

# Consolidated Statements of Income

Nippon Kayaku Co., Ltd. and Consolidated Subsidiaries  
Years Ended May 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Net sales.....	<b>¥ 134,353</b>	¥144,901	<b>\$1,392,547</b>
Cost of sales (Notes 6 and 10).....	<b>87,134</b>	93,204	<b>903,130</b>
Gross profit.....	<b>47,218</b>	51,697	<b>489,407</b>
Selling, general and administrative expenses (Notes 6, 9, 10 and 11).....	<b>37,851</b>	39,245	<b>392,319</b>
Operating income.....	<b>9,367</b>	12,451	<b>97,087</b>
Other income (expenses):			
Interest and dividend income.....	<b>555</b>	503	<b>5,752</b>
Interest expense.....	<b>(455)</b>	(527)	<b>(4,716)</b>
Other, net.....	<b>(2,565)</b>	261	<b>(26,585)</b>
	<b>(2,465)</b>	237	<b>(25,549)</b>
Income before income taxes and minority interests.....	<b>6,902</b>	12,688	<b>71,538</b>
Income taxes (Note 8):			
Current.....	<b>4,524</b>	4,185	<b>46,890</b>
Deferred.....	<b>(974)</b>	1,175	<b>(10,095)</b>
Minority interests.....	<b>(366)</b>	697	<b>(3,793)</b>
Net income.....	<b>¥ 3,718</b>	¥ 6,630	<b>\$ 38,536</b>

See accompanying notes to consolidated financial statements.