

# Consolidated Balance Sheet

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

As of March 31, 2007 and 2006

Millions of Yen			
<b>ASSETS</b>	<b>As of March 31, 2007</b>	As of March 31, 2006	Increase (Decrease)
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	29,894	36,312	(6,418)
Notes and accounts receivable	69,907	60,833	9,074
Marketable securities	9,380	1,811	7,569
Inventories	24,476	23,048	1,428
Deferred tax assets	5,406	5,822	(416)
Other current assets	7,165	5,423	1,742
Less: Allowance for doubtful accounts	(132)	(122)	(10)
<b>Total current assets</b>	<b>146,097</b>	<b>133,129</b>	<b>12,968</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investments securities	14,048	12,975	1,073
Long-term loans	478	463	15
Prepaid pension cost	5,249	4,272	977
Deferred tax assets	5,895	5,985	(90)
Other assets	5,966	6,930	(964)
Less: Allowance for doubtful accounts	(60)	(68)	8
<b>Total investments and other assets</b>	<b>31,577</b>	<b>30,559</b>	<b>1,018</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>			
Land	8,883	8,768	115
Buildings and structures	55,369	52,505	2,864
Machinery and equipment	195,552	186,019	9,533
Construction in progress	5,940	5,072	868
<b>Total property, plant and equipment</b>	<b>265,747</b>	<b>252,366</b>	<b>13,381</b>
Less: Accumulated depreciation	(183,431)	(175,076)	(8,355)
<b>Net property, plant and equipment</b>	<b>82,315</b>	<b>77,289</b>	<b>5,026</b>
<b>TOTAL</b>	<b>259,990</b>	<b>240,977</b>	<b>19,013</b>

Millions of Yen

<b>LIABILITIES AND EQUITY</b>	<b>As of March 31, 2007</b>	<b>As of March 31, 2006</b>	<b>Increase (Decrease)</b>
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings	5,260	4,109	1,151
Notes and accounts payable	58,311	54,841	3,470
Accrued expenses	9,829	8,460	1,369
Income taxes payable	4,303	2,694	1,609
Accrued bonuses	4,756	4,464	292
Other current liabilities	10,748	12,678	(1,930)
<b>Total current liabilities</b>	<b>93,210</b>	<b>87,247</b>	<b>5,963</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt	-	469	(469)
Liability for retirement benefits	16,652	15,989	663
Retirement allowances for directors and corporate auditors	570	491	79
Other long-term liabilities	1,128	769	359
<b>Total long-term liabilities</b>	<b>18,350</b>	<b>17,721</b>	<b>629</b>
<b>SHAREHOLDERS' EQUITY:</b>			
<b>Common stock</b>			
Authorized: 200,000,000 shares in March 31, 2007			
Issued and outstanding:	22,856	22,856	-
89,904,233 shares in March 31, 2007			
92,654,664 shares in March 31, 2006			
<b>Capital surplus</b>	<b>25,110</b>	<b>25,110</b>	<b>-</b>
<b>Retained earnings</b>	<b>98,899</b>	<b>83,785</b>	<b>15,114</b>
<b>Treasury common stock, at cost</b>	<b>(7,784)</b>	<b>(1,686)</b>	<b>(6,098)</b>
<b>Total shareholders' equity</b>	<b>139,080</b>	<b>130,066</b>	<b>9,014</b>
<b>VARIANCE OF THE ESTIMATE / CONVERSION:</b>			
<b>Net unrealized gain on available-for-sale securities</b>	<b>2,351</b>	<b>2,053</b>	<b>298</b>
<b>Foreign currency translation adjustments</b>	<b>4,191</b>	<b>1,725</b>	<b>2,466</b>
<b>Total variance of the estimate / conversion</b>	<b>6,542</b>	<b>3,779</b>	<b>2,763</b>
<b>STOCK ACQUISITION RIGHTS</b>	<b>43</b>	<b>-</b>	<b>43</b>
<b>MINORITY INTERESTS</b>	<b>2,763</b>	<b>2,164</b>	<b>599</b>
<b>Total equity</b>	<b>148,429</b>	<b>136,009</b>	<b>12,420</b>
<b>TOTAL</b>	<b>259,990</b>	<b>240,977</b>	<b>19,013</b>