary breakthrough in instant noodle development.

(3) Risk of Product Liability

As a food maker, the Company believes its mission is to provide safe, worry-free products to consumers and therefore applies strict quality control standards to its manufacturing activities. In addition, the Food Safety Research Institute studies ways to ensure the safety of raw materials and strives to reinforce quality control systems at each manufacturing facility. The Company also endeavors to lessen the potential of product liability claims to affect its financial position, and therefore is insured against product liability. However, if an accident occurs through product liability and a situation arises wherein the Company must recall certain products, the insurance carried by the Company may not be sufficient to cover all claims. A tarnished reputation in society and a weakened corporate image could erode consumers' willingness to buy the Company's products. This situation could hurt the Company's financial position and its fiscal performance.

(4) Increases in Prices of Raw Materials

The primary raw materials used for the Company's products are agricultural commodities such as flour and palm oil, and petroleum-based items for packaging and wrappers. The Company's fiscal performance could be adversely impacted if political unrest or international disputes occur in the countries that produce these raw materials, or if the price of raw materials skyrockets because of crop failures caused by abnormal weather and other reasons.

(5) Risk of Natural Disasters

The Company has manufacturing facilities both in Japan and overseas. If a natural disaster, such as a large-scale earthquake or flooding from a typhoon, were to occur and manufacturing facilities incurred damage, the Company's production structure as well as its financial position and fiscal performance could suffer because, for example, an interruption in operations would reduce output and repairs to facilities and equipment would raise expenses.

(6) Subsidiary and Affiliate Risks

The Company's overseas operations comprise local production and local marketing companies, which produce food products including instant noodles, and are run by subsidiaries and affiliates. If political unrest or international disputes arise in the regions where the Company's subsidiaries and affiliates operate, or if issues threaten to undermine food safety, or if legal controls in certain countries create a situation that hinders production activities, then the financial position and fiscal performance of the Company could suffer.

(7) Risk Related to Information Systems

The Company uses computers to process and store information on production, sales and administration. The Company adopted all possible measures to safeguard these information systems from computer virus-induced crashes, damage by hackers, and the risk of a breach in information security. However, the Company's financial position and fiscal performance could be adversely affected if the Company's systems were damaged and/or if data were leaked outside the organization, due to illegal access to the systems by unauthorized individuals through technologies that the Company has not envisioned, or an unknown computer virus getting through established safeguards.

(8) Risk Related to Retirement Benefits Accounting

Costs and obligations pertaining to retirement benefits are determined based on discount rates and other predetermined criteria used in actuarial calculations, and expected rate of return on pension assets. If actual results differ from predetermined criteria, or if predetermined criteria are amended, the

actuarial difference is charged to the income of the fiscal year following the one in which the difference occurred. Although the actual return on pension assets has shown its trend of recovery, if a decline in discount rates and/or returns on the pension assets persists, the Company will have to carry a higher burden of pension-related costs, and this could hurt the Company's financial position and its fiscal performance.

(9) Risk of Declining Market Values on Marketable Securities

The Company invests in marketable securities to ensure efficient application of funds and thereby maintain the integrity of principal. However, the Company's financial position and fiscal performance could be adversely affected if worsening market conditions cause market values to decline or sluggish performances by equity investments force the Company to apply the accounting for impairment.

(10) Risk Related to Accounting for Impairment of Fixed Assets

The Company owns various tangible fixed assets for the purpose of its businesses. These fixed assets could face in the future a substantial decline in their fair value and/or future cash flows they were to generate, and thus would have the possibility of impairment loss recognition in conformity with accounting for impairment of fixed assets. Such circumstances could negatively affect the Company's financial position and its fiscal performance.

(11) Reliance on Certain Business Clients

Mitsubishi Corporation and ITOCHU Corporation are the primary buyers of the Company's products. Reliance on these specific business clients concentrates transactions among highly creditworthy companies and thereby reduces the effort expended on credit control and minimizes credit risk. However, the Company's own financial position and its fiscal performance could be negatively affected if the business activities of these sales agents failed, because the Company would have difficulty collecting accounts receivable.

(12) Risk Derived from Changes in Demographic Trend

In Japan, the birth rate has stayed low and the population is aging rapidly. Accordingly, the number of young consumers, who are the major customers of the Company, has been decreasing and therefore the market of our products is expected to remain unchanged or otherwise decrease in a long term. In the face of such a business climate, the Company is making ever greater efforts to develop new products which closely meet the needs of each age bracket, in order to maintain and expand our customer base.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
ASSETS			
Current assets:			
Cash and deposits (Note 4)	¥ 66,740	¥ 61,689	\$ 666,134
Marketable securities (Notes 4 and 5)	27,231	21,618	271,794
Receivables:			
Trade	41,411	53,358	413,325
Other	1,829	1,828	18,255
Less: Allowance for doubtful receivables	(560)	(259)	(5,589)
Inventories (Note 6)	14,675	14,489	146,472
Deferred income taxes (Note 11)	4,861	6,128	48,518
Other current assets	1,446	689	14,432
Total current assets	157,633	159,540	1,573,341
Property, plant and equipment:			
Land (Notes 7 and 8)	43,810	43,835	437,269
Buildings and structures (Note 7)	81,218	80,097	810,640
Machinery, equipment and vehicles (Note 7)	91,182	88,896	910,091
Construction in progress	1,055	1,837	10,530
Other (Note 7)	617	617	6,158
	217,882	215,282	2,174,688
Less: Accumulated depreciation	(124,079)	(121,648)	(1,238,437)
Property, plant and equipment, net	93,803	93,634	936,251
Intangible fixed assets:			
Goodwill	3,863	4,352	38,557
Other	458	671	4,571
Total intangible fixed assets	4,321	5,023	43,128
Investments and other assets:			
Investments in securities (Note 5)	123,099	137,143	1,228,656
Other investments	8,370	8,507	83,541
Long-term loans	269	488	2,685
Deferred income taxes (Note 11)	503	271	5,020
Other assets	4,742	5,849	47,330
Less: Allowance for doubtful receivables	(45)	(48)	(449)
Total investments and other assets	136,938	152,210	1,366,783
Total assets	¥ 392,695	¥ 410,407	\$ 3,919,503

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings (Note 9)	¥ 2,353	¥ 3,791	\$ 23,485
Payables:			
Trade	38,045	43,325	379,729
Other	24,047	28,709	240,014
Accrued income taxes (Note 11)	6,822	7,890	68,091
Other current liabilities	9,667	12,122	96,487
Total current liabilities	80,934	95,837	807,806
Long-term liabilities:			
Deferred income taxes on land revaluation (Note 8)	3,511	3,511	35,043
Accrued retirement benefits to employees (Note 10)	8,642	8,946	86,256
Accrued retirement benefits to directors and corporate auditors	2,349	2,264	23,445
Deferred income taxes (Note 11)	7,761	10,561	77,463
Other long-term liabilities	654	812	6,528
Total long-term liabilities	22,917	26,094	228,735
Net assets:			
Shareholders' equity (Note 12)			
Common stock:			
Authorized—500,000,000 shares; Issued—127,463,685 shares at March 31, 2008 and 2007	25,123	25,123	250,754
Capital surplus	49,755	49,754	496,606
Retained earnings (Note 19(a))	225,269	216,553	2,248,418
Less: Treasury stock, at cost—5,202,867 shares at March 31, 2008 and 5,197,203 shares at March 31, 2007	(14,343)	(14,319)	(143,158)
Total shareholders' equity	285,804	277,111	2,852,620
Valuation, translation adjustments and other:			
Net unrealized holding gain on securities (Note 5)	3,590	10,921	35,832
Land revaluation reserve (Note 8)	(7,533)	(7,533)	(75,187)
Translation adjustments	605	1,252	6,038
Total valuation, translation adjustments and other	(3,338)	4,640	(33,317)
Minority interests	6,378	6,725	63,659
Total net assets	288,844	288,476	2,882,962
Total liabilities and net assets	¥ 392,695	¥ 410,407	\$ 3,919,503

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended March 31, 2008, 2007 and 2006

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2008	2007	2006	2008
Net sales	¥ 385,470	¥ 358,238	¥ 321,700	\$ 3,847,390
Cost of sales (Note 13)	195,664	175,296	158,209	1,952,929
Gross profit	189,806	182,942	163,491	1,894,461
Selling, general and administrative expenses (Note 13)	162,134	149,207	131,512	1,618,266
Operating income	27,672	33,735	31,979	276,195
Other income (expenses):				
Interest and dividend income	3,504	3,112	3,065	34,974
Interest expense	(60)	(48)	(41)	(599)
Equity in earnings of affiliates	1,201	476	485	11,987
Loss on impairment of fixed assets (Notes 3 and 7)	(2,370)	(1,129)	(5,632)	(23,655)
Loss on devaluation of investments in securities	(1,181)	(8)	(425)	(11,788)
Loss on revaluation of investments	—	(1,379)	(2,557)	—
Product recall expenses (Note 14)	(628)	—	—	(6,268)
Gain on sales of marketable securities	154	104	3,073	1,537
Gain on sales of investments in securities	2	573	194	20
Other, net	(605)	(1,858)	(329)	(6,038)
Income before income taxes and minority interests	27,689	33,578	29,812	276,365
Income taxes (Note 11):				
Current	11,027	11,018	11,569	110,061
Deferred	3,252	3,529	2,900	32,458
	14,279	14,547	14,469	142,519
Income before minority interests	13,410	19,031	15,343	133,846
Minority interests in earnings (loss) of consolidated subsidiaries	(181)	62	(46)	(1,806)
Net income	¥ 13,591	¥ 18,969	¥ 15,389	\$ 135,652

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the years ended March 31, 2008, 2007 and 2006

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2008	2007	2006	2008
Common stock:				
Balance at beginning and end of the year	¥ 25,123	¥ 25,123	¥ 25,123	\$ 250,754
Capital surplus:				
Balance at beginning of the year	¥ 49,754	¥ 48,385	¥ 48,370	\$ 496,596
Add:				
Sales of treasury stock	1	31	—	10
Decrease in treasury stock resulting from share exchange	—	1,338	—	—
Merger reserve	—	—	15	—
Balance at end of the year	¥ 49,755	¥ 49,754	¥ 48,385	\$ 496,606
Retained earnings:				
Balance at beginning of the year	¥ 216,553	¥ 203,797	¥ 193,927	\$ 2,161,423
Add:				
Net income	13,591	18,969	15,389	135,652
Reversal of land revaluation reserve due to adjustment to deferred tax assets	—	—	61	—
Increase due to addition of consolidated subsidiaries	—	88	—	—
Other	15	—	—	150
Deduct:				
Cash dividends paid	(4,890)	(6,071)	(5,553)	(48,807)
Bonuses to directors	—	(22)	(27)	—
Reversal of land revaluation reserve	—	(35)	—	—
Decrease due to addition of consolidated subsidiaries	—	(24)	—	—
Decrease in other retained earnings	—	(149)	—	—
Balance at end of the year	¥ 225,269	¥ 216,553	¥ 203,797	\$ 2,248,418
Treasury stock, at cost:				
Balance at beginning of the year	¥ (14,319)	¥ (16,679)	¥ (9,754)	\$ (142,918)
Acquisition of treasury stock	(25)	(4)	(6,925)	(250)
Disposal of treasury stock	1	54	0	10
Decrease of treasury stock due to exchange of shares	—	2,310	—	—
Balance at end of the year	¥ (14,343)	¥ (14,319)	¥ (16,679)	\$ (143,158)
Net unrealized holding gain on securities:				
Balance at beginning of the year	¥ 10,921	¥ 9,899	¥ 6,114	\$ 109,003
Net change during the year	(7,331)	1,022	3,785	(73,171)
Balance at end of the year	¥ 3,590	¥ 10,921	¥ 9,899	\$ 35,832
Land revaluation reserve (Note 8):				
Balance at beginning of the year	¥ (7,533)	¥ (7,568)	¥ (2,359)	\$ (75,187)
Net change during the year	—	35	(5,209)	—
Balance at end of the year	¥ (7,533)	¥ (7,533)	¥ (7,568)	\$ (75,187)
Translation adjustments:				
Balance at beginning of the year	¥ 1,252	¥ 242	¥ (3,282)	\$ 12,496
Net change during the year	(647)	1,010	3,524	(6,458)
Balance at end of the year	¥ 605	¥ 1,252	¥ 242	\$ 6,038
Minority interests:				
Balance at beginning of the year	¥ 6,725	¥ 6,535	¥ 6,736	\$ 67,122
Net change during the year	(347)	190	(201)	(3,463)
Balance at end of the year	¥ 6,378	¥ 6,725	¥ 6,535	\$ 63,659
Total net assets	¥ 288,844	¥ 288,476	¥ 269,734	\$ 2,882,962

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2008, 2007 and 2006

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2008	2007	2006	2008
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 27,689	¥ 33,578	¥ 29,812	\$ 276,365
Depreciation and amortization	7,526	6,188	5,977	75,117
Loss on impairment of fixed assets	2,370	1,129	5,632	23,655
Increase (decrease) in allowance for doubtful receivables	302	(174)	(93)	3,014
Decrease in accrued retirement benefits to employees	(51)	(5,534)	(2,144)	(509)
Increase (decrease) in accrued retirement benefits to directors and corporate auditors	85	464	(3,718)	848
Interest and dividend income	(3,504)	(3,112)	(3,065)	(34,974)
Interest expense	60	48	41	599
Foreign currency exchange loss (gain)	19	(84)	(103)	190
Equity in earnings of affiliates	(1,201)	(476)	(485)	(11,987)
Loss on disposal and sales of property, plant and equipment	580	358	280	5,789
Gain on sales of marketable securities, investments in securities and other	(157)	(319)	(3,079)	(1,567)
Loss on revaluation of marketable securities, investments in securities and other	1,252	1,847	3,791	12,496
Decrease (increase) in trade notes and accounts receivable	11,679	(1,746)	2,052	116,569
Decrease (increase) in inventories	289	(223)	322	2,885
(Decrease) increase in trade notes and accounts payable	(5,180)	(39)	233	(51,702)
(Decrease) increase in other payables	(5,138)	1,981	—	(51,283)
Bonuses to directors	—	(22)	(27)	—
Other, net	(2,113)	1,189	(488)	(21,090)
Subtotal	34,507	35,053	34,938	344,415
Interest and dividends received	3,541	3,170	2,740	35,343
Interest paid	(60)	(44)	(41)	(599)
Income taxes paid	(12,113)	(11,205)	(11,001)	(120,900)
Net cash provided by operating activities	25,875	26,974	26,636	258,259
Cash flows from investing activities:				
Net (increase) decrease in time deposits	(1,010)	738	(2,615)	(10,081)
Payments for purchases of marketable securities	(2,500)	(4,991)	(31,064)	(24,953)
Proceeds from sales and redemption of marketable securities	5,234	43,808	12,453	52,241
Payments for purchases of property, plant and equipment and other	(9,573)	(5,539)	(3,125)	(95,548)
Proceeds from sales of property, plant and equipment and other	80	16	50	798
Payments for purchases of investments in securities	(34,584)	(27,146)	(45,834)	(345,184)
Proceeds from sales and redemption of investments in securities	25,479	12,253	50,033	254,307
Payments for purchases of new shares of consolidated subsidiaries and other	—	(23,763)	—	—
Net decrease (increase) in loans receivable	273	(147)	34	2,725
Net cash used in investing activities	(16,601)	(4,771)	(20,068)	(165,695)
Cash flows from financing activities:				
Proceeds from short-term borrowings	304	434	839	3,034
Repayment of short-term borrowings	(1,762)	(990)	(1,204)	(17,587)
Repayment of long-term debt	(413)	(306)	(84)	(4,122)
Net (increase) decrease in treasury stock	(24)	205	(6,925)	(240)
Cash dividends paid	(4,890)	(6,070)	(5,553)	(48,807)
Cash dividends paid to minority shareholders	(42)	(694)	(13)	(419)
Net cash used in financing activities	(6,827)	(7,421)	(12,940)	(68,141)
Effect of exchange rate changes on cash and cash equivalents	(368)	91	1,500	(3,672)
Net increase (decrease) in cash and cash equivalents	2,079	14,873	(4,872)	20,751
Cash and cash equivalents at beginning of the year	76,695	61,570	66,326	765,495
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	—	252	110	—
Increase in cash and cash equivalents resulting from merger of a consolidated subsidiary with an unconsolidated subsidiary	—	—	6	—
Cash and cash equivalents at end of the year (Note 4)	¥ 78,774	¥ 76,695	¥ 61,570	\$ 786,246

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The accompanying consolidated financial statements of Nissin Food Products Co., Ltd. (the “Company”) and consolidated subsidiaries (collectively, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company

as required by the Financial Instruments and Exchange Act of Japan.

The translation of yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan and has been made at ¥100.19 = U.S.\$1.00, the exchange rate prevailing on March 31, 2008. This translation should not be construed as a representation that yen can be converted into U.S. dollars at the above or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation and Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

The accompanying consolidated financial statements include the accounts of the Company and the significant companies which it controls directly or indirectly. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the accompanying consolidated financial statements on an equity basis. The assets and liabilities of the initially consolidated subsidiaries are stated at fair value as of their respective dates of acquisition.

The balance sheet date of overseas consolidated subsidiaries is December 31. Any significant differences in intercompany accounts and transactions arising from intervening intercompany transactions during the period from January 1 through March 31 have been adjusted, if necessary.

The fiscal year ends of MYOJO FOODS CO., LTD. and seven other subsidiaries, whose fiscal year ends had been September 30, were changed to March 31 effective the fiscal year beginning October 1, 2007. For these subsidiaries, *pro forma* financial statements prepared as of March 31 are used in the preparation of the consolidated financial statements.

The numbers of consolidated subsidiaries and affiliates accounted for by the equity method for the years ended March 31, 2008, 2007 and 2006 were as follows:

	2008	2007	2006
Consolidated subsidiaries	32	33	23
Affiliates accounted for by the equity method	2	2	1

(b) Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and all highly liquid investments with an insignificant risk of changes in value and with maturities of three months or less.

(c) Securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or other securities. Trading securities are carried at fair value and held-to-maturity debt securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Cost of securities sold is determined by the moving average method. Non-marketable securities classified as other securities are carried at cost based on the moving average method.

(d) Inventories

Finished goods and merchandise are principally stated at cost by the periodic average method. Raw materials and supplies are principally stated at cost by the last purchase price method.

(e) Hedging Activities

Receivables and payables hedged by forward foreign exchange contracts which meet certain conditions are translated at the corresponding foreign exchange contract rates.

(f) Property, Plant and Equipment

Depreciation is computed principally by the declining-balance method over the estimated useful lives of the respective assets in conformity with the Corporation Tax Law of Japan. Certain consolidated subsidiaries apply the straight-line method. The straight-line method is also applied to the head office building of the Company (in Osaka) and the buildings and structures of the Central Research Institute. In addition, the straight-line method is applied to buildings (except for the attachments to the buildings) acquired on or after April 1, 1998.

(g) Impairment of Fixed Assets

Effective the year ended March 31, 2006, the Group adopted an accounting standard for the impairment of fixed assets that requires that tangible and intangible fixed assets be carried at cost less depreciation and be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group is required to recognize an impairment loss in its statement of income if certain indicators of asset impairment exist and if the book value of an asset exceeds the undiscounted sum of its future cash flows. The standard states that impairment losses are to be measured as the excess of the book value over the higher of (1) the fair market value of the asset, net of disposition costs, or (2) the present value of future cash flows arising from ongoing utilization of the asset and from its disposal after use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. The estimated future cash flows have been discounted at 5%. Fixed assets are to be grouped at the lowest levels for which there are identifiable cash flows that are independent of the cash flows from other groups of assets.

As a result of the adoption of this accounting standard, loss on impairment of fixed assets in the amounts of ¥2,370 million (U.S.\$23,655 thousand) for the year ended March 31, 2008, ¥1,129 million for the year ended March 31, 2007 and ¥5,632 million for the year ended March 31, 2006 was recognized and income before income taxes and minority interests also decreased by the same amounts for the respective fiscal years from the corresponding amounts that would have been recorded under the previous method.

(h) Intangible Assets

Intangible assets are amortized by the straight-line method. Purchased software is amortized by the straight-line method over a five-year period, the estimated useful life used by the Group.

(i) Accrued Retirement Benefits to Employees

Accrued retirement benefits to employees have been provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for net unrecognized actuarial gain or loss and unrecognized prior service cost. The estimated benefit is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

Net unrecognized actuarial gain or loss is credited or charged to income in the year following the year in which the gain or loss was incurred.

Effective April 1, 2005, the Company adopted "Partial Amendments to the Accounting Standard for Retirement Benefits" (Financial Accounting Standard No. 3 of March 16, 2005) and "Application Guidelines for Partial Amendment to Accounting Standard for Retirement Benefits" (Application Guidelines for Financial Accounting Standard No. 7 of March 16, 2005). The effect of the adoption of this standard and guideline on operating income and income before income taxes and minority interests for the years ended March 31, 2008, 2007 and 2006 were not material.

(j) Accrued Retirement Benefits to Directors and Corporate Auditors

Subject to approval at a shareholders' meeting, directors and corporate auditors of the Company are entitled to lump-sum payments under unfunded retirement benefit plans. The provision for retirement benefits for directors and corporate auditors has been made at an estimated amount based on the Company's internal rules for retirement benefits for directors and corporate auditors.

(k) Allowance for Doubtful Receivables

The allowance for doubtful receivables is calculated based on the historical experience with bad debts and an estimate of certain uncollectible amounts determined after an analysis of specific individual doubtful receivables.

(l) Income Taxes

Deferred income taxes are provided for temporary differences between the balances of assets and liabilities reported for financial reporting purposes and the corresponding balances for tax reporting purposes.

(m) Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are amortized by the straight-line method over a certain period reasonably determined for each investment on a case-by-case basis, but no longer than 20 years, or are charged or credited to income as incurred if the amount is deemed to be immaterial.

(n) Leases

Finance leases other than those which transfer the ownership of the leased property to the lessee are accounted for as operating leases.

(o) Distribution of Retained Earnings

Under the Corporation Law of Japan, the distribution of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of the financial period. The accounts for that period, therefore, do not reflect such distributions.

3. CHANGES IN METHOD OF ACCOUNTING

In accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of tangible fixed assets acquired on and after April 1, 2007 to conform it to the revised Corporate Tax Law of Japan.

As a result of this accounting change, operating income and income before income taxes and minority interests decreased by ¥357 million (U.S.\$3,563 thousand) for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the method applied in the previous year.

The details of the effects of this accounting change on segment information are shown in Note 18, "Segment Information".

In accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries additionally depreciate the tangible fixed assets that were

acquired before April 1, 2007 and that have been fully depreciated to their respective depreciable limits allowed by the Corporate Tax Law of Japan prior to the revision. The additional depreciable amount is depreciated by the straight-line method over a period of 5 years based on the difference between the residual value stipulated by the Corporate Tax Law of Japan prior to the revision and memorandum value. Such additional depreciation is included in depreciation expense.

As a result of this accounting change, operating income and income before income taxes and minority interests decreased by ¥317 million (U.S.\$3,164 thousand) for the year ended March 31, 2008 from the corresponding amounts which would have been recorded under the method applied in the previous year.

The details of the effects of this accounting change on segment information are shown in Note 18, "Segment Information".

4. CASH AND CASH EQUIVALENTS

A reconciliation of cash and deposits in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows at March 31, 2008 and 2007 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Cash and deposits	¥ 66,740	¥ 61,689	\$ 666,134
Time deposits with maturities exceeding three months	(5,066)	(3,580)	(50,564)
Marketable securities redeemable within three months	17,100	18,586	170,676
Cash and cash equivalents	¥ 78,774	¥ 76,695	\$ 786,246

5. SECURITIES

(a) Information regarding marketable securities classified as other securities at March 31, 2008 and 2007 is summarized as follows:

March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:						
I. Equity securities	¥ 25,105	¥ 37,366	¥ 12,261	\$ 250,574	\$ 372,951	\$ 122,377
II. Bonds						
National government	1,298	1,302	4	12,955	12,995	40
Corporate	11,692	11,716	24	116,698	116,938	240
Other	540	540	0	5,390	5,390	0
III. Other	12	20	8	120	200	80
Subtotal	¥ 38,647	¥ 50,944	¥ 12,297	\$ 385,737	\$ 508,474	\$ 122,737
Securities whose carrying value does not exceed their acquisition cost:						
I. Equity securities	¥ 18,364	¥ 16,531	¥ (1,833)	\$ 183,292	\$ 164,997	\$ (18,295)
II. Bonds						
National government	10,503	10,500	(3)	104,831	104,801	(30)
Corporate	45,667	44,940	(727)	455,804	448,548	(7,256)
Other	7,250	6,733	(517)	72,362	67,202	(5,160)
III. Other	1,000	781	(219)	9,981	7,795	(2,186)
Subtotal	¥ 82,784	¥ 79,485	¥ (3,299)	\$ 826,270	\$ 793,343	\$ (32,927)
Total	¥121,431	¥130,429	¥ 8,998	\$1,212,007	\$1,301,817	\$ 89,810

March 31, 2007	Millions of yen		
	Acquisition costs	Carrying value	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
I. Equity securities	¥ 32,221	¥ 54,771	¥ 22,550
II. Bonds			
National government	397	398	1
Corporate	6,783	6,811	28
Other	2,819	2,844	25
III. Other	992	1,013	21
Subtotal	¥ 43,212	¥ 65,837	¥ 22,625
Securities whose carrying value does not exceed their acquisition cost:			
I. Equity securities	¥ 7,605	¥ 7,233	¥ (372)
II. Bonds			
National government	11,893	11,884	(9)
Corporate	47,828	46,895	(933)
Other	102	98	(4)
III. Other	—	—	—
Subtotal	¥ 67,428	¥ 66,110	¥ (1,318)
Total	¥110,640	¥131,947	¥ 21,307

(b) Sales of investments in securities classified as other securities for the years ended March 31, 2008, 2007 and 2006 are summarized as follows:

March 31,	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
Proceeds from sales	¥ 12,437	¥ 26,802	¥ 43,206	\$ 124,134
Aggregate gain	156	615	3,267	1,557
Aggregate loss	—	39	188	—

(c) The carrying value of principal non-marketable other securities at March 31, 2008 and 2007 is summarized as follows:

March 31,	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Other securities			
Unlisted equity securities	¥ 3,335	¥ 3,585	\$ 33,287
Beneficial interests in trade receivable trust	—	1,000	—
Jointly-operated designated money trust	6,500	3,000	64,877
Commercial paper	—	3,995	—
Preferred equity securities	5,000	11,000	49,905
Other	522	483	5,210

(d) The redemption schedule for securities with maturity dates classified as other securities as of March 31, 2008 is summarized as follows:

	Millions of yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
I. Bonds				
National government	¥ 11,201	¥ 601	¥ —	¥ —
Corporate	9,379	27,256	10,322	8,611
Other	—	6,187	1,086	—
II. Other	6,651	308	63	—
Total	¥ 27,231	¥ 34,352	¥ 11,471	¥ 8,611

	Thousands of U.S. dollars			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
I. Bonds				
National government	\$ 111,798	\$ 5,999	\$ —	\$ —
Corporate	93,612	272,043	103,024	85,947
Other	—	61,753	10,839	—
II. Other	66,384	3,074	629	—
Total	\$ 271,794	\$ 342,869	\$ 114,492	\$ 85,947

6. INVENTORIES

Inventories as of March 31, 2008 and 2007 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Finished goods and merchandise	¥ 8,570	¥ 8,447	\$ 85,538
Raw materials and supplies	6,105	6,042	60,934
Total	¥ 14,675	¥ 14,489	\$ 146,472

7. LOSS ON IMPAIRMENT OF FIXED ASSETS

The Group recognized loss on impairment of fixed assets for the year ended March 31, 2008 as follows:

Location	Usage	Asset type
Ritto, Shiga Prefecture and one other location	Idle assets	Buildings, machinery and equipment
Nissin Plastics Co., Ltd.	Business assets	Machinery and equipment
Nissin Foods (U.S.A.) Co., Inc.	Business assets	Buildings, machinery and equipment
MYOJO FOOD SERVICE CO., LTD.	Business assets	Buildings, machinery and equipment

The Group groups fixed assets by manufacturing unit or usage. The Group also groups idle fixed assets individually.

Consequently, the Group has written down the carrying value of operating fixed assets whose profitability declined and idle fixed assets whose fair value declined to their respective net recoverable value or reminder price and the Group recorded loss on impairment of fixed assets of ¥2,370 million (U.S.\$23,655 thousand) in the accompanying consolidated statement of income for the year ended March 31, 2008. The impairment loss for the year ended March 31, 2008 consisted of losses on buildings and structures of ¥406 million (U.S.\$4,052 thousand), machinery, equipment and vehicles of ¥1,826 million (U.S.\$18,225 thousand), tools and fixtures of ¥120 million (U.S.\$1,198 thousand), and other fixed assets of ¥18 million (U.S.\$180 thousand).

Loss on impairment of fixed assets posted for the year ended March 31, 2007 was ¥1,129 million. This impairment loss consisted of losses on buildings and structures of ¥504 million, machinery, equipment and vehicles of ¥555 million, tools and fixtures of ¥6 million, land of ¥43 million and

intangible fixed assets of ¥21 million.

Loss on impairment of fixed assets posted for the year ended March 31, 2006 was ¥5,631 million. This impairment loss was consisted of losses on golf course and land not in use which had been included in land of ¥4,872 million and ¥760 million, respectively. The impairment loss on golf course was consisted of loss on buildings and structures of land and others of ¥1,346 million, ¥2,058 million and ¥1,468 million, respectively.

The recoverable value of the fixed assets for the years ended March 31, 2008 and 2007 has been measured using their net selling price based on an appraisal value conducted by specialists and their value in use which is based on the estimated future cash flows discounted at 5.0% and 3.0%, respectively.

The recoverable value of the fixed assets for the year ended March 31, 2006 has been measured primarily at net realizable value based on appraisals conducted by real estate appraisers for the significant assets and tax assessment value after reasonable adjustments for other assets.

8. LAND REVALUATION RESERVE

Based on the Land Revaluation Law and the Amended Land Revaluation Law, the Company revalued the land it holds for use in the course of ongoing operations at March 31, 2002. The resulting land revaluation difference represents an unrealized devaluation of land and has been debited directly, net of income taxes, under "Land revaluation reserve" in net assets. There was no effects on the accompanying consolidated statements of income for the years ended March 31, 2008, 2007 and 2006. Deferred tax assets on

unrealized loss on land revaluation were shown in the accounts up to the year ended March 31, 2005. As a result of an evaluation of the collectibility of deferred tax assets on March 31, 2006, the amounts recorded in these accounts were reduced and reclassified to "Land revaluation reserve". The market value of the land as of March 31, 2008 and 2007 declined by ¥7,137 million (U.S.\$71,235 thousand) and ¥6,922 million, respectively, compared with the carrying value of the land revalued as of March 31, 2002.

9. SHORT-TERM BORROWINGS

Short-term borrowings, which amounted to ¥2,353 million (U.S.\$23,485 thousand) and ¥3,791 million as of March 31, 2008 and 2007, respectively, generally represent notes payable to banks.

The average interest rates on these borrowings were 1.84% and 1.31% at March 31, 2008 and 2007, respectively.

10. ACCRUED RETIREMENT BENEFITS TO EMPLOYEES

The Company and domestic consolidated subsidiaries have defined benefit pension plans, i.e., welfare pension fund plans, tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

The Company converted its tax qualified pension plans to welfare pension fund plans in 1989.

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the accompanying consolidated balance sheets at March 31, 2008 and 2007 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
(a) Retirement benefit obligation (Note 2)	¥ (44,083)	¥ (42,359)	\$ (439,994)
(b) Plan assets at fair value	29,902	34,696	298,453
(c) Unfunded retirement benefit obligation (a+b)	(14,181)	(7,663)	(141,541)
(d) Unrecognized actuarial loss (gain)	5,552	(1,016)	55,415
(e) Accrued retirement benefits to employees, net (c+d)	(8,629)	(8,679)	(86,126)
(f) Prepaid pension cost	13	267	130
(g) Accrued retirement benefits for employees (e-f)	¥ (8,642)	¥ (8,946)	\$ (86,256)

Notes: 1. The above amounts include the substitutional portion of the employees' pension fund.

2. Domestic consolidated subsidiaries apply a simplified method to calculate retirement benefit obligation.

The components of retirement benefit costs for the years ended March 31, 2008, 2007 and 2006 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2008	2007	2006	2008
(a) Service cost (Notes 1 and 2)	¥ 2,061	¥ 1,566	¥ 1,201	\$ 20,571
(b) Interest cost	917	913	841	9,153
(c) Expected return on pension assets	(797)	(727)	(540)	(7,955)
(d) Amortization of actuarial (gain) loss	(1,016)	(4,641)	(668)	(10,141)
Total net periodic pension cost	¥ 1,165	¥ (2,889)	¥ 834	\$ 11,628

Notes: 1. Employees' contributions to the welfare pension fund have been excluded.

2. The components of retirement benefit costs of certain domestic consolidated subsidiaries, which have been calculated by a simplified method are included in service cost in the above table.

The assumptions used in accounting for the above plans were a discount rate that was principally 2.5% and an expected rate of return on plan assets of 2.5% for the years ended March 31, 2008, 2007 and 2006.

11. INCOME TAXES

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporate taxes, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of 40.33% for the years ended March 31, 2008, 2007 and 2006. Overseas

consolidated subsidiaries are subject to the income taxes of the respective countries in which they operate.

The effective tax rates for the years ended March 31, 2008, 2007 and 2006 differ from the Company's statutory tax rate for the following reasons:

	2008	2007	2006
Statutory tax rate	40.33%	40.33%	40.33%
Corporate tax credit	(1.20)	(1.10)	(1.48)
Equity in earnings of an affiliate	(1.75)	(0.57)	(0.66)
Loss on devaluation of investments in securities	3.00	—	—
Loss on revaluation of investments in affiliates	—	—	6.28
Loss on impairment of fixed assets	—	—	5.93
Accrued retirement benefits to directors and corporate auditors	3.33	—	—
Tax loss carryforwards recorded by consolidated subsidiaries	8.17	4.19	—
Difference in consolidated subsidiaries' applicable tax rates	(2.04)	0.12	(1.76)
Other	1.73	0.35	(0.11)
Effective tax rates	51.57	43.32	48.53

The tax effects of temporary differences which gave rise to significant portions of the deferred tax assets and liabilities at March 31, 2008 and 2007 are presented below:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets:			
Unrealized losses on securities	¥ 10,480	¥ 7,261	\$ 104,601
Accrued retirement benefits to employees	3,495	3,733	34,884
Accounts payable	2,505	3,943	25,002
Loss on impairment of fixed assets	1,229	1,534	12,267
Accrued retirement benefits to directors and corporate auditors	935	825	9,332
Accrued bonuses	984	1,165	9,821
Depreciation and amortization	803	1,052	8,015
Tax loss carryforwards of consolidated subsidiaries	10,278	7,751	102,585
Other	2,028	1,738	20,242
Gross deferred tax assets	32,737	29,002	326,749
Less: Valuation allowance	(23,071)	(16,177)	(230,272)
Total deferred tax assets	9,666	12,825	96,477
Deferred tax liabilities:			
Deferred capital gain on properties	(2,287)	(2,287)	(22,827)
Unrealized holding gain on securities	(3,781)	(7,657)	(37,738)
Revaluation gain recognized upon consolidation	(5,853)	(5,853)	(58,419)
Other	(142)	(1,191)	(1,418)
Total deferred tax liabilities	(12,063)	(16,987)	(120,402)
Net deferred tax (liabilities) assets	¥ (2,397)	¥ (4,162)	\$ (23,925)

12. SHAREHOLDERS' EQUITY

The Corporation Law of Japan (the "Law"), provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

The Company's legal reserve included in retained earn-

ings at March 31, 2008 and 2007 amounted to ¥6,280 million (U.S.\$62,681 thousand).

Under the Law, upon the issuance and sale of new shares of capital stock, the entire amount of the proceeds is required to be accounted for as capital stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the proceeds of the sale of new shares as additional paid-in capital included in capital surplus.

Movements in issued common stock and treasury stock for the years ended March 31, 2008 and 2007 are summarized as follows:

	Number of shares			
	2008			
	March 31, 2007	Increase	Decrease	March 31, 2008
Common stock and treasury stock:				
Common stock	127,463,685	—	—	127,463,685
Treasury stock	5,197,203	6,246	582	5,202,867

	Number of shares			
	2007			
	March 31, 2006	Increase	Decrease	March 31, 2007
Common stock and treasury stock:				
Common stock	127,463,685	—	—	127,463,685
Treasury stock	6,061,522	972	865,291	5,197,203

13. RESEARCH AND DEVELOPMENT COSTS

Costs relating to research and development activities are charged to income as incurred. Research and development costs included in cost of sales and selling, general and

administrative expenses totaled ¥3,446 million (U.S.\$34,395 thousand), ¥3,164 million and ¥2,727 million for the years ended March 31, 2008, 2007 and 2006, respectively.

14. OTHER INCOME (EXPENSES)

Product recall expenses

Product recall expenses are the expenses incurred in relation to the product recall conducted by Nissin Foods (U.S.A.) Co., Inc.

15. LEASES

The following *pro-forma* amounts represent the acquisition cost, accumulated depreciation/amortization and net book value of the property leased to the Group at March 31,

2008 and 2007, which would have been reflected in the accompanying consolidated balance sheets if finance leases accounted for as operating leases had been capitalized:

2008	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Accumulated depreciation/amortization	Net book value	Acquisition cost	Accumulated depreciation/amortization	Net book value
Machinery and vehicles	¥ 1,352	¥ 803	¥ 549	\$ 13,494	\$ 8,015	\$ 5,480
Equipment	492	223	269	4,911	2,226	2,685
Intangible fixed assets and other	152	48	104	1,517	479	1,038
Total	¥ 1,996	¥ 1,074	¥ 922	\$ 19,922	\$ 10,720	\$ 9,203

2007	Millions of yen		
	Acquisition costs	Accumulated depreciation/amortization	Net book value
Machinery and vehicles	¥ 1,327	¥ 660	¥ 667
Equipment	620	384	236
Intangible fixed assets and other	102	22	80
Total	¥ 2,049	¥ 1,066	¥ 983

Future minimum lease payments subsequent to March 31, 2008 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2009	¥ 340	\$ 3,394
2010 and thereafter	582	5,809
Total	¥ 922	\$ 9,203

Note: The acquisition cost and future minimum lease payments under finance leases presented in the above tables include the imputed interest expense.

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥385 million (U.S.\$3,843 thousand), ¥367 million and ¥338 million, which were approxi-

mately equal to the depreciation/amortization of the leased assets computed by the straight-line method over the respective lease terms assuming a nil residual value, for the years ended March 31, 2008, 2007 and 2006, respectively.

16. DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilizes forward foreign exchange contracts to manage risk arising from adverse fluctuations in foreign currency exchange rates. The Group does not enter into derivatives contracts for speculative or short-term trading purposes.

The Group has established certain policies which were approved at a management meeting of the Company. In accordance with these policies, the Financial Division controls and executes the forward foreign exchange contracts. An evaluation of hedge effectiveness has been omitted since the significant conditions of the hedging instruments and

hedged items were the same and the risk of changes in cash flows was completely avoided.

The Group enters into forward foreign exchange contracts with financial institutions with high credit ratings to reduce the risk of credit loss in the event of non-performance by the counterparties to the contracts.

Disclosure of fair value information on derivatives has been omitted because all open derivatives positions qualified for hedge accounting at March 31, 2008 and 2007.

17. AMOUNTS PER SHARE

Amounts per share at March 31, 2008, 2007 and 2006 and for the years then ended were as follows:

	Yen			U.S. dollars
	2008	2007	2006	2008
Net assets	¥ 2,310.36	¥ 2,304.40	¥ 2,167.81	\$ 23.06
Net income:				
Basic	111.17	156.12	125.09	1.11
Cash dividends applicable to the year	50.00	50.00	30.00	0.50

The amounts per share of net assets have been computed based on the number of shares of common stock outstanding at the year end. Basic net income per share has been computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year. Diluted net income per share has not been presented

because there were no potentially dilutive shares at March 31, 2008, 2007 and 2006.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective fiscal years together with the interim cash dividends paid.

18. SEGMENT INFORMATION

The Group classifies its businesses into two segments principally based on product types and characteristics: the instant noodle and associated business and other business. The instant noodle and associated business includes pillow-type instant noodles, cup-type instant noodles, chilled foods

and frozen foods. The other business includes confectionery, beverages and the food service business.

The following tables present the business and geographic segment information and the overseas sales of the Group for the years ended March 31, 2008, 2007 and 2006:

(a) Information by Business Segment

	Millions of yen			
Year ended March 31, 2008	Instant noodle and associated business	Other business	Eliminations	Consolidated
I. Sales and operating income				
Sales to third parties	¥ 346,822	¥ 38,648	¥ —	¥ 385,470
Intersegment sales	—	5,764	(5,764)	—
Total	346,822	44,412	(5,764)	385,470
Operating expenses	321,448	41,833	(5,483)	357,798
Operating income	¥ 25,374	¥ 2,579	¥ (281)	¥ 27,672
II. Total assets, depreciation and amortization, loss on impairment of fixed assets and capital investment				
Total assets	¥ 364,287	¥ 25,677	¥ 2,731	¥ 392,695
Depreciation and amortization	6,732	794	—	7,526
Loss on impairment of fixed assets	2,259	111	—	2,370
Capital investment	9,847	919	—	10,766

	Thousands of U.S. dollars			
Year ended March 31, 2008	Instant noodle and associated business	Other business	Eliminations	Consolidated
I. Sales and operating income				
Sales to third parties	\$ 3,461,643	\$ 385,747	\$ —	\$ 3,847,390
Intersegment sales	—	57,531	(57,531)	—
Total	3,461,643	443,278	(57,531)	3,847,390
Operating expenses	3,208,384	417,537	(54,726)	3,571,195
Operating income	\$ 253,259	\$ 25,741	\$ (2,805)	\$ 276,195
II. Total assets, depreciation and amortization, loss on impairment of fixed assets and capital investment				
Total assets	\$ 3,635,962	\$ 256,283	\$ 27,258	\$ 3,919,503
Depreciation and amortization	67,192	7,925	—	75,117
Loss on impairment of fixed assets	22,547	1,108	—	23,655
Capital investment	98,283	9,173	—	107,456

Notes: 1. As described in Note 3, in accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of tangible fixed assets acquired on and after April 1, 2007 to conform it to the revised Corporate Tax Law of Japan. As a result of this accounting change, operating expenses of the instant noodle and associated business and the other business increased by ¥341 million (U.S.\$3,404 thousand) and ¥16 million (U.S.\$160 thousand), respectively, and operating income of these businesses decreased by the same amounts for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

2. As described in Note 3, in accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries additionally depreciate the tangible fixed assets that were acquired before April 1, 2007 and that have been fully depreciated to their respective depreciable limits allowed by the Corporate Tax Law of Japan prior to the revision. The additional depreciation amount is depreciated by the straight-line method over a period of 5 years based on the difference between the residual value stipulated by the Corporate Tax Law of Japan prior to the revision and memorandum value. Such additional depreciation is included in depreciation expense. As a result of this accounting change, operating expenses of the instant noodle and associated business and the other business increased by ¥264 million (U.S.\$2,635 thousand) and ¥53 million (U.S.\$529 thousand), respectively, and operating income of these businesses decreased by the same amounts for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

Millions of yen				
Year ended March 31, 2007	Instant noodle and associated business	Other business	Eliminations	Consolidated
I. Sales and operating income				
Sales to third parties	¥ 325,468	¥ 32,770	¥ —	¥ 358,238
Intersegment sales	—	6,091	(6,091)	—
Total	325,468	38,861	(6,091)	358,238
Operating expenses	293,115	36,609	(5,221)	324,503
Operating income	¥ 32,353	¥ 2,252	¥ (870)	¥ 33,735
II. Total assets, depreciation and amortization, loss on impairment of fixed assets and capital investment				
Total assets	¥ 375,446	¥ 31,824	¥ 3,137	¥ 410,407
Depreciation and amortization	5,338	850	—	6,188
Loss on impairment of fixed assets	973	156	—	1,129
Capital investment	5,051	1,095	—	6,147

Note: Business segment information for the year ended March 31, 2006 has not been shown since the instant noodle and associated business accounted for more than 90% of consolidated net sales, consolidated operating income and consolidated total assets.

(b) Information by Geographic Segment

Millions of yen					
Year ended March 31, 2008	Japan	North America	Other areas	Eliminations	Consolidated
I. Sales and operating income (loss)					
Sales to third parties	¥ 329,984	¥ 29,559	¥ 25,927	¥ —	¥ 385,470
Intersegment sales	1,220	—	596	(1,816)	—
Total	331,204	29,559	26,523	(1,816)	385,470
Operating expenses	302,238	32,185	24,703	(1,328)	357,798
Operating income (loss)	¥ 28,966	¥ (2,626)	¥ 1,820	¥ (488)	¥ 27,672
II. Total assets	¥ 361,834	¥ 12,423	¥ 33,975	¥ (15,537)	¥ 392,695

Thousands of U.S. dollars					
Year ended March 31, 2008	Japan	North America	Other areas	Eliminations	Consolidated
I. Sales and operating income (loss)					
Sales to third parties	\$ 3,293,582	\$ 295,029	\$ 258,779	\$ —	\$ 3,847,390
Intersegment sales	12,177	—	5,949	(18,126)	—
Total	3,305,759	295,029	264,728	(18,126)	3,847,390
Operating expenses	3,016,648	321,240	246,562	(13,255)	3,571,195
Operating income (loss)	\$ 289,111	\$ (26,211)	\$ 18,166	\$ (4,871)	\$ 276,195
II. Total assets	\$ 3,611,478	\$ 123,994	\$ 339,106	\$ (155,075)	\$ 3,919,503

Millions of yen					
Year ended March 31, 2007	Japan	North America	Other areas	Eliminations	Consolidated
I. Sales and operating income (loss)					
Sales to third parties	¥ 303,718	¥ 30,505	¥ 24,015	¥ —	¥ 358,238
Intersegment sales	1,277	—	656	(1,933)	—
Total	304,995	30,505	24,671	(1,933)	358,238
Operating expenses	270,749	32,770	22,434	(1,450)	324,503
Operating income (loss)	¥ 34,246	¥ (2,265)	¥ 2,237	¥ (483)	¥ 33,735
II. Total assets	¥ 382,317	¥ 16,805	¥ 31,499	¥ (20,214)	¥ 410,407

Year ended March 31, 2006	Millions of yen				
	Japan	North America	Other areas	Eliminations	Consolidated
I. Sales and operating income (loss)					
Sales to third parties	¥ 269,765	¥ 29,903	¥ 22,032	¥ —	¥ 321,700
Intersegment sales	1,172	—	394	(1,566)	—
Total	270,937	29,903	22,426	(1,566)	321,700
Operating expenses	240,279	30,367	20,548	(1,473)	289,721
Operating income (loss)	¥ 30,658	¥ (464)	¥ 1,878	¥ (93)	¥ 31,979
II. Total assets					
	¥ 344,531	¥ 16,188	¥ 28,794	¥ (22,712)	¥ 366,801

- Notes: 1. Classification of the above countries or regions is based on geographical proximity.
2. Major countries and regions included in areas other than Japan:
(1) North America: The U.S. A., Mexico
(2) Other areas: China, Germany and Hungary
3. Operating expenses under "Eliminations" that cannot be allocated to any particular segment amounted to ¥492 million (U.S.\$4,911 thousand), and consisted of mainly amortization of goodwill.
4. Total assets under "Eliminations" that cannot be allocated to any particular segment amounted to ¥3,863 million (U.S.\$38,557 thousand), and consisted of mainly goodwill.
5. As described in Note 3, in accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed their method of accounting for depreciation of tangible fixed assets acquired on and after April 1, 2007 to conform it to the revised Corporate Tax Law of Japan. As a result of this accounting change, operating expenses of the Japan segment increased by ¥357 million (U.S.\$3,563 thousand), and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.
6. As described in Note 3, in accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries additionally depreciate the tangible fixed assets that were acquired before April 1, 2007 and that have been fully depreciated to their respective depreciable limits allowed by the Corporate Tax Law of Japan prior to the revision. The additional depreciable amount is depreciated by the straight-line method over a period of 5 years based on the difference between the residual value stipulated by the Corporate Tax Law of Japan prior to the revision and memorandum value. Such additional depreciation is included in depreciation expense. As a result of this accounting change, operating expenses of the Japan segment increased by ¥317 million (U.S.\$3,164 thousand), and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

(c) Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the overseas consolidated subsidiaries, for the years ended March 31, 2008, 2007 and 2006 are summarized as follows:

Year ended March 31, 2008	Millions of yen			Thousands of U.S. dollars		
	North America	Other areas	Total	North America	Other areas	Total
Overseas sales	¥ 29,859	¥ 26,400	¥ 56,259	\$ 298,024	\$ 263,499	\$ 561,523
Consolidated sales	—	—	385,470	—	—	3,847,390
Overseas sales as a percentage of consolidated sales	7.7%	6.9%	14.6%	—	—	—

Year ended March 31, 2007	Millions of yen		
	North America	Other areas	Total
Overseas sales	¥30,831	¥25,075	¥ 55,906
Consolidated sales	—	—	358,238
Overseas sales as a percentage of consolidated sales	8.6%	7.0%	15.6%

Year ended March 31, 2006	Millions of yen		
	North America	Other areas	Total
Overseas sales	¥30,226	¥22,471	¥ 52,697
Consolidated sales	—	—	321,700
Overseas sales as a percentage of consolidated sales	9.4%	7.0%	16.4%

- Notes: 1. Classification of the above countries or regions is based on geographical proximity.
2. Principal countries classified in the above regions:
North America: U.S.A. and Mexico
Other areas: China, and Hungary and Germany
3. Overseas sales represent the sum total of sales to the overseas market outside Japan by the Company and its consolidated subsidiaries. (Sales between consolidated subsidiaries are not included.)

19. SUBSEQUENT EVENTS

- (a) The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2008, was approved at a meeting of the shareholders of the Company held on June 27, 2008:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥25 = U.S.\$0.25 per share)	¥ 3,057	\$ 30,512

- (b) As announced on December 5, 2007 and March 3, 2008, in order to strengthen the group strategy function, further develop each of our businesses, promote the synergy with MYOJO FOODS CO., LTD., and accelerate the development of top management, the Company has determined to change its corporate structure to a holding company structure effective October 1, 2008, with the Company as the holding company and newly-incorporated subsidiaries under the Company as equals.

Accordingly, the businesses and functions of the Company will be transferred to the newly-incorporated subsidiaries as follows: the instant noodle business to NISSIN FOODS CO., LTD.; the chilled food business to NISSIN CHILLED FOODS CO., LTD.; the frozen food business to NISSIN FROZEN FOODS

CO., LTD.; and administrative functions including general administration, accounting, payrolls and information system to NISSIN BUSINESS SUPPORT CO., LTD. The details of this business plan were approved at the Company's Board of Directors' meeting held on May 13, 2008. The new incorporation of NISSIN FOODS CO., LTD. was approved at the annual general meeting of shareholders of the Company on June 27, 2008. The demerger of newly-incorporated subsidiaries, NISSIN CHILLED FOODS CO., LTD., NISSIN FROZEN FOODS CO., LTD. and NISSIN BUSINESS SUPPORT CO., LTD. does not require approval of the general meeting of shareholders under Article 805 of the Corporation Law of Japan. In addition, the Company will change its name to "NISSIN FOODS HOLDINGS CO., LTD." effective October 1, 2008.

OUTLINE OF COMPANIES INVOLVED IN THE PLANNED DEMERGER

	Demerging company, as of March 31, 2008	Newly incorporated company, as of scheduled incorporation date October 1, 2008	Newly incorporated company, as of scheduled incorporation date October 1, 2008	Newly incorporated company, as of scheduled incorporation date October 1, 2008	Newly incorporated company, as of scheduled incorporation date October 1, 2008
Trade name	Nissin Food Products Co., Ltd. (Scheduled to be renamed to NISSIN FOODS HOLDINGS CO., LTD. as of October 1, 2008)	NISSIN FOODS CO., LTD. (newly incorporated)	NISSIN CHILLED FOODS CO., LTD. (newly incorporated)	NISSIN FROZEN FOODS CO., LTD. (newly incorporated)	NISSIN BUSINESS SUPPORT CO., LTD. (newly incorporated)
Major business	Production and sale of instant noodles, chilled foods and frozen foods	Production and sale of instant noodles	Production and sale of chilled foods	Production and sale of frozen foods	Support of indirect administrative services for the Group
Date of incorporation	September 4, 1948	October 1, 2008	October 1, 2008	October 1, 2008	October 1, 2008
Location of head office	1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka, Japan	1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka, Japan	1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka, Japan	1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka, Japan	1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka, Japan
Representative	Koki Ando, president and representative director	Susumu Nakagawa, president and representative director	Akihide Matsuo, president and representative director	Akihide Matsuo, president and representative director	Michio Yotsuya, president and representative director
Common stock	¥25,122 million U.S.\$250,744 thousand	¥5,000 million U.S.\$49,905 thousand	¥100 million U.S.\$998 thousand	¥100 million U.S.\$998 thousand	¥50 million U.S.\$499 thousand
Number of shares outstanding	127,463,685 shares	100 shares	100 shares	100 shares	100 shares
Net assets	¥288,844 million U.S.\$2,882,962 thousand (consolidated)	¥31,205 million U.S.\$311,458 thousand (non-consolidated)	¥2,252 million U.S.\$22,477 thousand (non-consolidated)	¥3,938 million U.S.\$39,305 thousand (non-consolidated)	¥296 million U.S.\$2,954 thousand (non-consolidated)
Total assets	¥392,695 million U.S.\$3,919,503 thousand (consolidated)	¥79,663 million U.S.\$795,119 thousand (non-consolidated)	¥4,237 million U.S.\$42,290 thousand (non-consolidated)	¥4,890 million U.S.\$48,807 thousand (non-consolidated)	¥436 million U.S.\$4,352 thousand (non-consolidated)
Fiscal year end	March 31	March 31	March 31	March 31	March 31

* The net assets and total assets are figures based on the non-consolidated financial statements of the Company as of March 31, 2008.

Report of Independent Auditors

The Board of Directors
Nissin Food Products Co., Ltd.

We have audited the accompanying consolidated balance sheets of Nissin Food Products Co., Ltd. and consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years in the period ended March 31, 2008, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissin Food Products Co., Ltd. and consolidated subsidiaries at March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2008 in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2(g), effective the year ended March 31, 2006, the Company and consolidated subsidiaries have adopted a new accounting standard for the impairment of fixed assets.

As described in Note 19(b), the details of a business plan to change the Group's corporate structure to a holding company structure were approved at the Company's Board of Directors' meeting held on May 13, 2008. In addition, a resolution authorizing the incorporation of NISSIN FOODS CO., LTD. was approved at the annual general meeting of shareholders of the Company on June 27, 2008.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon

June 27, 2008

A MEMBER OF ERNST & YOUNG GLOBAL

BUSINESS AREAS OF CONSOLIDATED SUBSIDIARIES AND AFFILIATES

(AS OF MARCH 31, 2008)

Company	Capital	Business Area	Equity Ownership (%)
CONSOLIDATED SUBSIDIARIES			
Sapporo Nissin Co., Ltd.	¥250 million	Cup- and pillow-type noodle manufacturing and marketing	100.0
Nissin F.D. Foods Co., Ltd.	¥100 million	Freeze-dried food manufacturing and marketing	100.0 (20.0)
Nissin Plastics Co., Ltd.	¥450 million	Container manufacturing and marketing	100.0
Nissin Frozen Foods Co., Ltd.	¥98 million	Frozen food manufacturing and marketing	100.0
Gran Foods Co., Ltd.	¥80 million	Frozen food manufacturing and marketing	100.0 (100.0)
Fine Foods Corporation	¥100 million	Cup-type noodle topping manufacturing and marketing	100.0 (100.0)
Nissin York Co., Ltd.	¥870 million	Beverage and dairy product manufacturing and marketing	72.8
Nissin Enterprise Corporation	¥300 million	Shipping and warehousing	100.0
Nissin Cisco Co., Ltd.* ²	¥2,600 million	Confectionery manufacturing and marketing	80.0
Uji Kaihatsu Development Co., Ltd.	¥850 million	Golf course management	70.7 (5.7)
Ajinihon Co., Ltd.* ¹	¥95 million	Soup manufacturing and marketing	46.4
MYOJO FOODS CO., LTD.* ²	¥3,143 million	Cup- and pillow- type noodle manufacturing and marketing	100.0
MYOJO FOODSERVICE CO., LTD.	¥365 million	Food service	75.8 (75.8)
NISHINIHON MYOJO CO., LTD.	¥90 million	Cup- and pillow- type noodle manufacturing and marketing	100.0 (100.0)
UNI-STAR CO., LTD.	¥150 million	Soup manufacturing and marketing	100.0 (100.0)
MYOJO FRESH CO., LTD.	¥400 million	Chilled food manufacturing and marketing	100.0 (100.0)
MYOJO SUPPLY SERVICE. CO., LTD.	¥90 million	Contracted manufacturing	100.0 (100.0)
Nissin Foods (U.S.A.) Co., Inc.* ²	U.S.\$83,500 thousand	Cup- and pillow-type noodle manufacturing and marketing	90.0
Nissin Foods de Mexico S.A. de C.V.	MXN 149,134 thousand	Cup-type noodle manufacturing and marketing	100.0
Nissin Foods Kft.	HUF 1,000,000 thousand	Cup- and pillow-type noodle manufacturing and marketing	100.0
Nissin Foods GmbH	EUR 25 thousand	Cup- and pillow-type noodle marketing	100.0 (99.0)
Nissin Foods Co., Ltd.* ²	HK\$671,600 thousand	Cup- and pillow-type noodle manufacturing and marketing	100.0
Miracle Foods Co., Ltd.	HK\$21,000 thousand	Container manufacturing and marketing	100.0 (100.0)
Guangdong Shunde Nissin Foods Co., Ltd.	HK\$130,000 thousand	Cup- and pillow-type noodle manufacturing and marketing	100.0 (100.0)
Winner Food Products Ltd.	HK\$29,975 thousand	Cup- and pillow-type noodle and frozen food manufacturing and marketing	74.0
Zhuhai Golden Coast Winner Food Products Ltd.	HK\$84,000 thousand	Cup- and pillow-type noodle manufacturing and marketing	70.5 (70.5)
Guangyongnan Food Products (Shenzhen) Co., Ltd.	HK\$11,000 thousand	Frozen food manufacturing and marketing	100.0 (100.0)
Shanghai Nissin Foods Co., Ltd.* ²	U.S.\$25,000 thousand	Cup- and pillow-type noodle manufacturing and marketing	100.0 (100.0)
Nissin Foods (China) Holding Co., Ltd.* ²	U.S.\$40,500 thousand	Invests in businesses in the PRC	100.0 (100.0)
Indo Nissin Foods Ltd.	INR 697,500 thousand	Cup- and pillow-type noodle manufacturing and marketing	74.8
MYOJO U.S.A., INC.	U.S.\$5,000 thousand	Chilled food manufacturing and marketing	96.0 (96.0)
MYOJO FOODS CO. (S) PTE. LTD.	SG\$1,000 thousand	Cup- and pillow- type noodle manufacturing and marketing	100.0 (100.0)
AFFILIATES ACCOUNTED FOR BY THE EQUITY METHOD			
Nissin-Ajinomoto Alimentos Ltda.	BRL 12,688 thousand	Cup- and pillow-type noodle manufacturing and marketing	50.0
THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED	THB 180,000 thousand	Cup- and pillow- type noodle manufacturing and marketing	20.1

Notes: 1. While the equity ownership is less than 50%, Nissin Foods substantially controls the company as a consolidated subsidiary.

2. Special subsidiaries

3. The figures in () of equity ownership show percentage of indirect ownership.

WORLDWIDE NETWORK

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802 Bangkok Tower, 2170 New Petchburi Road,
Bangkok 10320, Thailand
Telephone: 66-2-308-0360 Fax: 66-2-308-0363

THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED

304 TF Buildings, Srinakarin Rd., Huamark, Bangkok,
Bangkok 10240, Thailand
Telephone: 66-2-374-4730 Fax: 66-2-374-7743

EUROPE**Nissin Foods Kft.**

H-6000 Kecskemet, Buzakalasz ut20., Hungary
Telephone: 36-76-485-702 Fax: 36-76-485-704

Nissin Foods GmbH

Am Hohenstein 3-5
65779 Kelkheim, Germany
Telephone: 49-6195-6927 Fax: 49-6195-910019

CORPORATE DATA

Nissin Food Products Co., Ltd. (Parent Company)

Head Office

1-1, 4-chome, Nishinakajima, Yodogawa-ku
Osaka 532-8524, Japan
Telephone: 81-6-6305-7711
Fax: 81-6-6304-1288
Web Site: <http://www.nissinfoods.co.jp>

Tokyo Head Office

28-1, 6-chome, Shinjuku, Shinjuku-ku
Tokyo 160-8524, Japan
Telephone: 81-3-3205-5111
Fax: 81-3-3205-5059

Branches

Hokkaido (Sapporo), Tohoku (Sendai),
Chubu (Nagoya), Chugoku (Hiroshima),
Shikoku (Takamatsu), Kyushu (Fukuoka)

Local Offices

Aomori, Morioka, Akita, Koriyama, Kita-kanto,
Chiba, Yokohama, Niigata, Nagano, Kanazawa,
Shizuoka, Tsu, Kyoto, Osaka-minami, Kobe,
Yonago, Okayama, Yamaguchi, Matsuyama,
Kochi, Kita-kyushu, Kumamoto, Kagoshima,
Okinawa, Obihiro

Plants

Kanto, Shizuoka, Shiga, Shimonoseki

Research Institutes

Central Research Institute,
Food Safety Research Institute

(As of March 31, 2008)

HISTORY

1948	Chukososha Co., Ltd., established.
1958	<i>Chicken Ramen</i> , the world's first instant noodle product, introduced; Company name changed to Nissin Food Products Co., Ltd.
1963	Listed on the Second Section of the Tokyo and Osaka Stock Exchanges
1970	Nissin Foods (U.S.A.) Co., Inc., the Company's first overseas operation, established in Gardena, California.
1971	<i>Cup Noodle</i> introduced; Kanto Plant begins operation.
1972	Listed on the First Section of the Tokyo, Osaka and Nagoya Stock Exchanges.
1973	Shiga Plant and General Research Center begin operation.
1975	Shimonoseki Plant begins operation; Nissin-Ajinomoto Alimentos Ltda. established in São Paulo, Brazil.
1977	Construction of new headquarters completed; main office moved to its present location in Yodogawa-ku, Osaka.
1984	Nissin Foods Co., Ltd., established in Hong Kong.
1988	Construction of Tokyo Head Office building completed; Central Research Institute begins operation.
1990	Capital participation in Yoke Co., Ltd. (now Nissin York Co., Ltd.).
1991	Capital participation in Cisco Co., Ltd. (now Nissin Cisco Co., Ltd.). Bangalore Plant of Indo Nissin Foods Ltd. begins operation.
1992	Long-life fresh noodles developed; <i>Nissin Rao</i> introduced.
1993	Nissin Foods GmbH established in Germany; PT. NISSINMAS begins operation.
1994	Nissin Foods (Thailand) Co., Ltd. begins operation.
1995	<i>Nissin Spa-O</i> introduced.
1996	Guangdong Shunde Nissin Foods Co., Ltd., Nissin-Universal Robina Corporation, Shizuoka Plant, and Shanghai Nissin Foods Co., Ltd. begin operation.
1997	Nissin's "hungry?" series win the International Advertising Festival (CANNES LIONS).
1999	Share unit (minimum trading unit) reduced from 1,000 shares to 100 shares. The Momofuku Ando Instant Ramen Museum in Ikeda City, Osaka Prefecture, the world's first instant noodle museum, opened.
2001	Consolidated net sales exceeded ¥300 billion for the first time; contracted as official supplier to the 2002 FIFA World Cup™.
2002	Food Safety Research Institute established; <i>Nissin GooTa</i> series introduced.
2003	Aggregate sales of <i>Cup Noodle</i> brand since launch in 1971 top 20 billion servings.
2004	Capital alliance with Hebei Hualong F&N Industry Group Co., Ltd., gives Nissin Food Group the No. 1 global share.
2005	Nissin Foods marks a world first with its <i>Space Ram</i> , developed for the space shuttle Discovery.
2006	Aggregate sales of <i>Cup Noodle</i> brand 25 billion servings in the world.
2007	MYOJO FOODS becomes a wholly owned subsidiary of Nissin Foods; Nissin Shanghai Food Safety Research Institute begins operation.
2008	The Group undertook preparations to become a pure holding company effective October 1, 2008.

INVESTOR INFORMATION (PARENT COMPANY)

As of March 31, 2008 (U.S.\$1=¥100.19)

Date of Establishment

September 1948

Number of Employees

6,914 (consolidated basis)

1,392 (parent company)

Common Stock

Authorized: 500,000,000 shares

Issued: 127,463,685 shares

Number of Shareholders: 20,299

(Excluding owners of odd-lot shares)

Paid-in Capital

¥25,123 million (\$251 million)

Stock Listings

Tokyo and Osaka stock exchanges

Ticker Code

2897

Independent Auditors

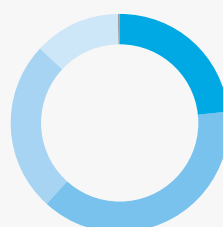
Ernst & Young ShinNihon

Transfer Agent

Mizuho Trust & Banking Co., Ltd.

2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

DISTRIBUTION OF OWNERSHIP AMONG SHAREHOLDERS



Financial Institutions	23.40%
Other Corporations	38.30%
Foreign Corporations	25.35%
Individuals and Other	12.71%
Securities Companies	0.24%

PRINCIPAL SHAREHOLDERS

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Steel Partners Japan Strategic Fund (Offshore), LP	23,218	18.22%
Ando Foundation	7,904	6.20
Mitsubishi Corp.	7,800	6.12
ITOCHU Corporation	7,800	6.12
Ando International Y.K.	4,100	3.22
Mizuho Corporate Bank, Ltd.	4,000	3.14
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,650	2.86
ONO PHARMACEUTICAL CO., LTD.	2,460	1.93
EZAKI GLICO CO., LTD.	2,361	1.85
House Foods Corp.	2,163	1.70
Total	65,457	51.35

Note: In addition to the above, the Company holds 5,202,800 shares of treasury stock.

PER SHARE DATA (Years ended March 31)

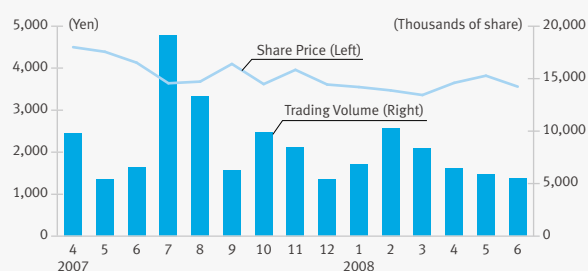
	2004	2005	2006	2007	2008
EPS (Earnings Per Share) (Yen)	¥ 101.61	¥ 114.38	¥ 130.23	¥ 150.93	¥ 65.47
BPS (Book-value Per Share) (Yen)	¥1,867.97	¥1,964.30	¥2,012.48	¥2,139.30	¥2,113.24
PER (Price Earnings Ratio) (Times)	26.1	24.5	28.0	28.6	51.3
PBR (Price Book-value Ratio) (Times)	1.4	1.4	1.8	2.0	1.6
Dividend (Yen)	30.00	30.00	30.00	50.00	50.00
Payout Ratio (%)	29.5	26.2	23.0	33.1	76.4

Notes: 1. From the fiscal year ended March 31, 2003, number of issued shares excludes the numbers of treasury stocks at term-end.
2. PER and PBR are calculated based on the stock price at year-end.

FURTHER INFORMATION

For further information, please contact:
Corporate Communications Division (Tokyo Head Office)
Tel.: 81-3-3205-5252 Fax: 81-3-3205-5259
Regularly updated IR information in English is also available on Nissin Foods' web site at <http://www.nissinfoods.co.jp/english/>

SHARE PRICE RANGE AND TRADING VOLUME ON TSE





 **NISSIN FOOD PRODUCTS CO., LTD.**

28-1, 6-chome, Shinjuku, Shinjuku-ku, Tokyo 160-8524, Japan

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