NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

(1) Summary of Significant Accounting Policies

(a) Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements have been prepared from the accounts maintained by TOA CORPORATION, (the "Company") and its consolidated subsidiaries together "the Companies", in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards.

Certain items presented in the consolidated financial statements filed with Director of Kanto Financial Bureau, as required by the Securities and Exchange Law of Japan have been reclassified for the convenience of readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(b) Basis of consolidation:

The Company had 18 majority-owned subsidiaries as of March 31, 2001 (16 as of March 31, 2000).

The consolidated financial statements for the years ended March 31, 2001 and 2000 include the accounts of the Company and 12 of its majority-owned subsidiaries.

The consolidated subsidiaries for 2001 included TOA Real Estate Co., Ltd., TOA Tekko Co., Ltd., TOA Kikai Kogyo Co., Ltd., TOA Agency Co., Ltd., Tagawa Real Estate Co., Ltd., TOA Builtec Co., Ltd., TOA Agency Nishinihon Co., Ltd., TOA Doboku Co., Ltd., TOA Kaiun Sangyo Co., Ltd., Shinko Corporation, Tsurumi Rinko Co., Ltd., and TOA Concrete Co., Ltd.

Other subsidiaries were not consolidated as they were not significant in terms of total assets, net sales, retained earnings or net income.

Investment in unconsolidated subsidiaries and affiliates (companies owned 15% to 40%), are stated at cost.

All significant inter-company accounts and transactions have been eliminated in consolidation.

(c) Foreign currency translation:

Until the year ended March 31, 2000, foreign currencies and short-term receivables and payables denominated in foreign currencies were translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Long-term receivables and payables were translated into Japanese yen at rates prevailing when the related assets were acquired or the related liabilities were incurred.

Effective from the year ended March 31, 2001, the Companies adopted the new Japanese accounting standard for foreign currency translation, which is effective for periods beginning on or after April 1, 2000. Under the new standard, all monetary assets and liabilities denominated in foreign currencies, whether long-term or short-term, are translated into Japanese yen at the exchange rate prevailing at the balance sheet date. Resulting gains and losses are included net profit or loss for the period. The adoption of the new method had no material impact on the accompanying consolidated financial statements.

(d) Cash and cash equivalents:

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits able to withdrawn on demand and short-term investment with an original maturity of three months or less and which represent a minus risk of fluctuation in value.

(e) Financial instruments:

Effective from the year ended March 31, 2001, the Companies adopted the new Japanese accounting standard for financial instruments, which is effective for periods beginning on or after April 1, 2000. As a result of adoption of the new standard, the effect of income before income taxes for the year ended March 31, 2001 was immaterial, as compared with the amount which would have been reported if the previous standard had been applied consistently.

(I) Derivatives

Under the new standard, all derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise, except for derivatives that are designated as "hedging instruments" (see (III) Hedge Accounting, specified below).

(II) Securities

Until the year ended March 31, 2000, securities both in current assets and investments are stated at moving average cost.

Securities held by the Companies, under the new standard, have been reviewed as of April 1, 2000 (the beginning of the year). In result, the securities are classified into three categories;

Held-to-maturity debt securities, that the Companies have intent to hold to maturity, are stated at cost after accounting for premium or discount on acquisition, which are amortized over the period to maturity.

Investments of the Companies in equity securities issued by unconsolidated subsidiaries and affiliates are stated at cost.

Other securities for which market quotation are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount. Other securities for which market quotation are unavailable are stated at cost, except as stated in the paragraph below.

In cases where the fair value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliates, or other securities has declined significantly and such impairment of the value is not deemed temporary, those securities are written down to the fair value and the resulting losses are included in net profit or loss for the period.

Under the new standard, debt securities due within one year are presented as "current" and all the other securities are presented as "non-current". The securities held by the companies have been reclassified as of April 1, 2000 (the beginning of the year). As a result of such reclassification, the securities in the current portfolio have decreased by ¥12,954 million (US$ 104,468 thousand) and the securities in the non-current portfolio have increased by the same amount.

(III) Hedge Accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as an asset or liability and included in net profit or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

The derivatives designated as hedging instruments by the Companies are principally interest swaps and forward exchange contracts. The related hedged items are trade accounts receivable and payable, long-term bank loans.

The Companies have a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risk of interest rate fluctuation. Thus, the Company's purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Companies evaluate effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

(f) Inventories:

Cost on contracts in progress and real estate for sale are stated at specific cost for each lot. Materials and supplies are stated at moving average cost.

(g) Allowance for doubtful accounts:

Allowance for general receivables are established in amounts considered to be appropriate based upon credit loss experience. For specific receivables such as doubtful accounts, allowance for these are established in amounts considered to be uncollectible based upon an evaluation of possibility of collection in the each receivables outstanding.

(h) Property, plant and equipment and depreciation:

Depreciation is principally computed by a declining-balance method at rates based on the estimated useful lives. Useful life and residual value are in conformity to the provisions of the income tax law. However, depreciation of building which the Companies acquired on and after April 1, 1998, is amortized on a straight-line basis over the shortened estimated period.

(i) Reserve for retirement benefits:

Until the year ended March 31, 2000, the Companies had an unfunded plan for lump-sum severance payments for employees, the amount of which is generally determined by reference to the length of service and current basic salary at the time of termination of employment or retirement. The Company provided for this liability to the extent of 40% of the amount that would be required if all employees terminate their service voluntarily with the Company at the balance sheet dates.

Effective from the year ended March 31, 2001, the Companies adopted the new Japanese accounting standard for retirement benefits, which is effective for periods beginning on or after April 1, 2000. In accordance with the new standard, the reserve for retirement benefits as of March 31, 2001 represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets except that, as permitted under the new standard, the unrecognized transition amount arising from adopting the new standard of ¥13,743 million (US$ 110,829 thousand) at April 1, 2000 (the beginning of year) is amortized within one year, and the unrecognized actuarial differences are amortized on straight-line basis over the period of 15 years from the next year in which they arise. As a result of adopting the new standard, net pension expense for the year ended March 31, 2001 has increased by ¥470 million (US$ 3,790 thousand) and income before income taxes has decreased by ¥11,572 million (US$ 93,323 thousand) as compared with the amounts which would have been reported if previous standard had been applied consistently.

With respect to corporate officer, directors and statutory auditors, the Company provides for lump-sum severance indemnities on the basis of 100% of the amount required in the event of ordinary retirement at the balance sheet dates.

(j) Income taxes:

The Companies have adopted the asset-liability method of tax effect amounting to recognize the effect of all temporary differences in the recognition of tax basis assets and liabilities and their financial report amounts.

(k) Consumption tax:

In Japan, consumption tax at the flat rate of 5% for 2001 and 2000 on all domestic consumption of goods and services (with certain exemptions) is levied.

The Companies have adopted the accounting method by which the consumption tax does not primarily affect net income.

(l) Legal reserve:

Under the Japanese Commercial Code, a company is required to appropriate an amount equal to at least 10% of cash dividends paid and other cash distributions from retained earnings to a legal reserve until the reserve equal 25% of the common stock amount.

This reserve is not available for dividend payments but may be used to reduce deficits by a resolution of the shareholders or may be transferred to the stated capital by a resolution of the Board of Directors.

(m) Recognition of contract revenue:

The Companies follow the completed contract method of accounting for revenue from contracts except for projects in amounts of ¥2 billion (US$16 million) and over and those requiring more than one year for completion. These are accounted for by the percentage of completion method, measured by the ratio of the costs incurred to the estimated total costs for each contact.

The amounts of contract revenue which are accounted for by the percentage of completion method were ¥39,001 million (US$314,528 thousand) for 2001 and ¥39,821 million for 2000.

(n) Appropriation of retained earnings:

Appropriation of retained earnings approved by shareholders subsequent to the balance sheet date are recorded as if such approval was made at the respective balance sheet dates in the accompanying financial statements.

(o) Leases:

Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessees are principally accounted for by the method that is applicable to ordinary operating leases.

(p) Net income and cash dividend per share:

Net income per share assuming no dilution is based on the weighted average number of shares of common stock outstanding during the respective years.

Net income per share assuming full dilution was not disclosed in 2001 and 2000, due to the fact that there were no bonds with warrant and convertible bonds at the end of 2001 and 2000.

Cash dividends per share for each year represent the dividends declared as applicable to the respective years.

(2) U.S. Dollar Amounts

The dollar amounts included in the financial statements and notes thereto represent the arithmetical results of translating yen to dollars at rate ¥124 = US$1, the approximate rate of exchange effective at March 31, 2001. The inclusion of such dollar amounts is solely for convenience of readers outside of Japan and is not intended to imply that yen and assets and liabilities originating in yen have been or could be readily converted, realized or settled in dollars at this or any other rates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2001 and 2000 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2001	2000	2001
Cash and bank deposits ……	¥ 36,766	¥ 42,135	$ 296,497
Time deposits with deposit term of 3 months ….	(1,056)	(1,228)	(8,512)
Cash and cash equivalents ..	¥ 35,710	¥ 40,907	$ 287,985

(4) Marketable Securities and Investments in Securities

The following is certain information relating to the aggregate carrying amount and fair value of securities after the adoption of the new standard in 2001.

(a) Held-to-maturity debt securities having its market value:

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Government bond and municipal bond ………..	¥ 25	$ 199
Corporate bond …………..	300	2,419
Total…………………	¥ 325	$ 2,618

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Carrying value…………….	¥ 325	$ 2,618
Market value……………..	324	2,615
Unrealized loss…………..	¥ 1	$ 3

(b) Other securities having its market value:

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Marketable equity securities.	¥ 13,198	$ 106,431
Debentures………………..	16	127
Other………………………	167	1,351
Total…………………	¥ 13,381	$ 107,909

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Cost………………………..	¥ 14,049	$ 113,300
Market value……………..	13,381	107,909
Unrealized loss…………..	¥ 668	$ 5,391

Securities for which market quotations are not available are principally non-listed securities.

The carrying values and aggregate market values of securities for which market quotations are available included in marketable securities and investments in securities as of March 31, 2000 were as follows:

	Millions of Japanese Yen	
	Current:	Non-Current:
Carrying value (cost)……	¥ 13,996	¥ 1,018
Aggregate market value…	15,465	1,211
Unrealized gain…………	¥ 1,469	¥ 193

(5) Short-term Borrowings and Long-term Debt

Short-term borrowings were represented generally by 365-day notes in 2001 and 2000 issued by the Companies and bore interest principally at the short-term primary interest rates in effect in 2001 and 2000.

As is customary in Japan, the Company and its consolidated domestic subsidiaries maintain deposit balances with banks with which they have short-term bank loans or long-term debt.

Such deposit balance are not legally or contractually restricted as to withdrawal.

Long-term debt as of March 31, 2001 and 2000 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2001	2000	2001
3.20% bond, due 1996–2002	**¥ 3,700**	¥ 3,700	**$ 29,839**
3.45% bond, due 1996–2003	**5,800**	5,900	**46,774**
3.55% bond, due 1996–2004	**3,900**	4,100	**31,452**
Loans from banks and insurance companies with interest ranging from 1.40% to 2.30%, due various dates through 2009:			
Collateralized or guaranteed	**¥22,889**	¥ 27,171	**$184,583**
Total	**36,289**	40,871	**292,648**
Current portion included in current liabilities	**(4,561)**	(6,260)	**(36,782)**
Total	**¥31,728**	¥ 34,611	**$255,866**

Certain of the Companies' long-term debt agreements provide, among other things, that the lender may request the Companies to submit proposals for appropriations of retained earnings (including payment of dividends) for review and, in some instances, approval prior to presentation to the shareholders. However, the Companies has never received such a request.

In addition, as is customary in Japan, substantially all of the Companies' bank borrowings are subject to general agreements with each bank which provide, among other things, that the relevant bank may treat any security furnished to the bank as well as cash deposited with it as security for all present and future indebtedness and may, when the bank deems it necessary, request additional security for the loans.

Assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2001 were as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Assets pledged as collateral:		
Land	¥ 2,813	$ 22,688
Building and structures	838	6,760
Investment securities	2,119	17,087
	¥ 5,770	$ 46,535

	Millions of Japanese Yen	Thousands of U.S. Dollars
Liabilities secured thereby:		
Current portion of long-term debt	¥ 1,314	$ 10,597
Long-term debt	¥ 3,805	$ 30,684

The aggregate annual maturities of long-term loans (including current portion) as of March 31, 2001 were as follows:

Year ending March 31	Millions of Japanese Yen	Thousands of U.S. Dollars
2002	¥ 4,561	$ 36,782
2003	6,423	51,799
2004	8,558	69,012
2005	1,980	15,968
2006	807	6,506
2007 and thereafter	560	4,516
Total	¥ 22,889	$184,583

(6) Advances on Contracts in Progress

The Company usually receives payments from customers in the public sector on a progress basis in accordance with terms of the respective construction contracts.

(7) Reserve for retirement benefits

The Company has defined benefit retirement plans covering substantially all employees.

The reserve for retirement benefits as of March 31, 2001 is analyzed as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Projected benefit obligations.	¥(40,354)	$(325,439)
Plan assets	19,316	155,779
	(21,038)	(169,660)
Unrecognized actuarial differences	6,109	49,263
	¥(14,929)	$(120,397)

(Note: The above table includes the amounts related to the portion subject to the Japanese Welfare Pension Insurance Law.)

Net pension expense related to the retirement benefits for the year ended March 31, 2001 was as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2001	2001
Service cost	¥ 1,550	$ 12,503
Interest cost	1,217	9,817
Expected return on plan assets	(606)	(4,891)
Amortization of transition amount	13,743	110,829
Net pension expense	¥ 15,904	$ 128,258

Assumptions used in calculation of the above information were as follows:

Discount rate	3.0%
Expected rate of return on plan assets	3.5%
Method of attributing the projected benefits to periods of services	Straight-line basis
Amortization of transition amount	1 year
Amortization of unrecognized actuarial Differences	15 years

The balance of reserve for retirement benefits included the reserve for retirement allowance for directors and statutory auditors in amounts of ¥1,348 million (US$10,878 thousands) and ¥1,232 million as of March 31, 2001 and 2000, respectively.

(8) Income Taxes

(a) The significant components of deferred tax assets and liabilities at March 31, 2001 and 2000 were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
Deferred Tax Assets:	2001	2000	2001
Expense for retirement benefits ..	¥ 5,216	¥ —	$ 42,067
Devaluation of inventories ..	2,877	1,230	23,197
Devaluation of securities	989	671	7,974
Allowance for doubtful accounts ...	955	1,617	7,699
Accrued bonus to employees	554	347	4,468
Reserve for retirement benefits to directors .	547	685	4,415
Accrued tax	421	141	3,394
Others	2,738	2,431	22,082
Deferred Tax Assets ...	14,297	7,122	115,296
Deferred Tax Liabilities:			
Property and equipment	(1,537)	(1,537)	(12,398)
Other	(47)	(57)	(379)
Deferred Tax Liabilities	(1,584)	(1,594)	(12,777)
Net Deferred Tax Assets	¥ 12,713	¥ 5,528	$ 102,519

(b) A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2000 and the actual effective tax rates reflected in the accompanying consolidated statements of operations is as follows:

Normal effective statutory tax rate	41.7 %
Expenses not deductible for income tax purposes	10.4
Non-taxable income	(0.7)
Per capita levy of inhabitant taxes	3.3
Valuation allowance	4.1
Other-net	2.9
Actual effective tax rate	61.7 %

As a result of making loss before income taxes and minority interest for the year ended March 31, 2001, the reconciliation between normal effective statutory tax rate for the year ended March 31, 2001 and the actual effective tax rates has not been presented.

(9) Shareholders' Equity

Under the Japanese Commercial Code, the entire amount of the issue price of new Share is required to be accounted for as stated capital, although the Companies may account for an amount not exceeding 50% such issue price as additional paid-in capital (subject to the remainder being not less than the total par value of the new Share being issued). The Board of Directors may transfer the whole or any part of additional paid-in capital and legal reserve to stated capital and grant to shareholders additional Shares free of charge by way of a stock split, without affecting the par value thereof, by reference to the whole or any part of the amount of additional paid-in capital and legal reserve so transferred to stated capital and legal reserve so transferred to stated capital; such additional Shares may also be granted by reference to the amount representing the portion of the issue price of Share in excess of the par value thereof which has been accounted for as stated capital. In either case, as a result of such granting to the shareholders of additional Shares by way of a stock split, the total par value of the Shares in issue may not exceed the stated capital. Further, the net assets of the Companies (as appearing in the latest balance sheet) divided by the number of Shares in issue must be at least ¥50.

The Japanese Commercial Code permits the Companies to make a partially free distribution to shareholders by way of rights issue at a subscription price per Share which is less than the par value there of if (a) the difference between the subscription price and the par value does not exceed the amount of the stated capital minus the aggregate par value of all outstanding Shares, divided by the number of new Shares to be issued pursuant to such right issue, (b) the sum of the net assets of the Companies (as appearing on the latest balance sheet) and the total subscription price, divided by the number of Shares in issue immediately after the issue of the new Shares, is at least ¥50 and (c) the subscription rights are made transferable. In order to satisfy the requirement mentioned in (a) above, the Board of Directors might transfer the whole or any part of additional paid-in capital or legal reserve to stated capital.

The Japanese Commercial Code permits the Companies to transfer profits distributable as dividends to stated capital by resolution of the shareholders and distribute additional Shares to shareholders by way of a stock split without affecting the par value of the Shares.

The Japanese Commercial Code also provides that neither additional paid-in capital nor the legal reserve are available for each dividend, but may be used to reduce a capital deficit by a resolution of a shareholders' meeting or may be capitalized by a resolution of the Board of Directors.

(10) Leases

The Companies lease tools, vehicles and certain other assets under operating leases. Leases qualifying as capital leases at March 31, 2001 and 2000 were as follows :

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2001	2000	2001
Machinery, vehicles, tools and others	¥ 645	¥ 765	$ 5,203
Accumulated depreciation	444	513	3,582
	¥ 201	¥ 252	$ 1,621

The scheduled maturities of future lease rental payments, including an interest portion on such lease con-tracts as of March 31, 2001 and 2000 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2001	2000	2001
Due within one year ...	¥ 102	¥ 140	$ 823
Due over one year	99	112	798
	¥ 201	¥ 252	$ 1,621

Under Japanese accounting regulations, finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are permitted to be accounted for by using an accounting method similar to that applicable to ordinary operating leases, if certain information is disclosed in the notes to the financial statements.

Lease rental expenses incurred in connection with finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees amount to ¥121 million (US$979 thousand) and ¥158 million for the years ended March 31, 2001 and 2000, respectively.

(11) Commitments and Contingent Liabilities

There were no commitments outstanding at March 31, 2001 and 2000 for the purchase of property, plant and equipment.

The Companies are contingently liable for the following at March 31, 2001 and 2000:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2001	2000	2001
Trade notes receivable endorsed	¥ 3	¥ 456	$ 24
Contingently liable for guarantees of short-term and long-term debt of customers, unconsolidated subsidiaries and affiliates..	¥5,161	¥6,467	$ 41,624

(12) Segment Information

a. Business Segments

Business segments are principally composed of the followings:

Construction ………... Civil Engineering and Architectural Construction
Real Estate …………. Development of Land and Buildings
Other Areas ………… Architecture, Engineering and any other relevant business

Year Ended March 31, 2001 — Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination	Consolidated
Net sales:						
Customers ………………..	¥ 284,733	¥ 4,925	¥ 5,035	¥ 294,693	¥ 0	¥ 294,693
Inter-segment …………….	2,379	376	2,692	5,447	(5,447)	0
Total …………….	287,112	5,301	7,727	300,140	(5,447)	294,693
Operating expenses ………..	277,028	4,667	7,317	289,012	(5,282)	283,730
Operating profit …………….	10,084	634	410	11,128	(165)	10,963
Total assets …………………..	227,937	42,536	4,967	275,440	42,578	318,018
Depreciation expenses ………	2,856	305	108	3,269	26	3,295
Capital Expenditure ………..	¥ 5,120	¥ 14	¥ 30	¥ 5,164	¥ (286)	¥ 4,878

Year Ended March 31, 2001 — Thousands of U.S. Dollars

	Construction	Real Estate	Other Businesses	Total	Elimination	Consolidated
Net sales:						
Customers ………………..	$ 2,296,233	$ 39,720	$ 40,604	$ 2,376,557	$ 0	$ 2,376,557
Inter-segment …………….	19,184	3,036	21,708	43,928	(43,928)	0
Total …………….	2,315,417	42,756	62,312	2,420,485	(43,928)	2,376,557
Operating expenses ………..	2,234,091	37,643	59,008	2,330,742	(42,598)	2,288,144
Operating profit …………….	81,326	5,113	3,304	89,743	(1,330)	88,413
Total assets …………………..	1,838,205	343,029	40,057	2,221291	343,374	2,564,665
Depreciation expenses ………	23,034	2,457	871	26,362	209	26,571
Capital Expenditure ………..	$ 41,290	$ 117	$ 243	$ 41,650	$ (2,306)	$ 39,344

Information by business segments for the years ended March 31, 2000 was not shown since aggregate sales of construction business were more than 90% of total net sales of all segments and aggregate assets of operation were more than 90% of total assets of all segments.

b. Geographical Segments

Each area primarily refers to the following countries:

Southeast Asia ....Singapore, Philippines and Viet Nam

Year Ended March 31, 2001 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 276,308	¥ 16,387	¥ 1,998	¥ 294,693	¥ —	¥ 294,693
Inter-segment	—	—	—	—	(—)	—
Total	276,308	16,387	1,998	294,693	(—)	294,693
Operating expenses	266,700	15,385	1,645	283,730	(—)	283,730
Operating profit	9,608	1,002	353	10,963	(—)	10,963
Total assets	¥ 260,874	¥ 9,273	¥ 589	¥ 270,736	¥ 47,282	¥ 318,018

Year Ended March 31, 2000 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 245,825	¥ 16,846	¥ 4,136	¥ 266,807	¥ —	¥ 266,807
Inter-segment	—	—	—	—	(—)	—
Total	245,825	16,846	4,136	266,807	(—)	266,807
Operating expenses	235,844	16,187	3,571	255,602	(—)	255,602
Operating profit	9,981	659	565	11,205	(—)	11,205
Total assets	¥ 250,693	¥ 8,619	¥ 1,522	¥ 260,834	¥ 43,041	¥ 303,875

Year Ended March 31, 2001 — Thousands of U.S. Dollars

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	$2,228,287	$ 132,153	$ 16,117	$2,376,557	$ —	$2,376,557
Inter-segment	—	—	—	—	(—)	—
Total	2,228,287	132,153	16,117	2,376,557	(—)	2,376,557
Operating expenses	2,150,801	124,073	13,270	2,288,144	(—)	2,288,144
Operating profit	77,486	8,080	2,847	88,413	(—)	88,413
Total assets	$2,103,825	$ 74,782	$ 4,751	$2,183,358	$381,307	$2,564,665

c. Overseas Net Sales

Each area primarily refers to the following countries:

Southeast Asia ....Singapore, Philippines and Viet Nam

Year Ended March 31, 2001			Millions of Japanese Yen
	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 16,387	¥ 1,998	¥ 18,385
Consolidated net sales	—	—	294,693
Overseas / Consolidated Ratio (%)	5.5	0.7	6.2

Year Ended March 31, 2000			Millions of Japanese Yen
Overseas net sales	¥ 16,846	¥ 4,136	¥ 20,982
Consolidated net sales	—	—	266,807
Overseas / Consolidated Ratio (%)	6.3	1.6	7.9

Year Ended March 31, 2001			Thousands of U.S. Dollars
Overseas net sales	$ 132,153	$ 16,117	$ 148,270
Consolidated net sales	—	—	2,376,557

(13) Derivative Transactions

Derivative transaction of the Companies at March 31, 2001 is omitted to describe here, due to adopting hedge accounting.

Derivative transactions of the Companies at March 31, 2000 are as follows:

a. Estimated Fair Value of Derivative Transactions Interest Rated-Related Derivatives

2000				Millions of Japanese Yen
	Contract amount			
Unlisted transactions	Total	Due after one year	Estimated fair Value	Unrealized gain (loss)
Interest rate swaps:				
Pay Fix / Receive Float	¥ 10,981	¥ 9,781	¥ (203)	¥ (203)
Receive Fix / Pay Float	1,000	1,000	1	1
Total	¥ 11,981	¥ 10,781	¥ (202)	¥ (202)