

Consolidated Statements of Cash Flows

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars
	2002	2003	2003
Cash flows from operating activities:			
Income before income taxes and minority interests	¥12,371	¥11,683	\$ 97,201
Depreciation and amortization	3,347	4,712	39,205
Amortization of consolidation goodwill differences	1	2	21
(Decrease) increase in allowance for doubtful accounts	(14)	69	581
(Decrease) increase in accrued retirement benefits	(47)	110	917
Interest and dividend income	(190)	(180)	(1,505)
Interest expense	60	98	823
Foreign exchange gain (loss), net	(152)	53	443
Equity in earnings of affiliates	(574)	(237)	(1,972)
Gain on sale of property, plant and equipment	(3)	(22)	(184)
Loss on sale of property, plant and equipment	7	10	90
Loss on disposal of property, plant and equipment	212	39	327
Insurance cancellation money	(637)	–	–
Gain on sale of investment securities	–	(10)	(83)
Loss on devaluation of marketable securities	95	92	768
Decrease (increase) in notes and account receivable — trade	961	(2,718)	(22,613)
Increase in inventories	(576)	(816)	(6,790)
(Decrease) increase in notes and account payable — trade	(1,224)	1,937	16,122
Bonuses to directors and statutory auditors	(31)	(53)	(445)
Decrease (increase) in other assets	7	(297)	(2,471)
Increase in other liabilities	257	896	7,462
Subtotal	13,872	15,373	127,897
Interest and dividends received	345	202	1,686
Interest paid	(60)	(98)	(823)
Income taxes paid	(5,366)	(5,037)	(41,909)
Net cash provided by operating activities	8,790	10,439	86,851
Cash flows from investing activities:			
Increase in time deposits	(45)	–	–
Decrease in time deposits	75	10	83
Proceeds from sale of marketable securities	–	250	2,080
Purchases of property and equipment	(7,121)	(8,641)	(71,890)
Proceeds from sale of property and equipment	60	56	474
Purchases of intangible fixed assets	(22)	(198)	(1,653)
Purchases of investment securities	(13)	(232)	(1,935)
Proceeds from sale of investment securities	–	62	516
Collection of loans receivable	5	270	2,249
Increase in other investment	(101)	(466)	(3,880)
Decrease in other investment	1,166	18	157
Net cash used in investing activities	(5,996)	(8,870)	(73,799)
Cash flows from financing activities:			
Increase (decrease) in short-term bank loans	447	(795)	(6,616)
Repayment of long-term bank loans	(99)	(28)	(239)
Decrease (increase) in treasury stock	2	(15)	(126)
Dividends paid	(275)	(402)	(3,351)
Dividends paid to minority shareholders	(441)	(906)	(7,545)
Net cash used in financing activities	(365)	(2,148)	(17,877)
Effect of exchange rate changes on cash and cash equivalents	280	(275)	(2,294)
Net (decrease) increase in cash and cash equivalents	2,708	(855)	(7,119)
Cash and cash equivalents at beginning of year	6,086	10,389	86,432
Increase due to inclusion of subsidiaries in consolidation	1,594	–	–
Cash and cash equivalents at end of year (Note 13)	¥10,389	¥ 9,533	\$ 79,313

See notes to consolidated financial statements.