

Consolidated Balance Sheets

Toagosei Co., Ltd. and Consolidated Subsidiaries

December 31	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2007	2008
Assets			
Current assets:			
Cash and cash equivalents.....	¥ 9,826	¥ 9,710	\$ 107,943
Notes and accounts receivable.....	49,058	51,061	538,922
Inventories (Note 5).....	19,352	17,379	212,593
Deferred tax assets (Note 10).....	663	732	7,284
Other current assets.....	2,009	1,613	22,072
Allowance for doubtful receivables.....	(141)	(198)	(1,549)
Total current assets.....	80,767	80,298	887,267
Property, plant and equipment (Note 8):.....	236,997	244,159	2,603,508
Accumulated depreciation.....	(171,810)	(175,422)	(1,887,409)
Property, plant and equipment, net (Note 6).....	65,186	68,736	716,099
Investments and other assets:			
Investment securities (Note 4).....	13,434	21,293	147,579
Long-term loans receivable.....	100	154	1,102
Intangible fixed assets, net.....	1,915	2,294	21,044
Deferred tax assets (Note 10).....	2,676	336	29,403
Overdue loans receivable.....	9,110	8,562	100,076
Prepaid pension cost (Note 9).....	1,219	476	13,399
Other assets.....	3,407	3,910	37,429
Allowance for doubtful receivables.....	(5,353)	(3,381)	(58,814)
Total investments and other assets.....	26,509	33,645	291,221
Total assets.....	¥172,464	¥182,681	\$1,894,587

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2007	2008
Liabilities and net assets			
Current liabilities:			
Notes and accounts payable	¥ 20,467	¥ 21,530	\$ 224,840
Short-term bank loans (Note 8)	9,712	4,877	106,698
Current portion of long-term debt (Note 8)	1,858	3,725	20,418
Commercial paper	6,000	11,000	65,912
Deferred tax liabilities (Note 10)	1	—	21
Accrued income taxes	1,106	3,522	12,150
Other current liabilities	7,529	7,413	82,712
Total current liabilities	46,676	52,068	512,754
Long-term liabilities:			
Long-term debt (Note 8)	7,997	6,867	87,859
Deferred tax liabilities (Note 10)	1,167	1,320	12,825
Accrued retirement benefits for employees (Note 9)	655	723	7,204
Accrued retirement benefits for directors	122	148	1,347
Other long-term liabilities	2,795	2,614	30,711
Total long-term liabilities	12,739	11,673	139,948
Commitments and contingencies (Note 17)			
Net assets:			
Shareholders' equity (Notes 11, 16 and 19):			
Common stock, without par value:			
Authorized – 550,000,000 shares			
Issued:			
2008 – 263,992,598 shares	20,886	—	229,445
2007 – 263,992,598 shares	—	20,886	—
Capital surplus	15,085	15,073	165,722
Retained earnings	63,904	64,096	702,017
Treasury stock (Note 15)	(877)	(725)	(9,638)
Total shareholders' equity	98,999	99,331	1,087,547
Valuation and translation adjustments:			
Unrealized holding gain on securities	1,047	5,841	11,504
Unrealized gain on hedging derivatives	0	2	5
Translation adjustments	(775)	163	(8,517)
Total valuation and translation adjustments	272	6,007	2,992
Minority interests	13,776	13,599	151,345
Total net assets	113,048	118,939	1,241,884
Total liabilities and net assets	¥172,464	¥182,681	\$1,894,587