

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2002 and 2001

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2002	2001	2002
Net sales	¥ 288,932	¥ 294,693	\$ 2,172,420
Cost of sales	263,422	266,570	1,980,613
Gross profit	25,510	28,123	191,807
Selling, general and administrative expenses	16,985	17,160	127,712
Operating income	8,525	10,963	64,095
Other income (expenses):			
Interest and dividends income	561	551	4,218
Interest expenses	(1,446)	(1,661)	(10,872)
Write-down of marketable securities and investment securities	(1,383)	(413)	(10,400)
Write-down of real estate for sale	(95)	(241)	(710)
Amortization of transition amount for retirement benefits	—	(13,743)	—
Other, net	(660)	(1,239)	(4,962)
	<u>(3,023)</u>	<u>(16,746)</u>	<u>(22,726)</u>
Income (loss) before income taxes and minority interest	5,502	(5,783)	41,368
Income taxes			
Current	4,373	5,035	32,882
Deferred	(1,055)	(6,941)	(7,934)
Minority interest	159	88	1,199
Net income (loss)	<u>¥ 2,025</u>	<u>¥ (3,965)</u>	<u>\$ 15,221</u>
Retained earnings:			
Balance at beginning of year	¥ 15,152	¥ 20,183	\$ 113,921
Cash dividends	(983)	(997)	(7,389)
Bonuses to directors and corporate auditors	(9)	(69)	(70)
Net income (loss)	2,025	(3,965)	15,221
Balance at end of year	<u>¥ 16,185</u>	<u>¥ 15,152</u>	<u>\$ 121,683</u>
Per share data (Note 1):	Japanese Yen		U.S. Dollars (Note 2)
Net income (loss)	¥ 10.30	¥ (19.89)	\$ 0.077
Cash dividends	¥ 5.00	¥ 5.00	\$ 0.038

The accompanying notes are an integral part of this statement.