

# NON-CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

TOA CORPORATION

For the years ended March 31, 2001 and 2000

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2001	2000	2001
<b>Net sales</b> .....	¥ 271,307	¥ 245,100	\$ 2,187,956
<b>Cost of sales</b> .....	247,053	220,437	1,992,363
Gross profit .....	24,254	24,663	195,593
<b>Selling, general and administrative expenses</b> .....	14,694	15,501	118,496
Operating income .....	9,560	9,162	77,097
<b>Other income (expenses):</b>			
Interest and dividends income .....	596	630	4,806
Interest expenses .....	(1,499)	(1,706)	(12,089)
Prior-year profit adjustment .....	79	52	641
Prior-year loss adjustment .....	(2)	(585)	(17)
Devaluation of marketable securities and investment securities .....	(406)	(585)	(3,273)
Gain on sales or disposals of property and equipment-net .....	518	511	4,178
Write-down of real estate and others .....	(1,078)	(3,544)	(8,691)
Amortization of transition amount for retirement benefits .....	(13,704)	—	(110,522)
Other, net .....	(1,119)	518	(9,031)
	<u>(16,615)</u>	<u>(4,709)</u>	<u>(133,998)</u>
<b>Income (loss) before income taxes</b> .....	(7,055)	4,453	(56,901)
<b>Income taxes</b>			
Current .....	4,392	2,147	35,419
Deferred .....	(6,815)	799	(54,960)
<b>Net income (loss)</b> .....	<u>¥ (4,632)</u>	<u>¥ 1,507</u>	<u>\$ (37,360)</u>
<b>Retained earnings:</b>			
Balance at beginning of year .....	16,007	7,834	129,089
Cumulative effect of adopting deferred tax accounting at April, 1999 .....	—	7,324	—
Cash dividends .....	(997)	(598)	(8,040)
Transfer to legal reserve .....	(106)	(60)	(855)
Bonuses to directors and statutory auditors .....	(60)	—	(484)
Net income (loss) .....	<u>(4,632)</u>	<u>1,507</u>	<u>(37,360)</u>
Balance at end of year .....	<u>¥ 10,212</u>	<u>¥ 16,007</u>	<u>\$ 82,350</u>
<b>Per share data</b> (Note 1):			U.S. Dollars (Note 2)
		Japanese Yen	
Net income (loss) .....	¥ (23.23)	¥ 7.55	\$ (0.19)
Cash dividend .....	¥ 5.00	¥ 5.00	\$ 0.040

The accompanying notes are an integral part of this statement.