

FINANCIAL SECTION

NISSIN FOODS HOLDINGS CO., LTD. and Consolidated Subsidiaries

Consolidated Six-Year Summary of Selected Financial Data

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

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

FINANCIAL REVIEW

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

INCOME ANALYSIS

NET SALES

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

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

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

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

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

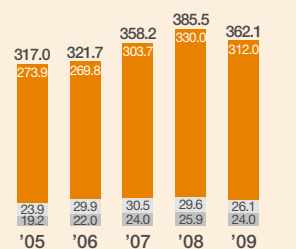
Domestic sales performance during fiscal 2009 was impacted by declines by our mainstay brands of pillow-type and cup-type instant noodles. Sales fell, mainly as a result of success in discouraging discount advertising campaigns by volume retailers in line with Group marketing policies to support newly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

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

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

SALES BY GEOGRAPHIC AREA

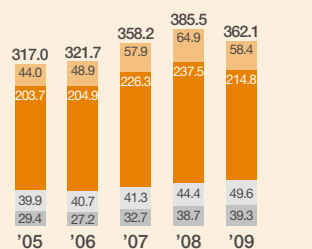
(excluding intersegment sales) (Billions of yen)



Other areas North America Japan

NET SALES BY CATEGORY

(Billions of yen)



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

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

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

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

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

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

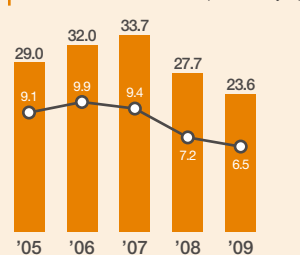
In overseas markets, although sales have been consistently strong, especially among existing products in North America, they were unfavorably affected by foreign exchange fluctuations. (Please refer to Review of Operations on pp. 16–19 for details of performance by product category.)

COST OF SALES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

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

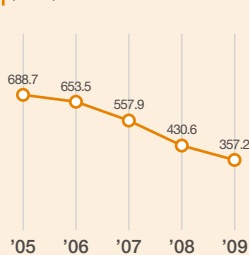
Selling, general and administrative ("SG&A") expenses, on the contrary, dropped by 16.0% from the previous fiscal year to ¥136,201 million (U.S.\$1,387 million) with the substantial decrease in promotional expenses. Accordingly, the ratio of SG&A expenses to net sales also dropped by 4.4 percentage points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

OPERATING INCOME AND OPERATING MARGIN (Billions of yen)



n Operating income ○ Operating margin

INTEREST COVERAGE RATIO* (Times)



* Interest coverage ratio
= Operating cash flow / Interest payments

COSTS AND EXPENSES, AND NET SALES RATIO

Millions of yen

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

OPERATING INCOME, OTHER INCOME (EXPENSES) AND NET INCOME

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

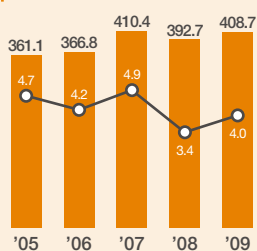
Cash and cash equivalents as of March 31, 2009 amounted to ¥71,491 million (U.S.\$728 million), ¥7,283 million below that of the previous fiscal year-end. Nearly half of the decline in this balance, or ¥3,597 million, is due to the negative impact of foreign currency exchange rates.

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

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

TOTAL ASSETS AND ROA

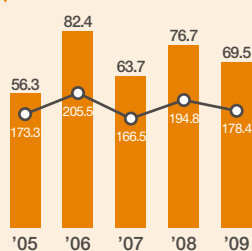
(Billions of yen) / (%)



n Total assets o ROA

WORKING CAPITAL AND CURRENT RATIO

(Billions of yen) / (%)

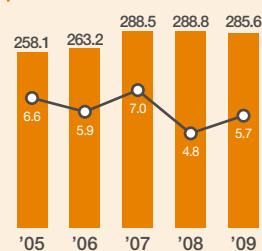


n Working capital o Current ratio

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

SHAREHOLDERS' EQUITY AND ROE

(Billions of yen) / (%)



n Shareholders' equity o ROE

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

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

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

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

CASH FLOW HIGHLIGHTS

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

ASSETS, LIABILITIES AND NET ASSETS

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

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

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

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

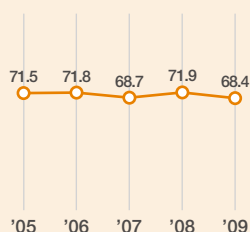
Total liabilities amounted to ¥123,160 million (U.S.\$1,254 million), an 18.6% year-on-year increase. This rise was

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

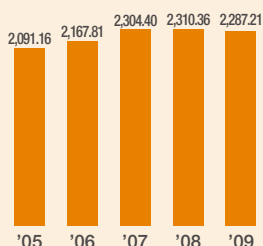
Total current liabilities increased by 9.6% compared with the previous fiscal year-end to ¥88,734 million (U.S.\$903 million). As the increase in current liabilities largely exceeded the increase in current assets, working capital declined by 9.3% to ¥69,536 million (U.S.\$708 million) from the previous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

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

EQUITY RATIO
(%)



NET ASSETS PER SHARE
(Yen)



ADDITIONAL INFORMATION

SIGNIFICANT BUSINESS AGREEMENTS

(1) Joint-venture Agreement with

Hebei Jinmailang Mianye Co., Ltd.

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

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

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

(2) Tie-up with MAREVEN FOOD HOLDINGS LIMITED

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

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

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

RISK INFORMATION

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

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

(1) Food Safety Issues

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

(2) Risk Derived from Changes in Demographic Trend

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

(3) Reduced Brand Value

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

(4) Risk of Product Liability

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

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

(5) Increases in Prices of Raw Materials

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

(6) Risk of Natural Disasters

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

(7) Risk Related to Overseas Operations

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

(8) Risk Related to Information Systems

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

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

(9) Risk Related to Retirement Benefits Accounting

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

(10) Risk of Declining Market Values for Marketable Securities

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

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

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

(12) Reliance on Certain Business Clients

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

Consolidated Balance Sheets

As of March 31, 2009 and 2008

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

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

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

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

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

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

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

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

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

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

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

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. BASIS OF PREPARATION

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The numbers of consolidated subsidiaries and affili-

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

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

(b) Cash and Cash Equivalents

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

(c) Securities

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

(d) Inventories

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

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

(e) Hedging Activities

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

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

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

(g) Intangible Assets (except for leased assets)

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

(h) Leased Assets

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

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

(i) Accrued Retirement Benefits to Employees

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

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

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

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

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

(k) Allowance for Doubtful Receivables

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

(l) Income Taxes

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

(m) Amortization of Goodwill and Negative Goodwill

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

(n) Distribution of Retained Earnings

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

3. CHANGES IN METHOD OF ACCOUNTING

(a) Measurement of Inventories

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

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

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

(b) Lease Transactions

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

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

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

(c) Unification of Accounting Policies of Foreign Subsidiaries

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

(d) Related Party Transactions

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

(e) Change in Useful Lives for Depreciation

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

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

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

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

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

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

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

5. SECURITIES

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

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

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

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

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

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

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

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

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

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

6. INVENTORIES

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

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

7. LOSS ON IMPAIRMENT OF FIXED ASSETS

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

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

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

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

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

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

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

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

8. LAND REVALUATION RESERVE

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

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

9. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

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

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

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

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

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

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

10. PLEDGED ASSETS

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

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

11. ACCRUED RETIREMENT BENEFITS TO EMPLOYEES

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

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

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

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

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

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

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

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

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

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

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

12. INCOME TAXES

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

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

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

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

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

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

13. SHAREHOLDERS' EQUITY

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

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

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

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

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

14. RESEARCH AND DEVELOPMENT COSTS

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

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

15. OTHER INCOME (EXPENSES)

Product recall expenses

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

16. LEASES

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

The following pro-forma amounts represent the acquisi-

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

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

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

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

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

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

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

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

17. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

18. AMOUNTS PER SHARE

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

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

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

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

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

19. SEGMENT INFORMATION

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

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

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

(a) Information by Business Segment

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

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

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

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

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

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

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

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

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

(b) Information by Geographic Segment

Millions of yen

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

Thousands of U.S. dollars

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

- Notes: 1. Classification of the countries or regions is based on geographical proximity.
2. Major countries and regions included in areas other than Japan:
(1) North America: The U.S.A. and Mexico
(2) Other areas: China, Germany and Hungary
3. Operating expense under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥6,788 million (U.S.\$69,103 thousand), consisted of mainly payroll costs in the back office division, general expenses and the amortization of goodwill.
4. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥208,835 million (U.S.\$2,125,980 thousand), and consisted of mainly surplus investment funds (including cash and marketable securities), long-term investment funds (including investments in securities), assets associated with the back office division and goodwill.
5. As described in Note 21, the Group changed its corporate structure to a holding company structure. As a result of this change, operating expense in the Japan segment was decreased by ¥6,195 million (U.S.\$63,066 thousand) and the eliminations and corporate were increased by the same amount for the year ended March 31, 2009, and the assets under the Japan segment decreased by ¥204,507 million (U.S.\$2,081,920 thousand) and "Eliminations or corporate" increased by the same amount at March 31, 2009 as compared to the corresponding amounts which would have been recorded under the previous method.

Millions of yen

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

- Notes: 1. Operating expenses under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥492 million, and consisted of mainly amortization of goodwill.
2. Total assets under "Eliminations or corporate" that cannot be allocated to any particular segment amounted to ¥3,863 million, and consisted of mainly goodwill.
3. As a result of accounting change described in Note 3(f), operating expenses of the Japan segment increase by ¥357 million, and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.
4. As a result of accounting change described in Note 3(g), operating expenses of the Japan segment increased by ¥317 million, and operating income of this segment decreased by the same amount for the year ended March 31, 2008 as compared to the corresponding amounts which would have been recorded under the previous method.

Millions of yen

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

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

(c) Overseas Sales

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

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

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

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

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

2. Principal countries classified in the above regions:

North America: U.S.A. and Mexico

Other areas: China, Hungary and Germany

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

(Sales between consolidated subsidiaries are not included.)

20. CONTINGENT LIABILITIES

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

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

21. BUSINESS REORGANIZATION

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

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

This corporate split was carried out to enforce the

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

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

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

OUTLINE OF THE CORPORATE SPLIT

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

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

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

22. RELATED PARTY TRANSACTIONS

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

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

23. SUBSEQUENT EVENTS

(a) Acquisition of Treasury Stock

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

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

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

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

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

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

Report of Independent Auditors

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

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

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

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

Supplemental Information

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

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

Ernst & Young ShinNihon LLC

Osaka, Japan
June 26, 2009

BUSINESS AREAS OF CONSOLIDATED SUBSIDIARIES AND AFFILIATES

(As of March 31, 2009)

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

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

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

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