

Consolidated Statements of Cash Flows

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Year ended 31st March, 2003 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2003	2004	2004
Cash flows from operating activities			
Income before income taxes and minority interests	¥11,683	¥11,969	\$113,255
Depreciation and amortization	4,712	5,426	51,343
Amortization of consolidation goodwill differences	2	2	24
Increase (decrease) in allowance for doubtful accounts	69	(50)	(475)
Increase in accrued retirement benefits	110	129	1,225
Interest and dividend income	(180)	(162)	(1,539)
Interest expense	98	43	407
Foreign exchange gain (loss), net	53	120	1,136
Equity in earnings of affiliates	(237)	(329)	(3,115)
Gain on sale of property, plant and equipment	(22)	(20)	(191)
Loss on sale of property, plant and equipment	10	46	436
Loss on disposal of property, plant and equipment	39	235	2,229
Gain on sale of investment securities	(10)	–	–
Loss on sale of investment securities	0	84	797
Loss on devaluation of marketable securities	92	–	–
Increase in notes and accounts receivable – trade	(2,718)	(909)	(8,605)
Increase in inventories	(816)	(764)	(7,232)
Increase in notes and accounts payable – trade	1,937	2,404	22,747
Bonuses to directors and statutory auditors	(53)	(78)	(747)
Increase in other assets	(297)	(596)	(5,640)
Increase in other liabilities	896	68	646
Subtotal	15,373	17,618	166,701
Interest and dividends received	202	295	2,797
Interest paid	(98)	(43)	(408)
Income taxes paid	(5,037)	(4,804)	(45,456)
Net cash provided by operating activities	10,439	13,066	123,634
Cash flows from investing activities			
Decrease in time deposits	10	–	–
Proceeds from sale of marketable securities	250	–	–
Purchases of property and equipment	(8,641)	(8,661)	(81,953)
Proceeds from sale of property and equipment	56	127	1,208
Purchases of intangible fixed assets	(198)	(179)	(1,701)
Purchases of investment securities	(232)	(42)	(404)
Proceeds from sale of investment securities	62	195	1,852
Purchases of equity of consolidated subsidiaries	–	(82)	(781)
Collection of loans receivable	270	285	2,698
Increase in other investment	(466)	(543)	(5,144)
Decrease in other investment	18	114	1,082
Net cash used in investing activities	(8,870)	(8,787)	(83,143)
Cash flows from financing activities			
Decrease in short-term borrowings	(795)	(630)	(5,966)
Repayment of long-term debt	(28)	(9)	(92)
Increase in treasury stock	(15)	(2)	(21)
Dividends paid	(402)	(512)	(4,850)
Dividends paid to minority shareholders	(906)	(958)	(9,065)
Net cash used in financing activities	(2,148)	(2,113)	(19,994)
Effect of exchange rate changes on cash and cash equivalents	(275)	(335)	(3,171)
Net (decrease) increase in cash and cash equivalents	(855)	1,831	17,326
Cash and cash equivalents at beginning of year	10,389	9,533	90,201
Cash and cash equivalents at end of year (Note 11)	¥ 9,533	¥11,364	\$107,527

See notes to consolidated financial statements.