

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

# NOTICE OF THE 70TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

**Date and time:**

Wednesday, June 27, 2018, at 10:00 a.m. (Reception desk opens at 9:00 a.m.)

**Place:**

Hotel New Otani Osaka, 2nd floor, the “Hō”

**Matters to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Eight (8) Directors

**Proposal 3:** Election of One (1) Audit & Supervisory Board Member

**Proposal 4:** Election of One (1) Alternate Audit & Supervisory Board Member

Please bring this notice of convocation and voting card when coming to the venue.

**NISSIN FOODS HOLDINGS CO., LTD.**

# **EARTH FOOD CREATOR**

The NISSIN FOODS Group explores various possibilities for food and creates dream-inspiring delicious tastes. We contribute to society and the earth by gratifying people everywhere with pleasures and delights food can provide.

The term “EARTH FOOD CREATOR” expresses our desire to contribute to the world and its people by creating food, the basis of all life.

Grains grown in the soil are the starting point for all food, and the mission of the NISSIN FOODS Group is to create and continue to produce food derived from the bounty of the Earth and its precious soil.

## **Cordial Invitation**

Here is the Notice of the 70th Ordinary General Meeting of Shareholders to be held on Wednesday, June 27, 2018.

Please refer to the proposals of the general meeting of shareholders and the business outline of the Company for the 70th fiscal year presented herein.

June 2018  
NISSIN FOODS HOLDINGS CO., LTD.  
Koki Ando, President & Representative Director, CEO

To our shareholders:

1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka  
**NISSIN FOODS HOLDINGS CO., LTD.**  
Koki Ando, President & Representative Director, CEO

## Notice of the 70th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 70th Ordinary General Meeting of Shareholders of NISSIN FOODS HOLDINGS CO., LTD. (the “Company”) to be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing (by mail) or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders as described hereinafter, and exercise your voting rights by either of the methods stated on the next page no later than 5:40 p.m. on Tuesday, June 26, 2018.

1. **Date and time:** Wednesday, June 27, 2018, at 10:00 a.m.
2. **Place:** Hotel New Otani Osaka, 2nd floor, the “Hō”  
4-1, 1-chome, Shiromi, Chuo-ku, Osaka
3. **Agenda:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements, and Reports of Audit on the Consolidated Financial Statements by Financial Auditor and Audit & Supervisory Board for the 70th fiscal year from April 1, 2017 to March 31, 2018
    2. Non-consolidated Financial Statements for the 70th fiscal year from April 1, 2017 to March 31, 2018
  - Matters to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of Eight (8) Directors
    - Proposal 3:** Election of One (1) Audit & Supervisory Board Member
    - Proposal 4:** Election of One (1) Alternate Audit & Supervisory Board Member

- To ensure that information is furnished in a timely manner, this Notice of the Ordinary General Meeting of Shareholders was disclosed on the Company’s website (refer to the URL below) before it was sent out.
- Since “Items Regarding Stock Acquisition Rights of the Company,” “Systems and Policy of the Company,” “Basic Policy on Control of the Company,” “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements,” which must be provided at the time of providing this Notice, are reported on the Company’s website (refer to the URL below), in accordance with the provisions of laws and regulations and Article 17 of the Company’s Articles of Incorporation, they are not provided in the attached documents to this Notice.  
Consequently, the documents attached to this Notice consist of part of the Business Report, the Consolidated and Non-consolidated Financial Statements that were audited by the Financial Auditor and Audit & Supervisory Board Members in preparing audit reports.
- Any amendment to the Company’s Reference Documents for the General Meeting of Shareholders, the Business Report, and the Consolidated and Non-consolidated Financial Statements will be published on the Company’s website (refer to the URL below). The amendments in these documents will be available in Japanese only.

The Company’s website: <http://nissin.com/>

## **Methods of Exercise of Voting Rights**

### **In case you attend the General Meeting of Shareholders**

Please present the enclosed voting card to the receptionist.

**Date and time:** Wednesday, June 27, 2018, at 10:00 a.m.  
**Place:** Hotel New Otani Osaka, 2nd floor, the “Hō”  
4-1, 1-chome, Shiromi, Chuo-ku, Osaka

- A shareholder may exercise voting rights by designating one proxy who is another shareholder holding voting rights of the Company to attend the meeting. Please note, however, that the proxy will be required to present documentary proof of the proxy’s authority and documentation to confirm the shareholder who delegated the right (for example, enclosed voting card) to the receptionist on the day of the meeting.
- The reception will start at 9:00 a.m.
- Please bring this Notice of the Ordinary General Meeting of Shareholders to conserve resources on the day of the General Meeting of Shareholders.

### **In case you are not able to attend the General Meeting of Shareholders**

#### **Exercise of Voting Rights in Writing (by Mail)**

Please indicate your approval or disapproval for each proposal on the enclosed voting card and return it to us by mail.

\*Please use the “protective seal” enclosed with this Notice.

**The deadline for exercising voting rights:** The voting card should be arrived by 5:40 p.m. on Tuesday, June 26, 2018.

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#### **Exercise of Voting Rights via the Internet**

Please refer to the “Guidance for Exercise of Voting Rights via the Internet” on the next page and indicate your approval or disapproval for each proposal.

**The deadline for exercising voting rights:** 5:40 p.m. on Tuesday, June 26, 2018

## Guidance for Exercise of Voting Rights via the Internet

In lieu of voting by mail, it is possible to exercise your voting rights through the “voting right exercise website” designated by the Company (the URL below). For those interested, please log in using the “voting code” and “password” written on the right side of the enclosed voting card and follow the instructions on the screen to enter your vote.

To ensure security, you are requested to change the password when executing the first log-in.

**Voting right exercise website:** <https://soukai.mizuho-tb.co.jp/>

1. Access the “voting right exercise website” and click on “次へすすむ” (“next”).
2. Enter “議決権行使コード” (the voting code) written on the right-hand side of the voting card and click on “次へ” (“next”).
3. Enter “パスワード” (the password) written on the right-hand side of the voting card and enter “新しいパスワード” (the new password) and click on “登録” (registration).

Indicate your approval or disapproval for each proposal by following the instructions displayed on the screen.

Although it has been confirmed that the “voting right exercise website” operates normally in the ordinary Internet-connected devices, you may experience some difficulties in accessing the website depending on the device you use.

### Handling of your voting rights

- In the event of duplicate votes by the voting card and via the Internet, the Internet vote shall be treated as valid. In the event of more than one vote via the Internet, the most recent vote shall be treated as valid.
- Please note that any costs relating to connection to the Internet will be the burden of the shareholder.

### Handling of your passwords

- Passwords are used to verify the identity of the person exercising rights as a shareholder. The Company’s staff will never ask you to disclose your password.
- Your passwords (including your chosen password) will only be valid for this General Meeting of Shareholders. A new password will be issued for the next General Meeting of Shareholders.
- The website will be locked if an incorrect password is entered after a certain number of tries. If the website is locked, please follow the instructions on the screen.

### Contact Information for Inquiries

For inquiries, please contact the transfer agent, **Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.**

- (1) Dedicated line for inquiries on the operation of the “voting right exercise website”  
[Toll-free in Japan only] 0120-768-524 (9:00 a.m. to 9:00 p.m. on weekdays)
- (2) Inquiries on share handling matters other than above  
[Toll-free in Japan only] 0120-288-324 (9:00 a.m. to 5:00 p.m. on weekdays)

### [Reference]

The electronic platform for exercising voting rights, which is operated by Investor Communications Japan Inc. (ICJ, Inc.), is available to institutional investors.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

The Company constantly endeavors to increase the Group's earning potential, recognizing growth in the corporate value and the provision of appropriate shareholder returns as the most important management priorities. Our basic policy is to provide continuous and stable returns to shareholders while taking consolidated business results and future capital requirements into consideration.

With respect to the use of internal reserves, we will provide for capital needs, such as capital investments, R&D spending, and M&A, for the purpose of further increasing corporate value, and will efficiently invest surplus funds with risks taken into account.

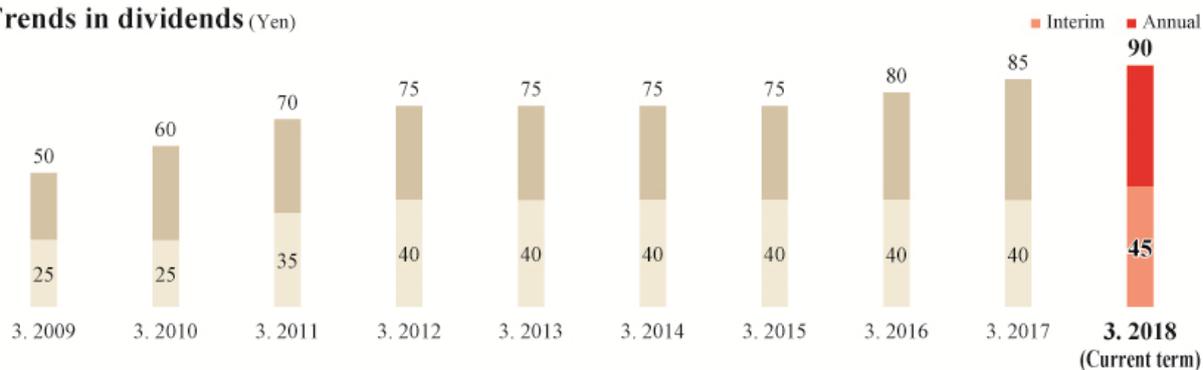
With respect to future dividends to shareholders, we will endeavor to have a consolidated payout ratio of around 40%.

With respect to the year-end dividend, based on the above policy, we propose to appropriate as follows:

#### Matters relating to the year-end dividend

(1) Type of dividend property	It shall be paid in cash.
(2) Matters and total amount of allocation of dividend property to shareholders	Amount per Company's common share: ¥45 Total Amount: ¥4,686,047,415 Annual dividend per share will be ¥90 (consolidated payout ratio: 32.2%), combined with the interim dividend (¥45 per share)
(3) Effective date of dividend of surplus	Thursday, June 28, 2018

#### Trends in dividends (Yen)



## Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company requests to elect eight (8) Directors.

In the event that this proposal is approved as originally proposed, the majority of the Board of Directors will be Outside Directors. Also, it is planned that three (3) of the Directors shall be Independent Directors as stipulated by the Tokyo Stock Exchange, and that one-third or more of the Company's Directors shall be Independent Directors.

The candidates for Directors are as follows.

No.	Name		Current positions and responsibilities in the Company
1	Koki Ando	Reappointment	President & Representative Director, CEO (Chief Executive Officer)
2	Noritaka Ando	Reappointment	Executive Vice President & Representative Director, COO (Chief Operating Officer)
3	Yukio Yokoyama	Reappointment	Director, CFO (Chief Financial Officer), and Managing Executive Officer
4	Ken Kobayashi	Reappointment / Outside	Director
5	Masahiro Okafuji	Reappointment / Outside	Director
6	Yoko Ishikura	Reappointment / Outside / Independent	Director
7	Isao Karube	Reappointment / Outside / Independent	Director
8	Masato Mizuno	Reappointment / Outside / Independent	Director

<p><b>1 Koki Ando</b></p> <p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Date of Birth: October 7, 1947 (70 years old)</p>		
<p><b>Career summary, positions and responsibilities in the Company</b></p> <p>Jul. 1973 Joined the Company</p> <p>May 1974 Director, General Manager of Overseas Businesses Division, and General Manager of Development Division of the Company</p> <p>Apr. 1979 Managing Director, Head of Sales Headquarters of the Company</p> <p>Jun. 1981 Representative Director (Current), Senior Managing Director of the Company</p> <p>Jul. 1983 Executive Vice President &amp; Representative Director of the Company</p> <p>Jun. 1985 President &amp; Representative Director of the Company (Current)</p> <p>Jan. 2007 President &amp; Representative Director of Uji Kaihatsu Development Co., Ltd. (Current) Chairman of the Ando Foundation (Current)</p> <p>Oct. 2008 President &amp; Representative Director, CEO (Chief Executive Officer) (Current) of the Company</p> <p>Aug. 2010 Chairman of Japan Association for the World Food Programme (Current)</p>		<p>Number of the Company's shares held: 121,095 shares</p> <hr/> <p>Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 44 years</p> <hr/> <p>Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)</p>
<p><b>Significant concurrent positions at other organizations</b></p> <p>President &amp; Representative Director of Uji Kaihatsu Development Co., Ltd. Chairman of the Ando Foundation Chairman of Japan Association for the World Food Programme</p>		
<p><b>Reason for the nomination as a candidate for Director</b></p> <p>Mr. Koki Ando has overseen the Company and the Group for many years as President &amp; Representative Director. He has strengthened the governance etc., which is the foundation of the Group's management, and conducted appropriate oversight of executive operations, based on his good judgment and high-level expertise, which is supported by his extensive experience and achievements. He has also displayed strong leadership in formulating and execution of the Medium-Term Business Plan, which is at the core of the Group's operations, as well as implementing the said plan.</p> <p>Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company repropose him as a candidate for Director.</p>		
<p><b>Special interest in the Company</b></p> <p>The Company outsources its advertising business to Uji Kaihatsu Development Co., Ltd. where Mr. Ando serves as Representative Director. The Company is engaged in building lease with the Ando Foundation where Mr. Koki Ando serves as Chairman, and outsources operation of COUPNOODLES MUSEUM to the same.</p> <p>The Company supports events and donates to Japan Association for the World Food Programme where Mr. Ando serves as Chairman.</p>		

<b>2 Noritaka Ando</b> <u>Reappointment</u> Date of Birth: June 8, 1977 (40 years old)	
<b>Career summary, positions and responsibilities in the Company</b> Jun. 2004 Managing Director of the Ando Foundation Mar. 2007 Joined the Company, General Manager of Corporate Planning Division of the Company Feb. 2008 Executive Officer, General Manager of Corporate Strategy Division of the Company Jun. 2008 Director, in charge of Marketing of the Company Oct. 2008 Director, CMO (Chief Marketing Officer) of the Company Jun. 2010 Senior Managing Director, CMO of the Company Executive Vice President & Representative Director of Nissin Food Products Co., Ltd. Vice Chairman of the Ando Foundation (Current) Apr. 2011 Senior Managing Director, CMO, and Chief Representative, Americas of the Company Apr. 2012 Senior Managing Director, CSO (Chief Strategic Officer), and Head of Regional Headquarters of Asia of the Company Apr. 2014 Senior Managing Director, CSO, in charge of Marketing, and in charge of Production and Resourcing of the Company Jun. 2014 Representative Director (Current), Senior Managing Director, CSO, in charge of Marketing, and in charge of SCM of the Company Apr. 2015 Senior Managing Director & Representative Director, CMO of the Company President & Representative Director of Nissin Food Products Co., Ltd. (Current) Apr. 2016 Senior Managing Director & Representative Director of the Company Jun. 2016 Executive Vice President & Representative Director (Current), COO (Chief Operating Officer) (Current) of the Company	Number of the Company's shares held: 33,778 shares <hr/> Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 10 years <hr/> Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)
<b>Significant concurrent positions at other organizations</b> President & Representative Director of Nissin Food Products Co., Ltd.	
<b>Reason for the nomination as a candidate for Director</b> Since joining the Company, Mr. Noritaka Ando has gained experience at core departments, particularly the strategy department and the marketing department, and as a director from 2008 until the present, has been responsible for management decision-making of the Board of Directors and supervisory functions thereof regarding executive operations. At present, he is serving as Executive Vice President & Representative Director of the Company and concurrently serving as President & Representative Director of Nissin Food Products Co., Ltd., which is a core of the Group. He has been implementing the Medium-Term Business Plan, etc., and has been contributing greatly to the growth of the Group. Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company repropose him as a candidate for Director.	
<b>Special interest in the Company</b> None	

<p><b>3 Yukio Yokoyama</b> <span style="float: right;"><u>Reappointment</u></span></p> <p style="text-align: right;">Date of Birth: November 16, 1956 (61 years old)</p>	
<p><b>Career summary, positions and responsibilities in the Company</b></p> <p>Apr. 1979 Joined The Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2005 General Manager of Shibuya Branch of Mizuho Bank, Ltd.</p> <p>Apr. 2007 Executive Officer, General Manager of Shibuya Branch of Mizuho Bank, Ltd.</p> <p>Apr. 2008 Joined the Company, Executive Officer, General Manager of Financial Division of the Company</p> <p>Oct. 2008 Executive Officer, General Manager of Finance and Accounting Division of the Company President &amp; Representative Director of Nissin Asset Management Co., Ltd.</p> <p>Jan. 2010 Executive Officer, CFO (Chief Financial Officer) of the Company (Current)</p> <p>Jun. 2010 Director (Current), CFO of the Company</p> <p>Jun. 2016 Director, CFO, and Managing Executive Officer of the Company (Current)</p>	
<p><b>Significant concurrent positions at other organizations</b></p> <p>None</p>	<p>Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 8 years</p>
<p><b>Reason for the nomination as a candidate for Director</b></p> <p>Since joining the Company after serving as Executive Officer of Mizuho Bank, Ltd., Mr. Yukio Yokoyama has gained experience at finance and accounting department as Executive Officer and General Manager of Finance and Accounting Division of the Company, and since 2010, he has overseen the finance and accounting department as Director and CFO, and by implementing the Medium-Term Business Plan, etc., he has greatly contributed to the construction of a sturdy financial structure of the Group.</p> <p>Accordingly, the Company has determined that his high level of expertise, knowledge, and his broad-ranging experience including at his previous employment, are necessary to increase the Group's corporate value going forward, and the Company repropose him as a candidate for Director.</p>	<p>Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)</p>
<p><b>Special interest in the Company</b></p> <p>None</p>	

<p><b>4 Ken Kobayashi</b></p> <p style="text-align: center;"><u>Reappointment</u>      <u>Outside</u></p> <p style="text-align: center;">Date of Birth: February 14, 1949 (69 years old)</p>	
<p><b>Career summary, positions and responsibilities in the Company</b></p> <p>Jul. 1971    Joined Mitsubishi Corporation</p> <p>Apr. 2003    Senior Vice President, General Manager of Singapore Branch of Mitsubishi Corporation</p> <p>Jun. 2004    Senior Vice President, Division COO of Plant Project Div. of Mitsubishi Corporation</p> <p>Apr. 2006    Senior Vice President, Division COO of Ship, Aerospace &amp; Transportation Systems Div. of Mitsubishi Corporation</p> <p>Apr. 2007    Executive Vice President, Group CEO of Industrial Finance, Logistics &amp; Development Group of Mitsubishi Corporation</p> <p>Jun. 2007    Member of the Board, Executive Vice President, and Group CEO of Industrial Finance, Logistics &amp; Development Group of Mitsubishi Corporation</p> <p>Jun. 2008    Executive Vice President, Group CEO of Industrial Finance, Logistics &amp; Development Group of Mitsubishi Corporation</p> <p>Apr. 2010    Senior Executive Vice President, Executive Assistant to President of Mitsubishi Corporation</p> <p>Jun. 2010    President and CEO of Mitsubishi Corporation</p> <p>Jun. 2011    Outside Director of the Company (Current)</p> <p>Apr. 2016    Representative Director, Chairman of the Board of Mitsubishi Corporation</p> <p>Jun. 2016    Chairman of the Board of Mitsubishi Corporation (Current)</p> <p style="padding-left: 20px;">Outside Director of Mitsubishi Heavy Industries, Ltd. (Current)</p> <p style="padding-left: 20px;">Non-Executive Director of MITSUBISHI MOTORS CORPORATION (Current)</p>	<p>Number of the Company's shares held: 6,725 shares</p> <hr/> <p>Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 7 years</p> <hr/> <p>Attendance at the Board of Directors meetings during the current fiscal year: 9/10 (90%)</p>
<p><b>Significant concurrent positions at other organizations</b></p> <p>Chairman of the Board of Mitsubishi Corporation</p>	
<p><b>Reason for the nomination as a candidate for Outside Director</b></p> <p>Since joining Mitsubishi Corporation, Mr. Ken Kobayashi has serviced various positions including General Manager of Singapore Branch, Division COO of Plant Project Division, Division COO of Ship, Aerospace &amp; Transportation Systems Division, Group CEO of Industrial Finance, Logistics &amp; 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 fulfilled the role of an overseer and supervisor of the execution of Directors' duties.</p> <p>Accordingly, the Company has determined that he is a necessary resource to increase the Group's corporate value going forward, and the Company repropose him as a candidate for Outside Director.</p>	
<p><b>Violations of laws and regulations or Articles of Incorporation by other companies at which the candidate for Outside Director is concurrently an officer</b></p> <p>In April 2016, it came to light that Mitsubishi Motors Corporation, where Mr. Kobayashi serves as Non-Executive Director, had engaged in improper conduct in the fuel consumption testing of its vehicles. In addition, in September 2016 Mitsubishi Motors was cited by the Ministry of Land, Infrastructure, Transport and Tourism for improper conduct in internal tests the company conducted to re-verify fuel consumption values on the vehicles that had been subject to this improper conduct. Furthermore, in January and July 2017 the company received a cease and desist order and a payment order for surcharge from the Consumer Affairs Agency for violating the Act against Unjustifiable Premiums and Misleading Representations with regard to presentation in its catalogs and other materials of the Mitsubishi Motors vehicle models that had been the subject of improper conduct in fuel consumption testing. Mr. Kobayashi had been unaware of these facts, but had provided reminders from the perspective of legal compliance on a regular basis at the Board of Directors meetings, etc. Also, after these facts came to light, he has fulfilled his responsibility for calling for thorough studies and recurrence prevention.</p>	
<p><b>Special interest in the Company</b></p> <p>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.</p>	



<b>6 Yoko Ishikura</b>	<u>Reappointment</u>	<u>Outside</u>	<u>Independent</u>
Date of Birth: March 19, 1949 (69 years old)			 Number of the Company's shares held: 1,079 shares <hr/> Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 8 years <hr/> Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)
<b>Career summary, positions and responsibilities in the Company</b>			
Jul. 1985	Manager of Japan branch of McKinsey & Company, Inc. (Retired in 1992)		
Apr. 1992	Professor of International Politics Economics & Communication, Aoyama Gakuin University (Retired in 2000)		
Apr. 2000	Professor of Graduate School of International Corporate Strategy, Hitotsubashi University (Retired in 2011)		
Apr. 2004	Outside Director of Japan Post Service Co., Ltd. (Part-time) (Retired in 2007)		
Oct. 2005	Vice President of the Science Council of Japan (Retired in 2006)		
Jun. 2006	Outside Director of Mitsui O.S.K. Lines, Ltd. (Retired in 2010)		
Jun. 2010	Outside Director (Current), Independent Director of the Company (Current) Outside Director of Fujitsu Limited (Retired in 2013)		
Apr. 2011	Professor of Graduate School of Media Design, Keio University (Retired in 2014)		
Apr. 2012	Professor Emerita of Hitotsubashi University (Current)		
Jun. 2012	Outside Director of LIFENET INSURANCE COMPANY (Retired in 2016)		
Jun. 2014	Outside Director of Sojitz Corporation (Current)		
Jun. 2015	External Director of Shiseido Co., Ltd. (Current)		
<b>Significant concurrent positions at other organizations</b>			
None			
<b>Reason for the nomination as a candidate for Outside Director</b>			
<p>Dr. Yoko Ishikura possesses many years of experience and knowledge as an expert on international corporate strategy, such as holding teaching positions at Hitotsubashi University and Keio University, and she is regarded for bringing outside views of an expert to the management. Although she has no experience of direct involvement in corporate management, she is well-versed in corporate management due to her many years of experience, concerning international political economics and international corporate strategy, etc., gained by working as an outside director at other corporations such as Sojitz Corporation and Shiseido Co., Ltd. Based on such experience, she has proactively offers her opinions at meetings of the Board of Directors of the Company. Therefore, the Company has determined that she will, as Outside Director of the Company, continue to carry out her role in an appropriate manner as an overseer and supervisor, etc., of the execution of Directors' duties. In addition, she has assertively stated her opinions and attended meetings of the Management Advisory Committee, an advisory body to the Board of Directors of the Company, as Chairperson and lead discussions therein.</p> <p>Accordingly, the Company has determined that her high level of expertise, and knowledge, and her broad-ranging experience, are necessary to increase the Group's corporate value going forward, and the Company repropose her as a candidate for Outside Director. Although there are dealings between Sojitz Corporation, at which she serves as Outside Director, Shiseido Co., Ltd., at which she serves as External Director, 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 intends to designate her as Independent Director again.</p>			
<b>Special interest in the Company</b>			
None			

<b>7 Isao Karube</b> <u>Reappointment</u> <u>Outside</u> <u>Independent</u> Date of Birth: January 27, 1942 (76 years old)	 Number of the Company's shares held: 2,401 shares <hr/> Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 3 years <hr/> Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)
<b>Career summary, positions and responsibilities in the Company</b>	
Aug. 1972 Research Associate of Department of Food Science, University of Illinois, U.S.A. (Retired in 1974) Nov. 1974 Assistant at Biotechnology, Research Laboratory of Resources Utilization, Tokyo Institute of Technology (Retired in 1980) Jul. 1980 Associate Professor of Biotechnology, Research Laboratory of Resources Utilization, Tokyo Institute of Technology (Retired in 1985) Feb. 1985 Professor of Bioelectronics and Biotechnology, Research Laboratory of Resources Utilization, Tokyo Institute of Technology (Retired in 1988) Apr. 1988 Professor of Bioelectronics and Biotechnology, Research Center for Advanced Science and Technology, The University of Tokyo (Retired in 1999) Apr. 1999 Director of Center for Collaborative Research, The University of Tokyo (Retired in 2001) Professor of Bioelectronics and Biotechnology, Research Center for Advanced Science and Technology, The University of Tokyo (Retired in 2001) Apr. 2001 Professor of Center for Collaborative Research, The University of Tokyo (Retired in 2002) Professor of Bioelectronics, Research Center for Advanced Science and Technology, The University of Tokyo (Retired in 2002) Apr. 2002 Professor of Katayanagi Advanced Research Laboratories, Tokyo University of Technology (Retired in 2003) Director of Laboratory of Advanced Bioelectronics, National Institute of Advanced Industrial Science and Technology (Retired in 2003) Apr. 2003 Dean of School of Bionics, Tokyo University of Technology (Retired in 2005) Aug. 2003 Director of Research Center of Advanced Bionics, National Institute of Advanced Industrial Science and Technology (Retired in 2009) Apr. 2005 Vice President of Tokyo University of Technology (Retired in 2008) Jun. 2008 President of Tokyo University of Technology (Current) Apr. 2009 Director of Collaborative Research Team Biotechnology Industrialization Center, National Institute of Advanced Industrial Science and Technology (Retired in 2011) Jun. 2015 Outside Director (Current), Independent Director (Current) of the Company	
<b>Significant concurrent positions at other organizations</b> President of Tokyo University of Technology	
<b>Reason for the nomination as a candidate for Outside Director</b> 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 working with multiple overseas research institutions, and he is regarded for bringing outside views of an expert to the management. Although he has no experience of direct involvement in corporate management, he has displayed his ability as President of Tokyo University of Technology. Based on such experience, he has proactively offers his opinions at meetings of the Board of Directors of the Company. Therefore, the Company has determined that he will, as Outside Director of the Company, continue to carry out his role in an appropriate manner as an overseer and supervisor of the execution of Directors' duties. In addition, he has assertively stated his opinions and attended meetings of the Management Advisory Committee, an advisory body to the Board of Directors, 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 repropose him as a candidate for 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 intends to designate him as Independent Director again.	
<b>Special interest in the Company</b> None	

<b>8 Masato Mizuno</b> <u>Reappointment</u> <u>Outside</u> <u>Independent</u> Date of Birth: May 25, 1943 (75 years old)	 Number of the Company's shares held: 1,376 shares <hr/> Tenure (at the conclusion of this Ordinary General Meeting of Shareholders): 2 years <hr/> Attendance at the Board of Directors meetings during the current fiscal year: 10/10 (100%)
<b>Career summary, positions and responsibilities in the Company</b> Mar. 1966    Joined MIZUNO Corporation May 1978    Director of MIZUNO Corporation Feb. 1980    Managing Director of MIZUNO Corporation Jun. 1983    Executive Managing Director of MIZUNO Corporation May 1984    Executive Vice President of MIZUNO Corporation May 1988    President (CEO) of MIZUNO Corporation Jun. 2006    Chairman of the Board of MIZUNO Corporation Oct. 2012    Corporate Advisor of MIZUNO Corporation Jul. 2014    Chairman of MIZUNO Corporation (Current) Jun. 2016    Outside Director (Current), Independent Director of the Company (Current)	
<b>Significant concurrent positions at other organizations</b> Chairman of MIZUNO Corporation	
<b>Reason for the nomination as a candidate for Outside Director</b> Mr. Masato Mizuno has extensive experience and superior knowledge as a management executive at MIZUNO Corporation. Based on such experience, he has proactively offers his opinions at meetings of the Board of Directors of the Company. When making management decisions, he forms opinions and makes judgments from an objective standpoint as Outside Director of the Company, and has fulfilled the role of an overseer and supervisor of the execution of Directors' duties. 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 requests that he be re-elected as an Outside Director of the Company. 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 intends to designate him as Independent Director again.	
<b>Special interest in the Company</b> None	

- (Notes) 1. In regard to candidate for Outside Director Dr. Yoko Ishikura, as she is well-renowned under that name, her name is shown as above, regardless the fact that her legal name is Ms. Yoko Kurita.
2. Agreements limiting liability with candidates for Outside Directors  
The Company has entered into an agreement to limit the liability of damages provided for in Paragraph 1, Article 423 of the Companies Act with Outside Director Dr. Yoko Ishikura as of June 29, 2010, with both Outside Director Mr. Ken Kobayashi and Mr. Masahiro Okafuji as of June 29, 2011, with Outside Director Dr. Isao Karube as of June 25, 2015, and with Outside Director Mr. Masato Mizuno as of June 28, 2016, respectively. The contents are as stated in "(3) Summary of contents of agreements limiting liability with Outside Directors and Outside Audit & Supervisory Board Members i)" of the attached documents (page 41) of this Notice of the Ordinary General Meeting of Shareholders. If the re-election of the five (5) candidates is approved, the Company plans to continue the agreement with the five (5) of them.
3. The Company has registered Dr. Yoko Ishikura, Dr. Isao Karube, and Mr. Masato Mizuno as Independent Director pursuant to the provisions of the Tokyo Stock Exchange. If their re-election is approved, the Company plans to register them again as Independent Director.
4. Candidates' ages are as of the date of publication of this Notice of the Ordinary General Meeting of Shareholders (June 5, 2018).
5. Mr. Ken Kobayashi, Mr. Masahiro Okafuji, Dr. Yoko Ishikura, Dr. Isao Karube, and Mr. Masato Mizuno are candidates for Outside Directors.
6. (1) Number of years after candidate for Outside Director was appointed as Outside Director  
The terms of office of Mr. Ken Kobayashi and Mr. Masahiro Okafuji as Outside Director are both seven (7) years, expiring upon the conclusion of this Ordinary General Meeting of Shareholders. The term of office of Dr. Yoko Ishikura as Outside Director is eight (8) years, expiring upon the conclusion of this Meeting. The term of office of Dr. Isao Karube as Outside Director is three (3) years, expiring upon the conclusion of this Meeting. The term of office of Mr. Masato Mizuno as Outside Director is two (2) years, expiring upon the conclusion of this Meeting.

(2) Relationships between candidates for Outside Directors and Specified Related Business Operators of the Company

- i) Mr. Ken Kobayashi is currently Chairman of the Board of Mitsubishi Corporation which is a Specified Related Business Operator of the Company and has served as an executive for the said company in the past five (5) years.
- ii) Mr. Masahiro Okafuji is currently Chairman & Chief Executive Officer of ITOCHU Corporation which is a Specified Related Business Operator of the Company and has served as an executive for the said company in the past five (5) years.

**Proposal 3: Election of One (1) Audit & Supervisory Board Member**

The term of office of Mr. Hideki Hattori, an Audit & Supervisory Board Member, will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company requests to elect one (1) Audit & Supervisory Board Member.

The candidate for Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board has approved this proposal.

<p><b>Masahiko Sawai</b></p> <p style="text-align: center;"><u>New appointment</u></p> <p style="text-align: center;">Date of Birth: June 29, 1958 (59 years old)</p>	
<p><b>Career summary and positions in the Company</b></p> <p>Apr. 1982 Joined the Company          Sep. 2007 General Manager of Financial Division of the Company          Oct. 2008 General Manager of Finance and Accounting Division of the Company          Mar. 2014 Director, Executive Vice-President, CFO of NISSIN FOODS (U.S.A.) CO., INC.          Sep. 2017 General Manager of Finance and Accounting Division of the Company          Mar. 2018 Head of Auditors' Office of the Company (Current)</p>	
<p><b>Significant concurrent positions at other organizations</b></p> <p>None</p>	
<p><b>Reason for the nomination as a candidate for Audit &amp; Supervisory Board Member</b></p> <p>Since joining the Company, Mr. Masahiko Sawai has been assigned to positions in finance and accounting divisions in Japan and overseas (Hong Kong and the U.S.) and gained experience as General Manager of Financial Division (2007 to 2008), General Manager of Finance and Accounting Division (2008 to 2014, 2017 to 2018), and CFO of NISSIN FOODS (U.S.A.) CO., INC. (2014 to 2017) through which he has acquired deep insight in the financial structure of the operating companies of the Group and governance. Accordingly, the Company has determined that he can apply his expertise to the Group's auditing, and the Company proposes him as a candidate for new Audit &amp; Supervisory Board Member.</p>	
<p><b>Special interest in the Company</b></p> <p>None</p>	

Number of the Company's shares held: 3,108 shares

(Note) Mr. Masahiko Sawai is a newly appointed candidate for Audit & Supervisory Board Member.

## Proposal 4: Election of One (1) Alternate Audit & Supervisory Board Member

The effective period of appointment of Alternate Audit & Supervisory Board Member Mr. Kiyotaka Matsumiya continues until the commencement of this Ordinary General Meeting of Shareholders. Accordingly, we propose that one (1) Alternate Audit & Supervisory Board Member be elected in case the number of Outside Audit & Supervisory Board Members falls below legal stipulations.

The candidate for Alternate Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board has approved this proposal.

Please note that the appointment of the candidate for Alternate Audit & Supervisory Board Member may be cancelled by a resolution of the Board of Directors with the consent of the Audit & Supervisory Board after the election at this Ordinary General Meeting of Shareholders and before the position is assumed.

<p><b>Naohiro Kamei</b></p> <p style="text-align: center;"><u>New appointment</u>      <u>Outside</u>      <u>Independent</u></p> <p style="text-align: center;">Date of Birth: February 20, 1956 (62 years old)</p>	 <p>Number of the Company's shares held: 0 shares</p>
<p><b>Career summary and positions in the Company</b></p> <p>Apr. 1979    Joined The Fuji Bank Limited (current Mizuho Bank, Ltd.)</p> <p>Apr. 2003    General Manager of Securities and Investment Banking Division of Mizuho Bank, Ltd.</p> <p>May 2004    General Manager of Securities Division of Mizuho Bank, Ltd. (Retired in 2006)</p> <p>Mar. 2006    Executive Officer of Mizuho Securities Co., Ltd. and President &amp; CEO of Mizuho Securities USA Inc. (Retired in 2008)</p> <p>Apr. 2008    Managing Executive Officer of Mizuho Securities Co., Ltd. (Retired in 2010)</p> <p>Apr. 2010    Executive Vice President &amp; Representative Director of Mizuho Capital Partners Co., Ltd.</p> <p>Mar. 2011    President &amp; Representative Director of Mizuho Capital Partners Co., Ltd. (Retired in 2017)</p> <p>Dec. 2017    Director of Cobalt Investments Co., Ltd. (Current)</p>	
<p><b>Significant concurrent positions at other organizations</b></p> <p>None</p>	
<p><b>Reason for the nomination as an alternate candidate for Outside Audit &amp; Supervisory Board Member</b></p> <p>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 &amp; Representative Director of Mizuho Capital Partners Co., Ltd. and Director of Cobalt Investments Co., Ltd. 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 proposes him as an alternate candidate for Outside Audit &amp; Supervisory Board Member.</p> <p>In view that there is no transaction between Cobalt Investments Co., Ltd. he has served as Director and the Group, and that it has been more than 8 years since he retired from Mizuho Securities Co., Ltd. that the Group has transactions with (no actual transaction in FY2017), the Company has determined that there should be no potential conflict of interest with general shareholders. Accordingly, in the case that he is appointed as Outside Audit &amp; Supervisory Board Member, the Company plans to designate him to be an Independent Audit &amp; Supervisory Board Member.</p>	
<p><b>Special interest in the Company</b></p> <p>None</p>	

- (Notes)
1. Mr. Naohiro Kamei is nominated as alternate candidate for Outside Audit & Supervisory Board Member.
  2. Below are special notes on the alternate candidate for Outside Audit & Supervisory Board Member:
 

Agreements limiting liability with the alternate candidate for Outside Audit & Supervisory Board Member

If Mr. Naohiro Kamei is appointed as Outside Audit & Supervisory Board Member of the Company, the Company plans to enter into an agreement to limit the liability of damages provided for in Paragraph 1, Article 423 of the Companies Act with him. The contents are as stated in "(3) Summary of contents of agreements limiting liability with Outside Directors and Outside Audit & Supervisory Board Members ii)" of the attached documents (page 41) of this Notice of the Ordinary General Meeting of Shareholders.

## Attached Documents

# Business Report (From April 1, 2017 to March 31, 2018)

## 1. Items Regarding Current Conditions of the Nissin Foods Group

### (1) Business progress and results

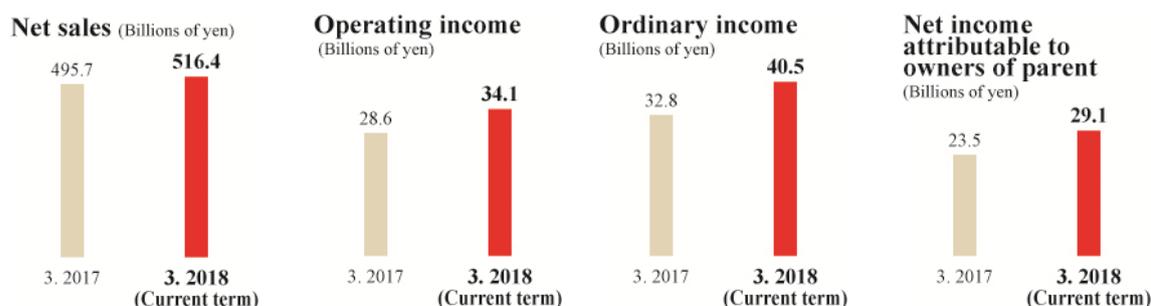
During the fiscal year under review, the global economy showed a moderate recovery as a whole, while there were concerns for impacts from uncertainties over trends of policies in Western countries and volatility in the financial and capital markets. The economy of the U.S. and European countries showed a steady recovery as personal spending increased against a backdrop of positive employment and income situations. In China and other Asian countries, the economy continued to rally on the back of solid internal and external demands.

In Japan, corporate earnings remained strong supported by the growth of the global economy. Consumer spending also showed signs of rebound attributed to continued improvement of employment and income situations.

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

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

As a result, concerning the business results in the fiscal year under review, net sales was ¥516,400 million, up 4.2% year on year. With respect to profits, operating income was ¥34,112 million, up 19.2% year on year, ordinary income was ¥40,588 million, up 23.5% year on year, and net income attributable to owners of parent was ¥29,104 million, up 23.5% year on year.

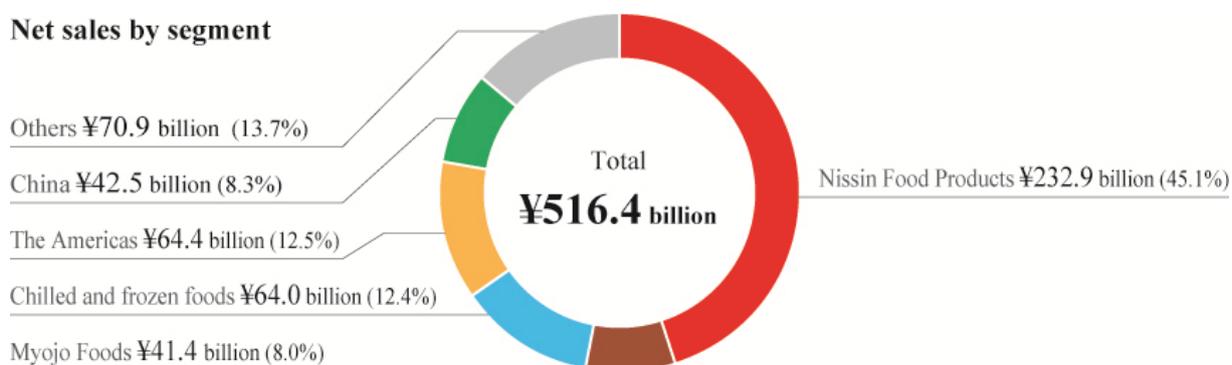


## Outline of consolidated results by reportable segment

Category	Net sales (Millions of yen)		Increase (Decrease)	Year on year change (%)	Segment income (Millions of yen)		Increase (Decrease)	Year on year change (%)
	3. 2017	3. 2018			3. 2017	3. 2018		
Nissin Food Products	228,560	<b>232,932</b>	4,372	+1.9	27,683	<b>28,291</b>	608	+2.2
Myojo Foods	40,612	<b>41,487</b>	875	+2.2	1,784	<b>2,056</b>	271	+15.2
Chilled and frozen foods	61,794	<b>64,004</b>	2,210	+3.6	1,933	<b>2,140</b>	207	+10.7
The Americas	60,420	<b>64,455</b>	4,035	+6.7	2,309	<b>2,023</b>	(285)	-12.4
China	35,987	<b>42,583</b>	6,595	+18.3	3,405	<b>3,569</b>	163	+4.8
Others	68,341	<b>70,936</b>	2,594	+3.8	2,638	<b>1,974</b>	(664)	-25.2
<b>Total</b>	<b>495,715</b>	<b>516,400</b>	<b>20,684</b>	<b>+4.2</b>	<b>39,755</b>	<b>40,056</b>	<b>300</b>	<b>+0.8</b>

(Note) Segment income is adjusted to operating income in the consolidated statement of income.

### Net sales by segment



## **Nissin Food Products**

**Net sales: ¥232,932 million (up 1.9% year on year)**

Performance in the fiscal year under review

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

In cup-type noodles, sales of the CUP NOODLE series remained steady, including CUP NOODLE NICE, a product line featuring a rich soup that was launched in April 2017, distinguished by 50% less fat, 40% less carbohydrates, and only 178 kilocalories. The NISSIN MENSHOKUNIN series, which was renewed in August 2017, also remained strong. In bag-type noodle products, the OWAN series, which was released in September 2017 featuring the concept of “noodle soup in the amount of one Owan bowl volume suitable to serve as an extra side dish!,” contributed to an increase in sales. In the category of instant rice products, sales of NISSIN CURRY MESHU series continued to do well. Meanwhile, the enhanced lineup of products that need only hot water to cook them, such as the BUKKOMI MESHU series and the NIHON MESHU series, contributed to the sales growth.

As a result, net sales in the Nissin Food Products segment was ¥232,932 million, up 1.9% year on year, and segment income was ¥28,291 million, up 2.2% year on year.

## **Myojo Foods**

**Net sales: ¥41,487 million (up 2.2% year on year)**

Performance in the fiscal year under review

Looking at sales of MYOJO FOODS Co., Ltd, sales of bag-type noodles posted an increase with strong sales from the Myojo Charumera series including the Myojo Non-Fry Charumera Tonkotsu series featuring super-hard noodles that remained steady and also the Myojo Hyoban-Ya series to which a new “Miso” taste was added.

In cup-type noodles, the Myojo Umadashi-Ya series released last year grew its sales, in addition to the Myojo Bubuka series and the Myojo Charumera Cup series, posting an increase in net sales.

As a result, net sales in the Myojo Foods segment was ¥41,487 million, up 2.2% year on year, and segment income was ¥2,056 million, up 15.2% year on year.

## **Chilled and frozen foods**

**Net sales: ¥64,004 million (up 3.6% year on year)**

Performance in the fiscal year under review

At NISSIN CHILLED FOODS Co., Ltd., sales of ramen products remained steady, mainly due to the effects of the renewal of Ramenya-san, a core brand, and quick-and-easy prepared food, the Frying-Pan Hitotsu-De series. However, sales declined overall year on year, reflecting the effects of a decrease in sales of fried noodle products due to sluggish demand and challenging market conditions.

NISSIN FROZEN FOODS Co., Ltd. saw steady sales, mainly led by pasta and ramen products with precooked ingredients. In pasta products, the Reito NISSIN Mochitto Nama Pasta series, including Creamy Bolognese with minced beef and maitake mushroom, continued to post strong sales and Nissin Spa-Ou BIG series and Nissin Spa-Ou Premium series, featuring the volume and the sense of premium also recorded strong sales. As for ramen products with precooked ingredients, products such as Reito NISSIN Chuka Shirunashi Tan Tan Men and Reito NISSIN GooTa Lajao Tan Tan Men remained solid with an increase in sales, registering a higher profit in total.

As a result, net sales in the Chilled and frozen foods segment was ¥64,004 million, up 3.6% year on year, and segment income was ¥2,140 million, up 10.7% year on year.

**The Americas****Net sales: ¥64,455 million (up 6.7% year on year)**

Performance in the fiscal year under review

The Americas is working on creating value-added markets as well as empowering existing products to become less susceptible to the effects of price competition. In this situation, sales increased because it had renewed CUP NOODLES in the U.S. and Brazil in September 2016, and the release of high quality CUP NOODLES in the United States contributed to the increase in sales. Despite factors contributing to higher profit such as upwardly-revised prices of the products and lower prices of major raw materials in Brazil, the overall profit of the Americas segment declined partly due to deteriorating external environment in the U.S. including rising distribution costs and personnel expenses.

As a result, net sales in the Americas segment was ¥64,455 million, up 6.7% year on year, and segment income was ¥2,023 million, down 12.4% year on year.

**China****Net sales: ¥42,583 million (up 18.3% year on year)**

Performance in the fiscal year under review

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

As a result, net sales in the China segment was ¥42,583 million, up 18.3% year on year, and segment income was ¥3,569 million, up 4.8% year on year.

**Others****Net sales: ¥70,936 million (up 3.8% year on year)**

Performance in the fiscal year under review

Net sales in the Others segment increased year on year reflecting the contribution of Ciscorn series and Choco Flakes series of NISSIN CISCO CO., LTD. to the increase in sales, and strong performance in sales of Pilkul of NISSIN YORK CO., LTD. Profit decreased due to factors such as an increased cost-to-sales ratio following changes to the product mix and increased sales expenses combined with increased depreciation expenses in Europe and increased expenses following the delayed launch of a new plant.

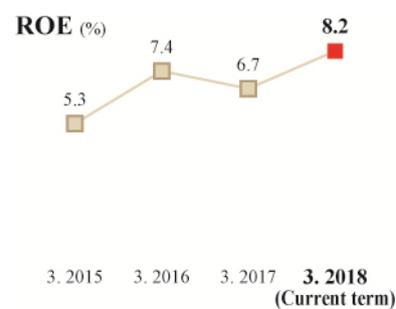
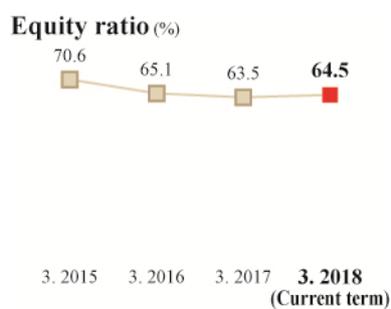
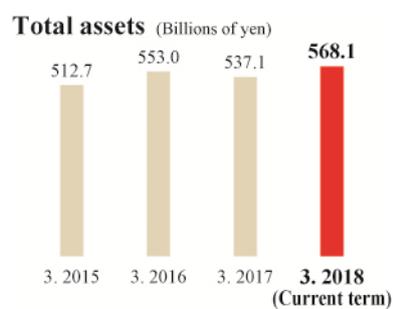
As a result, net sales in the Others segment was ¥70,936 million, up 3.8% year on year, and segment income was ¥1,974 million, down 25.2% year on year.

## (2) Trends in financial position and gain and loss

Items		3. 2015	3. 2016	3. 2017	3. 2018	
<b>Net sales</b>	(Millions of yen)	431,575	468,084	495,715	<b>516,400</b>	
<b>Ordinary income</b>	(Millions of yen)	32,980	30,733	32,864	<b>40,588</b>	
<b>Net income attributable to owners of parent</b>	(Millions of yen)	18,505	26,884	23,558	<b>29,104</b>	
<b>Total assets</b>	(Millions of yen)	512,743	553,068	537,180	<b>568,111</b>	
<b>Total equity</b>	(Millions of yen)	369,852	371,688	353,517	<b>391,776</b>	
<b>Net income per share</b>	(Yen)	167.88	245.52	221.33	<b>279.52</b>	
<b>Total equity per share</b>	(Yen)	3,282.02	3,332.94	3,276.55	<b>3,519.36</b>	
<b>Reference</b>	<b>Equity ratio</b>	(%)	70.6	65.1	63.5	<b>64.5</b>
	<b>ROE</b>	(%)	5.3	7.4	6.7	<b>8.2</b>

(Notes) 1. Net income per share is calculated using the total average number of shares issued during the fiscal year. Total equity per share is calculated using the total number of shares issued at the end of the fiscal year.

2. Net income per share and total equity per share are calculated using the total number of shares issued (excluding treasury stock).



### (3) Company Initiatives

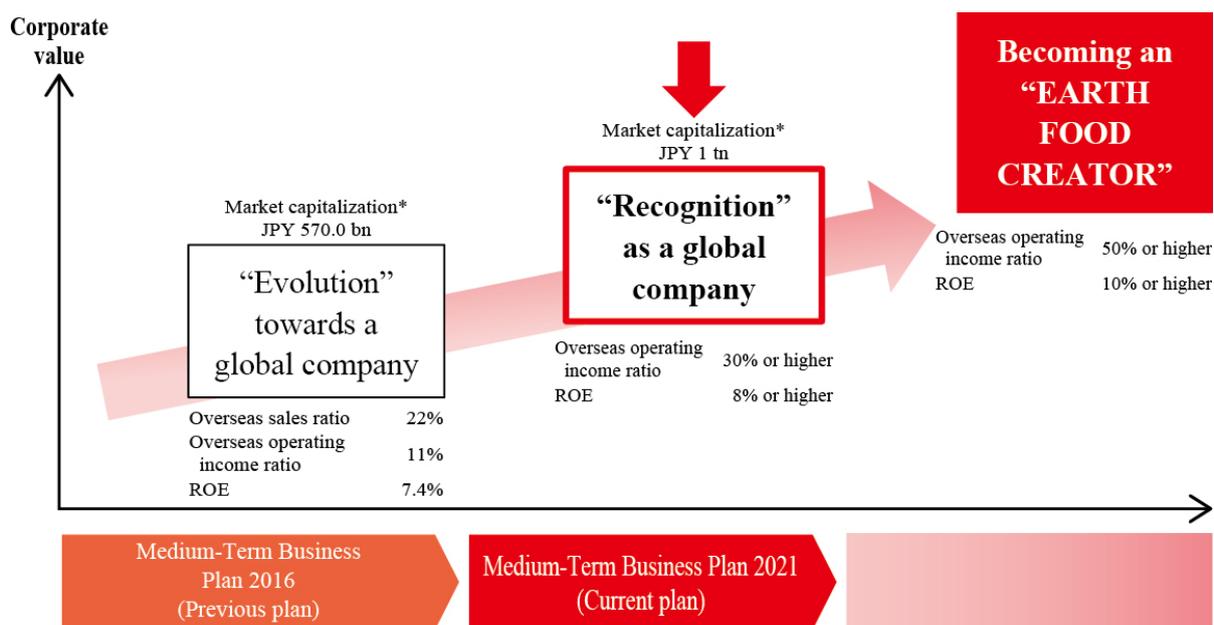
The global economy is expected to continue on an expansionary track, amid the positive economic cycle gaining momentum, thanks to the continued improvements in corporate earnings and employment and income situations as well as financial support of the tax reform in the U.S., despite some uncertainties in economic outlook, including the uncertainty surrounding overseas policies and impacts from volatility in the financial and capital markets.

In these circumstances, the Group will thoroughly pursue “Earning power through operations” and “Value in capital markets” based on the Medium-Term Business Plan 2021 for five years starting from the fiscal year ended March 31, 2017 to March 31, 2021.

#### 1) Medium-Term Business Plan 2021

Based on the four elements that make up the spirit of our founder - “食足世平 Shoku-soku Se-hei (Peace will come to the world when there is enough food.),” “食創為世 Shoku-so Isei (Create foods to serve society),” “美健賢食 Bi-ken Ken-shoku (Eat wisely for beauty and health)” and “食為聖職 Shoku-i Sei-shoku (Food related jobs are a sacred profession)” - our aim is to become an “EARTH FOOD CREATOR,” as set out in the NISSIN FOODS Group Philosophy, through our commitment to creating food for the world around us. We go about our work in a “Creative” and “Unique” manner every day, and provide enjoyment of food for a “Global” audience, in order to make people all over the world “Happy.”

#### ● NISSIN FOODS Group Vision



\*Market capitalization = Share price × Issued shares at end of year (after deduction of treasury shares)

● **Strategy for achieving recognition as a global company**

Aiming to achieve the targets of the Medium-Term Business Plan, we will execute the following five strategies and pursue profitability.

		Japan	Overseas
Business	Instant noodles	CUP NOODLES → (1) Promoting global branding Go to next stage	
		(3) Laying stronger foundations for our domestic profit base	(2) Focusing on priority overseas locations
	Non-instant noodles	(4) Establishing a second pillar that generates revenue and profit	
Platform		(5) Developing and strengthening human resources for global management	

● **Targets of the Medium-Term Business Plan 2021**

Within the Medium-Term Business Plan, we have set out numerical targets with an emphasis on “Earning power through operations” and “Value in capital markets,” as key requirements for “Recognition as a global company.” The table below shows the numerical targets of this plan and figures for performance results in the fiscal year ended March 31, 2018, the second year of this plan. The Group made a steady growth toward achieving the targets of the plan, renewing the record high of sales in the current fiscal year. In the fiscal year ending March 31, 2019, marking the 60th anniversary of Chicken Ramen, the origin of all instant noodles, the Group will aim to achieve a further leap.

The Company will voluntarily adopt International Financial Reporting Standards (“IFRS”) for the Group’s consolidated financial statements in place of the previously adopted Japanese Generally Accepted Accounting Principles (“JGAAP”) from the fiscal year ending March 31, 2019.

Category		3. 2016	3. 2018	3. 2021	
		Results JGAAP	Results JGAAP	(Reference) (JGAAP)	Targets IFRS
Earning power through operations	Net sales (IFRS: Sales revenue)	¥468.1 billion	¥516.4 billion	¥600.0 billion	¥550.0 billion
	Adjusted operating income	¥24.7 billion	¥33.4 billion	¥40.0 billion	¥– billion
	Operating income (IFRS: Operating profit)	¥– billion	¥– billion		¥47.5 billion
Value in capital markets	Market capitalization	¥570.0 billion	¥768.5 billion		¥1 trillion
	Net income (IFRS: Profit)	¥26.9 billion	¥29.1 billion		¥33.0 billion
	ROE	7.4%	8.2%		8.0% or higher
	Adjusted EPS (JGAAP)	¥196	¥272	CAGR: 10% or higher	¥–
	Adjusted EPS (IFRS)	¥189	¥263		¥330

(Note) Amounts presented in this chart less than one full unit have been rounded to the nearest unit.

For the details of the Medium-Term Business Plan, please refer to the “Investor Relations” on the Company’s website.

[https://www.nissin.com/en\\_jp/ir/](https://www.nissin.com/en_jp/ir/)

## 2) Food Safety

Positioning food safety as its most important management issue, the Group has in place the scientific testing system at the NISSIN Global Food Safety Institute, and it has also established a food safety institute in Shanghai, China. Utilizing these facilities, the Group has constructed its quality assurance system that operates on the ground at every stage from ingredient procurement to production, distribution, and sales, with its own system of analysis and inspection and thorough traceability from raw materials to the products.

Going forward, the Group will redouble its efforts in strengthening its quality control system responsible for safety at every stage, from ingredient procurement to production, distribution, sales and consumption.

## 3) Initiatives in ESG

The Company holds responsibility for all the impacts that its corporate activities have on society and contributes to the sustainability of society and the planet by continuing to provide enjoyment of food to make people happy, from the perspective of all its stakeholders, including consumers, shareholders, investors, the local community, and the environment. To make this happen, the Company joined the United Nations Global Compact\* in July 2017, and will promote business activities that take ESG into consideration to achieve SDGs (Sustainable Development Goals), which are a worldwide action plan that aims to make a sustainable society come true.

\* United Nations Global Compact: A worldwide framework to achieve sustainable growth established by the United Nations Headquarters in 2000.

### ● Environmental Activities

Based on the principle of “食足世平 Shoku-soku Se-hei (Peace will come to the world when there is enough food.)” the Company positions contribution to curbing global warming, which adversely affects food production, as an important issue.

The Company is building environmental management systems in order to promote environmental management, such as establishing the NISSIN FOODS Group Environmental Charter and NISSIN FOODS Group Code of Environment and Environmental Committee in 2008 and sustainability-conscious NISSIN FOODS Group Policy on Sustainable Procurement in 2017. In order to fulfill our social responsibility as a global food manufacturer that supports the dietary needs of the world, we have also set medium-term environmental targets to achieve by 2020, such as reducing the greenhouse gas (CO<sub>2</sub>) emissions of our business activities by 30%.

In addition, the Group joined RSPO (Roundtable on Sustainable Palm Oil) in October 2017, with the aim of procuring certified palm oil produced out of consideration for prevention of deforestation and preservation of biodiversity for the palm oil to be used for the instant noodle business.

The Company will continue to reduce its environmental impact in all stages of its business activities in order to conserve a sustainable environment.

### ● Social Activities

The Company has continued engaging in CSR activities such as cooperating with the United Nations World Food Programme (Japan Association for the World Food Programme), promoting the Hyakufukushi Project in which we will conduct a total of 100 CSR activities for 50 years from 2008, food education and other food culture promoting and support activities, sports support activities, and disaster-relief support with instant noodles by cooperating with the World Instant Noodles Association (WINA).

While fulfilling its responsibility as a company engaged in the food business, the Group is pushing forward to create work environment where creativity of each individual employee will be fostered, their health and well-being will be supported and all employees can autonomously work, through

initiatives of promoting diversity and the “Smart Work 2000” project that aims to reduce total work hours and improve productivity, which the Group believes will lead to offering our customers higher-value added products.

As part of the initiatives for promoting diversity, the Group established the Diversity Committee, chaired by a female executive officer of NISSIN FOODS HOLDINGS CO., LTD. The Company holds events and seminars regularly so that employees with different backgrounds are able to get to know each other, with the aim of facilitating sustained improvement of the Company’s competitiveness through the advancement of female employees and the exchange of varying viewpoints and thoughts.

In the “Smart Work 2000” project, the Company implements various measures to achieve a workplace where every employee can work efficiently and creatively, while ensuring work-life balance. Also, to stand as an “EARTH FOOD CREATOR,” the Group strives to strengthen and build capability of employees with extensive training and other programs, and a global human resources development system in place.

### ● **Governance Activities**

The Company recognizes enhancing and strengthening corporate governance as one of the top priorities for management in order to promote sustainable growth and increase its corporate value over the medium to long term. The Company believes that further strengthening its corporate governance and compliance system is necessary, as it strives to achieve higher levels of management objectivity and transparency.

In addition to proactively applying the Corporate Governance Code, the Company strives to create an environment in which all members of the Group act in accordance with fair values and appropriate decision-making standards.

The “Countermeasures to the Large-Scale Acquisition of the Company’s Shares (Takeover Defense Measures)” were approved by shareholders at the 59th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007. Subsequently, from the viewpoint of ensuring and enhancing the Company’s corporate value and thus the common interests of shareholders, it was determined that the Company’s need of the Takeover Defense Measures had declined relatively, and the Company abolished the Takeover Defense Measures upon the resolution at the meeting of the Board of Directors held on December 6, 2017.

Going forward, the Company will continue engaging in enhancement and improvement initiatives in the aim of realizing highly effective corporate governance.

**(4) Major parent company and subsidiaries (As of March 31, 2018)****i) Major parent company**

No items to report.

**ii) Major subsidiaries**

Section	Company name	Location	Capital stock	Holding ratio (%)	Major business
*1	NISSIN FOOD PRODUCTS CO., LTD.	Osaka	¥5,000 million	100.0	Manufacture and sale of instant noodles
*2	MYOJO FOODS CO., LTD.	Tokyo	¥3,143 million	100.0	Manufacture and sale of instant noodles
*3	NISSIN CHILLED FOODS CO., LTD.	Osaka	¥100 million	100.0	Manufacture and sale of chilled foods
*3	NISSIN FROZEN FOODS CO., LTD.	Osaka	¥100 million	100.0	Manufacture and sale of frozen foods
*6	NISSIN CISCO CO., LTD.	Osaka	¥2,600 million	100.0	Manufacture and sale of cereal foods and confectionery, etc.
*6	NISSIN YORK CO., LTD.	Tokyo	¥870 million	100.0	Manufacture and sale of dairy products etc.
*6	NISSIN ASSET MANAGEMENT CO., LTD.	Tokyo	¥50 million	100.0	Real estate leasing and management
*1	Sapporo Nissin Co., Ltd.	Hokkaido	¥250 million	100.0	Manufacture and sale of instant noodles
*1	Nissin Plastics Co., Ltd.	Shiga	¥450 million	100.0	Manufacture and sale of containers
*1	NISSIN F.D. FOODS CO., LTD.	Okayama	¥100 million	100.0	Manufacture and sale of ingredients for instant noodles
*1	Kagawa Nissin Food Products Co., Ltd.	Kagawa	¥100 million	100.0	Manufacture and sale of ingredients for instant noodles
*1	Nissin Enterprise Corporation	Osaka	¥300 million	100.0	Warehousing and distribution business
*1	AJINIHON CO., LTD.	Hiroshima	¥95 million	49.4	Manufacture and sale of soup
*2	NISHINIHON MYOJO CO., LTD.	Hyogo	¥90 million	100.0	Manufacture and sale of instant noodles
*2	UNI-STAR CO., LTD.	Saitama	¥150 million	100.0	Manufacture and sale of soup
*2	HIGASHINIHON MYOJO CO., LTD.	Saitama	¥90 million	100.0	Manufacture and sale of instant noodles
*3	Saitama Nissin Food Products Co., Ltd.	Saitama	¥30 million	100.0	Manufacture and sale of chilled foods and frozen foods
*3	SAGAMI FRESH CO., LTD.	Kanagawa	¥400 million	100.0	Manufacture and sale of chilled foods
*3	Shikoku Nissin Food Products Co., Ltd.	Kagawa	¥98 million	100.0	Manufacture and sale of frozen foods
*3	Takamatsu Nissin Food Products Co., Ltd.	Kagawa	¥80 million	100.0	Manufacture and sale of frozen foods
*3	Mie Nissin Food Products Co., Ltd.	Mie	¥100 million	100.0	Manufacture and sale of frozen foods
*3	Circle Liners Co., Ltd.	Kagawa	¥50 million	100.0	Warehousing and distribution business
*3	NICKY FOODS CO., LTD.	Osaka	¥460 million	100.0	Manufacture and sale of frozen foods
*6	UJI KAIHATSU DEVELOPMENT CO., LTD.	Kyoto	¥100 million	98.3	Operation of golf course
*6	NISSIN NETCOM CO., LTD.	Osaka	¥24 million	100.0	Management of real estate Management of restaurants

Section	Company name	Location	Capital stock	Holding ratio (%)	Major business
*6	Bonchi Co., Ltd.	Osaka	¥160 million	50.1	Production and sales of Japanese rice crackers and snacks
*4	NISSIN FOODS (U.S.A.) CO., INC.	U.S.A.	US\$149 million	94.4	Manufacture and sale of instant noodles
*4	MYOJO U.S.A., INC.	U.S.A.	US\$5 million	96.0	Manufacture and sale of chilled foods
*4	NISSIN FOODS DE MEXICO S.A. DE C.V.	Mexico	MXN215 million	100.0	Manufacture and sale of instant noodles
*4	NISSIN FOODS DE COLOMBIA S.A.S.	Colombia	COP5,748 million	100.0	Sale of instant noodles
*4	NISSIN TECHNOLOGY ALIMENTOS DO BRASIL LTDA.	Brazil	BRL1,038 million	100.0	Technical support for manufacture of foods
*4	NISSIN FOODS DO BRASIL LTDA.	Brazil	BRL89 million	100.0	Manufacture and sale of instant noodles
*5	NISSIN FOODS CO., LTD. (Note 1)	China	HK\$2,981 million	73.9	Manufacture and sale of instant noodles Regional headquarters for China
*5	WINNER FOOD PRODUCTS LTD. (Note 1)	China	HK\$29 million	73.9	Sale of instant noodles Manufacture and sale of frozen foods
*5	NISSIN FOODS (HK) MANAGEMENT CO., LTD. (Note 1)	China	HK\$200	73.9	Indirect services of group companies in China and support business
*5	NISSIN FOODS (CHINA) HOLDING CO., LTD. (Note 1)	China	RMB1,443 million	73.9	Invest in businesses in China Sale of instant noodles
*5	SHANGHAI NISSIN FOODS CO., LTD. (Note 1)	China	US\$44 million	73.9	Sale of instant noodles
*5	GUANGDONG SHUNDE NISSIN FOODS CO., LTD. (Note 1)	China	HK\$130 million	73.9	Manufacture and sale of instant noodles
*5	Dongguan Nissin Packaging Co., Ltd. (Note 1)	China	RMB147 million	73.9	Manufacture of instant noodle packages
*5	Nissin Koikeya Foods (China & HK) Co., Ltd. (Note 1)	China	HK\$10 million	48.8	Sale of confectionery etc.
*5	Fujian Nissin Foods Co., Ltd. (Note 1)	China	RMB235 million	73.9	Manufacture and sale of instant noodles
*5	ZHUHAI GOLDEN COAST WINNER FOOD PRODUCTS LTD. (Note 1)	China	HK\$84 million	52.1	Manufacture and sale of instant noodles
*5	GUANGYOUGNAN FOOD PRODUCTS (SHENZHEN) CO., LTD. (Note 1)	China	HK\$11 million	73.9	Sale of frozen foods
*5	ZHEJIANG NISSIN FOODS CO., LTD. (Note 1)	China	RMB350 million	73.9	Manufacture and sale of instant noodles
*5	NISSIN FOODS (H.K.) CO., LTD.	China	HK\$10 million	73.9	Sale of instant noodles
*5	MC Marketing & Sales (Hong Kong) Limited (Note 1)	China	HK\$1,000	37.7	Sale of food products
*6	NISSIN FOODS (ASIA) PTE. LTD.	Singapore	S\$294 million	100.0	Regional headquarters for Asia
*6	Nissin Foods Singapore Pte. Ltd.	Singapore	S\$20 million	66.0	Manufacture and sale of instant noodles
*6	INDO NISSIN FOODS PRIVATE LTD.	India	INR4,459 million	65.7	Manufacture and sale of instant noodles
*6	NISSIN FOODS INDIA LTD.	India	INR500 thousand	65.7	Sale of instant noodles
*6	NISSIN FOODS VIETNAM CO., LTD.	Vietnam	US\$59 million	100.0	Manufacture and sale of instant noodles
*6	NISSIN FOODS (THAILAND) CO., LTD.	Thailand	THB2,618 million	66.0	Manufacture and sale of instant noodles
*6	PT. NISSIN FOODS INDONESIA	Indonesia	IDR451.1 billion	66.0	Manufacture and sale of instant noodles

Section	Company name	Location	Capital stock	Holding ratio (%)	Major business
*6	Nissin Foods Kft.	Hungary	HUF1,000 million	100.0	Manufacture and sale of instant noodles
*6	Nissin Foods GmbH	Germany	€25 thousand	100.0	Sale of instant noodles
*6	NISSIN YILDIZ GIDA SANAYI VE TICARET A.S.	Turkey	TRY99 million	50.0	Manufacture and sale of instant noodles

\*1 Nissin Food Products \*2 Myojo Foods \*3 Chilled and frozen foods \*4 The Americas \*5 China \*6 Others

- (Notes) 1. NISSIN FOODS CO., LTD was listed on the main board of Hong Kong Exchanges and Clearing on December 11, 2017 in order to expand its presence in the Chinese market, increase the speed of decision making, and strengthen its systems for immediately responding to changes. With the fund raising brought by the listing on Hong Kong Exchanges and Clearing, the Company's ownership ratio changed from 98.5% to 73.9%. In accordance with this, the Company's ownership ratio in the subsidiaries of NISSIN FOODS CO., LTD. has also decreased.
2. There are no wholly owned subsidiaries as defined in Article 118, Item 4 of the Ordinance for Enforcement of the Companies Act as of the end of the fiscal year under review.

### iii) Status of important business combinations

No items to report.

### iv) Major business

The Group is, while centering on the manufacture and sale of instant foods, primarily instant noodles, promoting development toward other food business, distribution business and other related business. The Group is also expanding its business areas overseas through manufacturing and sale of instant noodles and others by its local subsidiaries and associates, and through technological assistance to these local corporations.

Reportable segments	Main products
Nissin Food Products	Chicken Ramen, Cup Noodle, Nissin-No-Donbei, Nissin Rao, Nissin Yakisoba U.F.O. and others
Myojo Foods	MYOJO CHARUMERA, MYOJO IPPEICHAN, Myojo Chukazanmai and others
Chilled and frozen foods	Nissin Spa-Oh, NISSIN Mochitto Nama Pasta, Tsukemen no Tatsujin, Gyoretsu-no-Dekiru-Mise-no-Ramen and others
The Americas	CUP NOODLES, Top Ramen, CHOW MEIN, NISSIN LAMEN and others
China	Demae Ichho, CUP NOODLES, U.F.O. and others
Others	Cereal foods, confectionery, beverages and others

### v) Principal offices

Osaka Head Office: 1-1, 4-chome, Nishinakajima, Yodogawa-ku, Osaka

Tokyo Head Office: 28-1, 6-chome, Shinjuku, Shinjuku-ku, Tokyo

Research Institute: NISSIN Global Innovation Center (Tokyo)  
NISSIN Global Food Safety Institute (Tokyo)

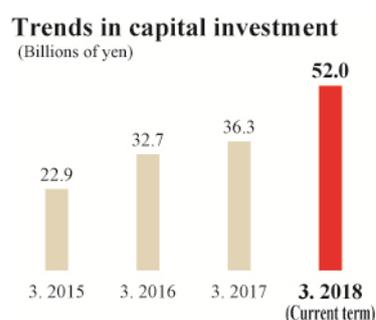
\* The Osaka Head Office is registered as the Head office, however, operations primarily take place at the Tokyo Head Office.

**(5) Status of important capital investment and financing**

The total amount of capital investment in the fiscal year ended March 31, 2018 was ¥52,007 million, and the details are as follows.

NISSIN FOOD PRODUCTS CO., LTD. has been forging ahead with Kansai plant construction in Shiga Prefecture as next generation smart factory to improve productivity and strengthen quality management. Nissin Foods Kft. (Hungary) established a plant to augment the supply structure to respond to demand expected to grow in Europe.

The finances required for this were primarily allocated from internal funds and borrowings.



**(6) Major creditors (As of March 31, 2018)**

Creditors	Borrowings outstanding (Millions of yen)
Japan Finance Corporation	6,545
Mizuho Bank, Ltd.	6,168
Sumitomo Mitsui Banking Corporation	3,382
The Tokushima Bank, Ltd.	1,832
Mizuho Trust & Banking Co., Ltd.	1,100
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	754

(Note) On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its legal name to MUFG Bank, Ltd.

**(7) Status of employees (As of March 31, 2018)**

**i) The Group**

Number of employees	Change from the previous fiscal year-end
12,102	Increase of 392

(Note) The number of employees indicates the number of regular employees, and the annual average number of temporary employees is 5,420.

**ii) The Company**

Number of employees	Change from the previous fiscal year-end	Average age	Average service years
720	Increase of 3	40.0	11.0

(Note) The number of employees indicates the number of regular employees.

## 2. Items Regarding Shares of the Company (As of March 31, 2018)

(1) Total number of shares authorized to be issued 500,000,000

(2) Total number of shares issued 117,463,685

(Notes) 1. Total number of shares issued includes 13,329,298 shares of treasury stock held as of the end of the fiscal year under review.

2. The Company resolved, at its Board of Directors' meeting held on May 10, 2018, cancellation of 11,763,685 shares of treasury stock on May 24, 2018. This brings the total number of shares issued down to 105,700,000 after the cancellation.

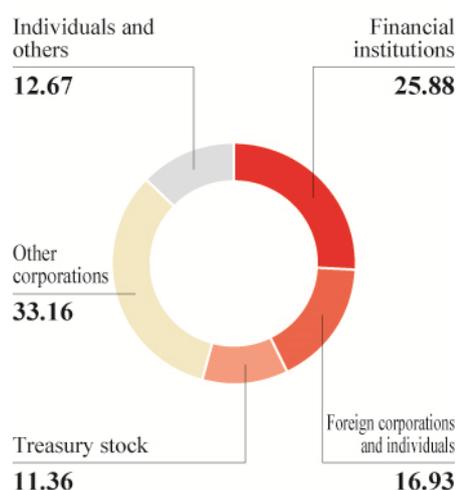
(3) Number of shares making up one unit 100

(4) Number of shareholders 51,503

### (5) Major shareholders (Top 10 shareholders):

Name of shareholders	Number of shares held (Hundred shares)	Holding ratio (%)
Ando Foundation	79,043	7.59
Mitsubishi Corp.	78,000	7.49
ITOCHU Corp.	54,000	5.19
Ando International Y.K.	39,455	3.79
The Master Trust Bank of Japan, Ltd. (Account in Trust)	36,337	3.49
Mizuho Bank, Ltd.	33,750	3.24
Japan Trustee Services Bank, Ltd. (Account in Trust)	32,412	3.11
JP Morgan Chase Bank	31,638	3.04
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	22,735	2.18
STATE STREET BANK WEST CLIENT - TREATY	19,037	1.83

Distribution of ownership among shareholders (%)



(Notes) 1. Holding ratio is calculated with total number of shares issued, excluding treasury stock (133,292 hundred shares), as the denominator.

2. On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its legal name to MUFG Bank, Ltd.

### 3. Status of Corporate Governance

#### Basic Concept of Corporate Governance

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, the Company recognizes enhanced and strengthened corporate governance as one of the top priorities for management and strives for highly objective and transparent management. To achieve this objective, the Company has already appointed more than one Outside Director and Outside Audit & Supervisory Board Member, and has proactively incorporated the opinions of outside experts in management, thereby endeavoring to invigorate management and make it transparent. In particular with regard to Directors, based on a resolution at the 68th Ordinary General Meeting of Shareholders held on June 28, 2016, we have reduced the number of Internal Directors by six, to three, and increased the number of Outside Directors by one, to five. **By making Outside Directors the majority**, the Company is further strengthening supervisory functions and promoting swifter decision-making.

As a company with an Audit & Supervisory Board, the Company has a system for monitoring the Directors' execution of duties with three Audit & Supervisory Board Members (of which, two Independent Outside Audit & Supervisory Board Members). Furthermore, the Company is striving to further enhance corporate governance by placing several staff specializing in assisting the operations of Audit & Supervisory Board Members, enhancing the Internal Auditing Office, which improves the efficiency of audits by cooperating with Audit & Supervisory Board Members, and reinforcing the internal control systems, etc.

#### Board of Directors

Directors: <b>8 people</b>			Audit & Supervisory Board Members: <b>3 people</b>	
Internal Directors	Outside Directors		Audit & Supervisory Board Members (Internal)	Independent Outside Audit & Supervisory Board Members
<b>3 people</b>	<b>2 people</b>	Independent Outside Directors <b>3 people</b>	<b>1 person</b>	<b>2 people</b>

## **Policy for Selection of Candidates for Directors and Audit & Supervisory Board Members**

### **Composition of the Board of Directors and Criteria for Selection 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 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 President & Representative Director, CEO, Executive Vice President & Representative Director, COO.

Candidates for Outside Directors are selected from those who, as well as satisfy the standards of the Companies Act, are management executives, academic experts and the like, 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., and who are capable of not only checking in the Board of Directors meetings from an objective standpoint the legality of management and the appropriateness of decision-making in the execution of duties, but also, the Group expects, providing advice leading to business activities that will enhance corporate value in the Board of Directors meetings, etc.

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

### **Composition of the Audit & Supervisory Board and Criteria for Selection of Candidates for Audit & Supervisory Board Members**

Based on the Companies Act and other laws and regulations, as well as the Articles of Incorporation and other regulations, the Audit & Supervisory Board audits the process of decision-making by the Directors and the status of their execution of duties.

The number of the Audit & Supervisory Board Members is four or fewer, the majority of whom are Outside Audit & Supervisory Board Members.

The criteria for selecting candidates for Audit & Supervisory Board Members (internal) is to select people who can perform auditing and ensure management soundness from a perspective based on extensive operational experience in the Group.

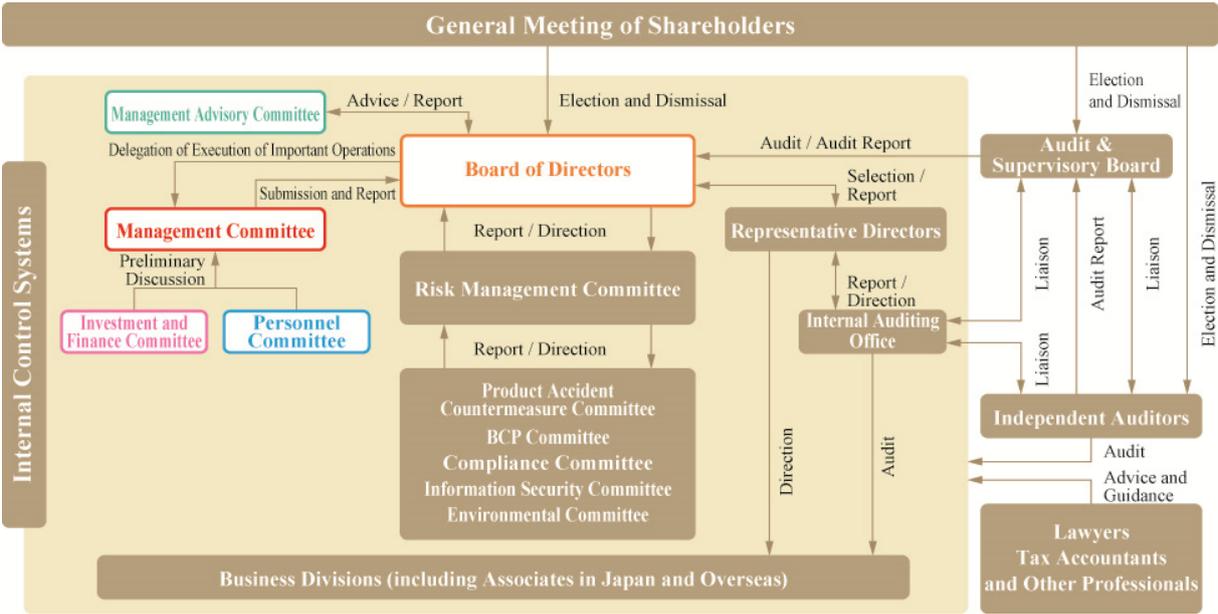
The criteria for selecting candidates for Outside Audit & Supervisory Board Members is to select people who satisfy the standards of the Companies Act, and who has extensive experience and advanced specialization, which are necessary for audit.

As for the procedures for the above, candidates are decided by the Board of Directors after the appropriateness of them is deliberated and verified by the Management Advisory Committee and after obtaining the approval of the Audit & Supervisory Board.

### **Criteria for Assessing Externality and Independency of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members**

The Company appoints Outside Directors and Outside Audit & Supervisory Board Members as independent officers in accordance with requirements for outside directors and outside audit & supervisory board members defined in the Companies Act and the criteria for independency defined by the Tokyo Stock Exchange.

**Corporate Governance System**



● **Board of Directors**

The Company holds “regular meetings of the Board of Directors” on a regular basis and “extraordinary meetings of the Board of Directors” as appropriate when necessary. The meetings shall consist of Directors and Audit & Supervisory Board Members who shall discuss and decide on important matters pursuant to the laws and regulations, “Articles of Incorporation,” and “Board of Directors Regulations.” Furthermore, the members of the meetings shall receive reports in regard to the execution of duties of Directors, and conduct supervision and the like.

\* **Evaluation of Effectiveness of the Board of Directors**

The Company believes that the effectiveness of the overall Board of Directors is suitably ensured, based on the evaluation and opinions given from each Director and Audit & Supervisory Board Member regarding the status and operations of the Board of Directors.

The results that are analyzed are reviewed by the Management Advisory Committee, and the review results are then deliberated by the Board of Directors. After these procedures, the Company performs self-evaluations as described above. Going forward, the Company will continue evaluating effectiveness by steadily improving the evaluation framework and evaluation methods in efforts to further enhance effectiveness of the Board of Directors.

● **Management Committee**

The Company holds a meeting of the “Management Committee” twice every month in principle to improve management efficiency. The Committee consists of Directors (excluding Outside Directors), Responsible Executive Officers, and Audit & Supervisory Board Members (Full-time), and they discuss matters which are to be resolved by the Board of Directors. Also, matters which authorities are delegated to the Committee by the Board of Directors pursuant to the “Approval Regulations” are discussed and decided.

● **Management Advisory Committee**

The Company holds a meeting of the “Management Advisory Committee,” the majority of which are Independent Directors/Audit & Supervisory Board Members, three times a year in principle. The

committee discusses nomination, remuneration, and governance, and ensures transparency and fairness in nomination, remuneration, and governance.

- Liaison Committee of Independent Outside Directors and Audit & Supervisory Board Members

The Company holds a meeting of the “Liaison Committee of Independent Outside Directors and Audit & Supervisory Board Members” comprising Independent Outside Directors and Audit & Supervisory Board Members, twice a year in principle, and the Audit & Supervisory Board Members ensure fulsome information sharing with Outside Directors.

- Report on the operational status of the systems ensuring the appropriateness of operations

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

- i) Overall Internal Control Systems

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

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

- ii) Compliance

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

In addition, the Committee made reports on the status relating reporting of compliance-related violations and on other matters to the Board of Directors.

- iii) Risk Management

Through the “Risk Management Office” established in the General Affairs Division as an office for “Risk Management Committee,” we identified and evaluated risks, developed countermeasures, and checked the status of the measures taken, in order to get visibility of risks of the entire Group and manage them.

- iv) Management of business of subsidiaries

The Company approved important matters of its subsidiaries in compliance with the “Approval Regulations.” With regard to each subsidiary’s business strategy, business conditions, financial conditions and the like, the Company regularly received reports from respective subsidiaries as necessary at the “Board of Directors” and the “Group Company Strategic Presentation.”

- v) Execution of duties by Directors

- The Company held the “Regular Meetings of the Board of Directors” ten times during the fiscal year under review to determine important business matters defined in the laws and regulations, the “Articles of Incorporation” and the “Board of Directors Regulations,” and supervised execution of the duties.
- In principle, the Company held meetings of the “Management Committee” twice a month to deliberate beforehand matters to be resolved by the “Board of Directors” and other important business matters and to report on important progress of the business operations.

- The Company held four meetings of the “Management Advisory Committee,” the majority of which are Independent Directors/Audit & Supervisory Board Members, during the fiscal year under review, and discussed the nomination, remuneration, and governance. The committee ensured transparency and fairness in nomination, remuneration, and governance.
  - The Company held two meetings of the “Liaison Committee of Independent Outside Directors and Audit & Supervisory Board Members” comprising Independent Outside Directors and Audit & Supervisory Board Members, during the fiscal year under review, and the Audit & Supervisory Board Members ensured fulsome information sharing with Outside Directors.
  - The Company held the “Group Company Strategic Presentation” every month in principle. Reports, proposals, and confirmations in regard to strategies (products, finance, human resource and the like) were made by the presidents of the major subsidiaries and overseas regional Chief Representatives, and status of execution of duties of subsidiaries was supervised.
  - The Company held the “Chief Officer Strategy Presentation” comprising chief officers every month in principle. Strategies were proposed by the chief officers, and status of execution of platform duties was supervised.
  - As a preliminary discussion body of the “Board of Directors” and “Management Committee,” the Company held a meeting of the “Investment and Finance Committee” every month in principle. The committee consists of members summoned in principle from each platform. The Committee performed screenings and reviews of important investment and financing and the like in advance.
  - As a preliminary discussion body to the “Board of Directors” and “Management Committee,” the Company held a meeting of the “Personnel Committee” every month in principle. The Committee consists of chief officers and the like. Human resource strategy of the Group was reviewed.
- vi) Execution of duties of the Audit & Supervisory Board Members
- The meetings of the “Audit & Supervisory Board” were held eleven times during the fiscal year under review to audit duties executed by Directors.
  - The Audit & Supervisory Board Members have conducted audit by attending the meetings of the “Board of Directors” and other important meetings, by interviewing Directors and employees and by other means including on-site inspection concerning matters to be resolved by “the Management Committee” and other important matters for corporate management.
  - The Audit & Supervisory Board members, who work closely with Internal Auditing Office and Financial Auditor on a steady basis, held six regular meetings with them during the fiscal year under review to exchange information, and secured effective audits by the Audit & Supervisory Board members.

## Reference

- Policy on Cross-Holdings of Shares in Listed Companies

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 to determine their continued holdings. In addition, the Company has a policy of reducing its overall holdings from such perspectives as enhancing capital efficiency, and sells these holdings as appropriate after taking the impact on the market and other factors overall into consideration.

- Transactions with Related-Parties

The Company has formulated “Board of Directors Regulations” requiring that transactions between a Director and the Company (self-transactions and indirect transactions) and transactions with principal shareholders of the Company must be resolved by the Board of Directors and, if necessary, reported at Board of Directors meetings.

- Policy on Training Directors and Audit & Supervisory Board Members

To ensure that management supervision and auditing functions are sufficiently conducted by the Directors and Audit & Supervisory Board Members, the Company provides information necessary to the execution of duties in an appropriate and timely manner. Furthermore, to ensure sufficient deliberation at Board of Directors meetings, Outside Directors and Outside Audit & Supervisory Board Members are provided in advance with Board of Directors meeting materials, explanations, and related information. In addition, when such Outside Directors and Outside Audit & Supervisory Board Members assume office, they are provided with orientations, dialogues with the management team, and other ongoing opportunities for understanding the Company's operations. Furthermore, the Company provides Directors and Audit & Supervisory Board Members with opportunities for training by third-party institutions, with the Company bearing the costs of such training.

- Abolition of the Takeover Defense Measures

The "Countermeasures to the Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)" were approved by shareholders at the 59th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007. Subsequently, from the viewpoint of ensuring and enhancing the Company's corporate value and thus the common interests of shareholders, it was determined that the Company's need of the Takeover Defense Measures had declined relatively, and the Company abolished the Takeover Defense Measures upon the resolution at the meeting of the Board of Directors held on December 6, 2017.

## 4. Items Regarding the Company's Officers

### (1) Names etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2018)

Position at the Company	Name	Responsibilities in the Company and significant concurrent positions at other organizations
President *1 *2	Koki Ando	CEO (Chief Executive Officer) President & Representative Director of UJI KAIHATSU DEVELOPMENT CO., LTD. Chairman of the Ando Foundation Chairman of Japan Association for the World Food Programme
Executive Vice President *1 *2	Noritaka Ando	COO (Chief Operating Officer) President & Representative Director of NISSIN FOOD PRODUCTS CO., LTD.
Director *2	Yukio Yokoyama	Director, CFO (Chief Financial Officer) and Managing Executive Officer
Director *3	Ken Kobayashi	Chairman of the Board of Mitsubishi Corporation
Director *3	Masahiro Okafuji	President & Chief Executive Officer of ITOCHU Corporation
Director *2 *3	Yoko Ishikura	Independent Director
Director *2 *3	Isao Karube	Independent Director President of Tokyo University of Technology
Director *2 *3	Masato Mizuno	Independent Director Chairman of MIZUNO Corporation
Audit & Supervisory Board Member (Full-time)	Hideki Hattori	
Audit & Supervisory Board Member (Full-time) *2 *4	Kazuo Kanamori	Independent Audit & Supervisory Board Member
Audit & Supervisory Board Member *2 *4	Chisugi Mukai	Independent Audit & Supervisory Board Member, Lawyer

\*1 Representative Director \*2 Member of the Management Advisory Committee \*3 Outside Director \*4 Outside Audit & Supervisory Board Member

- (Notes) 1. The Company notified the Tokyo Stock Exchange of Directors Dr. Yoko Ishikura, Dr. Isao Karube, and Mr. Masato Mizuno, and Audit & Supervisory Board Member (Full-time) Mr. Kazuo Kanamori and Audit & Supervisory Board Member Mr. Chisugi Mukai as Independent Director / Independent Audit & Supervisory Board Member under the provisions of the said exchange.
2. In regard to Director Dr. Yoko Ishikura, as that name is well known, her name is shown as above, regardless the fact that her legal name is Dr. Yoko Kurita.
3. Audit & Supervisory Board Member (Full-time) Mr. Kazuo Kanamori possesses considerable knowledge of financial and accounting matters gained through abundant experience at financial institutions. Based on this and the experience he has cultivated as a director, the Company believes he has sufficient knowledge and experience to monitor and inspect company management.
4. Director Mr. Masahiro Okafuji has served as Chairman & Chief Executive Officer of ITOCHU Corporation since April 1, 2018.

**(2) Significant concurrent positions at other organizations and primary activities of Outside Directors and Outside Audit & Supervisory Board Members**

**i) Relationship between the Company and the companies where Outside Directors assume significant concurrent positions**

Outside Director Mr. Ken Kobayashi is Chairman of the Board of Mitsubishi Corporation, and Outside Director Mr. Masahiro Okafuji is President & Chief Executive Officer of ITOCHU Corporation. The Group sells products to both companies and purchases materials from the same. The transactions are regular transactions for either of the cases, and there are no direct special interests between the Company and the Outside Directors as individuals.

(Note) Director Mr. Masahiro Okafuji has served as Chairman & Chief Executive Officer of ITOCHU Corporation Since April 1, 2018.

**ii) Primary activities of the Outside Directors and Outside Audit & Supervisory Board Members**

Position at the Company	Name	Primary activities	Attendance at the Board of Directors meetings
			Attendance at the Audit & Supervisory Board meetings
Director	Ken Kobayashi	Attended 9 out of 10 Board of Directors meetings held during the fiscal year under review, and provided input on overall corporate management in Japan and overseas based on his abundant experience as a management executive from a neutral and objective standpoint as an outside director.	9/10
			–
Director	Masahiro Okafuji	Attended all 10 Board of Directors meetings held during the fiscal year under review, and provided input on overall corporate management in Japan and overseas based on his abundant experience as a management executive from a neutral and objective standpoint as an outside director.	10/10
			–
Director	Yoko Ishikura	Attended all 10 Board of Directors meetings held during the fiscal year under review, and provided input on overall corporate management in Japan and overseas based on her abundant experience as an international corporate strategy expert from a neutral and objective standpoint as an outside director.	10/10
			–
Director	Isao Karube	Attended all 10 Board of Directors meetings held during the fiscal year under review, and provided input on overall corporate management based on his experience in advanced research, extensive experience of international affairs, and management experience as a president of a university, from a neutral and objective standpoint as an outside director.	10/10
			–
Director	Masato Mizuno	Attended all 10 Board of Directors meetings held during the fiscal year under review, and provided input on overall corporate management in Japan and overseas based on his abundant experience as a management executive from a neutral and objective standpoint as an outside director.	10/10
			–
Audit & Supervisory Board Member (Full-time)	Kazuo Kanamori	Attended all 10 Board of Directors meetings and all 11 Audit & Supervisory Board meetings held during the fiscal year under review, and actively provided input in those meetings to monitor and inspect company management from an objective standpoint which was cultivated through his experience in working at banks.	10/10
			11/11
Audit & Supervisory Board Member	Chisugi Mukai	Attended all 10 Board of Directors meetings and all 11 Audit & Supervisory Board meetings held during the fiscal year under review, and actively provided input in those meetings mainly from a standpoint as a legal expert.	10/10
			11/11

**(3) Summary of contents of agreements limiting liability with Outside Directors and Outside Audit & Supervisory Board Members**

The Company has revised the Articles of Incorporation through the 58th Ordinary General Meeting of Shareholders held on June 29, 2006 and has established a provision in regard to the agreements limiting liability with Outside Directors and Outside Audit & Supervisory Board Members (not including Mr. Kazuo Kanamori, Audit & Supervisory Board Member (Full-time)). Summary of contents of the agreements limiting liability is as follows:

**i) Agreements limiting liability with Outside Directors**

If Outside Directors, after entering into this agreement as Directors, neglect their duties and cause damages to the Company, and are in good faith and are not grossly negligent in performing their duties, pursuant to Paragraph 1, Article 423, of the Companies Act, Outside Directors shall be liable for the damages to the Company to the extent of the minimum liability amount pursuant to Paragraph 1, Article 425 of the said Act or ¥12 million, whichever is higher. The Company shall exempt Outside Directors from the portion exceeding such liability amount for the damages.

**ii) Agreements limiting liability with Outside Audit & Supervisory Board Members**

If Outside Audit & Supervisory Board Members, after entering into this agreement as Audit & Supervisory Board Members, neglect their duties and cause damages to the Company, and are in good faith and are not grossly negligent in performing their duties, pursuant to Paragraph 1, Article 423, of the Companies Act, Outside Audit & Supervisory Board Members shall be liable for the damages to the Company to the extent of the minimum liability amount pursuant to Paragraph 1, Article 425, of the said Act or ¥10 million, whichever is higher. The Company shall exempt Outside Audit & Supervisory Board Members from the portion exceeding such liability amount for the damages.

#### (4) 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	8	341	213	555
(of which Outside Directors)	(5)	(50)	–	(50)
Audit & Supervisory Board Member	3	39	–	39
(of which Outside Audit & Supervisory Board Members)	(2)	(30)	–	(30)
Total	11	380	213	594
(of which Outside Directors and Outside Audit & Supervisory Board Members)	(7)	(80)	–	(80)

- (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 Director who is also employee) is not exceeding ¥700 million per year (of which ¥100 million or less for Outside Directors; by resolution of the 68th Ordinary General Meeting of Shareholders held on June 28, 2016) for Director, and not exceeding ¥60 million per year for Audit & Supervisory Board Member (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 Director (excluding Outside Director) 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 ¥10 million which Outside Directors and Outside Audit & Supervisory Board Members received at the Company's subsidiaries.

#### **Policy on determining the amount of remuneration and other payments for Directors and Audit & Supervisory Board Members and calculation method thereof**

Remuneration for Director consists of the “basic remuneration” paid according to position and role importance of the Director as well as corporate performance and individual performance, and the “remuneration-type stock options” for the purpose of increasing motivation and incentives toward the contribution to sustained improvement of business performance and enhancement of corporate value over the medium- to long-term within the scope of the total amount resolved by the General Meeting of Shareholders. However, in view of the nature of the duties, the remuneration for Outside Director is not linked to business performance and consists only of “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 Member is determined through discussions with the Audit & Supervisory Board Member within the scope of the total amount resolved by the General Meeting of Shareholders, in view of the nature of auditing service, remuneration for Audit & Supervisory Board Member is not linked to business performance and consists only of “basic remuneration” paid according to the position.

## **5. Status of Financial Auditor**

### **(1) Name of the financial auditor**

Deloitte Touche Tohmatsu LLC

### **(2) Remuneration for the financial auditor for the fiscal year under review**

#### **i) Remuneration payable by the Company to the financial auditor for the fiscal year under review**

The amount of remuneration and other amounts in regard to services defined under Paragraph 1, Article 2, of the Certified Public Accountants Act

¥94 million

#### **ii) Total amount of cash and other economic benefits payable by the Company and its consolidated subsidiaries to the financial auditor**

¥142 million

(Notes) 1. In the audit agreement between the Company, its consolidated subsidiaries and the financial auditor, remuneration amount in regard to audit pursuant to the Companies Act and the remuneration amount in regard to audit pursuant to the Financial Instruments and Exchange Act are not categorized. As it also cannot be categorized in essence, the amounts shown in i) and ii) represent the total amount of these remuneration amounts.

2. As a result of conducting the necessary verification on the appropriateness of the contents of the audit plan of the financial auditor, the status of performance of the financial audit, and the grounds for calculating remuneration, etc., the Audit & Supervisory Board resolved that it is appropriate to approve the amount of remuneration, etc. for the financial auditor.

### **(3) Status of audit at consolidated subsidiaries**

Among the Company's consolidated subsidiaries, some of the overseas subsidiaries are audited by other certified public accountants or audit firms (including those who have equivalent certificates in foreign countries) other than the Company's financial auditor.

### **(4) Details of non-auditing services**

The Company seeks advice in regard to transition to International Financial Reporting Standards (IFRS) and the like, and pays fees to Deloitte Touche Tohmatsu LLC for the advices received. Such are services other than ones defined under Paragraph 1, Article 2 of the Certified Public Accountants Act.

### **(5) Policy on decision for dismissal or non-reappointment of the financial auditor**

Other than the Company's convenience, if an event occurs in which serious hindrance is caused to the Company's auditing services, in such situations where the financial auditor conflicts with or does not comply with the Companies Act, the Certified Public Accountants Act and the like, or has received a disposition such as suspension of auditing services from the supervising authority, the Audit & Supervisory Board shall consider to dismiss or not reappoint the financial auditor concerned based on the facts. If dismissal or non-reappointment is judged appropriate, the Audit & Supervisory Board will resolve the dismissal or non-reappointment of the financial auditor, and the Board of Directors, based on the resolution concerned, shall submit the relevant proposal to the General Meeting of Shareholders.

### **(6) Overview of the agreements limiting liability with financial auditor**

Agreements limiting liability have not been concluded between the financial auditor and the Company.

## **6. Policy Relating to the Decision of Dividends of Surplus**

The Company constantly endeavors to increase the Group's earning potential, recognizing growth in the corporate value and the provision of appropriate shareholder returns as the most important management priorities. Our basic policy is to provide continuous and stable returns to shareholders while taking consolidated business results and future capital requirements into consideration.

With respect to the use of internal reserves, we will provide for capital needs, such as capital investments, R&D spending, and M&A, for the purpose of further increasing corporate value, and will efficiently invest surplus funds with risks taken into account.

Based on the above policy, with respect to future dividends to shareholders, we will endeavor to have a payout ratio of around 40%.

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(Notes) 1. Until otherwise stated in this document, amounts and number of shares presented in this business report less than one full unit have been rounded down.

However, in respect of net income per share, total equity per share, and percentages, figures have been rounded to the nearest unit.

2. Consumption tax is not included in stated amounts.

# Consolidated Financial Statements

## Consolidated Balance Sheet (As of March 31, 2018)

(Millions of yen)

Account Title	Amount	Account Title	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>170,147</b>	<b>Current liabilities</b>	<b>130,793</b>
Cash and deposits	56,131	Notes and accounts payable-trade	56,635
Notes and accounts receivable-trade	69,133	Short-term borrowings	3,235
Marketable securities	51	Accrued payables	33,230
Merchandise and finished goods	13,990	Lease liabilities within one year	481
Raw materials and supplies	15,441	Accrued income taxes	5,886
Deferred tax assets	4,683	Other	31,324
Other	11,113	<b>Long-term liabilities</b>	<b>45,541</b>
Less: Allowance for doubtful receivables	(398)	Long-term debt	14,146
<b>Fixed assets</b>	<b>397,964</b>	Lease liabilities beyond one year	2,523
<b>Property, plant and equipment</b>	<b>214,071</b>	Asset retirement obligations	78
Buildings and structures	64,830	Deferred tax liabilities	19,276
Machinery, equipment and vehicles	57,898	Deferred tax liabilities on land revaluation	956
Tools and fixtures	4,117	Liability for retirement benefits	5,461
Land	52,507	Other	3,099
Leased assets	3,016	<b>Total liabilities</b>	<b>176,335</b>
Construction in progress	30,135	<b>Equity</b>	
Other	1,566	<b>Shareholders' equity</b>	<b>346,335</b>
<b>Intangible fixed assets</b>	<b>37,264</b>	Common stock	25,122
Goodwill	25,970	Capital surplus	51,218
Other	11,294	Retained earnings	327,996
<b>Investments and other assets</b>	<b>146,628</b>	Treasury stock, at cost	(58,002)
Investments in securities	138,606	<b>Accumulated other comprehensive income</b>	<b>20,151</b>
Investments in capital	715	Unrealized gain (loss) on available-for-sale securities	31,419
Long-term loans	39	Deferred gain (loss) on hedges	(35)
Deferred tax assets	4,667	Land revaluation reserve	(5,492)
Net defined benefit asset	405	Foreign currency translation adjustments	(6,867)
Other	3,199	Defined retirement benefit plans	1,127
Less: Allowance for doubtful receivables	(1,006)	<b>Stock acquisition rights</b>	<b>1,819</b>
		<b>Non-controlling interests</b>	<b>23,470</b>
		<b>Total equity</b>	<b>391,776</b>
<b>Total assets</b>	<b>568,111</b>	<b>Total liabilities and equity</b>	<b>568,111</b>

(Note) Amounts presented in the consolidated balance sheet less than one full unit have been rounded down.

## Consolidated Statement of Income (Year ended March 31, 2018)

(Millions of yen)

Account Title	Amount	
<b>Net sales</b>		516,400
<b>Cost of sales</b>		282,271
<b>Gross profit</b>		<b>234,128</b>
Selling, general and administrative expenses		200,016
<b>Operating income</b>		<b>34,112</b>
<b>Non-operating income</b>		
Interest income	1,163	
Dividend income	1,385	
Gain on sales of securities	888	
Equity in earnings of associates	2,680	
Other	1,737	7,855
<b>Non-operating expenses</b>		
Interest expense	432	
Foreign exchange loss	157	
Commission fee	163	
Other	623	1,378
<b>Ordinary income</b>		<b>40,588</b>
<b>Extraordinary gains</b>		
Gain on sales of fixed assets	769	
Gain on sales of investments in securities	1,093	
Insurance proceeds	427	
Gain on change in equity	4,352	
Other	165	6,808
<b>Extraordinary losses</b>		
Loss on sales of fixed assets	453	
Loss on disposal of fixed assets	670	
Impairment losses	5,346	
Loss on valuation of investment in subsidiaries and affiliates	555	
Provision of allowance for doubtful receivables	829	
Loss on business of subsidiaries and associates	1,100	
Loss associated with factory closure	99	
Other	818	9,872
<b>Income before income taxes</b>		<b>37,525</b>
Income taxes - current	11,528	
Income taxes - deferred	(3,121)	8,406
<b>Net income</b>		<b>29,118</b>
Net income attributable to non-controlling interests		14
<b>Net income attributable to owners of parent</b>		<b>29,104</b>

(Note) Amounts presented in the consolidated statement of income less than one full unit have been rounded down.

# Non-consolidated Financial Statements

## Balance Sheet (As of March 31, 2018)

(Millions of yen)

Account Title	Amount	Account Title	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>52,955</b>	<b>Current liabilities</b>	<b>118,331</b>
Cash and deposits	9,506	Notes payable-trade	60
Accounts receivable-trade	35,972	Accounts payable-trade	35,421
Raw materials and supplies	2,275	Lease liabilities within one year	19
Prepaid expenses	258	Accrued payables	4,536
Deferred tax assets	457	Accrued expenses	1,407
Accounts receivable-other	549	Accrued income taxes	112
Income taxes receivable	1,360	Deposits received	75,629
Other	2,631	Unearned revenue	116
Less: Allowance for doubtful receivables	(56)	Other	1,027
<b>Fixed assets</b>	<b>318,067</b>	<b>Long-term liabilities</b>	<b>11,309</b>
<b>Property, plant and equipment</b>	<b>17,824</b>	Lease liabilities beyond one year	19
Buildings	7,755	Deferred tax liabilities	8,416
Structures	650	Deferred tax liabilities on land revaluation	442
Machinery and equipment	1,102	Provision for retirement benefits	307
Vehicles	0	Other	2,123
Tools and fixtures	938	<b>Total liabilities</b>	<b>129,640</b>
Land	6,975	<b>Equity</b>	
Leased assets	34	<b>Shareholders' equity</b>	<b>217,250</b>
Construction in progress	367	Common stock	25,122
<b>Intangible fixed assets</b>	<b>3,436</b>	Capital surplus	48,370
Trademark right	2	Legal capital surplus	48,370
Software	3,379	Retained earnings	201,760
Other	55	Legal retained earnings	6,280
<b>Investments and other assets</b>	<b>296,806</b>	Other retained earnings	195,480
Investments in securities	87,320	Reserve for reduction entry of land	2,572
Shares of subsidiaries and associates	171,152	Reserve for improvement of facilities	200
Investments in capital of subsidiaries and associates	37,467	Reserve for overseas market development	200
Other	978	Reserve for product development	300
Less: Allowance for doubtful receivables	(113)	General reserve	160,300
		Retained earnings brought forward	31,907
		Less: Treasury stock, at cost	(58,002)
		<b>Valuation and translation adjustments</b>	<b>22,312</b>
		Unrealized gain (loss) on available-for-sale securities	29,004
		Deferred gain (loss) on hedges	(36)
		Land revaluation reserve	(6,656)
		<b>Stock acquisition rights</b>	<b>1,819</b>
		<b>Total equity</b>	<b>241,382</b>
<b>Total assets</b>	<b>371,023</b>	<b>Total liabilities and equity</b>	<b>371,023</b>

## Statement of Income (Year ended March 31, 2018)

(Millions of yen)

Account Title	Amount	
<b>Net sales</b>		
Revenue from management support services	18,597	
Dividend income from subsidiaries and associates	14,149	
Other sales	13,233	45,980
<b>Cost of sales</b>		11,810
<b>Gross profit</b>		<b>34,170</b>
Selling, general and administrative expenses		19,586
<b>Operating income</b>		<b>14,583</b>
<b>Non-operating income</b>		
Interest income	4	
Dividend income	1,320	
Gain on sales of securities	888	
Other	221	2,434
<b>Non-operating expenses</b>		
Interest expense	28	
Other	40	68
<b>Ordinary income</b>		<b>16,949</b>
<b>Extraordinary gains</b>		
Gain on sales of fixed assets	6	
Gain on sales of investments in securities	1,093	1,099
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	132	
Loss on valuation of stocks of subsidiaries and affiliates	892	
Other	10	1,036
<b>Income before income taxes</b>		<b>17,012</b>
Income taxes - current	1,096	
Income taxes - deferred	(410)	686
<b>Net income</b>		<b>16,326</b>

# Audit Reports

## Audit Report of Financial Auditor on Consolidated Financial Statements

(Translation)

### **INDEPENDENT AUDITORS' REPORT**

May 14, 2018

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

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant: Yoshihiro Tsuda  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant: Masaharu Haraguchi

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries for the fiscal year from April 1, 2017 to March 31, 2018, namely, the consolidated balance sheet, the consolidated statement of income and consolidated statement of changes in equity, and the notes to consolidated financial statements.

#### **Management's Responsibility for the Consolidated Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion from an independent perspective 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 are, upon the auditor's judgment, selected and implemented based on 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 preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, though expressing an opinion on the effectiveness of the internal control is not the purpose of an audit. An audit also includes evaluating the overall presentation of the consolidated financial statements, including evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.

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

#### **Audit Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NISSIN FOODS HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2018, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

#### **Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

## Audit Report of Financial Auditor on Financial Statements

(Translation)

### **INDEPENDENT AUDITORS' REPORT**

May 14, 2018

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

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant: Yoshihiro Tsuda

Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant: Masaharu Haraguchi

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements of NISSIN FOODS HOLDINGS CO., LTD. for the 70th fiscal year from April 1, 2017 to March 31, 2018, namely, the balance sheet, the statement of income and statement of changes in equity, the notes to financial statements, and the accompanying supplemental schedules.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules 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 financial statements and the accompanying supplemental schedules are free from material misstatement.

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

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

#### **Audit Opinion**

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of NISSIN FOODS HOLDINGS CO., LTD. as of March 31, 2018, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

#### **Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

## Audit Report of Audit & Supervisory Board

(Translation)

### Audit Report

With respect to the Directors' performance of their duties during the 70th business year (from April 1, 2017 to March 31, 2018), the Audit & Supervisory Board has prepared this audit report, as the agreed opinion of all the Audit & Supervisory Board Members formed as a result of their deliberations, based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

#### 1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors etc. and the financial auditor regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate mutual understanding with the Directors, the internal audit office and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and conducted the audit based on the following method.
  - 1) Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and employees, etc. and requested explanations as necessary, inspected important approval/decision documents, and investigated the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate mutual understanding and information exchange with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective businesses as necessary.
  - 2) Each Audit & Supervisory Board Member received reports on a regular basis from the Directors and employees, etc., requested explanations as necessary, and provided opinions, with respect to establishment and operation of the internal control systems which shall be developed and maintained based on the Board of Directors' resolutions regarding the development and maintenance of the systems to ensure that the Directors' performance of their duties mentioned in the business report is complied with applicable laws and regulations and the Articles of Incorporation of the Company and other systems being necessary for ensuring the appropriateness of the corporate affairs of an enterprise consisting of a joint stock company (*kabushiki kaisha*) and its subsidiaries that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act.
  - 3) The contents of the basic policies set forth in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act and undertakings set forth in (b) in the same item, as described in the business report, were also considered in light of the circumstances etc. of deliberations by the Board of Directors and other bodies.
  - 4) Each Audit & Supervisory Board Member monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received a report from the financial auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the financial auditor that it had established a "system to ensure that the performance of the duties of the financial auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, we examined the business report and the financial statements (balance sheet, statement of income, statement of changes in equity, and notes to financial statements) and the annexed detailed statements thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements), for the business year under consideration.

#### 2. Results of Audit

- (1) Results of Audit of Business Report etc.
  - i) We acknowledge that the business report and the annexed detailed statements thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
  - ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
  - iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors' performance of their duties concerning the internal control systems.

iv) We did not find any matter to be mentioned with respect to the basic policies, described in the business report, regarding those who control the Company's determination of its financial and business policies. Undertakings set forth in Article 118, item 3 (b) of the Ordinance for Enforcement of the Companies Act of Japan and described in the business report are in line with the basic policies, do not impair the common interests of the Company's shareholders, and are not directed to the purpose of maintaining the status of the officers of the Company. As stated in the "Basic Policy on Control of the Company" in the Business Report, the Company abolished the takeover defense measures upon the resolution at the meeting of the Board of Directors held on December 6, 2017.

(2) Results of Audit of Financial Statements and their Annexed Detailed Statements

We acknowledge that the methods and results of audit performed by the financial auditor Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the financial auditor Deloitte Touche Tohmatsu LLC, are appropriate.

May 15, 2018

Audit & Supervisory Board of NISSIN FOODS HOLDINGS CO., LTD.

Full-time Audit & Supervisory Board Member	Hideki Hattori
Full-time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Kazuo Kanamori
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Chisugi Mukai