

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2007 and 2008

	Millions of yen		Thousands of U.S. dollars
	2007	2008	2008
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 21,388	¥ 22,375	\$ 223,326
Depreciation and amortization	8,578	10,733	107,126
Amortization of consolidation goodwill differences	9	9	90
Increase (decrease) in allowance for doubtful accounts	1	(47)	(469)
Increase (decrease) in allowance for directors' bonuses	49	(3)	(30)
Increase in allowance for product warranty	–	92	918
Decrease in accrued retirement benefits	(26)	(20)	(200)
Increase (decrease) in retirement benefits for directors and corporate auditors	126	(90)	(898)
Interest and dividend income	(789)	(1,365)	(13,624)
Interest expense	15	51	509
Foreign exchange gain, net	7	60	599
Equity in earnings of affiliates	(247)	(451)	(4,501)
Gain on sale of property, plant and equipment	(39)	(84)	(838)
Loss on sale of property, plant and equipment	4	14	140
Loss on disposal of property, plant and equipment	99	20	200
Gain on sale of investment securities	(156)	(26)	(260)
Increase in notes and accounts receivable—trade	(1,498)	(232)	(2,316)
Increase in inventories	(1,853)	(3,620)	(36,131)
Increase (decrease) in notes and accounts payable—trade	2,969	(867)	(8,654)
Increase (decrease) in accounts payable	794	(921)	(9,193)
Bonuses to directors and corporate auditors	(1)	–	–
Other, net	1,210	(1,399)	(13,963)
Subtotal	30,642	24,228	241,821
Interest and dividends received	806	1,385	13,824
Interest paid	(15)	(51)	(509)
Income taxes paid	(5,279)	(6,058)	(60,465)
Net cash provided by operating activities	26,153	19,504	194,670
Cash flows from investing activities			
Increase in time deposits	(1,021)	(630)	(6,288)
Proceeds from decrease in time deposits	–	740	7,386
Purchases of property and equipment	(14,049)	(20,423)	(203,843)
Proceeds from sale of property and equipment	101	347	3,463
Purchases of investment securities	(369)	(1,251)	(12,486)
Proceeds from sale of investment securities	172	421	4,202
Other, net	58	(169)	(1,687)
Net cash used in investing activities	(15,106)	(20,966)	(209,262)
Cash flows from financing activities			
Decrease in short-term borrowings	(5)	3,999	39,914
Dividends paid	(1,640)	(2,290)	(22,857)
Dividends paid to minority shareholders	(1,412)	(1,799)	(17,956)
Other, net	(3)	52	519
Net cash used in financing activities	(3,060)	(39)	(389)
Effect of exchange rate changes on cash and cash equivalents	1,140	(215)	(2,146)
Net increase (decrease) in cash and cash equivalents	9,127	(1,715)	(17,117)
Cash and cash equivalents at beginning of year	16,159	25,286	252,380
Cash and cash equivalents of newly consolidated subsidiaries	–	–	–
Cash and cash equivalents at end of year	¥ 25,286	¥ 23,571	\$ 235,263

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100.19=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2008.