

CONSOLIDATED STATEMENTS OF INCOME

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2007 and 2006

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2007	2006	2007
Net sales	¥188,573	¥222,530	\$ 1,598,080
Cost of sales	174,740	204,928	1,480,846
Gross profit	13,833	17,602	117,234
Selling, general and administrative expenses (Note 8)	12,378	13,707	104,900
Operating income	1,455	3,895	12,334
Other income (expenses):			
Interest and dividend income	484	522	4,100
Interest expenses	(988)	(932)	(8,371)
Write-down of real estate for sale	(2,579)	(555)	(21,857)
Additional severance payment	(1,532)	—	(12,990)
Doubtful accounts for long-term receivables	(321)	(1,977)	(2,718)
Reserve for loss on guarantees	—	(560)	—
Reserve for loss on investments affiliates	—	(78)	—
Gain from overseas business credit in preceding years	120	1,033	1,016
Gain from investment in partnership	646	—	5,478
Gain from sale of marketable securities and investment securities	3,293	175	27,907
Gain on securities contributed to employee retirement benefit trust..	1,383	2,423	11,723
Other, net	(830)	(353)	(7,035)
	<u>(324)</u>	<u>(302)</u>	<u>(2,747)</u>
Income before income taxes and minority interests	1,131	3,593	9,587
Income taxes (Note 9):			
Current	461	1,049	3,904
Deferred	574	990	4,867
	<u>1,035</u>	<u>2,039</u>	<u>8,771</u>
Minority interests	68	66	579
Net income	<u>¥ 28</u>	<u>¥ 1,488</u>	<u>\$ 237</u>
Per share data (Note 1):	Japanese Yen		U.S. Dollars (Note 2)
Net income	¥ 0.13	¥ 7.03	\$ 0.001
Cash dividends	¥ 0.00	¥ 3.00	\$ 0.000

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