

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nissin Kogyo Co., Ltd. and Consolidated Subsidiaries
Years ended 31st March, 2008 and 2009

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 22,375	¥ 10,602	\$ 107,930
Depreciation and amortization	10,733	11,098	112,980
Amortization of consolidation goodwill differences	9	8	81
Increase (decrease) in allowance for doubtful accounts	(47)	26	265
Increase in allowance for directors' bonuses	(3)	(69)	(702)
Increase (decrease) in accrued retirement benefits	(20)	185	1,883
Increase in retirement benefits for directors and corporate auditors	(90)	(32)	(326)
Interest and dividend income	(1,365)	(1,253)	(12,756)
Interest expense	51	135	1,374
Foreign exchange gain, net	60	0	0
Equity in earnings of affiliates	(451)	(60)	(611)
Gain on sale of property, plant and equipment	(84)	–	–
Loss on sale of property, plant and equipment	14	–	–
Loss (gain) on sales of property, plant and equipment	–	(66)	(672)
Loss on disposal of property, plant and equipment	20	173	1,761
Gain on sale of investment securities	(26)	–	–
Loss (gain) on valuation of short-term and long-term investment securities	–	3	31
Increase in notes and accounts receivable—trade	(232)	7,674	78,123
Increase in inventories	(3,620)	(3,770)	(38,379)
Increase in notes and accounts payable—trade	(867)	(2,127)	(21,653)
Increase in accounts payable	(921)	(1,707)	(17,378)
Other, net	(1,399)	526	5,355
Subtotal	24,228	21,346	217,306
Interest and dividends received	1,385	1,271	12,939
Interest paid	(51)	(135)	(1,374)
Income taxes paid	(6,058)	(3,869)	(39,387)
Net cash provided by operating activities	19,504	18,614	189,494
Cash flows from investing activities			
Increase in time deposits	(630)	(915)	(9,315)
Purchases of property and equipment	(20,423)	(10,206)	(103,899)
Proceeds from sale of property and equipment	347	234	2,382
Purchase of intangible assets	–	(252)	(2,565)
Purchases of investment securities	(1,251)	(23)	(234)
Proceeds from sale of investment securities	421	–	–
Purchase of investments in subsidiaries	–	(895)	(9,111)
Collection of loans receivable	–	5	51
Other, net	(169)	119	1,211
Net cash used in investing activities	(20,966)	(11,933)	(121,480)
Cash flows from financing activities			
Decrease in short-term borrowings	3,999	(796)	(8,103)
Repayments of finance lease obligations	–	(21)	(214)
Dividends paid	(2,290)	(2,355)	(23,974)
Dividends paid to minority shareholders	(1,799)	(2,212)	(22,519)
Other, net	52	(49)	(499)
Net cash used in financing activities	(39)	(5,433)	(55,309)
Effect of exchange rate changes on cash and cash equivalents	(215)	(5,083)	(51,746)
Net increase in cash and cash equivalents	(1,715)	(3,835)	(39,041)
Cash and cash equivalents at beginning of year	25,286	23,571	239,957
Cash and cash equivalents of newly consolidated subsidiaries	–	427	4,347
Cash and cash equivalents at end of year	¥ 23,571	¥ 20,163	\$ 205,263

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥98.23=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2009.