



Consolidated Balance Sheets

Noritz Corporation and Consolidated Subsidiaries
As of December 31, 2005 and 2006

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2006	2006
Current assets:			
Cash and time deposits (Note 3)	¥ 18,980	¥ 19,424	\$ 163,062
Marketable securities (Note 4)	3,185	3,682	30,910
Receivables—			
Trade notes and accounts	50,936	50,370	422,851
Trade notes and accounts from non-consolidated subsidiaries and affiliates	953	501	4,206
Other	1,994	3,399	28,534
Allowance for doubtful receivables	(390)	(331)	(2,779)
	53,493	53,939	452,812
Inventories—			
Finished goods, purchased goods and work-in-process	5,861	7,443	62,483
Raw materials and supplies	2,356	2,380	19,980
	8,217	9,823	82,463
Deferred tax assets (Note 8)	830	792	6,649
Other	2,359	2,204	18,503
Total current assets	87,064	89,864	754,399
Investments and other assets:			
Investments in and loans to non-consolidated subsidiaries and affiliates	1,205	378	3,173
Investment in securities (Note 4)	24,512	24,878	208,848
Long-term loans receivable	291	234	1,964
Lease deposits	2,502	2,448	20,551
Long-term deferred tax assets (Note 8)	1,966	1,532	12,861
Allowance for doubtful receivables	(341)	(419)	(3,517)
Other	1,303	1,474	12,374
	31,438	30,525	256,254
Property, plant and equipment:			
Land	10,513	10,509	88,222
Buildings and structures	29,319	29,925	251,217
Machinery and equipment	53,931	55,115	462,685
Construction-in-progress	382	2,364	19,845
	94,145	97,913	821,969
Less accumulated depreciation	(64,149)	(65,868)	(552,955)
	29,996	32,045	269,014
Intangible assets	3,035	2,717	22,809
	¥151,533	¥155,151	\$1,302,476

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2006	2006
Current liabilities:			
Bank loans (Note 6)	¥ 540	¥ 907	\$ 7,614
Payables—			
Trade notes and accounts:			
Non-consolidated subsidiaries and affiliates	1	—	—
Other	34,995	37,962	318,687
Construction	1,129	1,357	11,392
Other	3,411	4,111	34,511
	39,536	43,430	364,590
Accrued expenses	2,819	3,006	25,235
Income taxes and enterprise tax payable	1,642	1,018	8,546
Other	1,598	2,097	17,604
Total current liabilities	46,135	50,458	423,589
Employees' severance and retirement benefits (Note 9)	9,854	8,553	71,802
Directors' and statutory auditors' retirement benefits	532	158	1,326
Long-term deposits received from customers	3,151	2,955	24,807
Long-term deferred tax liabilities (Note 8)	315	319	2,678
Other non-current liabilities	701	471	3,954
Minority interests in consolidated subsidiaries	1,756	—	—
Contingent liabilities (Note 7)			
Shareholders' equity (Note 10):			
Common stock:			
Authorized—156,369,000 shares			
Issued—50,797,651 shares	20,168	—	—
Capital surplus	22,957	—	—
Retained earnings	47,514	—	—
Net unrealized holding gains on securities	3,250	—	—
Foreign currency translation adjustments	239	—	—
Treasury stock, at cost—2,944,532 shares in 2005	(5,039)	—	—
Total shareholders' equity	89,089	—	—
	¥151,533	—	—
Net assets (Note 12):			
Common stock:			
Authorized—156,369,000 shares			
Issued—50,797,651 shares	—	20,168	169,308
Capital surplus	—	22,957	192,722
Retained earnings	—	48,746	409,218
Treasury stock, at cost—2,949,942 shares in 2006	—	(5,050)	(42,394)
Net unrealized holding gains on securities	—	3,205	26,906
Foreign currency translation adjustments	—	432	3,627
Minority interests in consolidated subsidiaries	—	1,779	14,933
Total net assets	—	92,237	774,320
	—	¥155,151	\$1,302,476