2019
2019年12月1日発行 第71号 2019年号
㊗ アニュアルレポート2018世界一!!!
年刊
日清
ANNUAL REPORT
https://www.nissin.com/en_jp/ir/
NISSIN
財務戦略はおまかせあれ
ぼんち揚
センターコンテンツ
［TREEDOM］
NISSINのESGを紐解く
特別定価 1兆円
71
No. 12月1日号
チャルメラ
未来に向けていざ出航!
［BOARD OF DIRECTORS］
カレーメシ
センターコンテンツ
［即席めんをぶっつぶせ!］
NISSINが向かうのはここだ!
SEAFOOD
さぁ競争だ!
世界へ挑め!
World Food Rumble!
Shaping the Future with Food
CUP NOODLE

年刊 日清
ANNUAL REPORT
NISSIN
2019 No. 71

Ⅲ CONTENTS Ⅲ

About this Report

In keeping with the "integrated thinking" concept advocated by the International Integrated Reporting Committee (IIRC), to give shareholders, investors, and all other stakeholders a comprehensive picture of the NISSIN FOODS Group and our vision for the future, in ANNUAL REPORT 2019 we report not only the Group's business results and other financial information, but also non-financial information such as the Group philosophy, governance, risk information, food safety measures, human resource initiatives, and environmental and social activities.

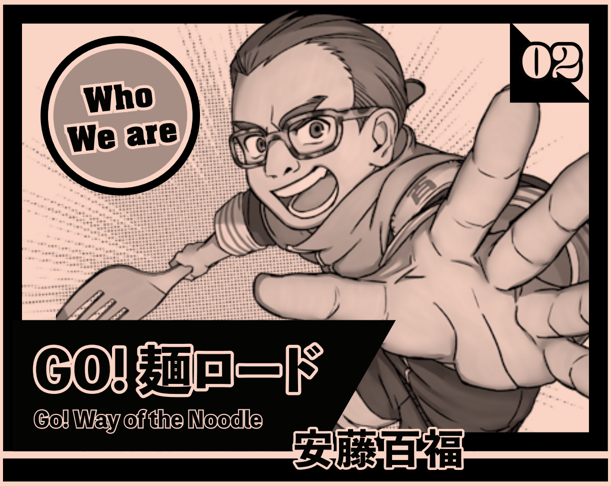
We have also tried to express in this report four attributes that we traditionally value as a Group: unique, happy, global, and creative.

Forward-looking Statements

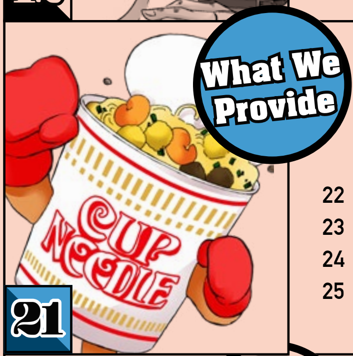
This report contains forward-looking statements regarding the Company's plans, outlook, strategies, and results for the future that are based on management's estimates, assumptions and projections at the time of publication. Certain risks and uncertainties could cause the Company's actual results to 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.

The NISSIN FOODS Group, which has its headquarters in Japan, is a food products maker whose business is centered on instant noodles and that handles a wide variety of frozen foods, chilled foods, cereal, confectionery, and beverages.

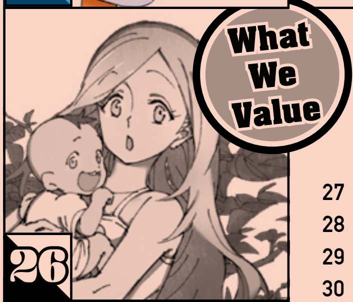
On our road to becoming a global company that can better serve consumers, we are exploring new ways to provide unique and convenient products in a number of categories. We remain dedicated to our founder's creativity, which inspires and enables us to offer products that push the boundaries of food while we also maintain long-selling brands. The journey may have started many years ago, but the NISSIN creative adventure begins anew every day.



即席めんをぶっつぶせ!
Destroy Instant Noodles



HUNGRY!
Sharing the Taste of Adventure



TREEDOM —新たなる芽—
Nourishing Society's Peace of Mind

FINANCIAL SECTION

INFORMATION

INFORMATION

NISSIN CONGRATULATIONS!

Selected as a constituent of the DJSI Asia Pacific Index for the second consecutive year.

ARC AWARDS INTERNATIONAL XXXIII

Annual Report 2018 won the International ARC Awards' highest award, Best of Show 2019, which honors the report judged the best among all entries.

reddot winner 2019

Annual Report 2018 was a winner of the Red Dot Award: Brands & Communication Design 2019 in Germany.

iF DESIGN AWARD 2020

Annual Report 2018 was a winner of the iF DESIGN AWARD 2020, which is hosted by iF International Forum Design GmbH in Germany.

Graphis Gold Award

Annual Report 2018 won a Gold in the Graphis Design Annual 2020, hosted by Graphis Inc. in the U.S.


第61話
元祖 即席めん誕生
安藤百福
RAMEN
Who We are
GO!
Way of the Noodle
麺ロード

The spirit of NISSIN FOODS Group founder Momofuku Ando is encapsulated in four tenets, which form the enduring foundation for the Group's philosophy.

食足世平

SHOKU SOKU SE HEI

Peace will come to the world when there is enough food.

Food is the most important pillar supporting human life. People can discuss culture, art, and ideas only when they have sufficient food. If the supply of food is disrupted, a country is bound to decline and conflict invariably occurs. The business operations of the NISSIN FOODS Group originated from this basic human principle.

食創為世

SHOKU SO I SEI

Create foods to serve society.

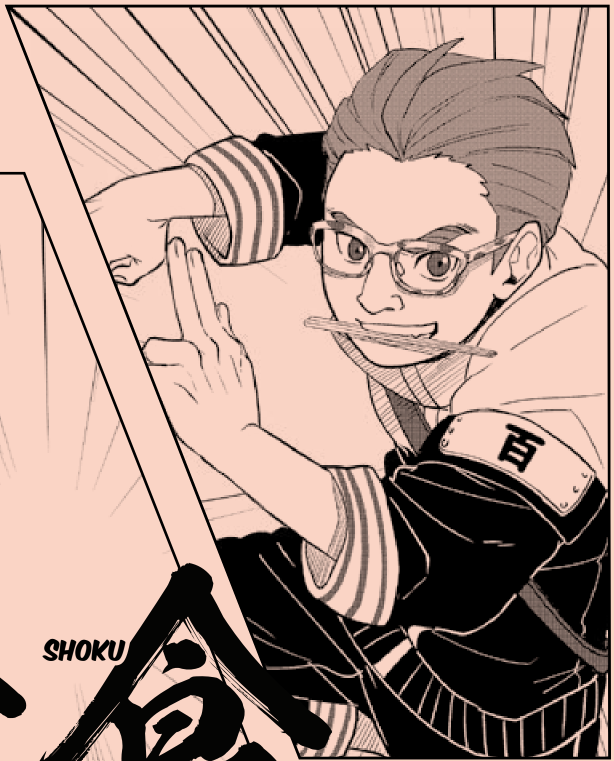
A spirit of creativity is the most important thing of all for a company. Creativity means the power to create innovative products through new ideas and technologies. The NISSIN FOODS Group creates foods to serve society. We are creating a new food culture and providing people all over the world with happiness and inspiration.

BI KEN KEN SHOKU

美健賢食

Eat wisely for beauty and health.

The desire to satisfy hunger and the taste buds is a common human instinct. However, it is not the only role of food. Food is also important for forming strong bodies and maintaining health. Since a beautiful, healthy body is the product of a sensible diet, the NISSIN FOODS Group pursues food functionality and advocates a wise diet.



Momofuku Ando
[1910–2007]
The founder of NISSIN FOODS Group

SHOKU I SEI SHOKU

食為聖職

Food related jobs are a sacred profession.

Food production is an occupation that supports the very essence of life. For this reason, those who work in the food industry must have a pure spirit that inspires them to serve society and contribute to human health and world peace. Working with food is a sacred profession, and it is the mission of the NISSIN FOODS Group to provide the world with safe, delicious, healthy food.

The history of the NISSIN FOODS Group is also a history of facing unceasing challenges in the "creation of new food to serve society." More than 60 years have passed since our establishment. We continue to grow in order to evolve from an instant noodles manufacturer from Japan into a global general food products group.

1958

Invention of the world's first instant noodles

Having set five development principles—that they must taste delicious; have a long shelf life; be quick and easy to prepare; be inexpensive; and be safe and sanitary—our founder Momofuku Ando invented *CHICKEN RAMEN*, the world's first instant noodles, and sales began in Japan in 1958. Instant noodles have now grown into a huge market with total global demand exceeding 100 billion units annually.

1971

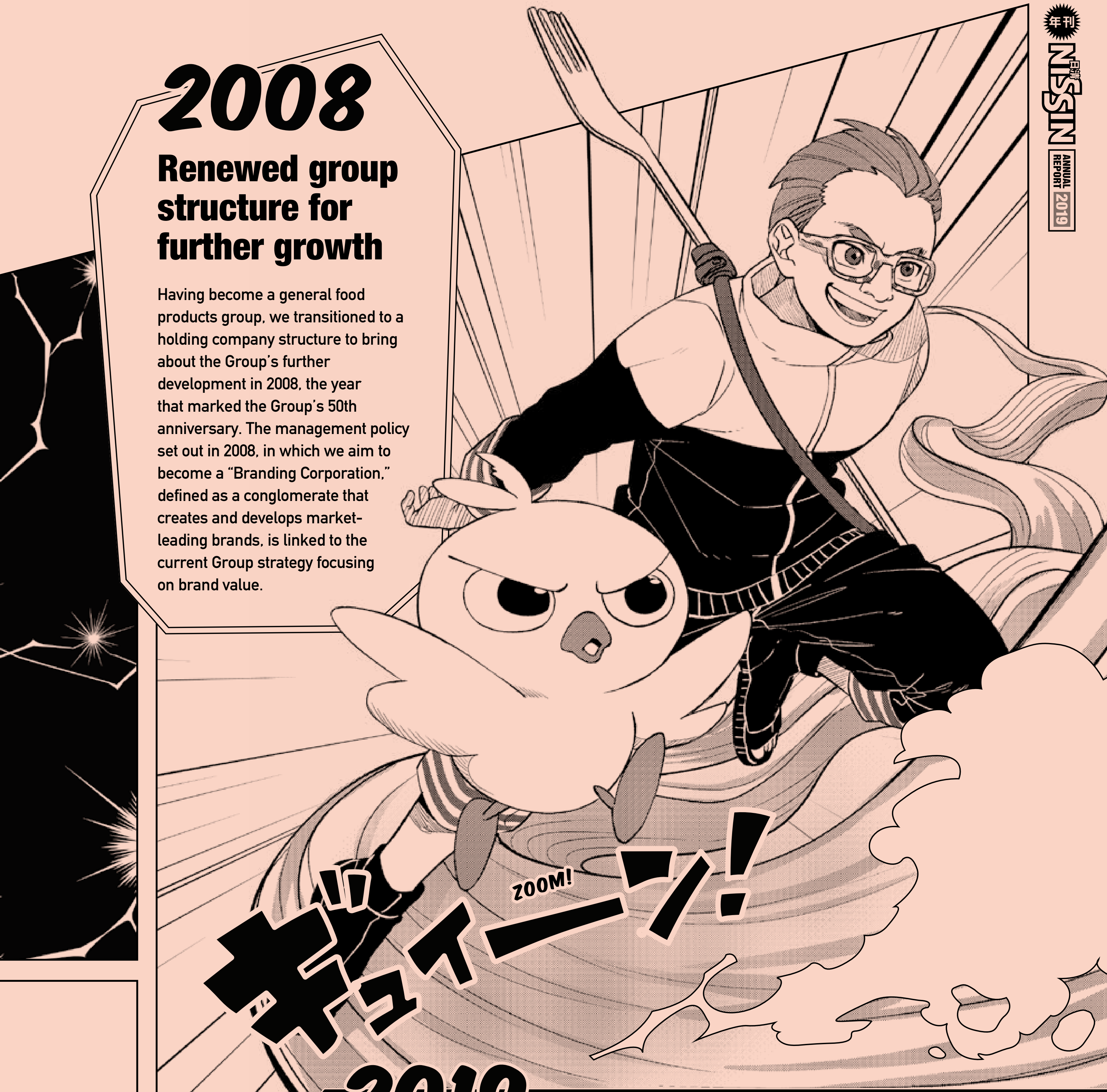
A new approach expands the possibilities of instant noodles

In the U.S., where he had traveled to conduct market research on how to make instant noodles into a global product, Momofuku Ando embarked on the development of *CUP NOODLES*—instant noodles in a cup—after witnessing *CHICKEN RAMEN* being broken into a cup before hot water was poured in and the noodles were eaten with a fork. The product's successful commercialization in 1971 was the moment when instant noodles, created in Japan, crossed the food culture barrier and moved one step closer to becoming a world food.

2008

Renewed group structure for further growth

Having become a general food products group, we transitioned to a holding company structure to bring about the Group's further development in 2008, the year that marked the Group's 50th anniversary. The management policy set out in 2008, in which we aim to become a "Branding Corporation," defined as a conglomerate that creates and develops market-leading brands, is linked to the current Group strategy focusing on brand value.



2019

Toward becoming a global company possessing true strength

In order to achieve recognition as a global company, and in line with the Medium-Term Business Plan launched in 2016, the Group continues to contribute to society and the Earth by providing the world with the pleasures and delights food can provide. In the domestic instant noodles business, we are focusing on becoming a "Century Brand Company," with brands that can exist for 100 years, while in the overseas business, which will form our core in the future, we are focusing on promoting the global branding of *CUP NOODLES*.

NISSIN FOODS Group values two core drivers in maintaining competitive advantages: creating new value through marketing, and unique communication styles that reach beyond existing fans. Utilizing these core drivers, we have been able to further strengthen our top brands, evolving them into new categories, as well as create and develop new brands. We are ensuring we continue to value these drivers as we advance our way through our brand journey, staying ahead of the game to be the leading brand in every category we aim to be in.

Creating new value through marketing

We believe that cultivating new targets is a critical factor in expanding the instant noodles market. At NISSIN FOOD PRODUCTS, where we market instant noodles in Japan, we not only focus on the core target of men in their 20s to 40s, but also to three strategic targets: "the next core target—the youths," "women who still have low consumption rates," and "active seniors who are financially stable."

By capturing insights about different strategic target groups at an early stage, we are able to cultivate and expand the Japanese market, while at the same time maintaining the top position and category ownership.

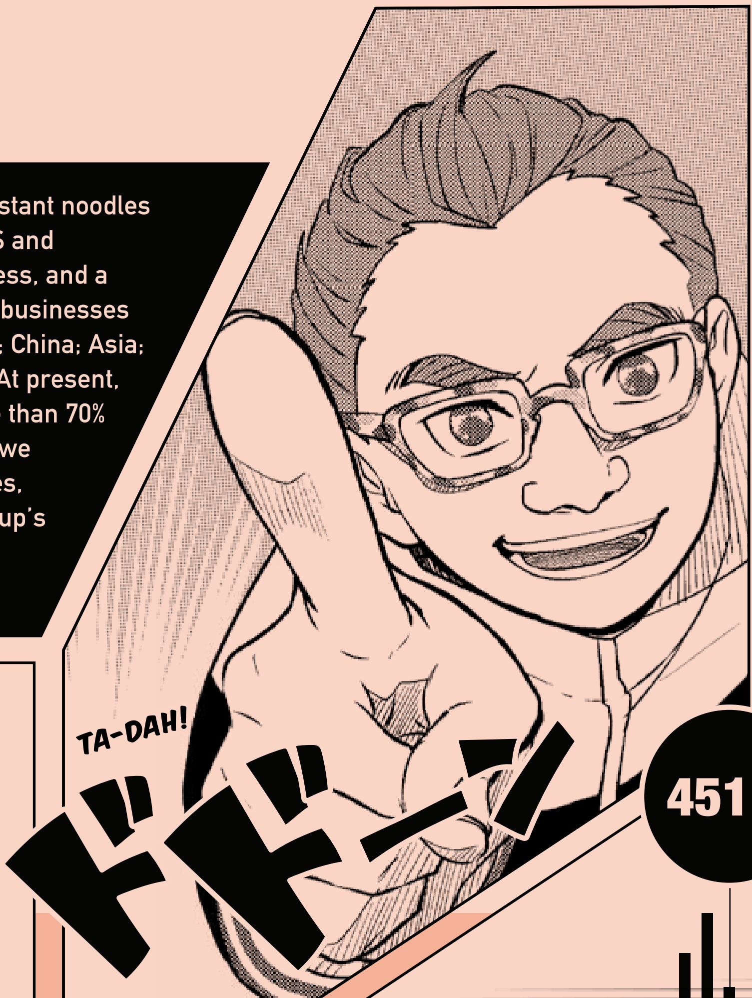
Maximizing Brand Value

We cannot deliver the right products to the right targets just by developing products that meet their needs. The NISSIN FOODS Group also focuses on delivering unique communication styles depending on the target group. For example, we utilize social media as the main platform when talking to younger generations. The aim of the communication, usually a commercial video on TV or online, would be to create unique content that would stand out, gain attention from the young generation, and inspire them to talk about it on their own social media accounts. Once the "buzz" is created, the brand will not only gain instant awareness, but the buzz will also lead to adding value to all our brands.

Another example of our communication activities is to work together with retail stores. By creating a designated product that has limited availability, we can not only promote differentiation at stores, but can also avoid price competition, due to the premium placed on the limited availability. Through unique approaches like these, we continue to build a loyal fan base, while reaching beyond it to capture new fans.

Unique communication styles that reach beyond our existing consumers

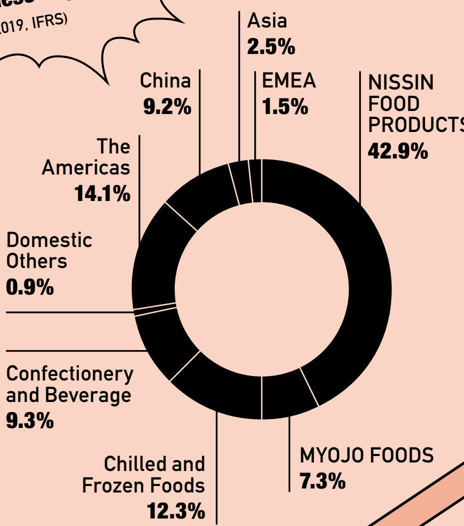
The Group's domestic business comprises an instant noodles business centered on NISSIN FOODS PRODUCTS and MYOJO FOODS, a chilled and frozen foods business, and a confectionery and beverage business. Overseas businesses are being developed in four areas: the Americas; China; Asia; and Europe, the Middle East and Africa (EMEA). At present, the domestic business, which accounts for more than 70% of revenue, is still our main strategic arena, but we continue to actively invest in overseas businesses, since they will serve as the mainstay for the Group's next period of growth.



Revenue Ratio

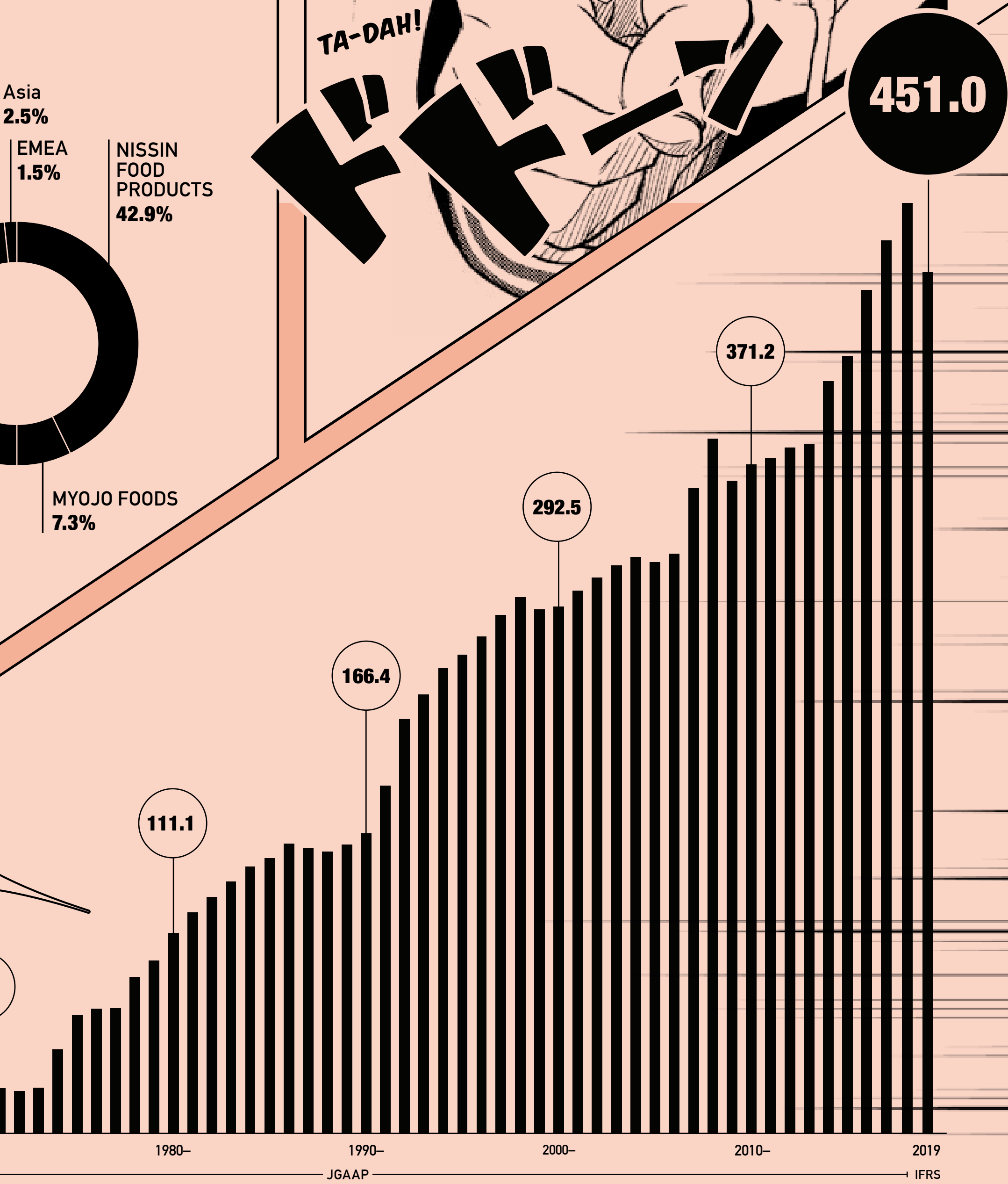
by business segment

(FY2019, IFRS)



Revenue/ Net Sales

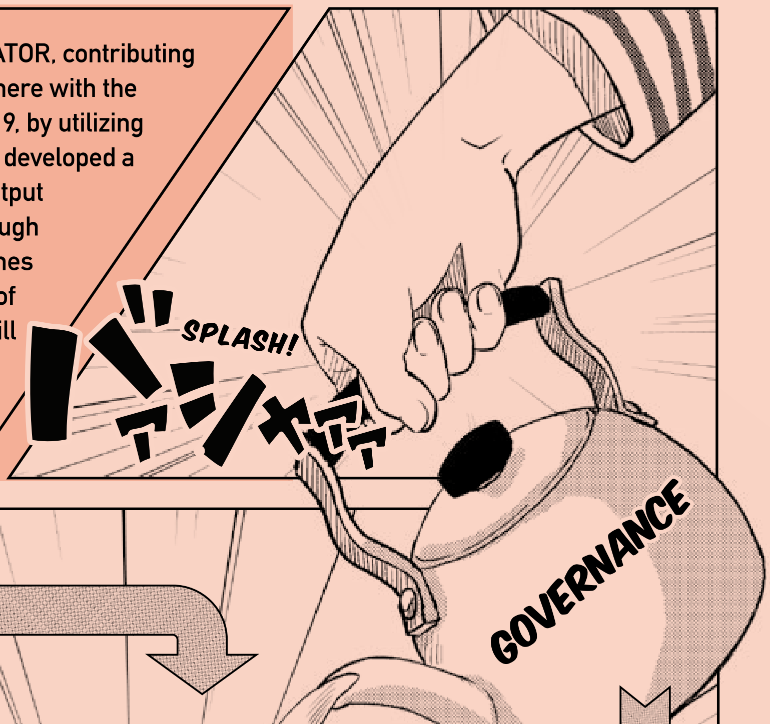
(Billions of yen)

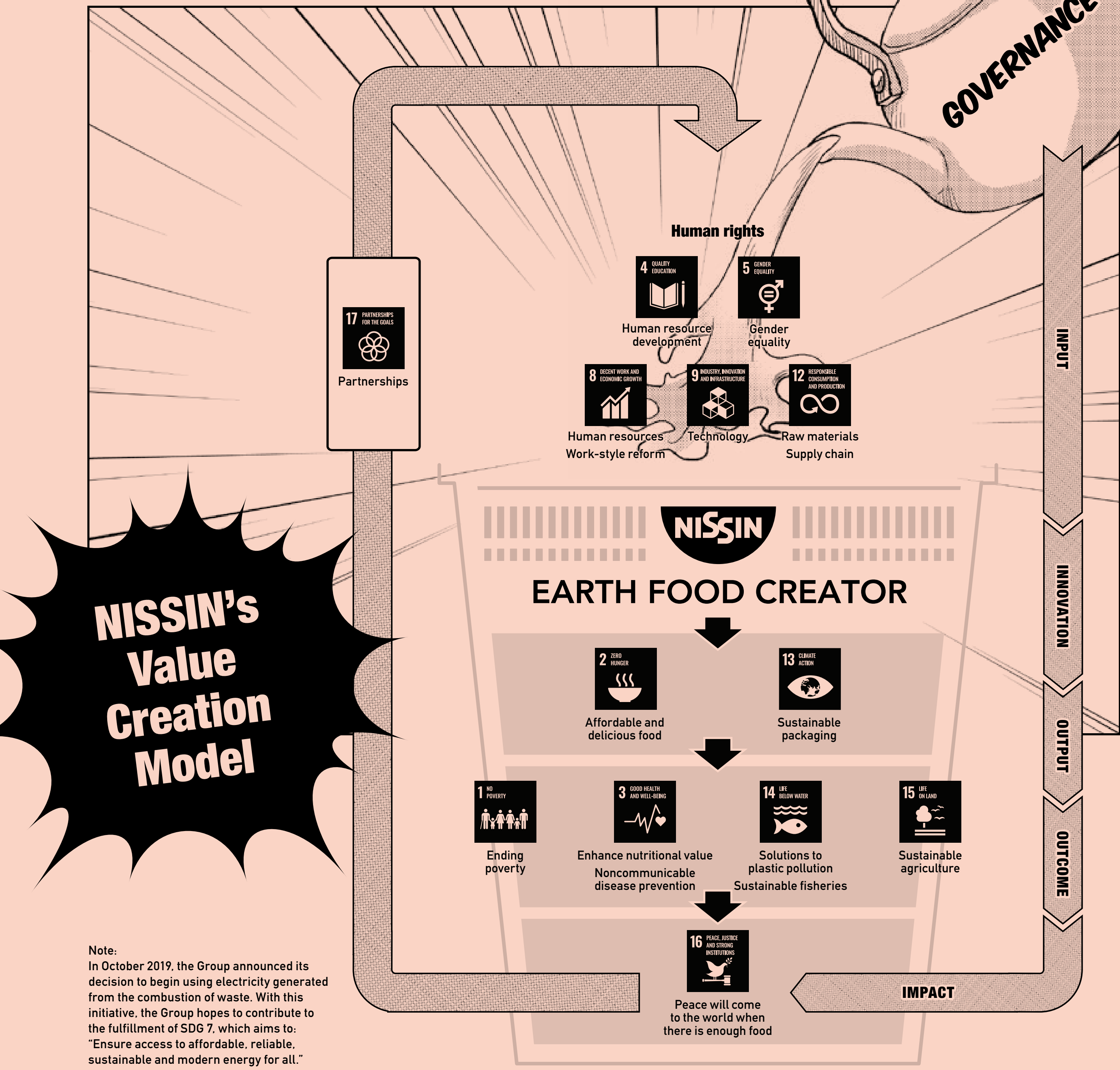


Note: Net sales figures since FY1978 are consolidated.

NISSIN's Value Creation

The Group philosophy is to be an EARTH FOOD CREATOR, contributing to society and the Earth by gratifying people everywhere with the pleasures and delights food can provide. In fiscal 2019, by utilizing the UN's Sustainable Development Goals (SDGs), we developed a representation of our value creation process. The Output (products + services) our business generates—through innovation and capital—also produces social Outcomes that extend beyond profit. We believe the realization of our philosophy and long-lasting Impact on society will come from the accumulation of various Outcomes. Through embodying the spirit of the founder, we will improve sustainable corporate value.





Note:
In October 2019, the Group announced its decision to begin using electricity generated from the combustion of waste. With this initiative, the Group hopes to contribute to the fulfillment of SDG 7, which aims to: "Ensure access to affordable, reliable, sustainable and modern energy for all."

Examples of Social Value Provided by NISSIN

The Group has created a range of social value through its businesses, with the focus being on its instant noodles business. By implementing and repeating our value creation process globally, we will remain a company that can contribute to solving social problems and creating happiness for a long time to come.

Social issues	• Problems of nutrition in developing countries • Child poverty • Rising health consciousness	• Importance of extending healthy life spans • Increasing incidences of noncommunicable diseases* • Malnutrition due to changes in eating habits	• Increasing need for complete nutrition • Marine plastic pollution • Waste problem	• Loss of ecosystems due to destruction of tropical rain forest • Child labor and violations of farm worker human rights	• Globalization of social issues, importance of collaboration due to increasing complexity
Initiative themes	**Poverty alleviation**	**Promotion of measures to combat noncommunicable diseases** **Enhancement of nutritional value**	**Climate change** **Marine plastic waste countermeasures**	**Promotion of sustainable agriculture**	**Partnerships**
Examples of activities	• Stable supply of low-cost, safe instant noodles that can be enjoyed with peace of mind • Donations to World Food Programme (WFP) • Food support given by World Instant Noodles Association (WINA) for disaster relief	• Launched *CUP NOODLE KOTTERII-NICE*, which features a richer soup but has only about half the calories when compared with ordinary *CUP NOODLE* • Launched MYOJO *Low-Sugar, Low-Carb Noodles* that reduce sugars by 50% by the mixing in of dietary fiber and are less than 200 kcal • Launch of *All-in PASTA* series, which not only enables the easy absorption of well-balanced nutrition but is also filling enough for a meal and has an authentic flavor • Launch of products with lactic acid bacteria, dietary supplements, and other products	• Participates as one of the organizational company members in the Japan Clean Ocean Material Alliance (CLOMA), which addresses marine plastic waste problems, and works on public-private partnerships • Expanding adoption of environmentally friendly packaging materials made from biomass resources (such as, paper, biomass plastic, and biodegradable plastics)	• Joined the Roundtable on Sustainable Palm Oil (RSPO) to promote the prevention of deforestation, the conservation of biodiversity, and the use of palm oil that has been produced and processed with consideration for human rights	• Endorsed the proposals from the Task Force on Climate-related Financial Disclosures (TCFD), and joined the TCFD Consortium (May 2019)
Relevant SDGs	1 NO POVERTY 2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 14 LIFE BELOW WATER	15 LIFE ON LAND	17 PARTNERSHIPS FOR THE GOALS

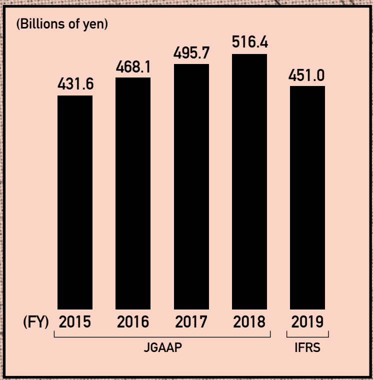
*Diseases that share common causes, such as unhealthy eating, lack of exercise, smoking, and excessive alcohol consumption, and that can often be prevented through lifestyle improvement

TA-DAH!

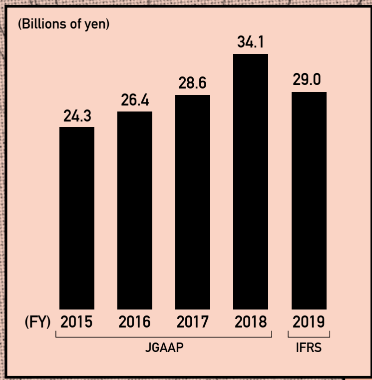
Financial & Non-Financial Highlights

Financial

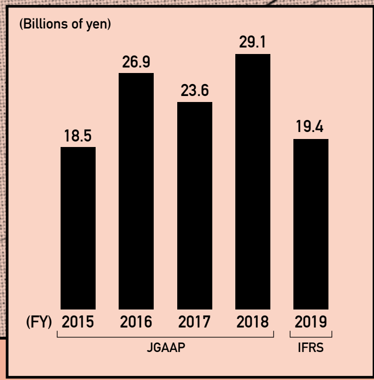
Revenue/ Net Sales



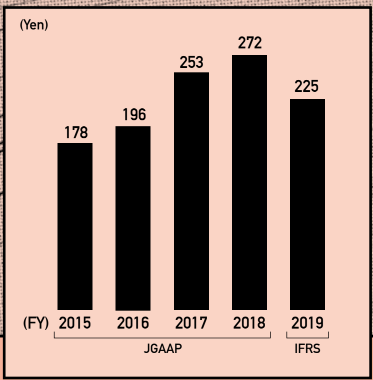
Operating Profit/ Operating Income



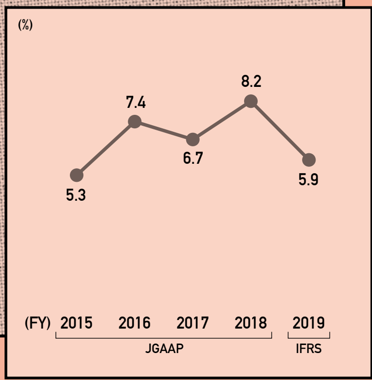
Profit Attributable to Owners of the Parent/Net Income Attributable to Owners of the Parent



Adjusted EPS*1

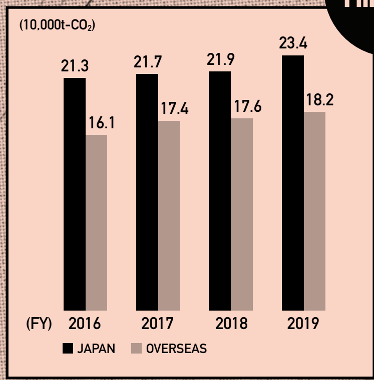


ROE

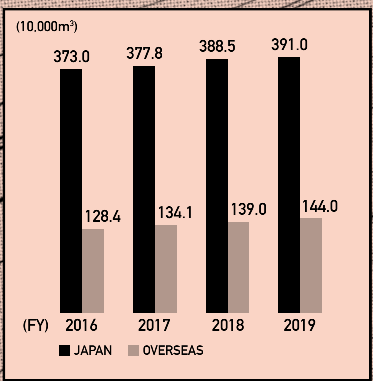


Non-Financial

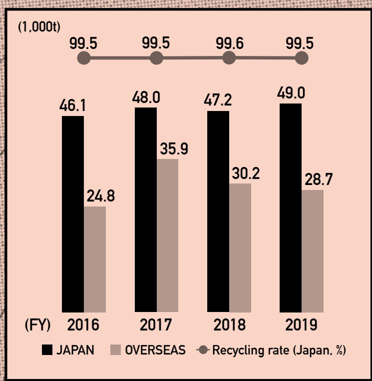
CO_2 Emissions*2



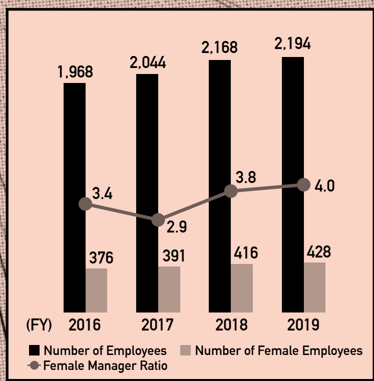
Water Use*2



Waste Emissions*2/ Recycling Rate*2



Number of Employees*3/ Number of Female Employees*3/ Female Manager Ratio*3



*1 Adjusted EPS (IFRS)= (Operating profit ± Other income, expenses – Income tax expense – Profit attributable to non-controlling interests) / Average number of shares outstanding (excluding treasury shares)
Adjusted EPS (JGAAP) = Adjusted operating income after tax + Equity earnings of affiliate companies + Amortization of goodwill (Including those contained in the equity method subsidiaries) – Net income attributable to non-controlling interests / Average number of shares outstanding (excluding treasury shares)

*2 Scope:
Business Locations in Japan
- NISSIN FOODS HOLDINGS CO., LTD. (Tokyo Head Office, Osaka Head Office, and "the WAVE" R&D center), and MYOJO FOODS CO., LTD. (Research Center). Only data on CO_2 emissions and the Energy Consumption for FY2019 is included for the above-mentioned business locations.
- Manufacturing plants in Japan

Business Locations Overseas
- Manufacturing plants Overseas
- None of the FY2017 and 2018 data includes data for NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.

*3
- Employees of those who are employed by NISSIN FOOD PRODUCTS (including employees on temporary assignment to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)
- Employees of NISSIN BUSINESS SUPPORT PLUS
- As of March 31


第3話 食ってかかれ！
Where We are Going
即席めんをぶっつぶせ！
Destroy Instant Noodles
原作 安藤宏基
作画 安藤徳隆
協力 横山之雄

代表取締役社長・CEO 安藤 宏基

In May 2016, NISSIN FOODS HOLDINGS launched its Medium-Term Business Plan 2021, the targets of which are an improvement in corporate value and the achievement of recognition as a global company.

Over the past three years, the social and economic environments surrounding the NISSIN FOODS Group have changed significantly.

The domestic business is generally progressing as planned, but overseas there was significant change, and we unexpectedly fell behind in particular due to changes in the U.S. business environment and soaring labor costs, logistics costs, and raw material prices. In Brazil, the first two years of the business plan were difficult due to the tough economic environment, but by the third year (the fiscal year ended March 31, 2019) we achieved the revival of our core product, bag-type noodles, while our strategic product, *CUP NOODLES*, recorded rapid growth. In Asia, specifically in locations such as Thailand, we responded well to the changes in consumption associated with economic development and sales infrastructure development. High value-added, bag-type noodles showed significant growth, and some markets in the region were able to contribute to overall profits.

After consideration of the current progress being made in each of our businesses and our future growth potential, we have revised the goals set for fiscal year 2021 under the Medium-Term Business Plan 2021.

At the same time, the decision was made to remove M&A from the budget. While included initially, it has been excluded due to the increasing uncertainty of contribution from M&A for the duration of the plan.

In view of the current situation, we decided to make downward revisions relating to revenue, each type of profit, adjusted EPS, and other targets. I believe, however, that these revised targets are certain to be met and as the leader of our Group, I will continue to strongly promote our growth, in a sustainable manner.

Also, with regard to market capitalization of ¥1 trillion, I think it may take a bit more time before we achieve that target due to the market and Group environments. To achieve recognition as a global company, however, we will continue to work to improve corporate value.

" In the past three years, our business environment has changed significantly "

Revised Medium-Term Business Plan KPIs

		Before review	After review
Earning power through operations	Revenue	¥550.0 billion	¥480.0 billion
	Operating profit	¥47.5 billion	¥42.5 billion
Capital market value	Profit*1	¥33.0 billion	¥30.0 billion
	ROE	8%	8%
	Adjusted EPS*2	¥330	¥284
	Market capitalization*3	¥1 trillion	Aim to achieve as a financial milestone

*1 "Profit attributable to owners of the parent" under IFRS
*2 (Operating profit ± Other income, expenses - Income tax expenses - Profit attributable to non-controlling interests) / Average number of shares outstanding during the fiscal year (excluding treasury shares)
*3 Market capitalization = Stock price x Number of shares outstanding at the end of the fiscal year (excluding treasury shares)

Our Mission is Creating Food to Serve Society

Our Group's founder, Momofuku Ando, witnessed how people struggled to obtain food during the chaotic postwar period. Inspired by two questions—"Is there anything I could do that would benefit people?" and "Is there a job that would make the world a better place?" —he developed the world's first instant noodles, *CHICKEN RAMEN*, in 1958.

For 61 years, we have continued to grow as a general food products group with business centered on instant noodles. I believe that what has enabled us to do this is inheriting our founder's spirit through enduring NISSIN values, and working to resolve social issues through the creation of food, as well as provide sustainable value to society.

We are currently working on a long-term growth strategy and Medium-Term Business Plan based on the concept of Creating Shared Value (CSV). Involving the resolution of social issues as well as the pursuit and realization of both economic and social value, the concept of CSV does not represent a new way of thinking but is rather something that we have been doing since our inception. In other words, the concept of "contributing to the world and its people by creating food, the basis of all life," is embedded in NISSIN's DNA.

In 2018, Japan experienced torrential rain and typhoons, and there were a number of hurricanes and earthquakes abroad. These events made me realize once more how invaluable instant noodles are in times of disaster and their usefulness as relief supplies. I think we should consider emergency support one of the social responsibilities that we should fulfill in the years ahead, and we will earnestly engage in support activities.

Recently, issues such as aging in developed countries and population growth have increased in prominence, global food trends have shifted to emphasize health, and increasing numbers of people are paying more attention to global warming and the environment in general. These kinds of emerging social issues play a part in the process of implementing CSV management, and I believe that our Group can use them as opportunities for growth.

Persisting in Our Aim to Realize a Sustainable World

Created 61 years ago, instant noodles have now become a global food, with 100 billion servings consumed worldwide each year. The reason why the small idea pursued by our founder has grown to become a product loved by people all over the world is that whether in times of disaster or normalcy, instant noodles were created to be a meal that warms people's bodies and souls, which is of the greatest lasting value.

When he was first developing instant noodles, our founder did so based on five principles stating that they must taste delicious; have a long shelf life; be quick and easy to prepare; be inexpensive; and be safe and sanitary. In 2018, however, at the annual summit of the World Instant Noodles Association (WINA), for which I serve as chairman, a new proposal to add "nutrition" and "environmental conservation" to those five principles was adopted.

To continuously support the growth of not only our Group but also the instant noodle industry, I will protect what must be protected, change what must be changed, and I consider it my mission to try to resolve a variety of environmental and social issues through the business.

With regard to our involvement in resolving environmental, social, and economic issues, we also carry out initiatives with external organizations. For example, we have signed the United Nations Global Compact, endorsed the goals of the Task Force on Climate-related Financial Disclosures (TCFD), and participate as a member in the Japan Clean Ocean Material Alliance (CLOMA). Our activities have been evaluated and we have been selected as a member of the Dow Jones Sustainability Indices (DJSI) Asia Pacific Index. In the years to come, I would like to continue disseminating information by various methods to gain further recognition.

日清 NISSIN 通信 TOPICS Vol.1

Introducing initiatives that share new value with society and support our sustainable growth

★日清が展開するブランド群が大暴れ！ お〜ハングリー!!

WE♥ 健康

Health Initiative

The NISSIN FOODS Group engages in research concerning food development and safety. In 2015, we established the Health Science Research Division within our Global Innovation Center. Here we analyze themes like health and nutrition, and food's physiological functions, and also conduct cutting-edge research to create delicious, original products.

the WAVE

FOOD WAVE!!

ドーン TA-DAH!

If incinerated, it will produce 16% less CO_2

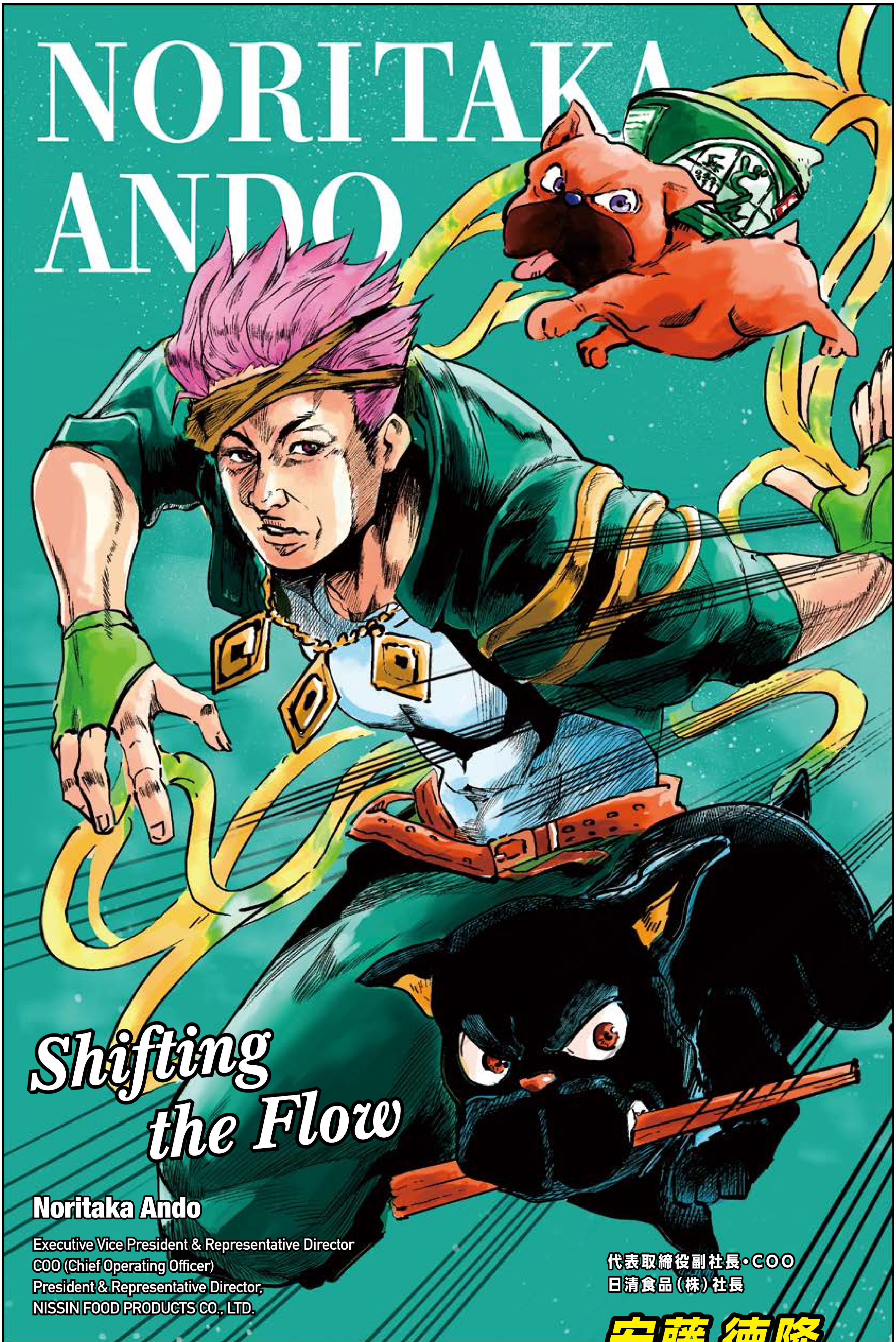
Environmental Initiative

For *CUP NOODLE*, which was created as the world's first cup-type instant noodles in 1971, we chose to use containers made of expanded polystyrene, which have excellent heat insulation and heat retention properties. In 2008, to reduce as much as possible the use of finite resources, such as petroleum, we switched to the "ECO Cup," which contains paper, a renewable resource. We are now switching to the eco-friendly "Biomass ECO Cup" container to strengthen our initiatives addressing the problem of CO_2 emissions. For the Biomass ECO Cup, we partially replaced the petroleum-derived plastic used in the containers with biomass plastic (for a biomass ratio of 80% or more), while maintaining the thermal insulation and odor retention properties of the conventional ECO Cup. Keeping pace with the changing times, *CUP NOODLE* will continue to evolve in ways that support the Earth and its future.

Only uses about half as much petroleum-derived plastic as the previous ECO Cup!

OH! BIOMASS!!

2019年から順次切替!!



NORITAKA ANDO

Shifting the Flow

Noritaka Ando
Executive Vice President & Representative Director
COO (Chief Operating Officer)
President & Representative Director,
NISSIN FOOD PRODUCTS CO., LTD.

代表取締役副社長・COO
日清食品(株)社長
安藤 徳隆

My Mission as COO

The NISSIN FOODS Group aspires to become a Century Brand Company—a company loved by its customers that continues to maintain its youthfulness and growth even after 100 years. To achieve this, we must create new food products that will change the lifestyles of people around the world, just like how our founder changed global food culture through the invention of *CHICKEN RAMEN* and *CUP NOODLE*.

As COO, my first and foremost priority is to realize change in business, through constant innovation. While pursuing the concept of "Beyond Instant Foods," it is important to create a foundation for taking on new challenges to maximize the capabilities of all our employees and strengthen the organization.

To realize new food creation and innovation, I believe it is imperative to reestablish business practices, systems, and organizations from scratch.

Industry 4.0, as represented by AI and IoT, has been pragmatized around the world, resulting in an unprecedented paradigm shift throughout society and industry. I have come to recognize that for a company to continue consistent growth in an era of major change, reformation should be focused especially on things that have remained unchanged for a long time.

Digital transformation, known as DX, is just a means to an end. I consider it my role to create a corporate culture where, with the value creation opportunities provided through DX, all Group employees take on challenges with a strong will to create the future with their own hands.

Digital Transformation is the How and Creating Consumer Value is the Why

There are two areas within DX we particularly focus on. The first is the utilization of DX, which involves the strategic and structural transformation of business and organizational activities, content, and processes. It is my understanding that the most important aspect of DX is that it is a consumer-based transformation, focusing on delivering value to them.

As an example, our Kansai Plant, which started operations in October 2018, is installed with leading-edge technology, realizing the highest levels of efficiency and automation through IoT. With the ability to produce the safest product with the highest productivity, we call it the "next-generation smart factory." It is one of the largest food factories in Japan, being able to produce up to 4 million units a day, or 1 billion units a year.

Through IoT and robotics, the Kansai Plant aims to fully automate inspections, verifications, and the transferring of raw materials and containers, etc. that had previously been conducted through human labor. The greatest advantage of automation is that it eliminates the possibility of human error within the production line, which results in the delivery of a safer, more reliable product to our customers. Since we already foresee a shortage of workers being an issue in the future, automation resulting in reduced labor also helps to ensure the stable supply of products. The Kansai Plant was designed to deliver the best products to our consumers and, as a result, lead to cost reductions.

In recent years, factors such as the significant increase in distribution volume driven by the e-commerce market, increased disruption due to natural disasters, and shortages of drivers have led to a burgeoning logistics crisis. The Group has launched a new project team and created a Group-wide system in order to organize future and present logistical issues, as well as to streamline our supply chain management.

Let's Make Work More Creative and Exciting

The second area on which we are focusing in DX is the use of IT to reform work styles. The aim is to use IT to reform operations, create systems that maximize employee motivation and performance, transform corporate culture, and build new organizational capabilities.

At NISSIN FOOD PRODUCTS, for example, the SCM Department and the Business Transformation Department, led by the Sales Strategy Department, are working on projects designed to improve sales productivity. The projects, involving the integration of information and systems for improved efficiency, will reduce routine tasks, replacing them digitally.

We have also started the testing of robotic process automation (RPA) in several departments, and have already completed the implementation in a variety of operations. I am already seeing that RPA not only reduces working time, but also leads to improvements in on-site skills and positive change in work mentality.

As a result of these kinds of DX initiatives, the Group has already achieved the Smart Work 2000* project, which we have been promoting since fiscal year 2017.

To utilize the talents of the employees educated from these initiatives, I am planning on reassigning them to new business development roles, strengthening the creative areas of our business that add new value. I also feel an immediate necessity to create a Group-wide flow of focusing on increasing productivity, adding more value to work.

Creative ideas stem from moments when people are heartily enjoying themselves. To achieve the maximum result with the least effort, my agenda is to redesign the future of work styles and organizational structures, while pursuing methods to shift work to a more creative and exciting level.

* A project that targeted reducing annual working hours per person to less than 2,000 hours in order to boost employees' work productivity and ability to achieve a healthy work-life balance


YUKIO YOKOYAMA
CFO
Facing Change
Yukio Yokoyama
Director
CFO (Chief Financial Officer)

取締役・CFO 横山 之雄

Achieving the Revised Medium-Term Business Plan

NISSIN FOODS HOLDINGS changed its accounting standard to the International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2019. The introduction of IFRS is expected to facilitate the comparison of our financial performance with those of global companies, and is considered to effectively aid in improving the soundness and transparency of management through the early detection of risks.

In the fiscal year ended March 31, 2019, the first year in which IFRS was introduced, we incurred impairment losses and, as a result, the entire Group was affected by a decline in profits. However, we believe that future risk has been eliminated early and that the soundness of management from a medium-term perspective has been secured.

As mentioned in the CEO's message, we have adjusted performance targets for the overseas business in response to changes in our business environment, revised certain 2021 key performance indicator (KPI) targets, and removed M&A from the budget due to its many uncertainties.

We have made adjustments to our performance targets, but ultimately we have not changed our management policy. Primarily, in order to make an early-stage return to overall profit, we will aim to expand profits in emerging markets in the fiscal year ending March 31, 2020, while in the U.S., we will strengthen profitability through price revisions and revise our product portfolio by adding more high value-added products in order to achieve the early-stage reorganization of the business.

Buffeted by soaring raw materials prices and the rising costs of manufacturing labor and physical distribution costs in Japan, we carried out our first price revisions in four years, effective from the shipments on June 1, 2019, in our instant noodles businesses (NISSIN FOOD PRODUCTS and MYOJO FOODS). We will not only absorb the cost increases by means of the price revisions, but we will also refine the development of safe, reliable products of high quality.

Summary of Fiscal Year Ended March 31, 2019

In the domestic business, which is our current profit base, sales increased at NISSIN FOOD PRODUCTS and MYOJO FOODS, which are at the core of our instant noodles business, as well as in the frozen foods business, and grew steadily.

In our overseas businesses, in which we are continuing to invest as a pillar of our future prosperity, stable growth continued in China, the world's largest consumer of instant noodles, and growth in Brazil and Mexico, and particularly in Thailand in the Asia region, was also remarkable. On the other hand, in the U.S., where business performance has been down throughout the year, the effects from the price revisions and the development of high-priced products began to filter down.

(Billions of yen)

	Fiscal year 2019		Fiscal year 2020
	Results	Comments	Plan
Revenue	451.0	Domestic and overseas businesses were steady.	465.0
Operating profit	29.0	Year-on-year profit decrease mainly due to impairment losses in the U.S. and Brazil.	37.0
Profit attributable to owners of the parent	19.4		26.0
ROE (%)	5.9	—	—
Adjusted EPS* (¥)	225	—	245

* (Operating profit ± Other income, expenses – Income tax expenses – Profit attributable to non-controlling interests / Average number of shares outstanding during the fiscal year (excluding treasury shares)

Capital Policies

Our basic policy is to aim for sustained enhancement of shareholder value and maintain the shareholders' equity necessary for reliably seizing expanding business opportunities. I will appropriately review the level of equity so that it is a level that balances with business risks.

Under our shareholder-oriented policy on shareholder returns, the Group is aiming for an average payout ratio of 40% or higher during the period of the Medium-Term Business Plan. Full-year cash dividends for fiscal year 2019 were ¥110 per share, an increase of ¥20 per share from the previous fiscal year, and we plan to pay full-year cash dividends of ¥110 per share for fiscal year 2020. We will continue to flexibly undertake share repurchases, taking into account the management and business environment.

Policy holdings will also be reduced from the perspective of, for example, improving capital efficiency, and we will continue to consider selling in view of the market and business environments.

Stakeholder Engagement

In order to expand our corporate value, we are further strengthening our engagement with each stakeholder, mainly through investor relations and shareholder relations activities. Specifically, we are holding presentations for analysts and institutional investors, presentations for individual investors, domestic and overseas investor roadshows, small meetings with members of the management, and other events. In addition, we also hold investor meetings that address ESG-focused non-financial information.

HUNGRY

Sharing the Taste of Adventure

What We Provide

ホール・ディーン　第11話 世界征服するぞの巻

Segment Overview

Summary of Selected Data (IFRS)

(Billions of yen)

	FY2018*1	FY2019	FY2019 vs FY2018	FY2020 Plan
Revenue	440.9	451.0	2.3%	465.0
Operating profit	35.2	29.0	-17.6%	37.0
Profit attributable to owners of the parent	29.1	19.4	-33.6%	26.0

Revenue by Segment (IFRS)

(Billions of yen)

	Main Business	FY2018*1	FY2019	FY2019 vs FY2018	FY2020 Plan
NISSIN FOOD PRODUCTS	Instant Noodles	191.0	193.3	+1.2%	200.0
MYOJO FOODS	Instant Noodles	31.2	32.9	+5.6%	34.0
NISSIN CHILLED FOODS	Chilled	54.3	55.4	+2.1%	57.0
NISSIN FROZEN FOODS	Frozen				
NISSIN CISCO*2	Confectionery	42.6	42.2	-1.0%	43.0
NISSIN YORK*2	Beverage				
BonChi*2	Confectionery				
Domestic Others*2 *3		4.1	4.2	+1.9%	3.8
Domestic Total		323.1	327.9	+1.5%	337.8
The Americas	Instant Noodles	62.5	63.4	+1.4%	64.0
China*4	Instant Noodles	40.1	41.4	+3.3%	44.5
Asia*2	Instant Noodles	9.2	11.4	+23.4%	11.7
EMEA*2	Instant Noodles	5.9	6.8	+15.0%	7.0
Overseas Total		117.8	123.0	+4.5%	127.2
Group Total		440.9	451.0	+2.3%	465.0

Operating Profit by Segment (IFRS)

(Billions of yen)

	Main Business	FY2018*1	FY2019	FY2019 vs FY2018	FY2020 Plan
NISSIN FOOD PRODUCTS	Instant Noodles	23.9	23.7	-0.8%	25.0
MYOJO FOODS	Instant Noodles	1.9	2.0	+6.0%	2.1
NISSIN CHILLED FOODS	Chilled	(0.4)	1.5	—	2.0
NISSIN FROZEN FOODS	Frozen				
NISSIN CISCO*2 *5	Confectionery	1.9	2.5	+27.1%	2.6
NISSIN YORK*2 *5	Beverage				
BonChi*2 *5	Confectionery				
Domestic Others*2 *3		1.5	6.5	+331.9%	0.7
Domestic Total		28.8	36.3	+25.7%	32.4
The Americas	Instant Noodles	2.4	(5.2)	—	2.7
China*4	Instant Noodles	4.1	3.8	-5.9%	3.8
Asia*2 *5	Instant Noodles	(0.4)	1.8	—	2.5
EMEA*2 *5	Instant Noodles	0.2	0.6	+290.8%	1.0
Overseas Total		6.3	1.1	-83.1%	10.0
Group Total		35.2	29.0	-17.6%	37.0
Elimination of intersegment transactions*6		4.7	(3.1)	—	(0.0)
Group expenses*6		(4.7)	(5.2)	—	(5.4)
Group Total		35.2	29.0	-17.6%	37.0

*1 The company has applied IFRS from the 1Q of FY2019. Results of FY2018 (IFRS) are updated from the previous disclosure.
*2 These are included in "Others" in the "Segment Information" on pages 55 to 58.
*3 "Domestic others" includes NISSIN FOODS HOLDINGS and NISSIN ASSET MANAGEMENT, etc.
*4 The business plan for China segment specifies targets set solely by NISSIN FOODS HOLDINGS.
*5 Gain and loss on investments accounted for using the equity method is included in IFRS.
*6 These are included in "Reconciliations" in Summary of Consolidated Financial Statements.

The source of the Group's competitiveness is its brand power. In addition to having each operating company strengthen its individual brands, we have implemented a global strategy overseas centered on *CUP NOODLES* and are working on further penetration of the Group's brand portfolio in various markets.

JAPAN

NISSIN FOOD PRODUCTS

NISSIN FOOD PRODUCTS has a brand portfolio that includes long-selling brands such as *CHICKEN RAMEN*, the world's first instant noodles, and *CUP NOODLE*, the world's first cup-type instant noodles, and it handles the manufacture and sales of instant noodles and other related businesses.

We are expanding the domestic market with proactive marketing for three strategic target user groups—young people, women, and seniors—and continuing to take on the challenges of becoming a Century Brand Company.

MYOJO FOODS

MYOJO FOODS has a brand portfolio that includes long-selling brands such as *CHARUMERA*, *CHUKAZANMAI*, and *IPPEICHAN YOMISE NO YAKISOBA*, and it handles the manufacture and sales of instant noodles and other products. In the years to come, we will work to develop high-value products and brands, provide brands that continue to be popular, and deliver newsworthy commercials and promotions to customers.

CHILLED & FROZEN FOODS

Led by NISSIN CHILLED FOODS and NISSIN FROZEN FOODS, this business handles the manufacture and sales of chilled and frozen foods while developing related businesses.

By utilizing its proprietary technical capabilities, NISSIN CHILLED FOODS is proposing instant, easy-to-prepare food products that had previously been difficult to realize in the chilled noodle category. NISSIN FROZEN FOODS will continue to increase sales and improve profitability by developing products that meet the growing need for individual meals and progressing with the strengthening of individual products.

CISCO / YORK / BONCHI

NISSIN CISCO and BonChi are developing the confectionery business, and NISSIN YORK is developing the beverage business. The confectionery business also handles cereal products, and the beverage business also manufactures yogurt drinks and lactic acid bacteria beverages.

NISSIN CISCO aims for growth based on both its core confectionery business and its cereal business that meets health needs, while NISSIN YORK will work to realize the growth potential of lactic acid bacteria.

OVERSEAS

THE AMERICAS

The NISSIN FOODS Group manufactures and sells instant noodles and other products and develops related businesses in the U.S., Mexico, and Brazil.

In the U.S., we are working to bring about change in the market and improve the profit structure by means of high value-added premium products.

In Brazil, where the company has a leading market share, we will aim to establish a market for cup-type noodles and improve profitability. In Mexico, we will progress with strengthening our brands.

ASIA

In Thailand, India, Singapore, Indonesia, Vietnam, and the Philippines, we manufacture and sell instant noodles along with other products and develop related businesses. While striving to expand and vitalize the cup-type instant noodle market centering on high value-added products such as *CUP NOODLES*, we will strengthen sales of the bag-type noodles sold in each region by providing high value-added products while working to expand the presence of the NISSIN brand.

CHINA

In Mainland China, we primarily manufacture and sell instant noodles. In Hong Kong, our main business is the manufacturing and sale of instant noodles, but we also manufacture and sell frozen foods, potato chips, and granola, while handling the sale of vegetable beverage products and developing a distribution business. Nissin Foods Company Limited (Hong Kong) is in charge of the greater China business, including Mainland China and Hong Kong, and was listed on the Main Board of the Stock Exchange of Hong Kong in December 2017. It is trying to capture the business opportunities offered by Hong Kong business diversification, while expanding its presence in the market for premium instant noodles in Mainland China, and also working to increase revenue and strengthen the profit base.

EMEA

We manufacture and sell instant noodles and other products while developing related businesses throughout the EMEA region—primarily in Germany, the UK, and France—as well as in Russia. In the key German, UK, and French markets, we will enhance marketing under the "Authentic Asia" concept and establish ourselves as No. 1 in the Asian noodle and soup category.

日清 NISSIN 通信 TOPICS Vol.2

Introducing initiatives that share new value with society and support our sustainable growth

BI 美 KEN 健 KEN 賢 SHOKU 食

VERY NICE!!

Health & Nutrition Strategy

One of the principles that expresses the spirit of the NISSIN FOODS Group's founder, "Eat wisely for beauty and health," also encapsulates the concept that "A beautiful, healthy body is the product of a sensible diet." We have been providing products for some time that contribute to consumer health, such as cereals and lactic acid bacteria beverages. In recent years, we have been rolling out a range of products in the Japanese instant noodles business in response to consumers' growing health consciousness with regard to food. Recently, we have also entered the market for complete nutrient food, which is becoming a new trend. Amid a shift in consumer focus to health and natural products, the Group's distinctive innovation will help realize truly unique products to enable consumers to "Eat wisely for beauty and health."

Healthy, Easy-to-Eat *CUP NOODLE* Products

Demographic changes, such as a declining and aging population, are gaining pace in Japan. In 2009, NISSIN FOOD PRODUCTS marketed directly to health-conscious people by launching its *CUP NOODLE Light* series of low-calorie but delicious noodles. To respond to increased health consciousness among men, in 2017 we launched *CUP NOODLE NICE*, which has reduced levels of fat and sugar and contains fewer calories even though the product has a richer taste than regular *CUP NOODLE*. Product series such as these, which are aimed at health-conscious consumers, continue to add new flavors and items and have become a driving force behind the *CUP NOODLE* brand. In the U.S., we launched new *CUP NOODLES* in 2017, which are appealing because of the product's lower salt, no added MSG, and no artificial flavors.

To create new value while maintaining the reasonable price and simplicity of instant noodles, we will continue to promote health-conscious, cup-type noodles by leveraging *CUP NOODLE*, our core brand.

PERFECT FOOD!!

All-in PASTA Combines Nutrition and Deliciousness

Today, even though many people's calorie intake is sufficient, nutritional deficiencies of vitamins and minerals are becoming serious. Attracting attention as a new trend in health consciousness, particularly among the comparatively younger generation, is the market for complete nutrient food, from which all the nutrients necessary for one day are obtained. In 2019, NISSIN FOOD PRODUCTS released *All-in PASTA* via its online store. This product makes it easy to take in one-third of all the nutrients necessary for one day in a delicious way. With *All-in PASTA*, the company was successful in incorporating the necessary vitamins and minerals into the center of each pasta noodle. *All-in PASTA* is a product that could only be realized because of the original noodle-making technology we have cultivated in the instant noodles business, which will be a major barrier to entry for competitors. The market for complete nutrient food remains small, but we will continue to work to drive market expansion.


TREEDOM
— 新たなる芽 —
What We Value
咲野未来
CUP NOODLE
第100話
Nourishing Society's Peace of Mind

Food Safety and Food Security

The NISSIN FOODS Group has built up its own unique quality assurance system to solve any quality-related problems in a sincere and prompt manner, based on a past record of having developed products and services with the highest priority on people's health and safety. We have introduced pharmaceutical-level analysis equipment for product quality management by utilizing previous experience involving pharmaceutical companies.

In the NISSIN Global Food Safety Institute, we analyze raw materials to check for harmful substances (such as residual agricultural chemicals, veterinary drugs, and carcinogenic substances), and for those without analysis methods we have developed our own methods* and equipment. At each of our plants, in addition to daily quality controls, we are making continuous improvements to regular internal audits based on our own food safety audit standards and the issues detected in those audits. Furthermore, the plants of all Group companies overseas are building quality control systems that are equivalent to those in Japan, and the Institute also analyzes and inspects all raw materials and products in a dual management system. At NISSIN FOOD PRODUCTS' Kansai Plant, which commenced operations in 2018, we have put in place 700 quality control cameras inside the plant and built a world-class quality control system that features centralized management by means of the NISSIN Automated Surveillance Administration (NASA) Room.

In 2017, we established the NISSIN Group Policy on Sustainable Procurement to highlight how we are addressing our concerns in this important area. In line with this policy, we also ask our suppliers to promote food safety initiatives.

* Main NISSIN-developed analysis and inspection technologies

NASRAC (Nissin's Analytical Systems for Residual Agricultural Chemicals)	Analysis of 545 types of residual agricultural chemicals
NASVED (Nissin's Analytical Systems for Veterinary Drugs)	Analysis of 200 types of veterinary drugs
NESMAGET (Nissin's Evaluation Systems for Mammalian Genotoxicity)	Testing method that uses human cells to evaluate carcinogenic DNA damage

Quality Control System

Resourcing Division
Confirmation of quality control status and improvement guidance

Raw material suppliers
Fishing grounds, farms, breeders, feed plants

Raw and packaging materials processing plants
Inspection for residual agricultural chemicals, veterinary pharmaceuticals, and microorganisms in raw and packaging materials, confirmation of manufacturing processes

Group production plants
Confirmation and correction of plant quality control systems and inspection capabilities

Products

Supervises Japan and overseas markets except China

NISSIN Global Food Safety Institute

Quality assurance Centralized control, dual management, internal and external accuracy control, harmful substance analysis
Quality surveys Quality audit checks of materials, packaging materials and noodle plants, NISSIN's Inspection Standards for Food Safety (NISFOS) inspections, inspections of overseas materials plants
R&D Development of new analysis methods, improvement of existing analysis methods

Supervises China

FOOD SAFETY EVALUATION & RESEARCH INSTITUTE CO., LTD. (Shanghai)

Quality assurance Harmful substance analysis, centralized control, internal and external accuracy control
Quality survey NISFOS inspections of noodle plants and raw materials processing plants

Environmental Conservation

In order to create a sustainable society, it is necessary to address the conservation of the global environment in corporate management and activities. On that basis, the Group is working to reduce its environmental impact with a focus on its plants, logistics, and products.

In recent years, there has been an increased incidence of abnormal weather and natural disasters, and we are working on countermeasures to climate change. In addition, amid the growing problem of water source depletion around the world, we are striving to reduce water usage and to reuse water at our production plants.

Food residues, which make up the bulk of waste from our plants, are reused as fertilizers. NISSIN FOOD PRODUCTS and MYOJO FOODS also share raw material inventory management information and are striving to reduce food waste by working to transfer raw materials between the companies as needed.

Coordinated by the Environmental Council, which is chaired by NISSIN FOODS HOLDINGS' executive vice president, representative director and COO, we are working to confirm the status of activities related to environmental targets and deliberate on important matters, including the formulation of Group environmental policies.

Medium-Term Environmental Targets for Fiscal 2021

Energy conservation and global warming mitigation measures

- Greenhouse gas (CO_2) emissions from business operations

30% reduction*1

Result for fiscal 2019 **26.3%**

Resource conservation and recycling measures

- Recycling rate

Maintain at **99.5%** or higher

Result for fiscal 2019 **99.5%**

Strengthening of the environmental management structures

- ISO 14001 certification rate at Group plants

100%*2

Result for fiscal 2019 **71.8%**

- Upgrading of environmental resource manager qualifications (Eco Test pass rate)

100%*3

Result for fiscal 2019 **62.5%**

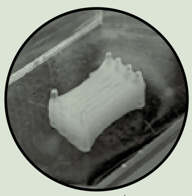
*1 Reduction target per unit of output at domestic business sites subject to reporting (compared to fiscal 2006)
*2 Certification rate at manufacturing plants in Japan and overseas subject to inspection (at the time of target setting)
*3 Including alternative qualifications, such as Environmental Planner certification

TOPICS!!

NISSIN's Unique Approach to Global Warming Countermeasures

It is said that the livestock industry is the source of about 15% of the world's greenhouse gases, which places an enormous burden on the environment. For this reason, the Group is working on the development of alternative products. In addition to soy beef and soy pork that use soy protein as the main raw material, in 2018 we promoted the use of soy meat in items such as ground "duck-meat" meatballs. In March 2019, together with a research group* under Prof. Shoji Takeuchi of the Institute of Industrial Science at the University of Tokyo, we also succeeded in being the first in the world to produce muscle tissue in a diced steak form (1.0 cm × 0.8 cm × 0.7 cm) using muscle cells from cows.

This is called "cultured meat," referring to meat obtained not from an individual animal, but by culturing tissues from animal cells. By developing this technology, it is thought that it will be possible to produce even larger muscle tissue in the years to come, and thus we have taken the first step toward the commercialization of cultured steak meat that has the texture of real meat.



World's first diced steak form muscle tissue

* The group (led by Shoji Takeuchi) researching the creation of next-generation meat production technology by 3D tissue engineering was selected for Future Society Creation Business (Accelerated Search Model) under the JST-Mirai Program of the Japan Science and Technology Agency (JST)

Employees

The Group is working to create comfortable working environments, encourage diversity, expand employee education, and promote employee health so that all employees can fully demonstrate their skills and knowledge.

Promotion of Health and Productivity Management

One of the principles that expresses the spirit of our founder is “Eat wisely for beauty and health” (as a beautiful, healthy body is the product of a sensible diet). On that basis, one of the Group's most important management issues is to ensure that, in its business operations, all employees maintain and promote their physical and mental health and demonstrate their capabilities to the maximum extent possible.

In August 2018, the NISSIN FOODS Group's Declaration of Health and Productivity Management was instituted, and the Group implemented health guidance and held educational seminars.

Following an evaluation of these efforts, the Group was certified in the large enterprise category as a White 500 company under the 2019 Certified Health and Productivity Management Outstanding Organizations Recognition Program.*

*A program implemented by the Ministry of Economy, Trade and Industry that recognizes large enterprises, as well as small- and medium-sized enterprises, which practice outstanding health management

NISSIN FOODS Group

Declaration of Health and Productivity Management

美健賢食 “Bi-Ken Ken-Shoku”
“Eat wisely for beauty and health”
As the originator of the instant noodles industry, it is our important mission to contribute to the health and wellness of our customers through our foods. To achieve this, our employees must be healthy. As NISSIN FOODS Group, we will position our employees' health promotion and maintenance as a key corporate challenge, creating an ideal work environment to promote, encourage, and support their health activities.

Koki Ando

President & Representative Director, CEO
NISSIN FOODS HOLDINGS CO., LTD.

Promoting Diversity

The Group has established a Diversity Committee, consisting of staff members from the HR division and voluntary members, to promote the diversification of human resources.

We have made promoting more active roles for women a high priority in encouraging diversity and are preparing supportive employment systems as well as working to raise employee awareness within the Group. In February 2019, NISSIN FOODS HOLDINGS received Platinum Kurumin certification from the Ministry of Health, Labour and Welfare in recognition of its support for employee childcare. In March 2019, NISSIN FOODS HOLDINGS was also selected by the Ministry of Economy, Trade and Industry as a Semi-Nadeshiko Brand as an outstanding enterprise in encouraging women's success in the workplace.

Targets for Promoting More Active Roles for Women

Female hiring ratio of
25% or higher
of new university graduates
(for career-track positions)
Result for fiscal 2019 **23%**

Female manager ratio of
8% or higher
As of September 2019 **4.2%**

Note: The data above pertains to those who are employed by NISSIN FOOD PRODUCTS (including employees on temporary assignment to NISSIN FOODS HOLDINGS, NISSIN CHILLED FOODS, NISSIN FROZEN FOODS, etc.)

Development and Strengthening Human Resources for Global Management

One of the strategies adopted in our Medium-Term Business Plan, under which we are aiming to achieve recognition as a global company, is to develop and strengthen the management of human resources that will support global growth. The human resource development measures that we are implementing within the Group include our in-house university, the Global SAMURAI Academy, which trains the employees who will play a central role in management, and Overseas Challenge Posts, which allow selected young employees to be dispatched to overseas offices at an earlier stage in their career. We will also increase the number of management personnel and accelerate global management by appointing management personnel with local knowledge from outside the Group.

Contribution to Local Communities and Society: The *Hyakufukushi* Project

In the spirit of founder Momofuku Ando, who was filled with enthusiasm for socially beneficial activities, the Group has been implementing the *Hyakufukushi* Project since its 50th anniversary in 2008. The project entails CSR activities that implement 100 social contribution activities in the 50 years up to 2058. The five themes being tackled are Creation, Food, Earth, Health, and Children. As of August 2019, the Group has implemented a total of 25 projects.

ACTIONS!!

NISSIN FOODS Group Main Sustainability Initiatives

Food Security and Safety

- Indication of allergens contained in product raw materials
- Adoption of Universal Design (UD) for product packaging (lists of raw materials, preparation methods)
- Collection and analysis of customer opinions and comments centralized at the Customer Communication Center (CCC)

Environmental Conservation

- Identification of greenhouse gas emissions throughout supply chain (Scope 3 calculation)
- Endorsement of proposals from Task Force on Climate-related Financial Information Disclosures (TCFD) and participation in TCFD consortium
- Identification and response to water risks by utilizing Global Water Tool™ from World Business Council for Sustainable Development (WBCSD)
- Participation in Japan Clean Ocean Material Alliance (CLOMA), which aims to resolve the problem of marine plastic waste
- Membership in Roundtable on Sustainable Palm Oil (RSPO) and use of RSPO-certified palm oil
- Implementation of environmental education for employees

Employees

- Expansion and upgrade of training/programs designed to encourage women's skills development
- Establishment of a supportive environment for balancing work with family care and childcare
- Work support for employees with disabilities
- Operation of training sessions aimed at raising awareness of LGBT issues

Contribution to Local Communities and Society

- Food support in times of natural disasters through World Instant Noodles Association (WINA)
- Support for school meals in developing countries through the UN World Food Programme (WFP) Red Cup campaign
- Support for sports through the Ando Foundation


第二十四話 8人の取締役
NISSIN
NISSIN
Soba
U.F.O
麺下統一
サムライヌードルズ
日清太郎

Board of Directors

As of June 26, 2019

Koki Ando

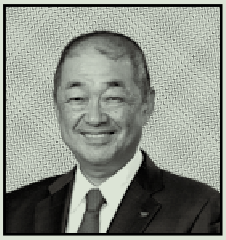
President & Representative Director

CEO (Chief Executive Officer)

Noritaka Ando

Executive Vice President & Representative Director

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



Yukio Yokoyama

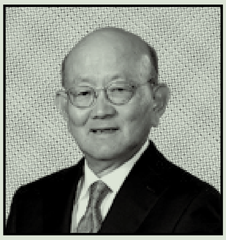
Director

CFO (Chief Financial Officer)

Ken Kobayashi *1

Outside Director

Chairman of the Board, Mitsubishi Corporation



Masahiro Okafuji *1

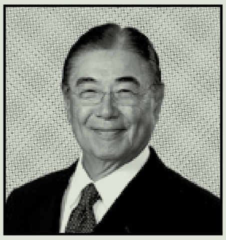
Outside Director

Chairman & Chief Executive Officer, ITOCHU Corporation

Isao Karube *1 *3

Outside Director

President, Tokyo University of Technology
(Independent)



Masato Mizuno *1 *3

Outside Director

Chairman, Mizuno Corporation
(Independent)

Yukiko Nakagawa *1 *3

Outside Director

Professor of Graduate School of Business Administration of Rikkyo University
(Independent)

Audit & Supervisory Board Members, Executive Officers, and Chief Officers

As of June 26, 2019

Audit & Supervisory Board Members

Masahiko Sawai
Audit & Supervisory Board Member
(Full-time)

Chisugi Mukai *2 *3
Audit & Supervisory Board Member
(Outside/Independent)

Naohiro Kamei *2 *3
Audit & Supervisory Board Member
(Outside/Full-time/Independent)

Managing Executive Officers

Mitsuru Tanaka
CDO (Chief Development Officer),
Head of NISSIN Global Innovation Center,
Head of NISSIN Global Food Safety Institute

Yoshinori Miura
President & Representative Director,
MYOJO FOODS CO., LTD.

Shinji Honda
CSO (Chief Strategy Officer)

Managing Officer (Non-Executive)

Kiyotaka Ando *4
Chief Representative, East Asia

Executive Officers and Chief Officers

Toshihiko Ijichi
President & Representative Director,
NISSIN CHILLED FOODS CO., LTD.

Akira Iwai
CPO (Chief Production Officer),
In charge of Instant Noodles Business

Sumihito Endo
President & Representative Director,
BonChi Co., Ltd.

Shigeo Kitara
CIO (Chief Information Officer)

Akira Sato
President & Representative Director,
KOIKE-YA Inc.

Akihiro Toyotome
President & Representative Director,
NISSIN CISCO CO., LTD.

Toshio Nakai
CRO (Chief Resourcing Officer)

Katsuyoshi Fukazawa
CMO (Chief Marketing Officer)

Masahiro Homma
CLO (Chief Legal Officer)

Kenji Maeda
President & Representative Director,
NISSIN YORK CO., LTD.

Yasuhiro Yamada
CPO (Chief Production Officer),
In charge of Chilled and Frozen Foods,
Confectionery and Beverages Businesses

Hiroyuki Yoshida
President & Representative Director,
NISSIN FROZEN FOODS CO., LTD.

Katsuhiko Kiyofuji
CAO (Chief Administrative Officer)

*1 Indicates an outside director as provided for in Article 2-15 of the Companies Act.
*2 Indicates an outside corporate auditor as provided for in Article 2-16 of the Companies Act.
*3 Designated for independent director as specified by the Tokyo Stock Exchange and other exchanges in Japan.
*4 As of October 11, 2019

The latest information about management personnel is available on our website:
https://www.nissin.com/en_jp/about/executives/

While providing safe and worry-free foods, and promoting businesses to maximize benefits to all stakeholders including shareholders, consumers, employees, business partners, local communities, and local residents, NISSIN FOODS HOLDINGS recognizes enhanced and strengthened corporate governance as one of the top priorities for management and strives for highly objective and transparent management.

The Company has adopted the structure of a company with an Audit & Supervisory Board and elects outside directors and outside Audit & Supervisory Board members who monitor and supervise execution of the Company's business operation from an independent and fair standpoint and has introduced an executive officers system to build a mechanism allowing prompt execution of business operations.

Outside directors/ directors
(As of June 26, 2019)

5/8

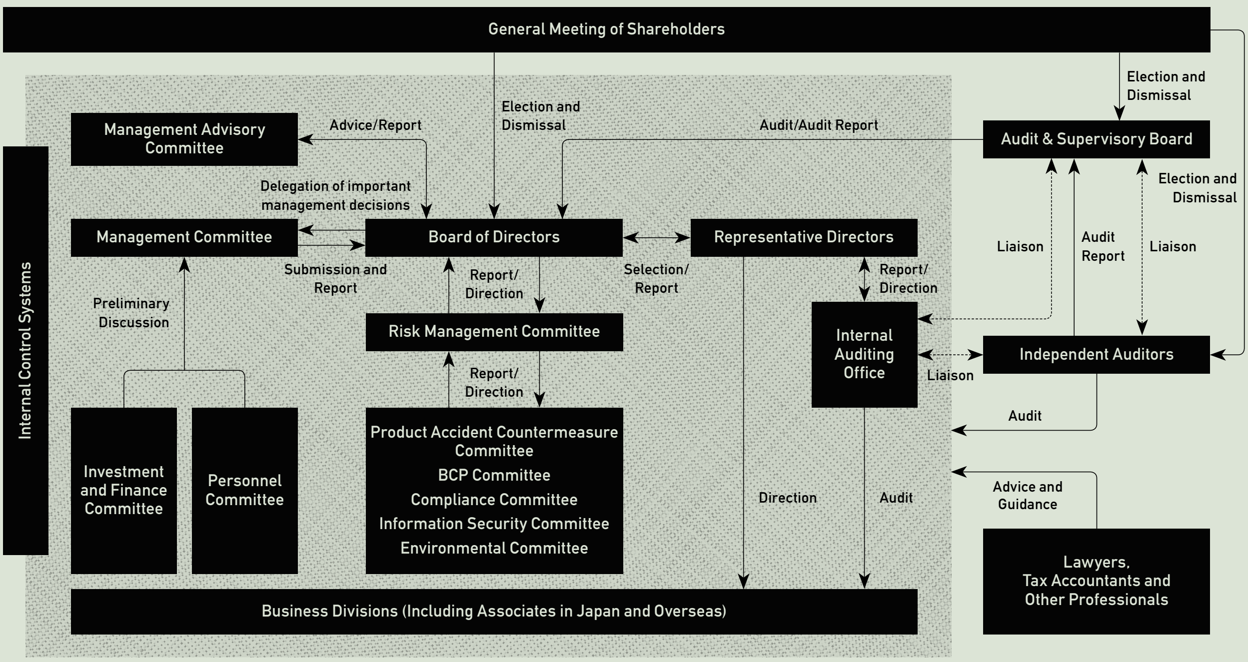
Three outside directors are independent directors

Outside Audit & Supervisory Board members/ Audit & Supervisory Board members
(As of June 26, 2019)

2/3

All outside Audit & Supervisory Board members are independent

Corporate Governance Structure



Meetings of the Board of Directors

The Company shall hold regular meetings of the Board of Directors on a regular basis and extraordinary meetings of the Board of Directors when necessary. The meetings shall consist of directors and Audit & Supervisory Board members who shall discuss and decide on important matters pursuant to laws and regulations, Articles of Incorporation, and Board of Directors Regulations. Furthermore, the members of the meetings shall receive reports regarding the execution of duties by directors, and conduct supervision and the like. In addition, from the perspective of stronger governance, the Company is striving to further strengthen its management supervisory functions by making the majority of the directors into outside directors.

Composition of the Board of Directors and Criteria for Selection and Dismissal of Candidates for Directors

In order to develop the Group's operations in Japan and overseas under its philosophy, "EARTH FOOD CREATOR," the Group selects candidates who possess extensive experience, deep insight, and advanced specialization, while taking into account the balance of knowledge, experience, and capabilities; diversity in fields of specialization and in gender; and appropriateness of scale of the Board of Directors as a whole.

Candidates for internal directors are selected from among those people who are involved in Group management, such as executive officers, chief officers, presidents of operating companies, and chief representatives in each area, in addition to the President & Representative Director, CEO, and Executive Vice President & Representative Director, COO.

Candidates for outside directors are selected from those who, as well as satisfying the standards of the Companies Act, are management executives, academic experts, and the like, and based on their deep insight and advanced specialization with extensive experience in domestic and overseas economics, finance, industry trends, corporate strategy, marketing, advanced research, etc. are capable of not only checking the legality of management and the appropriateness of decision-making in the execution of duties at the Board of Directors meetings from an objective standpoint, but also, the Group expects, providing advice leading to business activities that will enhance corporate value in the Board of Directors meeting, etc.

As for the procedures for the above, candidates are decided by the Board of Directors after their appropriateness is deliberated and verified by the Management Advisory Committee.

Analysis and Evaluation of Effectiveness of the Board of Directors

The Company obtains self-evaluations from each director and Audit & Supervisory Board member by way of questionnaires concerning effectiveness of the Board of Directors. The summary of the analysis and evaluation results of the questionnaire conducted for the fiscal year ended March 31, 2019 is as follows:

(1) Assessment process
The assessment was performed by going through the following process:

(i) The questionnaire was conducted for directors and Audit & Supervisory Board members on an anonymous basis.
(ii) The answers from the questionnaire were aggregated and analyzed.
(iii) The Management Advisory Committee assessed effectiveness of the Board of Directors based on the analysis results, deliberated any issues, and reported the results to the Board of Directors.
(iv) The Board of Directors shared the assessment results and confirmed any issues to be addressed for the coming fiscal year.

(2) Structure of the questions

(i) Role of the Board of Directors
(ii) Composition of the Board of Directors and the systems for nomination and remuneration of the members of the management team
(iii) Systems to support the Board of Directors
(iv) Management of the Board of Directors
(v) Management Advisory Committee

(3) Overview of the questionnaire results
The Company confirmed that both the supervisory functions and the decision-making functions expected of the Board of Directors were properly working and the effectiveness was being ensured. Meanwhile, suggestions were made that efforts were necessary to make the discussions more substantial, in order to make the Board of Directors meetings more open, as well as open-minded and welcoming of constructive arguments and exchange of opinions.

Additionally, it was confirmed that improvements had been made to the following matters identified as issues as a result of the self-evaluations conducted in the fiscal year ended March 31, 2018.

(i) Providing opportunities of appropriate training for directors and Audit & Supervisory Board members
(ii) Strengthening of the whistleblowing system

We are committed to mounting efforts to increase effectiveness of the Board of Directors by making improvements on a continuous basis.

Reasons for Selection and Primary Activities of the Outside Directors and Outside Audit & Supervisory Board Members (As of June 26, 2019)

The Board of Directors is structured so that the majority of its members are outside directors. Another aspect of this specific structure is that three of these outside directors are independent directors, and the other two are members of top management at major Japanese companies. The reasons for selection and primary activities of these outside directors are as follows.

	Reasons for appointment
Outside director **Ken Kobayashi**	Since joining Mitsubishi Corporation, Mr. Ken Kobayashi has served in various positions including General Manager of Singapore Branch, Division COO of Plant Project Division, Division COO of Ship, Aerospace & Transportation Systems Division, Group CEO of Industrial Finance, Logistics & Development Group, and assumed the post of President and CEO from June 2010 to March 2016, and the current post of Chairman of the Board since April 2016, chairing the Board of Directors. He has superior knowledge acquired through his extensive business experience at Mitsubishi Corporation and extensive experience as a management executive of a general trading company. When making management decisions, he forms opinions and makes judgments from an objective standpoint, and has provided oversight and supervision of the execution of directors' duties. Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as an outside director.
Outside director **Masahiro Okafuji**	Since joining ITOCHU Corporation, Mr. Masahiro Okafuji has served primarily in the textile business, assuming posts of President of Textile Company, President of ITOCHU Corporation from April 2010 to March 2018, and the current post of Chairman & Chief Executive Officer in April 2018. He has superior knowledge acquired through his abundant business experience at ITOCHU Corporation and extensive experience as a management executive of a general trading company. When making management decisions, he states opinions and makes judgments from an objective standpoint, and has provided oversight and supervision of the execution of directors' duties. Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as an outside director.
Outside director **Isao Karube**	Dr. Isao Karube possesses international experience, developed through experience and knowledge of advanced research such as holding teaching positions at the University of Tokyo and experience of working in cooperation with multiple overseas research institutions, and he is regarded for bringing the outside views of an expert to the management of the Company. Although he has no experience of direct involvement in corporate management, he has displayed his ability as President of Tokyo University of Technology. Therefore, the Company has determined that he will carry out his role in an appropriate manner to provide oversight and supervision of the execution of directors' duties. In addition, he has attended and assertively stated his opinions at the meetings of the Management Advisory Committee, an advisory body to the Board of Directors of the Company, as Deputy Chairperson. Accordingly, the Company has determined that his high level of expertise, and knowledge, and his broad-ranging experience are necessary to increase the Group's corporate value going forward, and the Company has appointed him as an outside director. There are no special dealings between Tokyo University of Technology, at which he serves as President, and the Company. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders, and the Company has appointed him as an independent director.
Outside director **Masato Mizuno**	Mr. Masato Mizuno has extensive experience and superior knowledge as a management executive at MIZUNO Corporation. When making management decisions, he forms opinions and makes judgments from an objective standpoint, and has provided oversight and supervision of the execution of directors' duties. Furthermore, he provides timely and appropriate advice with regard to "Promoting global branding," "Focusing on priority locations," and "Developing and strengthening human resources for global management," as set out in the Medium-Term Business Plan. In addition, he has assertively stated his opinions and attended meetings of the Management Advisory Committee as a member of the committee. Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company has appointed him as an outside director. Although there are dealings between MIZUNO Corporation, at which he serves as Chairman, and the Company, the amount of those dealings is less than 1% of the net sales of either party. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders, and the Company has appointed him as an independent director.
Outside director **Yukiko Nakagawa**	Dr. Yukiko Nakagawa earned a doctorate at the Graduate School of Business and Commerce of Keio University and has been continuing with research on diversity and innovation. At the same time, she has been holding teaching positions at Rikkyo University and other educational institutions in Japan and overseas. In these ways and others, she has accumulated many years of business experience as an expert in human resource management, as well as human resource development on a global scale, and insight and knowledge as an academic. Although she has no experience of direct involvement in corporate management, she has extensive experience in supervision of corporate management gained by working as an outside director at other corporations such as EDION Corporation and Renesas Electronics Corporation. Therefore, the Company has determined that she will carry out her role in an appropriate manner to provide oversight and supervision of the execution of directors' duties. Accordingly, the Company has determined that her high level of expertise, knowledge, and her broad-ranging experience are necessary to increase the Group's corporate value going forward, and the Company has appointed her as an outside director. There are no special dealings between Rikkyo University, at which she serves as Professor of Graduate School of Business Administration, or EDION Corporation and Renesas Electronics Corporation, at which she serves as outside director, and the Group. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders, and the Company has appointed her as an independent director.
Outside Audit & Supervisory Board member **Chisugi Mukai**	The Company has appointed Mr. Chisugi Mukai as an outside Audit & Supervisory Board member to receive his guidance and advice from a professional point of view as a lawyer. Although he has no experience of direct involvement in corporate management, he is well-versed in corporate legal affairs as a lawyer and possesses ample knowledge for governing corporate management gained from his experience as auditor at other corporations. Therefore, the Company has determined that he will carry out his duties in an appropriate manner. He satisfies the independence requirements including the fact that he does not have a background as an ex-employee of major shareholders/business partners. Thus, the Company has determined that there is no risk of a conflict of interest with ordinary shareholders and has appointed him as an independent Audit & Supervisory Board member again.
Outside Audit & Supervisory Board member **Naohiro Kamei** (Full-time)	Mr. Naohiro Kamei has many years of experience in serving in the financial industry through positions in The Fuji Bank Limited (current Mizuho Bank, Ltd.) and Mizuho Securities Co., Ltd., and also is well-versed in corporate management from his previous and current posts such as President & Representative Director of Mizuho Capital Partners Co., Ltd., Director of Cobalt Investments Co., Ltd. and Outside Corporate Auditor of KYORIN Holdings, Inc. Accordingly, the Company has determined that his insight as a professional in finance and accounting as well as extensive experience as management executive can be leveraged in the Group's auditing, and the Company has appointed him as an outside Audit & Supervisory Board member. In view that there is no transaction between Cobalt Investments Co., Ltd., at which he has served as Director, or KYORIN Holdings, Inc., at which he has served as Outside Corporate Auditor, and the Group, and that it has been more than nine years since he retired from Mizuho Securities Co., Ltd. that the Group has transactions with (no actual transaction in FY2018), the Company has determined that there should be no potential conflict of interest with general shareholders, and the Company has appointed him as an independent Audit & Supervisory Board member.

Designation as an independent officer	Special interest in the Company	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings
	The Group is engaged in transactions including sales of products and procurement of materials with Mitsubishi Corporation where Mr. Ken Kobayashi serves as Chairman of the Board.	9/10	—
	The Group is engaged in transactions including sales of products and procurement of materials with ITOCHU Corporation where Mr. Masahiro Okafuji serves as Representative Director.	9/10	—
○	None	9/10	—
○	None	10/10	—
○	None	(Appointed in June 2019)	
○	None	10/10	11/11
○	None	(Appointed in June 2019)	

Message from Newly Appointed Outside Director

Yukiko Nakagawa
Outside Director

I have been engaged in work concerning human resources and organizational reform in Japanese and U.S. companies. Aside from business, I have done research into diversity and innovation and received a Ph.D. Since 2016, I have been lecturing at educational institutions both at home and abroad and, since 2018, serving in part as an outside director for listed companies.

What I emphasize, in my capacity as an outside director, is close oversight of strategies and the business front lines. To do so naturally necessitates cooperating with the CEO and corporate auditors and always maintaining an impartial and fair perspective regardless of internal company interests. It is also essential that I continue to deepen my understanding of technology such as AI and IoT, so that by sifting through and selecting new information from all over the world I can refine my perspective as a global company manager.

The NISSIN FOODS Group is currently aiming to earn a reputation as a global company, and I feel that the issues that lie ahead are how to bring about global-level open innovation and the development and strengthening of management personnel capable of functioning on the global stage. I intend to make full use of my business experience, which I have built up as a professional in human resource management and global human resource development, as well as my expertise and insight as an academic, and I will be forthright in giving necessary advice and assistance from a managerial perspective.

Approach to Remuneration

Remuneration for directors consists of the basic remuneration paid according to position and the importance of the director's role, as well as corporate performance and individual performance, and the remuneration-type stock options for the purpose of increasing motivation and incentive toward contributing to sustained improvement of business performance and enhancement of corporate value over the medium to long term.

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

The procedures for the above are decided by the Board of Directors after the appropriateness of said procedures is deliberated and verified by the Management Advisory Committee, the majority of which are independent outside directors and independent outside Audit & Supervisory Board members.

Furthermore, although remuneration for Audit & Supervisory Board members is determined through discussions with the Audit & Supervisory Board within the scope of the total amount resolved by the General Meeting of Shareholders (not exceeding ¥60 million per year), in view of the nature of auditing service, remuneration for Audit & Supervisory Board members is not linked to business performance and consists only of basic remuneration paid according to the position. The Company has abolished the retirement benefits plan for officers.

Amount of Remuneration for Directors and Audit & Supervisory Board Members

Title	Number of payees	Amount of basic remuneration (Millions of yen)	Stock option (Millions of yen)	Total (Millions of yen)
Director (of which outside directors)	8 (5)	367 (50)	243 —	610 (50)
Audit & Supervisory Board member (of which outside Audit & Supervisory Board members)	4 (2)	44 (31)	— —	44 (31)
Total (of which outside directors and outside Audit & Supervisory Board members)	12 (7)	411 (81)	243 —	655 (81)

Notes: 1. The maximum amount of remuneration for directors and Audit & Supervisory Board members (basic remuneration) by resolution of the General Meeting of Shareholders (not including employee equivalent salaries paid to directors who are also employees) is not exceeding ¥700 million per year for directors (of which ¥100 million or less is for outside directors; by resolution of the 68th Ordinary General Meeting of Shareholders held on June 28, 2016), and not exceeding ¥60 million per year for Audit & Supervisory Board members (by resolution of the 47th Ordinary General Meeting of Shareholders held on June 29, 1995).

2. The maximum amount of remuneration-type stock options for directors (excluding outside directors) by resolution of the General Meeting of Shareholders is not exceeding ¥500 million per year (by resolution of the 60th Ordinary General Meeting of Shareholders held on June 27, 2008).

3. The above remuneration for outside directors and outside Audit & Supervisory Board members includes remuneration of ¥2 million which outside directors and outside Audit & Supervisory Board members received at the Company's subsidiaries.

Policy on Reduction of Cross-Shareholdings in Listed Companies and Standards for Exercising the Voting Rights of Cross-Shareholdings

In addition to obtaining dividends and capital gains, the Company holds shares in listed companies as deemed necessary for forming positive relationships with business partners and enhancing corporate value over the medium to long term by promoting smooth operations. The Board of Directors regularly verifies such shares from the above-mentioned perspective, taking into consideration information such as earnings targets based on capital cost, actual returns, and the status of transactions to determine their continued holdings and the Company adopts a basic policy of selling shares whose grounds for holding have weakened as soon as practicable.

In exercising voting rights of shares in listed companies held, the Company appropriately exercises them by evaluating overall factors including if such exercise contributes to enhancing its corporate value over the medium to long term and if it contributes to the common interest of the shareholders of the companies to be invested in.

Overall Internal Control Systems

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

In addition, with the aim of enhancing audit efficacy and efficiency, three parties, the Internal Auditing Office, the Audit & Supervisory Board members and the Financial Auditor held six regular meetings during the fiscal year under review, and exchanged opinions regarding findings of the audit and other relevant information.

Risk Management

In accordance with the NISSIN FOODS Group Code of Risk Management, the Group has instituted the Risk Management Committee, chaired by the Representative Director.
The Committee identifies, prevents, and centrally manages various risks surrounding the Group and, when a risk event occurs, strives to minimize damage and preserve corporate value by responding promptly and appropriately.

The Group is working to strengthen the risk management system groupwide and has appointed the president and director of each subsidiary as a risk management officer.
The risk management officer identifies and assesses the risks, takes measures appropriately as the person responsible for risk management of the subsidiary and reports on the status of risk management at the subsidiary to the Risk Management Committee or the relevant committees (hereinafter described), if necessary.

The Group has instituted the relevant committees to deal with focused risks, which are defined as those with a particularly significant negative impact if the risk event occurs, namely product liability, business continuity planning, compliance, and information security risks. The relevant committees periodically report on these focused risks to the Board of Directors, and the Risk Management Committee issues to the Board a summary report concerning all risks facing the Group at the end of the fiscal year. In this way, while comprehensively ascertaining risks within the Group, the Board of Directors also issues instructions on specific risk countermeasures and approves the Risk Management Program for the next fiscal year.

Risks that could significantly influence the decisions of investors are posted on the corporate website. Any forward-looking statements posted on the website are based on judgments as of the end of the fiscal year ended March 31, 2019.

Compliance

The Group is keenly aware of corporate social responsibility and strives to improve compliance through observing all relevant laws and regulations in daily business execution and by pursuing the fulfillment of socially ethical actions in accordance with the NISSIN FOODS Group Code of Ethics.

There is a manager in charge of compliance in each main division of NISSIN FOODS HOLDINGS and each Group company. The Group holds quarterly meetings of the Compliance Committee, which is chaired by the Executive Vice President & Representative Director, COO. The Committee members review reports on the nature and number of inquiries to the whistleblowing contact points, case examples of problems, measures to prevent the reoccurrence of issues, and other precautionary measures.

The managers in charge of compliance assigned to each company and department are responsible for investigating and reporting violations by the company to which they are assigned. They also share the details of reports made by the Compliance Committee with their companies and departments and hold study workshops.

We have established a whistleblowing system that allows all employees and former employees, including executives and advisors working in the Group, to report and consult with whistleblowing contact points about violations of laws and regulations in the course of business. Anonymous consultations are possible and disadvantageous treatment of the reporter is prohibited.

If a compliance violation is reported, we respond in accordance with the NISSIN FOODS Group Code of Compliance and the NISSIN FOODS Group Rules on Internal Whistleblowing, taking legal measures as necessary.

Compliance with the Corporate Governance Code

The Company complies with all of the principles of Japan's Corporate Governance Code revised in June 2018. Please see the Corporate Governance Report for details on the implementation of these principles.

Risk Factors:
https://www.nissin.com/en_jp/ir/management/risk/index.html
Corporate Governance Report:
https://www.nissin.com/en_jp/ir/management/governance/

Consolidated Summary Of Selected Financial Data (IFRS Version, 2018–2019)

	IFRS*7	
	Millions of yen (except per share information)	
Years ended March 31,	2019	2018
For the Year		
Revenue	¥ 450,984	¥ 440,909
Cost of sales	295,823	282,837
Gross profit	155,161	158,072
Selling, general and administrative expenses	126,283	123,722
Gain on investments accounted for using the equity method	3,966	3,569
Other income (expenses)	(3,875)	(2,743)
Operating profit	28,967	35,175
Finance income (costs)	2,198	1,977
Profit before tax	31,166	37,153
Income tax expenses	11,242	8,035
Profit attributable to non-controlling interests	567	(17)
Profit attributable to owners of the parent	19,356	29,134
Comprehensive income	8,409	37,178
Per Share		
Profit attributable to owners of the parent per share—primary	¥ 185.85	¥ 279.81
—diluted	184.90	278.45
Cash dividends	110.00	90.00
Equity*1	3,137.40	3,166.83
At Year-End		
Working capital*2	¥ 17,245	¥ 34,287
Property, plant and equipment, net	216,831	188,219
Total assets	557,577	528,726
Non-current liabilities	43,378	40,831
Equity	352,545	353,128
R&D expenses	¥ 9,335	¥ 7,777
Capital expenditures	57,602	52,007
Value and Performance Indicators		
Operating margin (%)*3	6.4	8.0
Return on assets (%)*4	3.6	5.7
Return on equity (%)*5	5.9	9.2
Inventory turnover (times)*6	9.5	9.6

Notes: 1. Equity per share (IFRS) = (Equity – non-controlling interests) / Number of shares outstanding as of the year-end (excluding treasury shares)
2. Working capital = Total current assets - Total current liabilities
3. Operating margin (IFRS) = Operating profit / Revenue
4. Return on assets (IFRS) = Profit attributable to owners of the parent / Average total assets
5. Return on equity (IFRS) = Profit attributable to owners of the parent / (Average total equity – Average non-controlling interests)
6. Inventory turnover = Cost of sales / Average total inventory
7. Amounts presented in this summary (IFRS) are rounded down to the nearest million yen.

Consolidated Summary of Selected Financial Data (JGAAP Version, 2014–2018)

	JGAAP				
	Millions of yen (except per share information)				
Years ended March 31,	2018	2017	2016	2015	2014
For the Year					
Net sales	¥ 516,400	¥ 495,716	¥ 468,084	¥ 431,575	¥ 417,621
Cost of sales	282,272	270,220	260,496	242,916	231,310
Gross profit	234,128	225,496	207,588	188,659	186,311
Selling, general and administrative expenses	200,016	196,878	181,188	164,358	158,606
Operating income	34,112	28,618	26,400	24,301	27,705
Other income (expenses)	3,413	6,900	10,579	4,714	4,020
Income before income taxes and non-controlling interests	37,525	35,518	36,979	29,015	31,725
Income taxes	8,407	11,789	10,092	10,296	12,436
Net income attributable to non-controlling interests	14	171	2	214	20
Net income attributable to owners of the parent	29,104	23,558	26,885	18,505	19,269
Comprehensive income	33,237	10,991	19,606	37,956	37,410
Per Share					
Net income attributable to owners of the parent per share —primary	¥ 279.52	¥ 221.33	¥ 245.52	¥ 167.88	¥ 174.83
—diluted	278.16	220.25	244.22	167.10	174.13
Cash dividends	90.00	85.00	80.00	75.00	75.00
Equity*1	3,519.36	3,276.55	3,332.94	3,282.02	3,018.82
At Year-End					
Working capital*2	¥ 39,354	¥ 42,040	¥ 60,039	¥ 98,481	¥ 74,652
Property, plant and equipment, net	214,071	188,014	168,886	147,249	147,620
Total assets	568,112	537,181	553,069	512,744	479,470
Long-term liabilities	45,541	47,815	50,495	39,864	37,001
Equity*3	391,777	353,518	371,689	369,853	342,301
R&D expenses	¥ 7,777	¥ 7,650	¥ 7,183	¥ 6,431	¥ 5,313
Capital expenditures	52,007	36,340	32,786	22,960	27,527
Value and Performance Indicators					
Operating margin (%)*4	6.6	5.8	5.6	5.6	6.6
Return on assets (%)*5	5.3	4.3	5.0	3.7	4.2
Return on equity (%)*6	8.2	6.7	7.4	5.3	6.0
Inventory turnover (times)*7	9.7	9.6	10.4	11.0	11.5

Notes: 1. Equity per share (JGAAP) = (Equity – non-controlling interests – Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury shares)
2. Working capital = Total current assets – Total current liabilities
3. Equity: In compliance with the Corporate Law, from fiscal 2007, the amount of equity includes the amount of non-controlling interests.
4. Operating margin (JGAAP) = Operating income / Net sales
5. Return on assets (JGAAP) = Net income attributable to owners of the parent / Average total assets
6. Return on equity (JGAAP) = Net income attributable to owners of the parent / (Average total equity – Average non-controlling interests – Average stock acquisition rights)
7. Inventory turnover = Cost of sales / Average total inventory

Financial Statements

Consolidated Statement of Financial Position

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2019

		Millions of yen			Thousands of U.S. dollars
	Notes	Date of transition to IFRS (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Assets					
Current assets					
Cash and cash equivalents	7	¥ 66,737	¥ 49,620	¥ 57,125	$ 514,691
Trade and other receivables	8, 34	67,101	72,538	72,749	655,460
Inventories	9	29,023	29,616	32,729	294,887
Income taxes receivable		244	1,567	1,964	17,699
Other financial assets	10, 34	4,455	6,569	8,233	74,182
Other current assets	11	4,006	5,626	6,095	54,920
Subtotal		171,569	165,539	178,898	1,611,841
Assets held for sale	12	—	3,514	—	—
Total current assets		171,569	169,054	178,898	1,611,841
Non-current assets					
Property, plant and equipment	13	163,256	188,219	216,831	1,953,617
Goodwill and intangible assets	14	10,128	8,256	4,470	40,275
Investment property	17	10,940	7,225	7,157	64,484
Investments accounted for using the equity method		29,373	43,957	43,021	387,616
Other financial assets	10, 34	92,671	97,998	92,738	835,553
Deferred tax assets	18	10,177	12,050	12,564	113,203
Other non-current assets	11	3,032	1,964	1,896	17,084
Total non-current assets		319,580	359,672	378,679	3,411,834
Total assets		¥491,149	¥528,726	¥557,577	$5,023,675

See accompanying notes to consolidated financial statements.

		Millions of yen			Thousands of U.S. dollars
	Notes	Date of transition to IFRS (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Liabilities and equity					
Liabilities					
Current liabilities					
Trade and other payables	19, 34	¥ 91,845	¥101,762	¥106,823	$ 962,456
Borrowings	20, 34	20,946	6,701	29,103	262,221
Provisions	21	—	1,188	820	7,391
Accrued income taxes		6,978	5,214	6,894	62,121
Other financial liabilities	20, 34	456	541	767	6,910
Other current liabilities	22	18,623	19,213	17,243	155,363
Subtotal		138,850	134,622	161,653	1,456,464
Liabilities directly related to assets held for sale	12	—	143	—	—
Total current liabilities		138,850	134,766	161,653	1,456,464
Non-current liabilities					
Borrowings	20, 34	15,611	14,146	13,297	119,803
Other financial liabilities	20, 34	3,307	2,841	5,282	47,595
Defined benefit liabilities	23	5,354	4,138	5,664	51,032
Provisions	21	328	270	284	2,562
Deferred tax liabilities	18	14,229	16,989	16,408	22,007
Other non-current liabilities	22	2,294	2,445	2,442	147,834
Total non-current liabilities		41,125	40,831	43,378	390,836
Total liabilities		179,976	175,597	205,031	1,847,301
Equity					
Share capital	24	25,122	25,122	25,122	226,351
Capital surplus	24	49,823	51,218	50,614	456,029
Treasury shares	24	(58,190)	(58,002)	(6,718)	(60,531)
Other components of equity	24	25,684	31,353	29,235	263,406
Retained earnings	24	257,942	280,083	228,526	2,058,983
Total equity attributable to owners of the parent		300,382	329,776	326,781	2,944,239
Non-controlling interests		10,790	23,352	25,764	232,135
Total equity		311,173	353,128	352,545	3,176,374
Total liabilities and equity		¥491,149	¥528,726	¥557,577	$5,023,675

See accompanying notes to consolidated financial statements.

Consolidated Statement of Income

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2019

		Millions of yen		Thousands of U.S. dollars
	Notes	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Revenue	26	¥440,909	¥450,984	$4,063,291
Cost of sales		282,837	295,823	2,665,317
Gross profit		158,072	155,161	1,397,973
Selling, general and administrative expenses	27	123,722	126,283	1,137,791
Gain on investments accounted for using the equity method		3,569	3,966	35,733
Other income	28	7,594	6,945	62,580
Other expenses	28	10,338	10,821	97,501
Operating profit		35,175	28,967	260,994
Finance income	29	2,568	2,525	22,751
Finance costs	29	590	326	2,940
Profit before tax		37,153	31,166	280,805
Income tax expense	18	8,035	11,242	101,295
Profit		29,117	19,923	179,510
Profit attributable to				
Owners of the parent		29,134	19,356	174,397
Non-controlling interests		(17)	567	5,113
Profit		¥ 29,117	¥ 19,923	$ 179,510
Earnings per share	32			
Basic earnings per share (yen)		279.81	185.85	1.67
Diluted earnings per share (yen)		278.45	184.90	1.66

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2019

		Millions of yen		Thousands of U.S. dollars
	Notes	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Profit		¥29,117	¥ 19,923	$ 179,510
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net change in equity instruments measured at fair value through other comprehensive income	31	8,905	(6,458)	(58,185)
Remeasurements of defined benefit plans	31	1,060	(905)	(8,156)
Share of other comprehensive income of investments accounted for using the equity method	31	220	(80)	(729)
Total items that will not be reclassified to profit or loss		10,186	(7,444)	(67,072)
Items that may be reclassified to profit or loss				
Net change in debt instruments measured at fair value through other comprehensive income	31	6	2	19
Cash flow hedges	31	(34)	50	453
Foreign currency translation differences on foreign operations	31	(2,802)	(1,783)	(16,069)
Share of other comprehensive income of investments accounted for using the equity method	31	704	(2,339)	(21,078)
Total items that may be reclassified to profit or loss		(2,126)	(4,070)	(36,673)
Total other comprehensive income		8,060	(11,514)	(103,746)
Comprehensive income		¥37,178	¥ 8,409	$ 75,764
Comprehensive income attributable to:				
Owners of the parent		¥37,621	¥ 7,891	$ 71,104
Non-controlling interests		(443)	517	4,660
Comprehensive income		¥37,178	¥ 8,409	$ 75,764

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2019

	Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares
Balance at April 1, 2017		¥25,122	¥49,823	¥(58,190)	¥1,626
Profit		—	—	—	—
Other comprehensive income	31	—	—	—	—
Total comprehensive income		—	—	—	—
Acquisition of treasury shares	24	—	—	(8)	—
Disposal of treasury shares	24	—	(25)	196	(170)
Share-based payment transactions	33	—	—	—	364
Cash dividend paid	25	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control		—	1,395	—	—
Transfer from retained earnings to capital surplus		—	25	—	—
Transfer from other components of equity to retained earnings		—	—	—	—
Other		—	—	—	—
Total transactions with owners of the parent		—	1,395	187	193
Balance at March 31, 2018		¥25,122	¥51,218	¥(58,002)	¥1,819
Profit		—	—	—	—
Other comprehensive income	31	—	—	—	—
Total comprehensive income		—	—	—	—
Acquisition of treasury shares	24	—	—	(8)	—
Disposal of treasury shares	24	—	8	102	(110)
Cancellation of treasury shares	24	—	—	51,190	—
Share-based payment transactions	33	—	—	—	401
Cash dividend paid	25	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control		—	141	—	—
Changes in associates' interests in their subsidiaries		—	(754)	—	—
Transfer from other components of equity to retained earnings		—	—	—	—
Other		—	—	—	—
Total transactions with owners of the parent		—	(604)	51,284	290
Balance at March 31, 2019		¥25,122	¥50,614	¥ (6,718)	¥2,110

	Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares
Balance at April 1, 2017		$226,351	$448,904	$(524,285)	$14,656
Profit		—	—	—	—
Other comprehensive income	31	—	—	—	—
Total comprehensive income		—	—	—	—
Acquisition of treasury shares	24	—	—	(77)	—
Disposal of treasury shares	24	—	(227)	1,768	(1,540)
Share-based payment transactions	33	—	—	—	3,280
Cash dividend paid	25	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control		—	12,569	—	—
Transfer from retained earnings to capital surplus		—	227	—	—
Transfer from other components of equity to retained earnings		—	—	—	—
Other		—	—	—	—
Total transactions with owners of the parent		—	12,569	1,690	1,739
Balance at March 31, 2018		$226,351	$461,473	$(522,595)	$16,396
Profit		—	—	—	—
Other comprehensive income	31	—	—	—	—
Total comprehensive income		—	—	—	—
Acquisition of treasury shares	24	—	—	(77)	—
Disposal of treasury shares	24	—	73	922	(994)
Cancellation of treasury shares	24	—	—	461,218	—
Share-based payment transactions	33	—	—	—	3,615
Cash dividend paid	25	—	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control		—	1,278	—	—
Changes in associates' interests in their subsidiaries		—	(6,794)	—	—
Transfer from other components of equity to retained earnings		—	—	—	—
Other		—	—	—	—
Total transactions with owners of the parent		—	(5,443)	462,063	2,620
Balance at March 31, 2019		$226,351	$456,029	$ (60,531)	$19,016

See accompanying notes to consolidated financial statements.

Millions of yen

Equity attributable to owners of the parent									
Other components of equity									
Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instru-ments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total
¥ —	¥ (7)	¥22,531	¥ —	¥ 1,533	¥ 25,684	¥257,942	¥300,382	¥10,790	¥311,173
—	—	—	—	—	—	29,134	29,134	(17)	29,117
(2,361)	(34)	8,912	1,046	924	8,487	—	8,487	(426)	8,060
(2,361)	(34)	8,912	1,046	924	8,487	29,134	37,621	(443)	37,178
—	—	—	—	—	—	—	(8)	—	(8)
—	—	—	—	—	(170)	—	0	—	0
—	—	—	—	—	364	—	364	—	364
—	—	—	—	—	—	(9,369)	(9,369)	(144)	(9,513)
(560)	—	—	—	—	(560)	—	834	13,499	14,333
—	—	—	—	—	—	(25)	—	—	—
—	—	(1,403)	(1,046)	—	(2,450)	2,450	—	—	—
—	—	—	—	—	—	(48)	(48)	(349)	(398)
(560)	—	(1,403)	(1,046)	—	(2,817)	(6,992)	(8,228)	13,005	4,777
¥(2,922)	¥(41)	¥30,039	¥ —	¥ 2,458	¥ 31,353	¥280,083	¥329,776	¥23,352	¥353,128
—	—	—	—	—	—	19,356	19,356	567	19,923
(1,733)	44	(6,442)	(912)	(2,420)	(11,464)	—	(11,464)	(50)	(11,514)
(1,733)	44	(6,442)	(912)	(2,420)	(11,464)	19,356	7,891	517	8,409
—	—	—	—	—	—	—	(8)	—	(8)
—	—	—	—	—	(110)	—	0	—	0
—	—	—	—	—	—	(51,190)	—	—	—
—	—	—	—	—	401	—	401	—	401
—	—	—	—	—	—	(10,414)	(10,414)	(826)	(11,241)
—	—	—	—	—	—	—	141	2,654	2,796
—	—	—	—	—	—	—	(754)	—	(754)
—	—	8,152	912	(9)	9,055	(9,055)	—	—	—
—	—	—	—	—	—	(252)	(252)	67	(185)
—	—	8,152	912	(9)	9,346	(70,913)	(10,886)	1,894	(8,992)
¥(4,656)	¥ 3	¥31,749	¥ —	¥ 28	¥ 29,235	¥228,526	¥326,781	¥25,764	¥352,545

Thousands of U.S. dollars

Equity attributable to owners of the parent									
Other components of equity									
Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instru-ments measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total
$ —	$ (68)	$203,001	$ —	$ 13,820	$ 231,409	$2,324,011	$2,706,391	$ 97,221	$2,803,612
—	—	—	—	—	—	262,498	262,498	(153)	262,345
(21,281)	(307)	80,298	9,429	8,329	76,468	—	76,468	(3,845)	72,622
(21,281)	(307)	80,298	9,429	8,329	76,468	262,498	338,966	(3,998)	334,967
—	—	—	—	—	—	—	(77)	—	(77)
—	—	—	—	—	(1,540)	—	0	—	0
—	—	—	—	—	3,280	—	3,280	—	3,280
—	—	—	—	—	—	(84,417)	(84,417)	(1,299)	(85,716)
(5,052)	—	—	—	—	(5,052)	—	7,516	121,623	129,140
—	—	—	—	—	—	(227)	—	—	—
—	—	(12,647)	(9,429)	—	(22,076)	22,076	—	—	—
—	—	—	—	—	—	(437)	(437)	(3,143)	(3,581)
(5,052)	—	(12,647)	(9,429)	—	(25,389)	(63,005)	(74,134)	117,180	43,045
$(26,333)	$(375)	$270,651	$ —	$ 22,150	$ 282,489	$2,523,505	$2,971,223	$210,403	$3,181,626
—	—	—	—	—	—	174,397	174,397	5,113	179,510
(15,617)	404	(58,049)	(8,222)	(21,807)	(103,293)	—	(103,293)	(452)	(103,746)
(15,617)	404	(58,049)	(8,222)	(21,807)	(103,293)	174,397	71,104	4,660	75,764
—	—	—	—	—	—	—	(77)	—	(77)
—	—	—	—	—	(994)	—	0	—	0
—	—	—	—	—	—	(461,218)	—	—	—
—	—	—	—	—	3,615	—	3,615	—	3,615
—	—	—	—	—	—	(93,833)	(93,833)	(7,448)	(101,282)
—	—	—	—	—	—	—	1,278	23,916	25,194
—	—	—	—	—	—	—	(6,794)	—	(6,794)
—	—	73,451	8,222	(83)	81,589	(81,589)	—	—	—
—	—	—	—	—	—	(2,277)	(2,277)	603	(1,673)
—	—	73,451	8,222	(83)	84,210	(638,918)	(98,088)	17,071	(81,017)
$(41,950)	$ 28	$286,053	$ —	$ 258	$ 263,406	$2,058,983	$2,944,239	$232,135	$3,176,374

Consolidated Statement of Cash Flows

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries
Year ended March 31, 2019

	Notes	Millions of yen		Thousands of U.S. dollars
		FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Cash flows from operating activities				
Profit before tax		¥ 37,153	¥ 31,166	$ 280,805
Depreciation and amortization		17,752	20,304	182,943
Impairment losses		6,452	9,544	85,991
Increase (decrease) in liability for defined benefit liabilities		(1,216)	1,524	13,736
Finance income and costs		(2,094)	(2,085)	(18,786)
(Gain) loss on investments accounted for using the equity method		(3,569)	(3,966)	(35,733)
(Gain) loss on sales of property, plant and equipment and others		198	(5,303)	(47,781)
(Increase) decrease in inventories		(1,179)	(3,201)	(28,846)
(Increase) decrease in trade and other receivables		(5,347)	(84)	(758)
Increase (decrease) in trade and other payables		8,301	3,683	33,189
Other		(2,270)	(2,754)	(24,817)
Subtotal		54,179	48,829	439,942
Interest and dividends received		4,250	4,204	37,883
Interest paid		(417)	(271)	(2,450)
Income taxes paid		(13,164)	(13,138)	(118,375)
Income taxes refunded		45	1,117	10,064
Cash flows from operating activities		44,893	40,740	367,065
Cash flows from investing activities				
Payments into time deposits		(10,710)	(13,039)	(117,486)
Proceeds from redemption of time deposits		7,279	15,704	141,492
Payment for purchases of property, plant and equipment and others		(47,766)	(51,757)	(466,325)
Proceeds from sales of property, plant and equipment and others		2,359	9,891	89,124
Payment for purchases of intangible assets		(426)	(1,412)	(12,722)
Payment for purchases of investments in securities		(9,349)	(749)	(6,755)
Proceeds from sales and redemption of investments in securities		9,726	193	1,740
Payment for purchases of marketable securities		—	(5,617)	(50,614)
Proceeds from sales and redemption of marketable securities		1,000	2,214	19,954
Other		101	28	257
Cash flows from investing activities		(47,784)	(44,544)	(401,335)
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	30	(14,816)	20,747	186,934
Proceeds from long-term borrowings	30	4,803	4,573	41,207
Repayment of long-term borrowings	30	(6,008)	(3,503)	(31,566)
Net increase in treasury shares		(8)	(8)	(77)
Cash dividends paid		(9,369)	(10,414)	(93,833)
Cash dividends paid to non-controlling interest shareholders		(144)	(826)	(7,448)
Proceeds from payment from non-controlling interest shareholders		14,908	666	6,008
Proceeds from sale of investment in subsidiaries not resulting in change in scope of consolidation		—	2,155	19,417
Other		(491)	(320)	(2,884)
Cash flows from financing activities		(11,126)	13,069	117,757
Effect of exchange rate changes on cash and cash equivalents		(3,098)	(1,761)	(15,871)
Net increase (decrease) in cash and cash equivalents		(17,116)	7,504	67,616
Cash and cash equivalents at the beginning of year	7	66,737	49,620	447,074
Cash and cash equivalents at the end of year	7	¥ 49,620	¥ 57,125	$ 514,691

See accompanying notes to consolidated financial statements.

01 Reporting Entity

NISSIN FOODS HOLDINGS CO., LTD. (hereinafter, “the Company”) is a stock company domiciled in Japan. The addresses of its registered head office and main offices are disclosed on the Company’s website (https://www.nissin.com/en_jp/).

The Company’s consolidated financial statements comprise the Company and its subsidiaries (hereinafter, “the Group”) and interests in the Company’s associates.

Details of each business and principal activities of the Group are described in Note 6 “Segment information.”

02 Basis of Preparation

(1) Compliance with IFRSs

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (hereinafter, “IFRSs”).

Since the requirements for “Specified Company of Designated International Accounting Standards” set forth in Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” are satisfied, the Group adopts the provisions of Article 93 of the same Ordinance.

The Group first adopted IFRSs from the first quarter of the fiscal year ended March 31, 2019, with the date of transition to IFRSs (hereinafter, “Date of transition”) on April 1, 2017.

Effects of the transition to IFRSs on the Group’s financial position, operating results and cash flows at the time of transition and for the comparative year are described in Note 39 “First-time adoption.”

The Group’s consolidated financial statements were approved by the Board of Directors meeting held on June 26, 2019.

(2) Basis of measurement

The Group’s consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value.

(3) Functional currency and presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency.

Amounts presented in the consolidated financial statements are rounded down to the nearest million yen and thousand dollars.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate of ¥110.99 to U.S.$1.00, the approximate rate of exchange at March 31, 2019.

The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

03 Significant Accounting Policies

(1) Basis of consolidation

The consolidated financial statements include financial statements of the Company and its subsidiaries, and interests in investments in associates.

1) Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group considers that it has control over an entity when it has exposures to variable returns arising from its involvement with the entity, or when it has rights on the returns and has the ability to affect those returns through the exercise of its power over the entity.

The acquisition date of a subsidiary is the date on which the Group obtained control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which the Group loses control.

In cases where the accounting policies applied by a subsidiary are different from those applied by the Group, adjustments are made to the subsidiary’s financial statements, if necessary.

The fiscal year-end date of some subsidiaries is different from that of the Group since, primarily due to local regulations and laws enforced in the regions where the subsidiaries are located, requiring a fiscal year-end date other than that of the Company, it is impracticable to unify the fiscal year-end date.

In such cases, the financial figures of the subsidiaries based on provisional closing on the fiscal year end of the Company are used.

All material intragroup transactions, assets, liabilities and unrealized gains or losses arising from intragroup transactions are eliminated on consolidation.

Comprehensive income of the subsidiaries is attributed to owners of the parent and to the non-controlling interests even if non-controlling interests have a deficit balance.

Changes in the Company’s ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration is recognized directly in equity attributable to owners of the parent.
If the Group loses control over a subsidiary, gains or losses derived from such loss of control of the subsidiary shall be recognized in profit or loss.

2) Associates

An associate is an entity over which the Group has significant influence.

Investments in associates are accounted for using the equity method from the date on which the Group obtained the significant influence until the date on which it ceases to have the influence.

In cases where the accounting policies applied by an associate are different from those applied by the Group, adjustments are made to the associate’s financial statements, if necessary.

The fiscal year-end date of the associates is different from that of the Group since, primarily due to local regulations and laws enforced in the regions where the associates are located or where the stocks of the associates are listed or due to relations with other shareholders, it is impracticable to unify the fiscal year-end date.

(2) Business combinations

Business combinations are accounted for using the acquisition method. Consideration transferred in a business combination is measured as the sum of the acquisition-date fair value of the assets transferred in exchange for control over an acquiree, the liabilities assumed and equity interests issued by the Company.

The identifiable assets acquired and the liabilities assumed in the acquiree are measured at their acquisition-date fair values, except:

1) Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognized and measured in accordance with International Accounting Standard (hereinafter, "IAS") 12 "Income Taxes," and IAS 19 "Employee Benefits," respectively.
2) Assets and disposal groups classified as held for sale at the acquisition date in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (hereinafter, "IFRS 5"), which are measured in accordance with IFRS 5.
3) Liabilities or equity instruments related to share-based payment transactions of the acquiree or share-based payment transactions of the Company entered into to replace such transactions of the acquiree, which are measured in accordance with IFRS 2 "Share-based Payment" (hereinafter, "IFRS 2").

The excess of the sum of the consideration transferred, the amount recognized for non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill in the consolidated statement of financial position.

If the excess is negative, then a gain from a bargain purchase is recognized as profit in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the items for which the accounting is incomplete are measured by provisional amounts.

Where new information obtained during the measurement period, which shall not exceed one year from the acquisition date, if known, would have affected measurement of the amounts recognized as of that date, the provisional amounts recognized at the acquisition date are retrospectively adjusted.

Acquisition-related costs are expensed when incurred. The Group accounts for the acquisition of additional non-controlling interests as an equity transaction, and accordingly, it does not recognize goodwill attributable to such transactions.

(3) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions, or an approximation of the rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates at the end of each reporting period.

Differences arising from the translation and settlement are recognized in profit or loss. However, exchange differences arising from translation, or settlement of financial assets measured at fair value through other comprehensive income (hereinafter, "FVTOCI") and cash flow hedges are recognized in other comprehensive income.

The assets and liabilities (including goodwill recognized in acquisition and adjustment of fair values) of foreign operations are translated into Japanese yen using the exchange rates at the end of each reporting period, while income and expenses of foreign operations are translated into Japanese yen using the average exchange rate for the period, unless there was significant change in the exchange rate during the period. Differences arising from the translation are recognized in other comprehensive income.

On the disposal of the interest in a foreign operation, the cumulative amount of the foreign currency translation difference related to the foreign operation is reclassified to profit or loss in the same period.

(4) Financial instruments

1) Non-derivative financial assets

(A) Classification

The Group classifies financial assets other than derivatives into financial assets measured at amortized cost, financial assets measured at FVTOCI and financial assets measured at fair value through profit or loss (hereinafter, "FVTPL").

(a) Financial assets measured at amortized cost

Investments in debt instruments with contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and which are held in order to collect the contractual cash flows are measured at amortized cost.

(b) Debt instruments measured at FVTOCI

Financial assets are classified as debt instruments measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and sell the asset.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Equity instruments measured at FVTOCI

Financial assets, other than those measured at amortized cost or debt instruments at FVTOCI, whose subsequent changes in the fair value were irrevocably designated at initial recognition as measured at FVTOCI are classified as financial assets measured at FVTOCI.

As the Group has adopted the exemption provision prescribed in IFRS 1 "First-time adoption of International Financial Reporting Standards" (hereinafter, "IFRS 1"), investments in equity instruments are designated as measured at FVTOCI based on facts and conditions that existed as of Date of transition.

(d) Financial assets measured at fair value through profit or loss

Financial assets, other than those measured at amortized cost or FVTOCI, are classified as financial assets measured at FVTPL. Financial assets measured at FVTPL are measured at fair value at initial recognition, and transaction costs are recognized in profit or loss when incurred.

(B) Initial recognition and measurement

The Group recognizes financial assets when the Group becomes a party to the contractual provisions for the financial assets.

(C) Subsequent measurement
Financial assets are measured according to their classification after initial recognition.

(a) Financial assets measured at amortized cost
Financial assets measured at amortized cost are measured at amortized cost using the effective interest method. Interest incurred is included in finance income in the consolidated statement of income.

(b) Financial assets measured at FVTOCI
(b-1) Debt instruments measured at FVTOCI
Changes in the fair value of debt instruments measured at FVTOCI are recognized in other comprehensive income, except impairment gain or loss and currency exchange difference, until the instruments are derecognized.

When the asset is derecognized, the amount previously recognized in other comprehensive income is transferred to profit or loss.

(b-2) Equity instruments measured at FVTOCI
Changes in the fair value of equity instruments measured at FVTOCI are recognized in other comprehensive income. When the asset is derecognized, or its fair value declines significantly, the amount previously recognized in other comprehensive income is transferred directly to retained earnings.

Dividends from the financial assets are recognized in profit or loss.

(c) Financial assets measured at FVTPL
Financial assets measured at FVTPL are measured at fair value after initial recognition, and the changes in the fair value are recognized in profit or loss.

(D) Derecognition
Financial assets are derecognized when the contractual rights to the cash flow expire or are transferred, or when substantially all the risks and rewards of ownership are transferred. Financial assets are derecognized on the date of the sale when sold in a normal manner.

(E) Impairment of financial assets
The Group recognizes an allowance for doubtful accounts on expected credit loss of financial assets measured at amortized cost.

(Determining significant increases in credit risks)
The Group assesses at the end of each reporting period whether the credit risks of financial instruments have significantly increased after initial recognition.

The Group determines whether the credit risk has significantly increased based on changes in the risk of a default occurring after initial recognition, and in assessing whether there is any change in the risk of default, the Group takes into account the following matters:

- Deterioration of the counterparty's financial condition
- Past due information
- Significant changes in credit ratings provided by third-party agencies

(Expected credit loss approach)
Expected credit losses are the present value of the difference between contractual cash flows the Group has a right to receive pursuant to a contract and the cash flows actually expected to be received by the Group.

If the credit risk on a financial asset has increased significantly after initial recognition, the Group measures the allowance for doubtful accounts for the financial asset at an amount equal to the lifetime expected credit loss.

If the credit risk has not increased significantly, the Group measures the allowance for doubtful accounts for that financial asset at an amount equal to the 12-month expected credit loss.

Notwithstanding the above, the Group measures the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

The provision for the allowance for doubtful accounts for financial assets is recognized in profit or loss.

2) Non-derivative financial liabilities
Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

The Group recognizes financial liabilities measured at amortized cost on the issue date and other financial liabilities on the transaction date when the Group becomes a party to the contractual provisions.

The Group derecognizes financial liabilities when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

(A) Financial liabilities measured at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss are measured at fair value at initial recognition and thereafter. The subsequent changes in fair value are recognized in profit or loss.

(B) Financial liabilities measured at amortized cost
Financial liabilities other than those measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are measured at the fair value less transaction costs that are directly attributable to the issue of the financial liabilities at initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method after initial recognition, and interest incurred is included in finance costs in the consolidated statement of income.

3) Derivatives and hedge accounting
Derivatives are initially measured at fair value at the date the contract is entered into, and are subsequently remeasured at fair value at the end of each reporting period.

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts to mitigate risks such as foreign exchange and interest rate risks.

If derivatives are designated as hedging instruments, the nature of the hedged item determines how gain or loss resulting from remeasurement is recognized.

The Group designates derivatives as hedging instruments of cash flow hedges (i.e., hedging exposure to changes in cash flows from recognized assets or liabilities, or specific risks related to highly probable forecasted transactions).

At the inception of hedges, the Group documents the hedging relationship between a hedging instrument and hedged item to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge.

When a derivative used for hedging offsets the fair value of a hedged item or changes in cash flows, the Group assesses and documents at the inception of the hedging relationship and on an ongoing basis whether the hedging relationship meets the hedge effectiveness requirements.

The Group performs ongoing assessment of hedge effectiveness at the end of each reporting period or, if earlier, upon a significant change in circumstances affecting the hedge effectiveness requirements.

Hedges that qualify for stringent requirements for hedge accounting are accounted for as follows:

(A) Fair value hedges

Gains or losses on hedging instruments are recognized in profit or loss. Gains or losses on hedged items are recognized in profit or loss with adjusting carrying amounts of the hedged items.

(B) Cash flow hedges

The effective portion of gain or loss on hedging instruments is recognized in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss.

The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

In cases where hedged items result in the recognition of nonmonetary assets or liabilities, the amounts recognized in other comprehensive income are accounted for as adjustments to the original carrying amount of nonmonetary assets or liabilities.

When hedged future cash flow is no longer expected to occur, any related cumulative gain or loss that has been recognized in equity as other comprehensive income is reclassified to profit or loss.

When hedged future cash flow is still expected, any related cumulative gain or loss that has been recognized in equity as other comprehensive income remains in equity until the future cash flow occurs.

4) Offsetting financial assets and financial liabilities

A financial asset and a financial liability is offset and presented as a net amount in the consolidated statement of financial position only when the Group has a legally enforceable right to set off recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5) Fair value of financial instruments

Fair value of financial instruments that are being traded in active financial markets at the end of each reporting period refers to quoted prices or dealer quotations. If there is no active market, fair value of financial instruments is determined using appropriate valuation models.

Determined fair value is classified into three levels according to observability of the inputs of valuation techniques used to measure the fair value.

Level 1 is measured at quoted prices in active markets for identical assets or liabilities.

Level 2 is the fair value of assets or liabilities other than those measured at Level 1, and is measured with inputs that are observable for the asset or liability, either directly or indirectly.

Level 3 is measured with inputs that are unobservable for the asset or liability.

6) Finance income and finance costs

Finance income mainly consists of interest income, dividend income and derivative gain, excluding gains on hedging instruments which are recognized in other comprehensive income. Interest income is recognized upon occurrence using the effective interest method.

Finance costs mainly consist of interest expense and derivative loss, excluding losses on hedging instruments which are recognized in other comprehensive income.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments that are readily convertible into known amounts of cash and subject to insignificant risk of change in value, and due within three months from the date of acquisition.

(6) Inventories

The acquisition cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at the lower of acquisition cost or net realizable value, and the costs are determined by primarily using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The acquisition cost includes any costs directly attributable to the acquisition of the asset; and dismantlement, removal and restoration costs; as well as borrowing costs eligible for capitalization.

Except for assets that are not subject to depreciation, such as land, assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items are as follows:

— Buildings and structures: 15 to 50 years
— Machinery: 10 years
— Tools and fixtures: 2 to 22 years

The estimated useful lives and depreciation method are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Upon derecognition of property, plant and equipment, net proceeds from disposal or sales less the carrying amount are recognized in profit or loss.

(8) Investment property

Investment property is property held to earn rentals, or for capital appreciation or both.

Investment property is measured by using the cost model for property, plant and equipment and is stated at cost less accumulated depreciation and accumulated impairment losses.

Except for land, assets are depreciated using the straight-line method over their estimated useful lives.

(9) Goodwill and intangible assets

1) Goodwill

Goodwill is not amortized and is stated at acquisition cost less accumulated impairment losses. Goodwill is allocated to assets, cash-generating units or groups of cash-generating units that are identified according to location and type of business and tested for impairment annually or more frequently if there is any indication of impairment.

Impairment losses on goodwill are recognized in profit or loss, and no subsequent reversal is made.

2) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Separately acquired intangible assets are measured at cost at initial recognition, and the costs of intangible assets acquired in business combinations are recognized at fair value at the acquisition date.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets with finite useful lives are as follows:

— Software: 5 years

— Trademark: 10 to 20 years

The estimated useful lives and amortization method of intangible assets are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortized, but they are tested for impairment annually or more frequently if there is any indication of impairment.

Expenditures on research activities to obtain new scientific or technical knowledge are recognized as expenses when incurred.

Expenditures on development activities are capitalized as intangible assets, if, and only if, they are reliably measurable, they are technically and commercially feasible, it is highly probable that they will generate future economic benefits, and the Group intends and has adequate resources to complete their development and use or sell them.

(10) Lease

Leases are classified as finance leases whenever substantially all the risks and rewards of ownership are transferred to the Group. All other leases are classified as operating leases.

1) Finance lease

(Lessee)

In finance lease transactions, leased assets are recognized at the lower of the fair value of the leased property and the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance costs and the reduction of the outstanding obligation based on the interest method.

Finance costs are recognized in profit or loss. Leased assets are depreciated using the straight-line method over the shorter of their estimated useful lives and lease terms.

2) Operating lease

(Lessee)

In operating lease transactions, total lease payments are recognized as an expense using the straight-line method over the lease terms.

(Lessor)

In operating lease transactions, total lease receivables are recognized as income using the straight-line method over the lease terms.

(11) Impairment of non-financial assets

The Group assesses at the end of each fiscal year whether there is any indication that each asset, or the cash-generating unit (or the group of cash-generating units) to which the asset belongs, may be impaired.

When there is any indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are estimated at the same time of every fiscal year.

The recoverable amount of an asset or cash-generating unit is measured at the higher of its fair value less costs of disposal and its value in use.

In determining the value in use, estimated future cash flows are discounted to the present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available fair value indicators. Only if the recoverable amount of an asset or cash-generating unit falls below its carrying amount, is the carrying amount reduced to its recoverable amount and the impairment loss recognized.

The Group assesses whether there is any indication that an impairment loss recognized for an asset other than goodwill in prior years may no longer exist or may have decreased, such as if there are any changes in assumptions used for the determination of the recoverable amount.

If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. In cases where the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, impairment loss is reversed up to the lower of the estimated recoverable amount, or the carrying amount (net of depreciation) that would have been determined if no impairment loss had been recognized in prior years.

(12) Assets held for sale

An asset or asset group that is expected to be recovered through a sale transaction rather than through continuing use is classified as a non-current asset or into a disposal group held for sale when the following conditions are met: it is highly probable that the asset or asset group will be sold within one year, the asset or asset group is available for immediate sale in its present condition and Group management is committed to the sale plan. In such cases, the non-current asset is not depreciated or amortized and is measured at the lower of its carrying amount and its fair value less costs of disposal.

(13) Employee benefits

1) Post-employment benefits

The Group has corporate pension fund plans, employee pension fund plans and lump-sum payment plans as defined benefit pension plans. Also, the Company and certain consolidated subsidiaries have defined contribution plans, in addition to defined benefit pension plans.

Regarding defined benefit plans, current service costs are calculated using the projected unit credit method in actuarial calculations made at the consolidated fiscal year-end date, and service costs and net interest are recognized in profit or loss when incurred.

As for the discount rate, the discount period is determined based on the period until the expected date of benefit payments in each fiscal year, and the discount rate is determined by reference to market yields on high-quality corporate bonds at the end of the fiscal year corresponding to the discount period.

All of the actuarial gains/losses incurred in the period are recognized in other comprehensive income, and the cumulative amount that is recognized as other components of equity is immediately reclassified to retained earnings. Net retirement benefit liabilities are the present value of defined benefit obligations less fair value of plan assets.

Regarding defined contribution plans, the amount of contributions by the Group is recognized as expenses at the time employees render services that give entitlement to the benefit.

2) Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis, and are recognized as an expense when the related services are rendered.

For bonuses, when there is a present legal or constructive obligation to make payments of bonuses, and a reliable estimate of the obligation can be made, the estimated amount to be paid is accounted for as a liability.

For paid absence obligations, when there is a legal or constructive obligation with respect to accumulating paid absence systems and a reliable estimate of the obligation can be made, the estimated amount to be paid based on those systems is accounted for as a liability.

(14) Share-based payments

The Group has implemented share option plans as equity-settled share-based payment plans. The fair value of the share option at the grant date is recognized as an expense over the vesting period, and the corresponding amount is recognized as an increase in other components of equity.

The fair value of options granted is determined using the Black-Scholes model, taking into account the terms and conditions of the options.

(15) Provisions

Provisions are recognized if the Group has present obligations (i.e., legal or constructive obligations) as a result of past events, if it is probable that settling the obligations will require outflows of resources embodying economic benefit and if the obligations can be estimated reliably.

Where the effect of the time value of money is material, the amount of provisions is measured at the present value of the expenditures expected to be required to settle the obligations.

In calculating the present value, the Group uses the pretax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. Increases due to passage of time are recognized as finance costs.

(Asset retirement obligations)

Costs for restoring of leased property used by the Group to its original condition or removal of hazardous materials associated with the property are estimated based on historical experience and recognized as a provision for asset retirement obligations.

While these costs are expected to be incurred after more than one year, they will be affected by future business plans.

(Provision for losses on lawsuits)

For provisions for losses due to payment of compensation for damages that could arise as a result of lawsuits, the estimated loss resulting from the payment of compensation for damages is recognized if a lawsuit is filed and if it is probable that compensation for damages to an outside third party will have to be paid.

(Restructuring provisions)

Provision for restructuring is recognized at the expected amount of losses on the businesses to be restructured. The provision is recognized when there is a detailed formal plan, and implementation or announcement of such a plan creates valid expectations in other affected parties that the execution of the liquidation plan will be virtually certain.

(16) Revenue from contracts with customers

The Group recognizes revenue in the amount that reflects a consideration to which the Group expects to be entitled in exchange for the transfer of goods and services to customers, based on the following five-step approach:

Step 1: Identify the contracts with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to separate performance obligations
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group sells consumer products, including instant noodles, chilled noodles, frozen noodles, confectionery and beverages. For sales of such products, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items.

(17) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that the Group will comply with the conditions attached to them and receive the grants. With regard to government grants related to an acquisition of assets, the amount of grants is deducted from the acquisition cost of the assets.

(18) Income tax expenses
Income tax expenses consist of current income taxes and deferred income taxes. Income tax expenses are recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized directly in equity or in other comprehensive income.

1) Current income tax
Tax expenses for the period are measured at the amount of income taxes payable in respect of the taxable profit for a period. These tax amounts are calculated based on tax rates that have been enacted or substantially enacted at the end of the period.

2) Deferred income tax
Deferred income taxes are calculated based on the temporary differences between the tax base of assets and liabilities and the carrying amount at the end of each reporting date.

A deferred tax asset is recognized for deductible temporary differences, carryforward of unused tax losses and tax credits that will reduce future tax obligations to the extent that it is probable that future taxable profit will be available against which they can be utilized. A deferred tax liability is recognized for all taxable temporary differences in principle.

The deferred tax asset or liability is not recognized for the following temporary differences from:

(A) Goodwill
(B) The initial recognition of assets or liabilities in transactions that are not business combinations and that at the time of transaction, affect neither accounting profit nor taxable profit or loss

The deferred tax liability for the taxable temporary differences associated with investments in subsidiaries and associates is not recognized to the extent that it is highly probable that the timing of the reversal of the temporary difference is able to be controlled, and the temporary difference will not reverse in the foreseeable future.

The deferred tax asset for the deductible temporary differences arising from investments in subsidiaries and associates is recognized, to the extent that it is highly probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year in which the related temporary differences will reverse, based on tax rates that have been enacted or substantially enacted by the fiscal year end.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and income taxes are levied by the same taxation authority on the same taxable entity, or income taxes are levied on different taxable entities but these entities intend to settle the current tax assets and liabilities on a net basis or these current tax assets and liabilities will be realized simultaneously.

(19) Equity
1) Ordinary shares
For ordinary shares, their issue prices are recorded in share capital and share surplus. Cost (net of tax) associated with the issue of ordinary shares is deducted from share capital and capital surplus.

2) Treasury shares
When the Group acquires shares of the Company, the amount of the consideration paid, including transaction costs directly attributable to the acquisition, is deducted from equity. When the Group disposes of treasury shares, the difference between the carrying amount and the consideration received from the disposal is recognized in equity.

(20) Earnings per share
Basic earnings per share are calculated by dividing profit or loss for a period attributable to ordinary shareholders of the parent company by the weighted-average number of ordinary shares issued, adjusted by the number of treasury shares during the period.

Diluted earnings per share are calculated by adjusting the effects of dilutive potential ordinary shares.

04 | Significant Accounting Estimates and Judgements on Estimates

In preparing of consolidated financial statements in accordance with IFRSs, management is required to apply accounting policies and make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses.

These estimates and assumptions are reviewed continuously.

The effects of changes in estimates are recognized prospectively from the period in which the estimates are changed. Furthermore, due to uncertainties in the estimates and assumptions, significant adjustments to the carrying amount of assets or liabilities may be required in future periods.

The following are significant accounting estimates and judgements associated with estimates in the consolidated financial statements of the Group:

(A) Financial instruments (3. Significant accounting policies (4) Financial instruments, 10. Other financial assets and 34. Financial instruments)
(B) Impairment of non-financial assets (3. Significant accounting policies (11) Impairment loss of non-financial assets and 15. Impairment of non-financial assets)
(C) Recoverability of deferred tax assets (3. Significant accounting policies (18) Income tax expenses and 18. Income taxes)
(D) Accounting and valuation of provisions (3. Significant accounting policies (15) Provisions and 21. Provisions)
(E) Measurement of defined benefit liabilities (3. Significant accounting policies (13) Employee benefits and 23. Employee benefits)
(F) Estimates of useful life and residual value of property, plant and equipment and intangible assets (3. Significant accounting policies (7) Property, plant and equipment, (9) Goodwill and intangible assets, 13. Property, plant and equipment and 14. Goodwill and intangible assets)

05 New Standards and Interpretations Not Yet Adopted

New or amended major Standards and Interpretations that are issued by the date of approval, but are not yet early adopted by the Group as of March 31, 2019 are as follows:

	Mandatory adoption (From the fiscal year beginning)	Adoption by the Group	Overview of new or amended standards and interpretations
IFRS 16 Leases	Jan-1-19	Fiscal year ending March 31, 2020	Amended accounting for leases and related disclosures

The adoption of IFRS 16 requires a single lease accounting model, and in principle, requires a lessee to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases. After the recognition of such assets and liabilities, the Group and its consolidated subsidiaries recognize the depreciation of such assets and the interest on such liabilities in the consolidated statement of income. In adopting the new accounting standard, the Group will recognize the cumulative effect of its adoption on the date of adoption.

The impact of the adoption of IFRS 16 is still under analysis at the time of the preparation of the consolidated financial statements, but we expect total assets and total liabilities to increase by approximately 3% and 9%, respectively, in the consolidated financial statements. The impact on the consolidated statement of income is evaluated as immaterial. Such impact may change during the reporting period in the year ending March 31, 2020.

06 Segment Information

(1) Outline of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors is performed in order to make decisions about resources to be allocated and to assess its performance.

The Group employs a holding company system of six operating companies in Japan and four overseas business regions as strategy platforms. The reportable segments consist of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "Chilled and frozen foods," "The Americas" and "China."

The segments of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "The Americas" and "China" are mainly operating the business of manufacturing and selling cup- and bag-type noodles. The "Chilled and frozen foods" segment is operating the business of manufacturing and selling chilled and frozen foods.

(2) Segment profit and performance

The accounting method for the operating segments that are reported is generally the same as described in Note 3 "Summary of significant accounting policies."

Reportable segment profit is on an operating profit basis. Intersegment revenue and transfers are based on market prices.

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

	Millions of yen					
	Reportable segments					
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal
Revenue						
Sales to external customers	¥190,967	¥31,152	¥54,278	¥62,533	¥40,132	¥379,065
Intersegment sales	999	5,807	1,409	9	365	8,589
Total	191,966	36,960	55,687	62,543	40,497	387,655
Segment profit (loss) (Operating profit (loss))	23,899	1,925	(431)	2,448	4,084	31,927
Finance income	—	—	—	—	—	—
Finance costs	—	—	—	—	—	—
Profit before tax	—	—	—	—	—	—
Other items						
Depreciation and amortization	6,119	1,536	803	1,605	1,949	12,015
Impairment losses (non-financial assets)	3,805	42	1,105	92	184	5,230
Gain on investments accounted for using the equity method	—	—	—	—	—	—
Capital expenditures	33,630	2,222	2,095	3,814	3,670	45,433

	Millions of yen			
	Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Revenue				
Sales to external customers	¥61,844	¥440,909	¥ —	¥440,909
Intersegment sales	28,716	37,306	(37,306)	—
Total	90,560	478,215	(37,306)	440,909
Segment profit (loss) (Operating profit (loss))	3,212	35,139	35	35,175
Finance income	—	—	—	2,568
Finance costs	—	—	—	590
Profit before tax	—	—	—	37,153
Other items				
Depreciation and amortization	5,448	17,463	288	17,752
Impairment losses (non-financial assets)	1,222	6,452	—	6,452
Gain on investments accounted for using the equity method	3,569	3,569	—	3,569
Capital expenditures	9,625	55,058	—	55,058

Notes: 1. "Others" consists of the operating segments not included in reportable segments. It includes the domestic confectionery and beverages business, and overseas businesses in Europe and Asia.
2. Operating profit under "Reconciliations" amounted to ¥35 million, consisting of ¥349 million from elimination of intersegment transactions, ¥4,352 million from gain on change in equity and minus ¥4,666 million from group expenses.
3. Segment profit is adjusted to operating profit in the consolidated statement of income.

Fiscal Year Ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

	Millions of yen					
	Reportable segments					
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal
Revenue						
Sales to external customers	¥193,256	¥32,882	¥55,424	¥63,425	¥41,447	¥386,436
Intersegment sales	1,311	7,067	406	12	947	9,744
Total	194,567	39,949	55,830	63,437	42,394	396,180
Segment profit (loss) (Operating profit (loss))	23,699	2,041	1,534	(5,234)	3,843	25,884
Finance income	—	—	—	—	—	—
Finance costs	—	—	—	—	—	—
Profit before tax	—	—	—	—	—	—
Other items						
Depreciation and amortization	8,034	1,587	901	1,851	1,960	14,336
Impairment losses (non-financial assets)	—	39	—	5,907	44	5,991
Gain on investments accounted for using the equity method	—	—	—	—	—	—
Capital expenditures	40,036	1,190	2,246	2,851	3,495	49,821

	Millions of yen			
	Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Revenue				
Sales to external customers	¥64,547	¥450,984	¥ —	¥450,984
Intersegment sales	30,040	39,784	(39,784)	—
Total	94,588	490,769	(39,784)	450,984
Segment profit (loss) (Operating profit (loss))	11,430	37,315	(8,347)	28,967
Finance income	—	—	—	2,525
Finance costs	—	—	—	326
Profit before tax	—	—	—	31,166
Other items				
Depreciation and amortization	5,743	20,079	225	20,304
Impairment losses (non-financial assets)	652	6,643	2,900	9,544
Gain on investments accounted for using the equity method	3,966	3,966	—	3,966
Capital expenditures	7,819	57,640	—	57,640

	Thousands of U.S. dollars					
	Reportable segments					
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	The Americas	China	Subtotal
Revenue						
Sales to external customers	$1,741,204	$296,265	$499,366	$571,451	$373,437	$3,481,725
Intersegment sales	11,816	63,675	3,659	108	8,532	87,792
Total	1,753,020	359,941	503,026	571,559	381,970	3,569,517
Segment profit (loss) (Operating profit (loss))	213,532	18,393	13,826	(47,165)	34,631	233,218
Finance income	—	—	—	—	—	—
Finance costs	—	—	—	—	—	—
Profit before tax	—	—	—	—	—	—
Other items						
Depreciation and amortization	72,393	14,306	8,126	16,679	17,664	129,169
Impairment losses (non-financial assets)	—	356	—	53,226	399	53,982
Gain on investments accounted for using the equity method	—	—	—	—	—	—
Capital expenditures	360,725	10,725	20,244	25,695	31,491	448,882

	Thousands of U.S. dollars			
	Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Revenue				
Sales to external customers	$581,565	$4,063,291	$ —	$4,063,291
Intersegment sales	270,663	358,455	(358,455)	—
Total	852,229	4,421,746	(358,455)	4,063,291
Segment profit (loss) (Operating profit (loss))	102,989	336,207	(75,212)	260,994
Finance income	—	—	—	22,751
Finance costs	—	—	—	2,940
Profit before tax	—	—	—	280,805
Other items				
Depreciation and amortization	51,743	180,913	2,030	182,943
Impairment losses (non-financial assets)	5,874	59,857	26,134	85,991
Gain on investments accounted for using the equity method	35,733	35,733	—	35,733
Capital expenditures	70,451	519,334	—	519,334

Notes: 1. "Others" consists of the operating segments not included in reportable segments. It includes the domestic confectionery and beverages business, and overseas businesses in Europe and Asia.
2. Operating profit under "Reconciliations" amounted to minus ¥8,347 million ($75,212 thousand), consisting of minus ¥3,119 million ($28,110 thousand) from elimination of intersegment transactions and minus ¥5,227 million ($47,101 thousand) from group expenses.
3. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income.

(3) Information by product and service

Sales to external customers

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Instant noodles and associated businesses	¥376,225	¥386,147	$3,479,116
Other businesses	64,684	64,837	584,174
Total	¥440,909	¥450,984	$4,063,291

Notes: 1. Classification of the business is based on the type, nature, etc., of products.
2. Main products in each business
(1) Instant noodles and associated businesses: Bag-type noodles, cup-type noodles, chilled foods and frozen foods
(2) Other businesses: Instant rice, confectionery and beverages

(4) Geographical information (Note 1)

Sales to external customers

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Japan	¥322,664	¥327,386	$2,949,687
The Americas (Note 2)	62,537	63,440	571,591
Other areas	55,708	60,158	542,013
Total	¥440,909	¥450,984	$4,063,291

Notes: 1. Revenue is based on the location of customers, classified by country or region.
2. Major countries of the Americas are the United States and Brazil.

Non-current assets (Note 3)

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Japan	¥129,028	¥147,529	¥181,328	$1,633,739
The Americas (Note 4)	27,676	26,910	17,677	159,270
Other areas	30,553	31,101	31,223	281,321
Total	¥187,258	¥205,541	¥230,230	$2,074,331

Notes: 3. Non-current assets are based on the location of customers and exclude financial instruments, deferred tax assets and retirement benefit assets.
4. Major countries of the Americas are the United States and Brazil.

(5) Major customers

Major customer accounting for 10% or more of consolidated revenue for the year ended March 31, 2018 and 2019 is as follows:

		Millions of yen		Thousands of U.S. dollars
	Main reportable segment	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Mitsubishi Shokuhin Co., Ltd.	NISSIN FOOD PRODUCTS	¥63,604	¥67,241	$605,829

07 | Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Cash and deposits	¥66,636	¥49,620	¥57,125	$514,691
Short-term investments	100	—	—	—
Total	¥66,737	¥49,620	¥57,125	$514,691

08 | Trade and Other Receivables

The details of trade and other receivables are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Trade accounts receivable	¥64,800	¥68,663	¥69,536	$626,509
Trade notes receivable	148	237	28	260
Accounts receivable—other	2,654	3,853	3,520	31,718
Allowance for doubtful accounts	(519)	(575)	(499)	(4,500)
Others	17	359	163	1,472
Total	¥67,101	¥72,538	¥72,749	$655,460

Notes: 1. Trade and other receivables is presented net of allowance for doubtful accounts in the consolidated statement of financial position.
2. Trade and other receivables is classified as a financial asset measured at amortized cost.

09 | Inventories

The details of inventories are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Merchandise and finished goods	¥12,826	¥14,174	¥15,026	$135,386
Raw materials and supplies	16,197	15,441	17,702	159,500
Total	¥29,023	¥29,616	¥32,729	$294,887

Note: There is no significant difference between the amount of inventories recognized as expense or cost and cost of sales for the fiscal years ended March 31, 2018 and 2019.

10 | Other Financial Assets

(1) Other financial assets

The details of other financial assets are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Derivative assets	¥ —	¥ 0	¥ 26	$ 238
Equity securities	82,062	91,854	86,114	775,875
Investment trusts	6,642	525	2,231	20,101
Bonds	4,217	4,223	7,091	63,896
Deposits	3,392	6,510	4,105	36,987
Other	811	1,453	1,402	12,635
Total	¥97,127	¥104,568	¥100,971	$909,735
Current assets	¥ 4,455	¥ 6,569	¥ 8,233	$ 74,182
Non-current assets	92,671	97,998	92,738	835,553
Total	¥97,127	¥104,568	¥100,971	$909,735

Note: Derivative assets and investment trusts are classified as financial assets measured at FVTPL.
Equity securities and bonds are classified as financial assets measured at FVTOCI.
Deposits are classified as financial assets measured at amortized cost.

(2) Equity instruments measured at FVTOCI

The details of major equity instruments measured at FVTOCI and their fair values are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Ezaki Glico Co., Ltd.	¥11,340	¥11,697	¥12,222	$110,118
ONO PHARMACEUTICAL CO., LTD	9,380	13,407	8,828	79,543
Premier Foods Plc	10,138	9,254	8,680	78,209
HOUSE FOODS GROUP INC.	4,127	6,009	7,565	68,159
Kagome Co.,Ltd.	4,510	5,822	4,848	43,684
Taisho Pharmaceutical Holdings Co., Ltd.	4,103	4,747	4,788	43,144
Sumitomo Realty & Development Co., Ltd.	2,444	3,332	3,884	34,997

Notes: 1. Equity securities are mainly held for strategic purposes, and thus designated as equity financial assets measured at FVTOCI.
2. The Group derecognizes some financial assets measured at FVTOCI by sale for reasons including asset efficiency and changes in business relationships.

(3) The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the year are as follows:

Millions of yen				Thousands of U.S. dollars	
FY2018 (From April 1, 2017 to March 31, 2018)		FY2019 (From April 1, 2018 to March 31, 2019)		FY2019 (From April 1, 2018 to March 31, 2019)	
Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)
¥8,621	¥1,980	¥52	¥36	$472	$325

Note: The Group transfers the cumulative gains or losses recognized as other comprehensive income in equity to retained earnings.

11 Other Assets

The details of other assets are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Other current assets				
Prepaid expenses	¥2,133	¥4,016	¥1,513	$13,632
Advance payments	578	397	1,155	10,406
Consumption tax receivables	—	5	1,992	17,953
Other	1,294	1,207	1,434	12,928
Total	¥4,006	¥5,626	¥6,095	$54,920
Other non-current assets				
Prepaid expenses	¥1,663	¥1,612	¥1,550	$13,973
Retirement benefit assets	99	124	125	1,129
Other	1,270	227	219	1,981
Total	¥3,032	¥1,964	¥1,896	$17,084

12 Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale

The details of assets held for sale and liabilities directly associated with assets held for sale are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Assets held for sale				
Property, plant and equipment	¥—	¥ 0	¥—	$—
Investment property (Note)	—	3,513	—	—
Total	¥—	¥3,514	¥—	$—
Liabilities directly associated with assets held for sale				
Deposits payable	¥—	¥ 143	¥—	$—
Total	¥—	¥ 143	¥—	$—

Note: The details of investment property are described in Note 17 "Investment property."

Certain assets including the land and buildings of Myojo Kichijyoji Building, which was located at Musashino City, Tokyo, in the "Others" segment are classified as assets held for sale in the fiscal year ended March 31, 2018 pursuant to the decision in the fiscal year ended March 31, 2018 to sell these assets.

These assets were sold, and the Group recorded ¥5,214 million (¥46,977 thousand) of gain on sales as "Other income" in the consolidated statement of income in the fiscal year ended March 31, 2019.

13 Property, Plant and Equipment

(1) Property, plant and equipment

The changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of property, plant and equipment are as follows:

	Millions of yen						
Acquisition cost	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
Balance at April 1, 2017	¥129,815	¥166,580	¥15,426	¥27,841	¥ 15,051	¥4,735	¥359,452
Additions	3,184	6,155	797	402	43,012	228	53,781
Reclassifications from construction in progress	9,043	15,886	634	—	(25,563)	—	—
Sales and disposals	(3,784)	(8,873)	(670)	(30)	(11)	(282)	(13,653)
Exchange differences on translation of foreign operations	(1,853)	(1,687)	(157)	(124)	44	(1)	(3,781)
Other	(76)	(49)	140	(0)	(2,221)	—	(2,206)
Balance at March 31, 2018	¥136,329	¥178,011	¥16,170	¥28,088	¥ 30,312	¥4,680	¥393,592
Additions	2,678	10,269	644	661	39,012	3,019	56,285
Reclassifications from construction in progress	33,466	20,948	1,131	—	(55,547)	—	—
Sales and disposals	(518)	(3,980)	(603)	(17)	(15)	(196)	(5,332)
Exchange differences on translation of foreign operations	(709)	(381)	(85)	(127)	(19)	1	(1,321)
Other	9	(59)	38	—	(501)	15	(497)
Balance at March 31, 2019	¥171,256	¥204,807	¥17,296	¥28,604	¥ 13,240	¥7,520	¥442,726

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
	Millions of yen						
Balance at April 1, 2017	¥69,564	¥113,862	¥11,232	¥42	¥152	¥1,339	¥196,195
Depreciation	3,902	9,963	1,344	—	—	603	15,813
Sales and disposals	(2,518)	(7,842)	(628)	—	—	(279)	(11,268)
Impairment losses	2,578	3,708	139	—	24	—	6,451
Exchange differences on translation of foreign operations	(584)	(1,060)	(109)	—	—	(0)	(1,754)
Other	(53)	(85)	74	—	—	—	(64)
Balance at March 31, 2018	¥72,888	¥118,546	¥12,053	¥42	¥176	¥1,663	¥205,372
Depreciation	4,727	11,564	1,381	—	—	703	18,376
Sales and disposals	(420)	(3,321)	(517)	—	—	(190)	(4,450)
Impairment losses	1,443	4,149	217	—	728	62	6,601
Exchange differences on translation of foreign operations	34	41	(35)	—	0	0	41
Other	(33)	(23)	(2)	—	—	12	(47)
Balance at March 31, 2019	¥78,640	¥130,956	¥13,096	¥42	¥905	¥2,251	¥225,894

Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
	Millions of yen						
Balance at April 1, 2017	¥60,250	¥52,717	¥4,193	¥27,799	¥14,899	¥3,395	¥163,256
Balance at March 31, 2018	63,440	59,464	4,117	28,045	30,135	3,016	188,219
Balance at March 31, 2019	¥92,615	¥73,851	¥4,199	¥28,561	¥12,335	¥5,268	¥216,831

Acquisition cost	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
	Thousands of U.S. dollars						
Balance at April 1, 2017	$1,169,616	$1,500,862	$138,990	$250,851	$ 135,613	$42,665	$3,238,600
Additions	28,691	55,455	7,189	3,629	387,533	2,060	484,560
Reclassifications from construction in progress	81,479	143,131	5,713	—	(230,323)	—	—
Sales and disposals	(34,096)	(79,950)	(6,041)	(278)	(102)	(2,542)	(123,012)
Exchange differences on translation of foreign operations	(16,698)	(15,208)	(1,419)	(1,125)	398	(17)	(34,070)
Other	(685)	(443)	1,263	(4)	(20,012)	—	(19,883)
Balance at March 31, 2018	$1,228,306	$1,603,847	$145,695	$253,071	$ 273,106	$42,166	$3,546,194
Additions	24,130	92,524	5,806	5,963	351,493	27,203	507,122
Reclassifications from construction in progress	301,529	188,745	10,197	—	(500,472)	—	—
Sales and disposals	(4,669)	(35,864)	(5,441)	(160)	(136)	(1,772)	(48,044)
Exchange differences on translation of foreign operations	(6,394)	(3,437)	(769)	(1,152)	(173)	16	(11,910)
Other	83	(532)	347	—	(4,519)	143	(4,478)
Balance at March 31, 2019	$1,542,985	$1,845,283	$155,836	$257,723	$ 119,298	$67,757	$3,988,884

Accumulated depreciation and accumulated impairment losses	Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
Balance at April 1, 2017	$626,768	$1,025,884	$101,206	$386	$1,369	$12,072	$1,767,687
Depreciation	35,157	89,765	12,111	—	—	5,439	142,473
Sales and disposals	(22,695)	(70,656)	(5,659)	—	—	(2,518)	(101,530)
Impairment losses	23,235	33,410	1,260	—	223	—	58,128
Exchange differences on translation of foreign operations	(5,268)	(9,552)	(985)	—	—	(5)	(15,811)
Other	(480)	(766)	667	—	—	—	(579)
Balance at March 31, 2018	$656,715	$1,068,084	$108,600	$386	$1,592	$14,987	$1,850,368
Depreciation	42,594	104,192	12,447	—	—	6,335	165,569
Sales and disposals	(3,785)	(29,929)	(4,662)	—	—	(1,720)	(40,098)
Impairment losses	13,006	37,389	1,959	—	6,561	563	59,480
Exchange differences on translation of foreign operations	308	375	(321)	—	4	5	372
Other	(299)	(213)	(24)	—	—	112	(425)
Balance at March 31, 2019	$708,539	$1,179,898	$117,998	$386	$8,158	$20,284	$2,035,266

Carrying amount	Thousands of U.S. dollars						
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Leased assets	Total
Balance at April 1, 2017	$542,848	$474,978	$37,784	$250,464	$134,243	$30,592	$1,470,912
Balance at March 31, 2018	571,590	535,763	37,095	252,685	271,513	27,178	1,695,826
Balance at March 31, 2019	$834,446	$665,384	$37,837	$257,336	$111,139	$47,472	$1,953,617

(2) Leased assets

The carrying amount of leased assets in property, plant and equipment are as follows:

Carrying amount	Millions of yen				Thousands of U.S. dollars			
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total
Balance at April 1, 2017	¥108	¥2,769	¥517	¥3,395	$980	$24,952	$4,659	$30,592
Balance at March 31, 2018	91	2,452	472	3,016	825	22,094	4,258	27,178
Balance at March 31, 2019	¥ 85	¥4,720	¥462	¥5,268	$774	$42,530	$4,167	$47,472

14 Goodwill and Intangible Assets

(1) Goodwill and intangible assets

The changes in acquisition costs, accumulated amortization and accumulated impairment losses, and carrying amounts of goodwill and intangible assets are as follows:

			Millions of yen		
Acquisition cost	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2017	¥38,360	¥3,883	¥ 9,242	¥4,976	¥56,463
Additions	4	1	405	137	549
Sales and disposals	—	(50)	(731)	(4)	(786)
Reclassification	—	—	106	(106)	—
Exchange differences on translation of foreign operations	(3,245)	(308)	(19)	(428)	(4,000)
Other	—	—	24	(24)	0
Balance at March 31, 2018	¥35,119	¥3,526	¥ 9,028	¥4,550	¥52,225
Additions	—	0	381	954	1,336
Sales and disposals	—	(47)	(39)	(0)	(87)
Reclassification	—	1	756	(757)	—
Exchange differences on translation of foreign operations	(3,425)	(261)	(35)	(386)	(4,107)
Other	—	—	0	(19)	(19)
Balance at March 31, 2019	¥31,694	¥3,219	¥10,092	¥4,339	¥49,346

			Millions of yen		
Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2017	¥37,915	¥1,641	¥4,245	¥2,531	¥46,335
Amortization	—	92	1,605	134	1,832
Sales and disposals	—	(4)	(600)	(4)	(608)
Impairment losses	—	—	0	—	0
Exchange differences on translation of foreign operations	(3,217)	(116)	(12)	(224)	(3,570)
Other	—	—	14	(32)	(18)
Balance at March 31, 2018	¥34,698	¥1,614	¥5,252	¥2,404	¥43,969
Amortization	—	79	1,674	127	1,881
Sales and disposals	—	(1)	(34)	—	(35)
Impairment losses	—	1,291	—	1,651	2,942
Exchange differences on translation of foreign operations	(3,443)	(156)	(27)	(233)	(3,861)
Other	—	—	(0)	(19)	(19)
Balance at March 31, 2019	¥31,254	¥2,826	¥6,865	¥3,930	¥44,876

			Millions of yen		
Carrying amount	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2017	¥ 445	¥2,241	¥4,996	¥2,444	¥10,128
Balance at March 31, 2018	421	1,912	3,776	2,145	8,256
Balance at March 31, 2019	¥440	¥ 393	¥3,226	¥ 409	¥ 4,470

Acquisition cost	Goodwill	Trademarks	Software	Others	Total
	Thousands of U.S. dollars				
Balance at April 1, 2017	$345,624	$34,987	$83,274	$44,837	$508,724
Additions	38	11	3,657	1,240	4,948
Sales and disposals	—	(450)	(6,589)	(42)	(7,082)
Reclassification	—	—	958	(958)	—
Exchange differences on translation of foreign operations	(29,240)	(2,775)	(172)	(3,859)	(36,047)
Other	—	—	218	(217)	—
Balance at March 31, 2018	$316,422	$31,773	$81,347	$40,999	$470,542
Additions	—	2	3,437	8,599	12,039
Sales and disposals	—	(424)	(357)	(8)	(790)
Reclassification	—	9	6,819	(6,828)	—
Exchange differences on translation of foreign operations	(30,858)	(2,352)	(315)	(3,484)	(37,011)
Other	—	—	2	(177)	(175)
Balance at March 31, 2019	$285,563	$29,008	$90,933	$39,100	$444,605

Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
	Thousands of U.S. dollars				
Balance at April 1, 2017	$341,613	$14,793	$38,253	$22,810	$417,470
Amortization	—	837	14,461	1,211	16,511
Sales and disposals	—	(37)	(5,407)	(40)	(5,485)
Impairment losses	—	—	0	—	0
Exchange differences on translation of foreign operations	(28,990)	(1,050)	(108)	(2,018)	(32,167)
Other	—	—	126	(295)	(169)
Balance at March 31, 2018	$312,623	$14,544	$47,325	$21,666	$396,159
Amortization	—	713	15,090	1,144	16,948
Sales and disposals	—	(12)	(308)	—	(321)
Impairment losses	—	11,633	—	14,878	26,511
Exchange differences on translation of foreign operations	(31,027)	(1,412)	(246)	(2,103)	(34,790)
Other	—	—	—	(173)	(173)
Balance at March 31, 2019	$281,595	$25,465	$61,858	$35,412	$404,332

Carrying amount	Goodwill	Trademarks	Software	Others	Total
	Thousands of U.S. dollars				
Balance at April 1, 2017	$4,010	$20,194	$45,021	$22,027	$91,253
Balance at March 31, 2018	3,798	17,229	34,022	19,336	74,386
Balance at March 31, 2019	$3,967	$ 3,542	$29,074	$ 3,690	$40,275

Notes: 1. Amortization of intangible assets is included in cost of sales and selling, general and administrative expenses in the consolidated statement of income.
2. Research and development expenditure expensed for the years ended March 31, 2018 and 2019 are ¥7,777 million and ¥9,335 million ($84,106 thousand), respectively.

15 Impairment Loss of Non-Financial Assets

The Group allocates property, plant and equipment into cash-generating units based on the smallest identifiable group of assets that generate cash inflows that are largely independent.

The details of impairment losses recognized for assets are as follows:

The impairment losses are included in "Other expenses" in the consolidated statement of income.

FY2018 (from April 1, 2017 to March 31, 2018)

Millions of yen

Segment	Location	Category	Component	FY2018 (From April 1, 2017 to March 31, 2018)
NISSIN FOOD PRODUCTS	Ritto City, Shiga Prefecture, etc.	Business assets Idle assets	Buildings	¥1,186
			Machinery and equipment	2,462
			Other assets	155
Chilled and frozen foods	China	Business assets	Buildings	638
			Machinery and equipment	431
			Other assets	35
MYOJO FOOD	Ranzan, Saitama Prefecture, etc.	Idle assets	Buildings	5
			Machinery and equipment	36
The Americas	Brazil	Business assets	Buildings	0
			Machinery and equipment	35
			Other assets	56
China	China	Business assets	Buildings	91
			Machinery and equipment	83
			Other assets	9
Other	India	Business assets	Buildings	447
			Machinery and equipment	667
			Other assets	4
	Hungary	Business assets	Buildings	102
Total				¥6,452

Details of the impairment losses

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

The carrying amounts of the relevant assets are reduced to their net realizable values when it is determined that it is not possible that the carrying amounts of such assets will be recovered due to a downturn in profitability.

As a result, the Group recorded loss on impairment of fixed assets of ¥6,452 million in the consolidated statement of income.

The recoverable value of idle asset is valued at zero as memorandum value, measured at value in use.

The recoverable value of business asset is measured at net selling value or value in use.

Certain business assets are mainly measured at fair value determined by real estate appraisers.

The fair value is categorized under Level 3 in the fair value hierarchy since significant unobservable inputs are included.

FY2019 (from April 1, 2018 to March 31, 2019)

Segment	Location	Category	Component	Millions of yen FY2019 (From April 1, 2018 to March 31, 2019)	Thousands of U.S. dollars FY2019 (From April 1, 2018 to March 31, 2019)
MYOJO FOOD	Ranzan, Saitama Prefecture	Business assets	Buildings	¥ 3	$ 33
			Machinery and equipment	35	322
The Americas	USA	Business assets	Buildings	1,431	12,895
			Machinery and equipment	3,419	30,806
			Construction in progress	728	6,561
			Other assets	328	2,964
China	China	Business assets	Machinery and equipment	41	378
			Other assets	2	21
Others	Indonesia	Business assets	Machinery and equipment	652	5,874
Reconciliations	Brazil	Business assets	Intangible assets	2,900	26,134
Total				¥9,544	$85,991

Details of the impairment losses

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

In the U.S., profitability declined due to sharp increases in raw materials, distribution costs personnel costs and other factors.

In Brazil, profitability of intangible assets recognized at the time of consolidation became lower than that initially projected. The recoverable amount is mainly measured by value in use, which is calculated by discounting future cash flows to the present value at discount rates of 11.0% in the U.S. and 14.3% in Brazil.

16 | Leases

Lessee

(1) Finance lease payments

As a lessee, the Group leases assets, including vending machines in the instant noodle business.

The total of future minimum lease payments in each leasing period and the present value under finance lease contracts are as follows:

	Millions of yen			Thousands of U.S. dollars
	Minimum lease payments			Minimum lease payments
Acquisition cost	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1 year or less	¥ 529	¥ 559	¥ 837	$ 7,542
Over 1 year through 5 years	1,897	1,869	2,754	24,814
Over 5 years	1,280	903	2,364	21,304
Total	¥3,707	¥3,331	¥5,955	$53,662
Financial charges	405	326	250	2,256
Present value of minimum lease payments	¥3,302	¥3,005	¥5,705	$51,405

	Millions of yen			Thousands of U.S. dollars
	Present value of minimum lease payments			Present value of minimum lease payments
Acquisition cost	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1 year or less	¥ 445	¥ 481	¥ 767	$ 6,911
Over 1 year through 5 years	1,656	1,665	2,593	23,366
Over 5 years	1,199	857	2,345	21,128
Total	¥3,302	¥3,005	¥5,705	$51,405
Financial charges	—	—	—	—
Present value of minimum lease payments	¥3,302	¥3,005	¥5,705	$51,405

(2) Operating leases

Minimum lease payments associated with operating leases recognized as expenses are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Minimum lease payments	¥3,099	¥3,147	$28,359

The total of future minimum lease payments under non-cancellable operating lease contracts are as follows:

	Millions of yen			Thousands of U.S. dollars
	Minimum lease payments			Minimum lease payments
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1 year or less	¥144	¥259	¥139	$1,253
Over 1 year through 5 years	168	194	73	661
Over 5 years	—	—	—	—
Total	¥313	¥453	¥212	$1,915

Lessor

(1) Operating leases

Operating lease expenses received by the Group are for land and buildings.

The total of future minimum lease receivables under non-cancellable operating lease contracts are as follows:

	Millions of yen			Thousands of U.S. dollars
	Minimum lease receivables			Minimum lease receivables
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1 year or less	¥ 33	¥ 33	¥ 33	$ 302
Over 1 year through 5 years	134	134	134	1,210
Over 5 years	1,296	1,262	1,229	11,074
Total	¥1,464	¥1,430	¥1,397	$12,588

17 | Investment Property

(1) Investment property

The changes in acquisition costs, accumulated amortization and accumulated impairment losses, and carrying amounts of investment properties are as follows:

	Millions of yen		Thousands of U.S. dollars
Acquisition cost	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Beginning balance	¥14,110	¥8,691	$78,310
Additions	245	56	510
Disposals	(609)	(123)	(1,114)
Re-transfer to assets held for sale (Note)	(5,075)	—	—
Other	20	—	—
Ending balance	¥ 8,691	¥8,624	$77,705

	Millions of yen		Thousands of U.S. dollars
Accumulated depreciation and impairment losses	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Beginning balance	¥ 3,170	¥1,466	$13,208
Depreciation	106	47	426
Disposals	(262)	(45)	(413)
Re-transfer to assets held for sale (Note)	(1,562)	—	—
Other	14	—	—
Ending balance	¥ 1,466	¥1,467	$13,221

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Carrying amount	¥10,940	¥7,225	¥7,157	$64,484

Note: Details of assets held for sale are described in Note 12 "Assets held for sale and liabilities directly associated with assets held for sale."

(2) Fair value

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Investment property	¥10,864	¥6,807	¥6,968	$62,783

Notes: 1. Fair value of investment property is mainly determined by external real estate appraisers referring to market prices of similar assets.
2. The fair value is categorized under Level 3 in the fair value hierarchy, as significant unobservable inputs are included.

(3) Income and expense from investment properties

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Rent income	¥757	¥450	$4,057
Direct expenses	¥222	¥144	$1,304

18 | Income Taxes

(1) Income tax expense

1. Income tax expense

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Current tax expense			
Tax expense in current year	¥10,946	¥12,852	$115,794
Total current tax expense	¥10,946	¥12,852	$115,794
Deferred tax expense			
Occurrence and reversal of temporary differences	¥ (2,583)	¥ (788)	$ (7,103)
Net changes on unrecognized deferred tax assets	(492)	(811)	(7,312)
Adjustments to deferred tax attributable to changes in tax rates and laws	164	(9)	(83)
Total deferred tax expense	¥ (2,910)	¥ (1,609)	$ (14,499)
Total	¥ 8,035	¥11,242	$101,295

2. Reconciliation of effective tax rate

	%	
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)
Effective statutory tax rate	30.86	30.62
Gain on investments accounted for using the equity method	(2.96)	(3.90)
Tax credits	(2.02)	(2.48)
Non-deductible permanent items such as dividends received	(1.15)	(1.43)
Net changes on unrecognized deferred tax assets	(5.48)	10.54
Other	2.38	2.71
Average effective tax rate	21.63	36.07

(2) Deferred tax assets and deferred tax liabilities

1. Deferred tax assets and deferred tax liabilities

Balances and movements of deferred tax assets and deferred tax liabilities by nature are as follows:

	Millions of yen			
	Date of transition to IFRSs (As of April 1, 2017)	Recognized through profit	Recognized in other comprehensive income	FY2018 (As of March 31, 2018)
Deferred tax assets				
Net defined benefit liability	¥ 1,209	¥ —	¥ (470)	¥ 738
Accounts payable	2,314	350	—	2,664
Accrued bonuses	1,244	(43)	—	1,200
Long-term accounts payable	88	(10)	—	78
Property, plant and equipment and intangible assets	4,481	1,174	—	5,656
Unused tax losses of subsidiaries	236	117	—	353
Other	7,095	49	—	7,145
Total deferred tax assets	¥ 16,670	¥1,637	¥ (470)	¥ 17,837
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(8,302)	326	—	(7,975)
Other financial assets	(8,759)	—	(3,922)	(12,682)
Other	(3,661)	1,542	—	(2,119)
Total deferred tax liabilities	¥(20,722)	¥1,868	¥(3,922)	¥(22,776)
Net amount	¥ (4,052)	¥3,506	¥(4,393)	¥ (4,939)

	Millions of yen			
	FY2018 (As of March 31, 2018)	Recognized through profit	Recognized in other comprehensive income	FY2019 (As of March 31, 2019)
Deferred tax assets				
Net defined benefit liability	¥ 738	¥ —	¥ 402	¥ 1,141
Accounts payable	2,664	(365)	—	2,299
Accrued bonuses	1,200	54	—	1,255
Long-term accounts payable	78	11	—	90
Property, plant and equipment and intangible assets	5,656	11	—	5,667
Unused tax losses of subsidiaries	353	(343)	—	9
Other	7,145	996	—	8,141
Total deferred tax assets	¥ 17,837	¥ 365	¥ 402	¥ 18,606
Deferred tax liabilities				
Property, plant and equipment and intangible assets	¥ (7,975)	¥1,840	¥ —	¥ (6,134)
Other financial assets	(12,682)	—	(745)	(13,427)
Other	(2,119)	(768)	—	(2,887)
Total deferred tax liabilities	¥(22,776)	¥1,072	¥(745)	¥(22,449)
Net amount	¥ (4,939)	¥1,438	¥(342)	¥ (3,843)

	Thousands of U.S. dollars			
	FY2018 (As of March 31, 2018)	Recognized through profit	Recognized in other comprehensive income	FY2019 (As of March 31, 2019)
Deferred tax assets				
Net defined benefit liability	$ 6,652	$ —	$ 3,627	$ 10,280
Accounts payable	24,010	(3,289)	—	20,721
Accrued bonuses	10,819	493	—	11,313
Long-term accounts payable	707	104	—	811
Property, plant and equipment and intangible assets	50,963	100	—	51,064
Unused tax losses of subsidiaries	3,183	(3,093)	—	89
Other	64,375	8,981	—	73,357
Total deferred tax assets	$ 160,712	$ 3,297	$ 3,627	$ 167,637
Deferred tax liabilities				
Property, plant and equipment and intangible assets	$ (71,858)	$16,583	$ —	$ (55,274)
Other financial assets	(114,264)	—	(6,714)	(120,978)
Other	(19,092)	(6,922)	—	(26,015)
Total deferred tax liabilities	$(205,214)	$ 9,660	$(6,714)	$(202,268)
Net amount	$ (44,502)	$12,958	$(3,086)	$ (34,630)

2. Net amounts of deferred tax assets and deferred tax liabilities included in the consolidated statement of financial position

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Deferred tax assets	¥ 10,177	¥ 12,050	¥ 12,564	$ 113,203
Deferred tax liabilities	(14,229)	(16,989)	(16,408)	(147,834)
Net amount	¥ (4,052)	¥ (4,939)	¥ (3,843)	$ (34,630)

(3) Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized

Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Deductible temporary differences	¥15,454	¥11,521	¥25,398	$228,833
Carryforwards of unused tax losses	27,352	27,994	34,058	306,863
Carryforwards of tax credits	252	1	430	3,881
Total	¥43,059	¥39,517	¥59,887	$539,577

Tax loss carryforwards for which no deferred tax assets are recognized will expire as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
1st year	¥ 587	¥ 906	¥ 1,748	$ 15,757
2nd year	1,018	2,105	3,371	30,378
3rd year	2,287	3,604	2,211	19,929
4th year	3,944	2,218	3,498	31,517
5th year and thereafter	19,513	19,160	23,227	209,279
Total	¥27,352	¥27,994	¥34,058	$306,863

(4) Taxable temporary differences for which no deferred tax liabilities are recognized

Taxable temporary differences for which no deferred tax liabilities are recognized regarding investments in subsidiaries amount to ¥93,674 million, ¥103,092 million and ¥106,939 million ($963,503 thousand) as of April 1, 2017, March 31, 2018 and March 31, 2019, respectively.

19 Trade and Other Payables

The details of trade and other payables are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Trade payables	¥50,399	¥ 55,687	¥ 57,100	$514,468
Notes payable	1,428	1,505	1,526	13,750
Non-trade payables	35,277	38,734	42,289	381,019
Other	4,740	5,835	5,906	53,218
Total	¥91,845	¥101,762	¥106,823	$962,456

Note: Trade and other payables are classified as financial liabilities measured at amortized cost.

20 Borrowings and Other Financial Liabilities

(1) Details of financial liabilities

	Millions of yen			Thousands of U.S. dollars		
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)	Average interest rate	Date of maturity
Derivative liabilities	¥ 10	¥ 60	¥ 29	$ 264		
Short-term borrowings	18,433	3,235	25,370	228,586	0.36%	
Current portion of long-term borrowings	2,512	3,465	3,733	33,634	0.71%	
Long-term borrowings	15,611	14,146	13,297	119,803	0.53%	2020–2033
Lease liabilities	3,302	3,005	5,705	51,405		2019–2026
Long-term guarantee deposit	451	318	314	2,836		
Total	¥40,321	¥24,230	¥48,450	$436,531		
Current liabilities	¥21,402	¥ 7,243	¥29,870	$269,131		
Non-current liabilities	18,918	16,987	18,579	167,399		
Total	¥40,321	¥24,230	¥48,450	$436,531		

Notes: 1. The average interest rate is the weighted average interest rate on the balance of borrowings as of March 31, 2019.
2. Derivative liability is classified as financial liability measured at FVTPL, and borrowing is classified as financial liability measured at amortized cost.
3. There are no financial covenants on borrowings that have a significant effect on the Group's financial activities.

(2) Pledged assets for liabilities

1. Pledged assets

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Land	¥1,903	¥2,252	¥2,185	$19,689
Building and equipment	1,425	3,371	5,359	48,292
Machinery and vehicle	332	221	110	998
Total	¥3,661	¥5,846	¥7,656	$68,980

2. Liabilities related to the pledged assets

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Short-term borrowings	¥ 1,200	¥ 900	¥ 900	$ 8,108
Current portion of long-term borrowings	1,132	1,556	1,689	15,219
Long-term borrowings	8,779	8,442	9,406	84,753
Total	¥11,112	¥10,898	¥11,996	$108,082

21 | Provisions

The changes in provisions are as follows:

	Millions of yen			
	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at April 1, 2017	¥78	¥250	¥ —	¥ 328
Increase	—	112	1,100	1,212
Decrease (provision used)	—	(25)	—	(25)
Decrease (provision reversed)	—	(39)	—	(39)
Interest expense on discounted provision	0	6	—	6
Exchange differences on translation of foreign operations	—	(23)	—	(23)
Balance at March 31, 2018	¥78	¥281	¥1,100	¥1,459
Increase	—	68	—	68
Decrease (provision used)	—	(53)	(353)	(406)
Decrease (provision reversed)	—	(14)	—	(14)
Interest expense on discounted provision	0	7	—	7
Exchange differences on translation of foreign operations	—	(9)	—	(9)
Balance at March 31, 2019	¥78	¥279	¥ 746	¥1,104

	Thousands of U.S. dollars			
	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at April 1, 2017	$702	$2,258	$ —	$ 2,960
Increase	—	1,017	9,910	10,928
Decrease (provision used)	—	(230)	—	(230)
Decrease (provision reversed)	—	(356)	—	(356)
Interest expense on discounted provision	1	60	—	62
Exchange differences on translation of foreign operations	—	(214)	—	(214)
Balance at March 31, 2018	$704	$2,534	$ 9,910	$13,150
Increase	—	620	—	620
Decrease (provision used)	—	(484)	(3,181)	(3,665)
Decrease (provision reversed)	—	(131)	—	(131)
Interest expense on discounted provision	1	67	—	69
Exchange differences on translation of foreign operations	—	(88)	—	(88)
Balance at March 31, 2019	$706	$2,518	$ 6,729	$ 9,953

The following table presents the carrying amount of provisions recognized in the consolidated statement of financial position.

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Current liabilities	¥ —	¥1,188	¥ 820	$7,391
Non-current liabilities	328	270	284	2,562
Total	¥328	¥1,459	¥1,104	$9,953

22 Other Liabilities

The details of other liabilities are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Other current liabilities				
Accrued bonuses	¥ 3,995	¥ 3,814	¥ 3,956	$ 35,645
Deposits payable	3,239	2,993	2,855	25,725
Consumption tax payables	3,454	3,569	1,429	12,880
Obligation for unused paid absences	2,777	3,170	3,709	33,417
Refund liabilities (accrued rebates)	4,577	4,497	4,733	42,649
Other	579	1,168	559	5,045
Total	¥18,623	¥19,213	¥17,243	$155,363
Other non-current liabilities				
Accrued long-term expenses	2,064	2,064	2,064	18,597
Other	230	381	378	3,410
Total	¥ 2,294	¥ 2,445	¥ 2,442	$ 22,007

23 Employee Benefits

The Group has adopted funded and unfunded defined benefit pension plans, and defined contribution plans to cover employee retirement benefits.

Funded defined benefit plans have been operated by a corporate pension fund that is legally separated from the Group in accordance with laws and regulations, including the Defined-Benefit Corporate Pension Act.

Certain consolidated subsidiaries have adopted lump-sum payment plans.

Additionally, certain consolidated subsidiaries have also adopted corporate defined contribution plans based on the Defined Contribution Pension Act.

The benefits of the plans are determined based on years of service and salary levels of employees.

The Group, the Board of representatives of corporate pension fund and the pension fund management institutions are legally required to act in the best interests of plan participants in executing their responsibilities for managing the plan assets.

The main defined benefit plan of the Group is exposed to the following actuarial risks.

Investment risk	The discount rate used to determine present value of defined benefit plan obligations is based on market yields on instruments of high-quality corporate bonds. If the profit of plan assets is below the market yields, there is a possibility of a shortage of funds.
Interest rate risk	Interest rate risk involves the potential for an increase in defined benefit plan obligations if market yields on instruments of high-quality corporate bonds decrease. However, it will be partially offset by the increase in fair values of debt instruments or plan assets.
Longevity risk	The present value of the defined benefit plan obligations is calculated based on the mortality rate based on best estimate of the scheme participants during and after employment. Longer life expectancy for scheme participants will result in an increase in defined benefit plan obligations.

(1) Defined benefit plans

1. Defined benefit obligations and plan assets

The details of the retirement benefit liabilities and assets recognized in the consolidated statement of financial position are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Present value of the defined benefit obligations	¥ 40,532	¥ 40,385	¥ 41,914	$377,643
Fair value of plan assets	(35,277)	(36,371)	(36,376)	327,741
Net defined benefit liabilities	¥ 5,255	¥ 4,013	¥ 5,538	$ 49,902
Amounts recognized in the consolidated statement of financial position				
Retirement benefit liabilities	5,354	4,138	5,664	51,032
Retirement benefit assets	¥ 99	¥ 124	¥ 125	$ 1,129

2. Present value of defined benefit obligations

The changes in the present value of defined benefit obligations are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Balance at the beginning	¥40,532	¥40,385	$363,861
Current service expense	1,831	1,766	15,915
Interest expense	352	312	2,811
Remeasurements			
Actuarial gains and losses arising from changes in financial assumptions	(601)	1,475	13,290
Actuarial gains and losses arising from experience adjustments	4	(33)	(301)
Benefits paid	(1,801)	(1,981)	(17,849)
Other	67	(9)	(84)
Balance at the end	¥40,385	¥41,914	$377,643

3. Fair value of plan assets

The changes in the fair value of plan assets are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Balance at the beginning	¥35,277	¥36,371	$327,696
Interest income	313	271	2,443
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	934	133	1,206
Contributions provided by employer	1,379	1,410	12,709
Benefits paid	(1,533)	(1,810)	(16,314)
Balance at the end	¥36,371	¥36,376	$327,741

4. Details of defined benefit cost

The details of defined benefit cost are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Service cost			
Current service cost	¥ 1,831	¥1,766	$15,915
Interest expense	352	312	2,811
Interest income	(313)	(271)	(2,443)
Total defined benefit cost recognized in profit or loss	1,870	1,807	16,283
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	¥ (934)	¥ (133)	$ (1,206)
Actuarial gains and losses arising from changes in financial assumptions	(601)	1,475	13,290
Actuarial gains and losses arising from experience adjustments	4	(33)	(301)
Total defined benefit cost recognized in other comprehensive income	¥(1,531)	¥1,307	$11,782
Total	¥ 339	¥3,115	$28,066

5. Components of plan assets

The details of plan assets by category are as follows:

Date of transition to IFRSs (As of April 1, 2017)

	Millions of yen		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	¥ 3,400	¥ —	¥ 3,400
Equity securities (Overseas)	2,074	—	2,074
Bonds (Domestic)	7,213	2,225	9,439
Bonds (Overseas)	1,547	499	2,047
General account for life insurance companies (Note 1)	—	5,986	5,986
Alternative investments (Note 2)	—	9,829	9,829
Other	2,499	—	2,499
Total	¥16,736	¥18,540	¥35,277

FY2018 (As of March 31, 2018)

	Millions of yen		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	¥ 2,734	¥ —	¥ 2,734
Equity securities (Overseas)	3,652	—	3,652
Bonds (Domestic)	7,187	1,818	9,005
Bonds (Overseas)	2,000	1,017	3,018
General account for life insurance companies (Note 1)	—	6,575	6,575
Alternative investments (Note 2)	—	10,354	10,354
Other	1,029	—	1,029
Total	¥16,604	¥19,766	¥36,371

FY2019 (As of March, 2019)

	Millions of yen			Thousands of U.S. dollars		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	¥ 2,055	¥ —	¥ 2,055	$ 18,519	$ —	$ 18,519
Equity securities (Overseas)	3,569	—	3,569	32,163	—	32,163
Bonds (Domestic)	7,329	1,015	8,345	66,041	9,153	75,195
Bonds (Overseas)	1,943	—	1,943	17,509	—	17,509
General account for life insurance companies (Note 1)	—	6,058	6,058	—	54,583	54,583
Alternative investments (Note 2)	—	11,889	11,889	—	107,126	107,126
Other	2,513	—	2,513	22,643	—	22,643
Total	¥17,411	¥18,964	¥36,376	$156,878	$170,863	$327,741

Notes: 1. A certain interest rate and principal for the general account of life insurance are guaranteed by life insurance companies.
2. Alternative investments include hedge funds and others.

6. Matters related to actuarial assumptions

The significant actuarial assumptions used to measure present value of defined benefit obligations are as follows:

	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
Discount rate (%)	0.9	0.8	0.6
Life expectancy (years)	25.9	25.9	26.0

7. Sensitivity analysis of actuarial assumptions

With an assumption of all other actuarial assumptions being constant, changes in the defined benefit obligations calculated according to changes in each significant actuarial assumption arising as of April 1, 2017, March 31, 2018 and March 31, 2019 are as follows. Sensitivity analysis results may not actually represent changes accurately in defined benefit obligations since other interrelated actuarial assumptions also change.

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Discount rate increases by 0.5%	¥(2,745)	¥(2,513)	¥(2,813)	$(25,346)
Life expectancy increase by 1 year	¥ 575	¥ 574	¥ 624	$ 5,625

8. Impact on future cash flows

(i) Funding policy for plan assets and expected contributions to plan assets

The funding policies for plan assets of the Group are as follows.

The purpose of the corporate pension fund, which is the major component of the Group's plan, is to secure necessary returns over the long term within limits of acceptable risk in assets management in order to ensure benefit and lump-sum payments in the future.

In particular, we set the target return rate and asset composition ratio by investment asset within the allowable risk range specified by the fiscal year, and manage the assets by maintaining that proportion.

For asset composition ratio, we discuss the introduction of plan assets highly correlated with changes in the defined benefit obligation when necessary.

Also, when unforeseen circumstances occur in the market environment, it is possible to temporarily adjust the weight of risk assets according to internal regulations.

In relation to funding the corporate pension fund, rules stipulate that the amount of contributions as of the last day of a fiscal year (i.e., reference date) should be recalculated every five years in order to maintain the balance of the pension financing.

Also, as for the corporate pension reserve as of each fiscal year, the amount of premium contribution will be recalculated if the amount of pension fund falls below the reserve fund after deduction of allowable deficiency carried forward.

During the year ending March 31, 2020, ¥1,328 million ($11,965 thousand) will be paid to plan assets as contributions.

(ii) Maturity analysis for the defined benefit obligations

The weighted-average durations of the defined benefit obligations were 15.0 years, 14.7 years and 14.8 as of April 1, 2017, March 31, 2018 and March 31, 2019, respectively.

(2) Defined contribution plans

The amounts recognized as cost of sales and selling, general and administrative expenses related to the defined contribution plan were ¥65,325 million and ¥70,917 million ($638,950 thousand) for the years ended March 31, 2018 and 2019, respectively.

24 Equity and Other Equity Items

(1) Equity and treasury shares

1. Shares authorized

	Shares		
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
Authorized			
Ordinary shares	500,000,000	500,000,000	500,000,000
Issued			
Beginning balance	117,463,685	117,463,685	117,463,685
Change during the year	—	—	(11,763,685)
Ending balance	117,463,685	117,463,685	105,700,000

Notes: 1. All of the issued shares of the Company are ordinary shares that have no per value.
2. The number of outstanding shares decreased for the current fiscal year is due to the cancellation of treasury shares.

2. Treasury shares

	Shares		
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
Treasury shares			
Beginning balance	9,438,151	13,373,235	13,329,298
Change during the year	3,935,084	(43,937)	(11,786,032)
Ending balance	13,373,235	13,329,298	1,543,266

Note: The Company adopts share option plans and utilizes treasury shares for delivery of shares due to its exercise. Contract conditions and amounts are described in Note 33 "Share-based payments."

(2) Capital surplus

The Companies Act requires that more than half of the payment or contribution upon issuance of shares must be appropriated as share capital and the rest be appropriated as capital reserve which is included in capital surplus.

Capital reserve may be appropriated to share capital by resolution of the General Meeting of Shareholders.

(3) Retained earnings

The Companies Act requires that an amount equal to one-tenth of dividends must be appropriated as capital reserve or as legal reserve until the total of the aggregate amount of capital reserve and legal reserve equals a quarter of share capital. Legal reserve may be appropriated to reduce a deficit, and also may be reversed by resolution of the General Meeting of Shareholders.

(4) Other components of equity

1. Net gain (loss) on revaluation of financial assets measured at FVTOCI

Net gain (loss) on revaluation of financial assets measured at FVTOCI is the accumulated amount of changes in the fair value of financial assets measured at FVTOCI.

2. Remeasurements of defined benefit plans

Remeasurements of defined benefit plans include the effect of any variances between actuarial assumptions at the beginning of the year and actual results and the effects of changes in actuarial assumptions.

Remeasurements of defined benefit plans are recognized in other comprehensive income and immediately reclassified from other components of equity to retained earnings in the period when they occur.

3. Share of other comprehensive income of investments accounted for using the equity method

Share of other comprehensive income of investments accounted for using the equity method includes net gain (loss) on revaluation of financial assets measured at FVTOCI, remeasurements of defined benefit plans and exchange differences on translation of foreign operations.

4. Exchange differences on translation of foreign operations

Foreign currency translation differences arise from the translation of financial statements of foreign operations prepared in foreign currencies.

5. Cash flow hedges

Cash flow hedge is the portion of the change in the fair value of the hedging instrument that meets the hedge effectiveness requirements under hedge accounting.

25 Dividends

The details of dividends are as follows:

FY2018 (from April 1, 2017 to March 31, 2018)

1. Dividend paid

	Millions of yen	Yen		
Resolution	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders held on June 28, 2017	¥4,684	¥45	Mar 31, 2017	Jun 29, 2017
Board of Directors meeting held on November 10, 2017	¥4,685	¥45	Sep 30, 2017	Nov 29, 2017

2. Dividends with an effective date after the fiscal year end are as follows:

	Millions of yen	Yen		
Resolution	Total dividends	Dividends per share	Record date	Effective date
General Meeting of Shareholders held on June 27, 2018	¥4,686	¥45	Mar 31, 2018	Jun 28, 2018

FY2019 (from April 1, 2018 to March 31, 2019)

1. Dividend paid

	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Resolution	Total dividends		Dividends per share		Record date	Effective date
General Meeting of Shareholders held on June 27, 2018	¥4,686	$42,220	¥45	$0.4	Mar 31, 2018	Jun 28, 2018
Board of Directors meeting held on November 7, 2018	¥5,728	$51,613	¥45	$0.5	Sep 30, 2018	Nov 29, 2018

2. Dividends with an effective date after the fiscal year end are as follows:

	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Resolution	Total dividends		Dividends per share		Record date	Effective date
General Meeting of Shareholders held on June 26, 2019	¥5,728	$51,613	¥55	$0.5	Mar 31, 2019	Jun 27, 2019

26 Revenue

The disaggregation of revenue for each product or geographical segment of the reportable segments is as follows:

Reportable segment	Revenue segment	Millions of yen FY2018 (From April 1, 2017 to March 31, 2018)	Millions of yen FY2019 (From April 1, 2018 to March 31, 2019)	Thousands of U.S. dollars FY2019 (From April 1, 2018 to March 31, 2019)
NISSIN FOOD PRODUCTS	Instant noodles	¥177,236	¥179,289	$1,615,360
	Other	13,731	13,967	125,843
	Total	190,967	193,256	1,741,204
MYOJO FOODS	Instant noodles	30,510	32,212	290,226
	Chilled and frozen products	642	670	6,038
	Total	31,152	32,882	296,265
Chilled and frozen foods	Chilled and frozen products	54,061	55,228	497,597
	Other	217	196	1,769
	Total	54,278	55,424	499,366
The Americas	Instant noodles	61,233	62,218	560,576
	Chilled and frozen products	1,299	1,207	10,874
	Total	62,533	63,425	571,451
China	Hong Kong	17,458	17,549	158,117
	Mainland China	22,674	23,898	215,319
	Total	40,132	41,447	373,437
Other	Instant noodles	15,008	18,121	163,272
	Beverages and confectionery	42,556	42,095	379,268
	Other	4,279	4,331	39,025
	Total	61,844	64,547	581,565
Revenue in the consolidated financial statements		¥440,909	¥450,984	$4,063,291

27 Selling, General and Administrative Expenses

The details of selling, general and administrative expenses are as follows:

	Millions of yen FY2018 (From April 1, 2017 to March 31, 2018)	Millions of yen FY2019 (From April 1, 2018 to March 31, 2019)	Thousands of U.S. dollars FY2019 (From April 1, 2018 to March 31, 2019)
Advertising expenses	¥ 14,684	¥ 14,294	$ 128,793
Freight and storage charges	33,394	36,266	326,752
Employee salaries	21,929	22,378	201,627
Promotion expenses	11,741	12,127	109,262
Commissions and charges	8,318	8,343	75,171
Other	33,652	32,873	296,182
Total	¥123,722	¥126,283	$1,137,791

28 Other Income and Other Expenses

The details of other income are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Other income			
Gain on sales of fixed assets	¥ 916	¥5,635	$50,772
Dilution gain from change in interests in associates (Note)	4,352	—	—
Other	2,325	1,310	11,807
Total	¥7,594	¥6,945	$62,580

Note: Dilution gain from change in interests in associates arose from changes in equity interest in an associate, Thai President Foods Pub. Co., Ltd.

The details of other expenses are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Other expenses			
Loss on disposal and sales of fixed assets	¥ 1,115	¥ 331	$ 2,990
Impairment losses (Note)	6,452	9,544	85,991
Loss on business of subsidiaries and associates	1,100	—	—
Other	1,671	945	8,519
Total	¥10,338	¥10,821	$97,501

Note: Details of impairment losses are described in Note 15 "Impairment loss of non-financial assets."

29 Finance Income and Finance Costs

The details of finance income are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Finance income			
Dividend income			
Financial assets measured at FVTOCI			
Investments derecognized during the year	¥ 125	¥ 0	$ 2
Investments held at the end of the year	1,260	1,452	13,084
Subtotal	¥1,385	¥1,452	$13,086
Interest income			
Financial assets measured at amortized cost	¥1,164	¥1,011	$ 9,113
Subtotal	¥1,164	¥1,011	$ 9,113
Other	17	61	550
Total	¥2,568	¥2,525	$22,751

The details of finance costs are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Finance costs			
Interest expense			
Borrowings	¥432	¥271	$2,450
Subtotal	¥432	¥271	$2,450
Foreign exchange loss	157	54	489
Total	¥590	¥326	$2,940

30 | Cash Flow

Reconciliation of liabilities arising from financing activities

The changes in liabilities arising from financing activities are as follows:

FY2018 (From April 1, 2017 to March 31, 2018)

	Millions of yen			
	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2017	¥18,123	¥ 18,433	¥3,302	¥10
Movement by cash inflow/outflow from financing activities	(1,204)	(14,816)	(491)	—
Acquisition	—	—	232	—
Exchange differences on translation of foreign operations	692	(381)	(38)	—
Fair value movement	—	—	—	49
Balance at March 31, 2018	¥17,611	¥ 3,235	¥3,005	¥60

FY2019 (From April 1, 2018 to March 31, 2019)

	Millions of yen			
	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at March 31, 2018	¥17,611	¥ 3,235	¥3,005	¥ 60
Movement by cash inflow/outflow from financing activities	1,070	20,747	(320)	—
Acquisition	—	—	3,033	—
Exchange differences on translation of foreign operations	(1,651)	1,387	(12)	—
Fair value movement	—	—	—	(30)
Balance at March 31, 2019	¥17,030	¥25,370	¥5,705	¥ 29

	Thousands of U.S. dollars			
	Long-term borrowings (Note)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at March 31, 2018	$158,677	$ 29,154	$27,074	$ 543
Movement by cash inflow/outflow from financing activities	9,641	186,934	(2,884)	—
Acquisition	—	—	27,327	—
Exchange differences on translation of foreign operations	(14,881)	12,497	(111)	—
Fair value movement	—	—	—	(278)
Balance at March 31, 2019	$153,438	$228,586	$51,405	$ 264

Note: Long-term borrowings include long-term borrowings due within one year.

31 Other Comprehensive Income

The details of other comprehensive income and the amount arising during the current year, reclassification adjustments to profit or loss and the related tax effects are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Items that will not be reclassified to profit or loss			
Equity instruments measured at FVTOCI			
Amount arising during the year	¥12,840	¥ (5,731)	$ (51,642)
Before income tax effect	12,840	(5,731)	(51,642)
Income tax effect	(3,934)	(726)	(6,543)
Equity instruments measured at FVTOCI	¥ 8,905	¥ (6,458)	$ (58,185)
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	¥ 220	¥ (80)	$ (729)
Share of other comprehensive income of investments accounted for using the equity method	¥ 220	¥ (80)	$ (729)
Remeasurements of defined benefit plans			
Amount arising during the year	¥ 1,531	¥ (1,307)	$ (11,783)
Before income tax effect	1,531	(1,307)	(11,783)
Income tax effect	(470)	402	3,627
Remeasurements of defined benefit plans	¥ 1,060	¥ (905)	$ (8,156)
Total items that will not be reclassified to profit or loss	¥10,186	¥ (7,444)	$ (67,072)
Items that may be reclassified to profit or loss			
Debt instruments measured at FVTOCI			
Amount arising during the year	¥ 17	¥ 3	$ 29
Reclassification adjustments	(8)	—	—
Before income tax effect	9	3	29
Income tax effect	(3)	(1)	(10)
Debt instruments measured at FVTOCI	¥ 6	¥ 2	$ 19
Foreign currency translation differences on foreign operations			
Amount arising during the year	¥ (2,802)	¥ (1,783)	$ (16,069)
Reclassification adjustments	—	—	—
Before income tax effect	(2,802)	(1,783)	(16,069)
Income tax effect	—	—	—
Foreign currency translation differences on foreign operations	¥ (2,802)	¥ (1,783)	$ (16,069)
Cash flow hedges			
Amount arising during the year	¥ (52)	¥ 71	$ 646
Reclassification adjustments	3	(3)	(32)
Before income tax effect	(49)	68	614
Income tax effect	15	(17)	(160)
Cash flow hedges	¥ (34)	¥ 50	$ 453
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	¥ 704	¥ (2,339)	$ (21,078)
Reclassification adjustments	—	—	—
Share of other comprehensive income of investments accounted for using the equity method	¥ 704	¥ (2,339)	$ (21,078)
Items that may be reclassified to profit or loss	(2,126)	(4,070)	(36,673)
Total of other comprehensive income	¥ 8,060	¥(11,514)	$(103,746)

32 Earnings per Share

(1) Basic earnings per share

	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	Thousands of U.S. dollars FY2019 (From April 1, 2018 to March 31, 2019)
Profit for the year attributable to owners of the parent (millions of yen)	¥ 29,134	¥ 19,356	$174,397
Weighted average number of ordinary shares outstanding (one hundred shares)	1,041,220	1,041,507	
Basic earnings per share (Yen)	¥ 279.81	¥ 185.85	$ 1.67

(2) Diluted earnings per share

	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	Thousands of U.S. dollars FY2019 (From April 1, 2018 to March 31, 2019)
Profit for the year attributable to owners of the parent (millions of yen)	¥ 29,134	¥ 19,356	$174,397
Profit adjustments (millions of yen)	—	—	—
Diluted profit for the year (millions of yen)	¥ 29,134	¥ 19,356	$174,397
Weighted average number of ordinary shares outstanding (one hundred shares)	1,041,220	1,041,507	
Adjustment due to stock acquisition rights to shares (one hundred shares)	5,099	5,338	
Diluted weighted average number of ordinary shares (one hundred shares)	1,046,319	1,046,846	
Diluted earnings per share (yen)	¥ 278.45	¥ 184.90	$ 1.66

33 Share-Based Payments

(1) Outline of share-based payments

The Company issues stock acquisition rights as stock options to directors, executive officers and employees in order to motivate and inspire the recipients to enhance the Company's results and value of shares.

Exercise periods are defined in allocation contracts, and options expire if they are not exercised within the period.

The options will also be forfeited if a person granted options retires from the Company, unless permitted in allocation contracts (e.g., expiration of the term).

The options granted are accounted for as equity-settled share-based payments.

Expenses arising from equity-settled share-based payment transactions recorded in selling, general and administrative expenses of the consolidated statement of profit or loss and amounted to ¥364 million and ¥401 million ($3,612 thousand) for the years ended March 31, 2018 and 2019, respectively.

The details of the Group's stock option plan are as follows:

	Grant date	Options granted (Shares)	Due date for exercise	Exercise price (Yen)	Fair value at grant date (Yen)	Fair value at grant date (U.S. dollars)
2nd	Jun 26, 2009	74,300	Jun 26, 2049	¥1	¥2,325	$20
3rd	Jun 26, 2009	3,155	Jun 26, 2049	¥1	¥2,677	$24
4th	Jun 26, 2009	11,284	Jun 26, 2049	¥1	¥2,677	$24
6th	Jun 29, 2010	73,200	Jun 29, 2050	¥1	¥2,616	$23
7th	Jun 29, 2010	5,710	Jun 29, 2050	¥1	¥3,003	$27
8th	Jun 29, 2010	21,329	Jun 29, 2050	¥1	¥3,003	$27
9th	Jun 29, 2011	73,200	Jun 29, 2051	¥1	¥2,141	$19
10th	Jun 29, 2011	11,049	Jun 29, 2051	¥1	¥2,614	$23
11th	Jun 29, 2011	22,677	Jun 29, 2051	¥1	¥2,614	$23
13th	Jun 28, 2012	85,900	Jun 28, 2052	¥1	¥2,244	$20
14th	Jun 28, 2012	8,666	Jun 28, 2052	¥1	¥2,709	$24
15th	Jun 28, 2012	26,477	Jun 28, 2052	¥1	¥2,709	$24
17th	Jun 26, 2013	80,000	Jun 26, 2053	¥1	¥3,003	$27
18th	Jun 26, 2013	7,990	Jun 26, 2053	¥1	¥3,461	$31
19th	Jun 26, 2013	26,914	Jun 26, 2053	¥1	¥3,461	$31
21st	Jun 26, 2014	56,500	Jun 26, 2054	¥1	¥4,323	$38
22nd	Jun 26, 2014	7,179	Jun 26, 2054	¥1	¥4,805	$43
23rd	Jun 26, 2014	19,837	Jun 26, 2054	¥1	¥4,805	$43
24th	Jun 25, 2015	52,300	Jun 25, 2055	¥1	¥4,692	$42
25th	Jun 25, 2015	7,284	Jun 25, 2055	¥1	¥5,162	$46
26th	Jun 25, 2015	17,141	Jun 25, 2055	¥1	¥5,162	$46
28th	Jun 28, 2016	39,500	Jun 28, 2056	¥1	¥4,830	$43
29th	Jun 28, 2016	4,249	Jun 28, 2056	¥1	¥5,322	$47
30th	Jun 28, 2016	9,627	Jun 28, 2056	¥1	¥5,322	$47
31st	Mar 30, 2017	294	Mar 30, 2057	¥1	¥6,302	$56
32nd	Mar 30, 2017	227	Mar 30, 2057	¥1	¥6,308	$56
33rd	Jun 28, 2017	35,500	Jun 28, 2057	¥1	¥6,027	$54
34th	Jun 28, 2017	11,048	Jun 28, 2057	¥1	¥6,841	$61
35th	Jun 28, 2017	10,893	Jun 28, 2057	¥1	¥6,841	$61
36th	Jun 27, 2018	33,600	Jun 27, 2058	¥1	¥7,247	$65
37th	Jun 27, 2018	10,007	Jun 27, 2058	¥1	¥8,098	$72
38th	Jun 27, 2018	9,377	Jun 27, 2058	¥1	¥8,098	$72
39th	Sep 28, 2018	103	Sep 28, 2058	¥1	¥7,808	$70

(2) Number of stock options and weighted average exercise price

	FY2018 (From April 1, 2017 to March 31, 2018)		FY2019 (From April 1, 2018 to March 31, 2019)	
	Number of shares (Shares)	Weighted average exercise price (Yen)	Number of shares (Shares)	Weighted average exercise price (Yen)
Beginning balance of outstanding shares	494,265	¥ 1	506,602	¥ 1
Granted	57,441	1	53,087	1
Exercised	45,104	1	23,512	1
Expired	—	—	—	—
Expired at maturity	—	—	—	—
Ending balance of outstanding shares	506,602	¥ 1	536,177	¥ 1
Ending balance of exercisable shares	506,602	¥ 1	536,177	¥ 1

As of March 31, 2018, the exercise price of outstanding stock options was 1 yen and the weighted average remaining contractual life was 35.14 years.

The weighted average share price on the date of exercise for the fiscal year ended March 31, 2018 was ¥6,853.42.

As of March 31, 2019, the exercise price of outstanding stock options was 1 yen and the weighted average remaining contractual life was 34.57 years.

The weighted average share price on the date of exercise for the fiscal year ended March 31, 2019 was ¥7,029.95 ($63.33).

(3) Fair value measurement of stock options

The weighted average fair value at the measurement date of the stock options granted during the years ended March 31, 2018 and March 31, 2019 was ¥6,337.92 and ¥ 7,558.81 ($68.10), respectively.

To determine the expenses for share-based payments, the Black-Scholes option-pricing model is used to evaluate options.

The assumptions used for the Black-Scholes option-pricing model are as follows:

FY2018 (From April 1, 2017 to March 31, 2018)

	33rd	34th	35th
Stock price at grant date (yen)	¥7,090	¥7,090	¥7,090
Volatility of stock price (%) (Note 1)	22.62	25.27	25.27
Estimated remaining outstanding period (years) (Note 2)	13.6	3.0	3.0
Estimated dividend (yen per share) (Note 3)	85	85	85
Risk free interest rate (%) (Note 4)	0.21	(0.10)	(0.10)

FY2019 (From April 1, 2018 to March 31, 2019)

					U.S. dollars			
	36th	37th	38th	39th	36th	37th	38th	39th
Stock price at grant date (yen)	¥8,330	¥8,330	¥8,330	¥7,810	$ 75	$ 75	$ 75	$ 70
Volatility of stock price (%) (Note 1)	23.38	23.00	23.00	29.16				
Estimated remaining outstanding period (years) (Note 2)	12.9	2.6	2.6	0.01				
Estimated dividend (yen per share) (Note 5)	90	90	90	90	0.81	0.81	0.81	0.81
Risk free interest rate (%) (Note 4)	0.17	(0.13)	(0.13)	(0.11)				

Notes: 1. The volatility of stock prices is determined based on the stock price history in the most recent period that corresponds with the expected remaining outstanding period from grant date.
2. The estimated remaining outstanding period is determined mainly based on the average duration of service.
3. The estimated dividend is determined based on the dividend during the period ended March 31, 2017.
4. The risk free interest rate is determined based on the average compound rate of long-term government bonds whose maturity is close to the estimated remaining outstanding period.
5. The estimated dividend is determined based on the dividend during the period ended March 31, 2018.

34 Financial Instruments

(1) Capital management

The Group manages its capital in accordance with finance policy focused on financial health, equity profitability and equity efficiency in order to maximize enterprise value with continuous growth as a going concern.

Comparison between net liabilities and equity of the Group is as follows.

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Interest-bearing debts	¥ 39,859	¥ 23,852	¥ 48,106	$ 433,430
Cash and cash equivalents	66,737	49,620	57,125	514,691
Interest-bearing debts (net)	¥ (26,877)	¥ (25,768)	¥ (9,019)	$ (81,260)
Equity (equity attributable to owners of the parent)	¥300,382	¥329,776	¥326,781	$2,944,239

(2) Financial risk management

The Group is exposed to a variety of risks, such as credit risk, liquidity risk and market risk (foreign exchange risk and interest rate risk).

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts, to hedge market risk.

Derivative transactions are used according to the authorization policy set by the Group, and the Group does not have a policy to execute speculative transactions by utilizing derivative assets.

The Group funds required capital (mainly by bank loan) in accordance with the capital expenditure plan. Temporary surplus cash is invested in highly secured financial instruments, and short-term working capital is funded by bank loan.

The Group is always exposed to financial risks during corporate operation. The Group enters into risk management in order to minimize financial risks. The Group prevents the sources of the risks and tries to minimize risks when they are not avoidable.

(3) Credit risk management

Credit risk is the financial loss risk that a customer or counterparty of financial instruments will default on contractual obligations.

The Group is exposed to credit risks of customers associated with trade accounts receivable, trade notes receivable and other receivables (loan receivables to customers).

The sales management and accounting departments of the Group monitor the financial situations of major customers on a regular basis in accordance with the Group's policy for trade receivables, and also control due dates and outstanding balances for each customer.

The Group also identifies indications of concern regarding collections from the parties whose financial situations worsen and minimizes such risks. Concentration of credit risks on specific customers does not exist.

There is counterparty risk when the Group utilizes derivative transactions. The Group enters into derivative transaction generally with highly rated financial institutions in order to reduce credit risk.

For financial assets, the maximum exposure of the Group is the total of carrying amount after impairment disclosed in the consolidated financial statements and the balance of guarantee liabilities.

There is no material balance of overdue receivables which has not been impaired.

Receivables with carrying amounts that are expected to be difficult to collect are recognized as impairment loss for the amount between the carrying and recoverable amount.

The changes of allowance for doubtful accounts are as follows:

	Millions of yen				
		Expected credit losses in lifetime			
	Expected credit losses in 12 months	Trade receivables	Financial assets whose credit losses increased significantly	Credit-impaired financial assets	Total
Balance at April 1, 2017	¥ 4	¥ 381	¥121	¥ 11	¥ 519
Increase	0	126	1	49	178
Decrease	(3)	(97)	—	—	(100)
Direct write-offs	—	(7)	—	—	(7)
Foreign exchange	—	(23)	—	(0)	(24)
Other	—	16	—	(5)	11
Balance at March 31, 2018	¥ 2	¥ 395	¥122	¥ 55	¥ 575
Increase	0	81	0	—	81
Decrease	(1)	(104)	(0)	(5)	(112)
Direct write-offs	—	(0)	—	(49)	(49)
Foreign exchange	—	—	—	0	0
Other	(0)	0	—	4	3
Balance at March 31, 2019	¥ 1	¥ 372	¥ 122	¥ 3	¥ 499

	Thousands of U.S. dollars				
		Expected credit losses in lifetime			
	Expected credit losses in 12 months	Trade receivables	Financial assets whose credit losses increased significantly	Credit-impaired financial assets	Total
Balance at March 31, 2018	$ 24	$3,563	$1,101	$ 496	$ 5,185
Increase	6	730	0	—	736
Decrease	(17)	(942)	(0)	(50)	(1,010)
Direct write-offs	—	(0)	—	(448)	(448)
Foreign exchange	—	—	—	5	5
Other	(0)	—	—	31	31
Balance at March 31, 2019	$ 12	$3,351	$1,101	$ 34	$ 4,500

(4) Liquidity risk management

Liquidity risk is the risk that the Group will encounter troubles in cash control due to changes in market environment or deterioration of financial results of the subsidiaries of the Group, or that the Group will have no alternative but to raise funds with costs substantially higher than usual.

Trade and other payables, interest-bearing debts and other non-current payables are exposed to liquidity risk. The Group controls the risk by preparing and updating its cash flow plans on a timely basis and maintaining enough liquidity.

Maturity analysis of financial liabilities (including derivative financial instruments) is as follows.

Date of transition to IFRSs (As of April 1, 2017)

	Millions of yen							
	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	¥91,845	¥91,845	¥91,845	¥ —	¥ —	¥ —	¥ —	¥ —
Borrowings	36,557	36,557	20,946	5,194	3,014	1,807	1,393	4,200
Lease liabilities	3,302	3,623	445	531	472	456	437	1,280
Non-current guarantee deposit received	451	451	—	—	—	—	2	448

	Millions of yen			
	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	¥10	¥10	¥0	¥10

FY2018 (As of March 31, 2018)

	Millions of yen							
	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	¥101,762	¥101,762	¥101,762	¥ —	¥ —	¥ —	¥ —	¥ —
Borrowings	20,847	20,847	6,701	3,530	2,449	1,867	1,747	4,551
Lease liabilities	3,005	3,252	481	516	482	455	413	903
Non-current guarantee deposit received	318	318	—	—	—	—	—	318

	Millions of yen			
	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	¥ 8	¥ 8	¥—	¥ 8
Forward foreign exchange contracts	51	51	51	—

FY2019 (As of March 31, 2019)

	Millions of yen							
	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	¥106,823	¥106,823	¥106,823	¥ —	¥ —	¥ —	¥ —	¥ —
Borrowings	42,400	42,400	29,103	2,580	1,991	1,874	1,789	5,060
Lease liabilities	5,705	5,891	767	776	715	660	605	2,366
Non-current guarantee deposit received	314	314	—	0	—	—	—	314

	Millions of yen			
	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	¥29	¥29	¥13	¥15

	Thousands of U.S. dollars							
	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	$962,456	$962,456	$962,456	$ —	$ —	$ —	$ —	$ —
Borrowings	382,024	382,024	262,221	23,250	17,939	16,889	16,126	45,596
Lease liabilities	51,405	53,080	6,910	6,998	6,442	5,951	5,457	21,318
Non-current guarantee deposit received	2,836	2,836	—	1	—	—	—	2,834

	Thousands of U.S. dollars			
	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	$264	$264	$121	$143

(5) Market risk management

Market risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in market prices. Market risk consists of foreign exchange risk, interest rate risk and other price risk.

1. Foreign exchange risk control

Foreign exchange risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rates.

In terms of imports in foreign currencies, the Group utilizes forward foreign exchange contracts to reduce risk. However, cost fluctuations greater than those expected may temporarily occur due to foreign exchange rate fluctuations.

The principal foreign exchange risk of the Group is the rise of purchase prices due to fluctuations in foreign exchange rates.

Sensitive analysis of foreign exchange rates

Assuming that the Japanese yen appreciates by 1% against the U.S. dollar, the effect on income before tax is as follows.

The effect of translation of financial instruments based on functional currency and assets, liabilities, income and expenses of foreign operations are not included.

And it is assumed that other currencies which are not used in this calculation remain constant.

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Income before tax	¥192	¥105	$947

2. Interest rate risk management

Interest rate risk is the risk that fair values of financial instruments or future cash flows will fluctuate due to changes in market interest rate.

The Group is exposed to interest rate risk due to borrowing funds from financial institutions.

The Group is exposed to interest rate risk because the Group borrows funds with fixed interest rates and variable interest rates.

The Group reduces such risk by maintaining a balance of borrowings with fixed interest rates and variable interest rates, and also utilizes interest rate swap contracts.

Sensitivity analysis of interest rates

Assuming that interest rates increase by 1% for the borrowings with variable interest rates and the expected original principal remains constant, the effect on income before tax of the Group is as follows.

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Income before tax	¥235	¥157	$1,419

(6) Fair value of financial instruments

1. Measurement of fair value of financial instruments

The measurements of major financial instruments are as follows.

(a) Equity securities

Marketable securities are measured using market prices at the end of each fiscal year.

Non-marketable securities are measured in accordance with valuation techniques including the net assets approach, market comparable approach and the discounted cash flow approach.

The market comparable approach calculates the share value of the Company by selecting listed companies that belong to similar industries and analyzing their financial indicators.

Under the discounted cash flow approach, the fair value is calculated by capital cost and earnings.

(b) Investment trusts and bonds

Investment trusts and bonds are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(c) Derivatives

Derivatives are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(d) Borrowings

Borrowings with variable interest rates are stated at their book values because their fair values are deemed to be nearly equal to their book values.

The fair value of borrowings is the present value of remaining principal and interest discounted using a deemed interest rate on equivalent new borrowings.

2. Financial instruments measured at fair value on a recurring basis

The fair value hierarchy of financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position is as follows:

Date of transition to IFRSs (As of April 1, 2017)

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity securities	¥78,739	¥ —	¥3,323	¥82,062
Investment trusts	5,968	673	—	6,642
Bonds	—	4,116	—	4,116
Total	¥84,708	¥4,789	¥3,323	¥92,821
Financial liabilities:				
Derivative liabilities	¥ —	¥ 10	¥ —	¥ 10
Total	¥ —	¥ 10	¥ —	¥ 10

FY2018 (As of March 31, 2018)

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	¥ —	¥ 0	¥ —	¥ 0
Equity securities	88,828	—	3,026	91,854
Investment trusts	130	395	—	525
Bonds	—	4,171	—	4,171
Total	¥88,958	¥4,567	¥3,026	¥96,551
Financial liabilities:				
Derivative liabilities	¥ —	¥ 60	¥ —	¥ 60
Total	¥ —	¥ 60	¥ —	¥ 60

FY2019 (As of March 31, 2019)

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	¥ —	¥ 26	¥ —	¥ 26
Equity securities	83,106	—	3,007	86,114
Investment trusts	126	2,104	—	2,231
Bonds	—	4,877	—	4,877
Total	¥83,233	¥7,008	¥3,007	¥93,249
Financial liabilities:				
Derivative liabilities	¥ —	¥ 29	¥ —	¥ 29
Total	¥ —	¥ 29	¥ —	¥ 29

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	$ —	$ 238	$ —	$ 238
Equity securities	748,777	—	27,098	775,875
Investment trusts	1,140	18,961	—	20,101
Bonds	—	43,942	—	43,942
Total	$749,917	$63,141	$27,098	$840,157
Financial liabilities:				
Derivative liabilities	$ —	$ 264	$ —	$ 264
Total	$ —	$ 264	$ —	$ 264

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and 2019.

The changes in financial instruments categorized as Level 3 are as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Beginning balance	¥3,323	¥3,026	$27,266
Gains and losses			
Other comprehensive income (Note)	(414)	(18)	(169)
Purchases	118	10	97
Sales and settlements	(1)	(10)	(95)
Others	0	—	—
Ending balance	¥3,026	¥3,007	$27,098

Note: Gains and losses recognized in other comprehensive income are included in “Financial assets measured at FVTOCI” in the consolidated statement of comprehensive income.

3. Financial instruments measured at amortized cost

The carrying amount and fair value of major financial instruments measured at amortized cost are as follows:

	Millions of yen						Thousands of U.S. dollars	
	Date of transition to IFRSs (As of April 1, 2017)		FY2018 (As of March 31, 2018)		FY2019 (As of March 31, 2019)		FY2019 (As of March 31, 2019)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities								
Borrowings (Note)	¥18,123	¥18,173	¥17,611	¥17,655	¥17,030	¥17,056	$153,438	$153,674
Total	¥18,123	¥18,173	¥17,611	¥17,655	¥17,030	¥17,056	$153,438	$153,674

Note: Borrowings are mainly classified into Level 3.

4. Valuation process

Fair values of financial instruments are measured in accordance with valuation policies and procedures approved by appropriate authorities, and the valuation method for each asset and liability is determined by the appraiser in the Group.

(7) Offsetting financial assets and financial liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position and the amount of financial assets and liabilities that are under enforceable master netting arrangements or similar agreements, but are not offset because they do not meet a part of or all criteria for offsetting.

Rights to offset based on enforceable master netting arrangements or similar agreements are enforceable only in certain circumstances, such as default on obligations by counterparties due to bankruptcy or other reasons.

Date of transition to IFRSs (As of April 1, 2017)

	Millions of yen				
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	¥386	¥47	¥338	¥—	¥338
Total	¥386	¥47	¥338	¥—	¥338

	Millions of yen				
	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	¥365	¥47	¥317	¥—	¥317
Total	¥365	¥47	¥317	¥—	¥317

FY2018 (As of March 31, 2018)

	Millions of yen				
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	¥372	¥38	¥334	¥—	¥334
Total	¥372	¥38	¥334	¥—	¥334

	Millions of yen				
	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	¥225	¥38	¥187	¥—	¥187
Total	¥225	¥38	¥187	¥—	¥187

FY2019 (As of March 31, 2019)

	Millions of yen				
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	¥277	¥34	¥242	¥—	¥242
Total	¥277	¥34	¥242	¥—	¥242

	Thousands of U.S. dollars				
	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	$2,496	$314	$2,181	$—	$2,181
Total	$2,496	$314	$2,181	$—	$2,181

	Millions of yen				
	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	¥131	¥34	¥96	¥—	¥96
Total	¥131	¥34	¥96	¥—	¥96

	Thousands of U.S. dollars				
	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	$1,182	$314	$867	$—	$867
Total	$1,182	$314	$867	$—	$867

(8) Derivatives and hedge accounting

The Company designates forward foreign exchange contracts as hedging instruments to hedge the variability of cash flows concerning foreign currency-denominated liabilities or forecasted transactions in foreign currencies, and designates interest rate swap contracts as hedging instruments to hedge fluctuations in cash flows related to borrowings with variable interest rates. Derivatives are managed according to the Company's internal rules, which stipulate authorization and limitation of transactions.

In order to reduce credit risk, the counterparties to these derivatives are limited to highly rated financial institutions.

Carrying amount and changes in fair values of hedging instruments by type of hedge accounting are as follows:

Date of transition to IFRSs (As of April 1, 2017)

				Millions of yen	
				Carrying amount (fair value) (Note)	
Hedge type	Risk type	Hedging instrument	Notional amount	Assets	Liabilities
Cash flow hedges	Interest rate risk	Interest rate swap contracts			
		Fixed-rate payment, variable rate receipt	¥754	¥—	¥10
Total			¥754	¥—	¥10

The average interest rate applied to the interest rate swap contracts is 0.7%.

FY2018 (As of March 31, 2018)

				Millions of yen	
				Carrying amount (fair value) (Note)	
Hedge type	Risk type	Hedging instrument	Notional amount	Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward foreign exchange contracts			
		Buying contracts			
		USD	¥1,646	¥ 0	¥51
	Interest rate risk	Interest rate swap contracts			
		Fixed-rate payment, variable rate receipt	621	—	8
Total			¥2,268	¥ 0	¥60

The average rate applied to the forward foreign exchange contracts is ¥106.9 per U.S. dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

FY2019 (As of March 31, 2019)

				Millions of yen	
				Carrying amount (fair value) (Note)	
Hedge type	Risk type	Hedging instrument	Notional amount	Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions			
		Buying contracts			
		USD	¥ 704	¥26	¥—
	Interest rate risk	Interest rate swaps			
		Fixed-rate payment, variable rate receipt	1,410	—	29
Total			¥2,115	¥26	¥29

				Thousands of U.S. dollars	
				Carrying amount (fair value) (Note)	
Hedge type	Risk type	Hedging instrument	Notional amount	Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions			
		Buying contracts			
		USD	$ 6,350	$238	$ —
	Interest rate risk	Interest rate swaps			
		Fixed-rate payment, variable rate receipt	12,710	—	264
Total			$19,060	$238	$264

The average rate applied to the forward foreign exchange contracts are ¥104.9 per U.S. dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

Note: The amount on the consolidated statement of financial position of each current and non-current asset and liability is recorded in "Other financial assets" or "Other financial liabilities" based on their maturity dates.

The cash flows in cash flow hedges are expected to be generated in one month to one year for forward foreign exchange contracts and one month to 15 years for interest rate swap contracts, and are expected to have an effect on profit or loss in the same period.

The changes in cash flow hedges arising from hedge instruments designated as cash flow hedge are as follows:

FY2018 (From April 1, 2017 to March 31, 2018)

	Millions of yen		
	Foreign exchange risk	Interest rate risk	Total
Balance at April 1, 2017	¥ —	¥(7)	¥ (7)
Amount arising during the year (Note 1)	(51)	(0)	(52)
Reclassification adjustments (Note 2)	—	3	3
Income tax effect	15	(0)	15
Balance at March 31, 2018	¥(35)	¥(5)	¥(41)

FY2019 (From April 1, 2018 to March 31, 2019)

	Millions of yen			Thousands of U.S. dollars		
	Foreign exchange risk	Interest rate risk	Total	Foreign exchange risk	Interest rate risk	Total
Balance at April 1, 2018	¥(35)	¥ (5)	¥(41)	$(323)	$ (52)	$(375)
Amount arising during the year (Note 1)	86	(14)	71	780	(133)	646
Reclassification adjustments (Note 2)	(8)	4	(3)	(75)	43	(32)
Income tax effect	(24)	6	(17)	(218)	57	(160)
Balance at March 31, 2019	¥ 18	¥ (9)	¥ 8	$ 162	$ (84)	$ 78

Notes: 1. Changes in fair value of hedged items used as the basis for recognition of the ineffective portion of hedges match with the changes in fair values of hedged instruments.
2. Reclassification adjustment attributed to effects of hedged items on profit or loss are recognized under finance income or costs on the consolidated statement of income.

35 | Related-Party Transactions

(1) Related-party transactions

Date of transition to IFRSs (As of April 1, 2017)

Type	Name	Transaction	Account	Outstanding balance (Millions of yen)
Other related party	Intech Lease K.K.	Lease of vending machines	Lease liability	¥74

FY2018 (As of March 31, 2018)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)
Other related party	Intech Lease K.K.	Lease of vending machines	¥442	Lease liability	¥66

FY2019 (As of March 31, 2019)

Type	Name	Transaction	Transaction amount (Millions of yen)	Transaction amount (Thousands of U.S. dollars)	Account	Outstanding balance (Millions of yen)	Outstanding balance (Thousands of U.S. dollars)
Other related party	Intech Lease K.K.	Lease of vending machines	¥429	$3,867	Lease liability	¥193	$1,742

Note: Leases are executed after comparing quotations on general lease operations with other lease companies.

(2) Compensation of key management personnel

Compensation for the Group's directors and other executives is as follows:

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Remuneration and bonuses	¥ 931	¥ 963	$ 8,684
Share-based payments	333	371	3,345
Total	¥1,264	¥1,335	$12,029

36 Subsidiaries and Associates

(1) The Group's subsidiaries and associates are summarized in the "Business areas of consolidated subsidiaries and associates."

(2) Consolidated subsidiaries with material non-controlling interests

Summarized financial information on the consolidated subsidiary with material non-controlling interests is as follows:

Summarized financial information is based on amounts before elimination in consolidation.

NISSIN FOODS CO., LTD. (NISSIN FOODS CO., LTD. and its Group companies)

1. General information

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Non-controlling interests held by non-controlling owner (%)	26.11	30.00	
Accumulated non-controlling interests of the subsidiary	¥14,343	¥16,763	$151,039

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Profit allocated to the non-controlling interests of the subsidiary	¥677	¥1,168	$10,525

2. Summarized statements of financial position

	Millions of yen		Thousands of U.S. dollars
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Current assets	¥40,900	¥42,126	$379,549
Non-current assets	21,214	22,161	199,670
Current liabilities	11,166	11,046	99,525
Non-current liabilities	848	865	7,794
Equity	¥50,100	¥52,376	$471,900

3. Summarized statements of income and comprehensive income

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Revenue	¥40,497	¥42,394	$381,970
Profit	3,431	3,487	31,417
Comprehensive income	¥ 6,003	¥ 1,621	$ 14,605

4. Summarized statements of cash flows

	Millions of yen		Thousands of U.S. dollars
	FY2018 (From April 1, 2017 to March 31, 2018)	FY2019 (From April 1, 2018 to March 31, 2019)	FY2019 (From April 1, 2018 to March 31, 2019)
Net cash from operating activities	¥ 3,069	¥ 5,591	$ 50,380
Net cash from investing activities	(4,876)	(3,646)	(32,856)
Net cash from financing activities	7,544	(1,087)	(9,800)
Effect of exchange rate changes on cash and cash equivalents	819	(742)	(6,693)
Net increase in cash and cash equivalents	¥ 6,556	¥ 114	$ 1,030

37 | Commitments

Commitments on payment after the end of each reporting period are as follows:

	Millions of yen			Thousands of U.S. dollars
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)	FY2019 (As of March 31, 2019)
Commitments to purchase property, plant and equipment (Note)	¥3,681	¥27,262	¥4,562	$41,109

Note: Commitments are mainly related to a plant which is under construction.

38 | Events after the Reporting Period

There are no material subsequent events to be disclosed.

39 | First-Time Adoption

The Group disclosed the consolidated financial statements under IFRSs for the first time from this fiscal year. The latest consolidated financial statements under Japanese GAAP are prepared for the fiscal year ended March 31, 2018, and Date of transition is April 1, 2017.

(1) Exemption under IFRS 1

IFRSs require that, in principle, first-time adopters of IFRSs (hereinafter "First-time adopter") retrospectively apply the requirements of IFRSs.

However, IFRS 1 provides exceptions that are forcefully required to be applied and exemptions that can be voluntarily applied to part of the requirements of IFRSs. The effect of applying IFRSs was adjusted in retained earnings or other component of equity at Date of transition.

The exemption provisions the Group has applied as at Date of transition from Japanese GAAP to IFRSs are as follows:

• Business combinations

The First-time adopter is allowed not to apply IFRS 3 "Business Combinations" (hereinafter "IFRS 3") retrospectively to business combinations that occurred before Date of transition.

The Group chose to exercise the exemption from retrospectively applying IFRS 3 to business combinations occurring before Date of transition.

Therefore, goodwill arising from business combinations prior to Date of transition is recorded at the carrying amount under Japanese GAAP at Date of transition.

Furthermore, impairment tests on goodwill have been conducted at Date of transition regardless of whether there was any indication of impairment.

• Deemed cost

IFRS 1 allows the First-time adopter to use the fair value of property, plant and equipment, investment property and intangible assets at Date of transition as its deemed cost. The Group has used the fair value of certain property, plant and equipment on Date of transition as its deemed cost.

• Foreign currency translation differences on foreign operations

IFRS 1 permits the cumulative balance of all foreign currency translation differences on foreign operations to be deemed as zero at Date of transition. The Group has elected to treat all foreign currency translation differences on foreign operations as zero at Date of transition.

• Share-based payment transactions

IFRS 1 encourages but does not enforce the application of IFRS 2 to share-based payments granted on or after November 7, 2002 and vested before Date of transition. The Group chose not to apply IFRS 2 to share-based payments vested before Date of transition.

• Leases

IFRS 1 allows the First-time adopter to determine whether contracts contain a lease as of Date of transition. The Group has applied the exemption and determined whether contracts contain a lease based on facts and circumstances as of Date of transition.

• Designation of financial instruments recognized prior to Date of transition

IFRS 1 allows the First-time adopter to determine the classification of financial instruments under IFRS 9 "Financial instruments" (hereinafter "IFRS 9") based on facts and circumstances as of Date of transition rather than facts and circumstances that exist at the time of initial recognition.

In addition, IFRS 1 allows the designation of equity instruments measured at FVTOCI based on facts and circumstances as of Date of transition.

The Group has determined the classification of financial instruments under IFRS 9 based on facts and circumstances as of Date of transition and designated certain equity instruments measured at FVTOCI.

• Application of transition measures of IFRS 15

IFRS 15 "Revenue from Contracts with Customers," permits the First-time adopter to not restate contracts that were completed at the beginning of the first reporting period and those that were modified before the beginning of the period.

The Group has applied the practical expedient not to restate contracts completed as of April 1, 2018, which is the beginning of the first reporting period, and contracts with changed conditions before that date.

There is no material effect due to the application of the expedient to the consolidated statement of financial position and consolidated statement of income.

(2) Mandatory exceptions under IFRS 1

IFRS 1 prohibits retrospective application of IFRSs with respect to "estimates," "derecognition of financial assets and financial liabilities," "hedge accounting," "non-controlling interests," "classification and measurement of financial assets" and "impairment of financial assets."

The Group applies these requirements prospectively from Date of transition.

(3) Reconciliations

The reconciliations required to be disclosed at the first-time adoption of IFRSs are as follows.

"Effect of changes in fiscal year" includes the effect of unifying fiscal periods of subsidiaries with that of the Company, "Reclassification" includes items that do not affect retained earnings and comprehensive income, and "Differences in recognition and measurement" includes items that affect retained earnings and comprehensive income.

Reconciliation of equity at Date of transition (As of April 1, 2017)

Millions of yen

Presentation under Japanese GAAP	Japanese GAAP	Effect of changes in fiscal year	Reclassification	Differences in recognition and measurement	IFRSs	Notes	Presentation under IFRSs
Assets							Assets
Current assets							Current assets
Cash and deposits	¥ 70,919	¥ (826)	¥ (3,356)	¥ —	¥ 66,737	(1)	Cash and cash equivalents
Notes and accounts receivable—trade	64,905	(270)	2,697	(229)	67,101	(2) (3)	Trade and other receivables
Allowance for doubtful receivables							
Marketable securities	1,155	(64)	3,364	—	4,455	(1) (4)	Other financial assets
Finished goods and merchandise Raw materials and supplies	28,907	(69)	—	185	29,023	(3) (5)	Inventories
	—	—	244	—	244	(7)	Income taxes receivable
Others	6,849	59	(2,902)	—	4,006	(2)	Other current assets
Total current assets	172,737	(1,170)	46	(44)	171,569		Total current assets
Fixed assets							Non-current assets
Tangible fixed assets Building and structures, net Machinery, equipment and vehicles, net Tools and fixtures, net Land Leased assets, net Construction in progress Others, net	188,013	339	(10,940)	(14,156)	163,256	(8) (10)	Property, plant and equipment
	—	—	10,940	—	10,940	(8)	Investment property
Intangible fixed assets Goodwill Others	44,070	(0)	(941)	(33,001)	10,128	(11)	Goodwill and intangible assets
Investments and other assets Investments in securities Investments in capital Long-term loans	121,837	1	(28,364)	(802)	92,671	(4)	Other financial assets
	—	—	29,373	—	29,373	(12)	Investments accounted for using the equity method
Deferred tax assets	7,270	(9)	—	2,915	10,177	(6)	Deferred tax assets
Net defined benefit asset	335	—	(335)	—	—	(13)	Other non-current assets
Others	3,046	(11)	145	(148)	3,032	(19)	
Allowance for doubtful receivables	(132)	—	132	—	—		
Total fixed assets	364,442	320	9	(45,192)	319,580		Total non-current assets
Total assets	¥537,180	¥ (850)	¥ 56	¥(45,236)	¥491,149		Total assets

Presentation under Japanese GAAP	Japanese GAAP	Effect of changes in fiscal year	Reclassification	Differences in recognition and measurement	IFRSs	Notes	Presentation under IFRSs
	Millions of yen						
							Liabilities and equity
Liabilities							Liabilities
Current liabilities							Current liabilities
Notes and accounts payable—trade	¥ 90,919	¥(364)	¥ 180	¥ 1,109	¥ 91,845	(14)	Trade and other payables
Short-term borrowings	18,450	(48)	2,544	—	20,946	(15)	Borrowings
Lease liabilities within one year	449	(3)	—	10	456	(16)	Other financial liabilities
Accrued income taxes	7,926	(94)	(853)	—	6,978	(17)	Accrued income taxes
Others	18,101	(22)	(1,815)	2,359	18,623	(18)	Other current liabilities
Total current liabilities	135,847	(533)	56	3,480	138,850		Total current liabilities
Long-term liabilities							Non-current liabilities
Long-term borrowings	15,867	(256)	—	—	15,611		Borrowings
Lease liabilities beyond one year	2,863	(6)	451	—	3,307	(16)	Other financial liabilities
Asset retirement obligations	55	—	272	—	328		Provisions
Deferred tax liabilities	18,631	—	—	(4,402)	14,229	(6)	Deferred tax liabilities
Liability for retirement benefits	7,346	4	—	(1,996)	5,354	(19)	Defined benefit liabilities
Others	3,051	(32)	(724)	—	2,294		Other non-current liabilities
Total long-term liabilities	47,815	(290)	—	(6,398)	41,125		Total non-current liabilities
Total liabilities	183,662	(824)	56	(2,918)	179,976		Total liabilities
Equity							Equity
Common stock	25,122	—	—	—	25,122		Share capital
Capital surplus	49,823	—	—	—	49,823		Capital surplus
Retained earnings	308,074	110	—	(50,242)	257,942	(21)	Retained earnings
Treasury stock, at cost	(58,190)	—	—	—	(58,190)		Treasury shares
Accumulated other comprehensive income Stock acquisition rights	17,853	(182)	—	8,012	25,684	(20)	Other components of equity
	342,684	(72)	—	(42,229)	300,382		Total equity attributable to owners of the parent
Non-controlling interests	10,833	46	—	(89)	10,790		Non-controlling interests
Total equity	353,517	(26)	—	(42,318)	311,173		Total equity
Total liabilities and equity	¥537,180	¥(850)	¥ 56	¥(45,236)	¥491,149		Total liabilities and equity

Reconciliation of equity at the date of March 31, 2018

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRSs	Notes	Presentation under IFRSs
	Millions of yen					
Assets						Assets
Current assets						Current assets
Cash and deposits	¥ 56,131	¥ (6,510)	¥ —	¥ 49,620	(1)	Cash and cash equivalents
Notes and accounts receivable—trade	68,734	4,035	(231)	72,538	(2) (3)	Trade and other receivables
Allowance for doubtful receivables						
Marketable securities	51	6,518	—	6,569	(1) (4)	Other financial assets
Finished goods and merchandise	29,432	—	184	29,616	(3) (5)	Inventories
Raw materials and supplies						
	—	1,567	—	1,567	(7)	Income taxes receivable
Others	11,113	(5,491)	4	5,626	(2)	Other current assets
	165,464	118	(42)	165,539		Subtotal
	—	3,514	—	3,514	(9)	Assets held for sale
Total current assets	165,464	3,633	(42)	169,054		Total current assets
Fixed assets						Non-current assets
Tangible fixed assets	214,071	(10,739)	(15,111)	188,219	(8) (9) (10)	Property, plant and equipment
Building and structures, net						
Machinery, equipment and vehicles, net						
Tools and fixtures, net						
Land						
Leased assets, net						
Construction in progress						
Others, net						
	—	7,225	—	7,225	(8)	Investment property
Intangible fixed assets	37,264	(909)	(28,099)	8,256	(11)	Goodwill and intangible assets
Goodwill						
Others						
Investments and other assets						
Investments in securities	139,362	(41,904)	540	97,998	(4)	Other financial assets
Investments in capital						
	—	43,047	910	43,957	(12)	Investments accounted for using the equity method
Deferred tax assets	9,351	—	2,698	12,050	(6)	Deferred tax assets
Net defined benefit asset	405	(405)	—	—	(13)	Other non-current assets
Others	3,199	(953)	(280)	1,964	(19)	
Allowance for doubtful receivables	(1,006)	1,006	—	—		
Total fixed assets	402,647	(3,633)	(39,342)	359,672		Total non-current assets
Total assets	¥568,111	¥ —	¥(39,385)	¥528,726		Total assets

Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRSs	Notes	Presentation under IFRSs
	Millions of yen					
						Liabilities and equity
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable—trade	¥ 98,844	¥ 1,787	¥ 1,130	¥101,762	(14)	Trade and other payables
Short-term borrowings	3,235	3,465	—	6,701	(15)	Borrowings
Lease liabilities within one year	481	51	8	541	(16)	Other financial liabilities
Accrued income taxes	5,886	(671)	—	5,214	(17)	Accrued income taxes
Others	22,267	(5,822)	2,768	19,213	(18)	Other current liabilities
	—	1,188	—	1,188		Provisions
	130,715	—	3,907	134,622		Subtotal
	—	143	—	143		Liabilities directly related to assets held for sale
Total current liabilities	130,715	143	3,907	134,766		Total current liabilities
Long-term liabilities						Non-current liabilities
Long-term borrowings	14,146	—	—	14,146		Borrowings
Lease liabilities beyond one year	2,523	318	—	2,841	(16)	Other financial liabilities
Asset retirement obligations	78	192	—	270		Provisions
Deferred tax liabilities	20,311	—	(3,321)	16,989	(6)	Deferred tax liabilities
Liability for retirement benefits	5,461	—	(1,323)	4,138	(19)	Defined benefit liabilities
Others	3,099	(654)	—	2,445		Other non-current liabilities
Total long-term liabilities	45,620	(143)	(4,645)	40,831		Total non-current liabilities
Total liabilities	176,335	—	(737)	175,597		Total liabilities
Equity						Equity
Common stock	25,122	—	—	25,122		Share capital
Capital surplus	51,218	—	—	51,218		Capital surplus
Retained earnings	327,996	—	(47,912)	280,083	(21)	Retained earnings
Treasury stock, at cost	(58,002)	—	—	(58,002)		Treasury shares
Accumulated other comprehensive income Stock acquisition rights	21,971	—	9,382	31,353	(20)	Other components of equity
	368,306	—	(38,530)	329,776		Total equity attributable to owners of the parent
Non-controlling interests	23,470	—	(117)	23,352		Non-controlling interests
Total equity	391,776	—	(38,647)	353,128		Total equity
Total liabilities and equity	¥568,111	¥ —	¥(39,385)	¥528,726		Total liabilities and equity

Notes on reconciliations of equity

(1) Cash and cash equivalents

(Reclassifications)

Under Japanese GAAP, the Group included short-term deposits with deposit terms exceeding three months in cash and deposits, but under IFRSs, they are reclassified to other financial assets (current). Under Japanese GAAP, the Group included short-term investments with maturities of less than three months from the date of acquisition in marketable securities, but under IFRSs, they are reclassified to cash and cash equivalents.

(2) Trade and other receivables

(Reclassifications)

Under Japanese GAAP, the Group included notes and accounts receivable—trade, allowance for doubtful receivables and other receivables in others (current assets), but under IFRSs, they are reclassified to trade and other receivables.

(3) Adjustments to trade receivables and inventories due to change in revenue recognition

(Recognition and measurement difference)

Under Japanese GAAP, revenue from certain sales of goods transactions was recognized on a shipping basis. Under IFRSs, revenue is recognized at the time upon delivery, which results in an adjustment to trade and other receivables as well as inventories.

(4) Other financial assets

(Reclassifications)

Under Japanese GAAP, the Group included derivative assets in others (current assets), but under IFRSs, they are reclassified to other financial assets (current).

Under Japanese GAAP, the Group separately presented investments in securities, investments in capital, long-term loans, allowance for doubtful receivables and others.

Within this context, derivative assets were included in others (non-current assets), but under IFRSs, they are reclassified to other financial assets (non-current).

(Recognition and measurement difference)
Under Japanese GAAP, interest-rate swaps that meet specific requirements were treated with the "exceptional method." Under IFRSs, they have been treated with principle hedge accounting and measured at fair value.

Under Japanese GAAP, non-marketable equity instruments were carried at the acquisition cost, and impairment loss was recognized as required depending on the financial condition of the issuing company.

Under IFRSs, these equity instruments are designated as financial assets measured at FVTOCI, and are measured at fair value with the change recognized as other comprehensive income and reclassified to retained earnings in cases of derecognition or significant decrease in fair value.

(5) Inventories
(Reclassifications)
Under Japanese GAAP, the Group presented inventories in the separate accounts of finished goods and merchandise and raw materials and supplies, but under IFRSs, all the inventory accounts are presented aggregately in inventories.

(6) Deferred tax assets and deferred tax liabilities
(Recognition and measurement difference)
Amounts of deferred tax assets and deferred tax liabilities have been adjusted for reasons such as temporary differences arising from transition to IFRSs from Japanese GAAP.

(7) Income taxes receivable
(Reclassifications)
Under Japanese GAAP, the Group included income taxes receivable in others (current assets), but under IFRSs, they are reclassified to income taxes receivable.

(8) Investment property
(Reclassifications)
In accordance with IFRSs, investment property is reclassified from properly, plant and equipment to be separately presented.

(9) Assets held for sale
(Reclassifications)
In accordance with IFRSs, assets held for sale is reclassified from property, plant and equipment to be separately presented.

(10) Property, plant and equipment
(Recognition and measurement difference)
Under Japanese GAAP, property taxes were recorded as an expense, but under IFRSs, they are included in the acquisition cost, and increases the amount of the property, plant and equipment.

The fair values of certain items of property, plant and equipment as of Date of transition were used as their deemed cost. The fair value of the items was ¥19,555 million, and the carrying amount under Japanese GAAP was ¥39,744 million.

(11) Goodwill
(Recognition and measurement difference)
The Group conducted impairment testing on cash-generating units including goodwill at Date of transition.

According to the testing, the Group identified that the Brazil business was not likely to generate future cash flows as originally expected, and recognized an impairment loss of ¥33,001 million, which is deducted from retained earnings.

The recoverable amount of ¥18,426 million is measured as its value in use. The amount of value in use reflects the Group's historical experience and other external evidence, and is determined based on cash flow projections on the most recent financial budgets approved by management, using a discount rate of 14.3%.

(12) Investments accounted for using the equity method
(Reclassifications)
Under Japanese GAAP, the Group included investments accounted for using the equity method in investments in securities, but under IFRSs they are separately disclosed as investments accounted for using the equity method.

(13) Other non-current assets
(Reclassifications)
Under Japanese GAAP, the Group separately presented defined benefit assets, but under IFRSs, they are presented in other non-current assets.

(14) Trade and other payables
(Reclassifications)
Under Japanese GAAP, the Group separately presented notes and accounts payable—trade, accrued payables and accrued expenses in others (current liabilities), but under IFRSs, they are presented in trade and other payables.

(Recognition and measurement difference)
Under Japanese GAAP, tax levies such as property tax, etc., are recorded based on tax notification imposed by the government. Under IFRSs, estimated liabilities related to the payment of levies are recognized at the time when payment obligation occurs in the Group. As a result, trade and other payables increased accordingly.

(15) Borrowings
(Reclassifications)
Under Japanese GAAP, the Group included the current portion of long-term borrowings in others (current liabilities), but under IFRSs, it is separately presented as borrowings (current).

(16) Other financial liabilities
(Reclassifications)
Under Japanese GAAP, the Group separately presented lease liabilities within/beyond one year in current liabilities and long-term liabilities and financial liabilities in others, but under IFRSs, they are separately reclassified to current and non-current other financial liabilities.

(17) Accrued income taxes

(Reclassifications)

Under Japanese GAAP, the Group included enterprise taxes of pro forma standard taxation in accrued income taxes, but under IFRSs, it is reclassified to other non-current liabilities.

(18) Other current liabilities

(Reclassifications)

Under Japanese GAAP, the Group included accrued rebates in accrued payables, but under IFRSs, they are reclassified to other current liabilities.

(Recognition and measurement difference)

Under Japanese GAAP, unused paid absences are not required to be recognized as liabilities. However, under IFRSs, such obligations shall be recognized as liabilities. As a result, other current liabilities increased accordingly.

(19) Defined benefit assets and liabilities

(Recognition and measurement difference)

Under Japanese GAAP, actuarial gains and losses arising from defined benefit plans are recognized in other comprehensive income when incurred, and reclassified to profit or loss in the following year. Under IFRSs, actuarial gains and losses are recognized in other comprehensive income, to be reclassified to retained earnings immediately.

As for the Company and consolidated subsidiaries which have defined benefit plans, differences on the actuarial assumptions exist, between Japanese GAAP and IFRSs.

As a result, defined benefit assets and liabilities are adjusted due to the remeasurement of defined benefit plans.

(20) Other components of equity

(Recognition and measurement difference)

1) The Group uses the exemption provided by IFRS 1, deems the cumulative translation differences of foreign operations as zero and reclassifies all to retained earnings at Date of transition.
2) Under Japanese GAAP, non-marketable equity instruments were carried at the acquisition cost, with any impairment loss recognized as required depending on the financial condition of the issuing company.

   Under IFRSs, these equity instruments are designated as equity instruments measured at FVTOCI, and increased other components of equity to ¥270 million at Date of transition.
3) Under Japanese GAAP, certain land was subject to the law concerning land revaluation; the difference between the revaluation and the carrying amount of the land is included in land revaluation reserve as a part of net assets.

   Under IFRSs, valuation differences are reversed, and increases the other components of equity to ¥6,382 million at Date of transition.
4) Under Japanese GAAP, interest-rate swaps that meet specific requirements were treated with the "exceptional method."

   Under IFRSs, they are treated with principle hedge accounting and measured as fair value, and decreased other components of equity to ¥7 million at Date of transition.

(21) Reconciliation of retained earnings

	Millions of yen	
	Date of transition to IFRSs (As of April 1, 2017)	FY2018 (As of March 31, 2018)
Adjustments of trade receivables and inventories	¥ (39)	¥ (47)
Adjustments of goodwill and intangible assets	(32,081)	(29,413)
	(16,474)	(15,994)
Adjustments of unused paid absences	(1,619)	(1,908)
Adjustments of defined benefit assets and liabilities	1,483	1,962
Adjustments of recoverability of deferred tax assets	399	—
Adjustments of accumulated foreign currency translation	(1,403)	(1,403)
Adjustments of levies	(756)	(770)
Others	249	(337)
Total	¥(50,242)	¥(47,912)

Reconciliation of profit (loss) and comprehensive income for the fiscal year from April 1, 2017 to March 31, 2018

	Millions of yen					
Presentation under Japanese GAAP	Japanese GAAP	Reclassification	Difference in recognition and measurement	IFRSs	Notes	Presentation under IFRSs
Net sales	¥516,400	¥(75,489)	¥ (1)	¥440,909	(1)	Revenue
Cost of sales	282,271	—	565	282,837	(6)	Cost of sales
Gross profit	234,128	(75,489)	(566)	158,072		Gross profit
	—	7,448	146	7,594	(5)	Other income
Selling, general and administrative expenses	200,016	(75,338)	(955)	123,722	(1) (2) (6)	Selling, general and administrative expenses
	—	9,241	1,096	10,338	(5)	Other expenses
	—	2,680	889	3,569	(3) (5)	Gain on investments accounted for using the equity method
Operating income	34,112	735	327	35,175		Operating income
Non-operating income	7,855	(6,984)	(870)	—	(8)	
Non-operating expenses	1,378	(1,378)	—	—	(8)	
Extraordinary gains	6,808	(5,715)	(1,093)	—	(8)	
Extraordinary losses	9,872	(8,454)	(1,418)	—	(8)	
	—	2,568	—	2,568	(5)	Finance income
	—	590	—	590	(5)	Finance costs
Income before income taxes	37,525	(154)	(217)	37,153		Profit before tax
Total income taxes	8,406	(154)	(217)	8,035	(7)	Income tax expenses
Net income	29,118	—	(0)	29,117		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Unrealized gain (loss) on available-for-sale securities	7,405	—	1,500	8,905	(8)	Net change in equity instruments measured at FVTOCI
Remeasurements of defined benefit plans	881	—	179	1,060	(4)	Remeasurements of defined benefit plans
	—	—	220	220		Share of other comprehensive income of investments accounted for using the equity method
	998	—	(998)	—		
	9,285	—	901	10,186		Total items that will not be reclassified to profit or loss
						Items that may be reclassified to profit or loss
	—	—	6	6		Net change in debt instruments measured at FVTOCI
Deferred gain (loss) on hedges	(35)	—	1	(34)		Cash flow hedges
Foreign currency translation adjustments	(6,061)	—	3,259	(2,802)		Foreign currency translation differences on foreign operations
Share of other comprehensive income (loss) of entities accounted for using the equity method	931	—	(226)	704		Share of other comprehensive income (loss) of entities accounted for using the equity method
	(5,166)	—	3,040	(2,126)		Total items that may be reclassified to profit or loss
Total other comprehensive income	4,118	—	3,941	8,060		Total other comprehensive income
Comprehensive income	¥ 33,236	¥ —	¥ 3,941	¥ 37,178		Comprehensive income

Notes on reconciliations of profit (loss) and comprehensive income

(1) Revenue

Under Japanese GAAP, the Group recognized revenue for the sale of goods on a shipping basis. However, under IFRSs, revenue has been recognized upon delivery.

In addition, under Japanese GAAP, certain rebates were presented as selling, general and administrative expenses. However, under IFRSs, such rebates have been deducted from revenue.

(2) Goodwill

Under Japanese GAAP, goodwill was amortized over a reasonably estimated period. However, under IFRSs, amortization of goodwill on and after Date of transition was discontinued, and impairment testing is performed in each period.

(3) Investments accounted for using the equity method

Under Japanese GAAP, goodwill for affiliates was amortized over a reasonably estimated period in which the benefits of the investment were expected to be realized and recognized as gain (loss) on investments accounted for using the equity method.

However, under IFRSs, goodwill has not been amortized on and after Date of transition.

(4) Actuarial gains and losses

Under Japanese GAAP, actuarial gains and losses arising from defined benefit plans are recognized in other comprehensive income when incurred, and reclassified to profit or loss in the following year.

Under IFRSs, actuarial gains and losses are recognized in other comprehensive income, to be reclassified to retained earnings immediately.

(5) Reclassification

For items presented as non-operating income, non-operating expenses, extraordinary income and extraordinary losses under Japanese GAAP, finance-related items are presented as finance income and finance costs, and the other items are presented as other income, other expenses and gain on investments accounted for using the equity method under IFRSs.

(6) Unused paid absences

The Group recognized unused paid absences, not recognized under Japanese GAAP, as personnel expenses under IFRSs.

(7) Income tax expenses

Under Japanese GAAP, the Group disclosed current income taxes and deferred income taxes separately. However, under IFRSs, the amounts are shown in one line as income tax expenses.

In connection with the adoption of IFRSs, the recoverability of the entire deferred tax assets is reassessed. Furthermore, under Japanese GAAP, tax effects on the elimination of unrealized gains were calculated based on the effective tax rates of selling entities.

Under IFRSs, these are calculated based on effective tax rates of purchasing entities.

(8) Equity instruments

Under Japanese GAAP, gain or loss on sales of equity instruments and impairment of such instruments were recorded as profit or loss.

However, under IFRSs, for equity instruments designated as financial assets measured at FVTOCI, changes in fair value have been recognized as other comprehensive income and transferred to retained earnings when it has been derecognized.

Reconciliations of cash flow

There is no significant difference between the consolidated statement of cash flows presented under Japanese GAAP and the consolidated statement of cash flows presented under IFRSs.

Deloitte.

Deloitte Touche Tohmatsu LLC
Marunouchi Nijubashi Building
3-2-3 Marunouchi, Chiyoda-ku
Tokyo 100-8360
Japan

Tel: +81 (3) 6213 1000
Fax: +81 (3) 6213 1005
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated statement of financial position of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2019, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2019, and the consolidated results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2019

Member of
Deloitte Touche Tohmatsu Limited

Business Areas of Consolidated Subsidiaries and Associates

As of March 31, 2019

Company	Capital	Business area	Equity ownership (%)
Consolidated Subsidiaries			
NISSIN FOOD PRODUCTS CO., LTD.	¥5,000 million	Instant noodle manufacturing and marketing	100.0
MYOJO FOODS CO., LTD.	¥3,143 million	Instant noodle manufacturing and marketing	100.0
NISSIN CHILLED FOODS CO., LTD.	¥100 million	Chilled food manufacturing and marketing	100.0
NISSIN FROZEN FOODS CO., LTD.	¥100 million	Frozen food manufacturing and marketing	100.0
NISSIN CISCO CO., LTD.	¥2,600 million	Cereals and confectionery manufacturing and marketing	100.0
NISSIN YORK CO., LTD.	¥870 million	Beverage and dairy product manufacturing and marketing	100.0
NISSIN ASSET MANAGEMENT CO., LTD.	¥50 million	Real estate and leasing management	100.0
Sapporo Nissin Co., Ltd.	¥250 million	Instant noodle manufacturing and marketing	100.0 (100.0)
Nissin Plastics Co., Ltd.	¥450 million	Container manufacturing and marketing	100.0 (100.0)
NISSIN F.D. FOODS CO., LTD.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Kagawa Nissin Food Products Co., Ltd.	¥100 million	Ingredient manufacturing and marketing	100.0 (100.0)
Nissin Enterprise Corporation	¥300 million	Shipping and warehousing	100.0 (100.0)
AJINIHON CO., LTD.	¥95 million	Soup manufacturing and marketing	49.4 (49.4)
NISHINIHON MYOJO CO., LTD.	¥90 million	Instant noodle manufacturing and marketing	100.0 (100.0)
UNI-STAR CO., LTD.	¥150 million	Soup manufacturing and marketing	100.0 (100.0)
HIGASHINIHON MYOJO CO., LTD.	¥90 million	Instant noodle manufacturing and marketing	100.0 (100.0)
Saitama Nissin Food Products Co., Ltd.	¥30 million	Chilled and frozen food manufacturing and marketing	100.0 (100.0)
SAGAMI FRESH CO., LTD.	¥400 million	Chilled food manufacturing and marketing	100.0 (100.0)
Shikoku Nissin Food Products Co., Ltd.	¥98 million	Frozen food manufacturing and marketing	100.0 (100.0)
Takamatsu Nissin Food Products Co., Ltd.	¥80 million	Frozen food manufacturing and marketing	100.0 (100.0)
Mie Nissin Food Products Co., Ltd.	¥100 million	Frozen food manufacturing and marketing	100.0 (100.0)
Circle Liners Co., Ltd.	¥50 million	Shipping and warehousing	100.0 (100.0)
NICKY FOODS CO., LTD.	¥60 million	Frozen food manufacturing and marketing	100.0 (100.0)
UJI KAIHATSU DEVELOPMENT CO., LTD.	¥100 million	Golf course management	98.3 (0.4)
NISSIN NETCOM CO., LTD.	¥24 million	Real estate and restaurant management	100.0
BonChi Co., Ltd.	¥160 million	Confectionery manufacturing and marketing	50.1
NISSIN FOODS (U.S.A.) CO., INC.	U.S.$149,706 thousand	Instant noodle manufacturing and marketing	94.4
MYOJO U.S.A., INC.	U.S.$5,000 thousand	Chilled food manufacturing and marketing	96.0
NISSIN FOODS DE MEXICO S.A. DE C.V.	MXN 215,191 thousand	Instant noodle manufacturing and marketing	100.0
NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA.	BRL 1,038,577 thousand	Offer of the production technology of instant noodle	100.0
NISSIN FOODS DO BRASIL LTDA.	BRL 102,088 thousand	Instant noodle manufacturing and marketing	100.0 (6.2)

Company	Capital	Business area	Equity ownership (%)
Consolidated Subsidiaries			
NISSIN FOODS CO., LTD.	HK$2,981,458 thousand	Instant noodle manufacturing and marketing/regional headquarters for China	70.0
WINNER FOOD PRODUCTS LTD.	HK$29,975 thousand	Instant noodle marketing, and frozen food manufacturing and marketing	70.0 (70.0)
NISSIN FOODS (HK) MANAGEMENT CO., LTD.	HK$200	Back office and supporting for China	70.0 (70.0)
NISSIN FOODS (CHINA) HOLDING CO., LTD.	CNY 1,443,797 thousand	Invests in businesses in China and instant noodle marketing	70.0 (70.0)
SHANGHAI NISSIN FOODS CO., LTD.	U.S.$44,000 thousand	Instant noodle marketing	70.0 (70.0)
GUANGDONG SHUNDE NISSIN FOODS CO., LTD.	HK$130,000 thousand	Instant noodle manufacturing and marketing	70.0 (70.0)
DONGGUAN NISSIN PACKAGE CO., LTD.	CNY 147,000 thousand	Instant noodle packaging materials manufacturing and marketing	70.0 (70.0)
Nissin Koikeya Foods (China & HK) Co., Ltd.	HK$10,000 thousand	Confectionery marketing	46.2 (46.2)
FUJIAN NISSIN FOODS CO., LTD.	CNY 235,000 thousand	Instant noodle manufacturing and marketing	70.0 (70.0)
ZHUHAI GOLDEN COAST WINNER FOOD PRODUCTS LTD.	HK$84,000 thousand	Instant noodle manufacturing and marketing	49.3 (49.3)
GUANGYOUGNAN FOOD PRODUCTS (SHENZHEN) CO., LTD.	HK$11,000 thousand	Frozen food marketing	70.0 (70.0)
ZHEJIANG NISSIN FOODS CO., LTD.	CNY 350,000 thousand	Instant noodle manufacturing and marketing	70.0 (70.0)
NISSIN FOODS (H.K.) CO., LTD.	HK$10,000 thousand	Instant noodle marketing	70.0 (70.0)
MC Marketing & Sales (Hong Kong) LTD.	HK$1 thousand	Food marketing	35.7 (35.7)
Kagome Nissin Foods Hong Kong Co., Ltd.	HK$5,000 thousand	Vegetable beverage marketing	49.0 (49.0)
NISSIN FOODS (ASIA) PTE. LTD.	SG$307,181 thousand	Regional headquarters of Asia	100.0
NISSIN FOODS SINGAPORE PTE. LTD.	SG$20,989 thousand	Instant noodle marketing	66.0 (66.0)
INDO NISSIN FOODS PRIVATE LTD.	INR 5,359,080 thousand	Instant noodle manufacturing and marketing	65.7 (65.7)
NISSIN FOODS INDIA LTD.	INR 500 thousand	Instant noodle marketing	65.7 (65.7)
Nissin Foods Kft.	HUF 4,904,000 thousand	Instant noodle manufacturing and marketing	100.0
Nissin Foods GmbH	EUR 25 thousand	Instant noodle marketing	100.0 (99.0)
NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.	TRY 20,000 thousand	Instant noodle manufacturing and marketing	50.0
NISSIN FOODS VIETNAM CO., LTD.	U.S.$61,630 thousand	Instant noodle manufacturing and marketing	100.0 (100.0)
NISSIN FOODS (THAILAND) CO., LTD.	THB 2,618,672 thousand	Instant noodle manufacturing and marketing	66.0 (66.0)
PT. NISSIN FOODS INDONESIA	IDR 451,155 million	Instant noodle manufacturing and marketing	66.0 (56.2)
Other subsidiaries: *			
Associates Accounted for by the Equity Method			
THAI PRESIDENT FOODS PUBLIC COMPANY LIMITED	THB 329,704 thousand	Instant noodle manufacturing and marketing	20.0
MAREVEN FOOD HOLDINGS LIMITED	RUB 398 thousand	Holding company of instant noodle businesses	33.5
NISSIN-UNIVERSAL ROBINA CORP.	PHP 189,000 thousand	Instant noodle manufacturing and marketing	49.0 (49.0)
KOIKE-YA Inc.	¥2,269 million	Confectionery manufacturing and marketing	34.5

Notes: 1. The figures in ( ) of equity ownership show percentage of indirect ownership.
2. Equity per share (IFRS) = (Equity – Non-controlling interests) / Number of shares outstanding as of the year-end (excluding treasury shares)
Equity per share (JGAAP) = (Equity – Non-controlling interests – Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury shares)

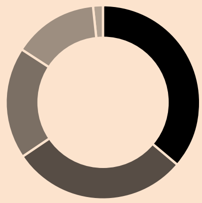
*Subsidiaries whose business is not considered material are not listed.

Investor Information

NISSIN FOODS HOLDINGS CO., LTD.

Date of Establishment	September 1948
Number of Employees	703 (parent company) 12,539 (consolidated basis)
Common Stock	Authorized: 500,000,000 shares Issued: 105,700,000 shares Number of Shareholders: 50,628 (Excluding owners of odd-lot shares)
Paid-in Capital	¥25,123 million
Stock Listings	Tokyo Stock Exchange (Ticker Code: 2897)
Independent Auditors	Deloitte Touche Tohmatsu LLC
Transfer Agent	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

Distribution of Ownership among Shareholders



Other Corporations	36.23%
Financial Institutions	29.60%
Foreign Corporations	18.58%
Individuals and Other	14.13%
Treasury Stock	1.46%

Consolidated per Share Data

	JGAAP				IFRS
Years ended March 31,	2015	2016	2017	2018	2019
Net income attributable to owners of the parent per share (EPS)	¥167.88	¥245.52	¥221.33	¥279.52	¥185.85
Equity (book-value) per share (BPS)	¥3,282.02	¥3,332.94	¥3,276.55	¥3,519.36	¥3,137.40
Price earnings ratio (PER) (times)	35.2	21.5	27.9	26.4	40.9
Price-to-book ratio (PBR) (times)	1.8	1.6	1.9	2.1	2.4
Dividend	¥75.00	¥80.00	¥85.00	¥90.00	¥110.00
Payout ratio (%)	44.70	32.60	38.40	32.20	59.20
Share price: High	¥6,620	¥6,620	¥6,580	¥8,470	¥8,400
Low	¥4,510	¥5,110	¥4,950	¥6,170	¥6,360

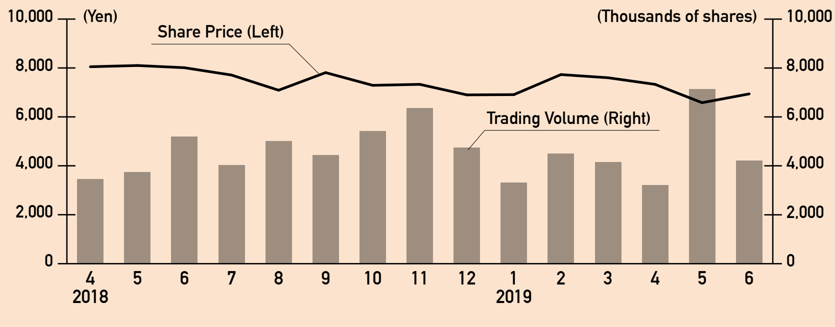
Notes: 1. From the fiscal year ended March 31, 2008, number of issued shares excludes the number of treasury stock at term-end.
2. Equity per share (IFRS) = (Equity – Non-controlling interests) / Number of shares outstanding as of the year-end (excluding treasury shares)
Equity per share (JGAAP) = (Equity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

Principal Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Ando Foundation	7,904	7.59
Mitsubishi Corporation	7,800	7.49
ITOCHU Corporation	5,400	5.18
The Master Trust Bank of Japan, Ltd. (Account in Trust)	4,512	4.33
Ando International Y.K.	3,946	3.79
Mizuho Bank, Ltd.	3,375	3.24
Japan Trustee Services Bank, Ltd. (Account in Trust)	3,371	3.24
JP Morgan Chase Bank, N.A.	2,765	2.65
MUFG Bank, Ltd.	2,274	2.18
STATE STREET BANK WEST CLIENT - TREATY 505234	2,050	1.97
Total	43,397	41.66

Note: In addition to the above, the Company holds 1,543,266 shares of treasury stock.

Share Price Range and Trading Volume on the Tokyo Stock Exchange



Further Information

For further information, please contact:
IR OFFICE, Finance Platform
Tel: 81-3-3205-5027 Fax: 81-3-3205-5179

Regularly updated IR information in English is also available on NISSIN FOODS HOLDINGS website at https://nissin.com/en_jp/ir/

現状に満足するな。どん欲に挑め。
トップアスリートの戦いは、頂点への飽くなき挑戦だ。
日清食品グループは、
そのパートナーとなることで
世界中のチャレンジ精神を沸騰させたい。
食とスポーツ。
ふたつのフィールドで
世界に挑戦し続けていく。

HUNGRY TO WIN
世界に、食ってかかれ。

HUNGRY TO WIN
世界に、食ってかかれ。

NISSIN FOODS HOLDINGS has entered into a global sponsorship contract with Rui Hachimura, the first Japanese basketball player to be selected in the first round of the NBA Draft. Together, Rui Hachimura and the NISSIN Group will bring creative energy and excitement to the world of sports and food culture.

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

OSAKA HEAD OFFICE
1-1, 4-chome, Nishinakajima, Yodogawa-ku
Osaka 532-8524, Japan
Telephone: 81-6-6305-7711
Fax: 81-6-6304-1288

WEBSITE
https://nissin.com/en_jp/

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

NISSIN FOODS HOLDINGS CO., LTD.

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