

CONSOLIDATED BALANCE SHEETS

TOA CORPORATION and its consolidated subsidiaries
As of March 31, 2008 and 2007

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2008	2007	2008
Current assets:			
Cash and time deposits (Note 3)	¥ 28,532	¥ 23,149	\$ 285,319
Marketable securities (Note 4)	26	101	257
Notes and accounts receivable, trade	78,762	76,861	787,621
Allowance for doubtful accounts	(947)	(1,192)	(9,473)
Inventories, principally real estate for sale	9,091	12,348	90,913
Cost on contracts in progress	15,110	16,394	151,099
Deferred tax assets (Note 9)	2,004	6,417	20,045
Prepaid expenses and other current assets	15,148	17,706	151,476
Total current assets	<u>147,726</u>	<u>151,784</u>	<u>1,477,257</u>
Investments and other assets:			
Investments in affiliates	397	407	3,967
Investments in securities (Notes 4 and 5)	13,189	17,516	131,893
Long-term loans (Note 5)	749	1,214	7,488
Deferred tax assets (Note 9)	1,953	5,565	19,526
Others (Note 5)	6,567	6,693	65,674
Allowance for doubtful accounts	(4,321)	(4,975)	(43,206)
Total investments and other assets	<u>18,534</u>	<u>26,420</u>	<u>185,342</u>
Property, plant and equipment (Notes 5,11 and 12):			
Land	20,536	30,089	205,360
Buildings and structures	16,065	19,706	160,652
Machinery and equipment	31,116	30,016	311,162
Construction in progress	2	4	15
Total property, plant and equipment	<u>67,719</u>	<u>79,815</u>	<u>677,189</u>
Less accumulated depreciation	<u>(33,036)</u>	<u>(36,164)</u>	<u>(330,356)</u>
Property, plant and equipment—net	<u>34,683</u>	<u>43,651</u>	<u>346,833</u>
Total	<u>¥ 200,943</u>	<u>¥ 221,855</u>	<u>\$ 2,009,432</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)
	2008	2007	2008
Current liabilities:			
Short-term borrowings (Note 5)	¥ 16,394	¥ 29,490	\$ 163,940
Current portion of long-term debt (Note 5)	9,315	11,396	93,154
Commercial paper	—	6,000	—
Notes and accounts payable, trade	56,858	63,956	568,578
Accrued income taxes	1,240	466	12,403
Advances on contracts in progress (Note 6)	16,494	14,916	164,940
Other current liabilities	15,401	12,267	154,014
Total current liabilities	115,702	138,491	1,157,029
Long-term debt (Note 5)	14,815	24,982	148,150
Reserve for retirement benefits (Note 7)	2,102	3,676	21,016
Deferred tax liabilities on revaluation of land (Note 12)	3,452	2,945	34,524
Other long-term liabilities (Note 9)	3,301	2,995	33,005
Total liabilities	139,372	173,089	1,393,724
Net assets (Note 10):			
Shareholders equity:			
Common stock,			
Authorized—600,000,000 shares			
Issued—224,946,290 shares at March 31, 2008 and 2007,			
respectively	18,977	18,977	189,767
Additional paid-in capital	18,079	18,079	180,793
Retained earnings	21,807	9,624	218,075
Treasury stock, at cost—2,818,262 shares and 2,780,558 shares			
at March 31, 2008 and 2007, respectively	(462)	(456)	(4,624)
Total shareholders' equity	58,401	46,224	584,011
Valuation, translation adjustments and other:			
Net unrealized gains on securities	861	3,752	8,605
Net deferred gains (losses) on hedges	(128)	26	(1,284)
Revaluation reserve for land (Note 12)	1,150	(2,682)	11,503
Total valuation, translation adjustment and other	1,883	1,096	18,824
Minority interests	1,287	1,446	12,873
Total net assets	61,571	48,766	615,708
Commitments and contingent liabilities (Notes 5 and 13):			
Total	¥ 200,943	¥ 221,855	\$ 2,009,432

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