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 conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements, as required by the Securities and Exchange Law of Japan have been reclassified and rearranged for the convenience of readers outside Japan.

(b) Basis of consolidation:

The Company had 20 and 18 majority-owned subsidiaries as of March 31, 2006, and 2005, respectively.

The consolidated financial statements for the years ended March 31, 2006 and 2005 include the accounts of the Company and 12 of its majority-owned subsidiaries.

The consolidated subsidiaries for 2006 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.

The assets and liabilities of consolidated subsidiaries are incorporated into the consolidated financial statements at fair value at the time of acquisition, and the differences between the cost of investments in consolidated subsidiaries and the equity in their net assets at date of acquisition are amortised over a period of five years.

Investments in other affiliates, not significant in amount, are carried at cost. Where there has been permanent impairment in the value of its investment, the Company has written them down.

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 minor risk of fluctuation in value.

(e) Financial instruments:

(I) Derivatives

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.

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, primarily based on the moving average cost method. Other than temporary declines in the value of other securities are reflected in current income.

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.

(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 as well as 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 and adverse fluctuation in foreign exchange rates. 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.

For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values as an alternative method under Japanese accounting standards.

The amounts received or paid for such interest swap arrangements are charged or credited to income as incurred.

(f) Inventories:

Cost on contracts in progress and real estate for sale are stated at specific cost for each contract. 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) Reserve for loss on development business:

Reserve for loss on development business is provided for the amount sufficient to cover possible loss on development business, including housing development business by evaluating individual business condition.

(i) Reserve for loss on guarantees:

Reserve for loss on guarantees is provided for the amount sufficient to cover possible loss on guarantees by evaluating individual warrantee's financial positions.

(j) Reserve for loss on investments to affiliates:

Reserve for loss on investments to affiliates is provided for the amount sufficient to cover unrealized holding loss on investments to affiliates corresponding decreased amounts of by considering their financial positions.

(k) 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 computed on a straight-line basis over the shortened estimated period.

(l) Impairment of fixed assets:

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 is effective for fiscal years beginning April 1, 2005, but earlier application is permitted. Effective from the year ended March 31, 2005, the Companies applied the new standard.

The accumulated impairment loss is deducted from net value of each asset, amounting ¥63 million (US$539 thousand) for 2006 and ¥82 million for 2005.

(m) 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.

Unrecognized prior service costs are amortized based on the straight-line method over a period of five years beginning at the date of adoption of the plan amendment.

(n) Income taxes:

The Companies have adopted the asset-liability method of tax effect amounting to recognize the effect of temporary differences in the recognition of tax basis assets and liabilities and their financial report amounts.

(o) Consumption tax:

In Japan, consumption tax at the flat rate of 5% for 2006 and 2005 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.

(p) 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 for more than one year, the percentage being measured by the ratio of the costs incurred to the estimated total costs for each contract.

The amounts of contract revenue which are accounted for by the percentage of completion method were ¥90,856 million (US$776,547 thousand) for 2006 and ¥71,964 million for 2005.

(q) Appropriation of retained earnings:

The appropriation of retained earnings reflected in the accompanying consolidated financial statements represents the result of an appropriation applicable to the preceding fiscal period.

(r) Leases:

Noncancelable leases are primarily accounted for as operating leases (whether such leases are classified as operating of finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

(s) 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 2006 and 2005, due to the fact that there were no bonds with warrant and convertible bonds at the end of 2006 and 2005.

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 ¥117 = US$1, the approximate rate of exchange effective at March 31, 2006. 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, 2006 and 2005 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Cash and time deposits	¥ 24,857	¥ 23,606	$ 212,455
Time deposits due over three months	(119)	(294)	(1,018)
Cash and cash equivalents	¥ 24,738	¥ 23,312	$ 211,437

(4) Marketable Securities and Investments in Securities

The following is certain information related to the aggregate carrying amount and fair value of securities.

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Government bond, municipal bond and other	¥ 62	¥ 77	$ 530
Corporate bond.	—	300	—
Total.........	¥ 62	¥ 377	$ 530

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Carrying value..	¥ 62	¥ 377	$ 530
Market value....	61	381	523
Unrealized gain.	¥ (0)	¥ 4	$ (7)

(b) Other securities having its market value:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Marketable equity securities......	¥ 21,257	¥ 14,711	$ 181,687
Debentures.......	8	6	68
Other..............	269	282	2,301
Total.........	¥ 21,534	¥ 14,999	$ 184,056

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Cost..............	¥ 9,435	¥ 10,099	$ 80,641
Market value....	21,534	14,999	184,056
Unrealized gain.	¥ 12,099	¥ 4,900	$ 103,415

Securities for which market quotations are not available are principally unlisted securities.

Investments in securities at March 31, 2006 and 2005 comprise investment securities lent to the third party under a security loan agreement amounting to ¥920 million and ¥472 million, respectively.

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

Short-term borrowings were represented generally by 365-day notes in 2006 and 2005 issued by the Companies and bore interest principally at the short-term primary interest rates in effect in 2006 and 2005.

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, 2006 and 2005 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Loans from banks and insurance companies with interest ranging from 0.35% to 1.29%, due various dates through 2011:	¥31,673	¥34,744	$270,710
Total	31,673	34,744	270,710
Current portion included in current liabilities	(10,955)	(8,363)	(93,640)
Total	¥20,717	¥26,381	$177,070

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, 2006, the Company had credit lines from 8 banks amounting to ¥15,000 million (US$128,205 thousand) in total.

Assets pledged as collateral for short-term borrowings, long-term debt and contingent liabilities at March 31, 2006 were as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Assets pledged as collateral:		
Land	¥ 1,578	$ 13,487
Building and structures	764	6,530
Investment securities	5,361	45,818
Investment	40	342
	¥ 7,743	$ 66,177
Liabilities secured thereby:		
Current portion of long-term debt	¥ 1,113	$ 9,516
Long-term debt	¥ 2,037	$ 17,407
Contingent liabilities	¥ 2,354	$ 20,120

The aggregate annual maturities of long-term loans (including current portion) as of March 31, 2006 were as follows:

Year ending March 31	Millions of Japanese Yen	Thousands of U.S. Dollars
2007	¥ 10,956	$ 93,640
2008	9,336	79,792
2009	6,815	58,251
2010	3,592	30,701
2011 and thereafter	974	8,325
Total	¥ 31,673	$270,709

(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 and its consolidated subsidiaries have defined benefit retirement plans covering substantially all employees.

The reserve for retirement benefits as of March 31, 2006 and 2005 are analyzed as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Projected benefit obligations	**¥(26,408)**	¥(26,044)	**$(225,711)**
Plan assets	**20,641**	13,431	**176,423**
	(5,767)	(12,613)	**(49,288)**
Unrecognized actuarial differences	**978**	4,477	**8,363**
Unrecognized prior service cost	**(2,124)**	(3,187)	**(18,158)**
	¥ (6,913)	¥(11,323)	**$ (59,083)**

Net pension expense related to the retirement benefits for the years ended March 31, 2006 and 2005 was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Service cost	**¥ 909**	¥ 917	**$ 7,773**
Interest cost	**646**	632	**5,520**
Expected return on plan assets	**(256)**	(226)	**(2,184)**
Amortization of unrecognized actuarial differences amount	**408**	417	**3,487**
Amortization of prior service cost	**¥(1,062)**	¥(1,062)	**$ (9,079)**
Net pension and severance costs	**¥ 645**	¥ 678	**$ 5,517**

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

	2006	2005
Discount rate	**2.5%**	2.5%

	2006	2005
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**	5 years

The balance of reserve for retirement benefits included the reserve for retirement allowance for directors and statutory auditors in amounts of ¥100 million (US$856 thousands) and ¥95 million as of March 31, 2006 and 2005, respectively.

The reserve for retirement allowance for directors and statutory auditors are provided at the amount required on balance sheet dates in accordance with the internal rules of certain consolidated subsidiaries.

(8) Income Taxes

(a) The significant components of deferred tax assets and liabilities at March 31, 2006 and 2005 were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Deferred Tax Assets:			
Pension and severance costs	**¥ 3,648**	¥ 4,856	**$ 31,184**
Revaluation of inventories	**2,951**	3,483	**25,221**
Write-down of investments securities	**321**	373	**2,743**
Allowance for doubtful accounts	**1,212**	743	**10,357**
Accrued bonus to employees	**593**	524	**5,065**
Reserve for retirement benefits to directors	**—**	33	**—**
Accrued tax	**78**	172	**667**
Reserve for loss on development business	**3,085**	3,085	**26,367**
Others	**¥ 4,008**	¥ 3,101	**$ 34,257**
Valuation allowance	**(788)**	(464)	**(6,731)**
Deferred Tax Assets	**¥ 15,108**	¥ 15,906	**$ 129,130**

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	**2006**
Deferred Tax Liabilities:			
Property and equipment	**¥ (1,250)**	¥ (1,263)	**$ (10,685)**
Other	**(4,975)**	(2,037)	**(42,522)**
Deferred Tax Liabilities	**(6,225)**	(3,301)	**(53,205)**
Net Deferred Tax Assets	**¥ 8,883**	¥ 12,605	**$ 75,923**

(b) A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2006 and the actual effective tax rates reflected in the accompanying consolidated statements of operations is as follows. However, loss before income taxes and minority interests for the year ended March 31, 2005 was incurred, thus there is no description of tax rates here.

	2006
Normal effective statutory tax rate	40.4 %
Expenses not deductible for income tax purposes	10.0
Non-taxable income	(2.1)
Per capita levy of inhabitant taxes	4.5
Other-net	3.9
Actual effective tax rate	56.7 %

(9) Shareholders' Equity

In accordance with the Commercial Code of Japan, (the "Code"), the Company has provided a legal reserve, which is included in additional paid-in capital. 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 shareholders. Par value stock is abolished and unifies in no-par value stock.

(10) Leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net value of the leased assets, which included an interest portion at March 31, 2006 and 2005.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Machinery, vehicles, tools and others	¥1,460	¥1,388	$ 12,482
Accumulated depreciation	695	456	5,943
	¥ 765	¥ 932	$ 6,539

The scheduled maturities of future lease rental payments, including an interest portion on such lease contracts as of March 31, 2006 and 2005 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Due within one year ...	¥ 245	¥ 230	$ 2,098
Due over one year	520	702	4,441
	¥ 765	¥ 932	$ 6,539

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 ¥239 million (US$2,046 thousand) and ¥203 million for the years ended March 31, 2006 and 2005, 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.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 on its excess in future was declared as deferred tax liabilities amounting to ¥2,829 million (US$24,178 thousand) for 2006 which was accounted for as deferred tax assets amounting to ¥186 million, included in other assets for 2005. Net excess having deducted the above taxes was presented in shareholders' equity as a reserve for land revaluation amounting to minus ¥2,853 million (US$24,387 thousand) for 2006 and ¥275 million for 2005, respectively. On the date of revaluation of March 31, 2006, there was a difference in value between market and book after revaluation amounting to ¥6,711 million (US$57,358 thousands).

(12) Commitments and Contingent Liabilities

The Companies are contingently liable for the following at March 31, 2006 and 2005:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2006	2005	2006
Trade notes receivable discounted and endorsed	¥ 32	¥ 196	$ 281
Contingently liable for guarantees of short-term and long-term debt of employee, customers, unconsolidated subsidiaries and affiliates..	3,910	4,758	33,416
	¥ 3,942	¥ 4,954	$ 33,697

The Company has received a declaration for arbitration from the owner through the "Central dispute committee of construction works" for work which was constructed and completed in 1989 by joint venture. The total construction cost was ¥757 million, including ¥378 million for the Company. At present, the result of arbitration is not predictable.

(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 Business ... Building and repair of vessels and agency business

Year Ended March 31, 2006 — Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	¥ 214,089	¥ 4,913	¥ 3,528	¥ 222,530	¥ —	¥ 222,530
Inter-segment	1,179	870	996	3,045	(3,045)	—
Total	215,268	5,783	4,524	225,575	(3,045)	222,530
Operating expenses	212,023	5,399	4,332	221,754	(3,119)	218,635
Operating income	3,245	384	192	3,821	74	3,895
Total assets	166,203	34,392	4,752	205,347	42,764	248,111
Depreciation expenses	2,448	186	75	2,709	(3)	2,706
Capital Expenditure	¥ 1,473	¥ 31	¥ 53	¥ 1,557	¥ 3	¥ 1,560

Year Ended March 31, 2005 — Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	¥ 191,893	¥ 5,582	¥ 3,683	¥ 201,158	¥ —	¥ 201,158
Inter-segment	1,797	700	1,337	3,834	(3,834)	—
Total	193,690	6,282	5,020	204,992	(3,834)	201,158
Operating expenses	190,274	5,985	4,669	200,928	(3,772)	197,156
Operating income	3,416	297	351	4,064	(62)	4,002
Total assets	165,753	38,623	4,796	209,172	34,277	243,449
Depreciation expenses	2,523	258	82	2,863	8	2,871
Capital Expenditure	¥ 1,616	¥ 101	¥ 17	¥ 1,734	¥ 134	¥ 1,868

Year Ended March 31, 2006 — Thousands of U.S. Dollars

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	$1,829,820	$ 41,991	$ 30,152	$1,901,963	$ —	$ 1,901,963
Inter-segment	10,075	7,434	8,512	26,021	(26,021)	—
Total	1,839,895	49,425	38,664	1,927,984	(26,021)	1,901,963
Operating expenses	1,812,164	46,147	37,019	1,895,330	(26,662)	1,868,668
Operating income	27,731	3,278	1,645	32,654	641	33,295
Total assets	1,420,539	293,948	40,614	1,755,101	365,502	2,120,603
Depreciation expenses	20,924	1,591	645	23,160	(29)	23,131
Capital Expenditure	$ 12,594	$ 261	$ 455	$ 13,310	$ 29	$ 13,339

b. Geographical Segments

Each area primarily refers to the following countries:

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

Year Ended March 31, 2006 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	¥ 190,897	¥ 17,808	¥ 13,825	¥ 222,530	¥ —	¥ 222,530
Inter-segment	—	—	—	—	(—)	—
Total	190,897	17,808	13,825	222,530	(—)	222,530
Operating expenses	186,327	18,098	14,210	218,635	(—)	218,635
Operating income	4,570	(290)	(385)	3,895	(—)	3,895
Total assets	¥ 180,025	¥ 13,872	¥ 7,462	¥ 201,359	¥ 46,752	¥ 248,111

Year Ended March 31, 2005 — Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	¥ 178,270	¥ 16,547	¥ 6,341	¥ 201,158	¥ —	¥ 201,158
Inter-segment	—	—	—	—	(—)	—
Total	178,270	16,547	6,341	201,158	(—)	201,158
Operating expenses	173,792	16,618	6,746	197,156	(—)	197,156
Operating income	4,478	(71)	(404)	4,002	(—)	4,002
Total assets	¥ 183,705	¥ 12,683	¥ 7,606	¥ 203,994	¥ 39,455	¥ 243,449

Year Ended March 31, 2006 — Thousands of U.S. Dollars

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
Customers	$1,631,600	$ 152,205	$ 118,158	$1,901,963	$ —	$1,901,963
Inter-segment	—	—	—	—	(—)	—
Total	1,631,600	152,205	118,158	1,901,963	(—)	1,901,963
Operating expenses	1,592,541	154,680	121,447	1,868,668	(—)	1,868,668
Operating income	39,059	(2,475)	(3,289)	33,295	(—)	33,295
Total assets	$1,538,672	$ 118,565	$ 63,774	$1,721,011	$ 399,592	$2,120,603

c. Overseas Net Sales

Each area primarily refers to the following countries:

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

Year Ended March 31, 2006			Millions of Japanese Yen
	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 17,808	¥ 13,825	¥ 31,633
Consolidated net sales	—	—	222,530
Ratio (%)	8.0	6.2	14.2

Year Ended March 31, 2005			Millions of Japanese Yen
Overseas net sales	¥ 16,547	¥ 6,341	¥ 22,888
Consolidated net sales	—	—	201,158
Ratio (%)	8.2	3.2	11.4

Year Ended March 31, 2006			Thousands of U.S. Dollars
Overseas net sales	$ 152,205	$118,158	$ 270,363
Consolidated net sales	—	—	1,901,963