

# Consolidated Statements of Cash Flows

Nichirei Corporation and Consolidated Subsidiaries

For the years ended March 31, 2008 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2009	2009
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 16,472	¥ 11,362	\$ 115,638
Depreciation and amortization	9,481	13,738	139,821
Impairment loss on fixed assets	46	15	160
(Decrease) / increase in allowance for doubtful accounts	(657)	61	626
(Decrease) / increase in accrued employees' retirement benefits	(73)	206	2,099
Equity in earnings of affiliates	(331)	(216)	(2,205)
Loss on disposal of property, plant and equipment	371	433	4,406
Loss on discontinued operation	38	313	3,187
Impact of applying the accounting standard for lease transactions	–	1,731	17,624
Loss on devaluation of investment securities	390	435	4,436
Loss on devaluation of membership	–	137	1,394
Interest and dividend income	(485)	(540)	(5,505)
Interest expense	1,118	1,767	17,992
Gain on sales of property, plant and equipment	(586)	(580)	(5,905)
Loss on sales of stocks of subsidiaries and affiliates	–	35	363
(Gain) / Loss on sales of investment securities	(411)	0	0
Decrease in notes and accounts receivable – trade	3,410	3,266	33,246
Decrease / (increase) in inventories	1,257	(2,197)	(22,366)
Decrease in notes and accounts payables – trade	(3,084)	(2,250)	(22,904)
Other, net	1,129	(8,021)	(81,636)
Sub total	28,088	19,698	200,477
Interest and dividends received	815	870	8,861
Interest paid	(1,141)	(1,743)	(17,748)
Income taxes paid	(7,472)	(3,543)	(36,061)
Net cash provided by operating activities	20,290	15,282	155,529
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	(8,883)	(11,761)	(119,696)
Proceeds from sales of property, plant and equipment	1,658	1,240	12,620
Purchase of investment securities	(1,355)	(218)	(2,224)
Proceeds from sales of investment securities	2,533	309	3,149
Decrease in cash and cash equivalents due to increase in consolidated subsidiaries	–	(3,468)	(35,302)
Increase in cash and cash equivalents due to increase in consolidated subsidiaries	3	–	–
Proceeds from sales of stocks of subsidiaries and affiliates	–	726	7,391
Other, net	(400)	(1,567)	(15,954)
Net cash used in investing activities	(6,443)	(14,740)	(150,017)
<b>Cash flows from financing activities:</b>			
Increase in short-term bank loans	137	1,519	15,464
Increase in commercial paper	1,000	8,000	81,416
Proceeds from long-term debt	341	24,973	254,155
Repayment of long-term debt	(2,536)	(7,092)	(72,181)
Redemption of bonds	(10,000)	(5,000)	(50,885)
Dividends paid	(2,784)	(2,476)	(25,200)
Cash dividends paid to minority shareholders	(259)	(594)	(6,050)
Repayments of lease obligations	–	(3,901)	(39,704)
Other, net	182	657	6,687
Net cash (used in) provided by financing activities	(13,919)	16,085	163,700
Effects of exchange rate changes on cash and cash equivalents	288	(1,184)	(12,050)
Net increase in cash and cash equivalents	216	15,442	157,161
Cash and cash equivalents at beginning of year	3,514	4,121	41,942
Net increase in cash and cash equivalents due to change in scope of consolidation	391	–	–
Cash and cash equivalents at end of year	¥ 4,121	¥ 19,564	\$ 199,104

The accompanying notes are integral parts of these statements.