

Consolidated Balance Sheets

Noritz Corporation and Consolidated Subsidiaries

As of December 31, 2004 and 2005

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2004	2005	2005
Current assets:			
Cash and time deposits (Note 3)	¥ 19,667	¥ 18,980	\$ 160,752
Marketable securities (Note 4)	2,828	3,185	26,976
Receivables—			
Trade notes and accounts	48,885	50,936	431,405
Trade notes and accounts from non-consolidated subsidiaries and affiliates	1,053	953	8,071
Other	2,100	1,994	16,888
Allowance for doubtful receivables	(386)	(390)	(3,303)
	51,652	53,493	453,061
Inventories—			
Finished goods, purchased goods and work in process	5,437	5,861	49,640
Raw materials and supplies	1,939	2,356	19,954
	7,376	8,217	69,594
Deferred tax assets (Note 8)	719	830	7,030
Other	5,535	2,359	19,980
Total current assets	87,777	87,064	737,393
Investments and other assets:			
Investments in and loans to non-consolidated subsidiaries and affiliates	1,078	1,205	10,206
Investment in securities (Note 4)	17,676	24,512	207,606
Long-term loans receivable	202	291	2,465
Lease deposits	2,897	2,502	21,191
Long-term deferred tax assets (Note 8)	4,221	1,966	16,651
Allowance for doubtful receivables	(505)	(341)	(2,888)
Other	2,149	1,303	11,035
	27,718	31,438	266,266
Property, plant and equipment:			
Land	10,619	10,513	89,040
Buildings and structures	28,502	29,319	248,319
Machinery and equipment	52,883	53,931	456,771
Construction in progress	345	382	3,235
	92,349	94,145	797,365
Less accumulated depreciation	(61,888)	(64,149)	(543,312)
	30,461	29,996	254,053
Intangible assets	2,817	3,035	25,705
	¥148,773	¥ 151,533	\$ 1,283,417

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2004	2005	2005
Current liabilities:			
Bank loans (Note 6)	¥ 462	¥ 540	\$ 4,574
Payables—			
Trade notes and accounts:			
Non-consolidated subsidiaries and affiliates	1	1	7
Other	33,490	34,995	296,393
Construction	1,204	1,129	9,562
Other	3,984	3,411	28,890
	38,679	39,536	334,852
Accrued expenses	2,872	2,819	23,876
Income taxes and enterprise tax payable	1,038	1,642	13,907
Other	1,667	1,598	13,533
Total current liabilities	44,718	46,135	390,742
Employees' severance and retirement benefits (Note 9)	10,929	9,854	83,459
Directors' and statutory auditors' retirement benefits	932	532	4,506
Long-term deposits received from customers	3,153	3,151	26,688
Long-term deferred tax liabilities (Note 8)	294	315	2,668
Other non-current liabilities	1,215	701	5,937
Minority interests in consolidated subsidiaries	1,752	1,756	14,873
Contingent liabilities (Note 7)			
Shareholders' equity (Note 10):			
Common stock—			
Authorized—156,369,000 shares			
Issued—50,797,651 shares	20,168	20,168	170,814
Capital surplus	22,957	22,957	194,436
Retained earnings	44,659	47,514	402,422
Net unrealized holding gains on securities	921	3,250	27,526
Foreign currency translation adjustments	(66)	239	2,024
Treasury stock, at cost—1,829,977 shares in 2004 and 2,944,532 shares in 2005	(2,859)	(5,039)	(42,678)
Total shareholders' equity	85,780	89,089	754,544
	¥148,773	¥151,533	\$1,283,417