

Consolidated Statements of Income

Kikkoman Corporation and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2007	2008
Net sales	¥413,938	¥392,611	\$4,139,380
Cost of sales	250,347	237,568	2,503,470
Gross profit	163,591	155,043	1,635,910
Selling, general and administrative expenses (Notes 9 and 12)	139,736	133,396	1,397,360
Operating income	23,854	21,646	238,540
Other income (expenses):			
Interest and dividend income	1,302	1,222	13,020
Equity in (losses) earnings of unconsolidated subsidiaries and affiliates	406	620	4,060
Interest expense	(1,073)	(1,047)	(10,730)
Gain on sales of securities	370	147	3,700
Dividends from liquidation of securities	28	52	280
Gain on sales of property, plant and equipment	2,149	1,175	21,490
Gain on establishment of pension trust fund	4,895	–	48,950
Loss on disposal of property, plant and equipment	(2,055)	(968)	(20,550)
Loss on revaluation of investments in securities	(133)	(257)	(1,330)
Loss on impairment of fixed assets	(2,449)	–	(24,490)
Special additional severance benefits	(275)	–	(2,750)
Write-down of inventories	(42)	–	(420)
Loss on revaluation of golf memberships	(7)	(52)	(70)
Loss from redemption of bond	–	(78)	–
Environmental conservation costs	–	(131)	–
Expense for compensation	–	(376)	–
Loss on cancellation of materials purchases contracts	–	(176)	–
Depreciation expense resulting from revision of residual value	(327)	–	(3,270)
Amortization of net transition obligation of severance and retirement benefit	405	–	4,050
Expenses related to voluntary recall of the products	(229)	–	(2,290)
Expense for Kikkoman's 50th Anniversary in America Project	(1,946)	–	(19,460)
Other, net	(1,507)	(796)	(15,070)
Income before income taxes and minority interests	23,366	20,980	233,660
Income taxes (Note 10):			
Current	7,832	7,704	78,320
Deferred	2,633	742	26,330
	10,466	8,447	104,660
Income before minority interests	12,900	12,533	129,000
Minority interests	(1,452)	(1,793)	(14,520)
Net income (Note 15)	¥ 11,447	¥ 10,739	\$ 114,470

See accompanying notes to consolidated financial statements.