



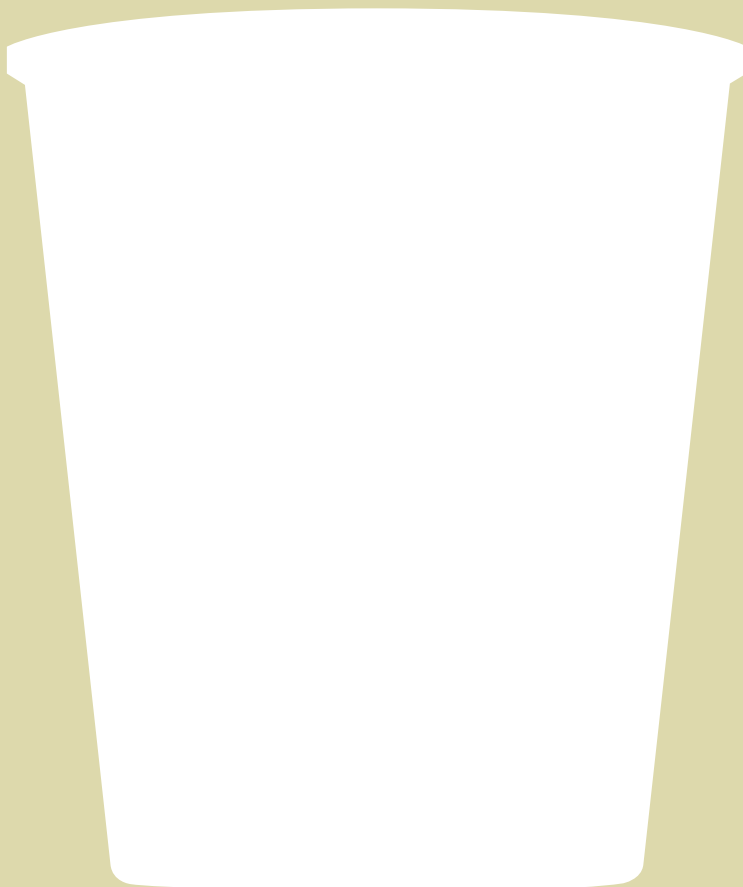
**ANNUAL REPORT 2009**

Year ended March 31, 2009

**NISSIN FOODS HOLDINGS**

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**NISSIN FOODS HOLDINGS CO., LTD.** and its seven principal companies (together, “the NISSIN FOODS Group”) believe that there should be no borders to the enjoyment of good food. In 1958, Nissin *Chicken Ramen* became the world’s first instant noodle product. In 2009, customer-focused branding based on originality, convenience and responsibility is enabling us to develop innovative and fun food for the potential satisfaction of people everywhere on Earth.



# EARTH FOOD CREATOR

“Earth Food Creator” expresses the corporate philosophy of NISSIN FOODS Group, a company that creates food for people all over the world. “Earth Food Creator” also refers to a company that respects and draws on the bounty of nature for wholesome ingredients that are served up in innovative products our customers find to be tasty, convenient and thoroughly enjoyable.





# BRANDING CORPORATION









# ORIGINAL

CUSTOMERS RECOGNIZE THAT THERE CAN ONLY EVER BE ONE ORIGINAL. BEING THE FIRST ADDS VALUE TO OUR BRAND.



**CUP NOODLE** is another Nissin original. We invented the concept of noodles packaged, prepared and eaten in the same container so people could eat whenever and wherever they were hungry, bowl or no bowl. If there is an improvement to be made, a way to make things safer, a new food product concept, we want to be the first—the one and only *ORIGINAL*.



**GO FAN**, new flavored rice products cook in a microwave oven with the addition of only tap water. Consumers tell us that the flavor and texture are just like homemade, but preparation takes a fraction of the time—especially when you consider the normal cooking time for rice. When we make food more convenient, we don't want to diminish the quality.





MAKING PRODUCTS THAT MAKE LIFE  
EASIER GIVES OUR CUSTOMERS MORE  
FREE TIME AT THE OFFICE,  
OUTDOORS AND AT HOME.

ONVENIENT



# RESPONSIBLE

THERE IS NO ROOM FOR COMPROMISE WHEN IT COMES TO ASSURING FOOD SAFETY AND A SUSTAINABLE ENVIRONMENT.





**HEALTHFUL FOOD ENJOYMENT** is the primary aim of every plan and process at NISSIN FOODS Group. We are tackling initiatives to ensure food safety and environmental protection—two preconditions to the preparation and enjoyment of delicious food. We monitor raw and processed food under the strictest standards and work to achieve a recycling-based society that will be the pride of generations to come.



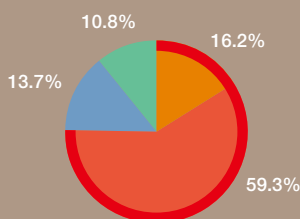
# FINANCIAL HIGHLIGHTS

| Years ended March 31,                             | Millions of yen |           |           | Millions of U.S. dollars *1 | Percent change |
|---|-----------------|-----------|-----------|-----------------------------|----------------|
|   | 2009            | 2008      | 2007      | 2009                        | %              |
| <b>For the year</b>                               |                 |           |           |                             |                |
| Net sales   | ¥ 362,057       | ¥ 385,470 | ¥ 358,238 | \$ 3,686                    | (6.1)          |
| Operating income                                  | 23,552          | 27,672    | 33,735    | 240                         | (14.9)         |
| Net income  | 15,891          | 13,591    | 18,969    | 162                         | 16.9           |
| <b>At year-end</b>                                |                 |           |           |                             |                |
| Total assets                                      | ¥ 408,729       | ¥ 392,695 | ¥ 410,407 | \$ 4,161                    | 4.1            |
| Net assets*2                                      | 285,569         | 288,844   | 288,476   | 2,907                       | (1.1)          |
| <b>Per share (Yen and U.S. dollars)</b>           |                 |           |           |                             |                |
| Net income  | ¥ 129.98        | ¥ 111.17  | ¥ 156.12  | \$ 1.32                     | 16.9           |
| Cash dividends applicable to earnings of the year | 50.00           | 50.00     | 50.00     | 0.51                        | —              |
| Net assets  | 2,287.21        | 2,310.36  | 2,304.40  | 23.28                       | (1.0)          |
| <b>Value &amp; performance indicators</b>         |                 |           |           |                             |                |
| Operating margin (%) *3                           | 6.5             | 7.2       | 9.4       |                             |                |
| Return on assets (%) *4                           | 4.0             | 3.4       | 4.9       |                             |                |
| Return on equity (%) *5                           | 5.7             | 4.8       | 7.0       |                             |                |
| Inventory turnover (Times) *6                     | 13.5            | 13.4      | 12.9      |                             |                |

Notes: 1. U.S. dollar amounts represent translations of yen, for convenience only, at U.S.\$1 = ¥98.23, the approximate rate prevailing on March 31, 2009.  
2. Net assets: In compliance with the Corporate Law, from fiscal 2007, net assets include minority interests.  
3. Operating margin = Operating income / Net sales  
4. Return on assets = Net income / Average total assets  
5. Return on equity = Net income / Average total net assets  
6. Inventory turnover = Cost of sales / Average total inventory

## NISSIN FOODS HOLDINGS Consolidated Sales by Category

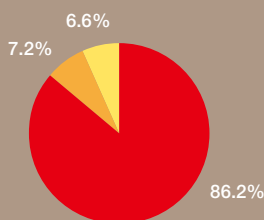
(Years ended March 31)



| (Millions of yen)           | 2009     | 2008     | 2007     |
|-----------------------------|----------|----------|----------|
| Instant Noodles             |          |          |          |
| Pillow-type Instant Noodles | ¥ 58,447 | ¥ 64,915 | ¥ 57,871 |
| Cup-type Instant Noodles    | 214,831  | 237,537  | 226,315  |
| Chilled and Frozen Foods    | 49,559   | 44,369   | 41,282   |
| Other Business              | 39,220   | 38,649   | 32,770   |
| Total                       | 362,057  | 385,470  | 358,238  |

## NISSIN FOODS HOLDINGS Consolidated Sales by Geographic Area

(Excluding Intersegment Sales) (Years ended March 31)



| (Millions of yen) | 2009      | 2008      | 2007      |
|-------------------|-----------|-----------|-----------|
| Japan             | ¥ 311,954 | ¥ 329,984 | ¥ 303,718 |
| North America     | 26,126    | 29,559    | 30,505    |
| Others            | 23,977    | 25,927    | 24,015    |
| Total             | 362,057   | 385,470   | 358,238   |

## Forward-looking Statements

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



PRESIDENT'S  
MESSAGE

TO BE NUMBER  
**ONE**

President  
Koki Ando

NISSIN FOODS HOLDINGS was first out of the gate with the world's original instant noodles in 1958. Fifty years later, the industry we launched is still opening up new markets around the world. To win hearts in each of those markets, we strive to out-distance the competition not only through innovation, but also through our commitment to deliver the ultimate in food safety and customer enjoyment.

## PRESIDENT'S MESSAGE

On October 1, 2008, our 50th anniversary, NISSIN FOODS HOLDINGS CO., LTD. (“the Company”) implemented a transformation to a holding company structure. We are embarked on a new course, suited to the times and in pursuit of the unlimited potential of food.

### Review of Business Performance

In the year ended March 31, 2009, the Company posted consolidated net sales of ¥362,057 million (U.S.\$3,686 million), a 6.1% decrease from the previous year. Numerous factors contributed to the sales decline, including a drop off in selling power resulting from the first price increase in 17 years, sharp yen appreciation, a change in the sales mix caused by factors such as open pricing\*, a sales decline caused by a transferred odor problem and a global recession triggered by the economic crisis in the U.S.

Operating income fell by 14.9% year on year to ¥23,552 million (U.S.\$240 million). The decrease is attributable to factors including higher expenses related to retirement benefits, higher manufacturing costs due to soaring prices of flour and other raw materials, the sales decline and advertising costs to publicize a product recall and correct product storage methods.

\* Open pricing is a method of pricing by which the manufacturer does not include advertising and promotion costs in shipping prices and does not decide suggested retail prices. Ordinarily, open pricing leads to selling at low prices.

### In the Food Industry, Economic Recession is an Opportunity for Growth

The year under review brought an unprecedented business environment in which we had to cope with both inflation and deflation in a single fiscal year. The first half began with sharp inflation in the prices of oil and flour and other raw materials, and in the second half, Japan’s economy saw deflationary trends in prices of consumer goods.

To cover the higher prices for raw materials, in January we felt it was unavoidable that we raise prices for instant noodles in Japan, the Company’s mainstay products—the first increase in 17 years. To accomplish this, we implemented a sales policy for these products that enabled retailers to sell them at appropriate prices with the aim of bringing market prices, which had fallen too far, in line with brand value. We simultaneously expanded the range of products sold under an open price system, to satisfy the needs of those retailers and consumers who demand everyday-low-pricing or uniform ¥100 pricing.

These measures to support the market price of flagship products, while also allowing open pricing on other products proved successful. We were able to secure an increase in operating profit, excluding retirement benefits expenses, amid sharp increases in raw materials costs.

### Product Quality Enhancements Necessary to Protect Brands

Amid what has been called a “once in a hundred year recession,” we undertook quality improvements appropriate to the times for products for which we implemented price increases, even as we offered other items intended to sell at low prices. The low-priced products are open price products and products developed jointly with retailers or private brands.

An example of a quality improvement is the switch from styrofoam to the paper ECO cup as the packaging material for *Cup Noodle*, our mainstay product. Paper-based packaging materials make it possible to reduce flavor loss by better sealing out moisture, and they reduce CO<sub>2</sub> emissions. With regard



to *Donbei* Japanese-style noodles, we perfected a “straight noodle technology” that made it possible to convert wavy noodles to completely straight ones 32 years after the product’s introduction.

Also, as an experiment, we introduced *Cup Noodle Light*, a new product having only 198 calories that offers the same flavor as regular *Cup Noodle*, which has 364 calories. The introduction enables us to recommend *Cup Noodle Light* to customers who watch their calories.

## Consumer Safety Increased: the Transferred Odor Problem and an Improved Paper Cup

The food products industry faced another major problem in 2008. A spate of news reports involving tampering with food products and food mislabeling shook consumer confidence in food products, and consumer wariness about food safety and quality increased. The NISSIN FOODS Group (“the Group”) experienced a problem in October when odor from insect repellent was transferred to a subsidiary’s product. It turned out that the problem was caused by the way the customer stored the product and not a problem in the manufacturing, distribution or retailing processes. Nevertheless, we believe that as a manufacturer with a well-known brand, we should take responsibility for our products until the time of consumption. We ran advertising promoting to customers the optimal product storage methods. We also improved the *Cup Noodle* container by changing to a new composition with improved sealing, ensuring that odors will not be transferred under any circumstances. For a brand manufacturer, damage to a brand can be a life-or-death matter. A product that is not safe is not a food product. We check and double check the meat, leeks, eggs, shrimp and flour we use in our products. We are exceptionally careful about our quality control because it benefits no one, not even competitors if defects are found in our products. That’s what brand management is all about. We are very sensitive to this, and it is probably fair to say that no other company in the processed food industry is more sensitive about safety than us.

## Overseas Markets—Improved Profitability in North America and Market Expansion in Russia

Although we recorded a loss of ¥1,482 million (U.S.\$15 million) in the full year results for North America, in fact we recorded the first quarterly profit in several years in the fourth quarter. Until recently, selling prices had fallen altogether too low. At a time of soaring prices of crude oil and wheat and other raw materials, we took the opportunity to raise prices. Products with selling prices of about a dollar began to sell well, among them *CHOW MEIN*, *Souper Meal* and *Bowl Noodles* (spicy and sour noodles in lemon and lime flavor containing red pepper). In Japan we offer not only the cup-type products such as *Cup Noodle*, but also a wide variety of products in bowls and fried-type noodles, and similar product range development has finally begun in the U.S.

We have entered into a business alliance in Russia, the only BRICs market that we had not yet entered. Total annual demand for pillow-type instant noodles in Russia has grown to approximately two billion servings, or about 14 servings per person. Russia, together with the Ukraine and other surrounding countries, represents a promising new market with a population of about 300 million. Accordingly, in December 2008 we entered into an agreement for a capital alliance with ANGLESIDE LIMITED (currently, MAREVEN FOOD HOLDINGS LIMITED), parent company of LLC Mareven Food Central, Russia’s largest instant noodle maker. As our equity position is currently 14.9%, the company is not yet an equity method subsidiary. Through this alliance with a leading manufacturer, we anticipate synergy over the medium to long term to increase corporate value for both parties.

## PRESIDENT'S MESSAGE

“ We seek to be a Branding Corporation that can create numerous brands loved by customers for years to come. ”



### NISSIN FOODS as a Branding Corporation

The Group aims to be a Branding Corporation, which we define as a conglomerate that creates and develops market-leading brands in our chosen food product categories. The Group has many brands in product lines including instant noodles, chilled food products, frozen food products, cereal products, confectionaries, and lactic acid bacterial beverages. We seek to be a Branding Corporation that can create numerous brands loved by customers for years to come.

To realize this vision, in October 2008, we shifted to a holding company structure and launched the Group consisting of seven operating companies in Japan and four overseas business regions. By increasing the number of presidents from one to 11, we aim to establish a business structure that can maximize the Group's overall corporate value through the operating company presidents on the basis of a more flexible, efficient management system. A characteristic of this corporate structure is that the holding company is positioned below the operating companies so as to support the 11 companies that have profit center responsibility.

### Growing and Profiting Together with Stakeholders

The Company constantly strives to boost the Group's earning potential. We recognize that the enhancement of corporate value and appropriate shareholder returns are the most important management priorities and have formulated a basic policy of providing continuous and stable shareholder returns. In accordance with this policy, we will continue to aim for a full-year dividend payout ratio of 30%, and we plan to pay an annual dividend of ¥50 (U.S.\$0.51) for the year under review.

The structure of the instant noodles business is such that business performance doesn't deteriorate substantially as a result of economic recession. The food products sector has always been called a defensive sector, and it is a stable business provided major accidents can be avoided. The global economy may be in recession, but we consider this a time of growth.

We will continue to reward the expectations and confidence of our stakeholders by pursuing global business development centered on our brand business. I ask your continued support and encouragement in the years to come.

*Koki Ando*

Worldwide debut of  
**Cucina della Nissin**

It is a new line of instant pasta products based on our “straight noodle” technology, released simultaneously in the Americas, Asia and Europe in April 2009. The name means “Kitchen” in Italian.



# WORLDWIDE

PRODUCTS WITH GLOBAL TASTE can bring more color and fun to tables everywhere. Although we originated instant noodles in Japan, they were always meant to be a world food. And, today they are fast becoming so. But, with so many cultures and so many interpretations of great taste, we are now exploring new foods and new themes for existing foods to realize a higher level of enjoyment.



# INSTANT NOODLES

## Review of Performance

In the results for pillow-type instant noodles in Japan, the NISSIN FOODS Group (“the Group”) engaged in a number of marketing initiatives, including the launch of products commemorating the 50th anniversary of the founding of Nissin Foods. A notable example from the *Chicken Ramen* series, launched 50 years ago, is *W (Double) Tamago Pocket*, a product reintroduced with improved egg preservation performance. Also, sales of the *MYOJO HYOBANYA* series of open price products and products developed jointly with retailers increased sharply in keeping with an increase in consumer thriftiness.

In developments related to the mainstay *Cup Noodle* series, the Group improved its new environment-friendly paper ECO cup. We also introduced a number of new products, notably microwavable *Range Style* products that can be prepared using tap water and *Cup Noodle Light*, a low-calorie product that has the same flavor as the regular product. Furthermore, we endeavored to increase brand value by replacing the noodles in *Nissin-no-Donbei* series with straight noodles that more closely resemble traditional hand-rolled noodles and by reintroducing *Nissin Yakisoba U.F.O.* with improvements such as increased volume.

*MYOJO Kiwamen*, a product with superb mouth-feel produced using super non-fry preparation technology, has caught the attention of the public,

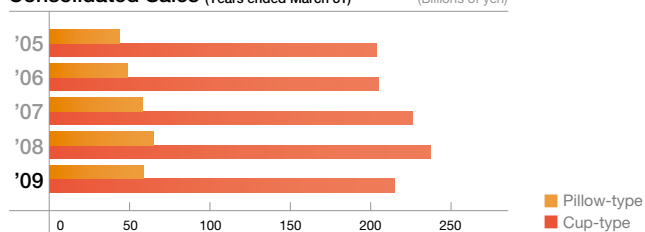
and sales are steadily increasing. This product has been a success at convenience stores, where sales volumes increased even after the price revision. Nevertheless, overall sales volumes in Japan decreased as a result of factors including the impact of limiting the discount sales of mainstay products, the transferred odor problem and lower unit selling prices attributable to a higher proportion of open price product lines in the sales mix. Meanwhile, revenue from overseas decreased, owing to the impact of exchange rates, notwithstanding favorable sales of existing products in North America.

## Future Direction

Amid sweeping change in the market environment, notably slumping consumption and erratic fluctuation in raw materials prices, the Group plans to cope with the fragmentation of consumer needs into distinct purchase behaviors driven by quality, price and novel technologies or concepts. The solution is to divide products into three product categories: Core brands, Price brands and Concept brands. The Group will pursue higher customer satisfaction through new efforts that emphasize the enhancement of noodles and ingredients using new technologies, the expansion of product lines that offer excellent value for money and the development of fun products.

75.5%  
of total consolidated sales

Consolidated Sales (Years ended March 31) (Billions of yen)



INSTANT NOODLES

# PILLOW-TYPE

NET SALES

¥58,447 million



INSTANT NOODLES

# CUP-TYPE

NET SALES

¥214,831 million



# CHILLED AND FROZEN FOODS

NET SALES

¥49,559 million



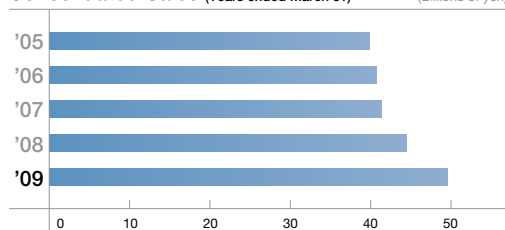
## Review of Performance

The market for chilled foods, chiefly fresh noodles, and easy-to-prepare frozen foods with fresh-cooked flavor continues to show stable growth. Sales of chilled foods increased, in particular, products such as the *Tsukemen no Tatsujin* series and the *Nissin Yakiudon* fried-noodle series. Sales of frozen foods also increased, as Nissy Foods Co. Ltd. was newly included in the scope of consolidation during the fiscal year under review.

## Future Direction

NISSIN CHILLED FOODS will focus on development of new flavors of *Tsukemen*, a growth category. NISSIN FROZEN FOODS will strive to reinforce and nurture brands in the frozen food sector, where room for market development remains, by introducing seasonal products for spring and summer, such as *Nissin Sharishari Ice Soup Noodles* and *Frozen Nissin Pirikara Maze Soba*, to satisfy continually diversifying consumer needs.

Consolidated Sales (Years ended March 31) (Billions of yen)



13.7%  
of total consolidated sales

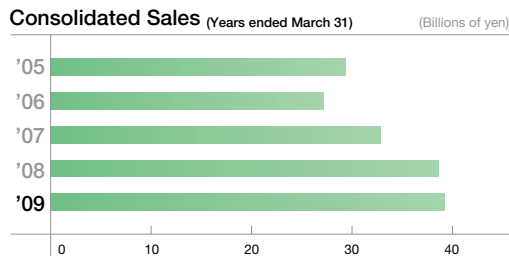


### Review of Performance

In the *Ciscorn* breakfast cereal series, the Frost and Mild Chocolate flavors of *Ciscorn BIG*, introduced in family-size packaging for family consumption, have been highly popular among consumers—ranking first and second, respectively, in unit sales among NISSIN CISCO cereal products from April 2008 to March 2009. In addition, the confection *Coconut Sable*, and the lactic acid bacterial beverage *Pilkul* continued to deliver strong sales performance.

### Future Direction

NISSIN CISCO plans to further expand its product range and increase sales by offering a diverse product lineup centered on the mainstay *Ciscorn* series. For instance, it will offer products on a limited-time basis in addition to the three regular *Ciscorn BIG* items. NISSIN YORK aims to respond to heightened health consciousness and develop new customers with *Pilkul Slim*, a product that offers the same great taste as long-selling *Pilkul* with 30% fewer calories.



**10.8%**  
of total consolidated sales

## OTHER BUSINESS

NET SALES

¥39,220 million



# QUALITY AND SAFETY

## To Assure Complete Confidence in Our Products

In 2002, NISSIN FOODS HOLDINGS established the Food Safety Research Institute to develop scientifically based quality assurance, allowing consumers and their families to enjoy food with total trust in its quality and safety. The institute performs the critical tasks of checking the quality of daily production (central control system) and assessing the amount of hazardous substances that the product may contain. It also develops new testing and analysis procedures against emerging hazardous substances. Through quality surveys and process control at the manufacturing sites, we are taking crucial responsibility for the quality of our products.

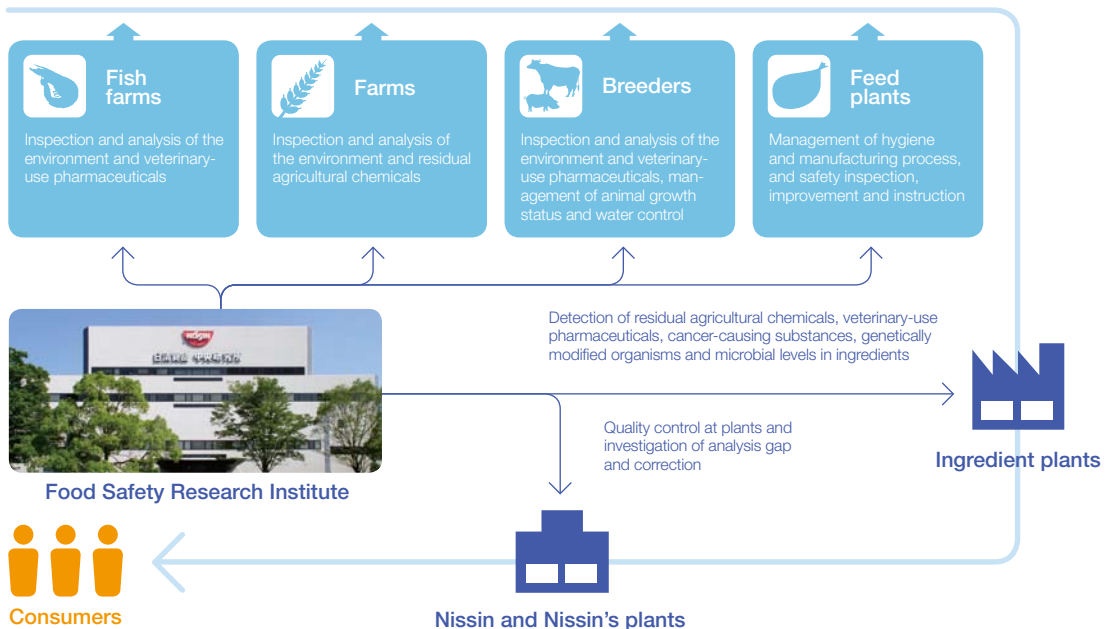
The FOOD SAFETY EVALUATION & RESEARCH INSTITUTE in Shanghai, China commenced full-scale operation in January 2007, marking the completion of a system for restricting the export of China-originated raw materials to only those that have been confirmed to have good quality.

Since the raw materials used in our products are in wide variety and numerous and also are supplied from all over the world, we have developed NAS-RAD-550. This is a proprietary automated system for simultaneous detection and analyzes traces of agricultural chemicals and veterinary pharmaceuticals

that they may contain. The system also checks allergenic substances. Furthermore, in April 2008, the Food Safety Research Institute obtained certification for ISO 17025 (the international standard for testing capabilities and management systems) on analyses of residual agricultural chemicals, veterinary pharmaceuticals, and microbe tests and is continuing to upgrade its quality control systems.

The Food Safety Research Institute also performs safety audits under Nissin's Inspection Standards for Food Safety (NISFOS), established in 2004. It covers food safety management systems, general hazardous substance countermeasures, manufacturing standards, facilities maintenance and sanitation at the plants of raw materials suppliers. Evaluation is carried out objectively using inspection checklists, and the inspection results are expressed numerically as "Safety inspection points." If the plant receives a low score, remedial guidance will be provided. In process control, the institute posts supervisors to supplier sites to confirm "4M Control," (the confirmation of materials, methods, machines and manpower involved in manufacturing processes).

Analysis accuracy, quality surveys and process control are together the backbone of our product quality assurance.



## ENVIRONMENTAL ACTIVITIES

### Our refill product, *Cup Noodle Refill*

It combines minimal-packaging noodle packs with a sturdy, reusable serving cup—higher resource savings.



### For a Future of Healthful Food Enjoyment

To build a harmonious coexistence with society and improve the global environment, the Group established the Environmental Charter in 1999, a group-wide commitment to business activities that furthers the interests of environmental protection and resource conservation.

Since the start of fiscal 2008 (year ended March 31, 2008), the Group has implemented global warming countermeasures aiming at reducing CO<sub>2</sub> emissions by fiscal 2011 to a level 13% below emissions in fiscal 2005. Our activities have steadily produced results. For instance, we have sharply reduced CO<sub>2</sub> emissions by converting the fuel for the boilers used in noodle manufacturing at our main plants from heavy oil to natural gas, which emits less CO<sub>2</sub> when burned.

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

products themselves, in March 2007, we launched sales of *Cup Noodle* as a refill product called *Cup Noodle Refill* to lower the volume of throw-away containers and packaging materials. This eco-friendly product promotes the concept “Delicious eating in eco-style.”

In April 2008, we reduced CO<sub>2</sub> emissions further by replacing the traditional styrofoam *Cup Noodle* container with the ECO cup, a newly developed paper container. The ECO cup name comes from the motto “For Ecology, for Customers, for Originality.” The ECO cup is not only eco-friendly, it is also consumer-friendly, listing allergenic substances and sodium chloride equivalents in a large, readable label, and improving preservation of flavor and freshness through better sealing performance.

As the pioneer inventor of instant noodles, which have become a “world food” in both name and reality, we will continue to engage in business activities aimed at the realization of a sustainable society.



## SOCIAL CONTRIBUTION ACTIVITIES

Out of a keen awareness of corporate social responsibility, NISSIN FOODS HOLDINGS engages in activities in and with local communities that contribute to the realization of a better society by promoting harmonious coexistence. In 2008, we launched the Hyakufukushi\* project to carry on the socially beneficial activities of Momofuku Ando, the founder of Nissin Foods.

\* The project name means "One hundred followers," and was taken from "fukushi," the term for the retainers of a diplomatic mission head in the Edo period. It refers to Nissin employees and others who are inspired to follow Momofuku Ando's ideals.

### Follow-up on the Kenya Oishii Project

Since 2008, we have provided distribution support for the serving of *Chicken Ramen* in school meals for undernourished children in Africa, while simultaneously helping to establish local instant noodle production infrastructure to further economic independence within Kenya. This project was named the Kenya Oishii Project (oishii means "delicious" in Japanese). In 2009, we held a ceremony at the Jomo Kenyatta University

of Agriculture & Technology, to mark the opening of a new laboratory building to house a donated instant noodle manufacturing laboratory and manufacturing equipment (to be collectively known as the Oishii Project Laboratory). The university was introduced to us by JICA (the Japan International Cooperation Agency), which supports the socioeconomic development, recovery and economic stability of developing regions.



## Newly developed **Canned Chicken Ramen**

The extended shelf life was achieved by the removal of oxygen from the container and curbing of deterioration of oil and other contents by means of an included deoxygenizer in a plastic container.



### **Idle to Idol Project Trains Nature Experience Leaders**

Launched last year in the first year of the Hyakufukushi project, the Nature Experience Activities Leader Development Project has been nicknamed the “Idle to Idol project,” because it gives retirees and other members of the baby boom generation a new and purposeful active post-employment alternative. This project gives Group employees and third-party company employees aged 50 or older special training toward certification as a volunteer guide for children’s outdoor activities. The Ando Foundation, established by Nissin founder Momofuku Ando plans to open the Momofuku Ando Nature Experience Activities Advanced Leader Training Center in April 2010 in Nagano Prefecture. The Group provides additional support for this undertaking.

### **The Canned Chicken Ramen Just-in-Case Project**

The Group has donated newly developed long-term storage cans to three local governments in Osaka as disaster rations.

In Osaka, the birthplace of instant noodles, we have delivered to local governments a total of 100,000 servings of newly developed *Canned Chicken Ramen* (long-term storage cans for disaster relief). In light of the fact that food is the most necessary commodity in times of disaster, we developed this product to permit storage for three years. (The ordinary shelf life for pillow-type *Chicken Ramen* is six months and five months for *Cup Noodle*.)

## CORPORATE GOVERNANCE AND COMPLIANCE

**NISSIN FOODS HOLDINGS (“the Company”) regards the enhancement and reinforcement of corporate governance as an important management priority, along with the provision of safe, high-quality food and the conduct of business that maximizes the interests of all stakeholders. All corporate officers and employees of the Company and its subsidiaries are tasked with corporate social responsibility under the NISSIN FOODS Code of Ethics and NISSIN FOODS Code of Compliance and strive to obey relevant laws and regulations and practice ethical behavior in the performance of their duties.**

### **Basic Policy on Corporate Governance**

The Company strives to achieve highly objective and transparent management by appointing multiple outside directors and outside corporate auditors and actively reflecting the opinions of outside experts in management. In June 1998, we introduced an executive officer system to promote rapid decision-making and to separate management oversight from business execution.

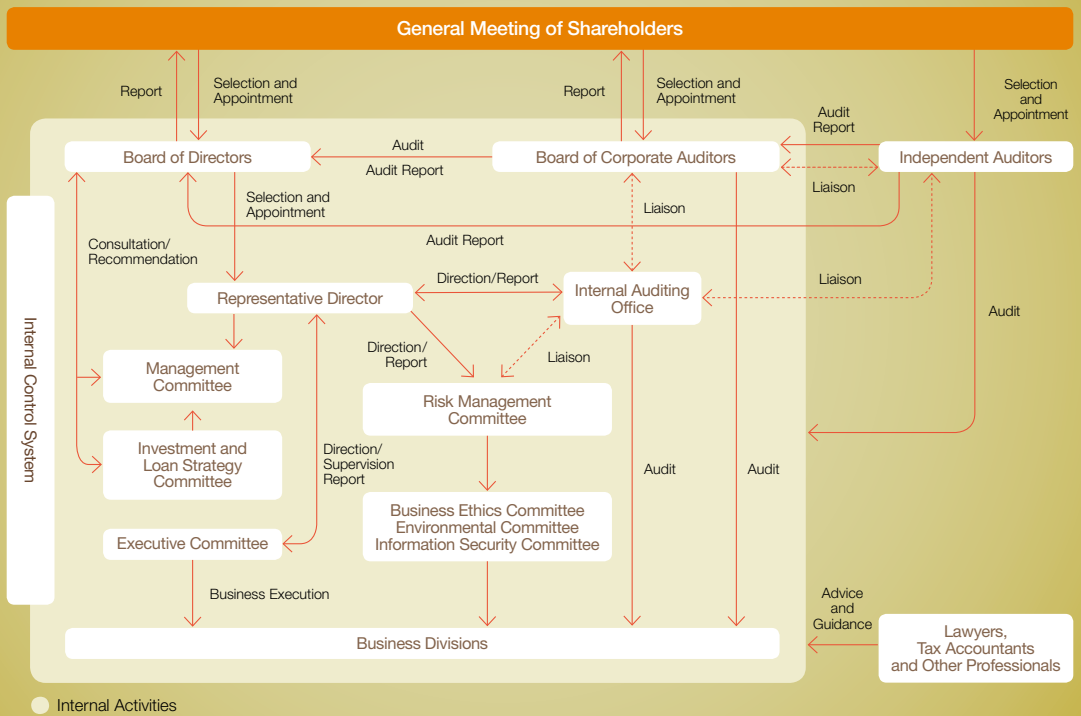
The Board of Directors consists of eighteen members: fourteen directors, including two outside directors, and four corporate auditors, including two outside corporate auditors. The Board meets monthly and convenes extraordinary meetings as otherwise necessary. The Board decides on important matters concerning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

The Company has a Chief Officers Committee (CO Committee), consisting of the full-time

directors, standing corporate auditors and executive officers, which meets monthly. Also, the Management Committee, consisting of the full-time directors and standing corporate auditors, meets twice monthly to discuss matters to be decided by the Board and to discuss and decide matters delegated to it by the Board. In addition, the Investment and Loan Strategy Committee, consisting of the full-time directors, standing corporate auditors, executive officers, and department managers, meets monthly to conduct preliminary assessments of and discuss important investment projects.

The Company has adopted the statutory auditor system. The Board of Corporate Auditors (“BCA”) consisting of four corporate auditors, including two outside corporate auditors, is an organization that establishes audit policies and audit plans, serves as a mechanism for mutual reporting among the corporate auditors on important matters concerning audits, and engages





in necessary discussion and decision-making. The BCA meets on alternate months and holds extraordinary meetings as necessary. Since 2006, an alternate corporate auditor (two-year term) has been elected to step in should a vacancy occur in an outside statutory auditor position.

### The Status of Internal Control Systems

The Company regards the development, construction, and appropriate operation of internal control systems as one of its most important management priorities. The Board of Directors established the basic policy for the construction of the internal control systems in May 2006 and reviews the policy as appropriate.

The corporate auditors assess the effectiveness of internal control systems in all aspects of management. The corporate auditors and the Internal Auditing Office audit and verify the effectiveness of internal controls in operational audits of individual business departments, pointing

out areas for improvement and providing guidance and instructions as necessary.

The Company is also developing internal control systems related to financial reporting in response to enactment of the Financial Instruments and Exchange Law. We are developing systematic checks and balances at the departmental level in day-to-day operations such as purchasing, production, distribution, sales, and administration, as well as systems that provide checks and balances between departments.

# BOARD OF DIRECTORS AND OFFICERS (As of June 26, 2009)



Koki Ando



Susumu Nakagawa



Akihide Matsuo



Takayuki Naruto



Taiji Matsumura



Ken Sasahara



Takahisa Yanagida



Noritaka Ando



Osamu Tetsubayashi



Takashi Yokogoshi



Toshihiro Yamada



Mitsuru Tanaka



Yorihiko Kojima



Eizo Kobayashi

## President Representative Director

### Koki Ando

CEO (Chief Executive Officer)

## Senior Managing Director Representative Director

### Susumu Nakagawa

COO (Chief Operating Officer)  
President & Representative Director,  
NISSIN FOOD PRODUCTS CO., LTD.  
Chief Representative, China

## Managing Directors

### Akihide Matsuo

President & Representative Director,  
NISSIN CHILLED FOODS CO., LTD.,  
NISSIN FROZEN FOODS CO., LTD.

### Takayuki Naruto

CSO (Chief Strategy Officer)

## Directors

### Taiji Matsumura

CSO (Chief Strategy Officer)

### Ken Sasahara

General Manager for the Americas

### Takahisa Yanagida

CFO (Chief Financial Officer)

### Noritaka Ando

CMO (Chief Marketing Officer)

### Osamu Tetsubayashi

CAO (Chief Administrative Officer)

### Takashi Yokogoshi

CPO (Chief Production Officer)

### Toshihiro Yamada

CQO (Chief Quality Officer)

### Mitsuru Tanaka

CDO (Chief Development Officer)

### Yorihiko Kojima\*

President & CEO, Mitsubishi Corp.

### Eizo Kobayashi\*

President & CEO, ITOCHU Corp.

\* Non-executive Director

## Standing Corporate Auditors

### Shunsaku Makizono

### Kazuo Kanamori

## Corporate Auditors

### Toru Horinouchi

### Hiroshi Takano

## Executive Officers

### Kiyotaka Ando

President & Managing Director,  
NISSIN FOODS CO., LTD.

### Akira Iwai

Vice General Manager of  
Production Headquarters

### Tatsuya Ukon

General Manager of  
General Affairs Division

### Kazuhiro Kusumoto

Chief Representative, Asia

### Koji Sakai

General Manager of Technology  
Management Division

### Satoru Sasaki

General Manager of Advertisement  
Control Division

### Hideki Hattori

General Manager of Corporate  
Communications Division

### Yukio Yokoyama

General Manager of Financial  
Headquarters, Finance Accounting  
Division

# FINANCIAL SECTION

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries

## Consolidated Six-Year Summary of Selected Financial Data

|   | Millions of yen (except per share information) |           |           |           |           |           |
|---|--|-----------|-----------|-----------|-----------|-----------|
| Years ended March 31,                                       | 2009   | 2008      | 2007      | 2006      | 2005      | 2004      |
| <b>For the year</b>   |  |           |           |           |           |           |
| Net sales   | ¥ 362,057                                      | ¥ 385,470 | ¥ 358,238 | ¥ 321,700 | ¥ 316,973 | ¥ 320,033 |
| Cost of sales   | 202,304  | 195,664   | 175,296   | 158,209   | 156,877   | 161,979   |
| Gross profit  | 159,753  | 189,806   | 182,942   | 163,491   | 160,096   | 158,054   |
| Selling, general and administrative expenses                | 136,201  | 162,134   | 149,207   | 131,512   | 131,133   | 134,851   |
| Operating income  | 23,552   | 27,672    | 33,735    | 31,979    | 28,963    | 23,203    |
| Other income (expenses)                                     | (180)  | 17        | (157)     | (2,167)   | (1,891)   | 1,502     |
| Income before income taxes and minority interests           | 23,372   | 27,689    | 33,578    | 29,812    | 27,072    | 24,705    |
| Income taxes  | 7,385  | 14,279    | 14,547    | 14,469    | 10,244    | 10,437    |
| Minority interests in earnings of consolidated subsidiaries | 96   | (181)     | 62        | (46)      | 216       | 217       |
| Net income  | 15,891   | 13,591    | 18,969    | 15,389    | 16,612    | 14,051    |
| <b>Per share</b>  |  |           |           |           |           |           |
| Net income  | ¥ 129.98                                       | ¥ 111.17  | ¥ 156.12  | ¥ 125.09  | ¥ 134.36  | ¥ 113.61  |
| Cash dividends  | 50.00  | 50.00     | 50.00     | 30.00     | 30.00     | 30.00     |
| Net assets *1   | 2,287.21                                       | 2,310.36  | 2,304.40  | 2,167.81  | 2,091.16  | 1,980.14  |
| <b>At year-end</b>  |  |           |           |           |           |           |
| Working capital *2  | ¥ 69,536                                       | ¥ 76,699  | ¥ 63,703  | ¥ 82,404  | ¥ 56,332  | ¥ 62,017  |
| Property, plant and equipment, net                          | 101,132  | 93,803    | 93,634    | 69,019    | 75,332    | 81,243    |
| Total assets  | 408,729  | 392,695   | 410,407   | 366,801   | 361,105   | 343,645   |
| Long-term liabilities                                       | 34,426   | 22,917    | 26,094    | 18,975    | 19,414    | 16,175    |
| Net assets *3   | 285,569  | 288,844   | 288,476   | 263,199   | 258,139   | 244,439   |
| R&D expenses  | ¥ 3,477  | ¥ 3,446   | ¥ 3,164   | ¥ 2,727   | ¥ 2,697   | ¥ 2,762   |
| Capital expenditures  | 17,572   | 10,766    | 6,152     | 3,517     | 3,251     | 6,766     |
| <b>Value &amp; performance indicators</b>                   |  |           |           |           |           |           |
| Operating margin (%) *4                                     | 6.5  | 7.2       | 9.4       | 9.9       | 9.1       | 7.3       |
| Return on assets (%) *5                                     | 4.0  | 3.4       | 4.9       | 4.2       | 4.7       | 4.2       |
| Return on equity (%) *6                                     | 5.7  | 4.8       | 7.0       | 5.9       | 6.6       | 5.9       |
| Inventory turnover (Times) *7                               | 13.5   | 13.4      | 12.9      | 12.6      | 12.9      | 13.6      |

Notes: 1. Net assets per share = (Net assets – minority interests) / number of shares outstanding as of the year end (excluding treasury stocks)  
 2. Working capital = Total current assets – Total current liabilities  
 3. Net assets: In compliance with the Corporate Law, from fiscal 2007, the amount of net assets includes the amount of minority interests.  
 4. Operating margin = Operating income / Net sales  
 5. Return on assets = Net income / Average total assets  
 6. Return on equity = Net income / Average total net assets  
 7. Inventory turnover = Cost of sales / Average total inventory



## FINANCIAL REVIEW

NISSIN FOODS HOLDINGS CO., LTD. (the “Company”) and its associated companies altered their corporate structure to that of a holding company effective October 1, 2008, with the production and sales of instant noodles and other instant foods as its core business, to further develop its business domain in various food, logistics and other related businesses. The scope of consolidation for fiscal 2009, the year ended March 31, 2009, covers the Company, 38 consolidated subsidiaries (23 in Japan and 15 overseas), and two affiliate companies accounted for by the equity method (together, the “Group”).

### INCOME ANALYSIS

#### NET SALES

The Group reported ¥362,057 million (U.S.\$3,686 million) consolidated net sales for fiscal 2009, which was 6.1% down from the previous fiscal year’s ¥385,470 million. Domestic net sales, alone (excluding intersegment sales) decreased by 5.5% from the previous year’s ¥329,984 million to ¥311,954 million (U.S.\$3,176 million). The share of domestic net sales, however, increased by 0.6 percentage points to 86.2%.

During the fiscal year under review, Japan’s instant noodle industry faced growing challenges from rising production costs, caused by soaring prices of wheat and other raw materials, and falling consumption as a result of the worldwide recession. These pressures were in addition to the chronic structural issue of demand saturation as the Japanese population ages. Moreover, the food industry was rocked by numerous reports of falsely labeled food products and other food-related scandals, which have nurtured a distrust of food products in general and raised consumer concern for food safety and reliability.

The Group as well, was the subject of an October 2008 report that traces of insect repellents were detected in some of the products of our subsidiaries, and the report affected November sales. As a result of an investigation, we have confirmed that there was no possibility of such chemicals being mixed into those products at the production process, but that those products had absorbed odors of other materials. Since odor absorption by foods stored in proximity to materials with strong odors is a common issue of foods in general, we quickly responded to this issue by replacing the containers with “new ECO cups,” paper cups which have higher resistance to outside odors.

As regards the food-safety issue, the Group considers this

to be a fundamental task of the food industry. We are determined to work continuously to secure the trust of consumers by checking the raw materials through our own inspection systems, which are capable of detecting residual pesticides and chemicals contained in animal products.

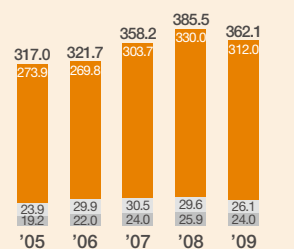
Domestic sales performance during fiscal 2009 was impacted by declines by our mainstay brands of pillow-type and cup-type instant noodles. Sales fell, mainly as a result of success in discouraging discount advertising campaigns by volume retailers in line with Group marketing policies to support newly introduced product price rises. Sales opportunity losses brought on by the absorbed odor issue in the third quarter (October–December), which is the peak-selling season, and the increasing presence of open-price products in our product sales mix, introduced to attract price-conscious customers, also contributed to weaker sales performance. One bright point was the remarkable recovery in the fourth quarter (January–March) year-on-year sales, after a series of retail price revisions has been completed. We saw a substantial sales rebound, mainly in the open-priced cup-type instant noodles.

On the other hand, sales of frozen foods increased, with contributions by the newly-consolidated subsidiary Nicky Foods Co., Ltd. Chilled foods (NISSIN CHILLED FOODS CO., LTD.) and cereal and confectionaries (NISSIN CISCO CO., LTD.) also maintained steady sales growth.

The global market for instant noodles also has been influenced by the widespread recession and the jump in raw material prices. According to the World Instant Noodles Association (WINA), the aggregate demand for instant noodles in the calendar year 2008 was 93.6 billion servings, a 4.9% decline from 97.9 billion servings in 2007. In such a business environment, the Group’s unit sales fell 5% below the level of

#### SALES BY GEOGRAPHIC AREA

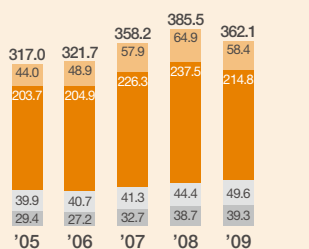
(excluding intersegment sales) (Billions of yen)



Other areas North America Japan

#### NET SALES BY CATEGORY

(Billions of yen)



Others Chilled and frozen foods Cup-type noodles Pillow-type noodles

the previous fiscal year in the United States as a result of a retail price revision aimed at profitability improvement. However, a slight increase of 1% year on year was secured in Mexico. Although products with high added value saw stable sales, aggregate sales in the North American market (excluding intersegment sales) dropped by 11.6% from the previous fiscal year to ¥26,126 million (U.S.\$266 million) due to the negative effects of foreign-exchange fluctuations. In the People's Republic of China ("PRC") market and the European market, the numbers of servings sold rose by 2% and 22%, respectively. However, again due to foreign exchange effects, the aggregate sales in other markets, including China and Europe, (excluding intersegment sales) declined by 7.5% in yen terms from the previous fiscal year to ¥23,977 million (U.S.\$244 million).

Looking at the sales breakdown by business segment (excluding intersegment sales), the sales of instant noodles and associated business, the Group's mainstay business, amounted to ¥322,837 million (U.S.\$3,287 million) and accounted for 89.2% of total consolidated net sales. Sales of other businesses were ¥39,220 million (U.S.\$399 million) and accounted for 10.8% of total net sales.

Within instant noodles and associated business, there were sales campaigns for the classic pillow-type instant noodle product *Chicken Ramen*, which was renewed for its 50th anniversary, as well as for limited-edition products that were released to celebrate the Company's 50th anniversary. In addition, sales of the open price MYOJO HYOUBANYA series from MYOJO FOODS CO., LTD. and products developed in coordination with retailers both rose, reflecting heightened price sensitivity of consumers. However, mainly due to a price-supporting marketing policy, overall sales volume declined.

As for cup-type instant noodles, our positive marketing measures included replacement of containers for the *Cup Noodle* series, introduction of the microwavable *Range Style* products, and rollout of the *Cup Noodle Light* series, which offers fewer calories without sacrificing taste. Product renewal was also carried out for the *Nissin-no-Donbei* series and *Nissin Yakisoba U.F.O.* by replacing conventional curly noodles with

straight noodles, in order to enhance their brand value. These efforts led to sales growth at convenience stores that continued even throughout the period of retail price revisions. However, at volume retailers for which the major sales tactic is bargain sales, sales volumes for these products declined, as they did for pillow-type instant noodles. As expected, price-conscious customers strongly supported the open-price value products, such as *Soup Noodle*, which led to a substantial sales increase. New concept products, like the *Range Style* Series of microwavable noodles and rice products, are also growing steadily, well on the way to becoming standard products.

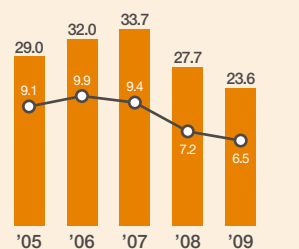
In overseas markets, although sales have been consistently strong, especially among existing products in North America, they were unfavorably affected by foreign exchange fluctuations. (Please refer to Review of Operations on pp. 16–19 for details of performance by product category.)

### COST OF SALES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Despite declines in net sales, the cost of sales rose by 3.4% year on year to ¥202,304 million (U.S.\$2,059 million), due to successive higher prices for major raw materials, as well as an increase in retirement benefit costs. The ratio of cost of sales to net sales also increased by 5.1 percentage points to 55.9%.

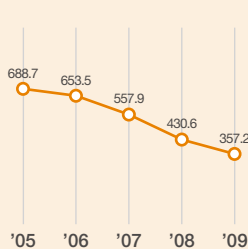
Selling, general and administrative ("SG&A") expenses, on the contrary, dropped by 16.0% from the previous fiscal year to ¥136,201 million (U.S.\$1,387 million) with the substantial decrease in promotional expenses. Accordingly, the ratio of SG&A expenses to net sales also dropped by 4.4 percentage points to 37.6%. Among SG&A expenses, advertising rose by 5.2% from the previous fiscal year to ¥12,797 million (U.S.\$130 million), with a 0.4 percentage point rise in the ratio to net sales. This increase was largely attributable to the odor absorption-related advertising to announce a product recall and instruct on proper storage. On the other hand, promotional expenses declined by a significant 34.7% to ¥59,301 million (U.S.\$604 million), for a 7.2 percentage point drop in the ratio to net sales year on year. Distribution expenses fell by 4.1% to ¥21,191 million (U.S.\$216 million), but the ratio to net sales rose by 0.1 percentage point.

OPERATING INCOME AND OPERATING MARGIN (Billions of yen)



■ Operating income ○ Operating margin

INTEREST COVERAGE RATIO\* (Times)



\* Interest coverage ratio = Operating cash flow / Interest payments

## COSTS AND EXPENSES, AND NET SALES RATIO

Millions of yen

|                       | 2009            |       | 2008            |       |
|-----------------------|-----------------|-------|-----------------|-------|
| Years ended March 31  | Net Sales Ratio |       | Net Sales Ratio |       |
| Cost of sales         | ¥ 202,304       | 55.9% | ¥ 195,664       | 50.7% |
| SG&A expenses         | 136,201         | 37.6  | 162,134         | 42.1  |
| Promotional expenses  | 59,301          | 16.4  | 90,857          | 23.6  |
| Advertising expenses  | 12,797          | 3.5   | 12,168          | 3.2   |
| Distribution expenses | 21,191          | 5.9   | 22,093          | 5.7   |
| Other expenses        | 42,912          | 11.8  | 37,016          | 9.6   |

### OPERATING INCOME, OTHER INCOME (EXPENSES) AND NET INCOME

As the positive effect of the large decline in SG&A expenses was outweighed by the net sales decrease and the rise in the cost of sales ratio, consolidated operating income for the year under review stood at ¥23,552 million (U.S.\$240 million), a 14.9% decline from the previous year. The ratio of operating income to net sales, as well, dropped by 0.7 percentage points to 6.5%.

Other income (expenses) for fiscal 2009 resulted in net expenses of ¥180 million (U.S.\$2 million), compared to net income of ¥17 million recorded in the previous fiscal year. Major income factors were a ¥1,161 million year-on-year increase to ¥4,665 million (U.S.\$47 million) in interest and dividend income, a ¥1,731 million increase to ¥1,885 million

(U.S.\$20 million) in gain on sales of marketable securities, net, and a ¥2,245 million decrease to ¥125 million (U.S.\$1 million) in loss on impairment of fixed assets. Major expense factors, on the other hand, included a ¥3,450 million increase to ¥4,631 million (U.S.\$47 million) in loss on devaluation of investments in securities, and a ¥1,775 million increase to ¥2,177 million (U.S.\$22 million) in foreign currency exchange loss.

As a result, income before income taxes and minority interests amounted to ¥23,372 million (U.S.\$238 million), a 15.6% drop from the previous fiscal year. However, due to a sizable decrease in income taxes, net income for fiscal 2009 grew by 16.9% to ¥15,891 million (U.S.\$162 million). The ratio of net income to net sales also made a 0.9 percentage point gain to 4.4%. Net income per share increased by ¥18.81 from the previous year's ¥111.17 to ¥129.98 (U.S.\$1.32).

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOWS

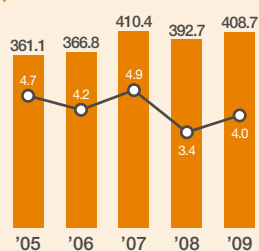
Cash and cash equivalents as of March 31, 2009 amounted to ¥71,491 million (U.S.\$728 million), ¥7,283 million below that of the previous fiscal year-end. Nearly half of the decline in this balance, or ¥3,597 million, is due to the negative impact of foreign currency exchange rates.

Net cash provided by operating activities increased by ¥4,135 million to ¥30,010 million (U.S.\$306 million). Major cash in-flow factors included a ¥6,555 million increase for accrued retirement benefits to employees, compared to a ¥51 million decrease in the

previous fiscal year. Trade notes and accounts payable registered a ¥4,808 million increase, instead of a ¥5,180 million decrease in the previous fiscal year. The amount for decrease in other payables also declined by ¥4,466 million, while loss on revaluation of marketable securities, investments in securities and other was an increase of ¥3,468 million. Major cash out-flow factors, were a ¥4,317 million decrease in income before income taxes and minority interests, a ¥2,245 million decrease in loss on impairment of fixed assets, and a ¥1,865 million increase in gain on sales of marketable securities, investments in securities and other. In

### TOTAL ASSETS AND ROA

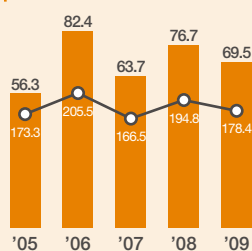
(Billions of yen) / (%)



n Total assets o ROA

### WORKING CAPITAL AND CURRENT RATIO

(Billions of yen) / (%)

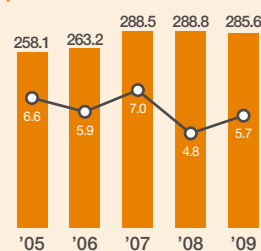


n Working capital o Current ratio

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

### SHAREHOLDERS' EQUITY AND ROE

(Billions of yen) / (%)



n Shareholders' equity o ROE



addition, trade notes and accounts receivable resulted in a ¥2,735 million increase, reversing a ¥11,679 million decrease recorded in the previous fiscal year.

Net cash used in investing activities amounted to ¥31,830 million (U.S.\$324 million), an increase of ¥15,229 million from the previous fiscal year. Major items in this category were a ¥25,794 million increase in payments for purchases of investments in securities, a ¥8,643 million increase in payments for purchases of property, plant and equipment and other, and ¥2,199 million recorded as payments for purchases of new shares of a consolidated subsidiary Nicky Foods Co., Ltd. As

regards cash in-flow items, there was a ¥6,768 million increase in proceeds from sales and redemption of marketable securities, and a ¥10,360 million increase in proceeds from sales and redemption of investments in securities.

Net cash used in financing activities declined by ¥4,961 million from the previous year's ¥6,827 million to ¥1,866 million (U.S.\$19 million). Newly-recorded proceeds from long-term debt of ¥5,380 million and net decrease in short-term borrowings ¥991 million lower than in the previous fiscal year offset the cash out-flow items such as a ¥1,223 million increase in cash dividends paid.

## CASH FLOW HIGHLIGHTS

| Years ended March 31                         | Millions of yen |          |          |
|--|-----------------|----------|----------|
|  | 2009            | 2008     | 2007     |
| Net cash provided by operating activities    | ¥ 30,010        | ¥ 25,875 | ¥ 26,974 |
| Net cash used in investing activities        | (31,830)        | (16,601) | (4,771)  |
| Net cash used in financing activities        | (1,866)         | (6,827)  | (7,421)  |
| Cash and cash equivalents at end of the year | ¥ 71,491        | ¥ 78,774 | ¥ 76,695 |

## ASSETS, LIABILITIES AND NET ASSETS

Total assets as of March 31, 2009 amounted to ¥408,729 million (U.S.\$4,161 million), a 4.1% increase as of the previous fiscal year-end. Return on assets (ROA) edged up by 0.6 percentage points to 4.0%, reflecting the faster growth in net income versus total assets.

Total current assets stood at ¥158,270 million (U.S.\$1,611 million). Despite a ¥9,584 million decrease in marketable securities, the aggregate balance grew by 0.4% from the previous fiscal year, mainly due to a ¥3,045 million increase in trade receivables and a ¥8,581 million increase in other receivables.

Net property, plant and equipment increased by 7.8% to ¥101,132 million (U.S.\$1,030 million) at the previous fiscal year-end.

Investments and other assets increased to ¥144,547 million (U.S.\$1,472 million), marking a 5.6% rise that was mainly due to a ¥7,035 million increase in investments in securities and a ¥4,769 million increase in deferred income taxes.

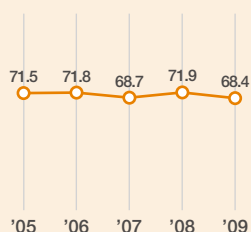
Total liabilities amounted to ¥123,160 million (U.S.\$1,254 million), an 18.6% year-on-year increase. This rise was

attributable mainly to increases in trade payables, short-term borrowings, long-term debt and accrued retirement benefits to employees (of ¥5,118 million, ¥2,283 million, ¥5,442 million and ¥6,618 million, respectively).

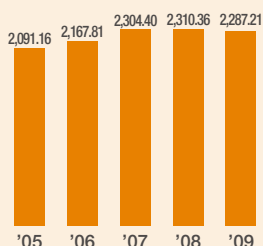
Total current liabilities increased by 9.6% compared with the previous fiscal year-end to ¥88,734 million (U.S.\$903 million). As the increase in current liabilities largely exceeded the increase in current assets, working capital declined by 9.3% to ¥69,536 million (U.S.\$708 million) from the previous year. The current ratio, as well, dropped from 194.8% to 178.4%.

Total net assets resulted in ¥285,569 million (U.S.\$2,907 million), decreasing by 1.1% compared with ¥288,844 million as of the previous fiscal year-end. Although retained earnings increased by ¥9,783 million mainly due to net income posted, net unrealized holding gain on securities and translation adjustments decreased by ¥4,068 million and ¥8,540 million, respectively. Accordingly, net assets per share were ¥2,287.21 (U.S.\$23.28), a 1.0% decrease from ¥2,310.36 for the previous fiscal year-end.

**EQUITY RATIO**  
(%)



**NET ASSETS PER SHARE**  
(Yen)



## ADDITIONAL INFORMATION

### SIGNIFICANT BUSINESS AGREEMENTS

#### (1) Joint-venture Agreement with

##### Hebei Jinmailang Mianye Co., Ltd.

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

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

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

#### (2) Tie-up with MAREVEN FOOD HOLDINGS LIMITED

In order to expand our international business operations, the Company concluded on December 26, 2008, a capital and business tie-up agreement with ANGLESIDE LIMITED (renamed MAREVEN FOOD HOLDINGS LIMITED as of April 14, 2009), a holding company of the largest instant noodle manufacturer in Russia. In accordance with the provisions in the agreement, the Company plans to gradually acquire an equity stake in MAREVEN FOOD HOLDINGS. The anticipated total capital investment is approximately ¥26.8 billion for the acquisition of 33.5% of issued shares of MAREVEN FOOD HOLDINGS.

On January 16, 2009, the Company acquired 1,763 shares, or 14.9% of issued shares, of MAREVEN FOOD HOLDINGS for a total acquisition cost of ¥9,623 million, through purchase of outstanding shares and subscription of new shares allocated to a third party.

Since MAREVEN FOOD HOLDINGS is currently in the process of group realignment, the Company's additional capital investment in MAREVEN FOOD HOLDINGS is conditional on the completion of its group realignment process and certain other factors.

### RISK INFORMATION

Conditions that have the potential to significantly influence the decisions of investors are presented below. Any conditions with reference to the future are based on information available at the time of publication of this annual report. The Company acknowledges the possibility that these risks can arise and will

make every effort to prevent such risks from appearing and address resulting situations if such risks do appear.

#### (1) Food Safety Issues

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

#### (2) Risk Derived from Changes in Demographic Trend

In Japan, the birth rate has stayed low and the population is aging rapidly. Accordingly, the number of young consumers, who are the major customers of the Company, has been decreasing, and therefore the market for our products is expected to remain unchanged or otherwise decrease over the long term. In the face of such a business climate, the Company is making ever-greater efforts to develop new products that closely meet the needs of each age bracket in order to maintain and expand our customer base. However, if the decrease in population accelerated, the overall demand in the instant noodles market would shrink, negatively affecting the Company's financial position and its fiscal performance.

#### (3) Reduced Brand Value

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

#### (4) Risk of Product Liability

As a food maker, the Company believes its mission is to provide safe, worry-free products to consumers, and therefore applies strict quality control standards to its manufacturing activities. In addition, the Food Safety Research Institute

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

#### **(5) Increases in Prices of Raw Materials**

The primary raw materials used for the Company's products are agricultural commodities such as flour and palm oil, and petroleum-based items for packaging and wrappers. The prices of these raw materials fluctuate with changing market conditions. Therefore, the Company's fiscal performance could be adversely impacted if political unrest or international disputes occur in the countries that produce these raw materials, or if their prices skyrocket because of crop failures caused by abnormal weather associated with global warming, a boost in the demand for grain for production of ethanol, or other reasons.

#### **(6) Risk of Natural Disasters**

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

#### **(7) Risk Related to Overseas Operations**

The Company has 25 factories in 10 countries that produce food products, including instant noodles, based on the basic policy of local production and local marketing. Those factories are run by subsidiaries and affiliates. If political unrest or international disputes arise in the regions where the Company's subsidiaries and affiliates operate, or if issues threaten to undermine food safety, or if legal controls in certain countries create a situation that hinders production activities, then the financial position and fiscal performance of the Company could suffer.

#### **(8) Risk Related to Information Systems**

The Company uses computers to process and store information on production, sales and administration. The Company has adopted all conceivable measures to safeguard these information systems from computer virus-induced crashes, damage by hackers and the risk of a breach in

information security. However, the Company's financial position and fiscal performance could be adversely affected if the Company's systems were damaged and/or if data were leaked outside the organization, due to illegal access to the systems by unauthorized individuals through technologies that the Company has not envisioned, or unknown computer viruses getting through established safeguards.

#### **(9) Risk Related to Retirement Benefits Accounting**

Costs and obligations pertaining to retirement benefits are determined based on discount rates and other predetermined criteria used in actuarial calculations, and the expected rate of return on pension assets. If actual results differ from predetermined criteria, or if predetermined criteria are amended, the actuarial difference is charged to the income of the fiscal year following the one in which the difference occurred. If a decline in discount rates and/or returns on the pension assets persist, the Company will have to carry a higher burden of pension-related costs, and this could hurt the Company's financial position and its fiscal performance.

#### **(10) Risk of Declining Market Values for Marketable Securities**

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

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

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

#### **(12) Reliance on Certain Business Clients**

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



## Consolidated Balance Sheets

As of March 31, 2009 and 2008

|  | Millions of yen  |                  | Thousands of<br>U.S. dollars (Note 1) |
|--|------------------|------------------|---------------------------------------|
|  | 2009             | 2008             | 2009                                  |
| <b>ASSETS</b>                              |                  |                  |                                       |
| <b>Current assets:</b>                     |                  |                  |                                       |
| Cash and deposits (Note 4)                 | ¥ 65,903         | ¥ 66,740         | \$ 670,905                            |
| Marketable securities (Notes 4 and 5)      | 17,647           | 27,231           | 179,650                               |
| Receivables:                               |                  |                  |                                       |
| Trade                                      | 44,456           | 41,411           | 452,570                               |
| Other                                      | 10,410           | 1,829            | 105,976                               |
| Less: Allowance for doubtful receivables   | (466)            | (560)            | (4,744)                               |
| Inventories (Note 6)                       | 15,226           | 14,675           | 155,004                               |
| Deferred income taxes (Note 12)            | 4,090            | 4,861            | 41,637                                |
| Other current assets                       | 1,004            | 1,446            | 10,221                                |
| Total current assets                       | 158,270          | 157,633          | 1,611,219                             |
| <b>Property, plant and equipment:</b>      |                  |                  |                                       |
| Land (Notes 7, 8 and 10)                   | 46,944           | 43,810           | 477,899                               |
| Buildings and structures (Notes 7 and 10)  | 82,523           | 81,218           | 840,100                               |
| Machinery, equipment and vehicles (Note 7) | 94,488           | 91,182           | 961,906                               |
| Leased assets                              | 210              | —                | 2,138                                 |
| Construction in progress                   | 1,300            | 1,055            | 13,234                                |
| Other (Note 7)                             | 526              | 617              | 5,354                                 |
|  | 225,991          | 217,882          | 2,300,631                             |
| Less: Accumulated depreciation             | (124,859)        | (124,079)        | (1,271,088)                           |
| Property, plant and equipment, net         | 101,132          | 93,803           | 1,029,543                             |
| <b>Intangible fixed assets:</b>            |                  |                  |                                       |
| Goodwill                                   | 4,328            | 3,863            | 44,060                                |
| Other (Note 7)                             | 452              | 458              | 4,601                                 |
| Total intangible fixed assets              | 4,780            | 4,321            | 48,661                                |
| <b>Investments and other assets:</b>       |                  |                  |                                       |
| Investments in securities (Notes 5 and 10) | 130,134          | 123,099          | 1,324,789                             |
| Other investments                          | 6,155            | 8,370            | 62,659                                |
| Long-term loans                            | 1,139            | 269              | 11,595                                |
| Deferred income taxes (Note 12)            | 5,272            | 503              | 53,670                                |
| Other assets                               | 2,556            | 4,742            | 26,021                                |
| Less: Allowance for doubtful receivables   | (709)            | (45)             | (7,218)                               |
| Total investments and other assets         | 144,547          | 136,938          | 1,471,516                             |
| <b>Total assets</b>                        | <b>¥ 408,729</b> | <b>¥ 392,695</b> | <b>\$ 4,160,939</b>                   |

|   | Millions of yen  |                  | Thousands of<br>U.S. dollars (Note 1) |
|---|------------------|------------------|---------------------------------------|
|   | 2009             | 2008             | 2009                                  |
| <b>LIABILITIES AND NET ASSETS</b>   |                  |                  |                                       |
| <b>Current liabilities:</b>   |                  |                  |                                       |
| Short-term borrowings (Note 9)  | ¥ 4,636          | ¥ 2,353          | \$ 47,195                             |
| Payables:   |                  |                  |                                       |
| Trade   | 43,163           | 38,045           | 439,408                               |
| Other   | 22,323           | 24,047           | 227,252                               |
| Current portion of long-term debt (Note 9)  | 705              | —                | 7,177                                 |
| Accrued income taxes (Note 12)  | 7,425            | 6,822            | 75,588                                |
| Other current liabilities   | 10,482           | 9,667            | 106,709                               |
| <b>Total current liabilities</b>  | <b>88,734</b>    | <b>80,934</b>    | <b>903,329</b>                        |
| <b>Long-term liabilities:</b>   |                  |                  |                                       |
| Long-term debt (Note 9)   | 5,442            | —                | 55,401                                |
| Accrued retirement benefits to employees (Note 11)  | 15,260           | 8,642            | 155,350                               |
| Accrued retirement benefits to directors and corporate auditors (Note 2(i))                                   | —                | 2,349            | —                                     |
| Deferred income taxes (Note 12)   | 7,110            | 7,761            | 72,381                                |
| Deferred income taxes on land revaluation (Note 8)  | 3,511            | 3,511            | 35,743                                |
| Other long-term liabilities (Note 2(j))   | 3,103            | 654              | 31,589                                |
| <b>Total long-term liabilities</b>  | <b>34,426</b>    | <b>22,917</b>    | <b>350,464</b>                        |
| <b>Net assets:</b>  |                  |                  |                                       |
| <b>Shareholders' equity (Note 13)</b>   |                  |                  |                                       |
| Common stock:   |                  |                  |                                       |
| Authorized-500,000,000 shares;<br>Issued-127,463,685 shares at March 31, 2009 and 2008                        | 25,123           | 25,123           | 255,757                               |
| Additional paid-in capital  | 49,755           | 49,755           | 506,515                               |
| Retained earnings (Note 23(a))  | 235,052          | 225,269          | 2,392,874                             |
| Less: Treasury stock,<br>at cost—5,206,128 shares at March 31, 2009<br>and 5,202,867 shares at March 31, 2008 | (14,355)         | (14,343)         | (146,137)                             |
| <b>Total shareholders' equity</b>   | <b>295,575</b>   | <b>285,804</b>   | <b>3,009,009</b>                      |
| <b>Valuation, translation adjustments and other:</b>  |                  |                  |                                       |
| Net unrealized holding gain (loss) on securities (Note 5)   | (478)            | 3,590            | (4,866)                               |
| Land revaluation reserve (Note 8)   | (7,533)          | (7,533)          | (76,687)                              |
| Translation adjustments   | (7,935)          | 605              | (80,780)                              |
| <b>Total valuation, translation adjustments and other</b>   | <b>(15,946)</b>  | <b>(3,338)</b>   | <b>(162,333)</b>                      |
| <b>Minority interests</b>   |                  |                  |                                       |
| <b>Total net assets</b>   | <b>285,569</b>   | <b>288,844</b>   | <b>2,907,146</b>                      |
| <b>Total liabilities and net assets</b>   | <b>¥ 408,729</b> | <b>¥ 392,695</b> | <b>\$ 4,160,939</b>                   |

See accompanying notes to consolidated financial statements.

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries

## Consolidated Statements of Income

For the years ended March 31, 2009, 2008 and 2007

|   | Millions of yen |           |           | Thousands of<br>U.S. dollars (Note 1) |
|---|-----------------|-----------|-----------|---------------------------------------|
|   | 2009            | 2008      | 2007      | 2009                                  |
| <b>Net sales</b>  | ¥ 362,057       | ¥ 385,470 | ¥ 358,238 | \$ 3,685,809                          |
| <b>Cost of sales (Note 14)</b>  | 202,304         | 195,664   | 175,296   | 2,059,493                             |
| Gross profit  | 159,753         | 189,806   | 182,942   | 1,626,316                             |
| <b>Selling, general and administrative expenses (Note 14)</b>             | 136,201         | 162,134   | 149,207   | 1,386,552                             |
| Operating income  | 23,552          | 27,672    | 33,735    | 239,764                               |
| <b>Other income (expenses):</b>   |                 |           |           |                                       |
| Interest and dividend income  | 4,665           | 3,504     | 3,112     | 47,491                                |
| Interest expense  | (84)            | (60)      | (48)      | (855)                                 |
| Equity in earnings of affiliates  | 766             | 1,201     | 476       | 7,798                                 |
| Loss on impairment of fixed assets (Note 7)                               | (125)           | (2,370)   | (1,129)   | (1,273)                               |
| Loss on devaluation of investments in securities                          | (4,631)         | (1,181)   | (8)       | (47,144)                              |
| Loss on revaluation of investments  | —               | —         | (1,379)   | —                                     |
| Product recall expenses (Note 15)   | —               | (628)     | —         | —                                     |
| Gain on sales of marketable securities, net (Note 5)                      | 1,885           | 154       | 65        | 19,190                                |
| Gain on sales of investments in securities (Note 5)                       | 137             | 2         | 573       | 1,395                                 |
| Other, net  | (2,793)         | (605)     | (1,819)   | (28,435)                              |
| <b>Income before income taxes and minority interests</b>                  | 23,372          | 27,689    | 33,578    | 237,931                               |
| <b>Income taxes (Note 12):</b>  |                 |           |           |                                       |
| Current   | 9,223           | 11,027    | 11,018    | 93,892                                |
| Deferred  | (1,838)         | 3,252     | 3,529     | (18,712)                              |
|   | 7,385           | 14,279    | 14,547    | 75,180                                |
| Income before minority interests  | 15,987          | 13,410    | 19,031    | 162,751                               |
| <b>Minority Interests in earnings (loss) of consolidated subsidiaries</b> | 96              | (181)     | 62        | 978                                   |
| <b>Net income</b>   | ¥ 15,891        | ¥ 13,591  | ¥ 18,969  | \$ 161,773                            |

See accompanying notes to consolidated financial statements.



## Consolidated Statements of Changes in Net Assets

For the years ended March 31, 2009, 2008 and 2007

|   | Millions of yen  |                  |                  | Thousands of<br>U.S. dollars (Note 1) |
|---|------------------|------------------|------------------|---------------------------------------|
|   | 2009             | 2008             | 2007             | 2009                                  |
| <b>Common stock:</b>  |                  |                  |                  |                                       |
| Balance at beginning and end of the year                          | ¥ 25,123         | ¥ 25,123         | ¥ 25,123         | \$ 255,757                            |
| <b>Capital surplus:</b>   |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ 49,755         | ¥ 49,754         | ¥ 48,385         | \$ 506,515                            |
| Add:  |                  |                  |                  |                                       |
| Sales of treasury stock   | ¥ 0              | ¥ 1              | ¥ 31             | \$ 0                                  |
| Decrease in treasury stock resulting from share exchange          | —                | —                | 1,338            | —                                     |
| Balance at end of the year  | ¥ 49,755         | ¥ 49,755         | ¥ 49,754         | \$ 506,515                            |
| <b>Retained earnings:</b>   |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ 225,269        | ¥ 216,553        | ¥ 203,797        | \$ 2,293,281                          |
| Add:  |                  |                  |                  |                                       |
| Net income  | 15,891           | 13,591           | 18,969           | 161,773                               |
| Increase due to addition of consolidated subsidiaries             | —                | —                | 88               | —                                     |
| Other   | 5                | 15               | —                | 51                                    |
| Deduct:   |                  |                  |                  |                                       |
| Cash dividends paid   | (6,113)          | (4,890)          | (6,071)          | (62,231)                              |
| Bonuses to directors  | —                | —                | (22)             | —                                     |
| Reversal of land revaluation reserve                              | —                | —                | (35)             | —                                     |
| Decrease due to addition of consolidated subsidiaries             | —                | —                | (24)             | —                                     |
| Decrease in other retained earnings                               | —                | —                | (149)            | —                                     |
| Balance at end of the year  | ¥ 235,052        | ¥ 225,269        | ¥ 216,553        | \$ 2,392,874                          |
| <b>Treasury stock, at cost:</b>                                   |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ (14,343)       | ¥ (14,319)       | ¥ (16,679)       | \$ (146,014)                          |
| Acquisition of treasury stock                                     | (15)             | (25)             | (4)              | (153)                                 |
| Disposal of treasury stock  | 3                | 1                | 54               | 30                                    |
| Decrease of treasury stock due to exchange of shares              | —                | —                | 2,310            | —                                     |
| Balance at end of the year  | ¥ (14,355)       | ¥ (14,343)       | ¥ (14,319)       | \$ (146,137)                          |
| <b>Net unrealized holding gain (loss) on securities (Note 5):</b> |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ 3,590          | ¥ 10,921         | ¥ 9,899          | \$ 36,547                             |
| Net change during the year  | (4,068)          | (7,331)          | 1,022            | (41,413)                              |
| Balance at end of the year  | ¥ (478)          | ¥ 3,590          | ¥ 10,921         | \$ (4,866)                            |
| <b>Land revaluation reserve (Note 8):</b>                         |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ (7,533)        | ¥ (7,533)        | ¥ (7,568)        | \$ (76,687)                           |
| Net change during the year  | —                | —                | 35               | —                                     |
| Balance at end of the year  | ¥ (7,533)        | ¥ (7,533)        | ¥ (7,533)        | \$ (76,687)                           |
| <b>Translation adjustments:</b>                                   |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ 605            | ¥ 1,252          | ¥ 242            | \$ 6,159                              |
| Net change during the year  | (8,540)          | (647)            | 1,010            | (86,939)                              |
| Balance at end of the year  | ¥ (7,935)        | ¥ 605            | ¥ 1,252          | \$ (80,780)                           |
| <b>Minority interests:</b>  |                  |                  |                  |                                       |
| Balance at beginning of the year                                  | ¥ 6,378          | ¥ 6,725          | ¥ 6,535          | \$ 64,929                             |
| Net change during the year  | (438)            | (347)            | 190              | (4,459)                               |
| Balance at end of the year  | ¥ 5,940          | ¥ 6,378          | ¥ 6,725          | \$ 60,470                             |
| <b>Total net assets</b>   | <b>¥ 285,569</b> | <b>¥ 288,844</b> | <b>¥ 288,476</b> | <b>\$ 2,907,146</b>                   |

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Cash Flows

For the years ended March 31, 2009, 2008 and 2007

|   | Millions of yen |                 |                 | Thousands of<br>U.S. dollars (Note 1) |
|---|-----------------|-----------------|-----------------|---------------------------------------|
|   | 2009            | 2008            | 2007            | 2009                                  |
| <b>Operating activities:</b>  |                 |                 |                 |                                       |
| Income before income taxes and minority interests   | ¥ 23,372        | ¥ 27,689        | ¥ 33,578        | \$ 237,931                            |
| Depreciation and amortization   | 7,974           | 7,526           | 6,188           | 81,177                                |
| Loss on impairment of fixed assets  | 125             | 2,370           | 1,129           | 1,273                                 |
| (Decrease) increase in allowance for doubtful receivables                                       | (22)            | 302             | (174)           | (224)                                 |
| Increase (decrease) in accrued retirement benefits to employees                                 | 6,555           | (51)            | (5,534)         | 66,731                                |
| (Decrease) increase in accrued retirement benefits to directors and corporate auditors          | (6)             | 85              | 464             | (61)                                  |
| Interest and dividend income  | (4,665)         | (3,504)         | (3,112)         | (47,491)                              |
| Interest expense  | 84              | 60              | 48              | 855                                   |
| Foreign currency exchange loss (gain)   | 1,454           | 19              | (84)            | 14,802                                |
| Equity in earnings of affiliates  | (766)           | (1,201)         | (476)           | (7,798)                               |
| Loss on disposal and sales of property, plant and equipment                                     | 520             | 580             | 358             | 5,294                                 |
| Gain on sales of marketable securities, investments in securities and other                     | (2,022)         | (157)           | (319)           | (20,585)                              |
| Loss on revaluation of marketable securities, investments in securities and other               | 4,720           | 1,252           | 1,847           | 48,050                                |
| (Increase) decrease in trade notes and accounts receivable                                      | (2,735)         | 11,679          | (1,746)         | (27,843)                              |
| (Increase) decrease in inventories  | (1,066)         | 289             | (223)           | (10,852)                              |
| Increase (decrease) in trade notes and accounts payable   | 4,808           | (5,180)         | (39)            | 48,946                                |
| (Decrease) increase in other payables   | (672)           | (5,138)         | 1,981           | (6,841)                               |
| Bonuses to directors  | —               | —               | (22)            | —                                     |
| Other, net  | 2,378           | (2,113)         | 1,189           | 24,209                                |
| Subtotal  | 40,036          | 34,507          | 35,053          | 407,573                               |
| Interest and dividends received   | 3,571           | 3,541           | 3,170           | 36,353                                |
| Interest paid   | (84)            | (60)            | (44)            | (855)                                 |
| Income taxes paid   | (13,513)        | (12,113)        | (11,205)        | (137,564)                             |
| <b>Net cash provided by operating activities</b>  | <b>30,010</b>   | <b>25,875</b>   | <b>26,974</b>   | <b>305,507</b>                        |
| <b>Investing activities:</b>  |                 |                 |                 |                                       |
| Net decrease (Increase) in time deposits  | 2,193           | (1,010)         | 738             | 22,325                                |
| Payments for purchases of marketable securities   | (2,000)         | (2,500)         | (4,991)         | (20,360)                              |
| Proceeds from sales and redemption of marketable securities                                     | 12,002          | 5,234           | 43,808          | 122,183                               |
| Payments for purchases of property, plant and equipment and other                               | (18,216)        | (9,573)         | (5,539)         | (185,442)                             |
| Proceeds from sales of property, plant and equipment and other                                  | 1,061           | 80              | 16              | 10,801                                |
| Payments for purchases of investment in securities  | (60,378)        | (34,584)        | (27,146)        | (614,659)                             |
| Proceeds from sales and redemption of investments in securities                                 | 35,839          | 25,479          | 12,253          | 364,848                               |
| Payments for purchases of new shares of consolidated subsidiaries and other                     | (2,199)         | —               | (23,763)        | (22,386)                              |
| Net (increase) decrease in loans receivable   | (132)           | 273             | (147)           | (1,345)                               |
| <b>Net cash used in investing activities</b>  | <b>(31,830)</b> | <b>(16,601)</b> | <b>(4,771)</b>  | <b>(324,035)</b>                      |
| <b>Financing activities:</b>  |                 |                 |                 |                                       |
| Decrease in short-term borrowings, net  | (467)           | (1,458)         | (556)           | (4,754)                               |
| Proceeds from long-term borrowings  | 5,380           | —               | —               | 54,769                                |
| Repayment of long-term borrowings   | (669)           | (413)           | (306)           | (6,811)                               |
| Redemption of bonds   | (40)            | —               | —               | (407)                                 |
| Net (increase) decrease in treasury stock   | (12)            | (24)            | 205             | (122)                                 |
| Cash dividends paid   | (6,113)         | (4,890)         | (6,070)         | (62,231)                              |
| Cash dividends paid to minority shareholders  | (23)            | (42)            | (694)           | (234)                                 |
| Other, net  | 78              | —               | —               | 794                                   |
| <b>Net cash used in financing activities</b>  | <b>(1,866)</b>  | <b>(6,827)</b>  | <b>(7,421)</b>  | <b>(18,996)</b>                       |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                             | <b>(3,597)</b>  | <b>(368)</b>    | <b>91</b>       | <b>(36,618)</b>                       |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                     | <b>(7,283)</b>  | <b>2,079</b>    | <b>14,873</b>   | <b>(74,142)</b>                       |
| <b>Cash and cash equivalents at beginning of the year</b>                                       | <b>78,774</b>   | <b>76,695</b>   | <b>61,570</b>   | <b>801,934</b>                        |
| <b>Increase in cash and cash equivalents arising from initial consolidation of subsidiaries</b> | <b>—</b>        | <b>—</b>        | <b>252</b>      | <b>—</b>                              |
| <b>Cash and cash equivalents at end of the year (Note 4)</b>                                    | <b>¥ 71,491</b> | <b>¥ 78,774</b> | <b>¥ 76,695</b> | <b>\$ 727,792</b>                     |

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

### 1. BASIS OF PREPARATION

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

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements

issued domestically in order to present them in a format which is more familiar to readers outside Japan.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2007 and 2008 to the 2009 presentation. Such reclassifications had no effect on consolidated net income or net assets.

The translation of yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan and has been made at ¥98.23 = U.S.\$1.00, the exchange rate prevailing on March 31, 2009. This translation should not be construed as a representation that yen can be converted into U.S. dollars at the above or any other rate.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Effective the year ended March 31, 2009, Nicky Foods Co., Ltd. was initially included in the scope of the consolidation through the acquisition of its shares, and NISSIN FOOD PRODUCTS CO., LTD. and four other subsidiaries were also included in the scope of the consolidation due to the corporate split to newly incorporated subsidiaries related to the change to a holding company structure effective October 1, 2008.

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

The fiscal year ends of NISSIN FOODS ASIA PTE. LTD. and MYOJO U.S.A. INC., which had been March 31 were changed to December 31 effective the fiscal year beginning April 1, 2008. For these subsidiaries, pro forma financial statements prepared as of March 31 are used in the preparation of the consolidated financial statements.

The numbers of consolidated subsidiaries and affili-

ates accounted for by the equity method for the years ended March 31, 2009, 2008 and 2007 were as follows:

|   | 2009 | 2008 | 2007 |
|---|------|------|------|
| Consolidated subsidiaries                     | 38   | 32   | 33   |
| Affiliates accounted for by the equity method | 2    | 2    | 2    |

#### (b) Cash and Cash Equivalents

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

#### (c) Securities

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

#### (d) Inventories

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

principally stated at the lower of cost or net selling value, cost being determined by the last purchase price method.

**(e) Hedging Activities**

Receivables and payables hedged by forward foreign exchange contracts which meet certain conditions are translated at the corresponding foreign exchange contract rates. Interest of the borrowings hedged by interest rate swap contract which meet certain conditions is calculated with the corresponding interest rate swap contract rate.

**(f) Property, Plant and Equipment  
(except for leased assets)**

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

**(g) Intangible Assets (except for leased assets)**

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

**(h) Leased Assets**

Leased assets under finance lease contracts that do not transfer ownership to the lessee and were entered into on or after April 1, 2008 are depreciated in a same manner as those described in Note 2(f).

Leased assets under finance lease contracts that do not transfer ownership to the lessee and were entered into on or before March 31, 2008 are depreciated to a residual value of zero by the straight-line method using the term of the contract as the useful life (Note 3(b)).

**(i) Accrued Retirement Benefits to Employees**

Accrued retirement benefits to employees have been provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for net unrecognized actuarial gain or loss and

unrecognized prior service cost. The estimated benefit is attributed to each period by the straight-line method over the estimated years of service of the eligible employees.

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

**(j) Accrued Retirement Benefits to Directors and  
Corporate Auditors**

At the general meeting of shareholders held on June 27, 2008, shareholders approved abolishing the seniority-based retirement benefit plan for directors, effective the same day. In accordance with the resolution that also determined the amount of the benefit that had been accrued until the time of elimination of the retirement plan and that is to be paid to directors and corporate auditors when each of them retired, the provision of the benefit stated as “accrued retirement benefits to directors and corporate auditors” on the previous balance sheet was reclassified as “other long-term liabilities.”

**(k) Allowance for Doubtful Receivables**

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

**(l) Income Taxes**

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

**(m) Amortization of Goodwill and Negative Goodwill**

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

**(n) Distribution of Retained Earnings**

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

### 3. CHANGES IN METHOD OF ACCOUNTING

**(a) Measurement of Inventories**

Effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted “Accounting

Standard for Measurement of Inventories” (Accounting Standards Board of Japan (ASBJ) Statement No. 9, July 5, 2006). The standard requires revaluation of inventories if



the book value is less than the net realizable value or the replacement cost. The effect of this accounting change on consolidated operating income and income before income taxes and minority interests was immaterial.

**(b) Lease Transactions**

Formerly, finance lease transactions not involving the transfer of ownership of leased assets were accounted for in a manner similar to the accounting treatment for operating lease transactions. However, effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries applied "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007). Such transactions are now accounted for as ordinary sale and purchase transactions.

For reference, the Company continues to account for finance lease transactions not involving the transfer of ownership that were contracted on or before March 31, 2008 in a manner similar to the accounting treatment for ordinary operating lease transactions.

The effect of the change in accounting standard on consolidated operating income and income before income taxes and minority interest for the year ended March 31, 2009 was immaterial.

**(c) Unification of Accounting Policies of Foreign Subsidiaries**

Effective the year ended March 31, 2009, the Company and its overseas consolidated subsidiaries adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (the Practical Issues Task Force of ASBJ No. 18, May 17, 2006), which requires unification of accounting policies applied to consolidated overseas subsidiaries. The adoption has no effect of on consolidated operating results for the year ended March 31, 2009.

**(d) Related Party Transactions**

Effective the year ended March 31, 2009, the Group has adopted "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11 issued on October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No. 13 issued on October 17, 2006). As a result of the adoption of these accounting standards related party transactions of the Company and its consolidated subsidiaries were initially disclosed for the year ended March 31, 2009.

**(e) Change in Useful Lives for Depreciation**

In accordance with the revision of the Corporate Tax Law of Japan, effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries have changed useful life of machinery. The effect of this accounting change on consolidated operating income and income before income taxes and minority interests was immaterial.

**(f) Method of Depreciation Applicable to Tangible Fixed Assets Acquired on or after April 1, 2007**

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

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

The details of the effects of this accounting change on segment information are shown in Note 19, "Segment Information."

**(g) Depreciation of Residual Value of Tangible Fixed Assets Acquired on or before March 31, 2007**

In accordance with the revision of the Corporate Tax Law of Japan, effective the fiscal year ended March 31, 2008, the Company and its domestic consolidated subsidiaries additionally depreciate the tangible fixed assets that were acquired on or before March 31, 2007 and that had been fully depreciated to their respective depreciable limits allowed by the Corporate Tax Law of Japan prior to the revision. The additional depreciable amount was depreciated by the straight-line method over a period of 5 years based on the difference between the residual value stipulated by the Corporate Tax Law of Japan prior to the revision and memorandum value.

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

The details of the effects of this accounting change on segment information are shown in Note 19, "Segment Information."

#### 4. CASH AND CASH EQUIVALENTS

A reconciliation of cash and deposits in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows at March 31, 2009 and 2008 is as follows:

|  | Millions of yen |          | Thousands of U.S. dollars |
|--|-----------------|----------|---------------------------|
|  | 2009            | 2008     | 2009                      |
| Cash and deposits                                    | ¥ 65,903        | ¥ 66,740 | \$ 670,905                |
| Time deposits with maturities exceeding three months | (4,711)         | (5,066)  | (47,959)                  |
| Marketable securities redeemable within three months | 10,299          | 17,100   | 104,846                   |
| Cash and cash equivalents                            | ¥ 71,491        | ¥ 78,774 | \$ 727,792                |

#### 5. SECURITIES

(a) Information regarding marketable securities classified as other securities at March 31, 2009 and 2008 is summarized as follows:

| March 31, 2009  | Millions of yen  |                |                        | Thousands of U.S. dollars |                |                        |
|---|------------------|----------------|------------------------|---------------------------|----------------|------------------------|
|   | Acquisition cost | Carrying value | Unrealized gain (loss) | Acquisition cost          | Carrying value | Unrealized gain (loss) |
| Securities whose carrying value exceeds their acquisition cost:         |                  |                |                        |                           |                |                        |
| I. Equity securities  | ¥ 18,098         | ¥ 25,712       | ¥ 7,614                | \$ 184,241                | \$ 261,753     | \$ 77,512              |
| II. Bonds   |                  |                |                        |                           |                |                        |
| National government   | 600              | 603            | 3                      | 6,108                     | 6,139          | 31                     |
| Corporate   | 10,064           | 10,087         | 23                     | 102,453                   | 102,687        | 234                    |
| Subtotal  | ¥ 28,762         | ¥ 36,402       | ¥ 7,640                | \$ 292,802                | \$ 370,579     | \$ 77,777              |
| Securities whose carrying value does not exceed their acquisition cost: |                  |                |                        |                           |                |                        |
| I. Equity securities  | ¥ 28,679         | ¥ 24,542       | ¥ (4,137)              | \$ 291,958                | \$ 249,843     | \$ (42,115)            |
| II. Bonds   |                  |                |                        |                           |                |                        |
| National government   | 300              | 300            | (0)                    | 3,054                     | 3,054          | (0)                    |
| Corporate   | 50,151           | 48,393         | (1,758)                | 510,547                   | 492,650        | (17,897)               |
| Other   | 6,726            | 6,169          | (557)                  | 68,472                    | 62,802         | (5,670)                |
| III. Other  | 1,715            | 1,715          | (0)                    | 17,458                    | 17,458         | (0)                    |
| Subtotal  | ¥ 87,571         | ¥ 81,119       | ¥ (6,452)              | \$ 891,489                | \$ 825,807     | \$ (65,682)            |
| Total   | ¥116,333         | ¥117,521       | ¥ 1,188                | \$1,184,291               | \$1,196,386    | \$ 12,095              |

| March 31, 2008  | Millions of yen  |                |                        |
|---|------------------|----------------|------------------------|
|   | Acquisition cost | Carrying value | Unrealized gain (loss) |
| Securities whose carrying value exceeds their acquisition cost:         |                  |                |                        |
| I. Equity securities  | ¥ 25,105         | ¥ 37,366       | ¥ 12,261               |
| II. Bonds   |                  |                |                        |
| National government   | 1,298            | 1,302          | 4                      |
| Corporate   | 11,692           | 11,716         | 24                     |
| Other   | 540              | 540            | 0                      |
| III. Other  | 12               | 20             | 8                      |
| Subtotal  | ¥ 38,647         | ¥ 50,944       | ¥ 12,297               |
| Securities whose carrying value does not exceed their acquisition cost: |                  |                |                        |
| I. Equity securities  | ¥ 18,364         | ¥ 16,531       | ¥ (1,833)              |
| II. Bonds   |                  |                |                        |
| National government   | 10,503           | 10,500         | (3)                    |
| Corporate   | 45,667           | 44,940         | (727)                  |
| Other   | 7,250            | 6,733          | (517)                  |
| III. Other  | 1,000            | 781            | (219)                  |
| Subtotal  | ¥ 82,784         | ¥ 79,485       | ¥ (3,299)              |
| Total   | ¥121,431         | ¥130,429       | ¥ 8,998                |

(b) Sales of investments in securities classified as other securities for the years ended March 31, 2009, 2008 and 2007 are summarized as follows:

| March 31,           | Millions of yen |          |          | Thousands of U.S. dollars |
|---------------------|-----------------|----------|----------|---------------------------|
|                     | 2009            | 2008     | 2007     | 2009                      |
| Proceeds from sales | ¥ 18,311        | ¥ 12,437 | ¥ 26,802 | \$ 186,409                |
| Aggregate gain      | 2,063           | 156      | 677      | 21,002                    |
| Aggregate loss      | 41              | —        | 39       | 417                       |

(c) The carrying value of principal non-marketable other securities at March 31, 2009 and 2008 is summarized as follows:

| March 31,                               | Millions of yen |         | Thousands of U.S. dollars |
|---|-----------------|---------|---------------------------|
|   | 2009            | 2008    | 2009                      |
| Other securities                        |                 |         |                           |
| Unlisted equity securities              | ¥ 13,926        | ¥ 3,335 | \$ 141,769                |
| Jointly-operated designated money trust | 10,000          | 6,500   | 101,802                   |
| Preferred equity securities             | —               | 5,000   | —                         |
| Other                                   | 523             | 522     | 5,324                     |

(d) The redemption schedule for securities with maturity dates classified as other securities as of March 31, 2009 is summarized as follows:

|                     | Millions of yen     |                                       |  |                     |
|---------------------|---------------------|---------------------------------------|--|---------------------|
|                     | Due within one year | Due after one year through five years | Due after five years through ten years | Due after ten years |
| I. Bonds            |                     |                                       |  |                     |
| National government | ¥ 300               | ¥ 603                                 | ¥ —                                    | ¥ —                 |
| Corporate           | 7,196               | 14,016                                | 22,486                                 | 7,213               |
| Other               | —                   | 6,169                                 | —                                      | —                   |
| II. Other           | 10,151              | 267                                   | 106                                    | —                   |
| Total               | ¥ 17,647            | ¥ 21,055                              | ¥ 22,592                               | ¥ 7,213             |

|                     | Thousands of U.S. dollars |                                       |  |                     |
|---------------------|---------------------------|---------------------------------------|--|---------------------|
|                     | Due within one year       | Due after one year through five years | Due after five years through ten years | Due after ten years |
| I. Bonds            |                           |                                       |  |                     |
| National government | \$ 3,054                  | \$ 6,139                              | \$ —                                   | \$ —                |
| Corporate           | 73,257                    | 142,686                               | 228,912                                | 73,430              |
| Other               | —                         | 62,802                                | —                                      | —                   |
| II. Other           | 103,339                   | 2,718                                 | 1,079                                  | —                   |
| Total               | \$ 179,650                | \$ 214,345                            | \$ 229,991                             | \$ 73,430           |

## 6. INVENTORIES

Inventories as of March 31, 2009 and 2008 are summarized as follows:

|                                | Millions of yen |          | Thousands of U.S. dollars |
|--------------------------------|-----------------|----------|---------------------------|
|                                | 2009            | 2008     | 2009                      |
| Merchandise and Finished goods | ¥ 8,235         | ¥ 8,570  | \$ 83,834                 |
| Raw materials and supplies     | 6,991           | 6,105    | 71,170                    |
| Total                          | ¥ 15,226        | ¥ 14,675 | \$ 155,004                |

## 7. LOSS ON IMPAIRMENT OF FIXED ASSETS

The Group recognized losses on impairment of fixed assets for the years ended March 31, 2009, 2008 and 2007 as follows:

| Location  | Usage           | Asset type                         |
|---|-----------------|------------------------------------|
| (March 31, 2009)  |                 |                                    |
| MYOJO FOODS CO., LTD.                                   | Idle assets     | Machinery and equipment            |
| AJI-NO-MINGEI FOOD SERVICE CO., LTD.                    | Business assets | Buildings, machinery and equipment |
| (March 31, 2008)  |                 |                                    |
| Ritto City, Shiga Prefecture and one other location     | Idle assets     | Buildings, machinery and equipment |
| Nissin Plastics Co., Ltd.                               | Business assets | Machinery and equipment            |
| Nissin Foods (U.S.A.) Co., Inc.                         | Business assets | Buildings, machinery and equipment |
| MYOJO FOOD SERVICE CO., LTD.                            | Business assets | Buildings, machinery and equipment |
| (March 31, 2007)  |                 |                                    |
| Hanyu City, Saitama Prefecture                          | Business assets | Buildings, machinery and equipment |
| Toride City, Ibaraki Prefecture and two other locations | Idle assets     | Buildings, machinery and equipment |
| MYOJO FOOD SERVICE CO., LTD. and three other companies  | Business assets | Buildings, machinery and equipment |

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

Consequently, the Group has written down the carrying value of operating fixed assets whose profitability declined and idle fixed assets whose fair value declined to their respective net recoverable value or memorandum value and the Group recorded loss on impairment of fixed assets of ¥125 million (U.S.\$1,273 thousand) in the accompanying consolidated statement of income for the year ended March 31, 2009. The impairment loss for the year ended March 31, 2009 consisted of losses on buildings and structures of ¥42 million (U.S.\$428 thousand), machinery, equipment and vehicles of ¥82 million (U.S.\$835 thousand), and other fixed assets of ¥1 million (U.S.\$10 thousand).

Loss on impairment of fixed assets recognized in the year ended March 31, 2008 was ¥2,370 million. This impair-

ment loss consisted of losses of ¥406 million on buildings and structures, of ¥1,826 million on machinery, equipment and vehicles and of ¥138 million on other fixed assets.

Loss on impairment of fixed assets recognized in the year ended March, 2007 was ¥1,129 million. This impairment loss consisted of losses of ¥504 million on buildings and structures, of ¥555 million on machinery, equipment and vehicles, of ¥43 million on land and of ¥27 million on other fixed assets.

The recoverable value of the fixed assets for the years ended March 31, 2009, 2008 and 2007 have been measured using their net selling value based on an appraisal value determined by specialists and their value in use which is based on the estimated future cash flows discounted at 5.0%, 5.0% and 3.0%, respectively.

## 8. LAND REVALUATION RESERVE

Based on the Land Revaluation Law and the Amended Land Revaluation Law, the Company revalued the land it holds for use in the course of ongoing operations at March 31, 2002. The resulting land revaluation difference represents an unrealized devaluation of land and has been debited directly, net of income taxes, under "Land revaluation reserve" in net assets. There was no effect on the accompanying consolidated statements of income for the years ended March 31, 2009, 2008 and 2007. Deferred tax assets on unrealized loss

on land revaluation were shown in the accounts up to the year ended March 31, 2005. As a result of an evaluation of the collectability of deferred tax assets on March 31, 2006, the amounts recorded in these accounts were reduced and reclassified to "Land revaluation reserve." The market value of the land as of March 31, 2009 and 2008 declined by ¥7,304 million (U.S.\$74,356 thousand) and ¥7,137 million, respectively, compared with the carrying value of the land revalued as of March 31, 2002.



## 9. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings, which amounted to ¥4,636 million (U.S.\$47,195 thousand) and ¥2,353 million as of March 31, 2009 and 2008, respectively, generally represent notes payable to banks. Long-term debt (excluding the current portion thereof), amounted to ¥5,442 million (U.S.\$55,401 thousand) as of March 31, 2009.

The average interest rates on short-term borrowings were 1.78% and 1.84% at March 31, 2009 and 2008, respectively. The average interest rate on long-term borrowings at March 31, 2009 was 1.78%.

Long-term debt at March 31, 2009 is as follows:

|  | Millions of yen | Thousands of U.S. dollars |
|--|-----------------|---------------------------|
| Secured long-term borrowings at interest rates ranging from 1.89% to 2.88%   | ¥ 623           | \$ 6,342                  |
| Unsecured long-term borrowings at interest rates ranging from 1.69% to 2.54% | 5,446           | 55,442                    |
| Lease obligation   | 78              | 794                       |
|  | ¥ 6,147         | \$ 62,578                 |
| Current portion of long-term debt  | (705)           | (7,177)                   |
|  | ¥ 5,442         | \$ 55,401                 |

The aggregate annual maturities of long-term debt subsequent to March 31, 2009 are summarized as follows:

| Years ending March 31: | Millions of yen | Thousands of U.S. dollars |
|------------------------|-----------------|---------------------------|
| 2010                   | ¥ 705           | \$ 7,177                  |
| 2011                   | 379             | 3,858                     |
| 2012                   | 277             | 2,820                     |
| 2013                   | 275             | 2,800                     |
| 2014                   | 4,128           | 42,024                    |
| 2015 and thereafter    | 383             | 3,899                     |
| Total                  | ¥ 6,147         | \$ 62,578                 |

## 10. PLEDGED ASSETS

Assets pledged as collateral for short-term borrowings of ¥2,193 million (U.S.\$22,325 thousand) and current portion of long-term debt of ¥623 million (U.S.\$6,342 thousand) on the consolidated balance sheets as of March 31, 2009 and 2008 are summarized as follows:

|                           | Millions of yen |      | Thousands of U.S. dollars |
|---------------------------|-----------------|------|---------------------------|
|                           | 2009            | 2008 | 2009                      |
| Land                      | ¥ 665           | —    | \$ 6,770                  |
| Buildings and structures  | 408             | —    | 4,154                     |
| Investments in securities | 488             | —    | 4,968                     |

## 11. ACCRUED RETIREMENT BENEFITS TO EMPLOYEES

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

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

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the accompanying consolidated balance sheets as of March 31, 2009 and 2008 for the Company's and the consolidated subsidiaries' defined benefit pension plans:

|   | Millions of yen |            | Thousands of U.S. dollars |
|---|-----------------|------------|---------------------------|
|   | 2009            | 2008       | 2009                      |
| (a) Retirement benefit obligation (Note 2)              | ¥ (45,718)      | ¥ (44,083) | \$ (465,418)              |
| (b) Plan assets at fair value                           | 23,299          | 29,902     | 237,188                   |
| (c) Unfunded retirement benefit obligation (a+b)        | (22,419)        | (14,181)   | (228,230)                 |
| (d) Unrecognized actuarial loss (gain)                  | 7,159           | 5,552      | 72,880                    |
| (e) Accrued retirement benefits to employees, net (c+d) | (15,260)        | (8,629)    | (155,350)                 |
| (f) Prepaid pension cost                                | 0               | 13         | 0                         |
| (g) Accrued retirement benefits for employees (e-f)     | ¥ (15,260)      | ¥ (8,642)  | \$ (155,350)              |

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

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

The components of retirement benefit costs for the years ended March 31, 2009, 2008 and 2007 were as follows:

|   | Millions of yen |         |           | Thousands of U.S. dollars |
|---|-----------------|---------|-----------|---------------------------|
|   | 2009            | 2008    | 2007      | 2009                      |
| (a) Service cost (Notes 1 and 2)          | ¥ 2,001         | ¥ 2,061 | ¥ 1,566   | \$ 20,370                 |
| (b) Interest cost                         | 1,002           | 917     | 913       | 10,201                    |
| (c) Expected return on plan assets        | (683)           | (797)   | (727)     | (6,953)                   |
| (d) Amortization of actuarial (gain) loss | 5,552           | (1,016) | (4,641)   | 56,520                    |
| Total net periodic pension cost           | ¥ 7,872         | ¥ 1,165 | ¥ (2,889) | \$ 80,138                 |

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

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

The assumptions used in accounting for the above plans were a discount rate that was principally 2.5% and an expected rate of return on plan assets of 2.5% for the years ended March 31, 2009, 2008 and 2007.

## 12. INCOME TAXES

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporate taxes, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of 40.33% for the years ended March 31, 2009, 2008 and 2007. Overseas

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

The effective tax rates for the years ended March 31, 2009, 2008 and 2007 differ from the Company's statutory tax rate for the following reasons:

|   | 2009   | 2008   | 2007   |
|---|--------|--------|--------|
| Statutory tax rate  | 40.33% | 40.33% | 40.33% |
| Corporate tax credit  | (0.83) | (1.20) | (1.10) |
| Equity in earnings of affiliates                                | (1.32) | (1.75) | (0.57) |
| Loss on devaluation of investments in securities                | (5.19) | 3.00   | —      |
| Non-deductible expenses   | 1.24   | —      | —      |
| Accrued retirement benefits to directors and corporate auditors | —      | 3.33   | —      |
| Tax loss carryforwards recorded by consolidated subsidiaries    | —      | 8.17   | 4.19   |
| Difference in consolidated subsidiaries' applicable tax rates   | (2.23) | (2.04) | 0.12   |
| Other   | (0.40) | 1.73   | 0.35   |
| Effective tax rates   | 31.60% | 51.57% | 43.32% |

The tax effects of temporary differences which gave rise to significant portions of the deferred tax assets and liabilities at March 31, 2009 and 2008 are presented below:

|   | Millions of yen |           | Thousands of U.S. dollars |
|---|-----------------|-----------|---------------------------|
|   | 2009            | 2008      | 2009                      |
| <b>Deferred tax assets:</b>                                     |                 |           |                           |
| Unrealized losses on securities                                 | ¥ 3,720         | ¥ 10,480  | \$ 37,870                 |
| Accrued retirement benefits to employees                        | 6,166           | 3,495     | 62,771                    |
| Accounts payable  | 1,817           | 2,505     | 18,497                    |
| Loss on impairment of fixed assets                              | 927             | 1,229     | 9,437                     |
| Accrued retirement benefits to directors and corporate auditors | —               | 935       | —                         |
| Accrued bonuses   | 1,160           | 984       | 11,809                    |
| Depreciation and amortization                                   | 1,180           | 803       | 12,013                    |
| Tax loss carryforwards of consolidated subsidiaries             | 9,373           | 10,278    | 95,419                    |
| Other   | 3,606           | 2,028     | 36,710                    |
| Gross deferred tax assets                                       | 27,949          | 32,737    | 284,526                   |
| Less: Valuation allowance                                       | (16,637)        | (23,071)  | (169,368)                 |
| Total deferred tax assets                                       | 11,312          | 9,666     | 115,158                   |
| <b>Deferred tax liabilities:</b>                                |                 |           |                           |
| Deferred capital gain on properties                             | (2,163)         | (2,287)   | (22,020)                  |
| Unrealized holding gain on securities                           | (275)           | (3,781)   | (2,800)                   |
| Revaluation gain recognized upon consolidation                  | (5,847)         | (5,853)   | (59,524)                  |
| Other   | (775)           | (142)     | (7,888)                   |
| Total deferred tax liabilities                                  | (9,060)         | (12,063)  | (92,232)                  |
| Net deferred tax (liabilities) assets                           | ¥ 2,252         | ¥ (2,397) | \$ 22,926                 |

### 13. SHAREHOLDERS' EQUITY

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

The Company's legal reserve included in retained earnings at March 31, 2009 and 2008 amounted to ¥6,280 million (U.S.\$63,932 thousand).

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

Movements in issued common stock and treasury stock for the years ended March 31, 2009 and 2008 are summarized as follows:

|   | Number of shares |          |          |                |
|---|------------------|----------|----------|----------------|
|   | 2009             |          |          |                |
|   | March 31, 2008   | Increase | Decrease | March 31, 2009 |
| <b>Common stock and treasury stock:</b> |                  |          |          |                |
| Common stock                            | 127,463,685      | —        | —        | 127,463,685    |
| Treasury stock                          | 5,202,867        | 4,511    | 1,250    | 5,206,128      |
|   | Number of shares |          |          |                |
|   | 2008             |          |          |                |
|   | March 31, 2007   | Increase | Decrease | March 31, 2008 |
| <b>Common stock and treasury stock:</b> |                  |          |          |                |
| Common stock                            | 127,463,685      | —        | —        | 127,463,685    |
| Treasury stock                          | 5,197,203        | 6,246    | 582      | 5,202,867      |

#### 14. RESEARCH AND DEVELOPMENT COSTS

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

administrative expenses totaled ¥3,477 million (U.S.\$35,397 thousand), ¥3,446 million and ¥3,164 million for the years ended March 31, 2009, 2008 and 2007, respectively.

#### 15. OTHER INCOME (EXPENSES)

##### Product recall expenses

Product recall expenses for the year ended March 31, 2008 were the expenses incurred in relation to the product recall conducted by Nissin Foods (U.S.A.) Co., Inc.

#### 16. LEASES

Lease assets presented in the accompanying consolidated balance sheets as of March 31, 2009 consisted of those under finance lease contracts that do not transfer ownership to the lessee and were entered into on or after April 1, 2008 principally for vending machines for the instant noodle business.

The following pro-forma amounts represent the acquisi-

tion cost, accumulated depreciation/amortization and net book value of the property leased to the Group at March 31, 2009 and 2008, which would have been reflected in the accompanying consolidated balance sheets if finance leases without transferring the ownership to the lessee starting on or before March 31, 2008 which are currently accounted for as operating leases had been capitalized:

|                                   | Millions of yen  |                                       |                | Thousands of U.S. dollars |                                       |                |
|-----------------------------------|------------------|---------------------------------------|----------------|---------------------------|---------------------------------------|----------------|
|                                   | Acquisition cost | Accumulated depreciation/amortization | Net book value | Acquisition cost          | Accumulated depreciation/amortization | Net book value |
| <b>2009</b>                       |                  |                                       |                |                           |                                       |                |
| Machinery and vehicles            | ¥ 1,089          | ¥ 762                                 | ¥ 327          | \$ 11,086                 | \$ 7,757                              | \$ 3,329       |
| Equipment                         | 522              | 298                                   | 224            | 5,314                     | 3,034                                 | 2,280          |
| Intangible fixed assets and other | 229              | 110                                   | 119            | 2,332                     | 1,120                                 | 1,212          |
| Total                             | ¥ 1,840          | ¥ 1,170                               | ¥ 670          | \$ 18,732                 | \$ 11,911                             | \$ 6,821       |

|                                   | Millions of yen  |                                       |                |
|-----------------------------------|------------------|---------------------------------------|----------------|
|                                   | Acquisition cost | Accumulated depreciation/amortization | Net book value |
| <b>2008</b>                       |                  |                                       |                |
| Machinery and vehicles            | ¥ 1,352          | ¥ 803                                 | ¥ 549          |
| Equipment                         | 492              | 223                                   | 269            |
| Intangible fixed assets and other | 152              | 48                                    | 104            |
| Total                             | ¥ 1,996          | ¥ 1,074                               | ¥ 922          |

Future minimum lease payments subsequent to March 31, 2009 for finance leases accounted for as operating leases are summarized as follows:

| Year ending March 31, | Millions of yen | Thousands of U.S. dollars |
|-----------------------|-----------------|---------------------------|
| 2010                  | ¥ 293           | \$ 2,983                  |
| 2011 and thereafter   | 377             | 3,838                     |
| Total                 | ¥ 670           | \$ 6,821                  |

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



Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥347 million (U.S.\$3,533 thousand), ¥385 million and ¥367 million, which were approximately

equal to the depreciation/amortization of the leased assets computed by the straight-line method over the respective lease terms assuming a nil residual value, for the years ended March 31, 2009, 2008 and 2007, respectively.

## 17. DERIVATIVE FINANCIAL INSTRUMENTS

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

The Group has established certain policies which were approved at a management meeting of the Company. In accordance with these policies, the Finance and Accounting Division of the Company controls and executes these derivatives. An evaluation of hedge effectiveness has been

omitted since the significant conditions of the hedging instruments and hedged items were the same and the risk of changes in cash flows was completely avoided.

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

Disclosure of fair value information on derivatives of forward foreign exchange contracts has been omitted because almost all open derivatives positions qualified for hedge accounting at March 31, 2009 and 2008.

At March 31, 2009, the other outstanding derivative positions are as follows:

|                                   | Thousands of U.S. dollars |                         | Millions of yen |                        | Thousands of U.S. dollars |                        |
|-----------------------------------|---------------------------|-------------------------|-----------------|------------------------|---------------------------|------------------------|
|                                   | Contracts outstanding     | Expired beyond one year | Fair value      | Unrealized gain (loss) | Fair value                | Unrealized gain (loss) |
| <b>2009</b>                       |                           |                         |                 |                        |                           |                        |
| Currency options:                 |                           |                         |                 |                        |                           |                        |
| Call options on U.S. dollars, Buy | \$ 11,500                 | \$ 8,500                | ¥ 56            | ¥ 56                   | \$ 570                    | \$ 570                 |
| Put options on U.S. dollars, Sell | 16,100                    | 11,900                  | (85)            | (85)                   | (865)                     | (865)                  |
| Total                             |                           |                         | ¥ (29)          | ¥ (29)                 | \$ (295)                  | \$ (295)               |

Notes: 1. Fair values of currency option contracts are valued at the market rates reported by the financial institutions handling these transactions for the Group.

2. Items for which hedge accounting is applied are excluded from the above table disclosure.

## 18. AMOUNTS PER SHARE

Amounts per share at March 31, 2009, 2008 and 2007 and for the years then ended were as follows:

|                                       | Yen        |            |            | U.S. dollars |
|---------------------------------------|------------|------------|------------|--------------|
|                                       | 2009       | 2008       | 2007       | 2009         |
| Net assets                            | ¥ 2,287.21 | ¥ 2,310.36 | ¥ 2,304.40 | \$ 23.28     |
| Net income:                           |            |            |            |              |
| Basic                                 | 129.98     | 111.17     | 156.12     | 1.32         |
| Cash dividends applicable to the year | 50.00      | 50.00      | 50.00      | 0.51         |

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

because there were no potentially dilutive shares at March 31, 2009, 2008 and 2007.

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

## 19. SEGMENT INFORMATION

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

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

The following tables present the business and geographic segment information and the overseas sales of the Group for the years ended March 31, 2009, 2008 and 2007:

### (a) Information by Business Segment

|   | Millions of yen                        |                |                           |              |
|---|--|----------------|---------------------------|--------------|
| Year ended March 31, 2009   | Instant noodle and associated business | Other business | Eliminations or corporate | Consolidated |
| <b>I. Sales and operating income</b>  |  |                |                           |              |
| Sales to third parties  | ¥ 322,837                              | ¥ 39,220       | ¥ —                       | ¥ 362,057    |
| Intersegment sales  | 3                                      | 6,257          | (6,260)                   | —            |
| Total   | 322,840                                | 45,477         | (6,260)                   | 362,057      |
| Operating expenses  | 301,185                                | 43,000         | (5,680)                   | 338,505      |
| Operating income  | ¥ 21,655                               | ¥ 2,477        | ¥ (580)                   | ¥ 23,552     |
| <b>II. Total assets, depreciation and amortization, loss on impairment of fixed assets and capital investment</b> |  |                |                           |              |
| Total assets  | ¥ 219,723                              | ¥ 26,951       | ¥ 162,055                 | ¥ 408,729    |
| Depreciation and amortization   | 6,847                                  | 846            | 281                       | 7,974        |
| Loss on impairment of fixed assets  | 81                                     | 44             | —                         | 125          |
| Capital investment  | 10,710                                 | 1,560          | 5,302                     | 17,572       |

|   | Thousands of U.S. dollars              |                |                           |              |
|---|--|----------------|---------------------------|--------------|
| Year ended March 31, 2009   | Instant noodle and associated business | Other business | Eliminations or corporate | Consolidated |
| <b>I. Sales and operating income</b>  |  |                |                           |              |
| Sales to third parties  | \$ 3,286,542                           | \$ 399,267     | \$ —                      | \$ 3,685,809 |
| Intersegment sales  | 30                                     | 63,697         | (63,727)                  | —            |
| Total   | 3,286,572                              | 462,964        | (63,727)                  | 3,685,809    |
| Operating expenses  | 3,066,120                              | 437,748        | (57,823)                  | 3,446,045    |
| Operating income  | \$ 220,452                             | \$ 25,216      | \$ (5,904)                | \$ 239,764   |
| <b>II. Total assets, depreciation and amortization, loss on impairment of fixed assets and capital investment</b> |  |                |                           |              |
| Total assets  | \$ 2,236,822                           | \$ 274,366     | \$ 1,649,751              | \$ 4,160,939 |
| Depreciation and amortization   | 69,704                                 | 8,612          | 2,861                     | 81,177       |
| Loss on impairment of fixed assets  | 825                                    | 448            | —                         | 1,273        |
| Capital investment  | 109,030                                | 15,881         | 53,975                    | 178,886      |

Notes: 1. Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥6,788 million (U.S.\$69,103 thousand) and consisted of mainly payroll cost in the back office division, general expenses and amortization of goodwill.

2. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥208,835 million (U.S.\$2,125,980 thousand), and consisted of mainly surplus investment fund (including cash and marketable securities), long-term investment fund (including investments in securities) and, assets associated with the back office division and goodwill.

3. As described in Note 21, the Group has changed its corporate organization to a holding company structure, as a result there were decreases in the instant noodle and associated business segment and corresponding increases in the elimination or corporate segment amounting to ¥6,195 million (U.S.\$63,066 thousand) for operating expenses, ¥204,507 million (U.S.\$2,081,920 thousand) of total assets, ¥280 million (U.S.\$2,850 thousand) of depreciation and amortization and ¥5,302 million (U.S.\$53,975 thousand) of capital investment, as compared to the corresponding amounts which would have been recorded under the previous method.

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

- Notes: 1. Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥492 million, and consisted of mainly amortization of goodwill.
2. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥3,863 million, and consisted of mainly goodwill.
3. As a result of accounting change described in Note 3(f), operating expenses of the instant noodle and associated business and the other business increased by ¥341 million and ¥16 million, respectively, and operating income of these businesses decreased by the same amounts for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.
4. As a result of accounting change described in Note 3(g), operating expenses of the instant noodle and associated business and the other business increased by ¥264 million and ¥53 million, respectively, and operating income of these businesses decreased by the same amounts for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

| Millions of yen  |  |                |                           |              |
|--|--|----------------|---------------------------|--------------|
| Year ended March 31, 2007  | Instant noodle and associated business | Other business | Eliminations or corporate | Consolidated |
| <b>I. Sales and operating income</b>   |  |                |                           |              |
| Sales to third parties   | ¥ 325,468                              | ¥ 32,770       | ¥ —                       | ¥ 358,238    |
| Intersegment sales   | —                                      | 6,091          | (6,091)                   | —            |
| Total  | 325,468                                | 38,861         | (6,091)                   | 358,238      |
| Operating expenses   | 293,115                                | 36,609         | (5,221)                   | 324,503      |
| Operating income   | ¥ 32,353                               | ¥ 2,252        | ¥ (870)                   | ¥ 33,735     |
| <b>II. Depreciation and amortization, loss on impairment of fixed assets</b> |  |                |                           |              |
| Depreciation and amortization  | ¥ 5,338                                | ¥ 850          | ¥ —                       | ¥ 6,188      |
| Loss on impairment of fixed assets   | 973                                    | 156            | —                         | 1,129        |

- Note: Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥503 million, and consisted of mainly amortization of goodwill.

(b) Information by Geographic Segment

Millions of yen

| Year ended March 31, 2009                   | Japan            | North America   | Other areas     | Eliminations or corporate | Consolidated     |
|---|------------------|-----------------|-----------------|---------------------------|------------------|
| <b>I. Sales and operating income (loss)</b> |                  |                 |                 |                           |                  |
| Sales to third parties                      | ¥ 311,954        | ¥ 26,126        | ¥ 23,977        | ¥ —                       | ¥ 362,057        |
| Intersegment sales                          | 1,266            | 14              | 205             | (1,485)                   | —                |
| Total                                       | 313,220          | 26,140          | 24,182          | (1,485)                   | 362,057          |
| Operating expenses                          | 289,474          | 27,622          | 22,237          | (828)                     | 338,505          |
| Operating income (loss)                     | ¥ 23,746         | ¥ (1,482)       | ¥ 1,945         | ¥ (657)                   | ¥ 23,552         |
| <b>II. Total assets</b>                     | <b>¥ 179,501</b> | <b>¥ 10,210</b> | <b>¥ 29,906</b> | <b>¥ 189,112</b>          | <b>¥ 408,729</b> |

Thousands of U.S. dollars

| Year ended March 31, 2009                   | Japan               | North America     | Other areas       | Eliminations or corporate | Consolidated        |
|---|---------------------|-------------------|-------------------|---------------------------|---------------------|
| <b>I. Sales and operating income (loss)</b> |                     |                   |                   |                           |                     |
| Sales to third parties                      | \$ 3,175,751        | \$ 265,968        | \$ 244,090        | \$ —                      | \$ 3,685,809        |
| Intersegment sales                          | 12,888              | 143               | 2,087             | (15,118)                  | —                   |
| Total                                       | 3,188,639           | 266,111           | 246,177           | (15,118)                  | 3,685,809           |
| Operating expenses                          | 2,946,900           | 281,197           | 226,377           | (8,429)                   | 3,446,045           |
| Operating income (loss)                     | \$ 241,739          | \$ (15,086)       | \$ 19,800         | \$ (6,689)                | \$ 239,764          |
| <b>II. Total assets</b>                     | <b>\$ 1,827,354</b> | <b>\$ 103,940</b> | <b>\$ 304,449</b> | <b>\$ 1,925,196</b>       | <b>\$ 4,160,939</b> |

Notes: 1. Classification of the countries or regions is based on geographical proximity.

2. Major countries and regions included in areas other than Japan:

(1) North America: The U.S.A. and Mexico

(2) Other areas: China, Germany and Hungary

3. Operating expense under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥6,788 million (U.S.\$69,103 thousand), consisted of mainly payroll costs in the back office division, general expenses and the amortization of goodwill.

4. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥208,835 million (U.S.\$2,125,980 thousand), and consisted of mainly surplus investment funds (including cash and marketable securities), long-term investment funds (including investments in securities), assets associated with the back office division and goodwill.

5. As described in Note 21, the Group changed its corporate structure to a holding company structure. As a result of this change, operating expense in the Japan segment was decreased by ¥6,195 million (U.S.\$63,066 thousand) and the eliminations and corporate were increased by the same amount for the year ended March 31, 2009, and the assets under the Japan segment decreased by ¥204,507 million (U.S.\$2,081,920 thousand) and "Eliminations or corporate" increased by the same amount at March 31, 2009 as compared to the corresponding amounts which would have been recorded under the previous method.

Millions of yen

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

Notes: 1. Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥492 million, and consisted of mainly amortization of goodwill.

2. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥3,863 million, and consisted of mainly goodwill.

3. As a result of accounting change described in Note 3(f), operating expenses of the Japan segment increase by ¥357 million, and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

4. As a result of accounting change described in Note 3(g), operating expenses of the Japan segment increased by ¥317 million, and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.



Millions of yen

| Year ended March 31, 2007                   | Japan     | North America | Other areas | Eliminations or corporate | Consolidated |
|---|-----------|---------------|-------------|---------------------------|--------------|
| <b>I. Sales and operating income (loss)</b> |           |               |             |                           |              |
| Sales to third parties                      | ¥ 303,718 | ¥ 30,505      | ¥ 24,015    | ¥ —                       | ¥ 358,238    |
| Intersegment sales                          | 1,277     | —             | 656         | (1,933)                   | —            |
| Total                                       | 304,995   | 30,505        | 24,671      | (1,933)                   | 358,238      |
| Operating expenses                          | 270,749   | 32,770        | 22,434      | (1,450)                   | 324,503      |
| Operating income (loss)                     | ¥ 34,246  | ¥ (2,265)     | ¥ 2,237     | ¥ (483)                   | ¥ 33,735     |

Note: Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥503 million, and consisted of mainly amortization of goodwill.

### (c) Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the overseas consolidated subsidiaries, for the years ended March 31, 2009, 2008 and 2007 are summarized as follows:

| Year ended March 31, 2009                            | Millions of yen |             |          | Thousands of U.S. dollars |             |            |
|--|-----------------|-------------|----------|---------------------------|-------------|------------|
|  | North America   | Other areas | Total    | North America             | Other areas | Total      |
| Overseas sales                                       | ¥ 26,599        | ¥ 24,554    | ¥ 51,153 | \$ 270,783                | \$ 249,964  | \$ 520,747 |
| Consolidated sales                                   | —               | —           | 362,057  | —                         | —           | 3,685,809  |
| Overseas sales as a percentage of consolidated sales | 7.3%            | 6.8%        | 14.1%    | 7.3%                      | 6.8%        | 14.1%      |

| Year ended March 31, 2008                            | Millions of yen |             |          |
|--|-----------------|-------------|----------|
|  | North America   | Other areas | Total    |
| Overseas sales                                       | ¥ 29,859        | ¥ 26,400    | ¥ 56,259 |
| Consolidated sales                                   | —               | —           | 385,470  |
| Overseas sales as a percentage of consolidated sales | 7.7%            | 6.9%        | 14.6%    |

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

Notes: 1. Classification of the countries or regions is based on geographical proximity.

2. Principal countries classified in the above regions:

North America: U.S.A. and Mexico

Other areas: China, Hungary and Germany

3. Overseas sales represent the sum total of sales to the overseas market outside Japan by the Company and its consolidated subsidiaries.

(Sales between consolidated subsidiaries are not included.)

## 20. CONTINGENT LIABILITIES

As of March 31, 2009, a subsidiary of the Company is contingently liable for guarantee of borrowings of its unconsolidated

subsidiaries from financial institutions and other of ¥1,075 million (U.S.\$10,944 thousand) in aggregate.

## 21. BUSINESS REORGANIZATION

As approved at the annual general meeting of shareholders of the Company on June 27, 2008 and effective October 1, 2008, the Company has changed its corporate organization to a holding company structure (with the Company as the holding company and newly-incorporated subsidiaries under the Company) in the form of a corporate split and changed its name to "NISSIN FOODS HOLDINGS CO., LTD."

Accordingly, the businesses and functions of the Company were transferred to the newly-incorporated subsidiaries: the instant noodle business to NISSIN FOODS CO., LTD., the chilled food business to NISSIN CHILLED FOODS CO., LTD., the frozen food business to NISSIN FROZEN FOODS CO., LTD. and administrative functions, including general administration, accounting, payrolls and information systems to NISSIN BUSINESS SUPPORT CO., LTD.

This corporate split was carried out to enforce the

group strategy function, develop each of their business, promote the synergy with MYOJO FOODS CO., LTD., and accelerate the development of top management.

This reorganization under the common control was legally deemed as a subsidiary-type corporate split where the Company was a transferring company and NISSIN FOODS CO., LTD., NISSIN CHILLED FOODS CO., LTD., NISSIN FROZEN FOODS CO., LTD. and NISSIN BUSINESS SUPPORT CO., LTD. were receiving companies.

This corporate split is accounted for as a transaction under common control prescribed in "Accounting Standard for Business Divestiture" (ASBJ Statement No. 7, December 27, 2005) and "Guidance for Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 17, 2005). No goodwill has been generated from this corporate split.

### OUTLINE OF THE CORPORATE SPLIT

| Name of newly incorporated subsidiary | NISSIN FOODS CO., LTD.                      | NISSIN CHILLED FOODS CO., LTD.            | NISSIN FROZEN FOODS CO., LTD.             | NISSIN BUSINESS SUPPORT CO., LTD.                         |
|---------------------------------------|---|---|---|---|
| Business transferred                  | Production and sale of instant noodles      | Production and sale of chilled foods      | Production and sale of frozen foods       | Support of indirect administrative services for the Group |
| Number of shares issued               | 100 shares                                  | 100 shares                                | 100 shares                                | 100 shares  |
| Common stock                          | ¥5,000 million<br>(U.S.\$50,901 thousand)   | ¥100 million<br>(U.S.\$1,018 thousand)    | ¥100 million<br>(U.S.\$1,018 thousand)    | ¥50 million<br>(U.S.\$509 thousand)                       |
| Assets transferred                    | ¥66,875 million<br>(U.S.\$680,800 thousand) | ¥6,331 million<br>(U.S.\$64,451 thousand) | ¥5,837 million<br>(U.S.\$59,422 thousand) | ¥1,573 million<br>(U.S.\$16,013 thousand)                 |
| Liabilities transferred               | ¥25,106 million<br>(U.S.\$255,584 thousand) | ¥1,654 million<br>(U.S.\$16,838 thousand) | ¥924 million<br>(U.S.\$9,406 thousand)    | ¥302 million<br>(U.S.\$3,074 thousand)                    |

The Company is a parent company of these receiving companies and the quota of stock was determined by the arrangements between the Company and these receiving

companies since there was no change in net asset of the Company after this corporate split.

## 22. RELATED PARTY TRANSACTIONS

The Group had concluded lease contracts with two related parties, whose shares are wholly owned by certain directors of the Company and their relatives. The amount of lease payment to these companies for the years ended March 31,

2009 and 2008 were ¥338 million (U.S.\$3,441 thousand) and ¥336 million, respectively, and the outstanding balance of lease obligations at March 31, 2009 and 2008 were ¥12 million (U.S.\$122 thousand) and ¥37 million, respectively.

## 23. SUBSEQUENT EVENTS

### (a) Acquisition of Treasury Stock

(1) On May 20, 2009, the Board of Directors of the Company resolved to acquire treasury stock to ensure a capital policy responding to changes in economic circumstance flexibly.

On the basis of above resolution, the Company acquired 3,120,300 shares of its own common stock for ¥8,284 million (U.S.\$84,333 thousand) at May 21, 2009.

(2) On May 27, 2009, the Board of Directors of the Company resolved to acquire treasury stock to ensure a capital policy responding to changes in economic circumstance flexibly.

On the basis of above resolution, the Company acquired 3,491,600 shares of its own common stock for ¥10,379 million (U.S.\$105,660 thousand) during the period from May 28, 2009 to June 12, 2009.

(b) The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2009, was approved at a meeting of the shareholders of the Company held on June 26, 2009:

|   | Millions of yen | Thousands of U.S. dollars |
|---|-----------------|---------------------------|
| Cash dividends (¥25 = U.S.\$0.25 per share) | ¥ 3,057         | \$ 31,120                 |

## Report of Independent Auditors

The Board of Directors  
NISSIN FOODS HOLDINGS CO., LTD.

We have audited the accompanying consolidated balance sheets of NISSIN FOODS HOLDINGS CO., LTD. (formerly, Nissin Food Products Co., Ltd.) and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years in the period ended March 31, 2009, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of NISSIN FOODS HOLDINGS CO., LTD. and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2009 in conformity with accounting principles generally accepted in Japan.

*Supplemental Information*

As described in Note 23(a), the Company repurchased treasury stock in accordance with the resolution of the Company's Board of Directors on May 20 and May 27, 2009.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

*Ernst & Young ShinNihon LLC*

Osaka, Japan  
June 26, 2009



**BUSINESS AREAS OF CONSOLIDATED SUBSIDIARIES AND AFFILIATES**

(As of March 31, 2009)

| Company  | Capital                | Business Area   | Equity Ownership (%) |
|--|------------------------|---|----------------------|
| <b>CONSOLIDATED SUBSIDIARIES</b>                     |                        |   |                      |
| NISSIN FOOD PRODUCTS CO., LTD.                       | ¥5,000 million         | Cup- and pillow-type noodle manufacturing and marketing   | 100.0                |
| MYOJO FOODS CO., LTD.                                | ¥3,143 million         | Cup-and pillow-type noodle manufacturing and marketing  | 100.0                |
| NISSIN CHILLED FOODS CO., LTD.                       | ¥100 million           | Chilled food manufacturing and marketing  | 100.0                |
| NISSIN FROZEN FOODS CO., LTD.                        | ¥100 million           | Frozen food manufacturing and marketing   | 100.0                |
| NISSIN CISCO CO., LTD.                               | ¥2,600 million         | confectionary manufacturing and marketing   | 80.0                 |
| NISSIN YORK CO., LTD.                                | ¥870 million           | Beverage and dairy product manufacturing and marketing  | 100.0                |
| AJI-NO-MINGEI FOOD SERVICE CO., LTD.*1               | ¥365 million           | Food service  | 75.8                 |
| NISSIN BUSINESS SUPPORT CO., LTD.                    | ¥50 million            | Intergroup business support   | 100.0                |
| Sapporo Nissin Co., Ltd.                             | ¥250 million           | Cup-and pillow-type noodle manufacturing and marketing  | 100.0 (100.0)        |
| Nissin F.D. Foods Co., Ltd.                          | ¥100 million           | Freeze-dried food manufacturing and marketing   | 100.0 (100.0)        |
| Nissin Plastics Co., Ltd.                            | ¥450 million           | Container manufacturing and marketing   | 100.0 (100.0)        |
| Kagawa Nissin Food Products Co., Ltd.                | ¥100 million           | Ingredient manufacturing and marketing  | 100.0 (100.0)        |
| Nissin Enterprise Corporation                        | ¥300 million           | Shipping and warehousing  | 100.0 (100.0)        |
| Ajinhon Co., Ltd.                                    | ¥95 million            | Soup manufacturing and marketing  | 46.3 (46.3)          |
| NISHINIHON MYOJO CO., LTD.                           | ¥90 million            | Cup-and pillow-type noodle manufacturing and marketing  | 100.0 (100.0)        |
| UNI-STAR CO., LTD.                                   | ¥150 million           | Soup manufacturing and marketing  | 100.0 (100.0)        |
| MYOJO SUPPLY SERVICE CO., LTD.                       | ¥90 million            | Contracted manufacturing  | 100.0 (100.0)        |
| MYOJO FRESH CO., LTD.                                | ¥400 million           | Chilled food manufacturing and marketing  | 100.0 (100.0)        |
| Shikoku Nissin Food Products Co., Ltd.               | ¥98 million            | Frozen food manufacturing and marketing   | 100.0 (100.0)        |
| Takamatsu Nissin Food Products Co., Ltd.             | ¥80 million            | Frozen food manufacturing and marketing   | 100.0 (100.0)        |
| Nicky Foods Co., Ltd.                                | ¥60 million            | Frozen food manufacturing and marketing   | 100.0 (100.0)        |
| NISSIN ASSET MANAGEMENT CO., LTD.                    | ¥50 million            | Real estate and leasing management  | 100.0                |
| Uji Kaihatsu Development Co., Ltd.                   | ¥100 million           | Golf course management  | 94.2 (1.3)           |
| Nissin Foods (U.S.A.) Co., Inc.                      | U.S.\$83,500 thousand  | Cup-and pillow-type noodle manufacturing and marketing  | 90.0                 |
| MYOJO U.S.A., INC.                                   | U.S.\$5,000 thousand   | Chilled food manufacturing and marketing  | 96.0                 |
| Nissin Foods de Mexico S.A. de C.V.                  | MXN 149,134 thousand   | Cup-type noodle manufacturing and marketing   | 100.0                |
| Nissin Foods Co., Ltd.                               | HK\$671,600 thousand   | Cup-and pillow-type noodle manufacturing and marketing  | 100.0                |
| Winner Food Products Ltd.                            | HK\$29,975 thousand    | Cup-and pillow-type noodle and frozen food manufacturing and marketing                            | 74.0                 |
| Miracle Foods Co., Ltd.                              | HK\$21,000 thousand    | Container manufacturing and marketing   | 100.0 (100.0)        |
| Nissin Foods (China) Holding Co., Ltd.               | U.S.\$40,500 thousand  | Invests in businesses in the PRC  | 100.0 (100.0)        |
| Shanghai Nissin Foods Co., Ltd.                      | U.S.\$25,000 thousand  | Cup-and pillow-type noodle manufacturing and marketing  | 100.0 (100.0)        |
| Guangdong Shunde Nissin Foods Co., Ltd.              | HK\$130,000 thousand   | Cup-and pillow-type noodle manufacturing and marketing  | 100.0 (100.0)        |
| Zhuhai Golden Coast Winner Food Products Ltd.        | HK\$84,000 thousand    | Cup-and pillow-type noodle manufacturing and marketing  | 70.5 (70.5)          |
| Guangyounan Food Products (Shenzhen) Co., Ltd.       | HK\$11,000 thousand    | Frozen food manufacturing and marketing   | 100.0 (100.0)        |
| NISSIN FOODS (ASIA) PTE. LTD.*2                      | SG\$15,179 thousand    | Cup- and pillow-type noodle manufacturing and marketing, and overall management of Asian business | 100.0                |
| Indo Nissin Foods Ltd.                               | INR 174,375 thousand   | Cup-and pillow-type noodle manufacturing and marketing  | 74.8 (74.8)          |
| Nissin Foods Kft.                                    | HUF 1,000,000 thousand | Cup-and pillow-type noodle manufacturing and marketing  | 100.0                |
| Nissin Foods GmbH                                    | EUR 25 thousand        | Cup-and pillow-type noodle marketing  | 100.0 (99.0)         |
| <b>AFFILIATES ACCOUNTED FOR BY THE EQUITY METHOD</b> |                        |   |                      |
| Nissin-Ajinomoto Alimentos Ltda.                     | BRL 12,688 thousand    | Cup-and pillow-type noodle manufacturing and marketing  | 50.0                 |
| THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED          | THB 180,000 thousand   | Cup-and pillow- type noodle manufacturing and marketing   | 20.1                 |

Notes: 1. Name changed from MYOJO FOODSERVICE CO., LTD. on October 1, 2008.

2. Name changed from MYOJO FOODS CO. (S) PTE. LTD. on January 29, 2009.

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

# WORLDWIDE NETWORK

## AMERICAS

### **Nissin Foods (U.S.A.) Co., Inc.**

(Corporate Office & Gardena Plant)  
2001 West Rosecrans Avenue, Gardena, CA 90249 U.S.A.  
Telephone: 1-323-321-6453 Fax: 1-310-515-3751

(Lancaster Plant)

Masako Place, 2901 Hempland Road,  
Lancaster, PA 17601 U.S.A.  
Telephone: 1-717-291-5901 Fax: 1-717-291-9737

### **MYOJO U.S.A., INC.**

6220 Prescott Court, Chino, CA 91710 U.S.A.  
Telephone: 1-909-464-1411 Fax: 1-909-464-1415

### **Nissin Foods de Mexico S.A. de C.V.**

(Corporate Office & Plant)  
Av. de las Partidas S/N  
Fracc. Industrial Cerrillo II  
Lerma, Edo. de Mexico C.P. 52000 Mexico  
Telephone: 52-728-282-8950 Fax: 52-728-282-8988

(Sales Office)

Sanchez Azcona 1537-B  
Col. Del Valle Deleg. Benito Juarez  
Mexico, D. F., C.P. 03100 Mexico  
Telephone: 52-55-5601-4200 Fax: 52-55-5601-4214

### **Nissin-Ajinomoto Alimentos Ltda.**

(Head Office)  
Rua Alves Guimaraes, 1297 - Jardim America -  
Sao Paulo - SP - Brazil, CEP 05410-926  
Telephone: 55-11-3094-5900 Fax: 55-11-3094-5901

(Ibiuna Plant)

Rodovia Bunjiro Nakao, Km 57 - Ibiuna - SP - Brazil,  
CEP 18150-000 - Caixa Postal 57  
Telephone: 55-15-3248-9600 Fax: 55-15-3249-1255

## ASIA

### **Nissin Foods (HK) Management Co., Ltd.**

9-13, Dai Cheong Street, Tai Po Industrial Estate,  
Tai Po, N.T. Hong Kong  
Telephone: 852-3406-6888 Fax: 852-2664-2201

### **Nissin Foods Co., Ltd.**

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21-23, Dai Shing Street, Tai Po Industrial Estate,  
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(Wing On Plant)

9-13, Dai Cheong Street, Tai Po Industrial Estate,  
Tai Po, N.T. Hong Kong  
Telephone: 852-3406-6888 Fax: 852-2664-2201

### **Winner Food Products Ltd.**

(Winner Plant)  
11-13, Dai Shun Street, Tai Po Industrial Estate,  
Tai Po, N.T. Hong Kong  
Telephone: 852-2667-3766 Fax: 852-2663-1301

(Wintai Plant)

20, Dai Kwai Street, Tai Po Industrial Estate,  
Tai Po, N.T. Hong Kong  
Telephone: 852-2663-3992 Fax: 852-2664-0321

### **Miracle Foods Co., Ltd.**

19, Dai Shing Street, Tai Po Industrial Estate,  
Tai Po, N.T. Hong Kong  
Telephone: 852-2666-7481 Fax: 852-2666-0600

### **Nissin Foods (China) Holding Co., Ltd.**

10F, Dongying Bld. 2570 Xietu Road, Xuhui District,  
Shanghai, 200030 The People's Republic of China  
Telephone: 86-21-6468-7176 Fax: 86-21-6468-3295

### **Jinmailang Foods Co., Ltd.**

(Head Office)  
Hualong Food Market of Longyao, Hebei,  
055350 The People's Republic of China  
Telephone: 86-319-6598866 Fax: 86-319-6591358

(Beijing Office)

17/F, Building 1#, No. 38 East 3rd Ring North Road,  
Chaoyang District, Beijing 100020 The People's Republic of China  
Telephone: 86-10-8599-9898 Fax: 86-10-8599-9898

### **Shanghai Nissin Foods Co., Ltd.**

(Head Office & Plant)  
No. 1, Xinxiao Road, Xinqiao Zhen, Songjiang District, Shanghai,  
201612 The People's Republic of China  
Telephone: 86-21-5764-4070 Fax: 86-21-5764-4073

(Shanghai Office)

11F, Dongying Bldg., 2570 Xietu Road, Xuhui District, Shanghai,  
200030 The People's Republic of China  
Telephone: 86-21-6464-3992 Fax: 86-21-6464-3864

### **FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD.**

No. 619, Ziri Road, Minhang District, Shanghai,  
200241 The People's Republic of China  
Telephone: 86-21-6145-0555 Fax: 86-21-6145-0571

### **Guangdong Shunde Nissin Foods Co., Ltd.**

(Head Office & Plant)  
13, Gang Qian Road, Beijiao Industrial Park, Beijiao County,  
Shunde District, Foshan City, Guangdong Province,  
528311 The People's Republic of China  
Telephone: 86-757-2665-1778 Fax: 86-757-2665-2778

(Guangzhou Office)  
7th Floor, Golden Lake Building, No. 2,  
Dong Hu West Road, Guangzhou, 510100  
The People's Republic of China  
Telephone: 86-20-8378-1723 Fax: 86-20-8385-6181

**Zhuhai Golden Coast Winner Food Products Ltd.**  
Anjizhong Road 65, Sanzao jinwan, Zhuhai Guangdong China  
Telephone: 86-756-3900500 Fax: 86-756-3900599

**Guangyougan Food Products (Shenzhen) Co., Ltd.**  
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Shenzhen, Guangdong Province, The People's Republic of China  
Telephone: 86-755-2587-4371 Fax: 86-755-2587-8599

**NISSIN FOODS (ASIA) PTE. LTD.**  
(Head Office)  
16, Chin Bee Road, Jurong Town, Singapore 619826  
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(Sales Office)  
31 Jurong Port Road #02-11M,  
Jurong Logistics Hub, Singapore 619115  
Telephone: 65-6-2681309 Fax: 65-6-2682758

**Nissin-Universal Robina Corporation**  
(Head Office)  
4th Floor, CFC Administration Building,  
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Telephone: 63-2-671-7176 Fax: 63-2-671-3978

(Cavite Plant)  
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Bo. Langkaan, Dasmariñas Cavite, 4140 Philippines  
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**Indo Nissin Foods Ltd.**  
(Head Office)  
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Bangalore 560 001, India  
Telephone: 91-80-2532-7900 Fax: 91-80-2559-9087

(Delhi Plant)  
91 Kms, Delhi-Jaipur Road, Village Deodhai, Tehsil Bawal,  
District Rewari-123401 Haryana, India  
Telephone: 91-1284-264032 Fax: 91-1284-264032

(Bangalore Plant)  
18-A-2, Road No. 2, Jigani Industrial Area, Anekal Taluk,  
Bangalore District-562106 Karnataka State India  
Telephone: 91-80-27825280 Fax: 91-80-27825279

**Accelerated Freeze Drying Co., Ltd.**  
(Head Office)  
Amalgam House, Bristow Road,  
Willingdon Island, Cochin-682 003, Kerala, India  
Telephone: 91-484-2668680 Fax: 91-484-2668130

(Cochin Plant)  
EP/IV/513, Ezhupunna P.O.  
Alleppey District-688 548, Kerala, India  
Telephone: 91-478-2872012 Fax: 91-478-2873016

(Bangalore Plant)  
Plot No. 18-A1, Jigani Industrial Area, Anekal Taluk,  
Bangalore-562 106 Karnataka, India  
Telephone: 91-8078-25282 Fax: 91-8078-25283

**PT. NISSINMAS**  
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Cikarang Bekasi, 17530 Indonesia  
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**Nissin Foods (Thailand) Co., Ltd.**  
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Telephone: 66-38-481-351 Fax: 66-38-481-353

(Bangkok Office)  
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**THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED**  
304 TF Buildings, Srinakarin Rd., Huamark, Bangkok,  
Bangkok 10240, Thailand  
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## EUROPE

**Nissin Foods Kft.**  
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Telephone: 36-76-485-702 Fax: 36-76-485-704

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

**LLC Mareven Food Central**  
(Head Office)  
Business Park "Greenwood" Building 17, Putilkovo,  
69th km of MKAD, Krasnogorskiy District, Moscow 143441 Russia  
Telephone: 7-495-730-1186 Fax: 7-495-730-1186

(Serpukhov Plant)  
31, Severnoye Shosse, Ivanovskoye, Serpukhovskiy Rayon,  
Moskovskaya Oblast, 142204, Russia  
Telephone: 7-496-735-5205/5548 Fax: 7-496-735-5097

## CORPORATE DATA

### NISSIN FOODS HOLDINGS CO., LTD.

#### Head Office

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Tokyo 160-8524, Japan  
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Fax: 81-3-3205-5059

#### Osaka Head Office

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Osaka 532-8524, Japan  
Telephone: 81-6-6305-7711  
Fax: 81-6-6304-1288  
Web Site: <http://www.nissinfoods-holdings.co.jp>

#### Research Institutes

Central Research Institute,  
Food Safety Research Institute

(As of March 31, 2009)

### HISTORY

|             |   |
|-------------|---|
| <b>1948</b> | Chukososhu Co., Ltd. established.   |
| <b>1958</b> | <i>Chicken Ramen</i> , the world's first instant noodle product, introduced; Company name changed to Nissin Food Products Co., Ltd.   |
| <b>1963</b> | Listed on the Second Section of the Tokyo and Osaka Stock Exchanges.  |
| <b>1970</b> | Nissin Foods (U.S.A.) Co., Inc., the Company's first overseas operation, established in Gardena, California.  |
| <b>1971</b> | <i>Cup Noodle</i> introduced; Kanto Plant begins operation.   |
| <b>1972</b> | Listed on the First Section of the Tokyo, Osaka and Nagoya Stock Exchanges.   |
| <b>1973</b> | Shiga Plant and General Research Center begin operation.  |
| <b>1975</b> | Shimonoseki Plant begins operation; Nissin-Ajinomoto Alimentos Ltda. established in São Paulo, Brazil.  |
| <b>1977</b> | Construction of new headquarters completed; main office moved to its present location in Yodogawa-ku, Osaka.  |
| <b>1984</b> | Nissin Foods Co., Ltd. established in Hong Kong.  |
| <b>1988</b> | Construction of Tokyo Head Office building completed; Central Research Institute begins operation.  |
| <b>1990</b> | Capital participation in Yoke Co., Ltd. (now NISSIN YORK CO., LTD.).  |
| <b>1991</b> | Capital participation in Cisco Co., Ltd. (now NISSIN CISCO CO., LTD.). Bangalore Plant of Indo Nissin Foods Ltd. begins operation.  |
| <b>1992</b> | Long-life fresh noodles developed; <i>Nissin Rao</i> introduced.  |
| <b>1993</b> | Nissin Foods GmbH established in Germany; PT. NISSINMAS begins operation.   |
| <b>1994</b> | Nissin Foods (Thailand) Co., Ltd. begins operation.   |
| <b>1995</b> | <i>Nissin Spa-O</i> introduced.   |
| <b>1996</b> | Guangdong Shunde Nissin Foods Co., Ltd., Nissin-Universal Robina Corporation, Shizuoka Plant, and Shanghai Nissin Foods Co., Ltd. begin operation.  |
| <b>1997</b> | Nissin's "hungry?" series wins the International Advertising Festival (CANNES LIONS).   |
| <b>1999</b> | Share unit (minimum trading unit) reduced from 1,000 shares to 100 shares. The Momofuku Ando Instant Ramen Museum in Ikeda City, Osaka Prefecture, the world's first instant noodle museum, opened. |
| <b>2001</b> | Consolidated net sales exceeded ¥300 billion for the first time; contracted as official supplier to the 2002 FIFA World Cup™.   |
| <b>2002</b> | Food Safety Research Institute established; <i>Nissin GooTa</i> series introduced.  |
| <b>2003</b> | Aggregate sales of <i>Cup Noodle</i> brand since launch in 1971 top 20 billion servings.  |
| <b>2004</b> | Capital alliance with Hebei Hualong F&N Industry Group Co., Ltd., gives Nissin Food Group the No. 1 global share.   |
| <b>2005</b> | Nissin Foods marks a world first with its <i>Space Ram</i> , developed for the space shuttle Discovery.   |
| <b>2006</b> | Aggregate sales of <i>Cup Noodle</i> brand 25 billion servings in the world.  |
| <b>2007</b> | MYOJO FOODS becomes a wholly owned subsidiary of Nissin Foods; Nissin Shanghai Food Safety Research Institute begins operation.   |
| <b>2008</b> | The Group completes transformation to a pure holding company effective October 1, 2008.   |
| <b>2009</b> | Capital alliance with ANGLESIDE LIMITED (currently, MAREVEN FOOD HOLDINGS LIMITED), a Russian instant noodle holding company.   |



# INVESTOR INFORMATION (NISSIN FOODS HOLDINGS CO., LTD.)

As of March 31, 2009 (U.S.\$1=¥98.23)

## Date of Establishment

September 1948

## Number of Employees

7,408 (consolidated basis)  
350 (parent company)

## Common Stock

Authorized: 500,000,000 shares  
Issued: 127,463,685 shares  
Number of Shareholders: 22,185  
(Excluding owners of odd-lot shares)

## Paid-in Capital

¥25,123 million (\$256 million)

## Stock Listings

Tokyo and Osaka stock exchanges

## Ticker Code

2897

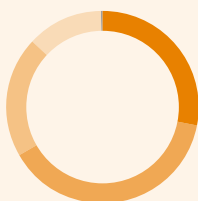
## Independent Auditors

Ernst & Young ShinNihon LLC

## Transfer Agent

Mizuho Trust & Banking Co., Ltd.  
2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

## DISTRIBUTION OF OWNERSHIP AMONG SHAREHOLDERS



|                        |        |
|------------------------|--------|
| Financial Institutions | 28.17% |
| Other Corporations     | 38.65% |
| Foreign Corporations   | 20.23% |
| Individuals and Other  | 12.75% |
| Securities Companies   | 0.20%  |

## PRINCIPAL SHAREHOLDERS

| Name   | Number of Shares Held (Thousands) | Percentage of Total Shares Outstanding |
|--|-----------------------------------|--|
| Morgan Stanley & Company Inc.                        | 12,476                            | 9.79%                                  |
| Ando Foundation                                      | 7,904                             | 6.20                                   |
| Mitsubishi Corp.                                     | 7,800                             | 6.12                                   |
| ITOCHU Corporation                                   | 7,800                             | 6.12                                   |
| Japan Trustee Services Bank, Ltd. (Trust Account 4G) | 4,471                             | 3.51                                   |
| Ando International Y.K.                              | 4,100                             | 3.22                                   |
| Mizuho Corporate Bank, Ltd.                          | 4,000                             | 3.14                                   |
| Japan Trustee Services Bank, Ltd. (Trust Account)    | 3,808                             | 2.99                                   |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.               | 3,650                             | 2.86                                   |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 2,849                             | 2.24                                   |
| Total  | 58,861                            | 46.18                                  |

Note: In addition to the above, the Company holds 5,206,100 shares of treasury stock.

## PER SHARE DATA (NISSIN FOODS HOLDINGS CO., LTD. AND CONSOLIDATED SUBSIDIARIES)

| Years ended March 31,                | 2005       | 2006       | 2007       | 2008       | 2009       |
|--------------------------------------|------------|------------|------------|------------|------------|
| EPS (Earnings Per Share) (Yen)       | ¥ 134.46   | ¥ 125.09   | ¥ 156.12   | ¥ 111.17   | ¥ 129.98   |
| BPS (Book-value Per Share) (Yen)     | ¥ 2,091.16 | ¥ 2,167.81 | ¥ 2,304.40 | ¥ 2,310.36 | ¥ 2,287.21 |
| PER (Price Earnings Ratio) (Times)   | 20.9       | 29.1       | 27.7       | 30.2       | 22.3       |
| PBR (Price Book-value Ratio) (Times) | 1.3        | 1.3        | 1.9        | 1.5        | 1.3        |
| Dividend (Yen)                       | ¥ 30.00    | ¥ 30.00    | ¥ 50.00    | ¥ 50.00    | ¥ 50.00    |
| Payout Ratio (%)                     | 22.31      | 23.98      | 32.03      | 44.98      | 38.47      |

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

## FURTHER INFORMATION

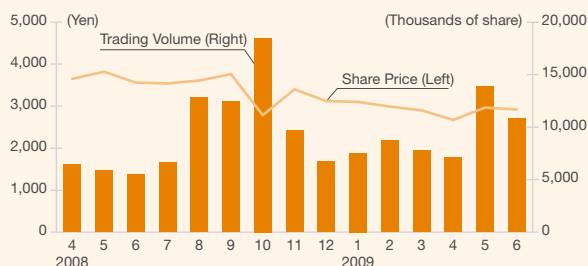
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Regularly updated IR information in English is also available on NISSIN FOODS HOLDINGS web site at <http://www.nissinfoods-holdings.co.jp/english/>

## SHARE PRICE RANGE AND TRADING VOLUME ON TSE



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Printed in Japan

