Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Internet Disclosure Items for Notice of the 68th Ordinary General Meeting of Shareholders

The Company provides this document to shareholders by means of disclosure through the Company's website (http://nissin.com/) in accordance with the laws and regulations and Article 17 of the Company's Articles of Incorporation.

NISSIN FOODS HOLDINGS CO., LTD.

<Contents>

(From April 1, 2015 to March 31, 2016)

1. Items Regarding Stock Acquisition Rights of the Company

(1) Status of stock acquisition rights as of the end of the fiscal year under review

Name	Exercise period	Number of stock acquisition rights	Class and number of shares	Amount paid per share (Yen)	Exercise price per share (Yen)
2nd series stock acquisition rights	From June 27, 2009 to June 26, 2049	572	Common share 57,200	2,325	1
3rd series stock acquisition rights	From June 27, 2009 to June 26, 2049	1,403	Common share 1,794	2,677	1
4th series stock acquisition rights	From June 27, 2009 to June 26, 2049	5,663	Common share 5,663	2,677	1
6th series stock acquisition rights	From June 30, 2010 to June 29, 2050	583	Common share 58,300	2,616	1
7th series stock acquisition rights	From June 30, 2010 to June 29, 2050	2,832	Common share 2,832	3,003	1
8th series stock acquisition rights	From June 30, 2010 to June 29, 2050	13,294	Common share 13,294	3,003	1
9th series stock acquisition rights	From June 30, 2011 to June 29, 2051	669	Common share 66,900	2,141	1
10th series stock acquisition rights	From June 30, 2011 to June 29, 2051	5,646	Common share 5,646	2,614	1
11th series stock acquisition rights	From June 30, 2011 to June 29, 2051	16,670	Common share 16,670	2,614	1
13th series stock acquisition rights	From June 29, 2012 to June 28, 2052	784	Common share 78,400	2,244	1
14th series stock acquisition rights	From June 29, 2012 to June 28, 2052	4,776	Common share 4,776	2,709	1
15th series stock acquisition rights	From June 29, 2012 to June 28, 2052	21,287	Common share 21,287	2,709	1
17th series stock acquisition rights	From June 27, 2013 to June 26, 2053	757	Common share 75,700	3,003	1
18th series stock acquisition rights	From June 27, 2013 to June 26, 2053	5,249	Common share 5,249	3,461	1
19th series stock acquisition rights	From June 27, 2013 to June 26, 2053	23,923	Common share 23,923	3,461	1
21st series stock acquisition rights	From June 27, 2014 to June 26, 2054	565	Common share 56,500	4,323	1
22nd series stock acquisition rights	From June 27, 2014 to June 26, 2054	5,524	Common share 5,524	4,805	1
23rd series stock acquisition rights	From June 27, 2014 to June 26, 2054	18,853	Common share 18,853	4,805	1
24th series stock acquisition rights	From June 26, 2015 to June 25, 2055	523	Common share 52,300	4,692	1
25th series stock acquisition rights	From June 26, 2015 to June 25, 2055	6,790	Common share 6,790	5,162	1
26th series stock acquisition rights	From June 26, 2015 to June 25, 2055	16,579	Common share 16,579	5,162	1
27th series stock acquisition rights	From April 1, 2016 to March 31, 2056	621	Common share 621	5,289	1

(2) Status of stock acquisition rights held by the officers of the Company as of the end of the fiscal year under review

	Name	Number of stock acquisition rights	Number of holders
Director (excluding Outside Director)	2nd series stock acquisition rights	572	5
	3rd series stock acquisition rights	599	2
	4th series stock acquisition rights	870	1
	6th series stock acquisition rights	583	5
	7th series stock acquisition rights	1,454	2
	8th series stock acquisition rights	2,165	1
	9th series stock acquisition rights	669	6
	10th series stock acquisition rights	800	1
	11th series stock acquisition rights	2,783	1
	13th series stock acquisition rights	784	6
	14th series stock acquisition rights	1,063	1
	15th series stock acquisition rights	3,227	1
	17th series stock acquisition rights	757	6
	18th series stock acquisition rights	1,080	1
	19th series stock acquisition rights	3,623	1
	21st series stock acquisition rights	565	7
	22nd series stock acquisition rights	927	1
	23rd series stock acquisition rights	3,533	1
	24th series stock acquisition rights	523	8
	26th series stock acquisition rights	3,222	1

(3) Status of stock acquisition rights issued during the fiscal year under review

Name	Exercise period	Number of stock acquisition rights	Class and number of shares	Amount paid per share (Yen)	Exercise price per share (Yen)
24th series stock acquisition rights	From June 26, 2015 to June 25, 2055	523	Common share 52,300	4,692	1
25th series stock acquisition rights	From June 26, 2015 to June 25, 2055	7,248	Common share 7,248	5,162	1
26th series stock acquisition rights	From June 26, 2015 to June 25, 2055	17,141	Common share 17,141	5,162	1
27th series stock acquisition rights	From April 1, 2016 to March 31, 2056	621	Common share 621	5,289	1

(4) Breakdown of stock acquisition rights issued to employees of the Company and officers and employees of subsidiaries of the Company during the fiscal year under review

	Name	Number	Number of individuals to whom stock acquisition rights have been issued
Employees of the Company	25th series stock acquisition rights	7,248	16
	27th series stock acquisition rights	621	1
Directors of the subsidiaries of the Company	26th series stock acquisition rights	17,141	43

2. Systems and Policy of the Company

NISSIN FOODS HOLDINGS CO., LTD. (hereafter referred to as the “Company”) develops systems to ensure that the Directors’ performance of their duties is complied with applicable laws and regulations and the Articles of Incorporation of the Company, and other systems necessary to ensure the appropriateness of operations (Basic Policy on Construction of Internal Control Systems) as follows.

The Board of Directors of the Company is making effort to develop more appropriate and efficient systems by conducting reviews, as appropriate, of, and making continuous improvements to, the “Basic Policy on Construction of Internal Control Systems.”

(1) Basic policy of business operation

Officers and employees of the Company and its subsidiaries (hereafter collectively referred to as “NISSIN FOODS Group”) shall make efforts to be deeply aware of corporate social responsibility, to comply with the relevant laws and regulations, and to commit acting conforming with social ethics when executing their daily duties pursuant to the “NISSIN FOODS Group Ethics Regulations” and “NISSIN FOODS Group Compliance Regulations.”

(Basic Philosophy)

i) Objective of our work is to place customer satisfaction first and to provide products and services which bring happiness to people’s lives.

ii) We shall make efforts to be aware of corporate social responsibility, comply with laws and regulations and fair business practice, and enhance business activities with transparency.

iii) We shall be aware that we are corporate citizens, fostering high ethical standards and following common sense.

(Code of Conduct)

i) Fair, just, and transparent relationships with all stakeholders including shareholders, customers, and business partners shall be maintained.

ii) Basic human rights of all people shall be respected, and engagement in any acts that impair individual dignity shall not be made. Furthermore, discrimination of people on the basis of nationality, ethnicity, religion, sex, age, social status, and disability shall not be performed.

iii) Efforts shall be made to create and develop products and services which prioritize health and safety of the public.

iv) Products and services should not in any way harm the bodies and properties of consumers. Issues caused by such quality problems shall be addressed and solved promptly with good faith.

v) Judgments and actions which are far apart from common sense due to excessive pursuit of profit in business should not be taken.

vi) Any relationships with antisocial forces and organizations that threaten the order and security of civil society shall be severed.

vii) Efforts shall be made to disclose corporate information. Furthermore, pursuant to the “NISSIN FOODS Group Insider Trading Management Regulations,” insider trading as well as provision of benefits and convenience to third parties using undisclosed information shall not be performed.

viii) Information associated with trade secrets shall be strictly managed and shall not be disclosed or leaked outside the Company whether during the term or after employment.

ix) Efforts shall be made to maintain and secure intellectual property rights, and respect the said rights of others at the same time. In addition, efforts shall be made not to infringe the said rights of others due to inattention, and it goes without saying that intentional infringement or illegal use shall not occur.

x) Undue losses shall not be imposed on business partners from using advantageous position in business.

xi) We shall not take advantage of our functional status in order to receive personal benefits or convenience from business partners.

xii) Utmost attentions shall be given so that business activities will not have adverse impacts on the global environment.

xiii) Active engagements in regional contributions shall be made through close coordination and collaborations with local societies.

xiv) In case issues not presented here arise, all shall be judged and taken action pursuant to the basic philosophy under the “NISSIN FOODS Group Ethics Regulations.”

(2) System ensuring the execution of duties of Directors and employees comply with the laws and regulations and the Articles of Incorporation / System ensuring the reliability of financial reporting

i) For the purpose of compliance with the laws and regulations and the Articles of Incorporation and the like, the Company shall develop “NISSIN FOODS Group Ethics Regulations” and “NISSIN FOODS Group Compliance Regulations” and shall ensure that officers and employees of NISSIN FOODS Group understand.

ii) “Compliance Committee” shall be set up with Executive Vice President & Representative Director, COO serving as chairman to make efforts to have officers and employees comply with the laws and regulations, “Articles of Incorporation,” and various regulations alike. Furthermore, “Compliance Group” shall be established within the Legal Division to strengthen measures.

iii) Each division of NISSIN FOODS Group shall consult with outside specialists including lawyers as necessary upon carrying out its duties for the purpose of avoiding risks of non-compliance with the laws and regulations, “Articles of Incorporation,” and various regulations alike.

iv) Internal Auditing Office which is under direct control of President & Representative Director, CEO shall audit major business offices of NISSIN FOODS Group on a regular basis and confirm if the laws and regulations, “Articles of Incorporation,” and various regulations alike are being complied.

v) The Company shall establish “NISSIN FOODS Group Internal Reporting Regulations” as a reporting system when violation of laws and regulations, “Articles of Incorporation,” and various regulations alike occur, or is about to occur, and shall ensure that officers and employees of NISSIN FOODS Group thoroughly understand. NISSIN FOODS Group shall not dismiss or treat disadvantageously the person who has made the reporting in question.

vi) Audit & Supervisory Board Members shall audit the appropriateness of the execution of duties of Directors pursuant to “Audit & Supervisory Board Regulations,” “Audit Standards of Audit & Supervisory Board Members,” and the like.

vii) Human resources shall be appropriately placed to develop and promote the construction and administration of internal control systems for the purpose of ensuring the reliability of financial reporting.

(3) System relating to storage and management of information in regard to the execution of duties of Directors

The Company shall record legal documents including minutes of General Meeting of Shareholders and Meeting of the Board of Directors and the like, in addition to important information in regard to the execution of duties of Directors such as written approvals, to paper documents or electromagnetic media. It shall appropriately store and manage the information pursuant to the laws and regulations and the “Document Management Regulations,” shall, to the extent necessary, verify the status of storage and management, respond to the request of inspection given by the Directors and Audit & Supervisory Board Members, and review the regulations as appropriate.

(4) Regulations and other systems relating to risk management of losses

i) The Company shall set up a "Risk Management Committee" with Executive Vice President & Representative Director, COO serving as chairman to prevent, identify, manage, and address against various risks in regard to NISSIN FOODS Group.

ii) NISSIN FOODS Group shall set up "Audit Standards of Food Safety" and develop a system primarily conducted by NISSIN Global Food Safety Institute to investigate and verify the safety of food products ranging from raw materials to products, based on its awareness that the most important issue is to constantly ensure safe and worry-free food products.

iii) NISSIN FOODS Group shall set up "Accident Countermeasure Committees" within the Group's respective major subsidiaries pursuant to the "NISSIN FOODS Group Important Products Accident Countermeasure Regulations," and by taking prompt and accurate measures in regard to product related risks, keep damages to a minimum and prevent their recurrences.

iv) The Company shall set up an "Environmental Committee" as an organization to address environmental and safety risks. In the event a material accident occurs in environmental aspects, pursuant to the manual, it shall be immediately responded, stabilized, and resolved.

v) The "Environmental Committee" shall review various manuals including "Industrial Waste Treatment Manual" as necessary and shall confirm the status of the operation on a regular basis.

(5) System ensuring the efficiency of execution of duties of Directors / System ensuring the execution of duties of employees comply with the laws and regulations and the Articles of Incorporation

i) The Company shall hold "regular meetings of the Board of Directors" on a regular basis and "extraordinary meetings of the Board of Directors" as appropriate when necessary. The meetings shall consist of Directors and Audit & Supervisory Board Members who shall discuss and decide on important matters pursuant to the laws and regulations, "Articles of Incorporation," and "Board of Directors Regulations." Furthermore, the members of the meetings shall receive reports in regard to the execution of duties of Directors, and conduct supervision and the like. Among the thirteen (13) Directors, four (4) are Outside Directors, and among the four (4) Audit & Supervisory Board Members, three (3) are Outside Audit & Supervisory Board Members. Due to this, the execution of duties of Directors is supervised effectively.

ii) The Company shall hold a "Management Committee" twice every month to improve management efficiency. The Committee shall consist of Directors and Audit & Supervisory Board Members (Full-time) and shall discuss matters which are to be resolved by the "meeting of Board of Directors" and matters which authorities are delegated to the Committee by the Board of Directors pursuant to the "Approval Regulations" shall be discussed and decided.

iii) The Company shall hold a "Group Company Strategic Presentation" every month in principle. Reports, proposals, and confirmations in regard to strategies (products, finance, human resource and the like) shall be made by the presidents of the major subsidiaries and overseas regional Chief Representatives, and status of execution of duties of subsidiaries shall be supervised.

iv) The Company shall hold a "GPS Presentation (Global Platform System Presentation)" every month in principle, and the Presentation shall consist of chief officers. Strategies shall be proposed by the chief officers, and status of execution of platform duties shall be supervised.

v) As a preliminary discussion body of the "Board of Directors" and "Management Committee," the Company shall hold an "Investment and Finance Committee" every month in principle. The Committee shall consist of members summoned in principle from each platform. The Committee shall perform screenings and reviews of important investment and financing and the like in advance.

vi) As an advisory body of the "Board of Directors" and "Management Committee," the Company shall hold a "Personnel Committee" every month and the Committee shall consist of chief officers and the like. Human resource strategy of the Group shall be reviewed.

vii) The Company shall establish the "Management Advisory Committee," an advisory organ composed of a majority of Independent Directors/Audit & Supervisory Board Members, to meet three times a year, in order to ensure transparency and fairness in nomination, remuneration, and governance.

viii) The Company shall establish a "Liaison Committee of Independent Outside Directors and Auditors" comprising Independent Outside Directors and Auditors. The Liaison Group shall meet twice yearly, and the Auditors shall ensure fulsome information sharing with Outside Directors.

ix) The Company shall establish regulations such as "Administrative Authorities Regulations" and "Division of Responsibilities Regulations" to ensure that appropriate and efficient duties of Directors and employees are executed in order that the authority and responsibility of each officer shall be made clear.

x) The term of office of Directors shall be one (1) year, for the purpose of clarifying their management responsibility, and allowing quick actions to be taken in response to the changes in management environment.

(6) System ensuring the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

i) "NISSIN FOODS Group Ethics Regulations" and "NISSIN FOODS Group Compliance Regulations" shall be the ethical and operational guideline for business operations in the NISSIN FOODS Group.

ii) The department in charge in the Company shall be the contact department and shall receive reports on a regular basis in regard to business performance of the NISSIN FOODS Groups. Furthermore, important matters shall be approved by the in-house approving authorities or by the subsidiaries pursuant to the "Approval Regulations." If matters exceed the scope of such authority, it shall be approved by the Board of Directors and the like of the Company.

iii) Audit & Supervisory Board Members and the Internal Auditing Office shall conduct audits including periodical visiting audits to confirm if operations of NISSIN FOODS Group are complying with the laws and regulations, "Articles of Incorporation" and various regulations alike.

(7) Matters relating to employees assisting Audit & Supervisory Board Members in the event the Audit & Supervisory Board Members request the placement of employees to assist their duties

The Company set up an Audit & Supervisory Board Office directly under the "Audit & Supervisory Board" and placed several dedicated employees as ones to assist the duties of the Audit & Supervisory Board Members. The "Audit & Supervisory Board" has expressed its opinion that presently, assistance is sufficient.

(8) Matters regarding independence of employees assisting the duties of Audit & Supervisory Board Members from Directors, and the procurement of effectiveness of such instruction

i) Matters regarding personnel such as appointment and transfers of employees assisting the duties of the Audit & Supervisory Board Members shall be decided conditional on consent from the Audit & Supervisory Board Members (Full-time) in advance. The performance management shall be conducted by the Audit & Supervisory Board Members (Full-time).

ii) For the purpose of ensuring the effectiveness of instructions given by the Audit & Supervisory Board Members, employees assisting the duties of the Audit & Supervisory Board Members shall not additionally hold duties relating to the business execution of the Company, and shall carry out the duties under the directions of the Audit & Supervisory Board Members.

(9) Reporting system by Directors and employees to Audit & Supervisory Board Members, and other reporting systems to Audit & Supervisory Board Members

i) In the event facts that may cause significant damages to the NISSIN FOODS Group are discovered, Directors of the NISSIN FOODS Group shall immediately report the facts concerned to the "Audit & Supervisory Board" of the Company.

ii) Pursuant to the "Audit Standards of Audit & Supervisory Board Members," in addition to matters provided under the laws and regulations, facts that may cause material impact in finance and operations of NISSIN FOODS Group, the decisions and the like shall be immediately reported by Directors and employees of NISSIN FOODS Group to the Company's Audit & Supervisory Board Members.

iii) In the event facts that may cause significant damages to the NISSIN FOODS Group are discovered, employees of NISSIN FOODS Group shall report the facts concerned to the Audit & Supervisory Board Members.

iv) NISSIN FOODS Group shall not treat ones who have reported the aforementioned three items disadvantageously on the grounds that such reporting was made.

v) If expenses necessary to request advice from lawyers, certified public accountants, and other outside specialists, to outsource investigation, analysis and other administrations for the purpose of conducting audit are requested by the Audit & Supervisory Board Members or the Audit & Supervisory Board, Directors, Executive Officers, and employees shall not refuse such requests, except in cases where the expenses under such requests are determined to be unnecessary in the execution of duties of the Audit & Supervisory Board Members.

(10) Other systems ensuring the effectiveness of audits conducted by the Audit & Supervisory Board Members

i) "Regular meetings of the Audit & Supervisory Board" in which all Audit & Supervisory Board Members attend shall be held every month in principle, and "extraordinary meetings of the Audit & Supervisory Board" shall be held as necessary. Ideas shall be exchanged in regard to Auditors' opinions and important issues upon auditing between the Audit & Supervisory Board Members and the results shall be reported on a regular basis to the "Board of Directors" as an Audit & Supervisory Board Report.

ii) Directors and employees shall report monthly performance and financial situations on a regular basis to the "Board of Directors" and the "Management Committee" and the like. Various minutes, written approvals and other important documents relating to business operations shall be circulated to, and be read through by, the Audit & Supervisory Board Members (Full-time). Furthermore, if requested by the Audit & Supervisory Board Members, sufficient explanations shall be provided.

iii) Audit & Supervisory Board Members shall hold regular meetings with the Internal Auditing Office and Financial Auditor once every two (2) months in principle to exchange information, establishing a system where audits are carried out effectively by the Audit & Supervisory Board Members.

(11) Basic concept toward elimination of antisocial forces and the status toward such elimination

The Basic policy of NISSIN FOODS Group upon conducting corporate activities is based on the idea that "Any relationships with antisocial forces and organizations that threaten the order and security of civil society shall be severed." The policy is stated clearly in the Code of Conduct under the "NISSIN FOODS Group Ethics Regulations" and the Company ensures that it is thoroughly understood.

The Company places General Affairs Division as its supervisory department to handle antisocial forces. The General Affairs Division plays a key role in continuously gathering information from government bodies and outside specialized organizations, developing a system which will be able to address unexpected situations with prompt cooperation.

(12) Report on the operational status of the systems ensuring the appropriateness of operations

The outline of the operational status of systems ensuring the execution of duties of Directors comply with the laws and regulations and the Articles of Incorporation, and other systems ensuring the appropriateness of operations is as follows:

i) Overall Internal Control Systems

In addition to audits conducted by the Audit & Supervisory Board Members and Financial Auditor of the Company, Internal Auditing Office, which is under the direct control of President & Representative Director, CEO, is engaged in internal audits and regularly conducted audits including on-site inspections in order to confirm that Nissin Foods Group is performing its business in compliance with laws and regulations, "Articles of Incorporation" and other rules and regulations.

In addition, with the aim of enhancing audit efficiency, three parties, Internal Auditing Office, the Audit & Supervisory Board Members and Financial Auditor held a meeting every two months in principle, and exchanged opinions regarding findings of the audit and other relevant information.

ii) Compliance

Compliance Committee held three meetings during the fiscal year under review and worked to strengthen the compliance framework of the Group. The Committee identified and evaluated compliance risks at business offices of the Company and the Group companies, provided instructions for improvement as well as education and training to facilitate the sense of compliance taking root.

iii) Risk Management

The Company newly established "Risk Management Office" in the General Affairs Division as an office for "Risk Management Committee" of the Company in the fiscal year under review. We have identified and evaluated risks, developed countermeasures, and checked the status of the measures taken, in order to get visibility of risks of the entire Group and manage them.

iv) Management of business of subsidiaries

The Company has obtained an approval of the Company for important matters of its subsidiaries in compliance with the "Approval Regulations." With regard to each subsidiary's business strategy, business conditions, financial conditions and the like, the Company has regularly received reports from respective subsidiaries as necessary at the Board of Directors and Group Company Strategic Presentation.

v) Execution of duties by Directors

・The Company held regular meetings of the Board of Directors ten times during the fiscal year under review to determine important business matters defined in the laws and regulations, Articles of Incorporation and the Board of Directors Regulations, and supervised execution of the duties.

・In principle the Management Committee met twice a month to deliberate beforehand matters to be resolved by the Board of Directors and other important business matters and to report on important progress of the business operations.

vi) Execution of duties of the Audit & Supervisory Board Members

・Regular meetings of the Audit & Supervisory Board were held ten times during the fiscal year under review to audit duties executed by Directors.

・The Audit & Supervisory Board Members have conducted audit by attending the Board of Directors and other important meetings, interviewing Directors and employees and other means including on-site inspection concerning matters to be resolved by the Management Committee and other important matters for corporate management.

・The Audit & Supervisory Board members effectively conducted audits by holding regular meetings with Internal Auditing Office and Financial Auditor once in two months in principle to exchange information.

3. Basic Policy on Control of the Company

(1) Basic policy

Recognizing four phrases of the founder - “Peace will come to the world when there is enough food,” “Create foods to serve society,” “Eat wisely for beauty and health,” and “Food related jobs are sacred profession” - as enduring founding values, and guided by our Group philosophy, as signified by “EARTH FOOD CREATOR,” to contribute to society and the earth by gratifying people everywhere with the pleasures and delights food can provide, the Company will strive to embody them.

Under the former medium-term business plan “UFP 2012,” the Company pushed forward initiatives for aggressively offering added-value in the domestic business and developing revenue base in the overseas business, by leveraging the innovation & marketing capabilities as its core driver.

As a result, we were able to achieve the sales growth but partly due to impacts from the Great East Japan Earthquake, we fell short of meeting target numbers. And yet, we did complete development of the foundation for improvement of earning power of the domestic business and growth of the overseas business during this period, and we believe that it was a meaningful phase that should lead to a new medium-term business plan.

In the three years that began in fiscal 2014, the Company has addressed “Medium-term Business Plan 2016” (hereinafter referred to as the “the Medium-term Plan”). In the Medium-term Plan, under the theme “Aspire to develop into a global company,” we will strive to 1. strengthen our earning power in the domestic business, 2. accelerate the growth of the overseas business, and 3. reinforce and facilitate implementation of the platform functions as a global company.

On the front of the domestic business, we will work to establish a new revenue generation model with the use of the group capabilities. Specifically, we will work to achieve 1) introduction of a new business model (high speed branding system), and 2) cost reduction by joint procurement and distribution by the group companies.

On the front of the overseas business, we will work to create different business models for (i) mature markets, (ii) growth markets, and (iii) new markets respectively.

i) The mature markets include Europe and the North America, where the culture of noodle is deeply rooted and we can expect to further improve our profitability by stepping up our efforts and improving efficiency. In the North America, we aim to lock in our revenue base by strengthening Nissin Foods brand and offering value propositions with a focus on specific customer bases. In Europe, we intend to improve our profitability in the countries where we already have a business footprint and expand into new geographic areas.

ii) The growth markets include China, South-east Asia, India and their neighboring regions, where the culture of noodles has been long rooted, and with a large population we can expect to see a further growth of the instant noodle market. In China, we plan to strengthen our earning power of CUP NOODLE with a focus on the Hong Kong region where we already hold a dominant market share. In addition we will export our successful model in South China to East China, North China, and Southwest China regions. In the Asia region, we plan to focus on specific customer bases and regions, work on our branding tailored to those segments, and expand our market share in an identified volume zone and move to a horizontal expansion.

iii) The new markets include Africa and South America, where, although there is a potential expansion of demand as much as we see in the growth markets, the culture of noodles have not yet taken root and we need to analyze the future marketability. For the markets we intend to achieve geographical expansion by utilizing the existing locations.

The Group remains committed to striving to achieve a sustainable growth through steady implementation of these global strategies with the aim of improving our corporate value and maximizing common interests of shareholders.

(2) Initiatives to prevent control that is detrimental to shareholders' interest

The Company believes that, in the event a Large-Scale Acquisition is conducted by a Large-Scale Acquirer, the final decision on whether or not to accept the Large-Scale Acquisition should be left to the discretion of shareholders.

However, a Large-Scale Acquisition, if it is implemented, could immediately have a material impact on the business and management policies of the Company and involves the possibility of causing significant damage to the Company's corporate value and common interests of the shareholders. Given the recent capital market conditions and legal systems in Japan, we cannot deny the possibility of a Large-Scale Acquisition of shares in the Company that would threaten to undermine the Company's corporate value referred to in (1), and cause obvious damage to the Company's corporate value and common interests of shareholders.

Accordingly, the Company considers that it is its responsibility to shareholders that when the Company receives a proposal for a Large-scale Acquisition, the Company shall ensure the following processes are carried out: 1) that the Company requests the Large-Scale Acquirer to provide necessary and sufficient information to appropriately assess the effects of the Large-Scale Acquisition on the Company's corporate value and common interests of shareholders; 2) that the Board of Directors of the Company examines and evaluates the effects of the business and management policies, etc. proposed by the Large-Scale Acquirer on the Company's corporate value and common interests of shareholders and provides results of such examination and evaluation to shareholders to provide a reference for assessment; 3) in some cases, that the Board of Directors of the Company holds negotiations or discussions with the Large-Scale Acquirer on the Large-Scale Acquisition or the Company's business and management policies, etc., or proposes an alternative proposal regarding the Company's business and management policies, etc. to shareholders. In addition, the Company also considers that it is its responsibility to shareholders to prepare countermeasures to the Large-Scale Acquisition to prevent obvious damage to the Company's corporate value and common interests of shareholders.

For embodying such views, the resolution to introduce the "Countermeasures to the Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)" (hereinafter referred to as the "Measures") was adopted in the Ordinary General Meeting of Shareholders of the Company held on June 28, 2007. (At the 65th Ordinary General Meeting of Shareholders held on June 26, 2013, revisions were approved including extending the above-mentioned countermeasures to the conclusion of the 68th Ordinary General Meeting of Shareholders of the Company, scheduled to be held in late June, 2016). The Company also set rules providing for (hereinafter referred to as the "Large-Scale Acquisition Rules") 1) procedures for certain information provision etc. which the Large-Scale Acquirer should comply with and 2) the requirements and procedures for implementing the countermeasures which the Company may take in the event the Large-Scale Acquirer does not comply with such procedures above (1) or if the Large-Scale Acquisition will cause damage to the Company's corporate value and common interests of shareholders.

(3) The decision of the Board of Directors in regard to initiatives to prevent control that is detrimental to shareholders' interest

The purpose of the Measures is to ensure and enhance the Company's corporate value and common interests of shareholders by setting preliminary rules with which the Large-Scale Acquirer should comply and requirements and contents of countermeasures that the Company may implement, which enables shareholders to make an appropriate decision on whether to accept the Large-Scale Acquisition and prevents obvious damage to the Company's corporate value and common interests of shareholders.

The contents of the Large-Scale Acquisition Rules and the contents and requirements for implementation of the countermeasures are deemed to be reasonable in the context of the purpose of ensuring and enhancing the Company's corporate value and common interests of shareholders and do not unduly restrict the Large-Scale Acquisition that would contribute to ensuring and enhancement of the Company's corporate value and common interests of shareholders.

Under the Measures, the Company shall establish an Independent Committee to act as an advisory body with a view to eliminate arbitrary judgment by Directors and make objective and appropriate judgments from the viewpoint of ensuring and enhancing the Company's corporate value and common interests of shareholders upon implementation of the countermeasures. Prior to making a decision to implement the countermeasures or other decisions, the Board of Directors of the Company shall be required to obtain a recommendation of the Independent Committee and place the highest value on such recommendation of the Independent Committee, thereby eliminating arbitrary decision-making by the Board of Directors of the Company.

4. Notes to Consolidated Financial Statements

Notes to Significant Matters Related to the Basis of Preparation of the Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries (54 companies)

Names of major consolidated subsidiaries

NISSIN FOOD PRODUCTS CO., LTD., MYOJO FOODS CO., LTD., NISSIN CHILLED FOODS CO., LTD., NISSIN FROZEN FOODS CO., LTD., NISSIN CISCO CO., LTD., NISSIN YORK CO., LTD., NISSIN FOODS (U.S.A.) CO., INC., NISSIN FOODS CO., LTD., NISSIN FOODS (ASIA) PTE. LTD., Nissin Foods GmbH, NISSIN YILDIZ GIDA SANAYI VE TICARET A.S. and others

From the fiscal year under review, ZHEJIANG NISSIN FOODS CO., LTD., NISSIN FOODS (H.K.) CO., LTD., and Nissin Foods Singapore Pte. Ltd., which have been newly established, are included within the scope of consolidation. NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA. is included within the scope of consolidation because of increases in the significance. In addition, BonChi Co., Ltd. and NISSIN FOODS DO BRASIL LTDA. (formerly NISSIN-AJINOMOTO ALIMENTOS LTDA.) are included within the scope of consolidation and are excluded from the scope of equity method, having become subsidiaries due to additional acquisitions of shares and equity interest.

NISSIN BUSINESS SUPPORT CO., LTD., which was a consolidated subsidiary in the fiscal year ended March 31, 2015, has been excluded from the scope of consolidation due to being merged into the Company by an absorption-type merger on October 1, 2015.

(2) Names of major non-consolidated subsidiaries

Nissin (Shanghai) Food Safety Research & Development Co., Ltd.

(Reason for exclusion from scope of consolidation)

The non-consolidated subsidiary is small in scale and its aggregate amount of total assets, net sales, net income or loss (for the Company's equity interest), retained earnings (for the Company's equity interest) and others do not have a material effect on the Company's consolidated financial statements.

2. Application of the equity method

(1) Non-consolidated subsidiaries and associates accounted for by the equity method (4 associates)

Thai President Foods Public Company Limited, Mareven Food Holdings Limited, Frente Co., Ltd., and Nissin-Universal Robina Corp.

From the fiscal year under review, Nissin-Universal Robina Corp. is included within the scope of equity method because of increases in the significance.

(2) Non-consolidated subsidiaries (Nissin (Shanghai) Food Safety Research & Development Co., Ltd. and others) and associates (Accelerated Freeze Drying Co., Ltd. and others) not accounted for by the equity method are excluded from the scope of application of the equity method because each of them has a minimal effect on the Company's net income or loss (for the Company's equity interest), retained earnings (for the Company's equity interest) and others and they are not collectively material.

3. Fiscal year-end dates of consolidated subsidiaries and related maters

Of consolidated subsidiaries, NISSIN FOODS CO., LTD., NISSIN FOODS (ASIA) PTE. LTD., and other 22 companies close their fiscal year on December 31. In preparing the consolidated financial statements, NISSIN FOODS CO., LTD., WINNER FOOD PRODUCTS LTD., NISSIN FOODS DE MEXICO S.A. DE C.V. prepared provisional financial results as of March 31. In the other companies, the financial statements as of the fiscal year-end of each company are used, and necessary adjustments are made for major transactions that occurred between the date and March 31.

To ensure more appropriate disclosure of consolidated accounting information, for the Company's 11 consolidated subsidiaries, such as NISSIN FOODS CO., LTD. and WINNER FOOD PRODUCTS LTD. of China Segment, which close their fiscal year on December 31, the Group has changed the method to perform provisional closing on March 31, the consolidated closing date, to include it in the consolidated financial statements. Due to the changes of the closing dates, adjustment for profit and loss of the consolidated subsidiaries for the period of January 1, 2015 to March 31, 2015 are made as increase or decrease of retained earnings.

4. Accounting policies

(1) Valuation basis and method for significant assets

a) Marketable securities

Available-for-sale securities

Securities with available fair values

Stated at fair value based on the market price or the like on the fiscal year-end (unrealized gains and losses are included in a separate component of net assets, and cost of sales is determined by the moving-average method).

Securities without available fair values

Stated at cost using the moving-average method.

b) Derivatives

Stated at fair value.

c) Inventories

Merchandise and finished goods

Mainly stated at cost using the gross average method (balance sheet amounts are determined by the method of writing down book value in accordance with decreased profitability).

Raw materials and supplies

Mainly stated at cost using the gross average method (balance sheet amounts are determined by the method of writing down book value in accordance with decreased profitability).

(2) Method of depreciation of significant depreciable assets

a) Property, plant and equipment (excluding leased assets)

The Group mainly uses the declining-balance method, however, some consolidated subsidiaries use straight-line method. In addition, the straight-line method is used for building of Osaka Head Office of the Company.

The straight-line method is used for buildings (excluding accompanying facilities) acquired on or after April 1, 1998. The main useful lives are as follows.

Buildings	15 to 50 years
Machinery and equipment	10 years

b) Intangible fixed assets (excluding leased assets)

Amortized using the straight-line method.

Purchased software is amortized by the straight-line method over the expected useful life for internal use (5 years).

c) Leased assets

Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and salvage values are zero.

(3) Accounting policy for significant provisions

Allowance for doubtful receivables

To prepare for possible losses on uncollectable receivables, mainly for general receivables, an amount is provided based on the allowance rate of grades specified by reference to the historical percentage of uncollectable and for specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

(4) Method of significant hedge accounting

a) Method of hedge accounting

Accounted for with deferred hedge accounting. However, certain payables denominated in foreign currencies with forward foreign exchange contacts are subject to appropriation if they satisfy the requirements of appropriation treatment. Certain borrowings with interest rate swaps are subject to special treatment if they satisfy the requirements of special treatment.

b) Hedging instruments and hedged items

Hedging instruments.................... Forward foreign exchange contracts and interest rate swaps
Hedged items............................... Payables and forecast transactions denominated in foreign currencies and borrowings

c) Hedging policy

Finance and Accounting Division manages and performs hedging transactions in accordance with the basic policy approved by the Company's Management Committee. The hedging instruments are used for the purpose of hedging foreign exchange fluctuation risk and interest rate fluctuation risk of hedged items.

d) Method of assessing hedge effectiveness

Hedge effectiveness is deemed to be high as critical terms are the same for the hedging instruments and hedged items, and changes in the cash flow and changes in market values are expected to be completely offset from the start of hedging activities onward.

(5) Amortization of goodwill

Goodwill is amortized on a straight-line basis over a reasonable number of years, not exceeding 20 years, which will be determined for each investment deal. However, in the case where the amount is immaterial, the whole amount may be charged to expenses when they occur.

(6) Other significant matters for preparation of the consolidated financial statements

a) Recognition of liability for retirement benefits

To prepare for retirement benefits to employees, liability for retirement benefits is provided as the difference between retirement benefit obligations and plan assets based on estimated amounts at the end of the fiscal year under review. In the calculation of retirement benefit obligations, the method used to attribute expected retirement benefits to periods up to the fiscal year under review is benefit formula basis. Actuarial gains and losses are recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gains and losses incur.

Unrecognized actuarial gains and losses are recorded in the defined retirement benefit plans in the accumulated other comprehensive income of the equity section after adjusting for tax effects.

b) Accounting policy for consumption taxes

Consumption taxes and local consumption taxes are accounted for based on the tax exclusion method.

Notes to Changes in Accounting Policies

(Changes in method of valuing inventories)

While the Company and some of its domestic consolidated subsidiaries have formerly adopted the last purchase cost method as the main method for valuing raw materials and supplies among inventories, it is changed to the periodic average method from the fiscal year under review. This change is aimed at calculating profit and loss for the period more appropriately upon the reconstruction of the core system.

Some records of receipts and payments for inventories in past consolidated fiscal years are not available because the new system started operating at the beginning of the fiscal year under review; therefore, it is impossible in practice to calculate the cumulative impact of the retroactive application of the periodic average method. Accordingly, the periodic average method is applied from the beginning of the fiscal year under review into the future, with the book value of raw materials and supplies in the previous consolidated fiscal year as the opening balance of the period.

The amount affected by this change is minimal.

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the fiscal year under review, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the fiscal year under review, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for "net income" and other related items was changed, and the presentation of "minority interests" was changed to "non-controlling interests."

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Application of these standards commenced as of the beginning of the fiscal year under review, and will continue going forward.

As a result, the company has increased income before income taxes for the consolidated fiscal year under review by ¥244 million. Its capital surplus has been reduced by ¥244 million at the end of the consolidated fiscal year.

Net income attributable to owners of parent per share (primary) and net income attributable to owners of parent per share (diluted) have been increased by ¥2.23 and ¥2.22 respectively for the consolidated fiscal year under review.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral and liabilities secured

(1) Assets pledged as collateral

(Millions of yen)

Land	1,903	(312)
Buildings and structures	1,526	(702)
Machinery, equipment and vehicles	442	(442)
Total	3,872	(1,457)

(2) Liabilities secured

(Millions of yen)

Short-term borrowings	1,250	(–)
Other current liabilities (Current portion of long-term debt)	1,212	(511)
Long-term debt	8,269	(5,100)
Total	10,731	(5,612)

Figures in parentheses above indicate mortgages of the foundation and its liabilities, which are breakdowns included in the total.

2. Accumulated depreciation of property, plant and equipment

¥185,101 million

3. Accumulated reduced-value entry of property, plant and equipment

State subsidy ¥687 million
Gain on insurance adjustment ¥306 million

4. The land for business use owned by the Company was revaluated under the "Act on Revaluation of Land" and the "Act for Partial Revision of the Act on Revaluation of Land," and unrealized losses resulting from the revaluation were posted as "land revaluation reserve" in the equity section, after deducting the deferred tax liabilities on land revaluation.

Revaluation method

The value is calculated based on road rate as prescribed in Article 2, Item 4 of "Order for Enforcement of the Act on Revaluation of Land," with reasonable adjustments being made.

Date of revaluation

March 31, 2002

The difference between the fair value of land at the end of fiscal year under review and its book value after revaluation

¥5,949 million

5. Financial covenants

Our consolidated subsidiary, NICKY FOODS CO., LTD. has entered into a syndicated loan agreement with a commitment line for co-financing from a total of three companies with Mizuho Bank, Ltd. as arranger (balance of the borrowings: ¥3,600 million). In these contracts the following financial covenants (on a non-consolidated basis) are applied and if violating any of these covenants, NICKY FOODS CO., LTD. shall be obliged to lose the benefit of time for all the loans under the contracts upon notification from the agent based on the claim by the multiple lenders, and to immediately pay the amount.

(1) The Company shall maintain the amount of equity on the balance sheet of each fiscal year at 75% or above of the larger of the amount of equity at the end of fiscal year ended March 31, 2013 or the said amount at the end of the immediately preceding fiscal year.

(2) The Company shall not post operating profit and loss in the statement of income for each fiscal year for two consecutive periods.

Notes to Consolidated Statement of Changes in Equity

1. Class and number of shares issued and class and number of shares of treasury stock

	Class of shares	Number of shares at beginning of fiscal year under review	Number of shares increased in fiscal year under review	Number of shares decreased in fiscal year under review	Number of shares at end of fiscal year under review
Shares issued	Common shares	117,463,685 shares	–	–	117,463,685 shares
Treasury stock	Common shares	7,231,787 shares	2,215,791 shares	9,427 shares	9,438,151 shares

(Notes) 1. Increase in the number of shares of common shares in treasury stock is due to market purchases of 2,214,500 shares, and the purchase of 1,291 shares less than one unit.

2. Decrease in the number of common shares in treasury stock is due to exercise of stock options by officers and employees of the Company and officers of the Company's subsidiaries of 9,356 shares, and the sales of 71 shares less than one unit.

2. Dividends

(1) Amount of dividend payments

Resolution	Class of shares	Total amount of dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2015	Common shares	3,858	35	March 31, 2015	June 26, 2015
Board of Directors meetings held on November 12, 2015	Common shares	4,409	40	September 30, 2015	November 26, 2015

(2) Of dividends whose record date belongs to the fiscal year under review, dividends that take effect in the next fiscal year

The cash dividends are planned to be proposed for resolution as follows.

Proposal for resolution	Class of shares	Total amount of dividend (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 28, 2016	Common shares	4,321	Retained earnings	40	March 31, 2016	June 29, 2016

3. Stock acquisition rights

Class and number of the shares subject to stock acquisition rights issued by the Company at the end of the fiscal year under review

Common shares 594,410 shares

Notes on Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

The Group invests in safer financial assets in management of its funds, and fund procurement is mainly treated by bank loans. Derivative transactions are used to hedge the various risks as described in detail below, and the Group shall adhere to the policy of never conducting transactions for gaining quick profits from sales of financial instruments or for speculative purposes.

(2) Content and risks of financial instruments and risk management system therefor

Notes and accounts receivable-trade, which are operating receivables, are exposed to credit risks of customers. The Company follows internal policies that regulate authorization over transactions to reduce such risks. Marketable securities and investments in securities are primarily shares and bonds, and their fair values are calculated every quarter.

Notes and accounts payable-trade that are operating payables have payment dates due within one year. Some of those denominated in foreign currencies are exposed to foreign currency risk, but such risk is hedged by using forward foreign exchange contracts. Borrowings are mainly for financing related to capital investment and business investment. Interest rate swaps are used to control interest rate fluctuation risk for some of the borrowings.

In derivative transactions, forward foreign exchange contracts are used to hedge foreign exchange fluctuation risk of payables and forecast transactions denominated in foreign currencies, and interest rate swaps are used to hedge interest rate fluctuation risk of borrowings. The hedge accounting is used for forward foreign exchange contracts and interest rate swaps. For details such as the hedging instruments, hedge items, hedging policy, and the method of assessing hedge effectiveness, refer to "4. Accounting policies (4) Method of significant hedge accounting" in the Notes to Significant Matters Related to the Basis of Preparation of the Consolidated Financial Statements above.

Derivative transactions entered into by the Group have been made in accordance with internal policies that regulate the authorization. The counterparties to the Group's derivative contracts are limited to financial institutions having a high credit rating to reduce credit risk. Operating payables and borrowings are exposed to liquidity risk. However, the Group manages the risk in accordance with internal policies that regulate the authorization over transactions through, for example, preparation of a funding plan.

(3) Supplementary remarks on fair value, etc. of financial instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if there is no market price available. Because these calculations are based on certain assumptions, applying different assumptions may result in different fair values.

2. Fair value, etc. of financial instruments

Consolidated balance sheet amount, fair value, and the difference between the two values as of March 31, 2016 (the consolidated closing date for the fiscal year under review), are as shown below. Financial instruments whose fair values are deemed to be extremely difficult to determine are not included in this table (refer to Note 2).

	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	87,110	87,110	–
(2) Notes and accounts receivable-trade	61,391	61,391	–
(3) Marketable securities and investments in securities	129,199	140,467	11,268
Total assets	277,701	288,969	11,268
(1) Notes and accounts payable-trade	51,324	51,324	–
(2) Short-term borrowings	18,457	18,457	–
(3) Accrued payables	31,301	31,301	–
(4) Accrued income taxes	7,262	7,262	–
(5) Long-term debt	15,152	15,220	67
Total liabilities	123,499	123,567	67
Derivatives (*)			
i) Derivative transactions to which hedge accounting is not applied	–	–	–
ii) Derivative transactions to which hedge accounting is applied	(378)	(378)	–
Total derivatives	(378)	(378)	–

(*) Assets and liabilities arising from derivative transactions are presented on a net basis. Net liability is indicated in parentheses.

(Notes) 1. Method for calculating the fair value of financial instruments

Assets

(1) Cash and deposits and (2) notes and accounts receivable-trade

The book values are used for deposits with maturities because their fair values approximate book values. The book values are used for deposits with maturities and notes and accounts receivable-trade because these are settled in a short period of time and their fair values approximate book values.

(3) Marketable securities and investments in securities

Regarding shares, fair value is stated at the quoted market price of the stock exchange and, for bonds, fair value is stated at the quoted market price of the stock exchange or the price obtained from the financial institutions.

Liabilities

(1) Notes and accounts payable-trade, (2) short-term borrowings, (3) accrued payables, and (4) accrued income taxes

The book values are used because these are settled in a short period of time and their fair values approximate book values.

(5) Long-term debt

Some of long-term debt with floating interest rate is subject to the special treatment of interest rate swaps and the fair value is determined by discounting the principal amounts with interest of such interest rate swaps related to the loans by the reasonably estimated interest rate for similar borrowings. The Company determines the fair values of long-term debt by discounting the total amount of the principal and interest of the relevant long-term debt by the interest rates considered to be applicable to similar new loans.

Derivatives

Fair value is stated at the price obtained from the financial institutions.

2. Financial instruments whose fair value is deemed to be extremely difficult to determine

	Consolidated balance sheet amount (Millions of yen)
Unlisted stocks	19,116
Other	734
Investments in capital	783

The Company does not include these items in “Assets (3) Marketable securities and investments in securities” because they have no market prices and also the future cash flows cannot be estimated, their fair values are deemed to be extremely difficult to determine.

3. Marketable securities

Acquisition cost or amortized cost and balance sheet amounts and their differences by securities type on available-for-sale securities

	Class of shares	Acquisition cost or amortized cost (Millions of yen)	Consolidated balance sheet amount (Millions of yen)	Difference (Millions of yen)
Financial instruments where the consolidated balance sheet amount exceeds the acquisition cost	(1) Shares	34,653	95,950	61,296
	(2) Bonds			
	i) Government bonds	–	–	–
	ii) Corporate bonds	1,708	1,712	3
	iii) Other	–	–	–
	(3) Other	3,349	3,462	112
	Subtotal	39,712	101,125	61,413
Financial instruments where the consolidated balance sheet amount does not exceed the acquisition cost	(1) Shares	2,221	2,050	(171)
	(2) Bonds			
	i) Government bonds	–	–	–
	ii) Corporate bonds	2,392	2,370	(22)
	iii) Other	–	–	–
	(3) Other	10,085	9,881	(203)
	Subtotal	14,698	14,301	(397)
Total		54,410	115,427	61,016

Notes on Investment and Rental Properties

1. Status of investment and rental properties

The Company and certain consolidated subsidiaries own rental office buildings (including land), etc. in Tokyo and other areas.

2. Fair values of investment and rental properties

Consolidated balance sheet amount (Millions of yen)	Fair Value (Millions of yen)
5,158	10,334

(Notes) 1. Consolidated balance sheet amount is calculated by deducting accumulated depreciation from acquisition cost.
2. The fair value as of the end of the fiscal year under review is the amount calculated by the Group primarily based on the Real Estate Appraisal Standards (including those adjusted using relevant indexes).

Notes on Per Share Information

1. Total equity per share ¥3,332.94
2. Net income per share ¥245.52

Notes on Business Combinations

Business combination due to acquisition

1. Outline of business combination

(1) Name and business of acquired company

Name of acquired company: NISSIN-AJINOMOTO ALIMENTOS LTDA.

Business: Manufacture and sale of instant noodles

(2) Main reasons for business combination

The Company aims to facilitate further growth of its business in Brazil in South America, and strengthen the business base in the country.

(3) Date of business combination: October 30, 2015

(4) Legal form of business combination: Acquisition of equity in exchange for cash

(5) Name after business combination: NISSIN FOODS DO BRASIL LTDA.

(6) Ratio of voting rights acquired

Ratio of voting rights owned before business combination:	50%
Ratio of voting rights additionally acquired on the date of business combination:	50%
Ratio of voting rights after acquisition:	100%

(7). Reason for deciding to acquire the company

A subsidiary of the Company acquired equity in exchange for cash.

2. Period of acquired company's earnings included in consolidated financial statements

From October 1, 2015 to March 31, 2016

Its earnings are included in those of the Company as an associate accounted for using the equity method from April 1, 2015 to September 30, 2015.

3. Breakdown by acquisition cost and payment for acquired company

Market value of equity owned immediately before business combination on the day of business combination	¥10,532 million
Cash paid for additional acquisition	¥32,500 million
Acquisition cost	¥43,032 million

4. Difference between acquisition cost for acquired company and total acquisition cost for each transaction leading to acquisition

Difference for gradual acquisition: ¥6,640 million

5. Details and amounts of major acquisition-related expenses

Remuneration and fees etc. for financial advisories: ¥7 million

Remuneration and fees etc. for lawyers: ¥13 million

6. Amount, cause, amortization method, and period of incurred goodwill

(1) Amount of incurred goodwill: BRL916 million (¥28,935 million)

(2) Cause

It was incurred in relation to the future increase of profitability expected from business development going forward.

(3) Amortization method and period

Straight-line method amortization over 20 years

7. Assets received, liabilities accepted, and their overall breakdown on the day of business combination

Current assets	¥5,466 million
Fixed assets	¥15,460 million
Total assets	¥20,927 million
Current liabilities	¥3,814 million
Long-term liabilities	¥3,015 million
Total liabilities	¥6,830 million

Notes on Impairment Losses

In the fiscal year under review, the Group booked impairment losses on the following asset groups.

Location	Purpose	Class	Impairment losses (Millions of yen)
Hanyu-shi, Saitama, etc.	Idle assets	Buildings	137
		Machinery and equipment	229
		Other	158
Nabari-shi, Mie	Business assets	Machinery and equipment	555
		Other	11

The Group groups its business assets according to each production base or use, and idle assets according to each individual property.

For above assets deemed difficult to recoup the invested amount due mainly to the decreased profitability of assets, the book values are written down to their recoverable values and these reductions are recorded as impairment losses (¥1,093 million) under extraordinary losses.

The recoverable value is valued at a memorandum value, in consideration of actual disposal value.

(Note) Amounts presented in this document less than one full unit have been rounded down. However, in respect of net income per share, total equity per share, and percentages, figures have been rounded to the nearest unit.

5. Notes to Non-consolidated Financial Statements

Notes on Significant Accounting Policies

1. Valuation basis and method for assets

(1) Valuation basis and method for marketable securities

a) Shares of subsidiaries and associates

Stated at cost using the moving-average method.

b) Available-for-sale securities

Securities with available fair values

Stated at fair value based on the market price or the like on the fiscal year-end (unrealized gains and losses are included in a separate component of net assets, and cost of sales is determined by the moving-average method).

Securities without available fair values

Stated at cost using the moving-average method.

(2) Valuation basis and method for derivatives

Derivatives

Stated at fair value.

(3) Valuation basis and method for inventories

Raw materials and supplies

Mainly stated at cost using the gross average method (balance sheet amounts are determined by the method of writing down book value in accordance with decreased profitability).

2. Method of depreciation of fixed assets

(1) Property, plant and equipment (excluding leased assets)

The Company uses the straight-line method for building of Osaka Head Office and buildings (excluding accompanying facilities) acquired on or after April 1, 1998, and the declining balance method is used for other property, plant and equipment.

The main useful lives are as follows.

Buildings	15 to 50 years
Tools and fixtures	4 years

(2) Intangible fixed assets (excluding leased assets)

Amortized using the straight-line method.

Purchased software is amortized by the straight-line method over the expected useful life for internal use (5 years).

(3) Leased assets

Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and salvage values are zero.

3. Accounting policy for provisions

(1) Provision for retirement benefits

To prepare for retirement benefits to employees, provision for retirement benefits is provided based on the estimated amount of retirement benefit obligations and plan assets at the end of the fiscal year under review. In the calculation of retirement benefit obligations, the method used to attribute expected retirement benefits to periods up to the fiscal year under review is benefit formula basis.

Actuarial gains and losses are recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gains and losses incur.

(2) Allowance for doubtful receivables

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided based on the allowance rate of grades specified by reference to the historical percentage of uncollectable and for specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

4. Major hedge accounting methods

(1) Method of hedge accounting

Accounted for with deferred hedge accounting. However, certain payables denominated in foreign currencies with forward exchange foreign contacts are subject to appropriation if they satisfy the requirements of appropriation treatment.

(2) Hedging instruments and hedged items

Hedging instruments................ Forward foreign exchange contracts
Hedged items........................... Payables and forecast transactions denominated in foreign currencies

(3) Hedging policy

In accordance with the basic policy approved by the Company's Management Committee, Finance and Accounting Division manages and executes transactions, and uses hedging instruments for the purpose of hedging foreign exchange fluctuation risk and interest rate fluctuation risk of hedged items.

(4) Method of assessing hedge effectiveness

Hedge effectiveness is deemed to be high as critical terms are the same for the hedging instruments and hedged items, and changes in the cash flow and changes in market values are expected to be completely offset from the start of hedging activities onward.

5. Other significant matters forming the basis of preparation of the non-consolidated financial statements

(1) Accounting method for retirement benefits

The accounting treatment method for unrecognized actuarial gain or losses related to retirement benefits is different from the treatment for the item in the consolidated financial statements.

(2) Accounting policy for consumption taxes

Consumption taxes and local consumption taxes are accounted for based on the tax exclusion method.

Notes to Changes in Accounting Policies

(Changes in method of valuing inventories)

While the Company and some of its domestic consolidated subsidiaries have formerly adopted the last purchase cost method as the main method for valuing raw materials and supplies among inventories, it is changed to the periodic average method from the fiscal year under review. This change is aimed at calculating profit and loss for the period more appropriately upon the reconstruction of the core system.

Some records of receipts and payments for inventories in past consolidated fiscal years are not available because the new system started operating at the beginning of the fiscal year under review; therefore, it is impossible in practice to calculate the cumulative impact of the retroactive application of the periodic average method. Accordingly, the periodic average method is applied from the beginning of the fiscal year under review into the future, with the book value of raw materials and supplies in the previous consolidated fiscal year as the opening balance of the period.

The amount affected by this change is minimal.

Notes to Balance Sheets

1. Accumulated depreciation of property, plant and equipment

   ¥11,199 million

2. The land for business use owned by the Company was revaluated under the "Act on Revaluation of Land" and the "Act for Partial Revision of the Act on Revaluation of Land," and unrealized losses resulting from the revaluation were posted as "land revaluation reserve" in the equity section, after deducting the deferred tax liabilities on land revaluation.

   Revaluation method

   The value is calculated based on road rate as prescribed in Article 2, Item 4 of "Order for Enforcement of the Act on Revaluation of Land," with reasonable adjustments being made.

   Date of revaluation

   March 31, 2002

   The difference between the fair value of land at the end of fiscal year under review and its book value after revaluation

   ¥368 million

3. Monetary receivables from and payables to subsidiaries and associates

	(Millions of yen)
Short-term monetary receivables	25,540
Long-term monetary receivables	445
Short-term monetary payables	80,030
Long-term monetary payables	1

4. Guarantee obligations, etc.

(1) Guarantees of borrowings of consolidated subsidiaries from financial institutions

NISSIN FOODS (U.S.A.) CO., INC.	¥1,352 million
NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.	¥1,017 million
Nissin Foods Kft.	¥2,107 million
INDO NISSIN FOODS PRIVATE LTD.	¥863 million

(2) Letter of awareness issued to financial institutions for borrowings of consolidated subsidiaries

NISSIN YORK CO., LTD.	¥5,612 million

(3) Lump-sum payment trust concomitant-type debt assumption at subsidiaries and associates

¥2,849 million

(4) The Company has provided guarantees to the Ministry of Commerce of the People's Republic of China (formerly known as the Ministry of Foreign Trade and Economic Co-operation) with regard to direct investment carried out within China by NISSIN FOODS (CHINA) HOLDING CO., LTD. and the transfer of technology to the investment recipient party, to the effect that in the event of non-performance the Company shall act as agent.

At the present time at the end of the fiscal year under review, there are no plans for investment or technology transfer such as would raise any concerns with regard to the above-mentioned performance obligation.

Notes to Statements of Income

1. Transactions with subsidiaries and associates

	(Millions of yen)
Net sales	36,396
Purchases	1,454
Other operating expenses	1,784
Other transactions	54

2. Loss on valuation of stocks of subsidiaries and affiliates

"Losses on valuation of stocks of subsidiaries and affiliates" for the fiscal year under review reflects valuation declines in the equity shares of NISSIN YILDIZ GIDA SANAYI VE TICARET A.S. and NISSIN FOODS DE COLOMBIA S.A.S.

Notes to Statements of Changes in Equity

Class and total number of treasury stock

Class of shares	Number of shares at beginning of fiscal year under review	Number of shares increased in fiscal year under review	Number of shares decreased in fiscal year under review	Number of shares at end of fiscal year under review
Common shares	7,231,787 shares	2,215,791 shares	9,427 shares	9,438,151 shares

(Notes) 1. Increase in the number of common shares in treasury stock is due to market purchases of 2,214,500 shares, and the purchase of 1,291 shares less than one unit.

2. Decrease in the number of common shares in treasury stock is due to exercise of stock options by officers and employees of the Company and officers of the Company's subsidiaries of 9,356 shares, and the sales of 71 shares less than one unit.

Notes on Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Loss on valuation of investments in securities	7,792
Shares of subsidiaries and associates (split company)	4,597
Long-term accrued payable	1,105
Accrued bonuses	309
Accrued payables	131
Depreciation	10
Impairment losses	20
Other	408
Subtotal deferred tax assets	14,372
Valuation allowance	(9,306)
Total deferred tax assets	5,066
Deferred tax liabilities	
Unrealized gain (loss) on available-for-sale securities	(17,741)
Reserve for reduction entry of land	(1,126)
Other	(16)
Total deferred tax liabilities	(18,883)
Net deferred tax liabilities	(13,817)

2. Breakdown of major items that cause differences between statutory and effective tax rates and income tax burden after tax effect accounting is applied

Statutory effective tax rate (adjustment)	33.06%
Expenses not deductible permanently such as entertainment expenses	1.31%
Income not taxable permanently such as dividend income	(29.97)%
Downward revision of deferred tax assets at the end of the fiscal year due to the tax rate change	2.44%
Income tax deduction	(0.37)%
Change in valuation allowance	11.50%
Other	(0.22)%
Effective tax rate after application of tax effect accounting	17.75%

3. Amendments to amounts of deferred tax assets and deferred tax liabilities due to change in corporate tax rates

On March 29, 2016, the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 15 of 2016) and the "Act on Partial Revision of the Local Tax Act, etc." (Act No. 13 of 2016) was enacted in the Diet session and the income tax rates are to be lowered from the consolidated fiscal year starting on or after April 1, 2016.

In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed from the previous rate of 33.06%. The rate will be 30.86% for temporary differences expected to be eliminated from the fiscal year beginning on April 1, 2016 and the fiscal year beginning on April 1, 2017, and to 30.62% for temporary differences expected to be eliminated from the fiscal years beginning on April 1, 2018 and onwards.

As a result of this change in the tax rate, the amount of deferred tax assets (after deducting deferred tax liabilities) increased by ¥717 million, unrealized gain (loss) on available-for-sale securities increased by ¥974 million, deferred gain (loss) on derivatives under hedge accounting increased by ¥8 million, and income taxes adjustment (debit) decreased by ¥248 million.

Deferred tax liabilities for land revaluation decreased by ¥24 million and land revaluation reserve increased by the same amount.

Notes on Transactions with Related Parties

1. Subsidiaries and associates

Type	Name	Capital or investments in capital	Nature of Business or Occupation	Voting rights holding or held	Nature of relationship		Transactions	Transaction amount (Millions of yen)	Account title	Ending balance (Millions of yen)
					Interlocking of officers, etc.	Business relationship				
Subsidiary	NISSIN FOOD PRODUCTS CO., LTD.	¥5,000 million	Manufacture and sale of instant noodles	100.0% (-)	4 officers	Sale of raw materials, technology support, fund management, etc.	Fund management	(Note 2)	Deposits received	51,520
							Sale of raw materials (Note 3)	83,509	Accounts receivable-trade	14,425
							Management support fee (Note 4)	15,302	–	–
Subsidiary	NISSIN CHILLED FOODS CO., LTD.	¥100 million	Manufacture and sale of chilled foods	100.0% (-)	1 officer	Sale of raw materials and fund management, etc.	Fund management	(Note 2)	Deposits received	4,175
							Sale of raw materials (Note 3)	5,720	Accounts receivable-trade	1,012
Subsidiary	MYOJO FOODS CO., LTD.	¥3,143 million	Manufacture and sale of instant noodles	100.0% (-)	2 officers	Sale of raw materials, technology support, and fund management, etc.	Fund management	(Note 2)	Deposits received	6,448
							Sale of raw materials (Note 3)	7,825	Accounts receivable-trade	1,501
Subsidiary	NISSIN YORK CO., LTD.	¥870 million	Manufacture and sale of dairy products etc.	100.0% (-)	1 officer	Debt guarantees etc. on loans to Nissin York Co., LTD.	Debt guarantees (Note 5)	5,612	–	–
Subsidiary	NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA.	BRL 1,038,577 thousand	Technical support for manufacture of foods	100.0% (-)	–	Technology support, etc.	Underwriting of capital increase (Note 6)	32,656	–	–

(Notes)

1. Of the amounts above, the transaction amount does not include consumption taxes, and the end balance includes consumption taxes except deposits received.
2. The Company has introduced a cash management system by which funds in the group are centrally managed and borrowed and lent among those group companies on a daily basis. Thus the transaction amounts are not recorded.
3. The interest rates are determined by taking into account market interest rates.
4. Transaction conditions are determined by referencing general trading conditions.
5. Management support fee is determined through mutual discussions in consideration of the contents of a business operation.
6. The underwriting of capital increase consists of the underwriting of the full amount of the capital increase carried out by NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA. Through that company, the Company has acquired additional shareholdings of NISSIN FOODS DO BRASIL LTDA. (formerly NISSIN-AJINOMOTO ALIMENTOS LTDA.) and turned it into a consolidated subsidiary.

2. Officers and major individual shareholders

Type	Name	Voting rights holding or held	Relation with the party	Transactions	Transaction amount (Millions of yen)	Account title	Ending balance (Millions of yen)
Companies, etc. over which officer and its close family member own the majority of the voting rights	Intec Lease Co., Ltd.	–	Lease of assets, etc.	Payment of lease fees, etc. (Note 2)	31	Lease liabilities within one year	9
						Lease liabilities beyond one year	23

(Notes) 1. Of the amounts above, the transaction amount does not include consumption taxes.

2. The leasing is performed after obtaining price estimates based on general leasing operations and comparing them with those presented by other leasing companies.

Notes on Per Share Information

1. Total equity per share ¥2,353.74
2. Net income attributable to owners of parent per share ¥76.59

(Note) Amounts presented in this document less than one full unit have been rounded down. However, in respect of net income attributable to owners of parent per share, total equity per share, and percentages, figures have been rounded to the nearest unit.