

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2018

[Prepared under Japanese GAAP, UNAUDITED]

NISSIN FOODS HOLDINGS CO., LTD.

Stock code: 2897

Stock exchange listing: Tokyo

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Representative: Koki Ando, Representative Director, President and CEO

Contact: Yukio Yokoyama, Director, CFO, and Managing Executive Officer

Scheduled date of general meeting of shareholders: June 27, 2018 (Japanese only)

Scheduled date of filing of securities report: June 27, 2018 (Japanese only)

Scheduled date of dividend payment: June 28, 2018

Preparation of supplementary documents: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2018 (April 1, 2017–March 31, 2018)

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2018	516,400	+4.2	34,112	+19.2	40,588	+23.5	29,104	+23.5
FY 2017	495,715	+5.9	28,618	+8.4	32,864	+6.9	23,558	-12.4

Note: Comprehensive income: FY 2018: ¥33,236 million (up 202.4%); FY 2017: ¥10,991 million (down 43.9%)

	Net income attributable to owners of parent per share (primary) (¥)	Net income attributable to owners of parent per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Operating income/net sales (%)
FY 2018	279.52	278.16	8.2	7.3	6.6
FY 2017	221.33	220.25	6.7	6.0	5.8

Reference: Equity in earnings of affiliates: FY 2018: ¥2,680 million; FY 2017: ¥1,687 million

(2) Financial Position

As of	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
March 31, 2018	568,111	391,776	64.5	3,519.36
March 31, 2017	537,180	353,517	63.5	3,276.55

Reference: Equity attributable to owners of parent: as of March 31, 2018: ¥366,486 million, as of March 31, 2017: ¥341,057 million

(3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash used in investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
FY 2018	44,890	(47,781)	(11,126)	49,620
FY 2017	33,151	(29,814)	(26,055)	67,563

2. Details of Dividends

	Cash dividend per share					Total amount of dividends (Annual) (¥ million)	Payout ratio (consolidated) (%)	Ratio of total amount of dividends to net assets (consolidated) (%)
	End of 1 st quarter (¥)	End of 2 nd quarter (¥)	End of 3 rd quarter (¥)	Year-end (¥)	Annual (¥)			
FY 2017	—	40.00	—	45.00	85.00	9,011	38.4	2.6
FY 2018	—	45.00	—	45.00	90.00	9,371	32.2	2.6
FY 2019 (Forecast)	—	55.00	—	55.00	110.00		44.1	

3. Forecasts of Consolidated Results for the FY 2019 (April 1, 2018–March 31, 2019)

(% figures represent changes from the previous year)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share (¥)
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	
FY 2019	455,000	-	36,000	-	26,000	-	249.68

(Note) The above consolidated results forecasts are presented based on the International Financial Reporting Standards (IFRS) because the Company has decided to voluntarily adopt the IFRS, starting with its consolidated financial statements for the first three months of the fiscal year ended March 31, 2019. Changes (%) from the actual results of the fiscal year ended March 31, 2018, which have been prepared in compliance with the Japanese Accounting Standards, are not presented in the above forecasts.

Notes:

(1) Changes in principal subsidiaries during the FY 2018 (changes in specified subsidiaries that resulted in changes in scope of consolidation): None
 -Newly consolidated: None
 -Excluded from consolidation: None

(2) Changes in significant accounting policy, procedure and presentation methods for consolidated financial statements:

- 1) Changes due to revisions of accounting standards: None
- 2) Changes other than 1): None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding (including treasury stock) as of the end of:

FY 2018	117,463,685 shares
FY 2017	117,463,685 shares

2) Number of shares of treasury stock outstanding as of the end of:

FY 2018	13,329,298 shares
FY 2017	13,373,235 shares

3) Average number of shares outstanding during the period:

FY 2018	104,122,031 shares
FY 2017	106,439,006 shares

(Reference) Individual (Nissin Foods Holdings Co., Ltd.) Financial Results for the Fiscal Year ended March 31, 2018 (April 1, 2017–March 31, 2018)

(1) Operating Results

(% figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2018	45,980	-3.4	14,583	-15.5	16,949	-12.9	16,326	-25.0
FY 2017	47,611	+25.4	17,256	+111.3	19,452	+117.8	21,771	+159.6

	Net income attributable to owners of parent per share (primary) (¥)	Net income attributable to owners of parent per share (diluted) (¥)
FY 2018	156.80	156.04
FY 2017	204.55	203.55

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
FY 2018	371,023	241,382	64.6	2,300.52
FY 2017	372,447	226,796	60.5	2,163.22

Reference: Equity attributable to owners of parent: as of March 31, 2018: ¥239,562 million, as of March 31, 2017: ¥225,170 million

* This summary of consolidated financial statements is outside the scope of audits by certified public accountants or audit firms.

* Notes for proper use of forecasts and other remarks

Disclaimer regarding appropriate use of forecasts:

Forecasts contain forward-looking statements based on estimates made as of the day of release of these materials. Actual results may differ materially depending on a number of factors including but not limited to potential risks and uncertainties. Please refer to page 6 for “(4) Explanation Concerning Consolidated Forecasts” of “1. Analysis of Operating Results and Financial Position.”

How to obtain supplemental information material:

The material is available through TDnet and the company’s website.

1 . Analysis of Operating Results and Financial Position

(1) Qualitative Information Concerning Consolidated Business Results

During the consolidated fiscal year under review, the global economy generally recovered, although there was concern about uncertainties regarding policy directions in the United States and Europe and the effects of fluctuations in the financial and capital markets. In Western countries, economies showed a steady recovery, reflecting an expansion in consumer spending against a backdrop of favorable employment and income conditions. In Asia, including China, the economy also continued to recover owing to solid internal and external demand.

In Japan, corporate earnings remained firm on the back of this growth in the global economy. Consumer spending also recovered, reflecting continued improvements in the employment and income conditions, and the economy continued to recovery moderately.

In the instant noodles industry, total worldwide demand recovered to 100 billion units, reflecting growth in demand in many regions including Asian emerging countries. Domestic total demand reached a record high.

Under this environment, based on the “Medium-Term Management Plan 2021,” of which term covers five years from the fiscal year ended March 31, 2017, to realize the improvements of “Earning power through operations” and “Value in capital markets,” we are working on the strategic themes such as 1) Promoting global branding, 2) Focusing on priority overseas locations, 3) Laying stronger foundations for our domestic profit base, 4) Establishing a second pillar that generates revenue and profit, 5) Developing and strengthening human resources for global management.

〈Consolidated results〉 (¥ Million)

	FY 2017	FY 2018	Year on year	
	From April 1, 2016 To March 31, 2017	From April 1, 2017 To March 31, 2018	Amount	%
Net sales	495,715	516,400	+ 20,684	+ 4.2
Operating income	28,618	34,112	+ 5,493	+ 19.2
Ordinary income	32,864	40,588	+ 7,724	+ 23.5
Net income attributable to owners of parent	23,558	29,104	+ 5,545	+ 23.5

The following is an overview of performance by reportable segment.

〈Sales and Operating income by reportable segment〉 (¥ Million)

	Net sales		Change	Operating income		Change
	FY 2017	FY 2018		FY 2017	FY 2018	
NISSIN FOOD PRODUCTS	228,560	232,932	+ 4,372	27,683	28,291	+ 608
MYOJO FOODS	40,612	41,487	+ 875	1,784	2,056	+ 271
Chilled and frozen foods	61,794	64,004	+ 2,210	1,933	2,140	+ 207
The Americas	60,420	64,455	+ 4,035	2,309	2,023	- 285
China	35,987	42,583	+ 6,595	3,405	3,569	+ 163
Other	68,341	70,936	+ 2,594	2,638	1,974	- 664
Total	495,715	516,400	+ 20,684	39,755	40,056	+ 300

Note: Segment income is reconciled to operating income of the consolidated statements of income.

Note: “Other” includes business segments not included in reportable segments such as domestic confectionary, beverages, Europe and Asia.

(i) NISSIN FOOD PRODUCTS

The sales of NISSIN FOOD PRODUCTS Co., Ltd. increased year on year with a rise in sales of cup-type noodles and instant rice products, despite the effects of the weak market for bag-type noodle products.

In cup-type noodles, sales of the *CUP NOODLE* series remained steady, including *CUP NOODLE NICE*, a product line featuring a rich soup that was launched in April 2017, distinguished by 50% less fat, 40% less carbohydrates, and only 178 kilocalories. The *NISSIN MENSHOKUNIN* series, which was renewed in August 2017, also remained strong. In bag-type noodle products, the *OWAN* series, which was released in September 2017 featuring the concept of “noodle soup in the amount of one Owan bowl volume suitable to serve as an extra side dish!”, contributed to an increase in sales.

In the category of instant rice products, sales of the *NISSIN CURRY MESHI* continued to do well. Meanwhile, the enhanced lineup of products that need only hot water to cook them, such as the *BUKKOMI MESHI* series and the *NIHON MESHI* series, contributed to the sales growth.

(ii) MYOJO FOODS

Looking at sales of MYOJO FOODS Co., Ltd, the *Myojo Non-Fried Charumera Tonkotsu* featuring hard noodle attribute continued to perform well in the *Myojo Charumera* series of bag-type noodles, and sales of *Myojo Hyobanya* series, which included a new product featuring Miso taste, was also solid. As a result, the company registered an increase in sales.

Sales of cup-type noodles also picked up, reflecting the growth of the *Myojo Umadashiya* series that were launched last year, as well as the *Myojo Bubuka* series and the *Myojo Charumera Cup* series.

(iii) Chilled and frozen foods

At NISSIN CHILLED FOODS Co., Ltd., sales of ramen products remained steady, mainly due to the effects of the renewal of *Ramenya-san*, a core brand, and favorable evaluations of easy cooking highlighted in the *Fry Pan Hitotsu De* series. However, sales declined overall year on year, reflecting the effects of a decrease in sales of fried noodle products due to sluggish demand and an intensifying competitive environment.

NISSIN FROZEN FOODS Co., Ltd. saw steady sales, mainly led by pasta and ramen products with precooked ingredients. In pasta products, the *Reito NISSIN Mochitto Nama Pasta* series, including *Creamy Bolognese with minced beef and maitake mushroom*, continued to post strong sales. In addition, the *NISSIN Spa Oh BIG* and the *NISSIN Spa Oh Premium* series featuring voluminous and premium attributes, respectively, performed well. As for ramen products with precooked ingredients, products such as *Reito NISSIN Chuka Shirunashi Tan Tan Men* and *Reito NISSIN GooTa Lajao Tan Tan Men* remained solid, registering an increase in profit overall.

(iv) The Americas

The Americas is working on creating value-added markets as well as empowering existing products to become less susceptible to the effects of price competition. In this situation, sales increased, reflecting the renewal of *CUP NOODLES* in the U.S. and Brazil in September 2016 as well as the release of high quality *CUP NOODLES* in the United States. However, profit declined in the Americas segment due to the deterioration of external conditions in the United States, such as increases in logistics expenses and personnel cost, although some factors such as price revisions in Brazil and a decline in the cost of main raw materials contributed to an increase in profit.

(v) China

In China, the instant noodle market has bottomed out in mainland China, and the market for high-end products is expanding. In this environment, the Group worked to expand its geographical sales area (the north, northeast, and southwest areas) and strengthen *CUP NOODLES* in China. Meanwhile, the *Demae Iccho* remained strong in both the Hong Kong area and mainland China. In addition, MC Marketing & Sales (Hong Kong) Limited, which became a consolidated subsidiary in the fourth quarter of the previous fiscal year, contributed to the increase in sales.

(2) Analysis of Financial Position

Note: Refer to pages from 7 to 8 for further information.

(3) Analysis of Cash Flows

〈Cash Flow〉	(¥ Million)		
	FY 2017 From April 1, 2016 To March 31, 2017	FY 2018 From April 1, 2017 To March 31, 2018	Change
Net cash provided by operating activities	33,151	44,890	+ 11,739
Net cash used in investing activities	(29,814)	(47,781)	- 17,967
Net cash used in financing activities	(26,055)	(11,126)	+ 14,928
Effect of exchange rate changes on cash and cash equivalents	1,360	(3,185)	- 4,545
Net increase (decrease) in cash and cash equivalents	(21,357)	(17,203)	+ 4,154
Cash and cash equivalents at beginning of the year	88,689	67,563	- 21,125
Cash and cash equivalents at end of the year	67,563	49,620	- 17,942

Please refer to pages from 13 to 14 for details of cash flow.

(4) Explanation Concerning Consolidated Forecasts

Please refer to page 1 for the full-year forecasts for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019). The Company has decided to voluntarily adopt the International Financial Reporting Standards (IFRS) starting with its consolidated financial statements for the first three months of the fiscal year ended March 31, 2019. Therefore, the aforementioned forecasts of consolidated results have been prepared based on the IFRS.

The projected exchange rates for the major currencies used in the forecasts for overseas subsidiaries are ¥106.2 to US\$1.00, ¥13.5 to HK\$1.00, ¥16.9 to CNY1.00, and ¥32.0 to BRL1.00.

2. Basic Concept of the Selection of Accounting Standards

From the perspective of the international comparability of financial information and quality improvements in business administration, the Group will voluntarily adopt the International Financial Reporting Standards (IFRS), starting with its consolidated financial statements for the first three months of the fiscal year ended March 31, 2019.

3. Consolidated Financial Statements and Major Notes

1. Consolidated Balance Sheets

(¥ Million)

	FY 2017 As of March 31, 2017	FY 2018 As of March 31, 2018
Assets		
Current assets		
Cash and deposits	70,919	56,131
Notes and accounts receivable—trade	65,290	69,133
Marketable securities	1,155	51
Finished goods and merchandise	12,697	13,990
Raw materials and supplies	16,209	15,441
Deferred tax assets	5,149	4,683
Others	6,849	11,113
Allowance for doubtful receivables	(385)	(398)
Total current assets	177,887	170,147
Fixed assets		
Tangible fixed assets		
Building and structures, net	60,936	64,830
Machinery, equipment and vehicles, net	50,689	57,898
Tools and fixtures, net	4,200	4,117
Land	52,748	52,507
Leased assets, net	3,400	3,016
Construction in progress	14,488	30,135
Others, net	1,550	1,566
Total tangible fixed assets	188,013	214,071
Intangible fixed assets		
Goodwill	30,464	25,970
Others	13,606	11,294
Total intangible fixed assets	44,070	37,264
Investments and other assets		
Investments in securities	120,136	138,606
Investments in capital	782	715
Long-term loans	918	39
Deferred tax assets	2,120	4,667
Net defined benefit asset	335	405
Others	3,046	3,199
Allowance for doubtful receivables	(132)	(1,006)
Total investments and other assets	127,208	146,628
Total fixed assets	359,293	397,964
Total assets	537,180	568,111

(¥ Million)

	FY 2017 As of March 31, 2017	FY 2018 As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable—trade	51,705	56,635
Short-term borrowings	18,450	3,235
Accrued payables	32,961	33,230
Lease liabilities within one year	449	481
Accrued income taxes	7,926	5,886
Others	24,355	31,324
Total current liabilities	135,847	130,793
Long-term liabilities		
Long-term debt	15,867	14,146
Lease liabilities beyond one year	2,863	2,523
Asset retirement obligations	55	78
Deferred tax liabilities	16,629	19,276
Deferred tax liabilities for remeasurements	2,002	956
Liability for retirement benefits	7,346	5,461
Others	3,051	3,099
Total long-term liabilities	47,815	45,541
Total liabilities	183,662	176,335
Equity		
Shareholders' equity		
Common stock	25,122	25,122
Capital surplus	49,823	51,218
Retained earnings	308,074	327,996
Treasury stock, at cost	(58,190)	(58,002)
Total shareholders' equity	324,830	346,335
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	23,794	31,419
Deferred gain (loss) on hedges	-	(35)
Land revaluation reserve	(6,382)	(5,492)
Foreign currency translation adjustments	(1,403)	(6,867)
Accumulated remeasurements of retirement benefits plans	218	1,127
Total accumulated other comprehensive income	16,227	20,151
Stock acquisition rights	1,626	1,819
Non-controlling interests	10,833	23,470
Total equity	353,517	391,776
Total liabilities and equity	537,180	568,111

2. Consolidated Statements of Income and Comprehensive Income (Consolidated Statements of Income)

(¥ Million)

	FY 2017 From April 1, 2016 To March 31, 2017	FY 2018 From April 1, 2017 To March 31, 2018
Net sales	495,715	516,400
Cost of sales	270,219	282,271
Gross profit	225,496	234,128
Selling, general and administrative expenses	196,878	200,016
Operating income	28,618	34,112
Non-operating income		
Interest income	811	1,163
Dividend income	1,405	1,385
Gain on sales of marketable securities	1,332	888
Equity in earnings of affiliates	1,687	2,680
Others	896	1,737
Total non-operating income	6,133	7,855
Non-operating expenses		
Interest expenses	356	432
Foreign exchange loss	774	157
Commission fee	276	163
Others	479	623
Total non-operating expenses	1,886	1,378
Ordinary income	32,864	40,588
Extraordinary gains		
Gain on sales of fixed assets	141	769
Gain on sales of investments in securities	6,834	1,093
Insurance proceeds	283	427
Gain on change in equity	-	4,352
Others	245	165
Total extraordinary gains	7,505	6,808
Extraordinary losses		
Loss on sales of fixed assets	124	453
Loss on disposal of fixed assets	618	670
Impairment loss	977	5,346
Loss on valuation of stocks of subsidiaries and affiliates	1,073	555
Provision of allowance for doubtful receivables	-	829
Loss on business of subsidiaries and associates	-	1,100
Loss due to a fire	511	-
Settlement payout due to contract change	585	-
Loss on closing factory	609	99
Others	351	818
Total extraordinary losses	4,851	9,872
Income before income taxes	35,517	37,525
Income taxes	12,819	11,528
Income taxes adjustment	(1,029)	(3,121)
Total income taxes	11,789	8,406
Net income	23,728	29,118
Net income attributable to non-controlling interests	170	14
Net income attributable to owners of parent	23,558	29,104

(Consolidated Statements of Comprehensive Income)

(¥ Million)

	FY 2017 From April 1, 2016 To March 31, 2017	FY 2018 From April 1, 2017 To March 31, 2018
Net income	23,728	29,118
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	(19,941)	7,405
Deferred gain (loss) on hedges	261	(35)
Land revaluation reserve	53	998
Foreign currency translation adjustments	2,312	(6,061)
Share of other comprehensive income (loss) of entities accounted for by the equity method	1,127	931
Remeasurements of defined benefit plans	3,448	881
Total other comprehensive income (loss)	(12,737)	4,118
Comprehensive income	10,991	33,236
Total comprehensive income attributable to:		
Owners of parent	11,066	33,697
Non-controlling interests	(75)	(460)

3. Consolidated Statements of Changes in Net Assets

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(¥ Million)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,122	48,177	293,803	(35,836)	331,267
Increase (decrease) during the year					
Cash dividends paid			(8,648)		(8,648)
Net income attributable to owners of parent			23,558		23,558
Acquisition of treasury stock				(22,939)	(22,939)
Sales of treasury stock		(84)		584	500
Reversal of land revaluation reserve			56		56
Transfer from retained earnings to capital surplus		78	(78)		-
Change in scope of consolidation			(228)		(228)
Change of fiscal term of consolidated subsidiaries			(387)		(387)
Change of interests held by parent company due to transactions with non-controlling-interest shareholder		1,652			1,652
Net changes of items other than shareholders' equity					-
Total increase (decrease) during the year	-	1,646	14,270	(22,354)	(6,436)
Balance at the end of the year	25,122	49,823	308,074	(58,190)	324,830

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on hedges	Land revaluation reserve	Foreign currency translation adjustments	Accumulated remeasurements of retirement benefits plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	43,172	(261)	(6,379)	(4,576)	(3,178)	28,774	1,859	9,786	371,688
Increase (decrease) during the year									
Cash dividends paid									(8,648)
Net income attributable to owners of parent									23,558
Acquisition of treasury stock									(22,939)
Sales of treasury stock									500
Reversal of land revaluation reserve									56
Transfer from retained earnings to capital surplus									-
Change in scope of consolidation									(228)
Change of fiscal term of consolidated subsidiaries									(387)
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									1,652
Net changes of items other than shareholders' equity	(19,377)	261	(2)	3,173	3,397	(12,547)	(233)	1,046	(11,734)
Total increase (decrease) during the year	(19,377)	261	(2)	3,173	3,397	(12,547)	(233)	1,046	(18,170)
Balance at the end of the year	23,794	-	(6,382)	(1,403)	218	16,227	1,626	10,833	353,517

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(¥ Million)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,122	49,823	308,074	(58,190)	324,830
Increase (decrease) during the year					
Cash dividends paid			(9,369)		(9,369)
Net income attributable to owners of parent			29,104		29,104
Acquisition of treasury stock				(8)	(8)
Sales of treasury stock		(25)		196	171
Reversal of land revaluation reserve			108		108
Transfer from retained earnings to capital surplus		25	(25)		-
Change in scope of consolidation					-
Change of fiscal term of consolidated subsidiaries			104		104
Change of interests held by parent company due to transactions with non-controlling-interest shareholder		1,395			1,395
Net changes of items other than shareholders' equity					-
Total increase (decrease) during the year	-	1,395	19,922	187	21,504
Balance at the end of the year	25,122	51,218	327,996	(58,002)	346,335

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total equity
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on hedges	Land revaluation reserve	Foreign currency translation adjustments	Accumulated remeasurements of retirement benefits plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	23,794	-	(6,382)	(1,403)	218	16,227	1,626	10,833	353,517
Total increase (decrease) during the year									
Cash dividends paid									(9,369)
Net income attributable to owners of parent									29,104
Acquisition of treasury stock									(8)
Sales of treasury stock									171
Reversal of land revaluation reserve									108
Transfer from retained earnings to capital surplus									-
Change in scope of consolidation									-
Change of fiscal term of consolidated subsidiaries									104
Change of interests held by parent company due to transactions with non-controlling-interest shareholder									1,395
Net changes of items other than shareholders' equity	7,625	(35)	890	(5,464)	908	3,924	193	12,636	16,754
Total increase (decrease) during the year	7,625	(35)	890	(5,464)	908	3,924	193	12,636	38,258
Balance at the end of the year	31,419	(35)	(5,492)	(6,867)	1,127	20,151	1,819	23,470	391,776

4. Consolidated Statements of Cash Flows

(¥ Million)

	FY2017 From April 1, 2016 to March 31, 2017	FY2018 From April 1, 2017 to March 31, 2018
Cash flows provided by operating activities		
Income before income taxes and non-controlling interests	35,517	37,525
Depreciation and amortization	15,400	17,896
Impairment loss	977	5,346
Increase (decrease) in allowance for doubtful receivables	(206)	900
Increase (decrease) in liability for retirement benefits	4,403	(621)
Interest and dividend income	(2,217)	(2,549)
Interest expenses	356	432
Foreign currency exchange loss (gain)	1,470	(1,210)
Equity in earnings of affiliates (gain)	(1,687)	(2,680)
Loss (gain) on disposal and sales of property, plant and equipment	601	354
Loss (gain) on sales of marketable securities, investments in securities and other	(8,142)	(1,980)
Loss (gain) on valuation of marketable securities, investments in securities and other	1,073	555
(Increase) decrease in trade notes and accounts receivable	(3,745)	(4,493)
(Increase) decrease in inventories	(1,513)	(1,178)
Increase (decrease) in trade notes and accounts payable	243	5,461
Increase (decrease) in accrued payables	1,636	1,826
Others	(2,471)	(1,407)
Subtotal	41,697	54,177
Interest and dividends received	4,114	4,250
Interest paid	(356)	(417)
Income taxes paid	(12,882)	(13,164)
Income taxes refunded	578	45
Net cash provided by operating activities	33,151	44,890
Cash flows used in investing activities		
Increase in time deposits	(6,589)	(10,710)
Proceeds from redemption of time deposits	4,999	7,279
Payment for purchases of marketable securities	(0)	-
Proceeds from sales and redemption of marketable securities	350	1,000
Payment for purchases of property, plant and equipment and others	(30,722)	(48,009)
Proceeds from sales of property, plant and equipment and others	1,471	2,697
Payment for purchases of investments in securities	(18,330)	(9,349)
Proceeds from sales and redemption of investments in securities	20,034	9,726
Payment of loans receivable	(1)	-
Collection of loans receivable	314	9
Payment for acquisition of shares of subsidiaries with the change in the scope of consolidation	(435)	-
Others	(905)	(426)
Net cash used in investing activities	(29,814)	(47,781)

(¥ Million)

	FY2017 From April 1, 2016 to March 31, 2017	FY2018 From April 1, 2017 to March 31, 2018
Cash flows used in financing activities		
Net increase (decrease) in short-term borrowings	(341)	(14,816)
Proceeds from long-term debt	6,098	4,803
Repayment of long-term debt	(2,918)	(6,008)
Net increase in treasury stock	(22,939)	(8)
Cash dividends paid	(8,648)	(9,369)
Cash dividends paid to non-controlling-interest shareholders	(32)	(144)
Proceeds from payment from non-controlling-interest shareholders	2,454	14,908
Proceeds from sale of shares of subsidiaries without the change of the scope of consolidation	710	-
Others	(439)	(491)
Net cash used in financing activities	(26,055)	(11,126)
Effect of exchange rate changes on cash and cash equivalents	1,360	(3,185)
Net increase (decrease) in cash and cash equivalents	(21,357)	(17,203)
Cash and cash equivalents at beginning of the year	88,689	67,563
Increase in cash and cash equivalents arising from initial consolidation of subsidiaries	211	-
Increase (decrease) in cash and cash equivalents resulting from the change in the fiscal year-end of consolidated subsidiaries	20	(739)
Cash and cash equivalents at end of the year	67,563	49,620

5. Notes on Consolidated Financial Statements

(Notes on the Premise of Going concern)

None

(Additional information)

(Changes to matters related to the fiscal year end regarding consolidated subsidiaries)

When preparing its consolidated financial statements, the Company has traditionally followed its policy of using final or provisional financial statements prepared as of December 31 for seven consolidated subsidiaries including NISSIN FOODS ASIA PTE. LTD., making the necessary adjustments regarding important transactions conducted between the Company's consolidated fiscal year-end and their fiscal year-end. Effective from this fiscal year ended March 31, 2018, the Company has either changed the fiscal year-end to March 31 or adopted a new policy to undertake provisional account settlement on March 31 for those seven consolidated subsidiaries in order to ensure more appropriate disclosure regarding the consolidated financial statements.

The effect of this changes in profit or loss arising from the change implemented to the fiscal year-end during the period from January 1, 2017 to March 31, 2017 have been adjusted as part of the change in retained earnings, and increase or decrease of cash and cash equivalents from this change is stated as "Increase (decrease) in cash and cash equivalents resulting from the change in the fiscal year-end of consolidated subsidiaries" in the consolidated cash flow statements.

A: Segment Information

1. 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.

The Group employs holding company system. According to the operating unit strategy of 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 bag-type and cup-type noodles. The "Chilled and frozen foods" is operating the business of manufacturing and selling chilled and frozen foods.

2. Net sales, income or loss, assets and other items by reportable segment

The accounting methods of reported business segments are generally the same as the statements in "Important items used as basic materials for the preparation of consolidated financial statements." Incomes in the reported segments are values based on operating income. Intersegment sales or transfers are based on current market prices.

3. Information on net sales, income or loss, assets and other items by reportable segments

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(¥ Million)

	Reportable segment						Others *1	Total	Reconciliation *2 *4	Consolidated *3
	NISSIN FOOD PRODUCT S	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Net sales										
Sales to third party	228,560	40,612	61,794	60,420	35,987	427,373	68,341	495,715	—	495,715
Intersegment sales	874	6,132	1,638	1	186	8,832	28,050	36,883	(36,883)	—
Total	229,434	46,744	63,432	60,421	36,173	436,206	96,392	532,599	(36,883)	495,715
Segment operating income (loss)	27,683	1,784	1,933	2,309	3,405	37,116	2,638	39,755	(11,137)	28,618
Segment assets	166,678	49,241	29,968	44,615	50,564	341,068	129,265	470,334	66,846	537,180
Other items										
Depreciation and Amortization	5,300	1,393	679	2,261	1,320	10,955	4,445	15,400	—	15,400
Investment in entities accounted for by the equity method	—	—	—	—	—	—	29,374	29,374	—	29,374
Increase(decrease) in fixed assets and intangible assets	9,638	1,874	1,412	4,219	6,039	23,185	13,157	36,343	(2)	36,340

(Notes)

1. "Others" consists of the operating segments not included in reportable segments. It includes domestic confectionary and beverages business, and overseas business in Europe and Asia.
2. Operating income under "Reconciliation" amounted to minus ¥11,137 million, consisting of minus ¥4,275 million from retirement benefit expenses, minus ¥1,871 million from the amortization of goodwill, minus ¥327 million from elimination of intersegment transactions and minus ¥4,661 million from group expenses.
3. Segment income is adjusted to operating income of consolidated statements of income.
4. Segment assets under "reconciliation" include the corporate assets which cannot be allocated to any particular segment amounting to ¥66,846 million. The amount mainly consists of ¥34,365 million of surplus investment funds, ¥30,464 million of goodwill, and ¥2,016 million of other investments.

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(¥ Million)

	Reportable segment						Others *1	Total	Reconciliation *2 *4	Consolidated *3
	NISSIN FOOD PRODUCT S	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal				
Net sales										
Sales to third party	232,932	41,487	64,004	64,455	42,583	445,463	70,936	516,400	—	516,400
Intersegment sales	999	5,807	1,409	4	366	8,585	28,716	37,301	(37,301)	—
Total	233,931	47,295	65,413	64,459	42,949	454,049	99,652	553,701	(37,301)	516,400
Segment income	28,291	2,056	2,140	2,023	3,569	38,081	1,974	40,056	(5,944)	34,112
Segment assets	184,052	51,113	32,352	45,433	61,219	374,171	144,858	519,029	49,082	568,111
Other items										
Depreciation and Amortization	6,114	1,534	803	2,001	1,949	12,403	5,492	17,896	—	17,896
Investment in entities accounted for by the equity method	—	—	—	—	—	—	43,047	43,047	—	43,047
Increase(decrease) in fixed assets and intangible assets	33,631	2,222	1,600	3,788	3,395	44,638	7,400	52,039	(31)	52,007

(Notes)

1. “Others” consists of the operating segments not included in reportable segments. It includes domestic confectionary and beverages business, and overseas business in Europe and Asia.
2. Operating income under “Reconciliation” amounted to minus ¥5,944million, consisting of ¥682 million from retirement benefit expenses, minus ¥1,673 million from the amortization of goodwill, minus ¥287 million from elimination of intersegment transactions and minus ¥4,666 million from group expenses.
3. Segment income is adjusted to Operating income of Consolidated Statements of Income.
4. Segment assets under “Reconciliation” include the corporate assets which cannot be allocated to any particular segment amounting to ¥49,082 million. The amount mainly consists of ¥21,308 million of surplus investment funds, ¥25,970 million of goodwill, and ¥1,802 million of other investments.

B: Related Information

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

1. Information by product and service

(¥ Million)

	Instant noodles and ancillary businesses	Other Businesses	Total
Sales to third party	426,238	69,477	495,715

(Notes) 1. Business segments are classified, taking the type, nature, etc. of products into account.

2. Main products in each business

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

(2) Other businesses: Confectionery and beverages

2. Information by region

(¥ Million)

	Japan	The Americas	Other Areas	Total
Sales to third party	385,303	60,435	49,976	495,715
Fixed assets	140,372	19,687	27,953	188,013

(Notes) National or geographic segments are based on geographic proximity.

3. Information by major customer

(¥ Million)

Company	Amount	Main reportable segment
MITSUBISHI Corporation	180,969	NISSIN FOOD PRODUCTS
ITOCHU Corporation	138,731	NISSIN FOOD PRODUCTS

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

1. Products and Services

(¥ Million)

	Instant noodles and ancillary businesses	Other Businesses	Total
Sales to third party	439,529	76,870	516,400

(Notes) 1. Business segments are classified, taking the type, nature, etc. of products into account.

2. Main products in each business

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

(2) Other businesses: Instant rice, confectionery and beverages

2. Information by region

(¥ Million)

	Japan	The Americas	Other Areas	Total
Sales to third party	393,616	64,468	58,315	516,400
Fixed assets	164,612	20,468	28,990	214,071

(Notes) National or geographic segments are based on geographic proximity.

3. Information of major customers

(¥ Million)

	Amount	Main reportable segment
MITSUBISHI Corporation	194,882	NISSIN FOOD PRODUCTS
ITOCHU Corporation	140,135	NISSIN FOOD PRODUCTS

C: Information on the impairment loss of fixed assets by reportable segment

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China			
Impairment loss	86	35	—	—	565	290	—	977

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

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China			
Impairment loss	3,805	42	—	92	184	1,222	—	5,346

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

D: Information on the amortization and unamortized balance of goodwill by reportable segment

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China			
Amount of amortization for FY 2017	—	213	—	1,554	7	96	—	1,871
Balance as of March 31, 2017	—	—	—	30,019	445	—	—	30,464

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

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(¥ Million)

	Reportable segment					Others	Corporate and Elimination	Total
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China			
Amount of amortization for FY 2018	—	—	—	1,579	93	—	—	1,673
Balance as of March 31, 2018	—	—	—	25,638	332	—	—	25,970

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

E: Information on the gain on negative goodwill by reportable segment

Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

None

Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

None

(Per Share Information)

	FY2017 From April 1, 2016 to March 31, 2017		FY2018 From April 1, 2017 to March 31, 2018
Net assets per share(¥)	3,276.55	Net assets per share(¥)	3,519.36
Net income attributable to owners of parent per share (primary) (¥)	221.33	Net income attributable to owners of parent per share (primary) (¥)	279.52
Net income attributable to owners of parent per share (diluted) (¥)	220.25	Net income attributable to owners of parent per share (diluted) (¥)	278.16

(Note) The calculation basis of the amount of net income attributable to owners of parent per share and the amount of net income attributable to owners of parent per share (diluted) is as follows.

	FY2017 From April 1, 2016 to March 31, 2017	FY2018 From April 1, 2017 to March 31, 2018
Amount of net income attributable to owners of parent per share (primary) (¥)		
Net income attributable to owners of parent (¥ million)	23,558	29,104
Amount not belonging to common shares (¥ million)	—	—
Net income attributable to owners of parent pertaining to common shares (¥ million)	23,558	29,104
Average number of shares outstanding during the period (hundred)	1,064,390	1,041,220
Amount of net income attributable to owners of parent per share (diluted)		
Adjusted amount of net income attributable to owners of parent (¥ million)	—	—
Number of increased common shares (hundred)	5,217	5,099
(Stock acquisition rights of common shares)	(5,217)	(5,099)
Outline of dilutive shares that were not included in the calculation of net income attributable to owners of parent per share (diluted) due to the lack of the dilution effect.	—	—

(Material subsequent event)

(Cancellation of treasury stock)

NISSIN FOODS HOLDINGS CO., LTD. resolved to cancel treasury shares pursuant to Article 178 of the Companies Act at the meeting of the Board of Directors held on May 10, 2018.

- | | |
|--|---|
| 1. The reason for the cancellation of treasury stock | Enhancement of the return of shareholders |
| 2. The detail of the board resolution for cancellation of treasury stock | |
| (1) Type of shares to be cancelled | Common stock of the company |
| (2) Number of shares to be cancelled | 11,763, 685 shares
(This number represents 10.01% of total outstanding shares before cancellation) |
| (3) Date of cancellation | May 24, 2018 |
| (4) Total number of issued shares after the cancellation | 105,700,000 shares |