

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2004 and 2005

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
Cash flows from operating activities			
Income before income taxes and minority interests	¥11,969	¥13,647	\$127,080
Depreciation and amortization	5,426	6,077	56,589
Amortization of consolidation goodwill differences	2	10	100
Increase (decrease) in allowance for doubtful accounts	(50)	25	240
Increase in accrued retirement benefits	129	240	2,240
Increase in retirement benefits for directors and corporate auditors	–	175	1,637
Interest and dividend income	(162)	(226)	(2,107)
Interest expense	43	16	153
Foreign exchange gain, net	120	5	54
Equity in earnings of affiliates	(329)	(239)	(2,230)
Gain on sale of property, plant and equipment	(20)	(27)	(257)
Loss on sale of property, plant and equipment	46	17	162
Loss on disposal of property, plant and equipment	235	133	1,244
Gain on sale of investment securities	–	(81)	(761)
Loss on sale of investment securities	84	–	–
Increase in notes and accounts receivable – trade	(909)	(3,343)	(31,131)
Increase in inventories	(764)	(2,476)	(23,065)
Increase (decrease) in notes and accounts payable – trade	2,404	(266)	(2,485)
Bonuses to directors and statutory auditors	(78)	(67)	(629)
(Increase) decrease in other assets	(596)	182	1,704
Increase in other liabilities	68	2,759	25,698
Subtotal	17,618	16,563	154,236
Interest and dividends received	295	237	2,207
Interest paid	(43)	(16)	(153)
Income taxes paid	(4,804)	(3,492)	(32,524)
Net cash provided by operating activities	13,066	13,291	123,766
Cash flows from investing activities			
Purchases of property and equipment	(8,661)	(9,864)	(91,861)
Proceeds from sale of property and equipment	127	201	1,878
Purchases of intangible fixed assets	(179)	(429)	(4,000)
Purchases of investment securities	(42)	(13)	(130)
Proceeds from sale of investment securities	195	615	5,733
Purchases of equity of consolidated subsidiaries	(82)	(6)	(60)
Collection of loans receivable	285	9	89
Increase in other investment	(543)	(540)	(5,033)
Decrease in other investment	114	157	1,469
Net cash used in investing activities	(8,787)	(9,870)	(91,915)
Cash flows from financing activities			
(Decrease) increase in short-term borrowings	(630)	934	8,705
Repayment of long-term debt	(9)	–	–
Increase in treasury stock	(2)	(2)	(26)
Dividends paid	(512)	(523)	(4,874)
Dividends paid to minority shareholders	(958)	(659)	(6,142)
Net cash used in financing activities	(2,113)	(250)	(2,337)
Effect of exchange rate changes on cash and cash equivalents	(335)	(172)	(1,610)
Net increase in cash and cash equivalents	1,831	2,996	27,904
Cash and cash equivalents at beginning of year	9,533	11,364	105,825
Cash and cash equivalents of newly consolidated subsidiaries	–	106	996
Cash and cash equivalents at end of year	¥11,364	¥14,468	\$134,725

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥107.39=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2005.