

# Consolidated Balance Sheets

Toagosei Co., Ltd. and Consolidated Subsidiaries

Years ended December 31

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2006	2007
<b>Assets</b>			
Current assets:			
Cash and cash equivalents.....	¥ 9,710	¥ 14,186	\$ 85,064
Notes and accounts receivable.....	51,061	49,214	447,318
Inventories (Note 5).....	17,379	17,333	152,254
Short-term loans receivable.....	—	9,315	—
Deferred tax assets (Note 10).....	732	603	6,414
Other current assets.....	1,613	2,074	14,136
Allowance for doubtful receivables.....	(198)	(3,165)	(1,737)
Total current assets.....	80,298	89,563	703,450
Property, plant and equipment (Note 8):.....	244,159	247,325	2,138,932
Accumulated depreciation.....	(175,422)	(174,427)	(1,536,771)
Property, plant and equipment, net (Note 6).....	68,736	72,897	602,160
Investments and other assets:			
Investment securities (Notes 4 and 8).....	21,293	26,816	186,540
Long-term loans receivable.....	154	227	1,356
Intangible assets, net.....	2,294	2,230	20,098
Deferred tax assets (Note 10).....	336	262	2,944
Overdue loans.....	8,562	—	75,006
Prepaid pension cost.....	476	—	4,172
Other assets.....	3,910	3,715	34,254
Allowance for doubtful receivables.....	(3,381)	(105)	(29,624)
Total investments and other assets.....	33,645	33,146	294,749
<b>Total assets</b> .....	<b>¥182,681</b>	<b>¥195,607</b>	<b>\$1,600,360</b>

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2007	2006	2007
<b>Liabilities and net assets</b>			
Current liabilities:			
Notes and accounts payable .....	¥ 21,530	¥ 21,204	\$ 188,619
Short-term bank loans (Note 8) .....	4,877	4,793	42,724
Current portion of long-term debt (Note 8) .....	3,725	9,582	32,632
Commercial paper .....	11,000	15,000	96,364
Deferred tax liabilities (Note 10).....	—	3	—
Accrued income taxes .....	3,522	1,837	30,855
Other current liabilities .....	7,413	8,225	64,948
Total current liabilities .....	52,068	60,646	456,144
Long-term liabilities:			
Long-term debt (Note 8).....	6,867	10,657	60,157
Deferred tax liabilities (Note 10).....	1,320	3,623	11,572
Accrued retirement benefits for employees (Note 9) .....	723	1,151	6,335
Accrued retirement benefits for directors.....	148	153	1,299
Other long-term liabilities .....	2,614	2,461	22,900
Total long-term liabilities.....	11,673	18,048	102,261
Commitments and contingencies (Note 17).....			
Net assets:			
Shareholders' equity (Notes 11, 16 and 20):			
Common stock, without par value:			
Authorized – 500,000,000 shares			
Issued:			
2007 – 263,992,598 shares.....	20,886	—	182,973
2006 – 263,992,598 shares.....	—	20,886	—
Capital surplus .....	15,073	15,069	132,048
Retained earnings .....	64,096	59,717	561,515
Treasury stock (Note 15) .....	(725)	(624)	(6,351)
Total shareholders' equity.....	99,331	95,048	870,185
Valuation and translation adjustments:			
Unrealized holding gain on securities .....	5,841	8,418	51,175
Unrealized gain on hedging derivatives .....	2	8	25
Translation adjustments .....	163	395	1,428
Total valuation and translation adjustments.....	6,007	8,822	52,629
Minority interests .....	13,599	13,042	119,139
Total net assets .....	118,939	116,913	1,041,954
<b>Total liabilities and net assets .....</b>	<b>¥182,681</b>	<b>¥195,607</b>	<b>\$1,600,360</b>