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 19 majority-owned subsidiaries as of March 31, 2004

The consolidated financial statements for the years ended March 31, 2004 and 2003 include the accounts of the Company and 12 of its majority-owned subsidiaries.

The consolidated subsidiaries for 2004 included TOA Real Estate Co., Ltd., TOA Tekko Co., Ltd., TOA Kikai Kogyo Co., Ltd., Tagawa Real Estate Co., Ltd., TOA Doboku Co., Ltd., Shinko Corporation, TOA Builtec Co., Ltd., TOA Concrete Co., Ltd., TOA Agency Co., Ltd., TOA Agency Nishinihon Co., Ltd., TOA Kaiun Sangyo Co., Ltd., and Tsurumi Rinko 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:

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.

(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:

(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

Securities held by the Companies, under the present standard, 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 quotations 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 quotations 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 present standard, debt securities due within one year are presented as "current" and all the other securities are presented as "non-current".

(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 each outstanding receivable.

(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 buildings which the Companies acquired on and after April 1, 1998, is amortized on a straight-line basis over the shortened estimated period.

On August 9, 2002, the Business Accounting Council in Japan issued "Accounting Standard for Impairment of Fixed Assets". The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price and value in use. The standard shall be effective for fiscal years beginning April 1, 2005.

The Company has not yet applied this new standard nor has determined the effect of applying it on the Company's consolidated financial statements.

(i) Reserve for retirement benefits:

The reserve for retirement benefits as of the end of the fiscal year represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets. The unrecognized actuarial differences are amortized on straight-line basis over the period of 15 years from the next year in which they arise.

On March 31, 2004 the Companies changed the retirement and severance benefits system to the benefits pension plans substantially covering all employees from the employees welfare pension fund.

In addition, all funds of lump-sum severance payments were transferred to the benefits pension plan, which is the so-called cash-balance plan system.

(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 2004 and 2003 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) Recognition of contract revenue:

The Companies adopt the completion method for revenue recognition for the contracts in amounts of less than ¥100 million and the percentage of completion method for the contracts in amounts of ¥100 million or more, the percentage being measured by the ratio of the costs incurred to the estimated total costs for each contract.

In the previous years, the Companies adopted the completion method for the contracts in amounts of less than ¥2 billion. In the year ended March 31, 2004, due to amounts of orders received being smaller in size, under severe economic conditions, the Companies changed the criteria to ¥100 million.

The amounts of contract revenue which are accounted for by the percentage of completion method were ¥32,223 million (US$303,996 thousand) for 2004 and ¥31,165 million for 2003.

(m) 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.

(n) Leases:

Leases that transfer substantially all the risks and rewards of ownership of the assets are accounted for as capital leases, except that leases do not transfer ownership of the assets at the end of the lease term are accounted for as operating leases, in accordance with accounting principles and practices generally accepted in Japan.

(0) 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 2004 and 2003, due to the fact that there were no bonds with warrant and convertible bonds at the end of 2004 and 2003.

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 ¥106 = US$1, the approximate rate of exchange effective at March 31, 2004. 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, 2004 and 2003 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Cash and bank deposits …...	¥ 24,721	¥ 26,171	$ 233,220
Time deposits with deposit term of 3 months ….	(290)	(312)	(2,743)
Cash and cash equivalents ..	¥ 24,431	¥ 25,859	$ 230,477

(4) Marketable Securities and Investments in Securities

The following is certain information related to the aggregate carrying amount and fair value of securities after the adoption of the new standard in 2002

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Government bond, municipal bond and other ……….	¥ 77	¥ 77	$ 728
Corporate bond.	300	300	2,830
Total……...	¥ 377	¥ 377	$ 3,558

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Carrying value..	¥ 377	¥ 377	$ 3,558
Market value….	379	369	3,574
Unrealized gain (loss)………	¥ 2	¥ (8)	$ 16

(b) Other securities having its market value:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Marketable equity securities……	¥ 13,697	¥ 9,057	$ 129,218
Debentures…….	6	5	57
Other………….	296	239	2,796
Total……..	¥ 13,999	¥ 9,301	$ 132,071

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Cost……………	¥ 10,080	¥ 11,246	$ 95,093
Market value….	13,999	9,301	132,071
Unrealized gain (loss)……….	¥ 3,919	¥ (1,945)	$ 36,978

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

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

Short-term borrowings were represented generally by 365-day notes in 2004 and 2003 issued by the Companies and bore interest principally at the short-term primary interest rates in effect in 2004 and 2003.

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 balances are not legally or contractually restricted as to withdrawal.

Long-term debt as of March 31, 2004 and 2003 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
3.45% bond, due 2003 ……………..	¥ —	¥ 4,800	$ —
3.55% bond, due 2004 ……………..	3,700	3,700	34,905
Loans from banks and insurance companies with interest ranging from 0.09% to 2.80%, due various dates through 2009:			
Collateralized or guaranteed ……..	¥32,896	¥30,771	$310,343
Total ………….	36,596	39,271	345,248
Current portion included in current liabilities ……….	(12,147)	(15,607)	(114,595)
Total …………	¥24,449	¥23,664	$230,653

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 have 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.

At March 31, 2004, the Company had credit lines from 7 banks amounting to ¥15,000 million (US$141,509 thousand) in total.

Assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2004 were as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Assets pledged as collateral:		
Land	¥ 3,250	$ 30,664
Building and structures	1,101	10,391
Investment securities	5,725	54,009
	¥ 10,076	$ 95,064

	Millions of Japanese Yen	Thousands of U.S. Dollars
Liabilities secured thereby:		
Current portion of long-term debt	¥ 1,594	$ 15,038
Long-term debt	¥ 2,262	$ 21,339

The aggregate annual maturities of long-term loans (including current portion) as of March 31, 2004 were as follows:

Year ending March 31	Millions of Japanese Yen	Thousands of U.S. Dollars
2005	¥ 8,447	$ 79,689
2006	7,669	72,347
2007	8,421	79,440
2008	5,232	49,361
2009 and thereafter	3,127	29,506
Total	¥ 32,896	$310,343

(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 and Pension Plan

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

The Company obtained the approval from the Minister of Health, Labor and Welfare on March 1, 2003, for an exemption from the future benefit obligation related to the substituted government's portion of pension benefits provided by social welfare pension fund.

All funds of lump-sum severance payments were transferred to the cash-balance plan system.

The change resulted in past service cost amounting to ¥5,311 million (US$50 million), ¥1,062 million (US$10 million) of which was amortized in 2004.

The reserve for retirement benefits as of March 31, 2004 and 2003 are analyzed as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Projected benefit obligations	¥(25,470)	¥(29,968)	$(240,289)
Plan assets	12,079	8,459	113,957
	(13,391)	(21,509)	(126,332)
Unrecognized actuarial differences	5,027	8,978	47,433
Unrecognized prior service cost	(4,248)	—	(40,084)
	¥(12,612)	¥(12,531)	$(118,983)

Net pension expense related to the retirement benefits for the years ended March 31, 2004 and 2003 was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Service cost	¥ 1,249	¥ 1,840	$ 11,787
Interest cost	745	1,256	7,027
Expected return on plan assets	(159)	(500)	(1,503)

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Amortization of unrecognized actuarial differences amount	¥ 638	¥ 503	$ 6,017
Amortization of prior service cost	(1,062)	—	(10,021)
Net pension expense	¥ 1,411	¥ 3,099	$ 13,307
Gain due to the transfer of the substitutional portion of the employee pension fund liabilities	—	(3,008)	—
	¥ 1,411	¥ 91	$ 13,307

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

	2004	2003
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	2.5%	2.5%
Method of attributing the projected benefits to periods of services	Straight-line basis	Straight-line basis
Amortization of unrecognized actuarial differences	15 years	15 years
Amortization of prior service cost	5 years	—

The balance of reserve for retirement benefits included the reserve for retirement allowance for directors and statutory auditors in amounts of ¥814 million (US$7,682 thousands) and ¥871 million as of March 31, 2004 and 2003, respectively.

(8) Income Taxes

(a) The significant components of deferred tax assets and liabilities at March 31, 2004 and 2003 were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
Deferred Tax Assets:	2004	2003	2004
Expense for retirement benefits	¥ 5,086	¥ 4,684	$ 47,981
Revaluation of inventories	2,426	2,828	22,883
Write-down of investments securities	456	511	4,301
Allowance for doubtful accounts	¥ 886	¥ 1,146	$ 8,362
Accrued bonus to employees	556	482	5,246
Reserve for retirement benefits to directors	328	358	3,092
Accrued tax	106	16	1,004
Others	2,263	3,878	21,346
Deferred Tax Assets	¥ 12,107	¥ 13,903	$ 114,215
Deferred Tax Liabilities:			
Property and equipment	¥ (1,535)	¥ (1,535)	$ (14,483)
Other	(1,642)	(55)	(15,490)
Deferred Tax Liabilities	(3,177)	(1,590)	(29,973)
Net Deferred Tax Assets	¥ 8,930	¥ 12,313	$ 84,242

(b) A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2004 and the actual effective tax rates reflected in the accompanying consolidated statements of operations is as follows:

	2004
Normal effective statutory tax rate	41.7 %
Expenses not deductible for income tax purposes	11.9
Non-taxable income	(0.7)
Per capita levy of inhabitant taxes	5.0
Other-net	9.9
Actual effective tax rate	67.8 %

(9) Shareholders' Equity

Under the Commercial Code of Japan, certain issuance of common shares is required to be credited to the common stock account for 50% of the proceeds. The Code permits, upon approval of the board of directors, transfer of amounts from additional paid-in capital to the common stock.

The Commercial Code of Japan provides that an amount equal to at least 10% of all cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated as a legal reserve until the total amount of legal reserve and additional paid-in capital equals 25 % of the stated amount of capital stock. Legal reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the board of directors. On condition that the total amount of legal reserve and additional paid-in capital remains equal to or exceeds 25% of common stock, it is available for distributions by the resolution of shareholder' meeting. Par value stock is abolished and unifies in no-par value stock.

(10) Leases

The Companies lease tools, vehicles and certain other assets under operating leases. Leases qualifying as capital leases at March 31, 2004 and 2003 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Machinery, vehicles, tools and others	¥1,417	¥1,103	$ 13,373
Accumulated depreciation	1,000	501	9,435
	¥ 417	¥ 602	$ 3,938

The scheduled maturities of future lease rental payments, including an interest portion on such lease contracts as of March 31, 2004 and 2003 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Due within one year ...	¥ 206	¥ 164	$ 1,947
Due over one year	794	438	7,488
	¥1,000	¥ 602	$ 9,435

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 ¥217 million (US$2,049 thousand) and ¥190 million for the years ended March 31, 2004 and 2003, respectively.

(11) Revaluation of land

The Company revalued the land of ownership used for its own business purposes based on the value appraised by an appraiser who is regulated by Article 2 No.1 and 4 of an Enforcement Ordinance No.119 of Law Concerning Land Revaluation (effective from March 31, 1998) with certain necessary adjustments.

As a result the excess of revaluation was recognized and taxes to be levied to its excess in future was declared as deferred tax liabilities amounting to ¥118 million (US$1,118 thousand) included in other long-term liabilities and net excess having deducted the above taxes was presented in shareholders' equity as a reserve for land revaluation amounting to ¥175 million (US$1,649 thousand).

On the date of revaluation of March 31, 2004, there was a difference in value between market and book after revaluation amounting to ¥3,693 million (US$34,841 thousands).

(12) Commitments and Contingent Liabilities

There were no commitments outstanding at March 31, 2004 and 2003 for the purchase of property, plant and equipment.

The Companies are contingently liable for the following at March 31, 2004 and 2003:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2004	2003	2004
Trade notes receivable discounted	¥ 129	¥ 287	$ 1,222
Contingently liable for guarantees of short-term and long-term debt of customers, unconsolidated subsidiaries and affiliates..	5,322	4,414	50,211
	¥5,451	¥4,701	$ 51,433

To the Central Council of Troubles about Construction Works, the Company has and is raising arbitration by the contractor of work which was constructed and completed by its joint ventures.

(13) 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, 2004 Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 200,121	¥ 6,281	¥ 2,814	¥ 209,217	¥ 0	¥ 209,217
Inter-segment	1,436	611	1,382	3,430	(3,430)	0
Total	201,557	6,893	4,197	212,647	(3,430)	209,217
Operating expenses	196,838	6,229	4,169	207,236	(3,198)	204,037
Operating profit	4,719	664	28	5,411	(231)	5,180
Total assets	172,247	48,419	4,039	224,705	31,789	256,494
Depreciation expenses	2,957	284	93	3,334	9	3,343
Capital Expenditure	¥ 2,089	¥ 108	¥ 12	¥ 2,210	¥ (3)	¥ 2,207

Year Ended March 31, 2003 Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 228,066	¥ 6,501	¥ 3,356	¥ 237,923	¥ 0	¥ 237,923
Inter-segment	1,901	631	1,526	4,058	(4,058)	0
Total	229,967	7,132	4,882	241,981	(4,058)	237,923
Operating expenses	226,229	6,808	4,697	237,734	(4,138)	233,596
Operating profit	3,738	324	185	4,247	80	4,327
Total assets	177,542	52,672	4,365	234,579	29,362	263,941
Depreciation expenses	3,898	238	91	4,227	11	4,238
Capital Expenditure	¥ 1,961	¥ 132	¥ 231	¥ 2,324	¥ (9)	¥ 2,315

Year Ended March 31, 2004 Thousands of U.S. Dollars

	Construction	Real Estate	Other Businesses	Total	Elimination	Consolidated
Net sales:						
Customers	$1,887,936	$ 59,259	$ 26,552	$1,973,747	$ 0	$ 1,973,747
Inter-segment	13,547	5,766	13,042	32,355	(32,355)	0
Total	1,901,483	65,025	39,594	2,006,102	(32,355)	1,973,747
Operating expenses	1,856,960	58,760	39,334	1,955,054	(30,172)	1,924,882
Operating profit	44,523	6,265	260	51,048	(2,183)	48,865
Total assets	1,624,969	456,789	38,104	2,119,862	299,899	2,419,761
Depreciation expenses	27,895	2,677	877	31,450	84	31,534
Capital Expenditure	$ 19,712	$ 1,023	$ 111	$ 20,846	$ (25)	$ 20,821

b. **Geographical Segments**

Each area primarily refers to the following countries:

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

Year Ended March 31, 2004 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 189,212	¥ 16,905	¥ 3,100	¥ 209,217	¥ —	¥ 209,217
Inter-segment	—	—	—	—	(—)	—
Total	189,212	16,905	3,100	209,217	(—)	209,217
Operating expenses	183,765	17,243	3,029	204,037	(—)	204,037
Operating profit	5,447	(338)	71	5,180	(—)	5,180
Total assets	¥ 201,201	¥ 13,380	¥ 1,726	¥ 216,307	¥ 40,187	¥ 256,494

Year Ended March 31, 2003 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	¥ 219,164	¥ 15,500	¥ 3,259	¥ 237,923	¥ —	¥ 237,923
Inter-segment	—	—	—	—	(—)	—
Total	219,164	15,500	3,259	237,923	(—)	237,923
Operating expenses	214,731	15,909	2,956	233,596	(—)	233,596
Operating profit	4,433	(409)	303	4,327	(—)	4,327
Total assets	¥ 213,366	¥ 10,388	¥ 990	¥ 224,744	¥ 39,197	¥ 263,941

Year Ended March 31, 2004 — Thousands of U.S. Dollars

	Japan	Southeast Asia	Other Areas	Total	Elimination	Consolidated
Net sales:						
Customers	$1,785,019	$ 159,482	$ 29,245	$1,973,747	$ —	$1,973,747
Inter-segment	—	—	—	—	(—)	—
Total	1,785,019	159,482	29,245	1,973,747	(—)	1,973,747
Operating expenses	1,733,636	162,672	28,574	1,924,882	(—)	1,924,882
Operating profit	51,383	(3,190)	671	48,865	(—)	48,865
Total assets	$1,898,121	$126,232	$ 16,285	$2,040,638	$ 379,123	$2,419,761

c. Overseas Net Sales

Each area primarily refers to the following countries:

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

Year Ended March 31, 2004 — Millions of Japanese Yen

	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 16,905	¥ 3,100	¥ 20,005
Consolidated net sales	—	—	209,217
Ratio (%)	8.1	1.5	9.6

Year Ended March 31, 2003 — Millions of Japanese Yen

	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 15,500	¥ 3,259	¥ 18,759
Consolidated net sales	—	—	237,923
Ratio (%)	6.5	1.4	7.9

Year Ended March 31, 2004 — Thousands of U.S. Dollars

	Southeast Asia	Other Areas	Total
Overseas net sales	$ 159,482	$ 29,245	$ 188,728
Consolidated net sales	—	—	1,973,747