

REPORT OF INDEPENDENT AUDITORS

ChuoAoyama PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS 

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To the Board of Directors TOA CORPORATION

We have audited the accompanying consolidated balance sheets of TOA CORPORATION and its subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of income, and retained earnings, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOA CORPORATION and its subsidiaries as of March 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note (1), effective for the year ended March 31, 2004, TOA CORPORATION and its subsidiaries (the "Companies") changed their accounting policy for the revenue recognition for the contracts in amount of or exceeding ¥100 million to percentage of completion method. In the previous years, the Companies followed the completion method for revenue from those contracts except for contracts in amounts of or exceeding ¥2 billion.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 3 to the accompanying consolidated financial statements.

ChuoAoyama Pricewaterhouse Coopers

ChuoAoyama PricewaterhouseCoopers
Tokyo, Japan
June 29, 2004