Consolidated Statements of Income

Noritz Corporation and Consolidated Subsidiaries
Years ended December 31, 2002 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	**2003**	**2003**
Net sales	¥170,184	**¥170,080**	**$1,587,456**
Cost of sales	124,712	**117,130**	**1,093,243**
Selling, general and administrative expenses	38,599	**44,874**	**418,835**
Operating income	6,873	**8,076**	**75,378**
Other income (expenses):			
Interest and dividend income	315	**224**	**2,091**
Interest expense	(61)	**(53)**	**(495)**
Gain on return of substitutional portion of employee pension fund	2,298	**—**	**—**
Gains (losses) on sales of securities	(44)	**126**	**1,176**
Equity in income (losses) of affiliates	(148)	**80**	**747**
Loss on sales and disposal of property, plant and equipment	(593)	**(411)**	**(3,836)**
Write-down of securities	(171)	**(345)**	**(3,220)**
Write-down of golf club memberships	(7)	**(13)**	**(121)**
Effect of adopting new accounting standard for retirement benefits	(2,625)	**(1,812)**	**(16,912)**
Expenses for the repair of products on recall	(298)	**(264)**	**(2,464)**
Special retirement benefits	—	**374**	**3,491**
Other, net	832	**133**	**1,240**
	(502)	**(1,961)**	**(18,303)**
Income before income taxes	6,371	**6,115**	**57,075**
Income taxes:			
Current	3,744	**3,286**	**30,670**
Deferred	(771)	**(121)**	**(1,129)**
Minority interests	(86)	**211**	**1,969**
Net income	¥ 3,312	**¥ 3,161**	**$ 29,503**

	Yen		U.S. dollars (Note 1)
Net income per share	¥ 65.23	**¥ 61.42**	**$ 0.573**

See accompanying notes.