

# CONSOLIDATED BALANCE SHEETS

TOA CORPORATION and its consolidated subsidiaries  
As of March 31, 2007 and 2006

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2007	2006	2007
<b>Current assets:</b>			
Cash and time deposits (Note 3) .....	¥ 23,149	¥ 24,857	\$ 196,176
Marketable securities (Note 4) .....	101	—	852
Notes and accounts receivable, trade (Note 14) .....	76,861	79,507	651,367
Allowance for doubtful accounts .....	(1,192)	(1,536)	(10,100)
Inventories, principally real estate for sale .....	12,348	14,564	104,642
Cost on contracts in progress .....	16,394	27,403	138,935
Deferred income taxes (Note 9) .....	6,417	5,327	54,379
Prepaid expenses and other current assets .....	17,706	19,968	150,053
Total current assets .....	<u>151,784</u>	<u>170,090</u>	<u>1,286,304</u>
<b>Investments and other assets:</b>			
Investments in affiliates (Note 5) .....	407	609	3,446
Investments in securities (Notes 4 and 5) .....	17,516	24,601	148,442
Long-term loans (Note 5) .....	1,214	914	10,291
Deferred income taxes (Note 9) .....	5,565	4,785	47,158
Others .....	6,693	9,351	56,727
Reserve for loss on investments to affiliates (Note 1) .....	—	(78)	—
Allowance for doubtful accounts .....	(4,975)	(6,412)	(42,161)
Total investments and other assets .....	<u>26,420</u>	<u>33,770</u>	<u>223,903</u>
<b>Property, plant and equipment, at cost (Notes 5, 11 and 12):</b>			
Land .....	30,089	30,030	254,988
Buildings and structures .....	19,706	19,494	167,001
Machinery and equipment .....	30,016	31,837	254,373
Construction in progress .....	4	128	36
Total property, plant and equipment .....	79,815	81,489	676,398
Less accumulated depreciation .....	(36,164)	(37,239)	(306,476)
Property, plant and equipment—net .....	<u>43,651</u>	<u>44,250</u>	<u>369,922</u>
Total .....	<u>¥ 221,855</u>	<u>¥ 248,110</u>	<u>\$ 1,880,129</u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2007	2006	2007
<b>Current liabilities:</b>			
Short-term borrowings (Note 5) .....	¥ 29,490	¥ 31,151	\$ 249,920
Current portion of long-term debt (Note 5) .....	11,396	10,956	96,574
Commercial paper .....	6,000	11,000	50,848
Notes and accounts payable, trade (Note 14).....	63,956	71,519	542,000
Accrued income taxes .....	466	1,111	3,948
Advances on contracts in progress (Note 6) .....	14,916	14,744	126,404
Other current liabilities .....	12,267	14,502	103,956
Total current liabilities .....	<u>138,491</u>	<u>154,983</u>	<u>1,173,650</u>
<b>Long-term liabilities:</b>			
Long-term debt (Note 5) .....	24,982	20,717	211,716
Reserve for retirement benefits (Note 7) .....	3,676	7,013	31,155
Reserve for loss on development business (Note 1) .....	—	6,210	—
Reserve for loss on guarantees (Note 1) .....	—	560	—
Deferred income taxes on revaluation of land (Note 12) .....	2,945	2,829	24,956
Other long-term liabilities .....	2,995	2,863	25,382
Total liabilities .....	<u>173,089</u>	<u>195,175</u>	<u>1,466,859</u>
<b>Net assets (Note 10):</b>			
<b>Shareholders' equity</b>			
Common stock,			
Authorized—600,000,000 shares			
Issued 224,946,290 shares at March 31, 2007 and 2006,			
respectively .....	18,977	18,977	160,819
Additional paid-in capital .....	18,079	18,085	153,214
Retained earnings .....	9,624	10,476	81,559
Treasury stock, at cost 2,780,000 shares and 2,862,000 shares at			
March 31, 2007 and 2006, respectively .....	(456)	(475)	(3,864)
Total shareholders' equity .....	<u>46,224</u>	<u>47,063</u>	<u>391,728</u>
<b>Revaluation and translation adjustments</b>			
Net unrealized gain on securities .....	3,752	7,205	31,801
Gain of deferred hedge .....	26	—	218
Revaluation reserve for land (Note 12) .....	(2,682)	(2,853)	(22,729)
<b>Minority interest</b> .....	1,446	1,520	12,252
Total net assets .....	<u>48,766</u>	<u>52,935</u>	<u>413,270</u>
<b>Commitments and contingent liabilities (Note 13):</b>			
Total .....	<u>¥ 221,855</u>	<u>¥ 248,110</u>	<u>\$ 1,880,129</u>

The accompanying notes are an integral part of these financial statements.