

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2005 and 2004

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2005	2004	2005
Net sales	¥201,158	¥209,217	\$ 1,879,985
Cost of sales	183,365	189,185	1,713,696
Gross profit	17,793	20,032	166,289
Selling, general and administrative expenses	13,791	14,852	128,890
Operating income	4,002	5,180	37,399
Other income (expenses):			
Interest and dividend income	446	404	4,171
Interest expenses	(921)	(1,204)	(8,607)
Write-down of marketable securities and investment securities	(8)	(66)	(74)
Write-down of real estate for sale	(2,988)	(292)	(27,927)
Doubtful accounts for long-term receivables	(4)	(134)	(37)
Reserve for loss on development business	(6,836)	—	(63,888)
Other, net	(1,325)	(457)	(12,381)
	<u>(11,636)</u>	<u>(1,749)</u>	<u>(108,743)</u>
Income (loss) before income taxes and minority interests	(7,634)	3,431	(71,344)
Income taxes			
Current	1,870	1,373	17,476
Deferred	(4,377)	954	(40,899)
Minority interests	54	53	501
Net income (loss)	<u>(¥5,181)</u>	<u>¥ 1,051</u>	<u>(\$48,422)</u>
Retained earnings:			
Balance at beginning of year	¥ 15,542	¥ 15,389	\$ 145,249
Cash dividends	(976)	(982)	(9,125)
Bonuses to directors and corporate auditors	0	(6)	(3)
Write-off from revaluation excess of land	449	90	4,204
Net income (loss)	(5,181)	1,051	(48,422)
Balance at end of year	<u>¥ 9,834</u>	<u>¥ 15,542</u>	<u>\$ 91,903</u>
Per share data (Note 1):			
	Japanese Yen		U.S. Dollars (Note 2)
Net income (loss)	(¥26.39)	¥ 5.33	(\$0.247)
Cash dividends	¥ 3.00	¥ 5.00	\$0.028

The accompanying notes are an integral part of this statement.