

## Consolidated Statements of Cash Flows

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
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interests	¥ 23,366	¥ 20,980	\$ 233,660
Depreciation and amortization	17,333	16,290	173,330
Depreciation expense resulting from revision of residual value	327	–	3,270
Loss on impairment of fixed assets	2,449	–	24,490
Accrued employees' pension and severance costs	(4,556)	(2,695)	(45,560)
Increase (decrease) in accrued expenses resulting from transition of pension plan	2,244	–	22,440
Accrued officers' severance benefits	236	145	2,360
Interest and dividend income	(1,302)	(1,222)	(13,020)
Interest expense	1,073	1,047	10,730
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(406)	(620)	(4,060)
Gain on sales of property, plant and equipment	(2,149)	(1,175)	(21,490)
Gain on sales of securities	(370)	(147)	(3,700)
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
Notes and accounts receivable	481	(1,624)	4,810
Inventories	(746)	(481)	(7,460)
Notes and accounts payable	1,424	34	14,240
Other	(3,027)	720	(30,270)
Subtotal	33,669	32,477	336,690
Interest and dividends received	1,529	1,577	15,290
Interest paid	(1,085)	(1,058)	(10,850)
Income taxes paid	(7,995)	(8,332)	(79,950)
Net cash provided by operating activities	26,118	24,663	261,180
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(19,327)	(18,341)	(193,270)
Proceeds from sales of property, plant and equipment	4,151	6,525	41,510
Acquisition of intangible assets	(534)	(473)	(5,340)
Acquisition of investments in securities	(5,566)	(12,107)	(55,660)
Proceeds from sales of investments in securities	548	1,884	5,480
Payments for purchase of shares of consolidated subsidiaries due to change in scope of consolidation	–	(6,043)	–
Addition to loans receivable	(716)	(490)	(7,160)
Collection of loans receivable	1,991	658	19,910
Other	(126)	753	(1,260)
Net cash used in investing activities	(19,578)	(27,634)	(195,780)
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term bank loans	(1,251)	3,389	(12,510)
Proceeds from long-term debt	21,476	–	214,760
Repayment of long-term debt	(11,667)	(9,765)	(116,670)
Acquisition of treasury stock	(237)	(249)	(2,370)
Cash dividends paid	(3,505)	(3,008)	(35,050)
Other	(101)	83	(1,010)
Net cash provided by (used in) financing activities	4,712	(9,549)	47,120
Effect of exchange rate changes on cash and cash equivalents	(2,571)	390	(25,710)
Increase (decrease) in cash and cash equivalents	8,681	(12,130)	86,810
Cash and cash equivalents at beginning of the year	23,474	35,642	234,740
Increase (decrease) from the changes of accounting year-end date in certain consolidated subsidiaries	(55)	(1,072)	(550)
Increase arising from inclusion of subsidiaries in consolidation	884	625	8,840
Increase in cash due to merger of non-consolidated subsidiaries	–	408	–
Cash and cash equivalents at end of the year (Note 4)	¥ 32,984	¥ 23,474	\$ 329,840

See accompanying notes to consolidated financial statements.