

## CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries  
Years ended 31st March, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars
	2006	2007	2007
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	¥ 18,117	¥ 21,388	\$ 181,179
Depreciation and amortization	7,545	8,578	72,664
Amortization of consolidation goodwill differences	10	9	76
Increase (decrease) in allowance for doubtful accounts	(1)	1	8
Increase in allowance for directors' bonuses	–	49	415
Increase (decrease) in accrued retirement benefits	236	(26)	(220)
Increase in retirement benefits for directors and corporate auditors	106	126	1,067
Interest and dividend income	(332)	(789)	(6,684)
Interest expense	33	15	127
Foreign exchange gain, net	1	7	59
Equity in earnings of affiliates	(187)	(247)	2,092
Gain on sale of property, plant and equipment	(8)	(39)	(330)
Loss on sale of property, plant and equipment	3	4	39
Loss on disposal of property, plant and equipment	64	99	839
Gain on sale of investment securities	(37)	(156)	(1,321)
Increase in notes and accounts receivable—trade	(3,113)	(1,498)	(12,690)
Increase in inventories	(1,540)	(1,853)	(15,697)
Increase in notes and accounts payable—trade	3,189	2,969	25,150
Increase in accounts payable	–	794	6,726
Bonuses to directors and corporate auditors	(55)	(1)	(8)
Other, net	(486)	1,210	10,250
Subtotal	23,543	30,642	259,568
Interest and dividends received	343	806	6,828
Interest paid	(33)	(15)	(127)
Income taxes paid	(4,796)	(5,279)	(44,718)
Net cash provided by operating activities	19,057	26,153	221,542
<b>Cash flows from investing activities</b>			
Increase in time deposits	–	(1,021)	(8,649)
Purchases of property and equipment	(13,547)	(14,049)	(119,009)
Proceeds from sale of property and equipment	25	101	856
Purchases of investment securities	(34)	(369)	(3,126)
Proceeds from sale of investment securities	105	172	1,457
Other, net	(208)	58	491
Net cash used in investing activities	(13,659)	(15,106)	(127,962)
<b>Cash flows from financing activities</b>			
Decrease in short-term borrowings	(986)	(5)	(42)
Dividends paid	(1,309)	(1,640)	(13,892)
Dividends paid to minority shareholders	(2,424)	(1,412)	(11,961)
Other, net	(4)	(3)	(25)
Net cash used in financing activities	(4,723)	(3,060)	(25,921)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	967	1,140	9,657
<b>Net increase in cash and cash equivalents</b>	1,643	9,127	77,315
<b>Cash and cash equivalents at beginning of year</b>	14,468	16,159	136,883
<b>Cash and cash equivalents of newly consolidated subsidiaries</b>	48	–	–
<b>Cash and cash equivalents at end of year</b>	¥ 16,159	¥ 25,286	\$ 214,197

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥118.05=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2007.