



FINANCIAL STATEMENTS

FOR

THE 50TH FISCAL YEAR

FROM 1 APRIL 2005
TO 31 MARCH 2006

日東工器株式会社

NITTO KOHKI CO.,LTD.

B A L A N C E S H E E T

AS AT 31 MARCH 2006
(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
CURRENT ASSETS	23,718	CURRENT LIABILITIES	3,768
Cash & Deposits	10,431	Notes Payable, Trade	88
Notes Receivable, Trade	3,891	Accounts Payable, Trade	1,133
Accounts Receivable, Trade	3,807	Accounts Payable, Other	200
Marketable Securities	899	Income Taxes Payable	1,372
Finished Goods	1,948	Accrued Expenses	516
Raw Materials	186	Deposits Received	40
Work in Progress	38	Accrued Bonuses	396
Advance Payments	53	Other	19
Prepaid Expenses	22		
Short-term Loans-subidiaries	189		
Trust Beneficiary Rights	1,799		
Deferred Tax Assets	288		
Other	159		
FIXED ASSETS	13,945	LONG-TERM LIABILITIES	1,117
Tangible Fixed Assets	4,767	Allowance for Employee's Retirement Benefits	812
Buildings	1,218	Allowance for Directors' Retirement Benefits	91
Structures	53	Deferred Tax Liabilities	86
Machinery & Equipment	8	Other	127
Vehicles and Delivery Equipment	19		
Tools, Furniture, Fixtures and Other	595	TOTAL LIABILITIES	4,885
Land	2,867	SHAREHOLDERS' EQUITY	32,777
Construction in Progress	5	Common Stock	1,850
Intangible Fixed Assets	87	Capital Surplus	1,925
Computer Software	56	Additional Paid-in Capital	1,925
Other	31	Retained Earnings	28,456
Investments and Other Assets	9,090	Legal Reserve	462
Long-term Deposit	1,000	Reserve for Equalization of Dividends	220
Investments in Securities	1,720	Reserve for Advanced Depreciation on Tangible Fixed Assets	19
Investments in Subsidiaries	5,127	Voluntary Reserve	24,800
Long-term Loans	994	Reserve for Interim Dividends	0
Long-term prepaid expenses	19	Unappropriated Retained Earnings	2,952
Guaranty Deposits	100	Unrealized Holding Gains on Securities	760
Accumulated Funds of Insurance	18	Treasury Stock	▲ 214
Other	171		
Allowance for Doubtful Accounts	▲ 62		
TOTAL ASSETS	37,663	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,663

INCOME STATEMENT

FROM : 1 APRIL 2005

TO : 31 MARCH 2006

(In Millions Japanese yen)

account title	amount	
<u>ORDINARY INCOME AND EXPENSES</u>		
Operating Income and Expenses		
Operating Income		
Net Sales		23,460
Operating Expenses		
Cost of Sales	12,560	
Selling, General and Administrative expenses	6,711	19,272
Operating income		4,188
Non-operating income and expenses		
Non-operating Income		
Interest Income	26	
Other	517	544
Non-operating Expenses		
Cash Discounts	123	
Other	61	185
Ordinary Income		4,547
<u>EXTRAORDINARY INCOME AND EXPENSES</u>		
Extraordinary Income		
Gain on Sales of Fixed Assets	32	
Reversal of Allowance for Doubtful Accounts	1	33
Extraordinary Losses		
Loss on Disposal of Fixed Assets	8	8
Income before Income Taxes		4,572
Income Taxes-current	1,972	
Income Taxes-deferred	▲ 116	1,855
Net Income		2,716
Unappropriated Retained Earnings Brought Forward		236
Reversal of Reserve for Interim Dividends		452
Interim Dividends		452
Unappropriated Retained Earnings		2,952

STATEMENT OF APPROPRIATIONS

(In Japanese yen)

account title	amount	
Unappropriated Retained Earnings		2,952,967,174
Reversal of Reserve for Advanced Depreciation on Tangible Fixed Assets	1,224,921	
Reversal of Reserve for Interim Dividends	948,960	2,173,881
Appropriation of Retained Earnings		2,955,141,055
Dividends	452,055,940	
Ordinary Dividend of ¥ 20.0 per Share		
Bonus to Directors	16,400,000	
Reserve for Interim Dividends	680,000,000	
Voluntary Reserve	1,500,000,000	2,648,455,940
Retained Earnings Carried Forward to the Next Year		306,685,115

BALANCE SHEET (Consolidated)

Fiscal Year Ended March 2006

(In Millions Japanese yen)

ASSETS		LIABILITIES and SHAREHOLDERS' EQUITY	
account title	amount	account title	amount
Current Assets	31,281	Current Liabilities	5,966
Cash & Deposits	14,492	Notes Payable and Accounts Payable, Trade	2,341
Notes Receivable and Accounts Receivable, Trade	8,447	Income Taxes Payable	1,583
Marketable Securities	899	Accrued Bonuses	567
Inventories	4,764	Other	1,475
Deferred Tax Assets	684		
Trust Beneficiary Rights	1,799		
Other	216		
Allowance for Doubtful Accounts	▲ 22	Long-term Liabilities	1,521
Fixed Assets	12,275	Allowance for Employee's Retirement Benefits	1,156
Tangible Fixed Assets	8,649	Allowance for Director's Retirement Benefits	102
Buildings and Structures	2,737	Deferred Tax Liabilities	115
Machinery and Vehicle Equipments	931	Other	146
Tools, Furniture, Fixtures and Others	762	TOTAL LIABILITIES	7,488
Land	4,145	MINORITY INTERESTS	190
Construction in Progress	71	SHAREHOLDERS' EQUITY	35,878
Intangible Fixed Assets	198	Common Stock	1,850
Investments and Other Assets	3,427	Capital Surplus	1,925
Long-term Deposit	1,000	Additional Paid-in Capital	1,925
Investments in Securities	1,723	Retained Earnings	31,371
Long-term Loans	332	Unrealized Holding Gains on Securities	760
Deferred Tax Assets	96	Translation Adjustment	184
Other	339	Treasury Stock	▲ 214
Allowance for Doubtful Accounts	▲ 64		
TOTAL ASSETS	43,556	TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	43,556

STATEMENT OF INCOME (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2006

account title	amount	
<u>ORDINARY INCOME AND EXPENSES</u>		
Operating Income and expenses		
Operating Income		27,470
Net Sales		
Operating Expenses		
Cost of Sales	13,478	
Selling, General and Administrative Expenses	8,439	21,918
Operating Income		5,551
Non-operating Income and expenses		
Non-operating Income		
Interest Income	52	
Other	132	184
Non-operating Expenses		
Cash Discounts	129	
Other	162	291
Ordinary Income		5,445
<u>EXTRAORDINARY INCOME AND EXPENSES</u>		
Extraordinary Income		51
Extraordinary Losses		185
Income before Income Taxes		5,311
Income Taxes-current	2,545	
Income Taxes-deferred	▲ 160	2,385
Minority Interests		21
Net Income		2,904

STATEMENT OF RETAINED EARNINGS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2006

account title	amount	
ADDITIONAL PAID-IN CAPITAL		
Additional Paid-in Capital at the Beginning of the Year		1,925
Additional Paid-in Capital at the End of the Year		1,925
RETAINED EARNINGS		
Retained Earnings at the Beginning of the Year		29,387
Increase in Retained Earnings :		
Net Income	2,904	2,904
Decrease in Retained Earnings :		
Dividends	904	
Bonus to Directors	16	920
Retained Earnings at the End of the Year		31,371

STATEMENT OF CASH FLOWS (Consolidated)

(In Millions Japanese yen)

Fiscal Year Ended March 2006

account title	amount
Cash Flows from Operating Activities:	
Income before Income Taxes	5,311
Depreciation and Amortization	805
Net Increase in Provisions	179
Net Increase in Assets	▲ 442
Net Increase in Liabilities	342
Others	103
Sub Total	6,300
Interest and Dividends Received	58
Interest Paid	▲ 13
Income Taxes Paid	▲ 2,096
Net Cash provided by Operating Activities	4,249
Cash flows from Investing Activities:	
Increase in Time Deposits	▲ 9,896
Decrease in Time Deposits	6,927
Payments for Purchases of Fixed Assets	▲ 819
Net Increase in Loans	26
Others	62
Net Cash Used in Investing Activities	▲ 3,698
Cash flows from Financing Activities:	
Payments for purchase of Treasury Stock	▲ 1
Dividends Paid	▲ 904
Net Cash Used in Financing Activities	▲ 905
Effect of Exchange Rate Changes on Cash and Cash Equivalents	104
Net Increase in Cash and Cash Equivalents	▲ 251
Cash and Cash Equivalents at the Beginning of the Year	12,176
Cash and Cash Equivalents at the End of the Year	11,925