

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars
	2005	2006	2006
Cash flows from operating activities			
Income before income taxes and minority interests	¥13,647	¥ 18,117	\$ 154,223
Depreciation and amortization	6,077	7,545	64,227
Amortization of consolidation goodwill differences	10	10	84
Increase (decrease) in allowance for doubtful accounts	25	(1)	(12)
Increase in accrued retirement benefits	240	236	2,007
Increase in retirement benefits for directors and corporate auditors	175	106	900
Interest and dividend income	(226)	(332)	(2,828)
Interest expense	16	33	278
Foreign exchange gain, net	5	1	11
Equity in earnings of affiliates	(239)	(187)	(1,595)
Gain on sale of property, plant and equipment	(27)	(8)	(67)
Loss on sale of property, plant and equipment	17	3	28
Loss on disposal of property, plant and equipment	133	64	548
Gain on sale of investment securities	(81)	(37)	(318)
Increase in notes and accounts receivable – trade	(3,343)	(3,113)	(26,501)
Increase in inventories	(2,476)	(1,540)	(13,113)
Increase (decrease) in notes and accounts payable – trade	(266)	3,189	27,148
Bonuses to directors and corporate auditors	(67)	(55)	(466)
Other, net	2,942	(486)	(4,136)
Subtotal	16,563	23,543	200,418
Interest and dividends received	237	343	2,920
Interest paid	(16)	(33)	(278)
Income taxes paid	(3,492)	(4,796)	(40,827)
Net cash provided by operating activities	13,291	19,057	162,233
Cash flows from investing activities			
Purchases of property and equipment	(9,864)	(13,547)	(115,322)
Proceeds from sale of property and equipment	201	25	217
Purchases of intangible fixed assets	(429)	-	-
Purchases of investment securities	(13)	(34)	(288)
Proceeds from sale of investment securities	615	105	890
Purchases of equity of consolidated subsidiaries	(6)	-	-
Collection of loans receivable	9	-	-
Other, net	(382)	(208)	(1,774)
Net cash used in investing activities	(9,870)	(13,659)	(116,276)
Cash flows from financing activities			
(Decrease) increase in short-term borrowings	934	(986)	(8,395)
Increase in treasury stock	(2)	-	-
Dividends paid	(523)	(1,309)	(11,140)
Dividends paid to minority shareholders	(659)	(2,424)	(20,634)
Other, net	-	(4)	(35)
Net cash used in financing activities	(250)	(4,723)	(40,204)
Effect of exchange rate changes on cash and cash equivalents	(172)	967	8,235
Net increase in cash and cash equivalents	2,996	1,643	13,988
Cash and cash equivalents at beginning of year	11,364	14,468	123,164
Cash and cash equivalents of newly consolidated subsidiaries	106	48	409
Cash and cash equivalents at end of year	¥14,468	¥ 16,159	\$ 137,561

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥117.47=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2006.