



NISSIN FOODS HOLDINGS



DRIVEN BY A HUNGRY SPIRIT

ANNUAL REPORT 2015

FOREVER CHALLENGING THE STATUS QUO

DRIVEN BY A HUNGRY SPIRIT

To realize our vision for 2026 of embodiment of an EARTH FOOD CREATOR that contributes to society and the earth by gratifying people everywhere with the pleasures and delights food can provide, the NISSIN FOODS Group (The Group) aspires to develop into a global company. To express our commitment to forever challenge the status quo, we chose for the cover of this report a visual depicting the “hungry spirit” that is a critical part of the Group’s DNA extending into outer space and the phrase “DRIVEN BY A HUNGRY SPIRIT.”

The NISSIN FOODS Group began with the invention of the world’s first instant noodles. We also invented the world’s first instant noodles sold in cups. These inventions gave rise to worldwide innovation in food culture. Further continuous pursuit of technological innovation led to the development of instant noodles for use as space rations.

Instant noodles, our main business, are an excellent product that offers value in five ways: they are tasty, storable for long periods of time, easy to prepare, inexpensive, and safe and sanitary. Furthermore, we are forever challenging the status quo to create new value that goes beyond these five value areas. Guided by our Group philosophy, signified by “EARTH FOOD CREATOR”, we contribute to society and the earth

by gratifying people with the pleasures and delights food can provide.

With this goal in mind, we began doing business in the Americas in the 1970s and in China in the 1980s. We are increasing our presence in these markets, as well as in Southeast Asia and Europe. We also do business and, forever challenging the status quo, seek to create a new food culture in Turkey, Africa, and other regions where the instant noodles market remains immature.

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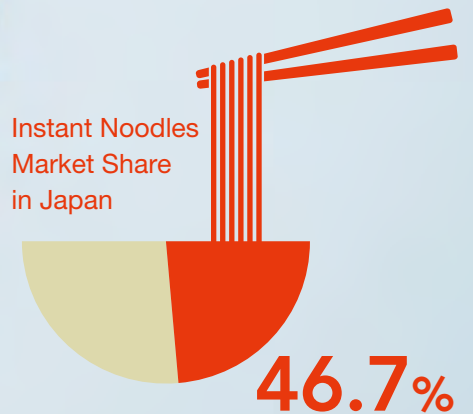
CORPORATE DNA

Our history began with the invention of the world's first instant noodles. The NISSIN FOODS Group's instant noodles business is far and away the market share leader in Japan.



PIONEER

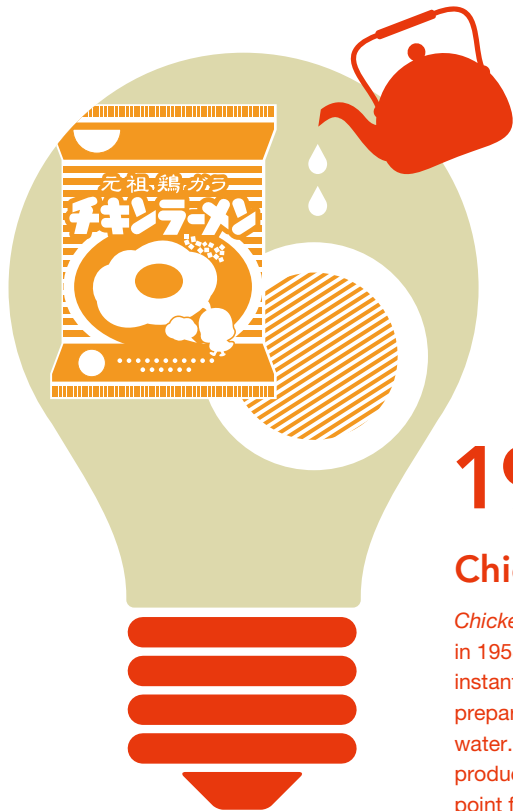
Instant Noodles
Market Share
in Japan



The Group holds a solid position as the share leader in Japan, commanding a market share of 46.7% on a value basis.

Source: NISSIN FOOD PRODUCTS CO., LTD.

3 INVENTIONS



1958

Chicken Ramen

Chicken Ramen was invented in 1958 as the world's first instant noodles, simply prepared a bowl and hot water. This groundbreaking product was the starting point for all instant noodles, for which annual global demand now exceeds 100 billion* servings.



1971

Cup Noodle

Cup Noodle was invented in 1971 as world's first cup-type instant noodles that are prepared only hot water, eliminating even the need for bowls. This instant food product, sold in a container used for storage, preparation, revolutionized the way people eat.



2005

Space Ram

Space Ram was developed in 2005 as the world's first ramen noodles to be consumed in space. Creating ramen that can be eaten even in zero gravity required a wealth of knowledge and new technologies. Our quest to create food innovation extending from Earth into space continues.

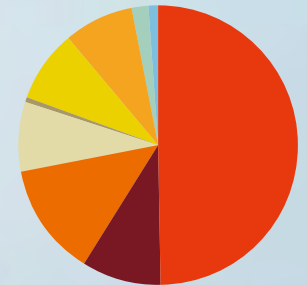
*Source: World Instant Noodles Association (WINA)

NISSIN
TODAY

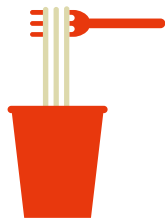
BRANDS FOR EVERYONE

The NISSIN FOODS Group's business domains extend from instant noodles to chilled and frozen noodles, confectionery, beverages, and various other food categories. We bring smiles to the faces of people and promote health through food.

Net Sales by
Business Segment



■ NISSIN FOOD PRODUCTS	50.0%
■ MYOJO FOODS	9.1%
■ Chilled and Frozen Foods	13.1%
■ Conf. and Beverage	7.9%
■ Domestic Others	0.7%
■ The Americas	8.3%
■ China	8.0%
■ Asia	1.8%
■ EMEA	1.1%

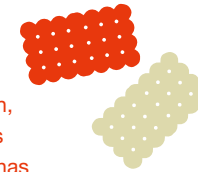


Instant Noodles

We offer various bag-type instant noodles and cup-type instant noodles, including flagship products that have remained popular for more than 50 years.

Confectionery

We offer mainly cereals, now attracting a high degree of attention, and confections, principal products with a history since 1924. Granola has recently become of major hit product.

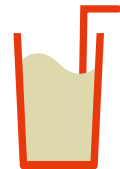


BUSINESS FIELDS IN JAPAN



Beverages

With the concept of promoting health through the stomach, two categories of drinks are available, lactobacillus drinks and yoghurt drinks.



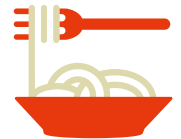
Chilled Foods

Reflecting our commitment to genuine, fresh flavor, our line of chilled products includes premium ramen, yakisoba, and other noodle varieties.



Frozen Foods

Developed under the concept of offering easy, convenient, genuine home-style dishes, the frozen products line-up is centered on noodles, including authentic pasta. The line-up also includes snacks and cooked rice that can be prepared in a microwave oven.





REALIZED POTENTIAL

The instant noodles market that we created has grown into an enormous global market with total annual demand exceeding 100 billion* servings. We are now directing our energy to competing throughout the global market.

Global Demand for Instant Noodles

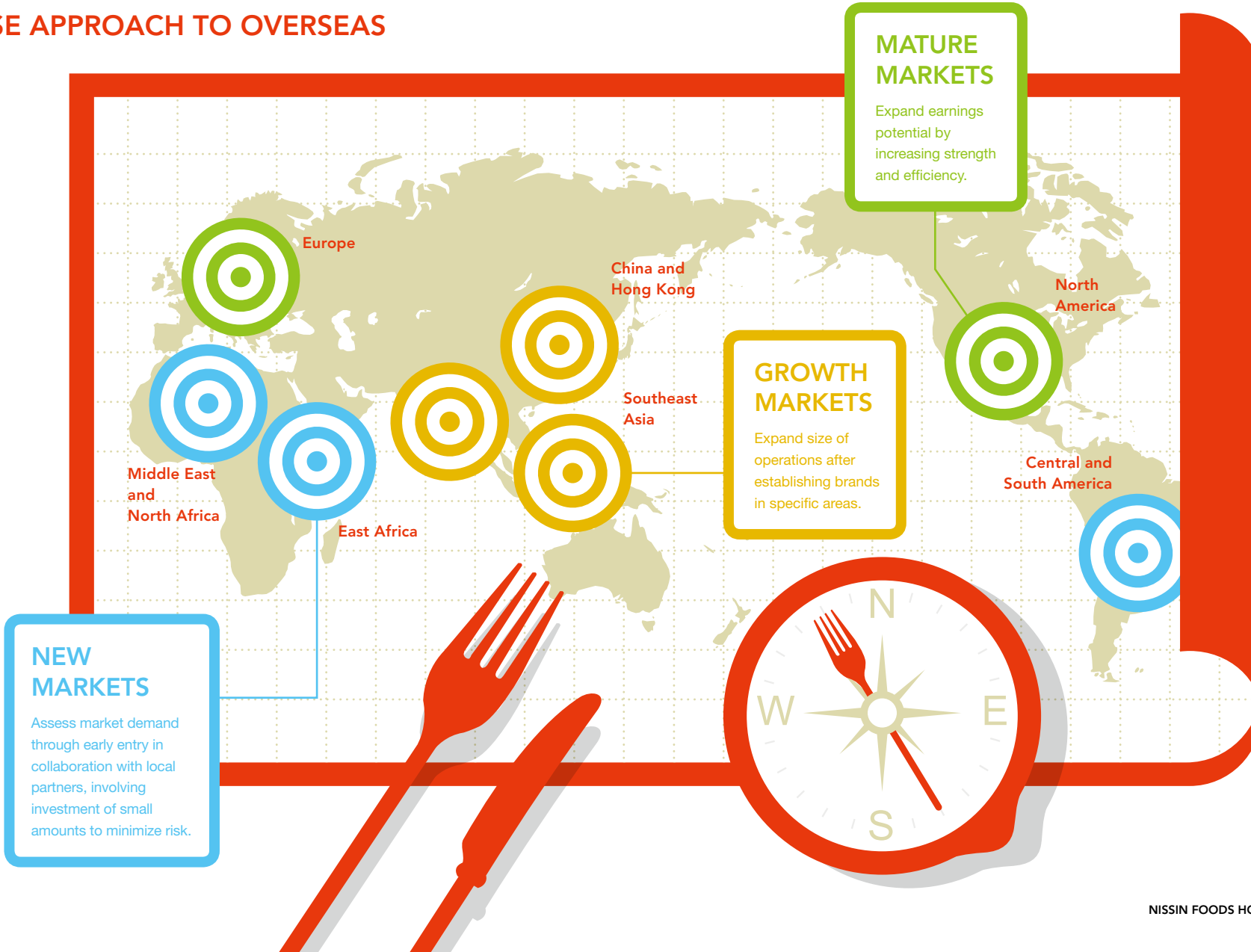


The NISSIN FOODS Group is accelerating global development, focusing on Asia, including China, which accounts for 80.6% of total worldwide demand for instant noodles.

*Source: World Instant Noodles Association (WINA)

BROAD GEOGRAPHIC FIELDS

DIVERSE APPROACH TO OVERSEAS

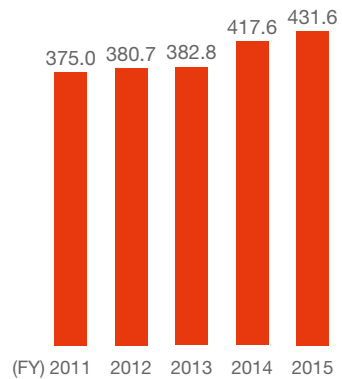


FINANCIAL PERFORMANCE

Net Sales

(Billions of yen)

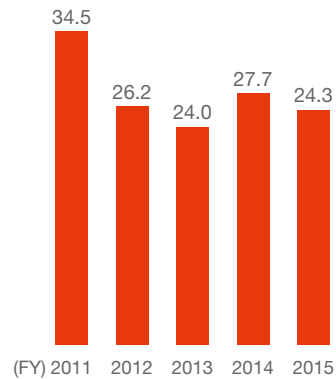
■ Net sales



Operating Income

(Billions of yen)

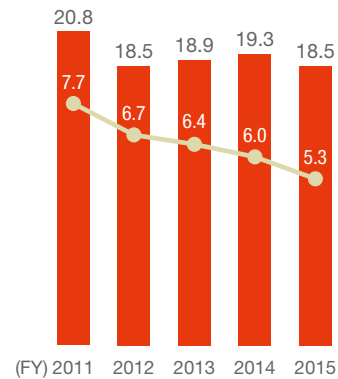
■ Operating income



Net Income/Return on Equity

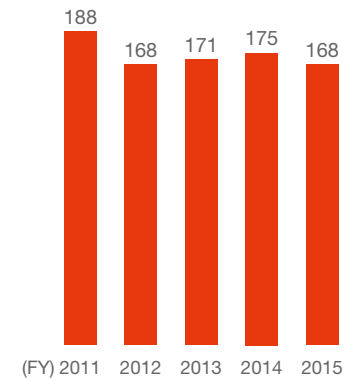
(Billions of yen)

■ Net income
● Return on equity (%)



EPS

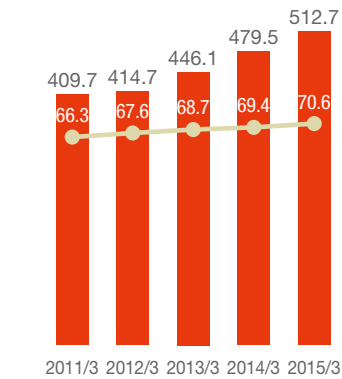
(Yen)



Total Assets/Equity Ratio

(Billions of yen)

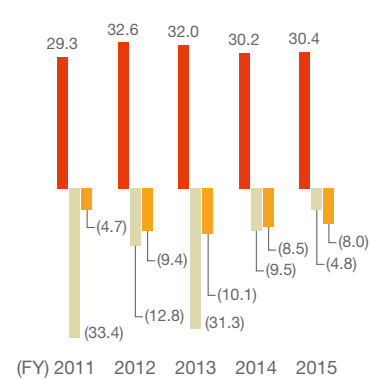
■ Total assets
● Equity ratio (%)



Cash Flows

(Billions of yen)

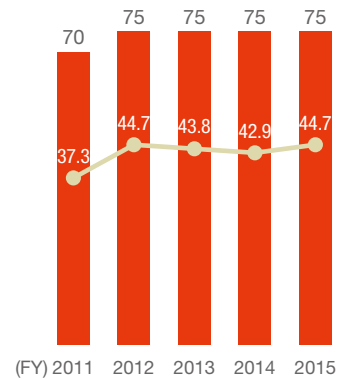
■ Cash flows from operating activities
■ Cash flows from investing activities
■ Cash flows from financing activities



Cash Dividends per Share/Payout Ratio

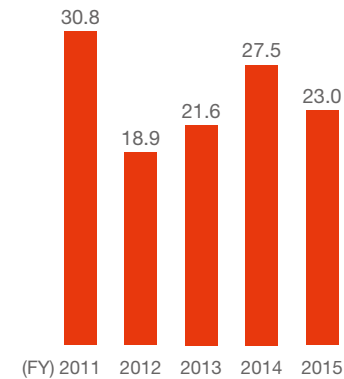
(Yen)

■ Cash dividends per share
● Payout ratio (%)



Capital Expenditures

(Billions of yen)

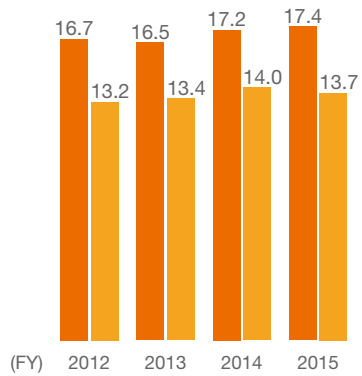


NON-FINANCIAL PERFORMANCE

CO₂ Emissions

(10,000 t-CO₂)

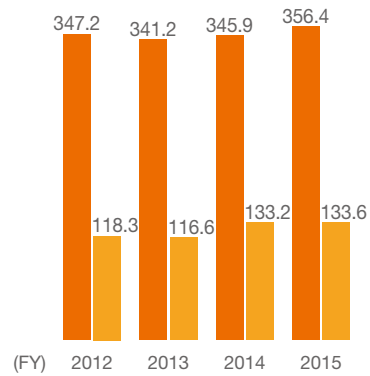
Japan
Overseas



Water Use

(10,000 m³)

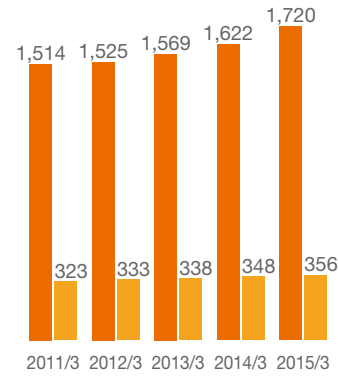
Japan
Overseas



Number of Employees *1 Number of Female Employees

(Female)

Number of Employees
Number of Female Employees

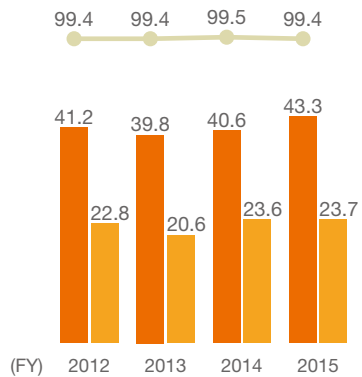


*1 The numbers are calculated based on data from NISSIN FOODS HOLDINGS, NISSIN FOOD PRODUCTS CO., LTD., NISSIN CHILLED FOODS CO., LTD., NISSIN FROZEN FOODS CO., LTD., NISSIN BUSINESS SUPPORT CO., LTD., and NISSIN BUSINESS SUPPORT PLUS CO., LTD.

Waste Generated/ Recycling Rate (Japan)

(1,000 t)

Japan
Overseas
Recycling rate (%)



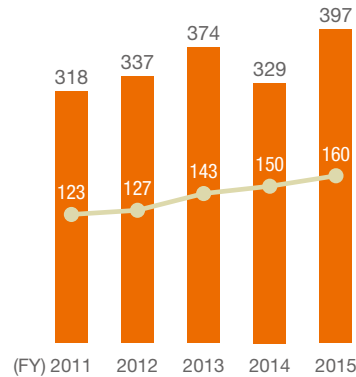
Change in Eco-efficiency (Japan) *2

(%)



NISSIN Global Food Safety Institute Quality Survey Activities (Worldwide)

Activity days
Total number of inspections



*2 Eco-efficiency refers to the volume of business activity per of environmental impact and is used as guideline for reducing environmental impacts through improvements in technology and economic efficiency (as defined by the Ministry of the Environment's Environmental Accounting Guidebook).
The NISSIN FOODS Group has calculated environmental efficiency using the formula below.

$$\text{Environmental-efficiency} = \frac{\text{Production weight (t)}}{\text{CO}_2 \text{ emissions (t-CO}_2\text{)}}$$

• Data is from the factories of NISSIN FOOD PRODUCTS (Kanto, Shizuoka, Shiga, Shimonoseki), Sapporo Nissin, Ajinohon.

CEO MESSAGE

Koki Ando
President & Representative Director
CEO (Chief Executive Officer)

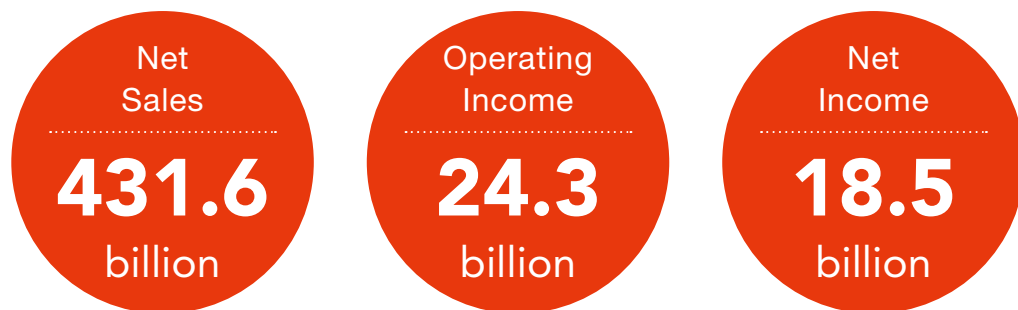


A HUNGRY SPIRIT TO SERVE THE WORLD

The reason the world's top athletes are always at the pinnacle of performance is that they are habitually positive, tenacious, and driven by the will to succeed in all things: in other words, they have a "Hungry Spirit." Like these athletes, the NISSIN FOODS Group has also developed a hungry spirit. We express our strong desire to reach the pinnacle of success overseas with the phrase "HUNGRY TO WIN—rising to challenge the world's competition." We know that the moment we become satisfied with holding the top share of the instant noodles market in Japan, our growth will stop. We are forever challenging the status quo and aspire to constantly make giant leaps forward.

CEO MESSAGE

RESULTS IN FY2015



Sales Reach a Record High

Consolidated net sales in fiscal 2015 (the fiscal year ended March 31, 2015) rose to an historical level, reaching ¥431.6 billion because of increased domestic sales led by NISSIN FOOD PRODUCTS CO., LTD. and overseas sales mainly due to the positive impact of exchange rates. On the other hand, affected by soaring raw materials prices on the abrupt weakening of the yen, coupled with a sharp rise in distribution expenses, consolidated operating income decreased ¥3.4 billion to ¥24.3 billion, and consolidated net income fell ¥0.8 billion to ¥18.5 billion.

Overseas, Continuing Growth in Chinese Mainland and Up-Front Investment in the Asia

In our overseas business, strong

business performance continues in the greater China region, the world's largest consumer of instant noodles. On the mainland in particular, where *Cup Noodles* is a strategically important product targeted at people whose interest in quality increases along with income, demand for *Cup Noodles* increased, mainly in large cities, and sales showed strong growth.

In the Americas, we achieved sales results at nearly the level of the previous fiscal year on a local currency basis in a stagnant instant noodles market thanks to strong sales of *Cup Noodles*, *Top Ramen*, and other existing products.

To ensure thorough penetration of the *Cup Noodles* and NISSIN brands in the Asia region, where further economic gains are expected to drive growth in instant noodles consumption, we acquired all shares of our joint venture

in Indonesia, the world's second-largest market for instant noodles, and changed its name from PT. NISSINMAS to PT. NISSIN FOODS INDONESIA. We also increased our equity stake in our joint venture, NISSIN-UNIVERSAL ROBINA CORP., in the Philippines, making it an equity-method associate of the Group.

In the EMEA region, our main focus is Europe, where we have built a stable earnings base. In October 2013, we introduced an instant pasta, *MakarNeks*, in Turkey, an untapped market for instant noodles. Although sales haven't yet reached the initially projected level, we will continue to pursue active business development efforts to establish a market.

Responding to Major Changes in the Business Environment in Japan

In the instant noodles market in Japan,

the business environment remained uncertain due to events beginning with the April 2014 consumption tax increase and abrupt weakening of the yen. In these circumstances, the Group achieved a year-on-year sales increase and further market share expansion by implementing various measures, including a new product approach and new items for the health-conscious, further solidifying our position in the industry. Although



General Strategies for Pursuing Global Status

<p>Strengthen Earning Power of Domestic Business</p> <p><Establish new earnings model> Introduce high-speed branding system and reduce costs through joint procurement and distribution by group companies.</p>	<p>Expedite Growth in Overseas Business</p> <p><Establish business models suitable for markets> Create different business models for mature markets, growth markets, and new markets respectively.</p>
<p>Pursue Group-wide Strategic Initiatives</p> <p><Strengthen platform capabilities as a global company> Pursue M&A, emphasize ROE and establish global human resources systems.</p>	

operating income decreased because of the impact of increases in raw materials procurement costs resulting from the weak yen and a tight market, higher distribution expenses, and other factors, we minimized the negative impact by cutting costs and pushing through a price increase for the first time in seven years in our core business, instant noodles.

Favorable Results in Japan from a New Product Approach and New Items for the Health-Conscious

Fiscal 2015 saw strong performance from product introductions that represent a new approach to instant noodles in Japan. It seeks to draw fully on the innovation and marketing capabilities that are the strengths of the Group. First of all, NISSIN FOOD

PRODUCTS's *Cup Noodles Tom Yum Goong*, which replicates the authentic flavor of Thailand, thanks to product development cooperation of a subsidiary in Thailand, became such a big news media feature that supply shortages forced us to temporarily suspend sales. We owe this product development capability to unique Group synergies resulting from acceleration of global business development.

In March 2015, we launched *Cup Noodle Light Plus*, a new type of low-calorie *Cup Noodles*. Since it has less than 200 kcal but contains a generous portion of filling vegetable toppings, it's perfect for women and health-conscious people who were infrequent instant noodle eaters until now.

NISSIN CISCO's *Gorotto Granola* series quickly captured a strong presence in a fast-growing granola market, by entering with attractive larger-size

ingredients and a chunky texture not available from competing products.

We have also strengthened human resource investment to accelerate global business development. Furthermore, in March 2014, we started activities at "the WAVE", one of the largest food research institutes in Japan. Located in Hachioji city, Tokyo, "the WAVE" functions as a research institute in charge of R&D and food safety for Group companies in Japan and around the world.

Solidifying of the Business in Japan to Embody the Vision of EARTH FOOD CREATOR

Since the medium-term business plan was announced in April 2013, the business environment has changed in a number of ways. In Japan, costs have risen notably, in particular, the

soaring raw materials prices caused by weakening of the yen and a steep rise in distribution costs. Real income has stagnated since the consumption tax increase, and, finally, people are becoming increasingly conscious of food safety. In this business environment, the Group expects to substantially exceed the consolidated sales target of ¥450.0 billion for the fiscal year ending March 31, 2016, the final year of the business plan. We also forecast achieving the target overseas sales ratio of 20%. However, I regret to say that we expect to fall short of the operating income target of ¥31.0 billion in the plan because of cost-push caused by rising raw materials prices, investments to accelerate global growth, and other factors. Although we face a difficult business environment, in fiscal 2016 we will move forward with the transition to a

Business Trends

(Billions of yen)

	FY2015	FY2016 (Plan)	FY2016 (Mid-term Plan)	FY2016 (Plan) vs FY2016 (Mid-term Plan)
Net sales	431.6	468.0	450.0	4%
Overseas net sales	82.8	104.7	98.5	6%
Operating income	24.3	24.5	31.0	-21%
Net income	18.5	20.0	23.0	-13%
Operating income ratio	5.6%	5.2%	6.9%	-24%
ROE	5.3%	5.4%	7.2%	-25%

“The strengths of the Group are innovation and marketing capabilities”

global company by further solidifying the business foundation in Japan and overseas in order to realize the Group vision of embodiment of an EARTH FOOD CREATOR.

A World Leader in Food Safety

The Group considers food safety the most important priority for fulfilling our social responsibility. Food contamination by harmful substances and raw material sanitation control problems have a major impact not only on the companies that cause the problems, but also on the industry as a whole. Once the public has lost confidence in food, a tremendous sense of mistrust spreads among consumers, leading to contraction of demand. For this reason, I think that the Group, which has achieved the highest standards of safety in the world, should contribute to safety and security in the food industry. I believe that this is the proper mission for the global instant noodles pioneer.

Management Structure Innovation

To enhance and strengthen corporate governance, a key management priority, the Company has recently appointed a second independent outside director. We expect this management structure to further promote realization of highly objective and transparent management and contribute to sustained enhancement of corporate value over the medium-to-long-term. We have also newly appointed a younger president at NISSIN FOOD PRODUCTS, the Group's core operation, and have hired a local executive as president of a subsidiary in the United States, following one hired last year in India. We intend to generate innovation through new ideas by incorporating the perspectives of talented younger executives and overseas executives into management.

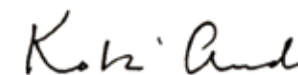
To Our Stakeholders

The strengths of the Group are innovation and marketing capabilities. To

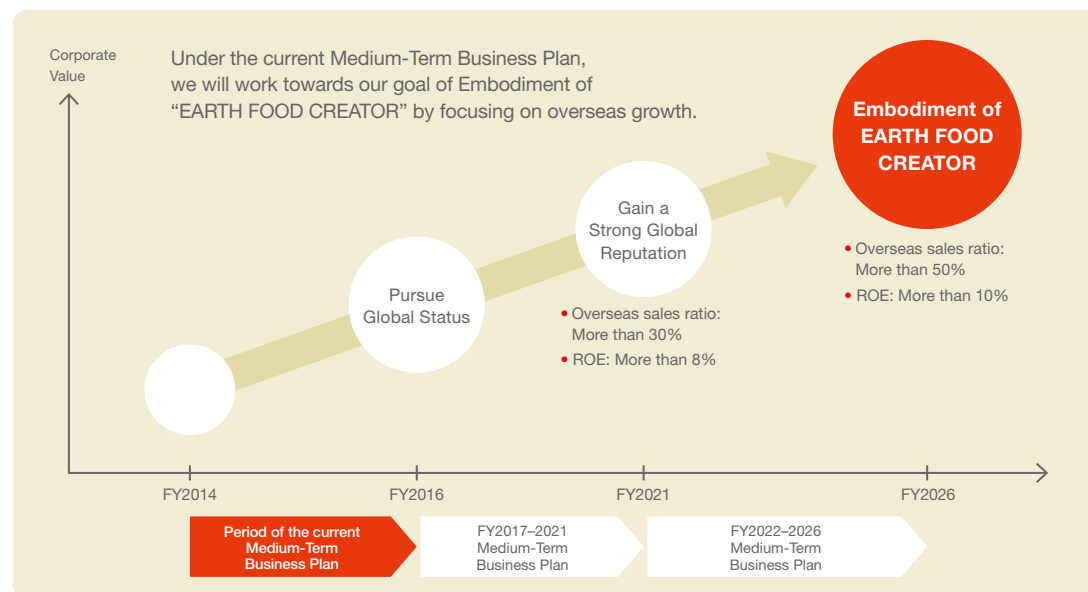
ensure that we continue to grow in the coming years, we will increase innovation with “the WAVE”, and we will create new, unique, high value-added products by investing our marketing capabilities in product development, which will use the new technologies.

I encourage you to maintain high expectations for the Group as we continue our quest to create a new food culture.

Chief Executive Officer



Nissin Foods Group Vision (announced April 30, 2013)



A MESSAGE FROM THE NEW PRESIDENT OF NISSIN FOOD PRODUCTS CO., LTD.

Noritaka Ando

Senior Managing Director &
Representative Director

CMO (Chief Marketing Officer)
President Representative Director
Nissin Food Products Co., Ltd.



FEEDING OUR HUNGER TO SURPRISE

Creating a New Food Culture

I am Noritaka Ando, newly appointed as president and representative director of NISSIN FOOD PRODUCTS Co., Ltd. in April 2015. NISSIN FOOD PRODUCTS has two key missions in the NISSIN FOODS Group.

The first mission is to create a new food culture by applying “Innovation capability plus marketing capability.” One outcome of this pursuit is a new consumer hit, *NISSIN Curry Meshi*, an original curry rice product launched last year featuring easy preparation; simply add water and microwave. We also developed and introduced *Cup Noodle Light Plus*, which has low calories—only 198 kcal in total, including noodles, soup and all ingredients. By adding dietary fiber and vegetables, we created a delicious product that is both healthy and filling.

Our second mission is to underpin the Group’s overseas growth by consistently generating the majority of the Group’s income to support the Group until the overseas operations begin to generate steady profit growth.

Maximizing Opportunities for Growth

In the instant noodles market in Japan, an increase in consumer health consciousness about food and the adoption of new food labelling standards have created a growth opportunity in the healthy foods category. “the WAVE”, the Group’s new research and development center, provides us a powerful competitive advantage. It will contribute to consumer health through leading-edge basic research, product development that exceeds consumer imagination, and development of safety standards on par with pharmaceutical manufacturers.

Our strengths are summarized by “innovation and marketing capability.” NISSIN FOOD PRODUCTS, the company that surprised the world with *Chicken Ramen*, the world’s first instant noodles, and *Cup Noodle*, the world’s first cup-type instant noodles, is committed to transforming the food culture of people around the world.

CFO MESSAGE

Yukio Yokoyama

Director

CFO (Chief Financial Officer)



PREPARING THE WAY FOR WORLD GROWTH

The CFO as a Business Partner to the CEO

To ensure that the NISSIN FOODS Group builds a solid foundation as a global company, we are implementing a growth strategy with innovation and marketing capabilities as its core driving force with the aim of achieving our targets for fiscal 2026: an overseas sales ratio of 50% and ROE exceeding 10%. To achieve these objectives, we are actively investing with an emphasis on strengthening earning power in the domestic business, speeding up growth in the overseas business, and enhancing platform functions as a global company.

To fulfill my duties as CFO, I formulate financial policies and capital policies that support the medium- to long-term business strategy and also actively participate in formulating business strategy, keeping a close watch on the rapidly changing business environment. I also constantly try

to express objective, constructive opinions as a business partner to the CEO.

For our group “to rise to challenge the world’s competition,” the most important task for the management team, myself included, is to increase corporate value. To that end, I strive to accurately identify the current status of profitability, growth potential, and soundness of all of our businesses worldwide, enable optimal allocation of necessary enterprise resources, and facilitate prompt management decision-making.

Active Investment to Increase Corporate Value

The Group made active investments in fiscal 2015. In China, the model for success in the overseas business, we are proceeding with construction of production plants to meet expanding demand, and we plan to complete construction of a materials plant for the purpose of

“Including productivity and profitability in growth sectors”

improving profitability in fiscal 2016. In Asia outside China, a region where further economic growth is expected, we made business investments in Indonesia, the world’s second largest market for instant noodles, and in the Philippines, the eighth largest market.

In Japan, we expanded our granola production line to strengthen the supply system for the expanding granola market and made an additional investment in an equity-method affiliate engaged in the confectionery business in expectation of a higher level of synergy in the confectionery area. We have also decided to introduce an enterprise resource planning (ERP) software package to make possible rapid decision-making by means of centralized management of information handled in the various organizations and operations of all Group companies in Japan and overseas, such as supply chain management, personnel, and financial and accounting information.

To respond to a dramatically

changing business environment, the Group formulated a plan to increase capital expenditures in fiscal 2016 for the purpose of increasing productivity and profitability in growth sectors in Japan and overseas. Although the scale of investment exceeds the original capital expenditures budget, we have judged that this is necessary investment to speed up the growth strategy and are convinced that it will lead to future increases in corporate value. We thoroughly discuss the capital efficiency of individual investment decisions, remaining constantly aware of return on investment.

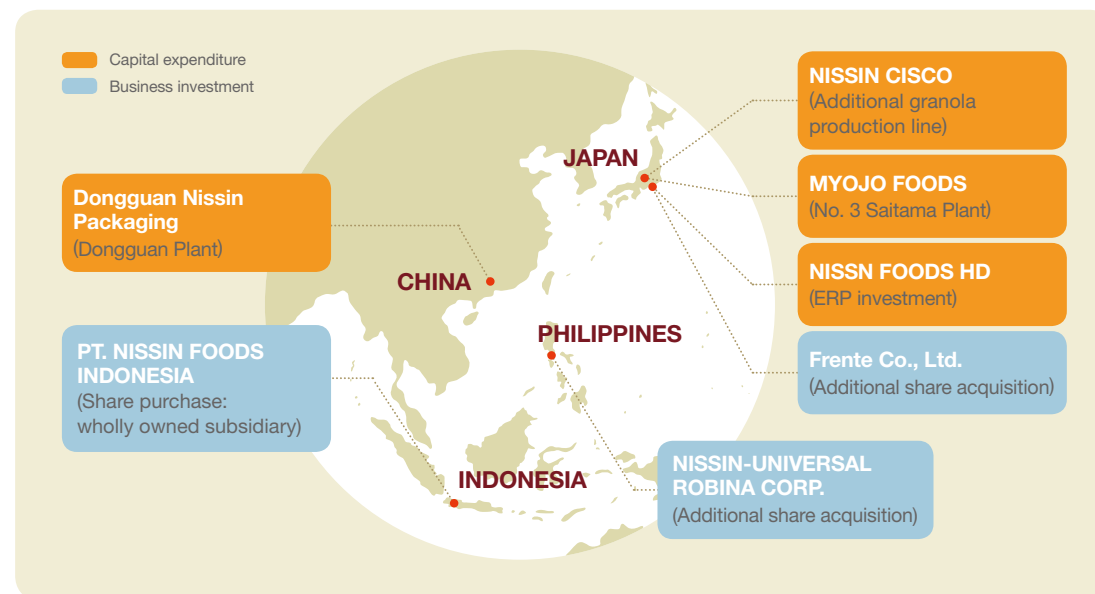
Shareholder Returns

The most important form of shareholder return is profit growth, and the Group places the highest importance on appropriate return of profits to our shareholders even while prioritizing investment for growth. We aim for a payout ratio of 40% or

higher, and in fiscal 2015 dividends of ¥75 per share resulted in a payout ratio of 44.7%. For fiscal 2016, we plan to increase the dividend by ¥5 per share to ¥80. We will continue to manage the business with a view to appropriate allocation of earnings

to growth investment and profit distribution. I encourage you to have high expectations for the Group in the coming years.

FY2015 Major Capital Expenditure & Business Investment



GLOBAL STRATEGY

MANCHESTER UNITED FC

Manchester United FC is a world-class football club based in the United Kingdom.

HUNGRY TO WIN

The NISSIN FOODS Group's theme since fiscal 2015 has been "HUNGRY TO WIN—rising to challenge the world's competition," which reflects our belief that sports is a global communication tool that overcomes language barriers. Furthermore, we have launched a new branding project involving branding through sports. We entered into a three-year global partnership agreement in July 2014 with Manchester United football club and, in July 2015, extended the NISSIN FOODS HOLDINGS' relationship with world-class tennis player Kei Nishikori that began in April 2012 and now runs through the end of 2020.

HUNGRY TO WIN

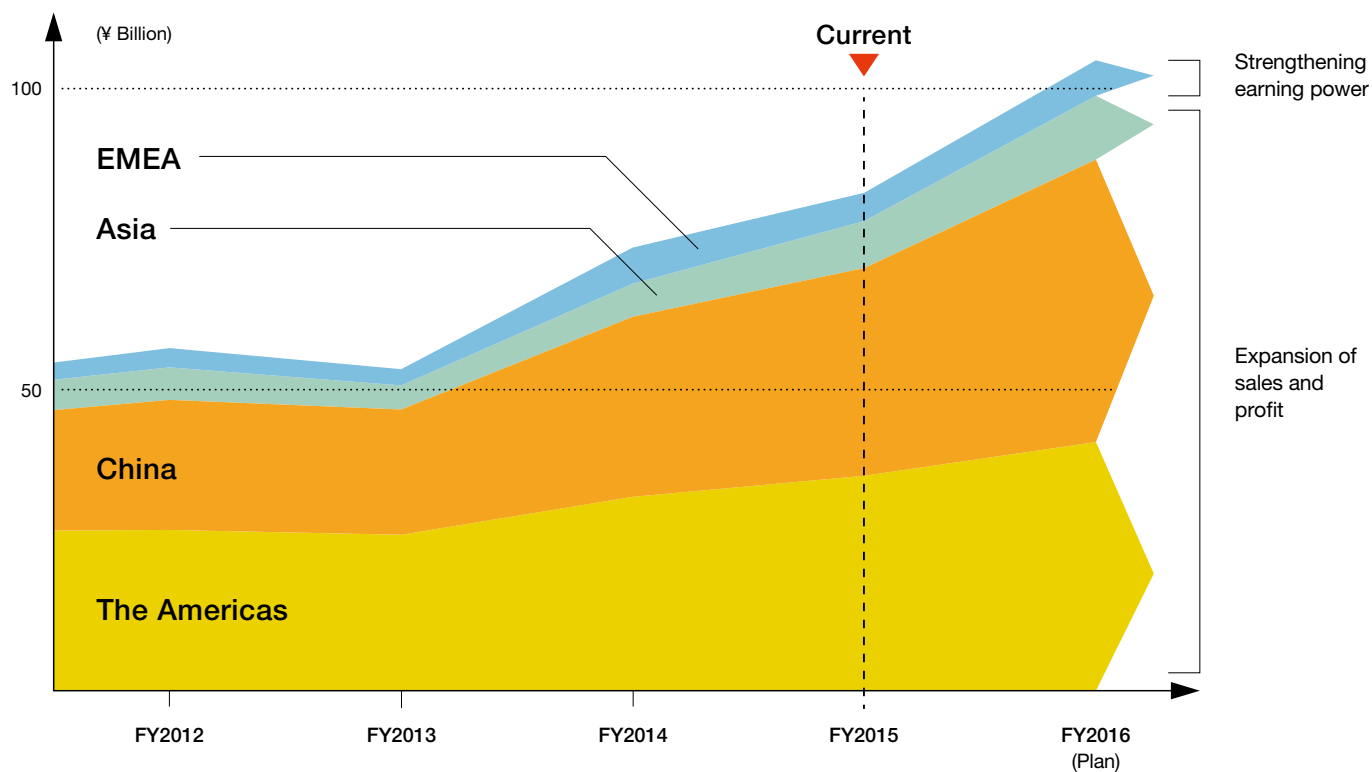
KEI NISHIKORI

Kei Nishikori is a Japanese professional tennis player, ranked No. 4 in the world (as of August 2015), the first Japanese male player within the top ten.

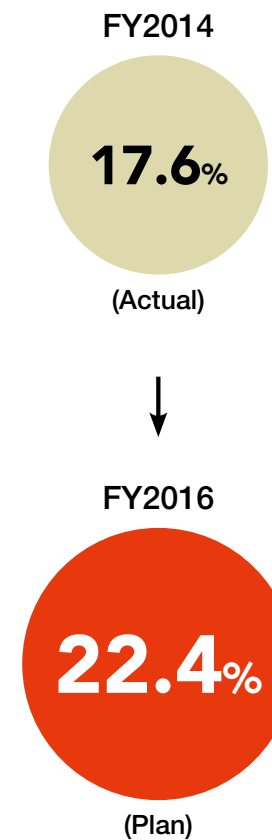
PROGRESS OF OVERSEAS BUSINESS

▶ Sales Trends of Overseas

We promote the expansion of overseas business by building up both sides, i.e. the diversity of operations and the spread of business areas



▶ Overseas Sales Ratio



China, the world's largest and most important market and home to 1.3 billion consumers, is one of the most important markets for instant noodles, with total demand of 44.4 billion servings in 2014*. As the economy of the country develops, the demand for cup-type noodles, which have more value-added than bag-type noodles, grows, and now cup-

type noodles account for 20% of China's market for instant noodles. In addition, interest in health, safety, and sanitation has increased, mainly among high-income earners. These trends represent a golden opportunity for the NISSIN FOODS Group, which excels at value-added product strategies and places the utmost importance on safety.

Demand for Instant Noodles

44.4
Billion

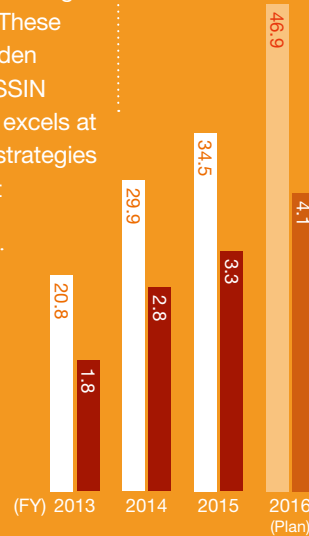
Share of Global Demand

43.2%

NISSIN'S Sales and Operating Income

■ Sales
■ Operating Income

(Billions of yen)



COMPLETED EXPANSION TO TOP BUSINESS AREAS

60 cities with populations of **3** million

Accordingly, for the past three years we have focused our sales effort mainly on high-quality, stylish *Cup Noodles* products, targeting urban white collar workers and young people with lots of disposable income because of the one-child policy. This strategy has been successful, and in fiscal 2015 the China business as a whole posted sales of ¥34.5 billion (up 15.4% year on year) and operating income of ¥3.3 billion (up 15.2%). China has become the most profitable of the Group's overseas businesses.

Under our business strategy, the Group is pursuing different business policies for the mainland and Hong Kong in fiscal 2016. We are gradually expanding our sales areas on the Chinese mainland, led

by Cup Noodles products, while boosting production in that region. We will aim for continued business growth. In Hong Kong, although it is a small market, we are boosting profitability by leveraging the NISSIN brand, which commands over 70% market share.

*Source: World Instant Noodles Association (WINA)
URL: <https://instantnoodles.org/>



GLOBAL GROWTH AREA

CHINA

NISSIN'S PREMIER MARKET GLOBALLY

BUSINESS SEGMENTS AT A GLANCE

Sales by Segment

(Billions of yen)

	Business	FY2014	FY2015	FY2015 vs FY2014	FY2016 Plan
■ NISSIN FOOD PRODUCTS	Instant Noodles	210.9	215.8	2.3%	222.7
■ MYOJO FOODS	Instant Noodles	39.6	39.2	-0.9%	41.6
■ NISSIN CHILLED FOODS	Chilled	54.8	56.6	3.4%	57.2
■ NISSIN FROZEN FOODS	Frozen				
■ NISSIN CISCO *1	Confectionery		34.3	-4.9%	38.7
■ NISSIN YORK *1	Beverage	36.1			
■ Aji-no-Mingei *1	Food Service		—	—	—
■ Domestic Others *1,2		2.6	3.0	13.3%	3.1
Domestic Total		343.9	348.8	1.4%	363.3
■ The Americas	Instant Noodles	32.2	35.7	10.9%	41.3
■ China	Instant Noodles	29.9	34.5	15.4%	46.9
■ Asia *1	Instant Noodles	5.5	7.8	41.3%	10.6
■ EMEA *1,3	Instant Noodles	6.0	4.7	-22.4%	5.9
Overseas Total		73.7	82.8	12.3%	104.7
Group Total		417.6	431.6	3.3%	468.0

*1 These are included in "Other" in the "Segment Information" on page 62 and 63.

All holding shares of "AJI-NO-MINGEI FOOD SERVICE" were sold out in January 2014.

*2 "Domestic other" includes NISSIN FOODS HOLDINGS, NISSIN BUSINESS SUPPORT, NISSIN ASSET MANAGEMENT, etc.

*3 "EMEA" includes Europe, the Middle East and Africa.

Operating Income by Segment

(Billions of yen)

	Business	FY2014	FY2015	FY2015 vs FY2014	FY2016 Plan
■ NISSIN FOOD PRODUCTS	Instant Noodles	25.7	23.6	-8.0%	20.6
■ MYOJO FOODS	Instant Noodles	2.0	1.4	-27.5%	0.8
■ NISSIN CHILLED FOODS	Chilled	0.5	(0.2)	—	0.3
■ NISSIN FROZEN FOODS	Frozen				
■ NISSIN CISCO *1	Confectionery		1.3	12.1%	1.7
■ NISSIN YORK *1	Beverage	1.2			
■ Aji-no-Mingei *1	Food Service		—	—	—
■ Domestic Others *1,2		0.0	(0.1)	—	1.4
Domestic Total		29.3	26.1	-11.1%	24.8
■ The Americas	Instant Noodles	0.5	0.7	21.9%	0.5
■ China	Instant Noodles	2.8	3.3	15.2%	4.1
■ Asia *1	Instant Noodles	(1.6)	(2.2)	—	(1.8)
■ EMEA *1,3	Instant Noodles	(0.2)	(0.1)	—	(0.2)
Overseas Total		1.6	1.6	0.9%	2.6
Retirement benefit expenses *4		0.7	1.1	62.3%	1.9
Amortization of goodwill and elimination of intersegment transactions *4		(0.6)	(0.6)	—	(0.6)
Group expenses *4		(3.3)	(3.9)	—	(4.1)
Group Total		27.7	24.3	-12.3%	24.5

*1 These are included in "Other" in the "Segment Information" on page 62 and 63.

All holding shares of "AJI-NO-MINGEI FOOD SERVICE" were sold out in January 2014.

*2 "Domestic other" includes NISSIN FOODS HOLDINGS, NISSIN BUSINESS SUPPORT, NISSIN ASSET MANAGEMENT, etc.

*3 "EMEA" includes Europe, the Middle East and Africa.

*4 These are included in "Reconciliations" in the "Segment Information" on page 62 and 63.

BUSINESS SEGMENTS AT A GLANCE DOMESTIC



*Product photos are different from actual size

NISSIN FOOD PRODUCTS

NISSIN FOOD PRODUCTS enjoyed strong sales of products that offer new value, such as *Cup Noodles Tom Yum Goong*, introduced in April 2014, and *NISSIN Curry Meshi*, a new value product category, as a way of countering the consumption tax increase. In addition, sales of *Cup Noodle* and other long-selling brands were robust, notably, *Chicken Ramen*, whose sales benefited from proposals for new serving ideas. As a result, despite a temporary decline in sales volume following price revisions in January 2015, net sales were ¥215.8 billion, up 2.3% from the previous year. Operating income decreased 8.0% to ¥23.6 billion, reflecting higher raw materials prices and distribution costs.

MYOJO FOODS

MYOJO FOODS produced healthy sales results for bag-type noodles: sales of the cup-type noodles series, the *MYOJO IPPEICHAN YOMISE NO YAKISOBA*, were robust. In addition, sales of the *MYOJO CHARUMERA* series grew, and sales of the newly renewed *MYOJO CHUKAZANMAI* series were strong as well. However, these efforts failed to compensate for a decline in sales immediately following price revisions in January 2015, and net sales declined 0.9% year on year to ¥39.2 billion. Operating income decreased 27.5% to ¥1.4 billion, reflecting higher raw materials prices and increases in depreciation and amortization and distribution costs.

NISSIN CHILLED FOODS NISSIN FROZEN FOODS

Sales at NISSIN CHILLED FOODS rose substantially year on year, driven mainly by new additions to the noodle genre such as the *Gyoretsu-no-Dekiru-Mise-no-Ramen* series.

NISSIN FROZEN FOODS enjoyed strong sales of products including the *GooTa Ra-Jao Tan Tan Men* in the *Reito NISSIN GooTa* series and *Reito NISSIN Chuka Shanghai Yakisoba*. Consequently, this segment's sales rose 3.4% year on year to ¥56.6 billion. Operating income decreased ¥0.7 billion, resulting in operating loss of ¥0.2 billion due to factors including increases in raw materials prices and distribution costs and the impact of a recall of frozen pasta products.

NISSIN CISCO NISSIN YORK

As a notable development in the Others business segment, which includes confectionery and beverages businesses, sales of NISSIN CISCO *Gorotto Granola* series made a rapid advance. Although product supply failed to keep pace with demand, and sales were temporarily halted, a new production line was added in December 2014 to cope with market expansion, and sales grew year on year. At NISSIN YORK, increased consumer interest in lactobacillus drinks resulted in stable consumption growth in the yogurt drink market, as a result, sales increased for *Tokachi Nomu Yogurt* year on year. However, overall sales were negatively affected by the decrease in sales from Aji-no-Mingei Food Service, which was divested in January 2014. As a result, net sales declined 4.9% year on year to ¥34.3 billion, while operating income rose 12.1% to ¥1.3 billion.

BUSINESS SEGMENTS AT A GLANCE OVERSEAS



*Product photos are different from actual size

THE AMERICAS

In the Americas, the Group aims to make improvements to a corporate structure being developed to resist the impact of price competition. In the U.S., we stepped up dealings with major retailers, and sales developed steadily. In Mexico, sales are following a modest recovery trend despite the continuing impact of higher retail prices as a result of tax system revision (introduction of the Special Tax on Production and Services). As a result, net sales in the Americas segment increased 10.9% year on year to ¥35.7 billion, and operating income rose 21.9% to ¥0.7 billion.

CHINA

In China, sales and operating income increased thanks to sales area expansion (North, Northeast, and Southwest China) and a successful product approach targeting primarily major cities in the mainland market. In particular, awareness of *Cup Noodles* products as a simple and stylish choices for urban life is increasing among young people. Sales of these products increased primarily in East and South China, including newly opened sales areas. As a result, net sales in the China segment increased 15.4% year on year to ¥34.5 billion, and operating income rose 15.2% to ¥3.3 billion.

ASIA

In Asia, operations in India, Singapore, Thailand, and Vietnam are consolidated in the financial statements. Although overall net sales increased 41.3% year on year to ¥7.8 billion as a result of the consolidation of Nissin Foods (Thailand) in the fourth quarter of the previous fiscal year, operating loss increased by ¥0.6 billion year on year to ¥2.2 billion. Nevertheless, Asia is a promising market with expected future growth, and we are currently making up-front investments with the aim of achieving profitability in the future.

EMEA

In the EMEA region, we are building a stable earning base in the European area and, furthermore, we are engaging in activities with a view to expansion into new markets. In Turkey, one of the new areas, although we had been making marketing investments for the purpose of developing *MakarNeks* instant pasta, sales remained below expectations. As a result of integrating Europe and Turkey, net sales decreased 22.4% year on year to ¥4.7 billion, and operating income declined by ¥0.1 billion year on year, resulting in an operating loss of ¥0.1 billion.

**BOARD OF
DIRECTORS**



BOARD OF DIRECTORS

As of June 25, 2015



Koki Ando
President & Representative Director
CEO (Chief Executive Officer)



Susumu Nakagawa
Executive Vice President & Representative Director
COO (Chief Operating Officer)



Noritaka Ando
Senior Managing Director & Representative Director
CMO (Chief Marketing Officer)
President & Representative Director, NISSIN FOOD PRODUCTS CO.,LTD.



Akihide Matsuo
Managing Director
President & Representative Director, MYOJO FOODS CO., LTD.



Tsunao Kijima
Managing Director
CSO (Chief Strategic Officer)



Mitsuru Tanaka
Director
CDO (Chief Development Officer)
Head of NISSIN Global Innovation Center



Yukio Yokoyama
Director
CFO (Chief Financial Officer)



Yoshinori Miura
Director
CBO (Chief Business Officer)
Chairperson & Representative Director, NISSIN FOOD PRODUCTS CO., LTD.



Kiyotaka Ando
Director
Chief Representative, China



Ken Kobayashi *1
Outside Director
President & Chief Executive Officer, Mitsubishi Corp.



Masahiro Okafuji *1
Outside Director
President & Chief Executive Officer, ITOCHU Corp.



Yoko Ishikura *1 *3
Outside Director
Professor Emeritus
Hitotsubashi University



Isao Karube *1 *3
Outside Director
President, Tokyo University of Technology

Notes: 1. Indicates an outside director as provided for in Article 2-15 of the Companies Act.
2. Indicates an outside corporate auditor as provided for in Article 2-16 of the Companies Act.
3. Designated for independent director as specified by the Tokyo Stock Exchange and other exchanges in Japan.

The latest information about management personnel is available on our web site:

BOARD OF DIRECTORS



AUDIT & SUPERVISORY BOARD MEMBERS, EXECUTIVE OFFICERS AND CHIEF OFFICERS

As of June 25, 2015

Audit & Supervisory Members



Hideki Hattori

Audit & Supervisory
Board Member (Full-time)



Kazuo Kanamori *2

Audit & Supervisory
Board Member (Outside · Full-time)



Hiroshi Takano *2 *3

Audit & Supervisory
Board Member (Outside/ Independent)



Chisugi Mukai *2 *3

Audit & Supervisory
Board Member (Outside/ Independent)

Senior Executive Officers

Toshihiro Yamada

CQO (Chief Quality Officer),
Head of NISSIN Global Food Safety Institute

Executive Officers, Chief Officers

Narihiko Uemura

CHO (Chief Human Resources Officer)

Tetsuro Ohba

Deputy Head of NISSIN Global Food Safety
Institute

Shigeo Kitara

CIO (Chief Information Officer)

Hitoshi Suzuki

General Manager, Advertising Division

Kazuhiro Tadokoro

General Manager, Human Resources Division

Toshio Nakai

CRO (Chief Resourcing Officer)

Toshimichi Fujinawa

Deputy Head of
NISSIN Global Innovation Center

Masahiro Homma

CLO (Chief Legal Officer)

Jitsuro Murata

In charge of SCM

Hiroki Morimoto

CCO (Chief Communication Officer)

Yasuhiro Yamada

In charge of SCM,
CPO (Chief Production Officer)

Toshihiko Ichiji

CAO (Chief Administrative Officer)

Notes: 2. Indicates an outside corporate auditor as provided for in Article 2-16 of the Companies Act.

3. Designated for independent director as specified by the Tokyo Stock Exchange
and other exchanges in Japan.

CORPORATE GOVERNANCE

Basic Policy on Corporate Governance and Reason for Adopting the Current Corporate Governance Structure

The NISSIN FOODS Group engages in business so as to provide safe, worry-free food products and maximize benefits to all stakeholders, including shareholders, consumers, employees, business partners, and local communities and residents. The Group regards the enhancement and strengthening of corporate governance as one of its most important management priorities and strives to practice highly objective and transparent management.

To achieve this objective, NISSIN FOODS HOLDINGS has long appointed multiple outside directors and outside Audit & Supervisory Board members and actively reflected the opinions of outside experts in management to realize management vitalization and transparency. Since June 1998, we have employed an executive officer system to promote rapid decision-making and clearly segregate management oversight from business execution. In addition, as a company with an Audit & Supervisory Board governance structure, we have strengthened the system for monitoring the execution of duties by directors by appointing four Audit &

Supervisory Board members. We strive to further enhance corporate governance by assigning several full-time staff members to assist with auditing duties, enhancing the Internal Auditing Office to collaborate with the Audit & Supervisory Board and increase audit efficiency, and strengthening internal control systems.

Board of Directors and Audit & Supervisory Board Structures

As of June 25, 2015, the Board of Directors of NISSIN FOODS HOLDINGS

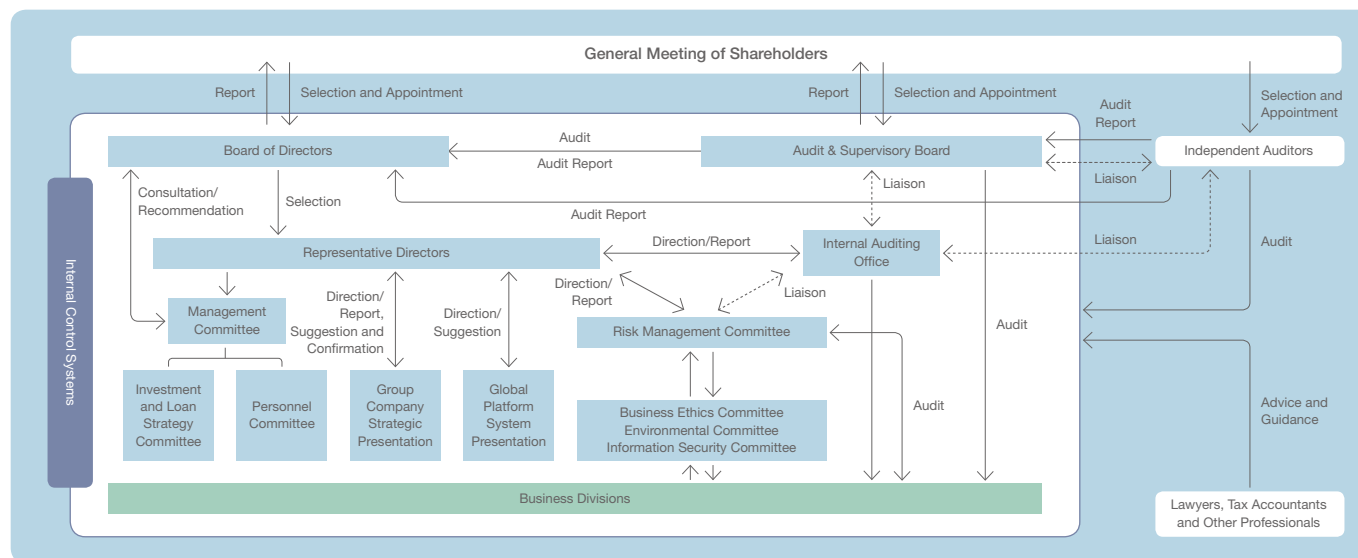
consists of 17 members: 13 directors, including four outside directors, and four Audit & Supervisory Board members, including three outside Audit & Supervisory Board members. The Board of Directors engages in activities as necessary to realize highly objective and transparent management.

Regular meetings of the Board of Directors attended by the directors and Audit & Supervisory Board members are held periodically and extraordinary meetings of the Board of Directors are held from time to time as necessary. At Board of Direc-

tors meetings, important matters are discussed and decided in accordance with laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations.

To improve management efficiency, the Management Committee, consisting of the full-time directors and Audit & Supervisory Board members, meets twice a month to deliberate beforehand matters to be resolved by the Board of Directors and to deliberate and decide matters delegated to it by the Board of Directors under the Approval Regulations.

Corporate Governance Structure



CORPORATE GOVERNANCE

Having adopted the Audit & Supervisory Board governance structure, NISSIN FOODS HOLDINGS also holds Audit & Supervisory Board meetings. The Audit & Supervisory Board consists of the four Audit & Supervisory Board members, including three outside Audit & Supervisory Board members. The Audit & Supervisory Board formulates the audit policy and audit plan and is an organization whose members report to each other on important matters related to auditing, engage in necessary discussions, and make necessary resolutions. Regular meetings of the Audit & Supervisory Board are held each month, in principle, and extraordinary meetings are held as necessary. To prepare for a possible vacancy among the outside Audit & Supervisory Board members, a substitute Audit & Supervisory Board member was reelected at the regular General Meeting of Shareholders held in June 2014.

State of Development of Internal Control Systems

NISSIN FOODS HOLDINGS considers the development, construction and appropriate operation of internal control systems to be one of its most important management priorities and is working to construct more appro-

priate and efficient systems through reviews conducted when appropriate and continuous improvement of the basic policy on construction of internal control systems, an initiative that began in 2006. To ensure the effectiveness of internal controls, the Audit & Supervisory Board members audit internal control systems related to overall business management, and the Audit & Supervisory Board members and Internal Audit Office conduct operational audits of the business divisions, auditing and verifying the effectiveness of controls and providing improvement suggestions, guidance, and instructions as necessary.

Status of Statutory Audits and Internal Audits

The Audit & Supervisory Board members perform audit work by attending meetings of the Board of Directors and other important meetings, interviewing directors, executive officers, and other employees about the execution of duties, and other means in compliance with the statutory auditing standards for Audit & Supervisory Board members determined beforehand by the Audit & Supervisory Board and in accordance with the audit policy and audit plan.

In addition, the Audit & Supervi-

sory Board members divide up duties and conduct operational audits of the head office, research centers, and subsidiaries in Japan and overseas and report the audit results to the Audit & Supervisory Board and Board of Directors. The Audit & Supervisory Board members conduct internal audits consisting mainly of financial audits as well as examinations and audits specially assigned by the representative directors.

With respect to mutual linkage between statutory audits, internal audits, and financial audits, the Audit & Supervisory Board members and Internal Audit Office maintain close collaboration, exchanging information from time to time. The independent auditors, Audit & Supervisory Board members, and the Internal Audit Office exchange audit findings and related information and communicate from time to time, and Audit & Supervisory Board members and Internal Audit Office staff members attend independent auditors' audits as necessary.

Criteria or Policy for the Selection of Outside Directors and Outside Audit & Supervisory Board Members

NISSIN FOODS HOLDINGS selects the best-qualified candidates for out-

side directors and outside Audit & Supervisory Board members on the basis of the Board of Directors' judgment of criteria such as management ability and performance at other companies.

The Functions and Roles of Outside Directors and Outside Audit & Supervisory Board Members in Corporate Governance

The outside directors ask appropriate questions and express opinions during discussions of agenda items at meetings of the Board of Directors and vitalize Board meetings by expressing their views concerning the domestic and overseas economic, financial, and industrial situation. The outside directors also perform a management oversight role. The outside Audit & Supervisory Board members regularly attend Board of Directors meetings and monitor the status of execution of duties by expressing qualified opinions based on equitability and objectivity.

Remuneration for Directors and Audit & Supervisory Board Members

With regard to the policy concerning deciding the amount and calculation

CORPORATE GOVERNANCE

method of remuneration for directors and Audit & Supervisory Board members of NISSIN FOODS HOLDINGS, remuneration for directors consists of basic remuneration paid according to position and role importance within the total amount resolved at the general meeting of shareholders. These sums are augmented by compensation-type stock options for the purpose of increasing motivation and incentive to contribute to sustained improvement of business performance and enhancement of corporate value over the medium to long term. However, in view

of the nature of their duties, remuneration for outside directors is not linked to business performance and consists only of basic remuneration paid according to position.

Although remuneration for Audit & Supervisory Board members is determined through discussion by the Audit & Supervisory Board, in view of the nature of auditing work, remuneration for Audit & Supervisory Board members is not linked to business performance and consists only of basic remuneration paid according to position.

Total Amount of Remuneration by Category, Total Amount of Remuneration by Type, and Number of Qualifying Individuals

Category	Total Amount of Remuneration	Total Amount of Remuneration by Type			Number of Individuals
		Basic Remuneration	Stock Options	Bonus	
Directors	737	471	265	—	9
Audit & Supervisory Board Members	8	8	—	—	2
Outside Directors and Audit & Supervisory Board members	64	64	—	—	6
Total	810	544	265	—	17

Notes:

1. The maximum amount of remuneration for officers by resolution of the General Meeting of Shareholders is ¥700 million per year for directors (not including salaries paid to directors who are also employees; by resolution of the General Meeting of Shareholders held on June 26, 2014) and ¥60 million per year for Audit & Supervisory Board members (by resolution of the General Meeting of Shareholders held on June 29, 1995).
2. The maximum amount of compensation-type stock options for directors by resolution of the General Meeting of Shareholders is ¥500 million per year (by resolution of the General Meeting of Shareholders held on June 27, 2008).
3. The above includes remuneration for one Audit & Supervisory Board member who retired at the conclusion of the General Meeting of Shareholders held on June 26, 2014.
4. The above remuneration for officers includes remuneration of ¥9 million that outside officers received at NISSIN FOODS HOLDINGS subsidiaries.



Outside Director **Yoko Ishikura**

VIEWPOINT FROM AN INDEPENDENT OUTSIDE DIRECTOR

As corporate governance of the Japanese corporations is one of the major issues in 2015 not only for the administration but also for the private sector in general, my role of independent outside director of NISSIN FOODS HOLDINGS is to ensure that I represent the interests of the general shareholders by making every effort to increase the value of the company, and to bring external and objective perspectives. Various initiatives taken in Japan in the year 2015 including the corporate governance code provide a good opportunity and momentum for majority of Japanese companies to increase transparency and disclosure of information.

During my tenure as an independent outside director of NISSIN FOODS HOLDINGS in the past five years, I have found the company ready and willing to share information and to

offer opportunities for dialogue. I have asked many questions at the board meetings to challenge the proposals presented by the executives so that the decisions made comply with the law and steer the company to the direction for future growth.

As NISSIN FOODS HOLDINGS is in the process of accelerating its global activities, I consider my specific role to be helping to bring global perspectives and to help develop global talents not only to develop/refine their strategies but also to implement them.

With these activities, I trust that I can meet the expectations of the stakeholders.

I would like to ask for continued support of stakeholders to NISSIN FOODS HOLDINGS so that the company will achieve more growth and lead the unique category of foods in the world.

RISK MANAGEMENT

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 of this annual report. 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 the past, a high incidence of disquieting developments, such as avian influenza, residual pesticides in foods, falsely labeled food products, radioactive contamination of foods, and toxic substances mixed in food products, threatened to undermine food quality and safety. The needs of consumers with regard to food safety have become more sophisticated. To enhance

its ability to meet these needs, the Company established the Food Safety Research Institute in 1988 (and established "the WAVE" in 2014) and continues its endeavor to enhance its research function and strengthen its quality control system. However, the Company's financial position and financial performance could be unfavorably influenced were unusual health-related situations to arise in the future that were beyond the Company's conjecture, or if rumors were to mar the image of the Company's products, even though such rumors were based on incidents not directly affecting the Company's products.

(2) Risk Derived from Changes in Demographic Trends

In Japan, the birth rate remains 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 over the long term. In the face of such a business climate, the Company is making ever-greater efforts to develop new products that closely meet the needs of each age bracket in order to maintain and expand

our customer base. However, were the decrease in population to accelerate, the overall demand in the instant noodle market would shrink, negatively affecting the Company's financial position and financial performance.

(3) Risk of Decline in Brand Value

The Company's mainstay products, particularly Chicken Ramen and the Cup Noodle series, have become familiar household items for most consumers, thanks to years of accumulated technical expertise and product development activities. The Company emphasizes the establishment and enhancement 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.

(4) Risk of Product Liability

As a food manufacturer, the Company believes its mission is to provide safe, worry-free products to consumers, and therefore applies strict quality control standards to its manufactur-

ing 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 that could 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 financial performance.

(5) Risk of 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 prices of these raw materials fluctuate with changing market conditions. Therefore, the Com-

RISK MANAGEMENT

pany's financial performance could be adversely impacted if the prices of raw materials skyrocket, as there exist more factors than ever to boost their prices, such as political unrest or international disputes occurring in the countries that produce these raw materials, and crop failures caused by abnormal weather associated with global warming.

(6) 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 infrastructure as well as its financial position and financial performance could suffer because, for example, an interruption in operations would reduce output and repairs to facilities and equipment would raise expenses. Furthermore, serious accidents at electric power plants caused by natural disasters could also negatively affect the Company's production infrastructure, financial position and financial performance, through lowered electricity supply, large-scale blackouts, and radioactive contamination.

(7) Risk Related to Overseas Operations

The Company produces food products, including instant noodles, based on the basic policy of local production and local marketing. If political unrest or international disputes arise in the regions where the Company's subsidiaries and associates 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 financial performance of the subsidiaries, affiliates and/or the Company could suffer.

(8) Risk Related to Information Systems

The Company uses computers to process and store information on production, sales and administration. The Company had adopted all conceivable 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 financial 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.

(9) Risk Related to Retirement Benefit Accounting

Costs and obligations pertaining to retirement benefits are determined based on discount rates and other predetermined criteria used in actuarial calculations and on the 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. 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 financial performance.

(10) Risk of Declining Market Values on Marketable Securities

The Company invests in marketable securities to ensure efficient application of funds, while it is the policy of the Com-

pany to maintain the integrity of principal. However, the Company's financial position and financial 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.

(11) Risk Related to the Accounting for Impairment of Fixed Assets

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

(12) Reliance on Certain Business Clients

The Company substantially relies on specific business parties for sales of products and procurement of certain raw materials. Reliance on specific trading companies for sales of products aims at reducing the effort

RISK MANAGEMENT

expended on credit control and minimizing credit risk through concentration of transactions among highly creditworthy companies. Reliance on specific vendors for procurement of certain raw materials also aims at efficient and stable procurement. However, if the business activities of these sales agents were to fail and the Company had difficulty collecting accounts receivable, or if the supply of raw materials were suspended and the Company's production had to be halted, the Company's own financial position and financial performance could be negatively affected.

(13) Exchange Rate Fluctuations

The Company expands its businesses in various overseas regions. The local financial statements in each region are translated to Japanese yen for the purpose of preparing consolidated financial statements. Hence, exchange rate fluctuations may have an effect on the Group's consolidated results and financial position, even if there is no change in the value in local currencies.

ENSURING BUSINESS CONTINUITY

The NISSIN FOODS Group is formulating a group wide business continuity plan (BCP) that will allow continuation of business operations without disruption even when a large-scale natural disaster occurs. The objective is to minimize damage and maintain product supply by making instantaneous judgments and decisions and setting up a production and distribution system.

Since cup-type noodles make it possible to prepare hot meals, as long as hot water is available, they are particularly well suited for use as relief supplies in an emergency situation. By constantly keeping track of finished product and materials inventories at materials suppliers, production plants, and warehouses and by constructing a production and distribution site backup system, we have created a framework for maintaining supply of cup-type noodles wherever in Japan a disaster may occur.

Furthermore, our BCP includes three distinctive, defining rules. The first rule is the dispatch of kitchen cars*. We are prepared to

concurrently dispatch ten kitchen cars located in various areas of Japan if an earthquake with an intensity of six or higher (Japanese scale) strikes. The second rule is a philosophy of putting the highest priority on disaster areas and ensuring fairness. In response to the spike in demand for foodstuffs that occurs when a disaster strikes, we prioritize disaster areas in the interest of fairness. We deliver to disaster areas and unaffected areas only the quantities of products truly required. The third rule is to prioritize production of *Cup Noodle*, *Cup Noodle Curry*, *Cup Noodle Seafood Noodle*, *Nissin-No-Donbei Kitsune Udon*, and *Chicken Ramen Donburi*. In the event of an emergency, we focus limited resources on these five items. The mission and social responsibility of the Group is to maintain continuity of product supply no matter what may happen, in keeping with our guiding philosophy "Peace will come to the world when there is enough food." The most important means of preparation of all for fulfilling this mission is the BCP.

*Kitchen cars are vehicles with on-board water heaters for distributing instant noodles. Each vehicle has water heating capacity to prepare 1,000 to 1,800 servings of *Cup Noodle* per day.



FIVE PRIORITY ITEMS THAT MUST NOT RUN OUT OF STOCK



Cup Noodle



Cup Noodle
Seafood Noodle



Cup Noodle
Curry



Nissin-No-Donbei
Kitsune Udon



Chicken Ramen
Donburi

QUALITY ASSURANCE

FOOD SAFETY INITIATIVES

BASIC POLICY

To provide customers with products that they can enjoy with confidence and peace of mind, the NISSIN FOODS Group has established independent analysis and inspection systems and a quality assurance system under the NISSIN Global Food Safety Institute that extends from farm to table. We cover all operations from raw materials procurement to production, distribution, and sales, as well as all business sites, by means of rigorous traceability from raw materials to finished product.

THE NISSIN GLOBAL FOOD SAFETY INSTITUTE ASSURES FOOD SAFETY

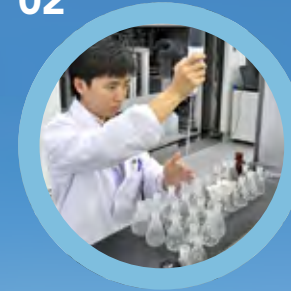
The NISSIN Global Food Safety Institute, whose role is to guarantee food safety in the Group, has three key strengths

01



ANALYSIS OF HARMFUL SUBSTANCES IN FOOD

02



DUAL QUALITY ASSURANCE SYSTEM

03



ORIGINAL QUALITY SURVEY ACTIVITIES



QUALITY ASSURANCE

01 Analysis of Harmful Substances in Food

The Institute analyzes harmful substances (residual agricultural chemicals, veterinary drugs, carcinogens, food allergens, mycotoxins, heavy metals, radioactive materials, etc.) and ensures quality through surveys and periodic product inspections at every stage from the production and processing of raw materials to the production of finished products. The Institute also develops analysis methods for new harmful substances and improves existing methods to increase speed and accuracy.

02 Dual Quality Assurance System

The Group has put in place a dual management system in which the production plants engage in product quality control and the NISSIN Global Food Safety Institute inspects the products of each plant. In January 2015, we expanded this management system to overseas subsidiaries. Each month products from overseas plants are sent to the NISSIN Global Food Safety Institute for inspection.

03 Original Quality Survey Activities

The NISSIN Global Food Safety Institute engages in quality survey activities to en-

sure that suitable measures are taken to maintain quality and safety at each stage from the procurement and processing of raw materials to the production of finished products. In fiscal 2015, the Institute engaged in quality survey activities over a total of 397 days at 160 plants in Japan and overseas. The Institute strives to resolve any issues identified at plants by offering improvement proposals.

Quality Control from Procurement to Production

In addition to these activities at the NISSIN Global Food Safety Institute, the Group practices integrated risk management extending from raw materials procurement to production and distribution and is strengthening safety measures. We have further developed and refined operation management using the ISO 9001 (quality management systems) implemented at each plant for the purpose of avoiding production-related risks and quality improvement. In addition, by fiscal 2014, the NISSIN FOODS HOLDINGS Resourcing Division and Production & Logistics Division, four plants directly controlled by NISSIN FOOD PRODUCTS (Kanto, Shizuoka, Shiga, Shimonoseki), and Sapporo Nissin had obtained FSSC 22000 (food safety system) certification.

The NISSIN YORK Kansai Plant has obtained certification under the HACCP (Hazard Analysis and Critical Control Point) food safety control system for lactobacillus drinks and fermented milk. In 2014, WINNER FOOD PRODUCTS in China obtained ISO 22000 (food safety management system) certification and NISSIN FOODS DE MEXICO obtained FSSC 22000 certification.

Quality Assurance in Procurement

Guaranteeing product safety requires rigorous quality control of materials. To manage the quality and safety of materials, the NISSIN FOODS HOLDINGS Resourcing Division collaborates with the NISSIN Global Food Safety Institute in conducting surveys extending from raw material suppliers and contract manufacturers to delivery of raw materials to the plants, repeatedly confirming the status of quality control and providing guidance for improvement. We have prepared an inspection criteria manual for use in on-site inspections relating to these surveys and guidance to ensure that no checking errors occur.

Safety Control Measures for Raw Materials

The Group takes measures at various

stages to prevent contamination by foreign matter. For raw materials for which automated discrimination of foreign matter is possible, NISSIN FOOD PRODUCTS uses machines to the extent possible as a means of preventing contamination by foreign matter.

Prevention of Foreign Matter Contamination at the Flour Delivery Stage

In 2014, NISSIN FOOD PRODUCTS installed filters at the intake openings of the silos at the four plants under its direct control to prevent entry of foreign matter at the time of flour delivery. MYOJO FOODS and NISSIN CISCO plan to install similar filters.

Assurance of Water Safety

The Group tests all water used at its plants, including water used in manufacturing processes, to confirm its safety. The NISSIN Global Food Safety Institute was among the first to introduce a high-accuracy radionuclide discrimination and analysis system after the Great East Japan Earthquake. The Institute continues today to conduct periodic tests of the tap water, groundwater, and products at the Group's production plants and supplier plants in the Kanto and neighboring prefectures.

HUMAN RESOURCES

Employee Relations/Human Rights and Labor Practices

The NISSIN FOODS Group has proclaimed the mission of embodiment of EARTH FOOD CREATOR and aspires to make the leap from a leading company in Japan to a global company. As we strive to diversify our business markets, we are working to establish global human resource systems, strengthening and developing human resources, and changing the organizational culture. To create products that people enjoy while fulfilling our responsibility as a company involved with food, we are fostering the creativity of each individual employee and creating a framework to enable individuals to work autonomously.

Fair Employment Practices that Reflect Respect for Human Rights

When hiring people, the Group respects fundamental human rights and follows fair hiring practices in accordance with a manual that ensures that applicants are placed at no advantage or disadvantage because of nationality, gender, ethnicity, marital status, or other criteria. We have prepared a manual of interview questions to ensure that matters relating to protected human rights are avoided in interviews. We also rigorously follow fair

employment practices to ensure that discrimination does not occur in subsequent promotion or advancement.

Promotion of Diversity

The Group promotes diversity in the workplace by hiring people from diverse backgrounds, including women, people with disabilities, seniors, and foreign nationals.

To promote an active role by female employees, in fiscal 2016 we established the Diversity Committee chaired by a female director of NISSIN FOOD PRODUCTS. Hiring of women has been increasing over the past five years, and women account for approximately 30% of new hires for white collar positions.

In addition, we established NISSIN BUSINESS SUPPORT PLUS for the purpose of promoting the employment of people with disabilities and instituted a re-employment system that enables employees who wish to continue working after mandatory retirement at the age of 60 to work until the age of 65.

In step with the globalization of business, the Group actively hires talented people, regardless of nationality. Following the appointment in 2014 of an Indian president at INDO NISSIN FOODS, in March 2015 we appointed an American president at NISSIN FOODS (U.S.A.).

Development of People Who Can Succeed in the Global Business Arena

The Group has introduced various programs to develop people who can succeed in the global business arena, such as a fast-track promotion system for actively promoting talented people and an Overseas Training Program for dispatching employees to overseas business sites for a year-to-two year during their third to fifth year of employment.

We have introduced level-specific employee training. As part of training for new managers, we conduct survival training for the purpose of fostering physical and mental toughness. In fiscal 2015, 18 newly appointed managers participated in this training on an uninhabited island in the Seto Inland Sea.

The Group also provides groupwide education in the philosophy of founder Momofuku Ando once a year, instructing employees in matters such as what the Group aspires to become and the thoughts and dreams of the founder.

In fiscal 2015, we instituted the “Global SAMURAI Academy”, an in-house university that trains the managerial personnel who will constitute the core of the Group’s management, from young employees to managers. In the academy, there are four hierarchies. The first is called the “*Wakamusya*” (young samu-

rai) program for young employees to middle employees, who are around thirty years old, and the second is called the “*Syutsujin*” (kickoff) program for section heads to section chiefs, who are around forty years old, and the third is called the “*Honebuto Keieisya*” (muscular manager for managers-designate, who are around fifty years old, the fourth is called the “*Executive*” program, for current executives. Each program provides a variety of knowledge and skills, including management skills, logical thinking, languages, cross-cultural understanding, liberal arts, and media training.



Survival training: making a fire by hand



A young employee in the Overseas Training Program in the U.S.



“Creating a flexible working environment for various types of people is a key way to boost the company’s competitiveness.”

Manager/Management Control Division
NISSIN FOOD PRODUCTS CO., LTD.

Aya Kurata

I work in the Management Control Division of NISSIN FOOD PRODUCTS, being in charge of tasks such as development of medium-term business plans and general management administration. Originally, my career ambition was to make Japanese companies succeed in the global market, and it was why I joined NISSIN FOODS Group. I always believed that Nissin could extend its great brand asset to global markets and become a truly successful global corporation.

To be a globally competitive company, it is necessary to arrange an environment that can fully leverage the skills and potentials of a diverse workforce, regardless of gender, race, nationality, or other personal attributes. For instance, a company may design various career paths providing support to improve the productivity of each individual employee, and offer

programs that meet the needs of people who require diversified working styles (such as flex time, shorter working hours, or working at home, leave for nursing care or childcare, work sharing, or workplace nurseries). Not only setting up such programs, it is also essential for people considered to be “high performers” within the company, including executives and managers, to actually utilize such programs as role models delivering high-quality output with a smart working style, so that the programs do not exist in name only.

When I consider my role in the Group that is under transformation into a global corporation, I would like to do whatever I can to be a source of encouragement to younger employees by providing one among many career examples.



“I hope to become the type of business person who can do a good job anywhere in the world.”

Marketing Division Group 2
NISSIN FOOD PRODUCTS CO., LTD.

Piyush Kadao

I work in the Marketing Division of NISSIN FOOD PRODUCTS. My current work involves development of new products and renewal of existing products in collaboration with other divisions, including the Food Development Division, Design Room, Resourcing Division, Production & Logistics Division, Sales Division, and Corporate Communication Division.

My motivation for joining the NISSIN FOODS Group was that I wanted to work at a company where I could make use of the knowledge I had acquired by obtaining an MBA in finance and marketing in graduate school in India. When I encountered the Group, I was impressed by the enthusiasm of a company that is serious about growing into a global company and decided to join it. It seems that during the past few years the number of employees of various nationalities has gradually

increased. Their presence will help the Group to acquire a global view and diverse perspectives it seeks to operate in various countries. Needless to say, the way of thinking and strategy that is appropriate in one country or region doesn’t apply equally around the world.

I also no longer rely solely on the experience I accumulated at home in India or Japan, and I hope to become the type of business person who can deliver great performance anywhere in the world.

My ambition for the future is not only to contribute to our goal of being the global leader in the instant noodles category through my work in marketing, but also to create a framework for generating synergies through involvement in multiple food product categories, such as confectioneries and cereals.

ENVIRONMENTAL / SOCIAL ACTIVITIES

Environmental Management System

To preserve a sustainable global environment, the NISSIN FOODS Group practices environmental management, seeking to reduce environmental impacts at every stage of business activities. To promote the practice of green management, in 2008 the Group established the NISSIN FOODS Group Environmental Charter, which sets forth fundamental principles and action guidelines. The Group has set up the Group Environmental Council, chaired by a representative director of NISSIN FOODS HOLDINGS. The council is developing an environmental management system for the Group by establishing a Group environmental policy and discussing environmental targets and important matters concerning environmental activities. In 2012, we set up the Environmental Promotion Division within the Food Safety Research Institute (current name: NISSIN Global Food Safety Institute). The division inspects the status of compliance with environment-related laws and regulations and environmental activities at the Group's plants using our independent inspection standards for environmental activities (RISEA)*. Furthermore, in October 2014 we held the NISSIN FOODS Group Environmental Activities Promotion Conference for the purpose of sharing information concerning the environment, such as the status of environmental activities. At the meeting, participants shared case examples

of summertime power-saving measures and other energy conservation initiatives at Group companies and reported on matters such as the revised Act Concerning the Rational Use of Energy and status of the Group's plants based on RISEA inspections conducted in the previous fiscal year.

* RISEA: Abbreviation of the Food Safety Research Institute's Inspection Standards for Environmental Activities

Environmental Risk Management System

The Group has established independent emissions standard values that are stricter than the standards prescribed by laws and regulations concerning SOx (sulfur oxides) and NOx (nitrogen oxides), causes of air pollution, and the water pollution indices BOD (biochemical oxygen demand) and COD (chemical oxygen demand). The Group periodically monitors and measures emissions to prevent environmental accidents.

Greenhouse Gas Reduction and Energy Conservation Initiatives

Since fiscal 2007, the Group has been converting the boiler fuel used at plants from heavy oil to natural gas and has completed fuel conversion at nearly 90% of the 25 plants conducting environmental inspections. We are also improving energy efficiency in production pro-

cesses, switching over to LED lighting, and improving air conditioning efficiency. The Group's overall CO₂ emissions in fiscal 2015 were 174,000 tons, down 10% from the fiscal 2006 level.

The 13th Hyakufukushi Project "One-Ton Weight Loss Challenge Project" Started in April 2015

The Hyakufukushi Project for Engaging in 100 Socially Beneficial Activities in 50 Years

Since 2008, the Group has been implementing the Hyakufukushi Project to carry on the spirit of our founder Momofuku Ando, who enthusiastically engaged in activities to contribute to society. Through this project, Group employees will engage in a total of 100 social contribution activities by 2058, the 100th anniversary of the Group's founding. Five themes guide project selection: Creation, Food, The Earth, Health, and Children. So far, we have engaged in a total of 13 Hyakufukushi Projects.

While approximately one in nine people in the world suffers from hunger, the number of obese people has risen to 2.1 billion. In the 13th Hyakufukushi Project "One-Ton Weight Loss Challenge Project," a healthy diet for Group employees contributes to food aid for hungry people.

In this project, the Group regularly provides information on healthy ways of eating and dieting methods to 413

volunteer participants who wish to lose weight. The participating employees will diet sensibly and enjoyably, and for each kilogram they lose, the Group will donate ¥5,000 to the United Nations World Food Programme (WFP) for use as food aid for children suffering from hunger.

The participants have been reporting their weight to the project office since April, and the Group will make a donation to the WFP on October 16, World Food Day, based on the weight loss results as of the end of September. The means of ¥5,000 can provide school meals for one child for a whole year. As a company involved with food, the Group aims to raise employee awareness of health maintenance and promotion and the world's hunger problem.



More information on our environmental and social activities is available at our website:

CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

Years ended March 31,

Millions of yen (except per share information)

		2015	2014	2013	2012	2011	2010
For the year	Net sales	¥ 431,575	¥ 417,621	¥ 382,793	¥ 380,675	¥ 374,932	¥ 371,178
	Cost of sales	242,916	231,310	211,347	213,707	203,202	203,037
	Gross profit	188,659	186,311	171,446	166,968	171,730	168,141
	Selling, general and administrative expenses	164,358	158,606	147,492	140,756	137,192	140,799
	Operating income	24,301	27,705	23,954	26,212	34,538	27,342
	Other income (expenses)	4,714	4,020	5,439	5,408	145	3,813
	Income before income taxes and minority interests	29,015	31,725	29,393	31,620	34,683	31,155
	Income taxes	10,296	12,436	10,195	12,887	13,597	10,270
	Minority interests in earnings (loss) of consolidated subsidiaries	214	20	343	194	330	389
	Net income	18,505	19,269	18,855	18,539	20,756	20,496
	Comprehensive income	37,956	37,410	34,884	18,541	13,239	—
	Per share	Net income —primary	¥ 167.88	¥ 174.83	¥ 171.12	¥ 167.97	¥ 187.56
—diluted		167.10	174.13	170.57	167.59	187.30	176.91
Cash dividends		75.00	75.00	75.00	75.00	70.00	60.00
Equity*1		3,282.02	3,018.82	2,782.25	2,545.31	2,454.67	2,406.26
At Year-End		Working capital*2	¥ 98,481	¥ 74,652	¥ 48,865	¥ 60,949	¥ 56,472
	Property, plant and equipment, net	147,249	147,620	133,788	126,360	125,882	109,278
	Total assets	512,744	479,470	446,132	414,717	409,749	408,410
	Long-term liabilities	39,864	37,001	33,296	37,194	44,499	48,371
	Equity*3	369,853	342,301	315,027	286,657	277,595	271,951
	R&D expenses	¥ 6,431	¥ 5,313	¥ 4,321	¥ 4,385	¥ 4,081	¥ 3,807
	Capital expenditures	22,960	27,527	21,582	18,937	30,810	18,448
Value & Performance Indicators	Operating margin (%)*4	5.6	6.6	6.3	6.9	9.2	7.4
	Return on assets (%)*5	3.7	4.2	4.4	4.5	5.1	5.0
	Return on equity (%)*6	5.3	6.0	6.4	6.7	7.7	7.5
	Inventory turnover (times)*7	11.0	11.5	11.5	13.4	14.1	13.7

Notes 1. Equity per share = (Equity - Minority interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury stock)
2. Working capital = Total current assets - Total current liabilities
3. Equity: In compliance with the Corporate Law, from fiscal 2007, the amount of equity includes the amount of 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 equity - Average minority interests - Average stock acquisition rights)
7. Inventory turnover = Cost of sales / Average total inventory

CONSOLIDATED BALANCE SHEET

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
As of March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
ASSETS			
Current assets:			
Cash and deposits (Notes 4 and 5)	¥ 94,365	¥ 79,923	\$ 785,263
Marketable securities (Notes 4, 5 and 6)	19,153	11,726	159,383
Receivables:			
Trade (Note 5)	54,491	51,299	453,449
Other	3,348	3,400	27,861
Less: Allowance for doubtful receivables	(422)	(369)	(3,512)
Inventories (Note 8)	23,068	20,959	191,961
Deferred tax assets (Note 17)	4,688	4,514	39,011
Other current assets	2,817	3,368	23,442
Total current assets	201,508	174,820	1,676,858
Property, plant and equipment:			
Land (Notes 7, 9, 12 and 15)	51,098	51,063	425,214
Buildings and structures (Notes 7, 9, 11 and 15)	106,655	104,853	887,534
Machinery, equipment and vehicles (Notes 9, 11 and 15)	150,877	144,586	1,255,530
Leased assets	2,177	1,961	18,116
Construction in progress	5,912	4,289	49,197
Other	1,528	1,529	12,716
	318,247	308,281	2,648,307
Less: Accumulated depreciation	(170,998)	(160,661)	(1,422,968)
Property, plant and equipment, net	147,249	147,620	1,225,339
Investments and other assets:			
Investments in securities (Notes 5 and 6)	99,973	91,888	831,930
Investments in unconsolidated subsidiaries and associates (Note 5)	41,139	45,648	342,340
Other investments (Note 5)	9,622	8,431	80,070
Long-term loans	2,004	1,915	16,676
Intangible assets:			
Goodwill	702	1,832	5,842
Other (Note 9)	7,511	4,478	62,503
Asset for retirement benefits (Note 16)	269	63	2,238
Deferred tax assets (Note 17)	950	1,420	7,905
Other assets	2,139	1,682	17,801
Less: Allowance for doubtful receivables	(322)	(327)	(2,680)
Total investments and other assets	163,987	157,030	1,364,625
Total assets	¥ 512,744	¥ 479,470	\$ 4,266,822

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term borrowings (Notes 5, 13 and 15)	¥ 3,870	¥ 3,332	\$ 32,204
Current portion of long-term debt (Notes 13, 14 and 15)	1,944	1,977	16,177
Payables (Note 5):			
Trade	44,897	43,461	373,612
Other	32,569	32,047	271,024
Accrued income taxes (Notes 5 and 17)	5,164	7,307	42,972
Other current liabilities (Note 21)	14,583	12,044	121,355
Total current liabilities	103,027	100,168	857,344
Long-term liabilities:			
Long-term debt (Notes 5, 13, 14 and 15)	9,893	9,974	82,325
Liability for retirement benefits (Note 16)	3,395	6,291	28,252
Deferred tax liabilities (Note 17)	21,347	15,115	177,640
Deferred tax liabilities on land revaluation (Note 12)	2,455	2,745	20,429
Other long-term liabilities	2,774	2,876	23,084
Total long-term liabilities	39,864	37,001	331,730
Equity (Note 18):			
Common stock:			
Authorized—500,000,000 shares;			
Issued—117,463,685 shares in 2015 and 2014	25,123	25,123	209,062
Capital surplus	48,417	48,416	402,904
Stock acquisition rights (Note 23)	1,518	1,180	12,632
Retained earnings (Notes 18 and 27)	273,319	263,585	2,274,436
Treasury stock, at cost—7,231,787 shares at March 31, 2015 and 7,242,013 shares at March 31, 2014	(21,684)	(21,710)	(180,444)
Accumulated other comprehensive income (loss):			
Unrealized gain (loss) on available-for-sale securities (Note 6)	35,103	17,563	292,111
Deferred gain (loss) on derivatives under hedge accounting	58	38	483
Land revaluation reserve (Note 12)	(5,739)	(5,898)	(47,757)
Foreign currency translation adjustments	6,017	5,214	50,071
Defined retirement benefit plans	1,170	409	9,736
Total	363,302	333,920	3,023,234
Minority interests	6,551	8,381	54,514
Total equity	369,853	342,301	3,077,748
Total liabilities and equity	¥512,744	¥479,470	\$4,266,822

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Net sales	¥431,575	¥417,621	\$3,591,371
Cost of sales	242,916	231,310	2,021,437
Gross profit	188,659	186,311	1,569,934
Selling, general and administrative expenses (Note 19)	164,358	158,606	1,367,712
Operating income	24,301	27,705	202,222
Other income (expenses):			
Interest and dividend income	2,765	2,981	23,009
Gain on sales of marketable securities	—	494	—
Equity in earnings of associates	2,929	2,154	24,374
Interest expense	(247)	(250)	(2,055)
Tax and dues	(53)	—	(441)
Foreign exchange gain (loss)	2,486	1,177	20,687
Gain on sales of fixed assets	385	139	3,204
Gain on sales of investments in securities (Note 6)	2,505	3,329	20,845
Loss on disposal and sales of fixed assets	(575)	(948)	(4,785)
Loss on impairment of fixed assets (Note 9)	(5,058)	(1,999)	(42,090)
Loss on revaluation of investments in securities, unconsolidated subsidiaries and associates, and other (Note 10)	(720)	(2,822)	(5,992)
Loss on cancellation of manufacturing subcontract agreement	(333)	(55)	(2,771)
Other, net	630	(180)	5,243
Income before income taxes and minority interests	29,015	31,725	241,450
Income taxes (Note 17):			
Current	10,491	11,193	87,301
Deferred	(195)	1,243	(1,622)
	10,296	12,436	85,679
Net income before minority interests	18,719	19,289	155,771
Minority Interests in earnings (loss) of consolidated subsidiaries	214	20	1,781
Net income	¥ 18,505	¥ 19,269	\$ 153,990

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Net income before minority interests	¥18,719	¥19,289	\$155,771
Other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities	16,479	5,258	137,131
Deferred gain (loss) on derivatives under hedge accounting	20	38	166
Land revaluation reserve	159	—	1,323
Foreign currency translation adjustments	8,046	8,637	66,956
Share of other comprehensive income (loss) in associates	(6,238)	4,035	(51,910)
Defined retirement benefit plans	771	153	6,416
Total other comprehensive income (loss)	19,237	18,121	160,082
Comprehensive Income	37,956	37,410	315,853
Total comprehensive income attributable to:			
Owners of the parent	37,799	36,788	314,547
Minority interests	157	622	1,306

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen												
	Common stock	Capital surplus	Stock acquisition right (Note 23)	Retained earnings (Notes 18 and 27)	Treasury stock	Accumulated other comprehensive income					Total	Minority interests	Total equity
						Unrealized gain (loss) on available-for-sale securities (Note 6)	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation reserve (Note 12)	Foreign currency translation adjustments	Defined retirement benefit plans			
Balance, March 31, 2013 (as previously reported)	¥25,123	¥48,416	¥ 899	¥257,068	¥(21,798)	¥12,329	¥—	¥(6,620)	¥ (7,937)	¥ —	¥307,480	¥ 7,547	¥315,027
Effect of accounting change	—	—	—	(2,095)	—	—	—	—	—	256	(1,839)	—	(1,839)
Balance, March 31, 2013 (as restated)	25,123	48,416	899	254,973	(21,798)	12,329	—	(6,620)	(7,937)	256	305,641	7,547	313,188
Cash dividends paid	—	—	—	(8,266)	—	—	—	—	—	—	(8,266)	—	(8,266)
Net income	—	—	—	19,269	—	—	—	—	—	—	19,269	—	19,269
Acquisition of treasury stock	—	—	—	—	(6)	—	—	—	—	—	(6)	—	(6)
Sales of treasury stock	—	(10)	—	—	94	—	—	—	—	—	84	—	84
Transfer to capital surplus	—	10	—	(10)	—	—	—	—	—	—	—	—	—
Reversal of land revaluation reserve	—	—	—	(722)	—	—	—	—	—	—	(722)	—	(722)
Change in scope of consolidation	—	—	—	(1,659)	—	—	—	—	—	—	(1,659)	—	(1,659)
Net change in the year	—	—	281	—	—	5,234	38	722	13,151	153	19,579	834	20,413
Balance, March 31, 2014 (as previously reported)	¥25,123	¥48,416	¥1,180	¥263,585	¥(21,710)	¥17,563	¥38	¥(5,898)	¥ 5,214	¥ 409	¥333,920	¥ 8,381	¥342,301
Effect of accounting change	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance, March 31, 2014 (as restated)	25,123	48,416	1,180	263,585	(21,710)	17,563	38	(5,898)	5,214	409	333,920	8,381	342,301
Cash dividends paid	—	—	—	(8,267)	—	—	—	—	—	—	(8,267)	—	(8,267)
Net income	—	—	—	18,505	—	—	—	—	—	—	18,505	—	18,505
Acquisition of treasury stock	—	—	—	—	(10)	—	—	—	—	—	(10)	—	(10)
Sales of treasury stock	—	1	—	—	36	—	—	—	—	—	37	—	37
Transfer to capital surplus	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of land revaluation reserve	—	—	—	85	—	—	—	—	—	—	85	—	85
Change in scope of consolidation	—	—	—	(726)	—	—	—	—	—	—	(726)	—	(726)
Adjustments due to change in accounting period of consolidated subsidiaries	—	—	—	40	—	—	—	—	—	—	40	—	40
Adjustments due to change in accounting period of associates accounted for by the equity method	—	—	—	128	—	—	—	—	—	—	128	—	128
Other	—	—	—	(31)	—	—	—	—	—	—	(31)	—	(31)
Net change in the year	—	—	338	—	—	17,540	20	159	803	761	19,621	(1,830)	17,791
Balance, March 31, 2015	¥25,123	¥48,417	¥1,518	¥273,319	¥(21,684)	¥35,103	¥58	¥(5,739)	¥ 6,017	¥1,170	¥363,302	¥ 6,551	¥369,853

Thousands of U.S. dollars (Note 1)

	Accumulated other comprehensive income											Total	Minority interests	Total equity
	Common stock	Capital surplus	Stock acquisition rights (Note 23)	Retained earnings (Notes 18 and 27)	Treasury stock	Unrealized gain (loss) on available-for-sale securities (Note 6)	Deferred gain (loss) on derivatives under hedge accounting	Land revaluation reserve (Note 12)	Foreign currency translation adjustments	Defined retirement benefit plans				
Balance, March 31, 2014 (as previously reported)	\$209,062	\$402,896	\$ 9,819	\$2,193,434	\$(180,661)	\$146,151	\$316	\$(49,080)	\$43,389	\$3,404	\$2,778,730	\$ 69,743	\$2,848,473	
Effect of accounting change	—	—	—	—	—	—	—	—	—	—	—	—	—	
Balance, March 31, 2014 (as restated)	209,062	402,896	9,819	2,193,434	(180,661)	146,151	316	(49,080)	43,389	3,404	2,778,730	69,743	2,848,473	
Cash dividends paid	—	—	—	(68,794)	—	—	—	—	—	—	(68,794)	—	(68,794)	
Net income	—	—	—	153,990	—	—	—	—	—	—	153,990	—	153,990	
Acquisition of treasury stock	—	—	—	—	(83)	—	—	—	—	—	(83)	—	(83)	
Sales of treasury stock	—	8	—	—	300	—	—	—	—	—	308	—	308	
Transfer to capital surplus	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of land revaluation reserve	—	—	—	707	—	—	—	—	—	—	707	—	707	
Change in scope of consolidation	—	—	—	(6,041)	—	—	—	—	—	—	(6,041)	—	(6,041)	
Adjustments due to change in accounting period of consolidated subsidiaries	—	—	—	333	—	—	—	—	—	—	333	—	333	
Adjustments due to change in accounting period of associates accounted for by the equity method	—	—	—	1,065	—	—	—	—	—	—	1,065	—	1,065	
Other	—	—	—	(258)	—	—	—	—	—	—	(258)	—	(258)	
Net change in the year	—	—	2,813	—	—	145,960	167	1,323	6,682	6,332	163,277	(15,229)	148,048	
Balance, March 31, 2015	\$209,062	\$402,904	\$12,632	\$2,274,436	\$(180,444)	\$292,111	\$483	\$(47,757)	\$50,071	\$9,736	\$3,023,234	\$ 54,514	\$3,077,748	

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Operating activities:			
Income before income taxes and minority interests	¥29,015	¥ 31,725	\$ 241,450
Depreciation and amortization	15,440	14,517	128,485
Loss on impairment of fixed assets	5,058	1,999	42,090
Increase (decrease) in allowance for doubtful receivables	41	30	341
Increase (decrease) in liability for retirement benefits	(1,792)	(3,813)	(14,912)
Interest and dividend income	(2,765)	(2,981)	(23,009)
Interest expense	247	250	2,055
Foreign currency exchange (gain) loss	(2,359)	(216)	(19,631)
Equity in earnings of associates	(2,929)	(2,154)	(24,374)
Loss on disposal and sales of property, plant and equipment	190	809	1,581
Gain on sales of marketable securities, investments in securities and other	(2,505)	(3,823)	(20,845)
Loss on revaluation of marketable securities, investments in securities and other	720	2,822	5,992
(Increase) decrease in trade notes and accounts receivable	(2,588)	(2,318)	(21,536)
(Increase) decrease in inventories	(1,264)	(257)	(10,518)
Increase (decrease) in trade notes and accounts payable	566	(1,342)	4,710
Increase (decrease) in other payables	1,751	(507)	14,571
Other, net	101	1,539	840
Subtotal	36,927	36,280	307,290
Interest and dividends received	6,087	4,699	50,653
Interest paid	(247)	(250)	(2,055)
Income taxes paid	(13,641)	(12,184)	(113,514)
Income taxes refunded	1,228	1,669	10,218
Net cash provided by operating activities	30,354	30,214	252,592

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Investing activities:			
Net (increase) decrease in time deposits	(2,963)	991	(24,657)
Payments for purchases of marketable securities	0	(5,704)	0
Proceeds from sales and redemption of marketable securities	8,402	10,840	69,918
Payments for purchases of property, plant and equipment, and other	(19,951)	(21,068)	(166,023)
Proceeds from sales of property, plant and equipment, and other	1,829	2,283	15,220
Payments for purchases of investment in securities	(16,244)	(21,034)	(135,175)
Proceeds from sales and redemption of investments in securities	27,579	25,912	229,500
Proceeds from sales of investment in subsidiaries	—	475	0
Net (increase) decrease in loans receivable	1	350	8
Other, net	(3,494)	(2,552)	(29,076)
Net cash used in investing activities	(4,841)	(9,507)	(40,285)
Financing activities:			
Increase in short-term borrowings, net	654	2,029	5,442
Proceeds from long-term borrowings	2,366	4,034	19,689
Repayment of long-term borrowings	(2,624)	(6,195)	(21,836)
Net (increase) decrease in treasury stock	(10)	(7)	(83)
Cash dividends paid	(8,267)	(8,266)	(68,794)
Cash dividends paid to minority shareholders	(12)	(31)	(100)
Other, net	(129)	(90)	(1,073)
Net cash used in financing activities	(8,022)	(8,526)	(66,755)
Effect of exchange rate changes on cash and cash equivalents	5,063	2,822	42,132
Net increase (decrease) in cash and cash equivalents	22,554	15,003	187,684
Cash and cash equivalents at beginning of the year	80,201	64,015	667,396
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	2,574	1,183	21,420
Increase in cash and cash equivalents arising from change in accounting period of subsidiaries	568	—	4,727
Cash and cash equivalents at end of the year (Note 4)	¥105,897	¥ 80,201	\$ 881,227

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries

01 BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of NISSIN FOODS HOLDINGS CO., LTD. (the "Company") and consolidated subsidiaries (collectively, the "Group") are prepared on the basis of accounting principles generally accepted in Japan and related accounting regulations prescribed in the Financial Instruments and Exchange Act of Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2014 to the 2015 presentation. Such reclassifications had no effect on consolidated net income or equity.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translation of yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan and has been made at ¥120.17 = U.S.\$1.00, the exchange rate prevailing on March 31, 2015. 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.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and associates

The accompanying consolidated financial statements include the accounts of the Company and the significant companies, which it controls directly or indirectly under the control and influence concepts. 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 by the equity method. The assets and liabilities of consolidated subsidiaries are stated at fair value as of their respective dates of acquisition. Consolidation of the remaining subsidiaries and associates would not have a material effect on the accompanying consolidated financial statements. All significant intercompany balances, transactions and material unrealized gains from intercompany transactions have

been eliminated in consolidation.

The number of consolidated subsidiaries has been increased by four during the fiscal year ended March 31, 2015. Dongguan Nissin Packaging Co., Ltd., Nissin Koikeya Foods (China & HK) Co., Ltd., Fujian Nissin Foods Co., Ltd., Nissin Foods (H.K.) Management Co., Ltd., and Nissin Foods de Colombia S.A.S. have been included in the scope of consolidation due to the increase of their significance. Miracle Foods Co., Ltd. has been excluded from the scope of consolidation because Miracle Foods Co., Ltd. has been merged with Nissin Foods Co., Ltd.

The Company's consolidated subsidiaries outside Japan prepare their financial statements in accordance with International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

However, certain items are adjusted in the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated May 17, 2006).

The balance sheet date of 19 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 as necessary.

Of consolidated subsidiaries, Nissin Foods (U.S.A.) Co., Inc. and Myojo U.S.A. Inc. changed their accounting period from December 31 to March 31, which is the consolidated account closing date. Provisional settlement of account has been made on March 31 for Nissin Foods de Mexico S.A. de C.V. Due to the change of accounting period, profit and loss, which had occurred from January 1, 2014 to March 31, 2014, have resulted in "adjustments due to change in accounting period of consolidated subsidiaries" on Consolidate Statement of Changes in Equity.

Of associates accounted for by the equity method, Nissin-Ajinomoto Alimentos Ltda. settles its account on December 31. Provisional settlement of account has been made on March 31, which is the consolidated account closing date. Due to the change of accounting period, profit and loss, which had occurred from January 1, 2014 to March 31, 2014, have resulted in "adjustments due to change in accounting period of associates accounted for by the equity method" in the Consolidate Statement of Changes in Equity.

The numbers of consolidated subsidiaries and associates accounted for by the equity method for the years ended March 31, 2015 and 2014 were as follows:

	2015	2014
Consolidated subsidiaries	49	45
Associates accounted for by the equity method	5	5

(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 from the acquisition date.

(c) Securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or available-for-sale securities. Trading securities are carried at fair value and held-to-maturity debt securities are carried at amortized cost. Marketable securities classified as available-for-sale securities are carried at fair value with any changes in unrealized gain or loss, net of the applicable income taxes, reported in a separate component of equity. Cost of securities sold is determined by the moving-average method. Non-marketable securities classified as available-for-sale securities are carried at cost based on the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(d) Inventories

Finished goods and merchandise are principally stated at the lower of cost or net selling value, with cost being determined by the average method. Raw materials and supplies are principally stated at the lower of cost or net selling value, with cost being determined by the last purchase price method.

(e) Hedging activities

The Group manages risk of adverse fluctuations in foreign exchange and interest rates in the underlying liabilities with derivative financial instruments ("derivatives"). The derivative instruments are applied to forecasted and committed foreign currency transactions and long-term debt. For foreign currency forward contracts and interest rate swaps, the gains or losses are deferred until maturity of the hedged transactions if they meet requirements for hedge accounting, i.e., hedging purpose, high effectiveness and high correlation between the hedging instruments and the hedged items. Foreign currency options are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income.

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 does not anticipate any losses arising from credit risk, since the Group enters into these derivatives with major international financial institutions with high credit ratings to reduce the risk of counterparties' non-performance.

(f) Property, plant and equipment (except for leased assets)

Property, plant and equipment are stated at cost. Depreciation is computed principally by the declining-balance method. 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). In addition, the straight-line method is applied to buildings (except for the attachments to the buildings) acquired on or after April 1, 1998.

The range of useful lives is principally from 15 to 50 years for buildings and 10 years for machinery and equipment.

(g) Intangible assets (except for leased assets)

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

(h) Leased assets

Leased assets under finance lease contracts that do not transfer ownership to the lessee are depreciated to a residual value of zero by the straight-line method using the term of the contract as the useful life.

(i) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(j) Liability for employees' retirement benefits

The Company and certain consolidated subsidiaries have defined benefit pension plans. The Company accounts for the liability for retirement benefits based on the defined benefit obligations and plan assets at the consolidated balance sheet date. The defined benefit obligations are attributed to periods on a benefit formula basis.

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.

Actuarial gains and losses that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income) after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability or asset.

(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

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. Deferred tax assets and liabilities 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) Goodwill

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

(n) Stock options

In accordance with "Accounting Standard for Stock Options" (ASBJ (Accounting Standards Board of Japan) Statement No. 8, December 27, 2005), the Company and its domestic subsidiaries accounted for stock options granted to their directors, executive officers and employees on and after April 3, 2009 as expense on the date of grant based on the fair value at the grant date.

(o) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if stock options were exercised.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

03

DISCLOSURE OF NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New accounting pronouncements:

ASBJ Statement No. 21

"Accounting Standard for Business Combinations" (September 13, 2013)

ASBJ Statement No. 22

"Accounting Standard for Consolidated Financial Statements" (September 13, 2013)

ASBJ Statement No. 7

"Accounting Standard for Business Divestitures" (September 13, 2013)

ASBJ Statement No. 2 "Accounting Standard for Earnings Per Share" (September 13, 2013)

ASBJ Guidance No. 10 "Guidance on Accounting Standards for Business Combinations and Business Divestitures" (September 13, 2013)

ASBJ Guidance No. 4

"Guidance on Accounting Standard for Earnings Per Share" (September 13, 2013)

Major accounting changes are as follows:

- (a) Transactions with noncontrolling interest — A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of minority interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Under the current accounting standard, any difference between the fair value of the consideration received or paid and the amount by which the minority interest is adjusted is accounted for as an adjustment of goodwill or as profit or loss in the consolidated statement of income. Under the revised accounting standard, such difference shall be accounted for as capital surplus as long as the parent retains control over its subsidiary.
- (b) Presentation of the consolidated balance sheet — In the consolidated balance sheet, "minority interest" under the current accounting standard will be changed to "noncontrolling interest" under the revised accounting standard.
- (c) Presentation of the consolidated statement of income — In the consolidated statement of income, "income before minority interest" under the current accounting standard will be changed to "net income" under the revised accounting standard, and "net income" under the current accounting standard will be changed to "net income attributable to owners of the parent" under the revised accounting standard.
- (d) Provisional accounting treatments for a business combination — If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. Under the

current accounting standard guidance, the impact of adjustments to provisional amounts recorded in a business combination on profit or loss is recognized as profit or loss in the year in which the measurement is completed. Under the revised accounting standard guidance, during the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date.

- (e) Acquisition-related costs — Acquisition-related costs are costs, such as advisory fees or professional fees, which an acquirer incurs to effect a business combination. Under the current accounting standard, the acquirer accounts for acquisition-related costs by including them in the acquisition costs of the investment. Under the revised accounting standard, acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred.

The Company expects to apply the revised accounting standards and guidance for (a), (b), (c) and (e) above from April 1, 2015, and for (d) above for a business combination which will occur on or after April 1, 2015, and is in the process of measuring the effects of applying the revised accounting standards and guidance in future applicable periods.

04 | CASH AND CASH EQUIVALENTS

A reconciliation of cash and deposits in the consolidated balance sheet and cash and cash equivalents in the consolidated statement of cash flows at March 31, 2015 and 2014 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash and deposits	¥ 94,365	¥79,923	\$785,263
Time deposits with maturities exceeding three months	(6,767)	(2,969)	(56,312)
Marketable securities redeemable within three months	18,299	3,247	152,276
Cash and cash equivalents	¥105,897	¥80,201	\$881,227

05 | FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group holds financial instruments according to its policy. Investments comprise low-risk financial assets and borrowings that are financed by banks. The Group is exposed to financial risks such as credit risk on trade receivables, foreign currency risk on trade payables, market risk on securities and interest rate risk on long-term debt. The Group manages these risks and executes derivatives in accordance with policies established and approved at a management meeting of the Company, and no derivatives are used for trading or speculative purposes.

(a) Fair value of financial instruments as of March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
March 31, 2015			
Cash and deposits	¥ 94,365	¥ 94,365	¥ —
Trade receivables	54,491	54,491	—
Marketable securities and investments	131,148	145,148	14,000
Total	¥280,004	¥294,004	¥ 14,000
Trade payables	¥ 44,897	¥ 44,897	¥ —
Short-term borrowings	3,870	3,870	—
Other payables	32,569	32,569	—
Accrued income taxes	5,164	5,164	—
Long-term debt	9,893	9,931	38
Total	¥ 96,393	¥ 96,431	¥ 38
Derivative transactions which do not qualify for hedge accounting	¥ —	¥ —	¥ —
Derivative transactions which qualify for hedge accounting	86	86	—
Total	¥ 86	¥ 86	¥ —

	Thousands of U.S. dollars		
	Book value	Fair value	Unrealized gain (loss)
March 31, 2015			
Cash and deposits	\$ 785,263	\$ 785,263	\$ —
Trade receivables	453,449	453,449	—
Marketable securities and investments	1,091,354	1,207,856	116,502
Total	\$2,330,066	\$2,446,568	\$116,502
Trade payables	\$ 373,612	\$ 373,612	\$ —
Short-term borrowings	32,204	32,204	—
Other payables	271,024	271,024	—
Accrued income taxes	42,972	42,972	—
Long-term debt	82,325	82,641	316
Total	\$ 802,137	\$ 802,453	\$ 316
Derivative transactions which do not qualify for hedge accounting	\$ —	\$ —	\$ —
Derivative transactions which qualify for hedge accounting	716	716	—
Total	\$ 716	\$ 716	\$ —

	Millions of yen		
	Book value	Fair value	Unrealized gain (loss)
March 31, 2014			
Cash and deposits	¥ 79,923	¥ 79,923	¥ —
Trade receivables	51,299	51,299	—
Marketable securities and investments	104,218	118,066	13,848
Total	¥235,440	¥249,288	¥13,848
Trade payables	¥ 43,461	¥ 43,461	¥ —
Short-term borrowings	3,332	3,332	—
Other payables	32,047	32,047	—
Accrued income taxes	7,307	7,307	—
Long-term debt	9,974	10,016	42
Total	¥ 96,121	¥ 96,163	¥ 42
Derivative transactions which do not qualify for hedge accounting	¥ —	¥ —	¥ —
Derivative transactions which qualify for hedge accounting	58	58	—
Total	¥ 58	¥ 58	¥ —

Notes:

1. Fair value of deposits, trade receivables and payables, short-term borrowings, other payables and accrued income taxes approximates the book value because of their short-term clearing.
2. Fair value of marketable securities and investments is quoted from market or financial institutions.
3. Fair value of long-term debt is calculated at the assumed discount rate.
4. Fair value of derivatives is quoted from financial institutions and stated as net of assets and liabilities.

(b) Maturity analysis for financial assets and securities with contractual maturities as of March 31, 2015 and 2014 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
March 31, 2015				
Cash and deposits	¥ 94,365	¥ —	¥ —	¥ —
Trade receivables	54,491	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
1. Bonds				
National government	—	—	—	—
Corporate	803	1,364	2,581	—
Other	—	—	—	—
2. Other	18,387	1,172	—	—
Total	¥168,046	¥2,536	¥2,581	¥ —

06 | SECURITIES

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
March 31, 2015				
Cash and deposits	\$ 785,263	\$ —	\$ —	\$ —
Trade receivables	453,449	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
1. Bonds				
National government	—	—	—	—
Corporate	6,682	11,351	21,478	—
Other	—	—	—	—
2. Other	153,008	9,752	—	—
Total	\$1,398,402	\$21,103	\$21,478	\$ —

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
March 31, 2014				
Cash and deposits	¥ 79,923	¥ —	¥ —	¥ —
Trade receivables	51,299	—	—	—
Securities with maturity dates classified as available-for-sale securities:				
1. Bonds				
National government	—	—	—	—
Corporate	8,326	6,587	1,203	—
Other	—	—	—	—
2. Other	3,400	832	—	—
Total	¥142,948	¥7,419	¥1,203	¥ —

(c) Carrying value of financial assets whose fair value cannot be reliably estimated at March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Available-for-sale securities			
Investments in unconsolidated subsidiaries and associates	¥27,197	¥36,514	\$226,321
Unlisted equity securities	749	697	6,233
Preferred equity securities	—	7,000	—
Investment in anonymous partnership	—	—	—
Other	10,793	9,263	89,814

(a) Information regarding marketable securities classified as available-for-sale securities at March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gain (loss)
March 31, 2015			
Securities whose carrying value exceeds their acquisition cost:			
(1) Equity securities	¥35,483	¥ 84,571	¥49,088
(2) Bonds			
National government	—	—	—
Corporate	1,651	1,660	9
Other	—	—	—
(3) Other	5,011	6,550	1,539
Subtotal	¥42,145	¥ 92,781	¥50,636
Securities whose carrying value does not exceed their acquisition cost:			
(1) Equity securities	¥ 3,041	¥ 2,949	¥ (92)
(2) Bonds			
National government	—	—	—
Corporate	3,112	3,088	(24)
Other	—	—	—
(3) Other	18,390	18,387	(3)
Subtotal	¥24,543	¥ 24,424	¥ (119)
Total	¥66,688	¥117,205	¥50,517

	Thousands of U.S. dollars		
	Acquisition cost	Carrying value	Unrealized gain (loss)
March 31, 2015			
Securities whose carrying value exceeds their acquisition cost:			
(1) Equity securities	\$295,273	\$703,761	\$408,488
(2) Bonds			
National government	—	—	—
Corporate	13,739	13,814	75
Other	—	—	—
(3) Other	41,699	54,506	12,807
Subtotal	\$350,711	\$772,081	\$421,370
Securities whose carrying value does not exceed their acquisition cost:			
(1) Equity securities	\$ 25,306	\$ 24,540	\$ (766)
(2) Bonds			
National government	—	—	—
Corporate	25,897	25,697	(200)
Other	—	—	—
(3) Other	153,033	153,008	(25)
Subtotal	\$204,236	\$203,245	\$ (991)
Total	\$554,947	\$975,326	\$420,379

	Millions of yen		
	Acquisition cost	Carrying value	Unrealized gain (loss)
March 31, 2014			
Securities whose carrying value exceeds their acquisition cost:			
(1) Equity securities	¥34,986	¥63,109	¥28,123
(2) Bonds			
National government	—	—	—
Corporate	14,005	14,060	55
Other	—	—	—
(3) Other	2,987	3,305	318
Subtotal	¥51,978	¥80,474	¥28,496
Securities whose carrying value does not exceed their acquisition cost:			
(1) Equity securities	¥ 6,945	¥ 6,144	¥ (801)
(2) Bonds			
National government	—	—	—
Corporate	5,106	5,068	(38)
Other	—	—	—
(3) Other	3,405	3,399	(6)
Subtotal	¥15,456	¥14,611	¥ (845)
Total	¥67,434	¥95,085	¥27,651

(b) Sales of investments in securities classified as available-for-sale securities for the years ended March 31, 2015 and 2014 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Proceeds from sales	¥6,037	¥6,453	\$50,237
Aggregate gain	2,505	2,981	20,845
Aggregate loss	—	—	—

07 | INVESTMENT PROPERTIES

The Group owns investment property such as buildings and land for rent in Tokyo and other areas. Net operating income from these properties was ¥470 million (U.S.\$3,911 thousand) and ¥444 million for the years ended March 31, 2015 and 2014 respectively. The details of investment properties are as follows:

	Millions of yen	Thousands of U.S. dollars
2015		
Net book value at March 31, 2014	¥6,821	\$56,761
Net change for the year ended March 31, 2015	¥ (730)	\$ (6,074)
Net book value at March 31, 2015	¥6,091	\$50,687
Fair value at March 31, 2015	¥9,990	\$83,132

Notes:

1. Net book value represents net of accumulated depreciation.
2. Decrease during the fiscal year ended March 31, 2015 mainly consists of sales of land.
3. Fair value is mainly calculated by the Company based on the internal real estate appraisal standard.

	Millions of yen
2014	
Net book value at March 31, 2013	¥ 5,832
Net change for the year ended March 31, 2014	¥ 989
Net book value at March 31, 2014	¥ 6,821
Fair value at March 31, 2014	¥10,562

Notes:

1. Net book value represents net of accumulated depreciation.
2. Increase during the fiscal year ended March 31, 2014 mainly consisted of idle land and improvement of buildings.
3. Fair value is mainly calculated by the Company based on the internal real estate appraisal standard.

08 | INVENTORIES

Inventories as of March 31, 2015 and 2014 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Merchandise and finished goods	¥12,015	¥10,033	\$ 99,983
Raw materials and supplies	11,053	10,926	91,978
Total	¥23,068	¥20,959	\$191,961

09 | LOSS ON IMPAIRMENT OF FIXED ASSETS

The Group recognized losses on impairment of fixed assets for the years ended March 31, 2015 and 2014 as follows:

			Millions of yen	Thousands of U.S. dollars
	Location	Usage	Asset type	Impairment loss
(March 31, 2015)				
	Adachi-Ward, Tokyo Prefecture	Idle assets	Land	¥ 65 \$ 541
			Buildings	548 4,560
	Izuka City, Fukuoka Prefecture and other locations	Idle assets	Machinery and equipment	463 3,853
			Other assets	59 491
	Hong Kong	—	Trademark	289 2,405
			Buildings	290 2,413
	Vietnam	Business assets	Machinery and equipment	741 6,166
			Other assets	52 432
			Buildings	1,059 8,813
	Thailand	Business assets	Machinery and equipment	966 8,039
			Other assets	61 507
	Turkey	—	Goodwill	¥ 465 \$3,870
(March 31, 2014)				
			Land	¥ 496
	Yokohama City, Kanagawa Prefecture	Idle assets	Buildings	166
			Other assets	13
			Buildings	178
	Ritto City, Shiga Prefecture and other locations	Idle assets	Structures	27
			Machinery and equipment	541
			Other assets	13
			Buildings	143
	India	Business assets	Machinery and equipment	389
			Other assets	¥ 33

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

Consequently, the Group has written down the carrying value of idle land whose fair value has declined to its net selling value based on an appraisal value determined by specialists. Also, the company has written down the carrying value of other idle fixed assets and business assets whose fair value has declined to their respective memorandum value.

The group has written down the carrying value of trademark whose value in use has declined to future cash flow discounted by the rate of 11.6% and the carrying value of goodwill whose entire balance of the remaining unamortized amount to zero.

As a result, the Group recorded loss on impairment of fixed assets of ¥5,058 million (U.S.\$42,090 thousand) and ¥1,999 million in the accompanying consolidated statement of income for the years ended March 31, 2015 and 2014, respectively.

10 | LOSS ON REVALUATION OF INVESTMENTS IN SECURITIES, UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES, AND OTHER

During the year ended March 31, 2015, the Company recorded a loss on revaluation of investments in Shandong Renmu Food Products Co., Ltd. and QingQing Renmu Food Products Co., Ltd.

11 | PROPERTY, PLANT AND EQUIPMENT

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section. The deferred gain on property, plant and equipment taxable for tax purposes in the future was ¥1,003 million (U.S.\$8,347 thousand) and ¥1,024 million as of March 31, 2015 and 2014, respectively.

12 | 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 equity.

The market value of the land as of March 31, 2015 and 2014 declined by ¥5,882 million (U.S.\$48,947 thousand) and ¥7,270 million, respectively, compared with the carrying value of the land revalued as of March 31, 2002 except for a part that was impaired after the revaluation.

13 | SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings, which amounted to ¥3,870 million (U.S.\$32,204 thousand) and ¥3,332 million as of March 31, 2015 and 2014, respectively, generally represent notes payable to banks. Long-term debt (excluding the current portion thereof) amounted to ¥9,893 million (U.S.\$82,325 thousand) and ¥9,974 million as of March 31, 2015 and 2014, respectively.

The average interest rates on short-term borrowings were 3.51% and 2.41% at March 31, 2015 and 2014, respectively. The average interest rate on long-term borrowings at March 31, 2015 and 2014 was 1.10%, respectively.

Long-term debt at March 31, 2015 is as follows:

	Millions of yen	Thousands of U.S. dollars
Long-term borrowings at interest rates ranging from 0.48% to 9.65%	¥11,251	\$ 93,626
Lease obligations	586	4,876
	¥11,837	\$ 98,502
Current portion of long-term debt	(1,944)	(16,177)
	¥ 9,893	\$ 82,325

14 | FINANCIAL COVENANTS

The aggregate annual maturities of long-term debt subsequent to March 31, 2015 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 1,944	\$16,177
2017	2,128	17,708
2018	2,007	16,701
2019	3,485	29,001
2020	1,376	11,450
2021 and thereafter	897	7,465
	¥11,837	\$98,502

Long-term debt at March 31, 2014 is as follows:

	Millions of yen
Long-term borrowings at interest rates ranging from 0.18% to 8.55%	¥11,286
Lease obligations	665
	¥11,951
Current portion of long-term debt	(1,977)
	¥ 9,974

The aggregate annual maturities of long-term debt subsequent to March 31, 2014 are summarized as follows:

Years ending March 31,	Millions of yen
2015	¥ 1,977
2016	1,862
2017	2,054
2018	1,930
2019	3,272
2020 and thereafter	856
	¥11,951

A subsidiary of the Company entered into a syndicated loan agreement with three financial institutions for which Mizuho Bank, Ltd. is the arranger. The debt amounting to ¥3,900 million (U.S.\$32,454 thousand) and ¥4,100 million as of March 31, 2015 and 2014, respectively, includes the following non-consolidated financial covenants.

As of March 31, 2015

1. The amount of equity on the balance sheets is required to be equal to or larger than 75% of equity on the balance sheet as of March 31, 2013 or as of the previous fiscal year, whichever is larger.
2. Ordinary loss for two consecutive years is not allowed.

As of March 31, 2014

1. The amount of equity on the balance sheets is required to be equal to or larger than 75% of equity on the balance sheet as of March 31, 2013 or as of the previous fiscal year, whichever is larger.
2. Ordinary loss for two consecutive years is not allowed.

15 | PLEDGED ASSETS

Assets were pledged as collateral for short-term borrowings of ¥1,200 million (U.S.\$9,986 thousand), long-term debt of ¥5,112 million (U.S.\$42,540 thousand) and the current portion of long-term debt of ¥622 million (U.S.\$5,176 thousand) as of March 31, 2015 and for short-term borrowings of ¥1,200 million, long-term debt of ¥4,935 million and the current portion of long-term debt of ¥622 million as of March 31, 2014. The assets pledged are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Land	¥916	¥ 912	\$7,623
Buildings and structures	996	1,088	8,288
Machinery, equipment and vehicles	590	800	4,910

The Company and domestic consolidated subsidiaries have defined benefit pension plans, including corporate certain pension fund plans, employees' pension fund plans and lump-sum payment plans.

Some of consolidated subsidiaries adopt simplified valuation method to evaluate projected benefit obligations.

Some of foreign subsidiaries have defined benefit pension fund plans and defined contribution pension fund plans.

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the accompanying consolidated balance sheets as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

(1) The changes in defined benefit obligation for the years ended March 31, 2015 and 2014, except (3), are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of the year	¥33,766	¥33,386	\$280,985
Service cost	1,222	1,191	10,169
Interest cost	368	363	3,062
Actuarial gains (losses)	(55)	107	(458)
Benefits paid	(1,664)	(1,281)	(13,846)
Balance at end of the year	¥33,637	¥33,766	\$279,912

(2) The changes in plan assets for the years ended March 31, 2015 and 2014, except for (3), are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of the year	¥28,283	¥24,318	\$235,358
Expected return on plan assets	566	486	4,710
Actuarial gains (losses)	1,682	739	13,997
Contributions from the employer	1,755	3,847	14,604
Benefits paid	(1,386)	(1,107)	(11,533)
Balance at end of the year	¥30,900	¥28,283	\$257,136

(3) The changes in liability and asset under the simplified method for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of the year (net)	¥ 746	¥1,012	\$ 6,208
Net periodic benefit costs	(28)	84	(233)
Benefits paid	(328)	(351)	(2,730)
Balance at end of the year (net)	¥ 390	¥ 745	\$ 3,245

(4) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded defined benefit obligation	¥ 34,380	¥ 33,811	\$ 286,095
Plan assets	(33,911)	(30,957)	(282,192)
	469	2,854	3,903
Unfunded defined benefit obligation	2,657	3,374	22,110
Net liability for defined benefit obligation	3,126	6,228	26,013
Liability for retirement benefit	3,395	6,291	28,252
Asset for retirement benefit	(269)	(63)	(2,239)
Net liability for defined benefit obligation	¥ 3,126	¥ 6,228	\$ 26,013

(5) The components of net periodic benefit costs for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥1,222	¥1,190	\$10,170
Interest cost	368	363	3,062
Expected return on plan assets	(566)	(486)	(4,710)
Recognized actuarial (gains) losses	(633)	(395)	(5,268)
Net periodic pension cost calculated by the simplified method	(28)	84	(233)
Net periodic benefit costs	¥ 363	¥ 756	\$ 3,021

17 | INCOME TAXES

(6) Other comprehensive income before income tax effect on defined retirement benefit plans for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Actuarial (gains) losses	¥(1,104)	¥(395)	\$(9,187)
Total	¥(1,104)	¥(395)	\$(9,187)

(7) Accumulated other comprehensive income before income tax effect on defined retirement benefit plans as of ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized actuarial (gains) losses	¥(1,737)	¥(633)	\$(14,455)
Total	¥(1,737)	¥(633)	\$(14,455)

(8) Plan assets

(a) Components of plan assets as of March 31, 2015 and 2014 are as follows:

	2015	2014
Debt investments	51%	53%
Equity investments	17%	16%
General accounts with life insurance companies	17%	18%
Other	15%	13%
Total	100%	100%

(b) Method for determining the expected rate of return on plan assets:

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(9) The assumptions used for the year ended March 31, 2015 and 2014 are as follows:

Discount rate	Principally 1.1%
Expected rate of return on plan assets	2.0%

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 35.31% for the years ended March 31, 2015 and 2014.

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

The difference between the Company's statutory tax rate and the effective tax rate for the years ended March 31, 2015 and 2014 is not disclosed as the difference is less than five percent of the statutory tax rate.

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and liabilities at March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Unrealized losses on securities	¥ 1,191	¥ 1,934	\$ 9,911
Liability for retirement benefits	1,067	2,434	8,879
Accounts payable	2,204	2,066	18,341
Loss on impairment of fixed assets	633	942	5,268
Accrued bonuses	1,145	1,291	9,528
Other long-term payables	1,160	1,161	9,653
Depreciation and amortization	739	721	6,150
Tax loss carryforwards of consolidated subsidiaries	9,417	9,167	78,364
Other	2,556	729	21,269
Gross deferred tax assets	20,112	20,445	167,363
Less: Valuation allowance	(13,259)	(14,512)	(110,335)
Total deferred tax assets	6,853	5,933	57,028
Deferred tax liabilities:			
Deferred capital gain on properties	(1,583)	(1,731)	(13,173)
Unrealized gain (loss) on available-for-sale securities	(15,805)	(9,381)	(131,522)
Revaluation gain recognized upon consolidation	(4,789)	(3,156)	(39,852)
Other	(384)	(847)	(3,195)
Total deferred tax liabilities	(22,561)	(15,115)	(187,742)
Net deferred tax (liabilities) assets	¥(15,708)	¥ (9,182)	\$(130,714)

18 | SHAREHOLDERS' EQUITY

New tax reform laws enacted in 2015 in Japan changed the normal effective statutory tax rate for the fiscal year beginning on or after April 1, 2015, to approximately 33.06% and for the fiscal year beginning on or after April 1, 2016, to approximately 32.30%.

The effect of these changes was to increase deferred tax assets, net of deferred tax liabilities, by ¥1,498 million (U.S.\$12,466 thousand), unrealized gain on available-for-sale securities by ¥1,504 million (U.S.\$12,516 thousand), deferred gain on derivatives under hedge accounting by ¥2 million (U.S.\$17 thousand), remeasurement of defined retirement benefit plans by ¥57 million (U.S.\$474 thousand) and land revaluation surplus by ¥244 million (U.S.\$2,030 thousand), with a decrease same amount in related deferred tax liability, in the consolidated balance sheet as of March 31, 2015, and to decrease income taxes - deferred in the consolidated statement of income for the year then ended by ¥65 million (U.S.\$541 thousand).

The Companies Act of Japan (the "Companies Act"), 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 earnings at March 31, 2015 and 2014 amounted to ¥6,280 million (U.S.\$52,259 thousand).

Under the Companies Act, 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, 2015 and 2014 are summarized as follows:

Number of shares				
2015				
	March 31, 2014	Increase	Decrease	March 31, 2015
Common stock and treasury stock:				
Common stock	117,463,685	—	—	117,463,685
Treasury stock	7,242,013	1,776	12,002	7,231,787
Number of shares				
2014				
	March 31, 2013	Increase	Decrease	March 31, 2014
Common stock and treasury stock:				
Common stock	117,463,685	—	—	117,463,685
Treasury stock	7,271,935	1,539	31,461	7,242,013

Dividend payments on common stock approved during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen (Thousands of U.S. dollars)	Yen (U.S. dollars)	2015	
	Total amount of dividend	Dividend per share	Record date	Effective date
Approved by:				
General meeting of shareholders held on June 26, 2014	¥ 3,858 (\$32,105)	¥ 35 (\$0.29)	March 31, 2014	June 27, 2014
Board of Directors meeting held on October 31, 2014	¥ 4,409 (\$36,690)	¥ 40 (\$0.33)	September 30, 2014	November 26, 2014

	Millions of yen	Yen	2014	
	Total amount of dividend	Dividend per share	Record date	Effective date
Approved by:				
General meeting of shareholders held on June 26, 2013	¥3,857	¥35	March 31, 2013	June 27, 2013
Board of Directors meeting held on October 31, 2013	¥4,409	¥40	September 30, 2013	November 26, 2013

19 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 ¥6,431 million (U.S.\$53,516 thousand) and ¥5,313 million for the years ended March 31, 2015 and 2014, respectively.

20 LEASES

(a) Finance leases

Leased assets presented in the accompanying consolidated balance sheet as of March 31, 2015 consisted of those under finance lease contracts that do not transfer ownership to the lessee and that were entered into on or after April 1, 2008, principally for vending machines for the instant noodle business.

(b) Operating leases

The Group has lease commitments under non-cancelable operating leases as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
As a lessee			
Due within one year	¥125	—	\$1,040
Due over one year	458	—	3,811
Total	¥583	—	\$4,851

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
As a lessor			
Due within one year	¥ 34	¥ 34	\$ 283
Due over one year	1,498	1,532	12,466
Total	¥1,532	¥1,566	\$12,749

21 | DERIVATIVE FINANCIAL INSTRUMENTS

As described in Note 2 (e), the Group utilizes derivatives to hedge the risk of fluctuations in foreign exchange rate and interest rate on certain liabilities.

Contract amounts of outstanding derivative positions accounted for by hedge accounting as of March 31, 2015 and 2014 are ¥1,016 million (U.S.\$8,455 thousand) and ¥302 million for interest rate swaps and ¥4,579 million (U.S.\$38,104 thousand) and ¥4,049 million for forward foreign exchange contracts.

There was no outstanding balance of derivative contracts which do not qualify for hedge accounting at March 31, 2015 and 2014.

Disclosure of fair value information on derivatives of interest rate swaps has been omitted, because contracts of interest rate swaps are treated as part of the hedged long-term debt, thus their fair values are integrally computed with those of the hedged long-term debt.

Fair value of forward foreign exchange contracts as of March 31, 2015 and 2014 are ¥86 million (U.S.\$716 thousand) and ¥59 million, which is measured at the quoted price obtained from the financial institution.

22 | AMOUNTS PER SHARE

Amounts per share at March 31, 2015 and 2014 for the years then ended are as follows:

	Yen		U.S. dollars	
	2015	2014	2015	
Equity	¥3,282.02	¥3,018.82	\$27.31	
Cash dividends applicable to the year	75.00	75.00	0.62	

	2015		2014		
	Net income (Millions of yen)	Weighted average number of shares (Thousands of shares)	Per share (Yen)	Per share (U.S. dollars)	Per share (Yen)
Net income—basic	¥18,505	110,230	¥167.88	\$1.40	¥174.83
Stock options	—	515	—	—	—
Net income—diluted	¥18,505	110,745	¥167.10	\$1.39	¥174.13

The amounts per share of equity 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.

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.

Stock options as of March 31, 2015 are as follows:

No.	Date of grant	Persons granted	Number of shares for options			Yen (U.S. dollars)		Millions of yen (Thousands of U.S. dollars)
			Granted and vested	Exercised	Canceled	Fair value at grant date	Average stock price at exercise	Book value
2	June 26, 2009	12 Directors	74,300	17,100	—	¥2,325 (\$19)	—	¥133 (\$1,107)
3	June 26, 2009	9 Executive Officers and Employees	3,155	1,361	—	¥2,677 (\$22)	¥5,378 (\$45)	¥ 5 (\$ 42)
4	June 26, 2009	32 Directors of subsidiaries	11,284	5,422	—	¥2,677 (\$22)	¥5,766 (\$48)	¥ 16 (\$ 133)
6	June 29, 2010	11 Directors	73,200	14,900	—	¥2,616 (\$22)	—	¥153 (\$1,273)
7	June 29, 2010	10 Executive Officers and Employees	5,710	2,160	—	¥3,003 (\$25)	¥5,379 (\$45)	¥ 11 (\$ 92)
8	June 29, 2010	31 Directors of subsidiaries	21,329	7,626	—	¥3,003 (\$25)	¥5,767 (\$48)	¥ 41 (\$ 341)
9	June 29, 2011	8 Directors	73,200	6,300	—	¥2,141 (\$18)	—	¥143 (\$1,190)
10	June 29, 2011	13 Executive Officers	11,049	4,708	—	¥2,614 (\$22)	¥5,230 (\$44)	¥ 17 (\$ 141)
11	June 29, 2011	35 Directors of subsidiaries	22,677	5,428	—	¥2,614 (\$22)	¥5,100 (\$42)	¥ 45 (\$ 374)
13	June 28, 2012	8 Directors	85,900	7,500	—	¥2,244 (\$19)	—	¥176 (\$1,465)
14	June 28, 2012	10 Executive Officers	8,666	3,055	—	¥2,709 (\$23)	¥5,273 (\$44)	¥ 15 (\$ 125)
15	June 28, 2012	36 Directors of subsidiaries	26,477	4,373	—	¥2,709 (\$23)	¥5,100 (\$42)	¥ 60 (\$ 499)
17	June 26, 2013	7 Directors	80,000	4,300	—	¥3,003 (\$25)	—	¥227 (\$1,889)
18	June 26, 2013	12 Executive Officers	7,990	1,936	—	¥3,461 (\$29)	¥5,378 (\$45)	¥ 21 (\$ 175)
19	June 26, 2013	36 Directors of subsidiaries	26,914	1,599	—	¥3,461 (\$29)	¥5,100 (\$42)	¥ 88 (\$ 732)
21	June 26, 2014	7 Directors	56,500	—	—	¥4,323 (\$36)	—	¥244 (\$2,030)
22	June 26, 2014	14 Executive Officers and Employees	7,179	1,059	—	¥4,805 (\$40)	¥5,380 (\$45)	¥ 29 (\$ 241)
23	June 26, 2014	37 Directors of subsidiaries	19,837	120	—	¥4,805 (\$40)	¥5,100 (\$42)	¥ 95 (\$ 791)

Notes:

1. All stock options granted were vested.
2. The exercise period is 40 years from the grant date of each option.
3. The exercise price is ¥1 for each option.

Stock options as of March 31, 2014 are as follows:

No.	Date of grant	Persons granted	Number of shares for options			Yen (U.S. dollars)		Millions of yen (Thousands of U.S. dollars)
			Granted and vested	Exercised	Canceled	Fair value at grant date	Average stock price at exercise	Book value
2	June 26, 2009	12 Directors	74,300	17,100	—	¥2,325 (\$23)	¥3,880 (\$38)	¥133 (\$1,292)
3	June 26, 2009	9 Executive Officers and Employees	3,155	579	—	¥2,677 (\$26)	¥4,100 (\$40)	¥ 7 (\$ 68)
4	June 26, 2009	32 Directors of subsidiaries	11,284	4,957	—	¥2,677 (\$26)	¥4,112 (\$40)	¥ 17 (\$ 165)
6	June 29, 2010	11 Directors	73,200	14,900	—	¥2,616 (\$25)	¥3,880 (\$38)	¥153 (\$1,487)
7	June 29, 2010	10 Executive Officers and Employees	5,710	763	—	¥3,003 (\$29)	¥4,100 (\$40)	¥ 15 (\$ 146)
8	June 29, 2010	31 Directors of subsidiaries	21,329	6,769	—	¥3,003 (\$29)	¥4,113 (\$40)	¥ 44 (\$ 428)
9	June 29, 2011	8 Directors	73,200	6,300	—	¥2,141 (\$21)	¥3,880 (\$38)	¥143 (\$1,389)
10	June 29, 2011	13 Executive Officers	11,049	1,894	—	¥2,614 (\$25)	¥4,100 (\$40)	¥ 24 (\$ 233)
11	June 29, 2011	35 Directors of subsidiaries	22,677	5,226	—	¥2,614 (\$25)	¥4,136 (\$40)	¥ 46 (\$ 447)
13	June 28, 2012	8 Directors	85,900	7,500	—	¥2,244 (\$22)	¥3,880 (\$38)	¥176 (\$1,710)
14	June 28, 2012	10 Executive Officers	8,666	702	—	¥2,709 (\$26)	¥4,100 (\$40)	¥ 22 (\$ 214)
15	June 28, 2012	36 Directors of subsidiaries	26,477	4,144	—	¥2,709 (\$26)	¥4,198 (\$41)	¥ 61 (\$ 593)
16	April 1, 2013	1 Director of subsidiary	343	343	—	¥4,184 (\$41)	¥4,135 (\$40)	—
17	June 26, 2013	7 Directors	80,000	4,300	—	¥3,003 (\$29)	¥3,880 (\$38)	¥227 (\$2,206)
18	June 26, 2013	12 Executive Officers	7,990	508	—	¥3,461 (\$34)	¥4,100 (\$40)	¥ 26 (\$ 253)
19	June 26, 2013	36 Directors of subsidiaries	26,914	1,378	—	¥3,461 (\$34)	¥4,352 (\$42)	¥ 88 (\$ 855)
20	January 6, 2014	3 Directors of subsidiaries	579	579	—	¥4,439 (\$43)	¥4,405 (\$43)	—

Notes:

1. All stock options granted were vested.
2. The exercise period is 40 years from the grant date of each option.
3. The exercise price is ¥1 for each option.

The fair value of options granted as of the grant date was estimated using the Black-Scholes option-pricing model based on the following assumptions:

	No. 21	No. 22	No. 23
Volatility of stock price	21.59%	15.54%	15.54%
Estimated remaining outstanding period	11.2 years	3.9 years	3.9 years
Estimated dividend	¥75 per share	¥75 per share	¥75 per share
Risk-free interest rate	0.65%	0.12%	0.12%

24 | OTHER COMPREHENSIVE INCOME

Other comprehensive income for the years ended March 31, 2015 and 2014 is as follows.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrealized gain (loss) on available-for-sale securities			
Gain (loss) arising during the year	¥25,264	¥10,902	\$210,236
Reclassification adjustments to profit or loss for the year	(2,364)	(2,611)	(19,672)
Amount before income tax effect	22,900	8,291	190,564
Income tax effect	(6,421)	(3,033)	(53,433)
Total	¥16,479	¥ 5,258	\$137,131
Deferred gain (loss) on derivatives under hedge accounting			
Gain (loss) arising during the year	¥ 86	¥ 59	\$ 716
Reclassification adjustments to profit or loss for the year	(58)	—	(483)
Amount before income tax effect	28	59	233
Income tax effect	(8)	(21)	(67)
Total	¥ 20	¥ 38	\$ 166
Land revaluation reserve			
Income tax effect	159	—	1,323
Total	¥ 159	¥ —	\$ 1,323
Foreign currency translation adjustments			
Gain (loss) arising during the year	¥ 8,046	¥ 8,637	\$ 66,956
Total	¥ 8,046	¥ 8,637	\$ 66,956
Share of other comprehensive income (loss) in associates			
Gain (loss) arising during the year	¥ (6,238)	¥ 4,035	\$ (51,910)
Total	¥ (6,238)	¥ 4,035	\$ (51,910)
Defined retirement benefit plans			
Gain (loss) arising during the year	¥ 1,737	¥ 633	\$ 14,455
Reclassification adjustments to profit or loss for the year	(633)	(395)	(5,268)
Amount before income tax effect	1,104	238	9,187
Income tax effect	(333)	(85)	(2,771)
Total	¥ 771	¥ 153	\$ 6,416
Total other comprehensive income (loss)	¥19,237	¥18,121	\$160,082

25 | SEGMENT INFORMATION

(a) Overview of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how resources are allocated among the

Group. According to the operating unit strategy of the six operating companies in Japan and four overseas business regions, the reportable segments consist of "Nissin Food Products," "Myojo Foods," "Chilled and frozen foods," "The Americas" and "China." The segments of "Nissin Food

Products," "Myojo Foods," "The Americas" and "China" are operating the business of manufacturing and selling Cup- and bag-type noodles. The "Chilled and frozen foods" segment is operating the business of manufacturing and selling chilled and frozen foods.

(b) Net sales, income or loss, assets and other items by reportable segments

Millions of yen

Year ended March 31, 2015	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	¥215,761	¥39,191	¥56,627	¥35,745	¥34,509	¥381,833	¥ 49,742	¥431,575	¥ —	¥431,575
Intersegment sales	3,017	4,758	1,594	2	107	9,478	20,508	29,986	(29,986)	—
Total	218,778	43,949	58,221	35,747	34,616	391,311	70,250	461,561	(29,986)	431,575
Segment income (loss)	23,637	1,425	(204)	662	3,277	28,797	(1,091)	27,706	(3,405)	24,301
Segment assets	147,221	48,724	29,004	18,334	52,869	296,152	116,303	412,455	100,289	512,744
Other items										
Depreciation and amortization	6,734	1,558	1,174	1,431	1,090	11,987	3,453	15,440	—	15,440
Investments in associates	—	—	—	—	—	—	34,019	34,019	—	34,019
Capital investment	6,880	3,289	828	1,575	2,966	15,538	7,436	22,974	(14)	22,960

Thousands of U.S. dollars

Year ended March 31, 2015	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	\$1,795,465	\$326,130	\$471,224	\$297,453	\$287,169	\$3,177,441	\$413,930	\$3,591,371	\$ —	\$3,591,371
Intersegment sales	25,106	39,594	13,265	17	890	78,872	170,658	249,530	(249,530)	—
Total	1,820,571	365,724	484,489	297,470	288,059	3,256,313	584,588	3,840,901	(249,530)	3,591,371
Segment income (loss)	196,697	11,858	(1,698)	5,509	27,270	239,636	(9,079)	230,557	(28,335)	202,222
Segment assets	1,225,106	405,459	241,358	152,567	439,952	2,464,442	967,821	3,432,263	834,559	4,266,822
Other items										
Depreciation and amortization	56,038	12,965	9,769	11,908	9,070	99,750	28,735	128,485	—	128,485
Investments in associates	—	—	—	—	—	—	283,091	283,091	—	283,091
Capital investment	57,252	27,370	6,890	13,106	24,682	129,300	61,879	191,179	(116)	191,063

Notes:

- "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and overseas business in Europe and Asia.
- Segment loss under "Reconciliations" amounted to ¥3,405 million (U.S.\$28,335 thousand), consisting of ¥1,099 million (U.S.\$9,145 thousand) from retirement benefit expenses, negative ¥666 million (U.S.\$5,542 thousand) from the amortization of goodwill, negative ¥3,901 million (U.S.\$32,462 thousand) from group expenses and ¥63 million (U.S.\$524 thousand) from elimination of intersegment transactions.
- Segment income is reconciled to operating income of consolidated statements of income.
- Segment assets under "Reconciliations" include the asset which cannot be allocated to any particular segment amounting to ¥100,289 million (U.S.\$834,559 thousand). The amount mainly consists of ¥94,832 million (U.S.\$789,149 thousand) of surplus investment funds, ¥702 million (U.S.\$5,842 thousand) of goodwill, and ¥4,755 million (U.S.\$39,568 thousand) of other investments.

Millions of yen

Year ended March 31, 2014	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Subtotal	Others	Total	Reconciliations	Consolidated
Net sales										
Sales to third party	¥210,906	¥39,562	¥54,790	¥32,220	¥29,904	¥367,382	¥ 50,239	¥417,621	¥ —	¥417,621
Intersegment sales	3,187	1,708	1,229	—	127	6,251	18,408	24,659	(24,659)	—
Total	214,093	41,270	56,019	32,220	30,031	373,633	68,647	442,280	(24,659)	417,621
Segment income (loss)	25,688	1,964	473	543	2,846	31,514	(576)	30,938	(3,233)	27,705
Segment assets	140,085	50,654	29,594	15,927	38,770	275,030	114,843	389,873	89,597	479,470
Other items										
Depreciation and amortization	7,225	1,062	1,139	1,316	861	11,603	2,914	14,517	—	14,517
Investments in associates	—	—	—	—	—	—	38,191	38,191	—	38,191
Capital investment	7,432	5,540	1,752	716	1,634	17,074	10,787	27,861	(387)	27,474

Notes:

- "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionery, beverages and food service business and overseas business in Europe and Asia. Aji-no-Mingei Co.,Ltd. has been excluded from the scope of consolidation after the Company sold the shares to a third party.
- Segment loss under "Reconciliations" amounted to ¥3,233 million, consisting of ¥677 million from retirement benefit expenses, negative ¥804 million from the amortization of goodwill, negative ¥3,328 million from group expenses and ¥222 million from elimination of intersegment transactions.
- Segment income is reconciled to operating income of consolidated statements of income.
- Segment assets under "Reconciliations" include the asset which cannot be allocated to any particular segment amounting to ¥89,597 million. The amount mainly consists of ¥83,983 million of surplus investment funds, ¥1,832 million of goodwill, and ¥3,781 million of other investments.

(c) Supplemental information

Information by product or service group

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

Year ended March 31, 2015	Instant noodle and associated business	Other business	Consolidated
Sales to third party	¥ 380,045 (\$3,162,562)	¥ 51,530 (\$428,809)	¥ 431,575 (\$3,591,371)

Millions of yen

Year ended March 31, 2014	Instant noodle and associated business	Other business	Consolidated
Sales to third party	¥ 364,824	¥ 52,797	¥ 417,621

Notes:

- Classification of the businesses is based on product types and characteristics.
- Major products of each business:
 - Instant noodle and associated business: bag-type instant noodles, cup-type instant noodles, chilled foods and frozen foods
 - Other business: confectioneries and beverages business

Geographical information

Year ended March 31, 2015	Millions of yen (Thousands of U.S. dollars)			
	Japan	North America	Other areas	Consolidated
Sales to third party	¥ 348,181 (\$2,897,404)	¥ 35,805 (\$297,953)	¥ 47,589 (\$396,014)	¥ 431,575 (\$3,591,371)
Property, plant and equipment	¥ 120,241 (\$1,000,591)	¥ 8,810 (\$73,313)	¥ 18,198 (\$151,435)	¥ 147,249 (\$1,225,339)

Year ended March 31, 2014	Millions of yen			
	Japan	North America	Other areas	Consolidated
Sales to third party	¥343,142	¥32,263	¥42,216	¥417,621
Property, plant and equipment	¥120,612	¥ 8,208	¥18,800	¥147,620

Note: Classification of the countries or regions is based on geographical proximity.

Information by major customer

Year ended March 31, 2015	Millions of yen (Thousands of U.S. dollars)	
	Sales	Main reportable segment
Mitsubishi Corporation	¥ 168,180 (\$1,399,517)	Nissin Food Products
ITOCHU Corporation	¥ 123,594 (\$1,028,493)	Nissin Food Products

Year ended March 31, 2014	Millions of yen	
	Sales	Main reportable segment
Mitsubishi Corporation	¥146,799	Nissin Food Products
ITOCHU Corporation	¥105,160	Nissin Food Products

Information on loss on impairment of fixed assets by reportable segment

	Millions of yen (Thousands of U.S. dollars)							
Year ended March 31, 2015	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Loss on impairment of fixed assets	¥ 137 (\$1,140)	¥ 658 (\$5,476)	¥ 141 (\$1,173)	¥— (\$—)	¥405 (\$3,370)	¥ 3,717 (\$30,931)	¥— (\$—)	¥ 5,058 (\$42,090)

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

	Millions of yen							
Year ended March 31, 2014	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Loss on impairment of fixed assets	¥377	¥353	¥—	¥—	¥27	¥1,242	¥—	¥1,999

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

Information on goodwill by reportable segment

	Millions of yen (Thousands of U.S. dollars)							
Year ended March 31, 2015	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Amortization of goodwill	¥— (\$—)	¥ 398 (\$3,312)	¥— (\$—)	¥ 45 (\$374)	¥— (\$—)	¥ 223 (\$1,856)	¥— (\$—)	¥ 666 (\$5,542)
Balance of goodwill	¥— (\$—)	¥ 611 (\$5,085)	¥— (\$—)	¥ 91 (\$757)	¥— (\$—)	¥ — \$ 0	¥— (\$—)	¥ 702 (\$5,842)

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

	Millions of yen							
Year ended March 31, 2014	Nissin Food Products	Myojo Foods	Chilled and frozen foods	The Americas	China	Others	Eliminations or corporate	Consolidated
Amortization of goodwill	¥—	¥ 398	¥73	¥ 45	¥—	¥288	¥—	¥ 804
Balance of goodwill	¥—	¥1,009	¥—	¥136	¥—	¥687	¥—	¥1,832

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

26 | RELATED PARTY TRANSACTIONS

The Group concluded lease contracts with related parties, whose shares are wholly owned by certain directors of the Company and their relatives. The amount of lease payments to these companies for the years ended March 31, 2015 and 2014 was ¥374 million (US\$3,112 thousand) and ¥466 million, respectively, and the outstanding balance of lease obligations and other liabilities at March 31, 2015 and 2014 was ¥75 million (US\$624 thousand) and ¥93 million, respectively.

The Group also had a transaction with Hattori Hideki, Audit Supervisory Board Member of the Company. Sale of treasury stock amounted to ¥11 million (U.S.\$92 thousand) as of March 31, 2015 due to the exercise of Stock Option.

27 | SUBSEQUENT EVENTS

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, 2015, was approved at a meeting of the shareholders of the Company held on June 25, 2015:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥35=U.S.\$0.29 per share)	¥3,858	\$32,105

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated balance sheet of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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



June 25, 2015

Member of
Deloitte Touche Tohmatsu Limited

BUSINESS AREAS OF CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

As of March 31, 2015

Company	Capital	Business Area	Equity Ownership (%)
CONSOLIDATED SUBSIDIARIES			
NISSIN FOOD PRODUCTS CO., LTD.	¥5,000 million	Instant noodle manufacturing and marketing	100.0
MYOJO FOODS CO., LTD.	¥3,143 million	Instant noodle manufacturing and marketing	100.0
NISSIN CHILLED FOODS CO., LTD.	¥100 million	Chilled food manufacturing and marketing	100.0
NISSIN FROZEN FOODS CO., LTD.	¥100 million	Frozen food manufacturing and marketing	100.0
NISSIN CISCO CO., LTD.	¥2,600 million	Confectionery manufacturing and marketing	100.0
NISSIN YORK CO., LTD.	¥870 million	Beverage and dairy product manufacturing and marketing	100.0
NISSIN BUSINESS SUPPORT CO., LTD.	¥50 million	Intergroup business support	100.0
NISSIN ASSET MANAGEMENT CO., LTD.	¥50 million	Real estate and leasing management	100.0
Sapporo Nissin Co., Ltd.	¥250 million	Instant noodle manufacturing and marketing	100.0 (100.0)
Nissin Plastics Co., Ltd.	¥450 million	Container manufacturing and marketing	100.0 (100.0)
NISSIN F.D. FOODS CO., LTD.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Kagawa Nissin Food Products Co., Ltd.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Nissin Enterprise Corporation	¥300 million	Shipping and warehousing	100.0 (100.0)
AJINIHON CO., LTD.	¥95 million	Soup manufacturing and marketing	46.3 (46.3)
NISHINIHON MYOJO CO., LTD.	¥90 million	Instant noodle manufacturing and marketing	100.0 (100.0)
UNI-STAR CO., LTD.	¥150 million	Soup manufacturing and marketing	100.0 (100.0)
HIGASHINIHON MYOJO CO., LTD.	¥90 million	Instant noodle manufacturing and marketing	100.0 (100.0)
Saitama Nissin Food Products Co., Ltd.	¥30 million	Chilled and frozen food manufacturing and marketing	100.0 (100.0)
MYOJO FRESH CO., LTD.	¥400 million	Chilled food manufacturing and marketing	100.0 (100.0)
Shikoku Nissin Food Products Co., Ltd.	¥98 million	Frozen food manufacturing and marketing	100.0 (100.0)
Takamatsu Nissin Food Products Co., Ltd.	¥80 million	Frozen food manufacturing and marketing	100.0 (100.0)
Mie Nissin Food Products Co., Ltd.	¥100 million	Frozen food manufacturing and marketing	100.0 (100.0)
Circle Liners Co., Ltd.	¥50 million	Shipping and warehousing	100.0 (100.0)
NICKY FOODS CO., LTD.	¥60 million	Frozen food manufacturing and marketing	100.0 (100.0)
UJI KAIHATSU DEVELOPMENT CO., LTD.	¥100 million	Golf course management	98.3 (0.4)
NISSIN NETCOM CO., LTD.	¥24 million	Real estate and restaurant management	100.0
NISSIN FOODS (U.S.A.) CO., INC.	U.S.\$149,706 thousand	Instant noodle manufacturing and marketing	94.4
MYOJO U.S.A., INC.	U.S.\$5,000 thousand	Chilled food manufacturing and marketing	96.0
NISSIN FOODS DE MEXICO S.A. DE C.V.	MXN 215,191 thousand	Instant noodle manufacturing and marketing	100.0

Company	Capital	Business Area	Equity Ownership (%)
CONSOLIDATED SUBSIDIARIES			
NISSIN FOODS DE COLOMBIA S.A.S.	COP 18,326 million	Instant noodle marketing	100.0
NISSIN FOODS CO., LTD.	HK\$1,984,645 thousand	Instant noodle manufacturing and marketing	100.0
WINNER FOOD PRODUCTS LTD.	HK\$29,975 thousand	Instant noodle and frozen food manufacturing and marketing	100.0 (100.0)
NISSIN FOODS (HK) MANAGEMENT CO., LTD.	HK\$200	Intergroup business support	100.0 (100.0)
NISSIN FOODS (CHINA) HOLDING CO., LTD.	CNY 580,210 thousand	Invests in businesses in China	100.0 (100.0)
SHANGHAI NISSIN FOODS CO., LTD.	U.S.\$44,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
GUANGDONG SHUNDE NISSIN FOODS CO., LTD.	HK\$130,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
Dongguan Nissin Packaging Co., Ltd	CNY 147,000 thousand	Instant noodle package manufacturing	100.0 (100.0)
Nissin Koikeya Foods (China & HK) Co., Ltd.	HK\$1,000 thousand	Confectionery marketing	66.0 (66.0)
Fujian Nissin Foods Co., Ltd.	CNY 235,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
ZHUHAI GOLDEN COAST WINNER FOOD PRODUCTS LTD.	HK\$84,000 thousand	Instant noodle manufacturing and marketing	70.5 (70.5)
GUANGYOUGNAN FOOD PRODUCTS (SHENZHEN) CO., LTD.	HK\$11,000 thousand	Frozen food manufacturing and marketing	100.0 (100.0)
NISSIN FOODS (ASIA) PTE. LTD.	SG\$272,959 thousand	Instant noodle manufacturing and marketing/Supervising Asian business	100.0
INDO NISSIN FOODS PRIVATE LTD.	INR 2,650,000 thousand	Instant noodle manufacturing and marketing	99.4 (99.4)
NISSIN FOODS INDIA LTD.	INR 500 thousand	Instant noodle marketing	100.0 (100.0)
Nissin Foods Kft.	HUF 1,000,000 thousand	Instant noodle manufacturing and marketing	100.0
Nissin Foods GmbH	EUR 25 thousand	Instant noodle marketing	100.0 (99.0)
NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.	TRY 99,625 thousand	Pasta and instant noodle manufacturing and marketing	50.0
NISSIN FOODS VIETNAM CO., LTD.	U.S.\$54,330 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
NISSIN FOODS (THAILAND) CO., LTD.	THB 2,410,000 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
ASSOCIATES ACCOUNTED FOR BY THE EQUITY METHOD			
NISSIN-AJINOMOTO ALIMENTOS LTDA.	BRL 12,688 thousand	Instant noodle manufacturing and marketing	50.0
THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED	THB 180,000 thousand	Instant noodle manufacturing and marketing	21.1
MAREVEN FOOD HOLDINGS LIMITED	RUB 398 thousand	Holding company of instant noodle businesses	33.5
Frente Co., Ltd.	¥2,269 million	Confectionery manufacturing and marketing	33.4
BonChi Co., Ltd.	¥160 million	Confectionery manufacturing and marketing	30.0

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

INVESTOR INFORMATION

NISSIN FOODS HOLDINGS CO., LTD.
As of March 31, 2015 (U.S.\$1=¥120.17)

Date of Establishment	September 1948
Number of Employees	596 (parent company) 8,767 (consolidated basis)
Common Stock	Authorized: 500,000,000 shares Issued: 117,463,685 shares Number of Shareholders: 45,822 (Excluding owners of odd-lot shares)
Paid-in Capital	¥25,122 million (\$244 million)
Stock Listings	Tokyo Stock Exchange (Ticker Code: 2897)
Independent Auditors	Deloitte Touche Tohmatsu LLC
Transfer Agent	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

CONSOLIDATED PER SHARE DATA

Years ended March 31,	2011	2012	2013	2014	2015
Net income per share (EPS)	¥187.56	¥167.97	¥171.12	¥174.83	¥167.88
Equity (book-value) per share (BPS)	¥2,454.67	¥2,545.31	¥2,782.25	¥3,018.82	¥3,282.02
Price earnings ratio (PER) (Times)	15.6	18.4	25.6	26.6	35.2
Price-to-book ratio (PBR) (Times)	1.2	1.2	1.6	1.5	1.8
Dividend	¥70.00	¥75.00	¥75.00	¥75.00	¥75.00
Payout ratio (%)	37.32	44.70	43.80	42.90	44.67
Share price: High	¥3,340	¥3,195	¥4,385	¥4,735	¥6,620
Low	¥2,730	¥2,812	¥2,824	¥3,550	¥4,270

Notes: 1. From the fiscal year ended March 31, 2008, number of issued shares excludes the numbers of treasury stocks at term-end.
2. Equity per share = (Equity - Minority interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury stock)
3. Price-to-book ratio are calculated based on the share price at year-end.

FURTHER INFORMATION

For further information, please contact: IR OFFICE, FINANCIAL HEADQUARTERS
Tel: 81-3-3205-5027 Fax: 81-3-3205-5179
Regularly updated IR information in English is also available on NISSIN FOODS HOLDINGS website at

DISTRIBUTION OF OWNERSHIP AMONG SHAREHOLDERS



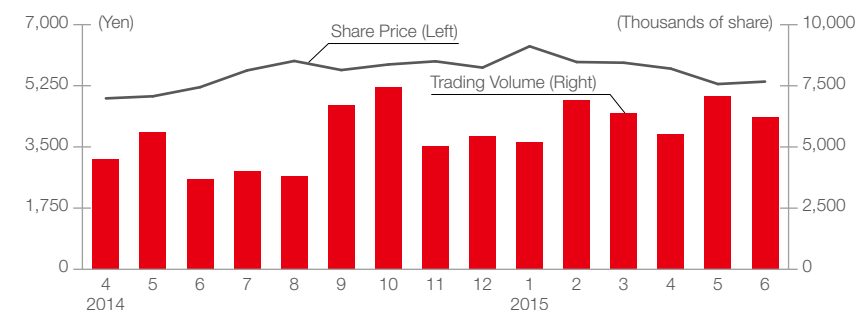
Other Corporations	38.26%
Financial Institutions	25.18%
Foreign Corporations	18.88%
Individuals and Other	11.52%
Treasury Stock	6.15%

PRINCIPAL SHAREHOLDERS

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Ando Foundation	7,904	6.72%
Mitsubishi Corp.	7,800	6.64
State Street Bank and Trust Company	5,939	5.05
ITOCHU Corp.	5,400	4.59
Ando International Y.K.	3,946	3.35
Mizuho Bank, Ltd.	3,375	2.87
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,629	2.23
ONO PHARMACEUTICAL CO., LTD.	2,460	2.09
Japan Trustee Services Bank, Ltd. (Account in Trust)	2,195	1.86
The Master Trust Bank of Japan, Ltd. (Account in Trust)	2,068	1.76
Total	43,716	37.21

Note: In addition to the above, the Company holds 7,231,787 shares (6.15%) of treasury stock.

SHARE PRICE RANGE AND TRADING VOLUME ON TSE





About this Report

In keeping with the “integrated thinking” concept advocated by the International Integrated Reporting Committee (IIRC), to give shareholders, investors, and all other stakeholders a comprehensive picture of the NISSIN FOODS Group and our vision for the future, in ANNUAL REPORT 2015 we report not only the Group’s business results and other financial information, but also non-financial information such as the Group philosophy, governance, risk information, food safety measures, human resource initiatives, and environmental and social activities.

We have also tried to express in this report four attributes that we traditionally value as a Group: unique, happy, global, and creative.

Forward-looking Statement

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.



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Research Institutes

NISSIN Global Innovation Center
NISSIN Global Food Safety Institute
FOOD SAFETY EVALUATION RESEARCH INSTITUTE CO., LTD. (Shanghai)