

# Consolidated Statements of Shareholders' Equity

Noritz Corporation and Consolidated Subsidiaries  
Years ended December 31, 2005 and 2006

	Number of shares of common stock (thousands)	Millions of yen					
		Common stock	Capital surplus	Retained earnings	Net unrealized holding gains on securities	Foreign currency translation adjustments	Treasury stock
<b>Balance at December 31, 2004</b>	50,798	¥20,168	¥22,957	¥44,659	¥ 921	¥ (66)	¥(2,859)
Net income				4,274			
Net unrealized holding gains on securities					2,329		
Adjustments from translation of foreign currency financial statements						305	
Cash dividends paid, ¥28.00 per share				(1,371)			
Bonuses to directors and statutory auditors				(48)			
Treasury stock purchased							(2,180)
<b>Balance at December 31, 2005</b>	50,798	¥20,168	¥22,957	¥47,514	¥3,250	¥239	¥(5,039)

# Consolidated Statements of Changes in Net Assets

Noritz Corporation and Consolidated Subsidiaries  
Years ended December 31, 2005 and 2006

	Number of shares of common stock (thousands)	Millions of yen							
		Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized holding gains on securities	Foreign currency translation adjustments	Minority interests in consolidated subsidiaries	Total
Shareholders' equity at December 31, 2005	50,798	¥20,168	¥22,957	¥47,514	¥(5,039)	¥3,250	¥239	¥ —	¥89,089
Adoption of new accounting standards for presentation of net assets in the balance sheet at January 1, 2006								1,756	1,756
Net assets at January 1, 2006	50,798	¥20,168	¥22,957	¥47,514	¥(5,039)	¥3,250	¥239	¥1,756	¥90,845
Net income				2,997				23	3,020
Adjustments at beginning of year for initial inclusion of subsidiaries				(386)					(386)
Net unrealized holding gains on securities						(45)			(45)
Adjustments from translation of foreign currency financial statements							193		193
Cash dividends paid, ¥28.00 per share				(1,340)					(1,340)
Bonuses to directors and statutory auditors				(39)					(39)
Treasury stock purchased					(11)				(11)
<b>Balance at December 31, 2006</b>	<b>50,798</b>	<b>¥20,168</b>	<b>¥22,957</b>	<b>¥48,746</b>	<b>¥(5,050)</b>	<b>¥3,205</b>	<b>¥432</b>	<b>¥1,779</b>	<b>¥92,237</b>

	Common stock	Capital surplus	Retained earnings	Treasury stock	Thousands of U.S. dollars (Note 1)				Total
					Net unrealized holding gains on securities	Foreign currency translation adjustments	Minority interests in consolidated subsidiaries		
Shareholders' equity at December 31, 2005	\$169,308	\$192,722	\$398,874	\$(42,302)	\$27,284	\$2,007	\$ —	\$747,893	
Adoption of new accounting standards for presentation of net assets in the balance sheet at January 1, 2006							14,740	14,740	
Net assets at January 1, 2006	\$169,308	\$192,722	\$398,874	\$(42,302)	\$27,284	\$2,007	\$14,740	\$762,633	
Net income			25,160				193	25,353	
Adjustments at beginning of year for initial inclusion of subsidiaries			(3,240)					(3,240)	
Net unrealized holding gains on securities					(378)			(378)	
Adjustments from translation of foreign currency financial statements						1,620		1,620	
Cash dividends paid, \$0.235 per share			(11,249)					(11,249)	
Bonuses to directors and statutory auditors			(327)					(327)	
Treasury stock purchased				(92)				(92)	
<b>Balance at December 31, 2006</b>	<b>\$169,308</b>	<b>\$192,722</b>	<b>\$409,218</b>	<b>\$(42,394)</b>	<b>\$26,906</b>	<b>\$3,627</b>	<b>\$14,933</b>	<b>\$774,320</b>	

See accompanying notes.