

Consolidated Balance Sheets

Noritz Corporation and Consolidated Subsidiaries
As of December 31, 2003 and 2004

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2004	2004
Current assets:			
Cash and time deposits (Note 3)	¥ 30,166	¥ 19,667	\$ 188,743
Marketable securities (Note 4)	9,395	2,828	27,150
Receivables—			
Trade notes and accounts	47,969	48,885	469,145
Trade notes and accounts to non-consolidated subsidiaries and affiliates	512	1,053	10,106
Other	2,480	2,100	20,144
Allowance for doubtful receivables	(103)	(386)	(3,704)
	50,858	51,652	495,691
Inventories—			
Finished goods, purchased goods and work in process	6,395	5,437	52,179
Raw materials and supplies	1,732	1,939	18,608
	8,127	7,376	70,787
Deferred tax assets (Note 8)	737	719	6,900
Other	2,880	5,535	53,109
Total current assets	102,163	87,777	842,380
Investments and other assets:			
Investments in and loans to non-consolidated subsidiaries and affiliates	668	1,078	10,345
Investment in securities (Note 4)	8,474	17,662	169,501
Long-term loans receivable	77	202	1,935
Lease deposits	2,916	2,897	27,802
Long-term deferred tax assets (Note 8)	5,657	4,221	40,509
Allowance for doubtful receivables	(541)	(505)	(4,846)
Other	1,244	2,163	20,771
	18,495	27,718	266,017
Property, plant and equipment:			
Land	10,619	10,619	101,910
Buildings and structures	28,421	28,502	273,532
Machinery and equipment	50,391	52,883	507,514
Construction in progress	851	345	3,311
	90,282	92,349	886,267
Less accumulated depreciation	(59,165)	(61,888)	(593,935)
	31,117	30,461	292,332
Intangible assets			
	2,838	2,817	27,035
	¥154,613	¥148,773	\$1,427,764

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2004	2004
Current liabilities:			
Bank loans (Note 6)	¥ 1,960	¥ 462	\$ 4,434
Payables—			
Trade notes and accounts:			
Non-consolidated subsidiaries and affiliates	285	0	0
Other	37,029	33,491	321,411
Construction	1,232	1,204	11,554
Other	3,939	3,984	38,302
	42,485	38,679	371,267
Accrued expenses	2,515	2,872	27,562
Income taxes and enterprise tax payable	1,632	1,038	9,962
Other	1,901	1,667	15,930
Total current liabilities	50,493	44,718	429,155
Employees' severance and retirement benefits (Note 9)	14,268	10,929	104,885
Directors' and statutory auditors' retirement benefits	821	932	8,944
Long-term deposits received from customers	3,170	3,153	30,259
Long-term deferred tax liabilities (Note 8)	300	294	2,821
Other non-current liabilities	514	1,215	11,661
Minority interests in consolidated subsidiaries	1,660	1,752	16,814
Contingent liabilities (Note 7)			
Shareholders' equity (Note 10):			
Common stock—			
Authorized—156,369,000 shares			
Issued—50,797,651 shares	20,168	20,168	193,551
Capital surplus	22,957	22,957	220,317
Retained earnings	40,803	44,659	428,589
Net unrealized holding gains on securities	424	921	8,839
Foreign currency translation adjustments	(30)	(66)	(633)
Treasury stock, at cost—671,494 shares in 2003 and 1,829,977 shares in 2004	(935)	(2,859)	(27,438)
Total shareholders' equity	83,387	85,780	823,225
	¥154,613	¥148,773	\$1,427,764