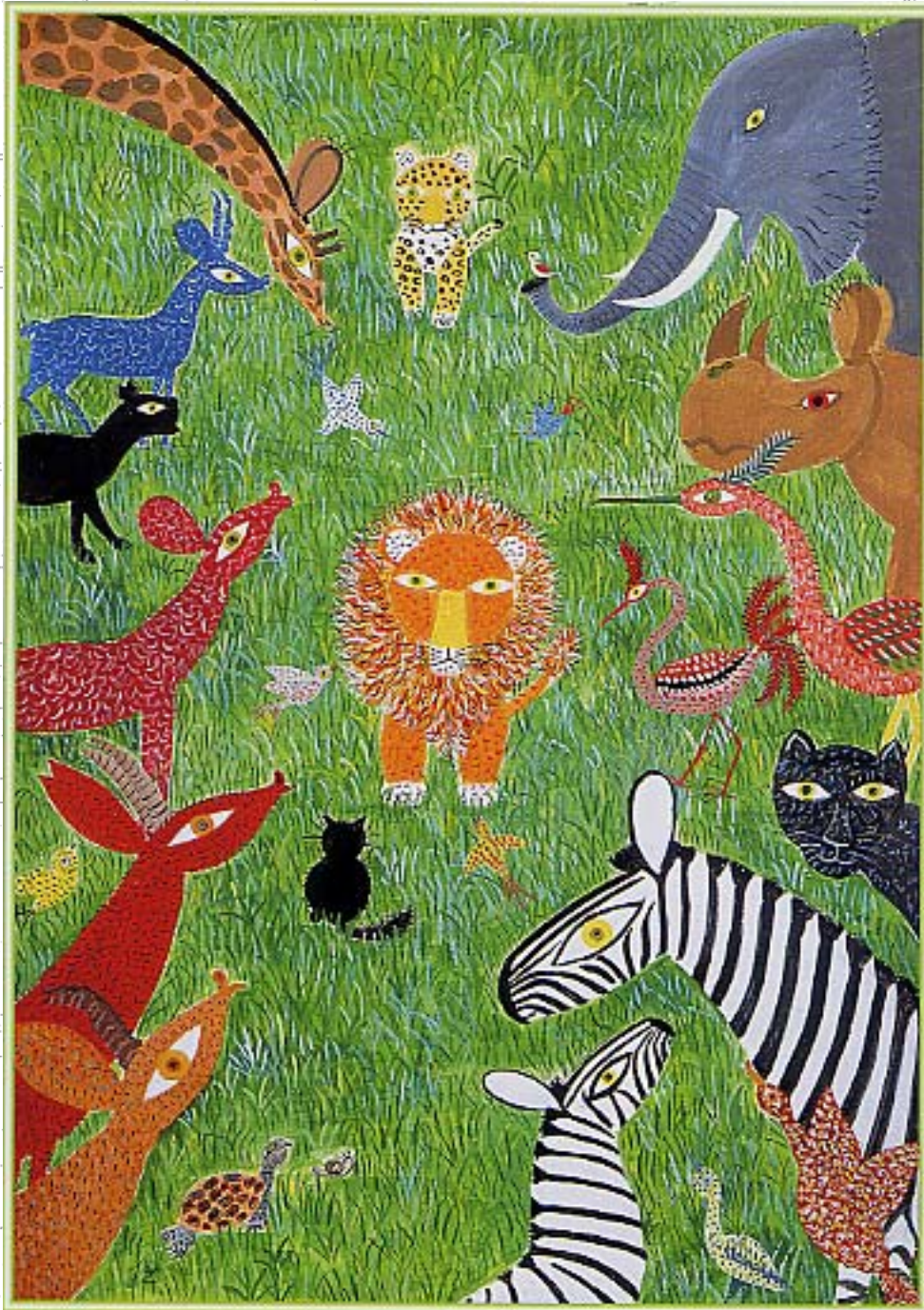


Annual Report 2009

for the fiscal year ended March 31, 2009



TOA Corporation is one of the largest and multinational construction and engineering companies in Japan. Founded in 1908 to launch itself into the business of developing port facilities and adjacent industrial lands by dredging and reclaiming the shallow waters in the Tokyo Bay, TOA has been in the forefront of coastal and maritime construction and engineering for more than 100 years.

As the postwar Japanese economy rapidly grew, TOA has expanded its business fields into on-land infrastructure works, architectural works, and international operations. To meet the emerging demands of this modern society, TOA also develops technologies and expertise for environmental sustainability, life cycle management of social assets, disaster prevention, and PFI projects.

As of April 1, 2009, TOA has the headquarters in Tokyo, under which twelve domestic branches, nine offshore offices, eight consolidated subsidiaries, nine non-consolidated subsidiaries, and twelve affiliate companies are actively involved in construction and related businesses.

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CORPORATE PHILOSOPHY AND MANAGEMENT PRINCIPLES

Under its corporate philosophy, TOA Corporation strives for prosperity with advanced technologies and expertise, and fulfils its social responsibilities through steady and healthy management.

Furthermore, TOA bases its management policies on the following three principles;

- 1) To maintain competitiveness through elaborate corporate planning;
- 2) To gain a long-lived confidence with the clients and the society through careful and conscientious work practices; and,
- 3) To enhance personal competence of our staff and maximize our organization's power.

TOA CORPORATION GROUP'S CODE OF CONDUCT

In order to dedicate ourselves to enhancing prosperity, healthiness, and sustainability of the society, TOA Corporation established "TOA Corporation Group's Code of Conduct" in 2006.

As a corporate citizen, the entire TOA Corporation Group will strictly follow the rules and principles as set forth herein, which, we believe, helps us earn the respect and confidence of our valued customers and the public.

- 1) Providing high quality constructions and services;
- 2) Thorough compliance with legal rules and social ethics;
- 3) Promoting fair and transparent competition;
- 4) Rejecting all contacts with antisocial activists and organizations;
- 5) Timely and reliable disclosures of corporate information;
- 6) Harmonizing with, and contributing to, the local communities;
- 7) Active and positive engagement in environmental issues;
- 8) Enhancing quality of the working environment and employee's life;
- 9) Harmonizing with, and contributing to, the world; and,
- 10) Management's commitment to implementing the Code and establishing an effective self-monitoring mechanism.

FINANCIAL HIGHLIGHTS

TOA CORPORATION and its consolidated subsidiaries
Years ended March 31,

	Millions of Japanese Yen				Thousands of U.S. Dollars (Note)
	2006	2007	2008	2009	2009
Consolidated					
For the year:					
Net sales	¥222,530	¥188,573	¥213,825	¥205,979	\$2,101,823
Income before income taxes and minority interests	3,593	1,131	27,933	1,660	16,940
Net income	1,488	28	15,247	1,075	10,974
At year-end:					
Total assets	248,110	221,855	200,943	192,351	1,962,763
Net assets	51,415	48,766	61,571	59,452	606,650
Property, plant and equipment—net	44,250	43,651	34,683	34,056	347,508
Per share of common stock:					
	Yen				U.S. Dollars
Net income	¥ 7.03	¥ 0.13	¥68.64	¥5.01	\$0.051
Cash dividends	3.00	0.00	0.00	2.00	0.020
Net assets	231.51	212.99	271.39	279.79	2.855

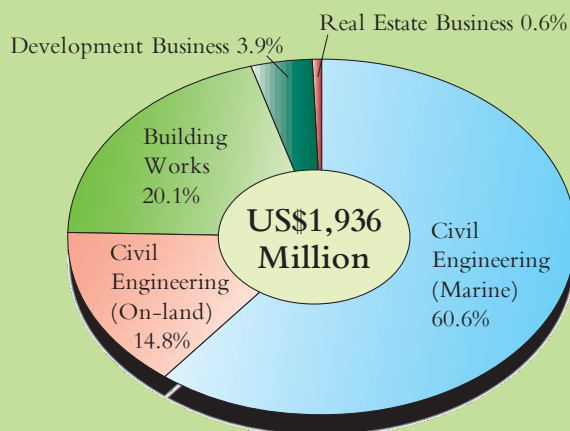
Note: The amount in U.S. dollars was translated at the rate of ¥98 = US\$1, the effective rate at March 31, 2009.

Net assets for 2009, 2008 and 2007 are presented under the new accounting standard, while figures for 2006 are due to the previous standard.

Sales Composition by Project Type

(For the Year Ended March 31, 2009)

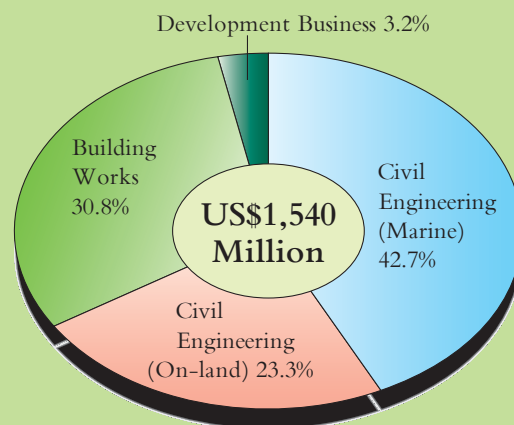
Non-consolidated



Orders Received by Project Type

(For the Year Ended March 31, 2009)

Non-consolidated



Market Overview and Financial Results for Fiscal Year 2008

Having encountered the global recession and financial crisis, the Japanese economy took a sharp downturn for fiscal year 2008 ending March 31, 2009, with decline in industrial outputs, loss of exports, increase in unemployment, and weak consumption. In these severe economic climates, the Japanese construction industry had to face harsh realities such as depressed private-sector construction investments, continuously declining public-sector construction investments, and increased bad credits from the defaulting customers.

Under such challenging market conditions, TOA Corporation and its consolidated subsidiaries faithfully pursued their business strategies incorporated in the “Mid-term Business Plan” for fiscal years 2007-2009 which is outlined here-in-after, and recorded the following financial results for fiscal year 2008.

- Consolidated sales decreased 3.7% year on year to ¥205,978 million. Sales amounts by business segments were ¥200,204 million in construction works, a decline of 3.7%, ¥1,645 million in real estate business, a decline of 23.5%, and ¥4,128 million in other businesses, an increase of 6.8%. Geographically, domestic sales amounted to ¥159,095 million, a decline of 13.8%, and overseas sales ¥46,882 million, an increase of 59.7%.
- Consolidated operating income decreased 2.3% to ¥3,658 million, while net ordinary income increased 4.5% to ¥2,442 million, as interest expenses decreased.
- Consolidated net profit amounted to ¥1,075 million, a decline of 92.9% due to the sharp increase of extraordinary profit for fiscal year 2007 to ¥32,520 million realized by sale of fixed assets of the Head Office.
- Consolidated construction orders decreased 4.4% year

on year to ¥162.6 billion.

- Non-consolidated construction orders decreased 2.3% to ¥151.1 billion. While non-consolidated orders from the domestic public-sector increased 48.3%, orders from the domestic private-sector and overseas markets decreased 27.3% and 22.5%, respectively.

Mid-term Business Plan

In 2007, TOA Corporation structured a new mid-term business plan for fiscal years 2007-2009 which aims at restoring a steady business foundation in order to weather the volatile market conditions. The basic principles and goals incorporated in this plan are:

- ① To establish a solid profit base resilient and sustainable against the volatile business environment,
- ② To enhance efficiency and transparency in management, and
- ③ To strategically emphasize on profit-oriented operations rather than scale-oriented ones.

Outlook and Business Strategies for Fiscal Year 2009

As the economy is expected to remain sluggish worldwide for a while, we foresee the construction market becomes more competitive both domestically and internationally. In order to stride over the upcoming difficulties, TOA elaborates and vigorously carries out the following business strategies for fiscal year 2009;

- Fully deploying our technical and engineering talents in order to steadily win public-sector contracts tendered through the comprehensive evaluation bidding process or offered as PFI projects.
- Promoting relationships with private-sector organizations in order to widen our customer base as well as tighten bonds with existing ones by taking cross-organizational approach with greater collaboration among the headquarters and the relevant branches and departments.



- Emphasizing profit-oriented approach in business operations coupled with proper management of risks expected in the course of operations.
- Developing or improving technologies and construction methods to properly meet the diversified demands and requirements of the current and prospective customers.
- Introducing a new education program in order to cultivate skillful and creative young talents who are expected to assimilate knowledge and experience accumulated for generations within the company and play active roles in various business fields.

Fulfilling Corporate Social Responsibilities

TOA believes that a private enterprise should live together with the society by continuously fulfilling corporate social responsibilities and enhancing welfare and prosperity of people and communities. In this regard, TOA initiates an integrated CSR program to commit ourselves into legal compliance, business ethics, internal control, health and safety at work, business continuation program, environmental sustainability, regional contributions, proper public relations, and other socially growing concerns.

Commitment to Shareholders

TOA devotes itself to the satisfaction of the shareholders and prospective investors by providing stable annual dividends as well as internally reserving proper amount of profits for sustainable growth in the future. Taking account of our financial and income statements for fiscal year 2008, we determined to resume the end-year dividends of ¥2.00 per share after two consecutive fiscal years with no dividends provided.

TOA will continue doing everything in our power to enhance corporate value and fulfill corporate social



responsibilities and to earn the continued confidence of all stakeholders surrounding us.

We look forward to the full support and continued cooperation from all our shareholders.

June 2009

Yukio Suzuki
President, Representative Director

Marine Civil Engineering

Since its foundation in 1908, TOA has engaged in reclamation and marine construction works through various projects all over the world. Among them were reclamation works for industrial areas and off-shore airports, port and harbor facilities such as wharves and breakwaters, transportation facilities such as coastal roads and bridges, and recreational facilities such as marinas.

In order to complete those projects safely and successfully, TOA has developed various construction methods, working vessels, and equipments to overcome severe natural conditions on and under the sea. In addition, as lifecycle management of infrastructures, environmental sustainability, and protection from natural disasters are getting more socially concerned, TOA has developed new technologies for renewal and reinforcement of structures, environmental assessment and pollution control, sub-surface or sub-ground survey, disaster prevention, and so on.

With those work records, advanced technologies and accumulated expertise, TOA has earned a reputation as a reliable contractor of maritime construction and engineering for a century. TOA will make all possible efforts to improve technologies and cultivate human resources in order to respond to growing engineering requirements and emerging social concerns for prosperity of the society and sustainability of the natural environments.

Chubu Centrair International Airport

Chubu Centrair International Airport, inaugurated on February 17, 2005, is a first class airport with a 3,500m runway designed to be the main international gateway to the Chubu (central) region of Japan. In order to be 24-hour operational, the airport is located in Ise Bay, 1.1km offshore of Tokoname City, Aichi Prefecture, to keep local communities from airplane noise.

Throughout the construction of the 470ha artificial island commenced in November 2001, TOA's advanced technologies, "Plug Magic" and "COS-NET" (see page 12 for detail), played critical roles to build the 12km-long enclosing seawalls and reclaim 56,000,000m³ soil and earth in an economical, timely, safe, and environment-friendly manner. "Plug Magic" recycled the soft clayey materials coming from dredging works of navigational channels in Ise Bay into the construction material suitable for reclamation, and saved 8,630,000m³ of soil to be imported from the on-land sources in the vicinity. "COS-NET" was adopted by contractors involved in the projects as a common system to monitor and control working vessels in and around the working area for their smooth and safe navigation.



TOA's dredging method "Plug Magic" (see page 12 for detail) was adopted in order to maximize the recycle of dredged soft materials.



Kansai International Airport 2nd Stage



Kansai International Airport 2nd Stage was to reclaim a new artificial 545ha island on the sea 200m off the existing island and 19.5m deep on average, a new 4,000m-long runway parallel to the existing one, access ways between the two islands, and other related facilities.

Development of the second island required construction of 13km long seawall, reclamation of 250,000,000m³ soil, and improvement of 20m-26m thick alluvial clay layer under the seabed, which was commenced in August 1999 and was completed in October 2005.

TOA devoted its rich experiences and advanced technologies to carrying out this super-scale project in a timely, quality-assuring, and environment-friendly manner. Among them were the “Beluga Surveying System” for accurate and speedy survey of the seabed formation (see page 12 for detail), and the all-terrain GPS-positioning surveying buggy for surveying wide and bumpy landform.

Yumeshima Container Terminal, Port of Osaka

In the modern era of economic globalization, ports and harbors play the key role to enhance competitiveness of the industries and prosperity of the communities in the region. In this regard, Osaka City and Japanese Government planned to build an advanced-standard container terminal on Yumeshima Island off-shore of downtown Osaka with three container berths to accommodate post-panamax class container ships.

In 1999, TOA was awarded a contract to construct a 350m-long and 15m-deep wharf structure, consisting of foundations with steel pipe piles driven through the rock foundation of the existing caisson seawall and the superstructure made of reinforced concrete. TOA made the best of its technologies and experiences for high-quality construction. For example, TOA conducted extensive studies to avoid cold joints and control cracks to place concrete over the wide quay superstructures, which resulted in excellent workmanship.

TOA was also awarded separate contracts to build the administration building, the maintenance shop building, and the gatehouse building for the terminal and successfully completed them in a timely, safe, and quality manner.

In order to secure smooth traffic between Yumeshima and the mainland, a bridge and a submerged tunnel were planned. The bridge for a six-lane road connecting Yumeshima and Maishima, named “Yume-mai Bridge”, has a very unique feature. That is, a 410m-long center section of the 878m-long bridge is upheld at the both ends on the floating foundations, and is to be pivoted on one end by a tugboat when a large vessel passes under the bridge. In 1996, TOA was awarded a contract to transport and install the floating bridge built at a shipyard, and successfully completed the work.

The submerged tunnel for a four-lane road connecting Yumeshima and Sakishima, named “Yume-saki Tunnel”, was opened in August 2009. The 806m-long submerged portion of the 2,138m-long tunnel consisted of eight pieces of steel-shell caissons filled with reinforced concrete, of which respective dimension was 100m long, 35.4m wide, and 8.5m high. The caissons were built at the caisson yard and then were transported to the site and accurately submerged into the channel dug on the seabed, and TOA was involved in both stages in separate contracts.



Sakhalin II LNG Project in the Russian Far East



Russian Government invited foreign investments to develop the natural gas and oil fields offshore of Sakhalin Island, the Russian Far East, in the Sea of Okhotsk. In the Sakhalin II project, TOA was awarded in 2003 contracts to construct a LNG loading facility for the natural gas processing and liquefying plant and the foundations for the oil export terminal and to provide ready-mixed concrete for the entire project.

TOA overcame various difficulties hampering smooth execution of construction works, such as the severe weather conditions which precluded off-shore works throughout the winter and frequently even in other seasons and the strict environmental regulations to protect fish, other marine creatures, and their habitats around the site, and completed the project in 2008 on schedule.

Cai Mep International Container terminal in Southern Vietnam

In 2008, the joint venture consisted of TOA Corporation as the representative partner and TOYO Construction Co., Ltd. received a new order to construct the Cai Mep International Container Terminal from the Government of Vietnam funded by an aid-loan of Japan's ODA program. The new container terminal is located approximately 50km to the south of Ho Chi Ming at the estuary of Thi Vai Cai Mep River, and will have a 600m-long 14m-deep quay accommodating two 80,000DWT-class container ships at a time and a 38ha container yard with handling capacity of 600,000 TEU to 700,000TEU of containers a year.

In the tender process, TOA's work records and advanced technologies for soil improvement works were highly appreciated because the terminal is to be constructed over the thick layers of very soft alluvial clay.



Pasir Panjang Container Terminal in Singapore



Port of Singapore, connecting 600 ports in 123 countries, has been one of the largest container hub ports in the world. The Pasir Panjang Container Terminal, located in the southwest of Singapore Island, is planned to have 26 berths in total of its phase I and II projects. All container berths are designed to have a depth of 15m and be equipped with gantry cranes outreaching 18 container rows to accommodate Post-Panamax class container ships.

Since 2005, TOA Corporation has been awarded 6 separate contracts to construct 14 container berths with total quay length of 4,330m and a car ferry terminal, and is currently engaged in constructing the last four berths with total quay length of 1,300m, which will be completed in October, 2009.

Newly Completed Projects

La Union Multi-purpose Port Terminal in El Salvador

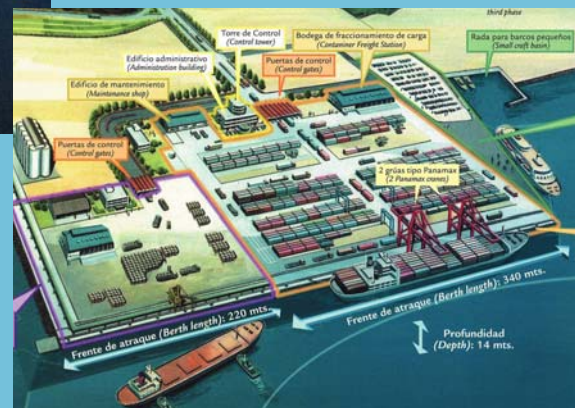


reclamation works of 3,000,000m³, construction works of a 340m-long and 15m-deep container berth, a 220m-long and 14m-deep multi-purpose berth, a 240m-long and 9.5m-deep passenger terminal berth, paved roads of 170,000m² in the total area, and other utility facilities.

In 2005, TOA Corporation was awarded a contract to develop a multipurpose port terminal in La Union City in the easternmost region of El Salvador. Funded by an aid-loan of Japan's ODA program, the project was to promote sustainable economic growth of the country and revitalize the region. TOA devoted its highest level of technologies and management skills to complete the project on schedule. Project owner: Comisión Ejecutiva Portuaria Autonomo (CEPA), República de El Salvador

Construction period: from April 1, 2005 to December 28, 2008

Construction summary: Dredging works of 12,000,000m³ for the navigational channels and the berthing area,



Minami-Honmoku Container Terminal, Port of Yokohama, using Cylindrical Steel Sheet Cellular Seawall

In July 2004, Ministry of Land, Infrastructure, and Transportation started a program to develop advanced container hub ports in order to enhance competitiveness of Japanese economy and industries. The Port of Yokohama, one of the three ports designated by the program, planned to newly develop two container terminals with a depth of 20m, the deepest in Japan, at its Minami-Honmoku port district. The Steel Sheet Cellular Structure, developed by TOA, was adopted to construct the 20m-deep quay wall because it enables to shorten the construction period and provides sufficient earthquake-proof strength. TOA was awarded a contract to build six cells with ever-been-the-largest dimensions and completed them with high quality workmanship.

Project owner: Ministry of Land, Infrastructure, and Transportation of Japan

Construction period: from May 2008 to March 2009

Construction summary: 6 units of Cylindrical Cellulars, made of 17mm thick steel sheet, 32m in height and 24.5m in diameter, each weighing 400 metric ton.



On-land Civil Engineering

Having the century-long history as a reputedly reliable contractor in marine construction and engineering, TOA also has accumulated experiences and expertise in on-land civil engineering through completion of various projects. Among them were roads, bridges, railways, tunnels, water dams, river dikes and water gates, water supply and drainage systems, sewage collection and treatment facilities, land developments, and environmental mitigation and rehabilitation programs.

In each and every project, TOA devoted its highest-possible capabilities to faithfully executing contractor's duties and responsibilities, which has heightened TOA's reputation as one of the most trustful contractors in Japan.

Shibakawa Aqua-duct Shield Tunnel

The Shibakawa River flowing through Saitama City, a bed town of the Tokyo Metropolitan Area, suffered from the deteriorating water quality due to increase in the domestic sewage from the growing population in its basin. As the channel slope of the Shibakawa was too gentle for its natural flow to treat the pollutants in the sewage, the Shibakawa Aqua-duct was planned to introduce clean water from the Arakawa River which flows in the west of the Shibakawa basin.

In 1999, TOA was awarded a contract to construct a shield tunnel connecting the two rivers with total length of 2,330m and inner diameter of 1,650mm. One of the key requirements of the contract was to recycle the shield sludge in order to minimize adverse impacts on the environment caused by the construction by-products. TOA's technical team properly answered the requirement by developing an effective and efficient processing plant to process 5,300m³ of soft and clayey shield sludge into a construction material with characteristics suitable as a construction material to construct river embankments.



2nd Magsaysay Bridge and Butuan City By-pass Road in Mindanao, Republic of the Philippines



In the Republic of the Philippines, the road network bore 90% of passenger traffic and 50% of cargo transportation, but many roads in various areas were unpaved or too narrow to keep up with the growing volume of traffic. Funded by an aid-loan from Japan's ODA program, the Philippine Government planned a by-pass road in Buntuan City, which is to improve the road traffic and bolster the economy in the northeastern region of Mindanao Island.

In 2005, the Department of Public Works and Highways of the Philippines awarded a joint venture of TOA and Nippon Steel

Corporation a contract to build the 2nd Magsaysay Bridge, a steel cable stayed bridge with total length of 882m, a two-lane bypass road with total length of 8.1km, and two link roads, with length of 1.33km and 2.9km respectively, connecting the bypass road with the existing main road. In this project, TOA took a part of constructing the single main pylon made of reinforced concrete and the foundations to uphold the bridge superstructures and all civil works for the road section.



Rehabilitation of Sewage Drainage System in Chiyoda-ward, Tokyo

As the sewerage network in downtown Tokyo, of which development dates back to nearly one century ago, has become obsolete both physically and functionally, the Tokyo Metropolitan Government started a project to rehabilitate the sewage drainage network by reconstruction or refurbishment. In 2000, TOA was awarded a contract to reconstruct the drainage for surface runoff in Chiyoda Ward. Although the construction site was along the narrow streets with busy traffic and densely constructed buildings, TOA's qualified engineers dealt with various difficulties in the course of construction and completed the drainage of 2,058m in total length and 2,200mm inner diameter by shield tunneling method on schedule without any accident.



Emergency Restoration Works of Seisho Bypass Toll Road, Kanagawa Prefecture

In September 2007, a typhoon washed away the shoreline retaining walls of the Seisho Bypass, a four-lane toll road running along the coastline of the Sagami Bay in the western region of Kanagawa Prefecture. As its closure caused bad congestions on the local road traffic, its operator, Central Nippon Expressway Co., Ltd., gave TOA an emergency order to restore the damaged structures and reopen the road as soon as possible. TOA devoted its utmost capacities in marine engineering to provisionally reinforce the damaged structures, and tentatively reopened the bypass road after only 20 days. So much appreciated by the project owner and the local communities, TOA was continuously engaged in the restoration work, mostly executing them from the sea-side using various working vessels, and completed them to make all four lanes passable in April 2008.



Denpasar Sewerage Development Project in Indonesia

Denpasar, the provincial capital of Bali and a worldly famed tourist destination, had a serious problem in its sewerage system incapable to treat the growing volume of sewage discharged by local residents and tourists. In order to protect Bali's rich natural environment, the Denpasar Sewerage Development Project was commenced. In 2005, TOA was awarded a contract to construct a sewage treatment plant and lay sewage drainage lines with total length of 47km under the busy streets in Denpasar. Introducing the pipe-jacking method for the first time in Indonesia which thrusts forward reinforced concrete pipes one after another using hydraulic jacks from the tail-end, TOA completed the project in 2007 with minimum inconveniences to the road traffic and the local communities.



Newly Completed Projects

O Mon Thermal Power Plant Project in Vietnam



O Mon Thermal Power Plant with 330MW generation capacity in Can Tho, the biggest city in the Mekong Delta, was planned to solve the growing shortage in electric supply in Vietnam. Under the full turn-key contractor of the project, TOA took charge of all civil and architectural works, and completed them in 2009. TOA's expertise in geotechnical engineering was especially evaluated as the soft alluvial clay layers lying under the plant site had to be improved to construct solid foundations on them.

Project owner: Vietnam Electricity

Turn-key contractor: Mitsubishi Heavy Industries, Co., Ltd.

Construction period: from January 2006 to February 2009

Construction summary: soil improvement works with the Cement Deep Mixing (CDM) method, pile driving works with 6,000 nos. 45m-long piles, concrete works with total volume of 100,000m³, building of a power generation house, an administration building, and a central control building, foundation works for water treatment and other facilities, construction of a 14m-high chimney, 3 units of pier, water-intake facilities, and road

Architectural Building Works

In 1973, TOA established the Building Department and became a full-fledged general contractor. Since then, TOA has accumulated experiences and established a reputation as a reliable and quality builder by completing various projects including educational facilities such as schools, cultural and recreational facilities such as gymnasiums and sports centers, medical and welfare facilities such as hospitals and care houses for aged people, commercial buildings such as offices, shopping malls and hotels, industrial buildings such as factories, power plants and warehouses, and residential buildings.

In response to the social demands in this modern era, TOA has developed new technologies such as roof gardening and energy-saving design for environmental sustainability, earthquake-proof mechanism for disaster prevention, and HACCP food processing system for safety of life.

Phu My Power Plant Phase I in Vietnam

Projecting to attract steady inflow of foreign investments, the Vietnamese Government needed to solve the shortage in electric power supply, and designated Phu My district, 80km southeast of Ho Chi Minh City, as the location to newly develop an electric power complex. In 1998, funded by an aid-loan from the Japanese Government, Vietnam Electricity gave a full turn-key contract to Mitsubishi Heavy Industries Co., Ltd. to build the Phu My Power Plant, Phase 1, consisting of four generation units capable to totally generate 1,000MW.

As a nominated subcontractor, TOA took charge of all civil and building works for the project. Our selected project members fully displayed their skills and expertise to complete various architectural works, including turbine-housing building, control and administration buildings, warehouses and other utility buildings in addition to the civil engineering works such as a coal unloading jetty and cooling water intake and discharge facilities on schedule and to great satisfaction of the project owner.



Kawaminami Town Cultural Hall, Kawaminami Town, Miyazaki Prefecture

Kawaminami Town, Miyazaki Prefecture in the Kyushu Island, planned to construct a cultural complex composed of a multi-purpose hall seating 650 people, a library, a seminar room, and auxiliary facilities with the total floor area of 6,613m² on a lot of 10,740m². Its construction was commenced in 1997 and was completed and inaugurated in 1999.

The external design of the main hall combining a circular truncated cone and stacked-up horseshoe shapes symbolizes the ancient burial mounds preserved for generations by local communities, and the entire design using various geometric shapes interweaving each other well harmonizes with the topographical features and the rich natural environment of the town.

TOA devoted its accumulated expertise to complete the project in an environment-friendly and safe manner.



Saeki Solid Waste Incineration Plant

As the population grows in urban areas, proper treatment of solid waste becomes a critical issue to maintain and upgrade the quality of the urban life. In 2001, Saeki City and the neighboring seven townships in Oita Prefecture jointly started a project to build an incineration plant to process as much as 110 metric tons of solid urban waste a day with two incinerators of which incineration temperature is high enough to keep dioxin from being formed. TOA was engaged in its construction by taking charge of earth works and foundation works.



Kaolack Central Fish Market in Senegal

In 2003, TOA was awarded by the Government of the Republic of Senegal a contract to newly construct a modern fish market in Kaolack City located approximately 200km southeast of Dakar. Funded by Japan's ODA loan program, the project included the construction of a market building of 1,936m², an ice plant building of 811m², a refrigeration system, an ice production plant, a sewage treatment system, and other auxiliary utilities. TOA carried out the project friendly with, and safely to, the local communities and the rich natural environments, and completed all works in 2005 on schedule with excellent quality.



Newly Completed Projects

AMB Tsurumi Distribution Center

In this highly commercialized society, logistics plays a key role to enhance the national economy, and thus, large scale distribution centers have been developed one after another in metropolitan areas and along highways.

In 2008, TOA completed one of them, named AMB Tsurumi Distribution Center, in the seaside industrial area of Yokohama City. In order to secure its proper functions against a possible large-scale earthquake, its structural design required installation of seismic isolation system, which was professionally responded by TOA's architectural engineers to the great satisfaction of the project owner.

Project owner: AMB Tsurumi TMK (Specific Purpose Corporation)
Construction site: Anzen-cho, Tsurumi Ward, Yokohama City
Construction period: April 2007 to April 2008

Building summary: five-story high, earth-quake proof, steel reinforced concrete structure, a total floor area of 69,419m²
Major Facilities: 96 elevated docks, a self-driving ramp way up to the third floor, 10 cargo elevators, 2 vertical conveyers, and 120 parking spaces



Sumitomo Iidabashi Ekimae Building

In 2008, TOA completed Iidabashi Ekimae Building, a 13-storey office building adjacent to a busy commuter train station in downtown Tokyo. This building has state-of-the-art design features such as the concrete-filled steel pipe structure for main columns and the aluminum-framed curtain walls for the external façades.

These features enhance the earthquake-proof strength, heighten the floor-space efficiency, and provide a sophisticated appearance of the building.

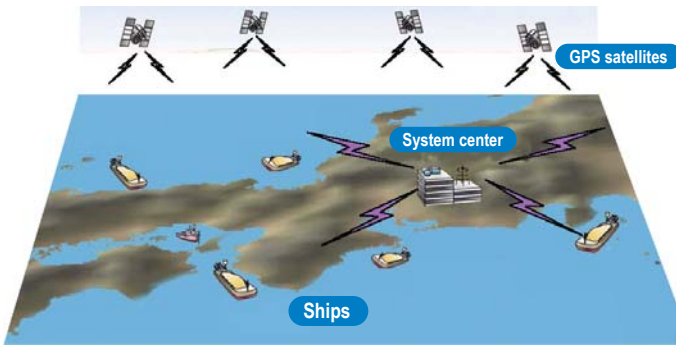
Project owner: SF Iidabashi Development Specific Purpose Corporation
Construction site: Chiyoda Ward, Tokyo

Construction period: from November 2006 to July 2008

Building summary: 13 story high, one basement floor, a total floor area of 16,072m²



COS-NET (Construction On the Sea Network)



COS-NET (Construction On the Sea Network) is a system for monitoring and controlling work-vessels by the combination of GPS and IT technology. By the application of this system, the operation data including accurate positions are available.

RYUJIN



Production capacity: 360m³/hr of SGM light weight soil
 Solidification capacity: 500m³/hr
 Vessel specification: 65m long, 26m wide, 4.5m deep, 2m in water

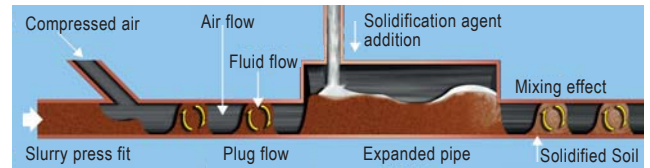
RYUJIN is Japan's first Super Geo-Material (SGM) vessel and is equipped to deal with demands of great volume at a rapid speed. It has a producing system capable of storing large volume of lightening agents and to conduct high-precision measurements.

Magical Dredging Ball

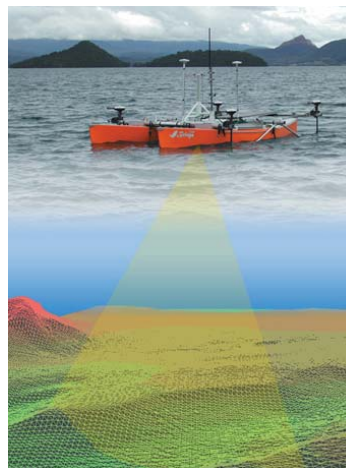
The Company has developed and practically used the Magical Dredging Ball jointly with Tokyo Electric Power Company. This is a small-sized contrivance for removal of sediment, and it is useful for eliminating sand and sludge from ponds for adjustment and storage in dams of hydraulic power plants.



Plug Magic Method



TOA has established an engineering technique named Plug Magic Method that enables soft dredged soil to be solidified efficiently for reuse as a filling material. This method requires no mixer, and the operating cost can be reduced by 10-15%. It is also an eco-friendly method enabling an in-pipe transportation of soft mud from dredging site to reclamation site. Plug flow occurs when compressed air gets mixed into soft mud in pneumatic pipeline. This method kneads soft mud and solidification material in the pneumatic pipeline, utilizing the characteristic of plug flow. It has maximum solidification capacity of 1,000m³/h.



Beluga System

This is our originally developed system for accurate and speedy measurement of the depth of ground level in water by effectively combining the latest measurement devices, including the narrow multi-beam depth measuring sonar, in order to acquire data in wide regions, and the GPS.

TOA Corporation Group believes that good corporate governance enhances our competitiveness and performances to fulfill corporate social responsibilities and increase the corporate value for shareholders. With recognition that the effective internal control plays a key role to achieve that goal, we strive to improve the quality and effectiveness of our internal controls.

1. Compliance

All members of TOA Corporation Group are required to be fully aware of relevant laws, regulations, and social ethics governing their business activities and to strictly comply with them in performing their roles and duties.

2. Risk Management

We have developed a framework to appropriately identify, assess, and control risk factors associated with business activities of TOA Corporation Group. All risk factors, once identified, are to be properly dealt with by a responsible department or a provisional taskforce designated in accordance with the framework.

In case of a natural disaster on a scale possibly jeopardizing our business continuity, the BCM Committee is promptly convened to take actions to minimize adverse impacts on the business activities of our own and our valuable customers.

3. Information Management and Control

Pieces of information regarding business activities and director's fulfillment of their duties and responsibilities are to be categorized by their contents, classified by their security levels, recorded in a proper format, and preserved in an appropriate manner for a required period of time in accordance with our internal Information Management Regulations and the relevant laws and regulations.

4. Independent Auditors and Fair and Reliable Financial Statements

Each and every legal entity within TOA Corporation Group guarantees that the independent professional auditors are able to perform a proper and effective audit on the financial statements and internal control performance reports of the entity by holding regular meetings with its representative directors, corporate auditors and relevant departments to exchange opinions and information and deepen their mutual understandings. And thus, we

ensure the fairness and reliability of our financial statements and internal control performance reports to maintain the transparency of our management.

5. Effective Audit by Corporate Auditors

The corporate auditors of TOA Corporation Group are authorized to attend major meetings of each entity, to hold regular meetings with the representative directors, to regularly review the performances of the directors and respective departments, and to access to the information necessary for their auditing. And thus, the corporate auditors are ensured to independently appraise the effectiveness, legal compliancy and soundness of the management and to duly perform their responsibilities.

6. Proper Management Control of TOA Corporation Group

TOA Corporation as the parent company of TOA Corporation Group has established the rules and regulations to govern each legal entity within TOA Corporation Group in order to fulfill corporate social responsibilities and enhance values as a corporate group.

Based on their relevant provisions, important managerial issues of the respective entity are to be reported to the Board of Directors of the parent company for approval, and other less-important issues are to be reviewed and approved by its Corporate Planning Department.

7. Fulfillment of Corporate Social Responsibilities

TOA Corporation has established the CSR Committee chaired by the president in order to ensure fulfillment of CSR's as a corporate citizen. Two subcommittees, the Compliance Subcommittee which deals with legal issues and internal controls, and the Risk Management Subcommittee which copes with risk factors related to business activities such as safety and sanitation, information security, environmental sustainability, and quality control, have also been established under the CSR Committee in order to make elaborate reviews and enhance the quality and effectiveness of our CSR performances.

TOA Corporation annually edits and opens to the public its Annual CSR Report in order to promote awareness and understandings of our engagement in CSR activities among the society, our valuable stakeholders, and all members of TOA Corporation Group.

CONSOLIDATED BALANCE SHEETS

TOA CORPORATION and its consolidated subsidiaries
As of March 31, 2009 and 2008

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	2009
Current assets:			
Cash and time deposits (Note 3)	¥ 33,981	¥ 28,532	\$ 346,741
Marketable securities (Note 4)	8	26	82
Notes and accounts receivable, trade	65,350	78,762	666,834
Allowance for doubtful accounts	(385)	(947)	(3,933)
Inventories, principally real estate for sale	8,447	9,091	86,190
Cost on contracts in progress	9,374	15,110	95,651
Deferred tax assets (Note 9)	2,324	2,004	23,715
Prepaid expenses and other current assets	21,809	15,148	222,551
Total current assets	<u>140,908</u>	<u>147,726</u>	<u>1,437,831</u>
Investments and other assets:			
Investments in affiliates	549	397	5,603
Investments in securities (Notes 4 and 5)	9,281	13,189	94,701
Long-term loans (Note 5)	776	749	7,923
Deferred tax assets (Note 9)	2,623	1,953	26,763
Others (Note 5)	8,826	6,567	90,065
Allowance for doubtful accounts	(4,668)	(4,321)	(47,631)
Total investments and other assets	<u>17,387</u>	<u>18,534</u>	<u>177,424</u>
Property, plant and equipment (Notes 5, 11 and 12):			
Land	20,405	20,536	208,210
Buildings and structures	16,349	16,065	166,822
Machinery and equipment	28,058	31,116	286,308
Lease assets	32	—	331
Construction in progress	313	2	3,197
Total property, plant and equipment	<u>65,157</u>	<u>67,719</u>	<u>664,868</u>
Less accumulated depreciation	<u>(31,101)</u>	<u>(33,036)</u>	<u>(317,360)</u>
Property, plant and equipment—net	<u>34,056</u>	<u>34,683</u>	<u>347,508</u>
Total	<u>¥ 192,351</u>	<u>¥ 200,943</u>	<u>\$ 1,962,763</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)
	2009	2008	2009
Current liabilities:			
Short-term borrowings (Note 5)	¥ 18,957	¥ 16,394	\$ 193,441
Current portion of long-term debt (Note 5)	9,339	9,315	95,296
Notes and accounts payable, trade	54,716	56,858	558,330
Accrued income taxes	1,058	1,240	10,796
Advances on contracts in progress (Note 6)	11,875	16,494	121,172
Other current liabilities	17,825	15,401	181,889
Total current liabilities	<u>113,770</u>	<u>115,702</u>	<u>1,160,924</u>
Long-term debt (Note 5)	10,746	14,815	109,653
Reserve for retirement benefits (Note 7)	2,170	2,102	22,138
Deferred tax liabilities on revaluation of land (Note 12)	3,444	3,452	35,148
Other long-term liabilities (Note 9)	2,769	3,301	28,250
Total liabilities	<u>132,899</u>	<u>139,372</u>	<u>1,356,113</u>
Net assets (Note 10):			
Shareholders' equity:			
Common stock,			
Authorized—600,000,000 shares			
Issued 224,946,290 shares at March 31, 2009 and 2008,			
respectively	18,977	18,977	193,639
Additional paid-in capital	18,075	18,079	184,438
Retained earnings	22,733	21,807	231,970
Treasury stock, at cost 15,992 thousand shares and 2,818			
thousand shares at March 31, 2009 and 2008, respectively	(2,010)	(462)	(20,511)
Total shareholders' equity	<u>57,775</u>	<u>58,401</u>	<u>589,536</u>
Valuation, translation adjustments and other:			
Net unrealized gain on securities	(528)	861	(5,386)
Net deferred gains (losses) on hedges	(88)	(128)	(906)
Revaluation reserve for land (Note 12)	1,304	1,150	13,311
Total valuation, translation adjustments and other	<u>668</u>	<u>1,883</u>	<u>7,019</u>
Minority interests	989	1,287	10,095
Total net assets	<u>59,452</u>	<u>61,571</u>	<u>606,650</u>
Commitments and contingent liabilities (Note 5 and 13):			
Total	<u>¥ 192,351</u>	<u>¥ 200,943</u>	<u>\$ 1,962,763</u>

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

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	2009
Net sales	¥205,979	¥213,825	\$ 2,101,823
Cost of sales	190,631	198,456	1,945,211
Gross profit	15,348	15,369	156,612
Selling, general and administrative expenses (Note 8)	11,689	11,623	119,277
Operating income	3,659	3,746	37,335
Other income (expenses):			
Interest and dividend income	513	560	5,237
Interest expenses	(829)	(1,096)	(8,464)
Write-down of real estate for sale	—	(1,648)	—
Provision for doubtful accounts	(133)	(59)	(1,353)
Loss on impairment of fixed assets	(56)	(421)	(572)
Loss on the settlement of overseas projects	—	(2,736)	—
Gain on sale of fixed assets	39	32,521	402
Gain on sale of marketable securities and investment securities	558	8	5,692
Gain on liquidation of affiliates	201	—	2,054
Other, net	(2,292)	(2,942)	(23,391)
	(1,999)	(24,187)	(20,395)
Income before income taxes and minority interests	1,660	27,933	16,940
Income taxes (Note 9):			
Current	634	1,414	6,474
Deferred	(66)	11,205	(676)
	568	12,619	5,798
Minority interests	17	67	168
Net income	¥ 1,075	¥ 15,247	\$10,974

Per share data (Note 1):

	Japanese Yen		U.S. Dollars (Note 2)
	2009	2008	2009
Net income:			
Basic	¥ 5.01	¥ 68.64	\$ 0.051
Diluted	—	—	—
Cash dividends	¥ 2.00	¥ 0.00	\$ 0.020
Net assets	¥ 279.79	¥ 271.39	\$ 2.855

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	2009
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,660	¥ 27,933	\$ 16,940
Adjustments to reconcile income before income taxes and minority interests to net cash used in operating activities:			
Depreciation and amortization	3,603	2,682	36,761
Loss on impairment of fixed assets	56	421	572
Gain (Loss) on sale or disposal of fixed assets	185	(31,752)	1,881
Loss (Gain) on sale of marketable securities and investment securities..	(558)	469	(5,691)
Write-down of marketable and investment securities	874	28	8,922
Write-down of real estate for sale and other	18	1,807	186
Provision for retirement benefits	76	(1,575)	784
Provision for doubtful accounts	(213)	(899)	(2,179)
Changes in:			
Notes and accounts receivable, trade	13,222	(1,900)	134,917
Inventories, principally real estate for sale	623	1,609	6,356
Cost on contracts in progress	5,717	1,284	58,332
Notes and accounts payable, trade	(1,857)	(7,098)	(18,947)
Advances on contracts in progress	(4,619)	1,578	(47,134)
Other, net	(4,089)	7,752	(41,718)
Sub-total	14,698	2,339	149,982
Interest and dividend income received	508	559	5,181
Interest paid	(827)	(1,050)	(8,440)
Payment of additional severance payment	—	(1,374)	—
Income taxes paid and other	(809)	(644)	(8,257)
Net cash provided by (used in) operating activities	13,570	(170)	138,466
Cash flows from investing activities:			
Proceeds from sale of marketable and investment securities	1,138	468	11,610
Payments for acquisition of investment in securities	(468)	(1,519)	(4,778)
Payments for acquisition of property, plant and equipment	(3,998)	(3,416)	(40,799)
Proceeds from sale or disposal of property, plant and equipment	176	42,228	1,798
Proceeds from sale of shares of subsidiary (Note 3)	736	—	7,510
Other, net	(3,524)	(620)	(35,958)
Net cash (used in) provided by investing activities	(5,940)	37,141	(60,617)
Cash flows from financing activities:			
Proceeds from long-term debt	5,270	300	53,776
Net decrease in commercial paper	—	(6,000)	—
Net increase (decrease) in short-term borrowings	2,563	(13,096)	26,155
Repayment of long-term debt	(9,315)	(12,548)	(95,055)
Acquisition of treasury stock	(1,593)	—	(16,250)
Other, net	(13)	(4)	(133)
Net cash used in financing activities	(3,088)	(31,348)	(31,507)
Effect of exchange rate changes on cash and cash equivalents..	(413)	(332)	(4,213)
Net increase in cash and cash equivalents	4,129	5,291	42,129
Cash and cash equivalents at beginning of year	28,363	23,072	289,422
Cash and cash equivalents at end of year	¥ 32,492	¥ 28,363	\$ 331,551

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

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2009 and 2008

Millions of Japanese Yen

	Number of shares issued	Shareholders' equity				Total shareholders' equity
		Common stock	Additional paid in capital	Retained earnings	Treasury stock, at cost	
Balance at March 31, 2007	224,946,290	¥18,977	¥18,079	¥9,624	¥(456)	¥46,224
Changes for the year						
Net income				15,247		15,247
Acquisition of treasury stock					(0)	(0)
Increase due to change in ownership interest in consolidated subsidiaries					(6)	(6)
Reversal of revaluation reserve for land				(3,064)		(3,064)
Net changes in items other than shareholders' equity....						
Total changes for the year				12,183	(6)	12,177
Balance at March 31, 2008	224,946,290	¥18,977	¥18,079	¥21,807	¥(462)	¥58,401
Changes for the year						
Net income				1,075		1,075
Acquisition of treasury stock					(1,593)	(1,593)
Increase due to change in ownership interest in consolidated subsidiaries					(1)	(1)
Increase due to sale of shares in ownership interest in consolidated subsidiaries			(4)	4	46	46
Reversal of revaluation reserve for land				(153)		(153)
Net changes in items other than shareholders' equity....						
Total changes for the year			(4)	926	(1,548)	(626)
Balance at March 31, 2009	224,946,290	¥18,977	¥18,075	¥22,733	¥(2,010)	¥57,775

Thousands of U.S. Dollars (Note 2)

	Shareholders' equity				
	Common stock	Additional paid in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2008	\$193,639	\$184,483	\$222,525	\$(4,718)	\$595,929
Changes for the year					
Net income			10,974		10,974
Acquisition of treasury stock				(16,250)	(16,250)
Increase due to change in ownership interest in consolidated subsidiaries				(7)	(7)
Increase due to sale of shares in ownership interest in consolidated subsidiaries		(45)	45	464	464
Reversal of revaluation reserve for land			(1,574)		(1,574)
Net changes in items other than shareholders' equity....					
Total changes for the year		(45)	9,445	(15,793)	(6,393)
Balance at March 31, 2009	\$193,639	\$184,438	\$231,970	\$(20,511)	\$589,536

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

Millions of Japanese Yen

	Valuation, translation adjustments and other				Minority interests	Total net assets
	Net unrealized gains on securities	Net deferred gains on hedges	Revaluation reserve for land	Total valuation, translation adjustments and other		
Balance at March 31, 2007	¥3,752	¥26	¥(2,682)	¥1,096	¥1,446	¥48,766
Changes for the year						
Net income						15,247
Acquisition of treasury stock						(0)
Increase due to change in ownership interest in consolidated subsidiaries						(6)
Reversal of revaluation reserve for land						(3,064)
Net changes in items other than shareholders' equity....	(2,891)	(154)	3,832	787	(159)	628
Total changes for the year	(2,891)	(154)	3,832	787	(159)	12,805
Balance at March 31, 2008	¥861	¥(128)	¥1,150	¥1,883	¥1,287	¥61,571
Changes for the year						
Net income						1,075
Acquisition of treasury stock						(1,593)
Increase due to change in ownership interest in consolidated subsidiaries						(1)
Increase due to sale of shares in ownership interest in consolidated subsidiaries						46
Reversal of revaluation reserve for land						(153)
Net changes in items other than shareholders' equity....	(1,389)	40	154	(1,195)	(298)	(1,493)
Total changes for the year	(1,389)	40	154	(1,195)	(298)	(2,119)
Balance at March 31, 2009	¥(528)	¥(88)	¥1,304	¥688	¥989	¥59,452

Thousands of U.S. Dollars (Note 2)

	Valuation, translation adjustments and other				Minority interests	Total net assets
	Net unrealized gains on securities	Net deferred gains on hedges	Revaluation reserve for land	Total valuation, translation adjustments and other		
Balance at March 31, 2008	\$8,781	\$(1,310)	\$11,737	\$19,208	\$13,136	\$628,273
Changes for the year						
Net income						10,974
Acquisition of treasury stock						(16,250)
Increase due to change in ownership interest in consolidated subsidiaries						(7)
Increase due to sale of shares in ownership interest in consolidated subsidiaries						464
Reversal of revaluation reserve for land						(1,574)
Net changes in items other than shareholders' equity....	(14,167)	404	1,574	(12,189)	(3,041)	(15,230)
Total changes for the year	(14,167)	404	1,574	(12,189)	(3,041)	(21,623)
Balance at March 31, 2009	\$(5,386)	\$(906)	\$13,311	\$7,019	\$10,095	\$606,650

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

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 of TOA CORPORATION (the “Company”) and its consolidated subsidiaries (the “Companies”) are prepared on the basis of 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, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications and rearrangements were made for the convenience of readers outside Japan.

(b) Basis of consolidation:

The Company had 17 and 16 majority-owned subsidiaries as of March 31, 2009 and 2008, respectively.

The consolidated financial statements for the years ended March 31, 2009 and 2008 include the accounts of the Company 8 and 9 majority-owned subsidiaries of the Company, respectively.

The consolidated subsidiaries for 2009 were TOA Real Estate Co., Ltd., TOA Tekko Co., Ltd., TOA Kikai Kogyo Co., Ltd., Shinko Corporation, TOA Builtec Co., Ltd., TOA Agency Co., Ltd., TOA Kaiun Sangyo Co., Ltd. and Tsurumi Rinko Co., Ltd.

TOA Concrete Co., Ltd., a historically consolidated subsidiary of the Company, was excluded from consolidation list due to sale of shares in March 2009.

During the fiscal year 2008, TOA Agency Nishinohon Co., Ltd. that was a consolidated subsidiary of the Company was merged by another consolidated subsidiary of the Company, TOA Agency Co., Ltd. The Company merged its consolidated subsidiary, TOA Real Estate Co., Ltd. In connection with this, Tagawa Real Estate Co., Ltd. changed its name into TOA Real Estate Co., Ltd.

Other subsidiaries were not consolidated as they were not significant in terms of total assets, net sales, retained earnings or net income in the aggregate.

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 amortized over a period of five years.

Investments in non-consolidated subsidiaries and affiliates were not significant in terms of net income or retained earnings in the aggregate and are carried at cost. The Company has written down an permanent impairment in the value of its investment.

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 in net income 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**

With changes in fair value included in net income or loss for the period in which they arise, derivatives are stated at fair value, except for derivatives that are designated as “hedging instruments” (see (III) Hedge Accounting, specified below).

(II) **Securities**

Securities held by the Companies are 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 component of the net assets 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 net 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 income 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 income 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.

However, in the case that net selling value falls below the acquisition cost at the end of the period, inventories except for cost on contracts in progress are carried at the net selling value on the balance sheet, regarded as decreased profitability of assets.

Effective the year ended March 31, 2008, the Company has adopted Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan Statement No.9 issued on July 5, 2006).

This adoption decreased operating income by ¥231 million and income before income taxes and minority interests by ¥1,879 million for the year ended March 31, 2008.

(g) Research and development expenses:

Research and development expenses are charged to income as incurred. Research and development expenses charged to income in each of two years ended March 31, 2009 and 2008 were ¥1,075 million (US\$10,970 thousand) and ¥1,260 million, respectively.

(h) 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.

(i) Reserve for indemnity on completed contracts:

Reserve for indemnity on completed contracts is provided for the future defect expenses based upon the estimated indemnity amount for net sales for the year.

(j) Reserve for loss on construction works:

Reserve for loss on construction works is provided for the amount equivalent to cover future loss by evaluating individual construction from which loss is assumed and estimated.

Cost on contracts in progress and reserve account in relation to the construction works, which loss is assumed, are represented in current assets and liabilities, respectively without setoff.

Among cost on contracts in progress, amount in aggregate corresponding to reserve for loss on construction works is ¥1,343 million (US\$ 13,709 thousand).

(k) Reserve for retirement benefits:

The reserve for retirement benefits represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets as adjusted for unrecognized actuarial differences and unrecognized prior service cost. The unrecognized actuarial differences are amortized on a straight-line basis over a period of 13 years commencing the year following the 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.

As for the amortization period of unrecognized actuarial differences, the Company changed its period to 13 years from 15 years due to the fact that the average service period remained has been shorter than an amortization period by review at the end of the year accordingly.

As a result, both operating income and income before income taxes and minority interests decreased by ¥133 million (US\$ 1,365 thousand).

(l) Property, plant and equipment and depreciation:

Depreciation is principally computed by the

declining-balance method at rates based on the estimated useful lives. Useful lives and residual value are in conformity with the provisions of the Corporation Tax Law of Japan. However, depreciation of buildings which the Companies acquired on or after April 1, 1998, is computed on a straight-line basis over the shortened estimated period.

The Company and its domestic consolidated subsidiaries reviewed the useful lives of both machinery and equipment and adopted the revised useful lives in accordance with changes in the Corporation Tax Law introduced in the 2008 tax reform, concerning useful life of depreciable assets from the year ended March 31, 2009.

This change does not affect net income and segment information significantly.

In accordance with changes in the Corporation Tax Law introduced in the 2007 tax reform, concerning the depreciation of fixed assets acquired on or after April 1, 2007, assets acquired on or after April 1, 2007, method of computing depreciation expenses has been changed to that prescribed in the new regulation. The effect of this change was to decrease both operating income and income before income taxes and minority interests by ¥166 million for the year ended March 31, 2008.

As for property, plant and equipment acquired before April 1, 2007, the Company depreciates the residual value over a period of five years equally from the following year when the concerned property, plant and equipment reached allowable limit for depreciation based on the pre-revised depreciation method. This is effective from the year ended March 31, 2008.

As a result, both operating income and income before income taxes and minority interests decreased by ¥101 million for the year ended March 31, 2008.

(m) Impairment of fixed assets:

To judge an indicator of impairment of fixed assets, idle properties are grouped by each asset. Loss on impairment of ¥56 million (US\$572 thousand) for 2009 and ¥421 million for 2008 was recognized on idle properties with no specific plan of future use.

(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 2009 and 2008 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 and Cost:

Prior to April 2008, the Companies adopted the completion method for revenue recognition for the construction-type contracts with contract amount less than ¥100 million, and the percentage-of-completion method for the construction-type contracts with contract amount of ¥100 million or more and construction period of more than one year, the percentage are measured by the ratio of the costs incurred to the estimated total costs for each contract.

Effective the year ended March 31, 2009, the Companies have adopted Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No.15 issued on December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Guidance No.18 issued on December 27, 2007).

In relation to the introduction of the above Statement and Guidance, the Companies adopt the percentage-of-completion method for revenue recognition for the construction-type contracts where the outcome of the construction activities is deemed accurate by the end of this year. Completion method is adopted otherwise. The percentage of completion are measured by the ratio of the costs incurred to the estimated total costs for each contract.

This adoption increased net sales by ¥5,990 million (US\$61,125 thousand) and operating

income and income before income taxes and minority interests by ¥351 million (US\$3,586 thousand).

The amounts of contract revenue which are accounted for by the percentage-of-completion method is ¥162,082 million (US\$ 1,653,908 thousand).

(q) Leases:

Lease assets;

As for finance leases, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by straight-line basis over the useful life period equivalent to lease term and residual value is equal to zero. However, leases whose commencement date were on or before March 31, 2008, are accounted for as ordinary lease transactions.

As for finance leases, other than those which are deemed to transfer ownership of the leased assets to lessee, accounting treatments were based on ordinary lease transactions until the year ended March 31, 2008.

Effective year ended March 31, 2009, the Company has adopted Accounting Standard for Lease Transactions (Accounting Standards Board of Japan Statement No. 13 issued on June 17, 1993; revised on March 30, 2007) and Guidance on Accounting Standard for Lease Transactions (Accounting Standard Board of Japan Guidance No. 16 issued on January 18, 1994; revised on March 30, 2007).

In relation to this adoption, accounting treatments is based on ordinary sales transactions and no impact is on net income.

(r) Net income and cash dividends and net assets per share:

Net income per share before dilution is based on the weighted average number of shares of common stock outstanding during the respective years.

Diluted net income per share was not disclosed in 2009 and 2008 due to the fact that there were no bonds with warrant and convertible bonds at the end of 2009 and 2008.

Cash dividends per share for each year represent the dividends declared as applicable to the respective years.

Net assets per share are based on the number of shares of common stock outstanding at the year end.

(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 of ¥98 = US\$1, the approximate rate of exchange prevailing on March 31, 2009. 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, 2009 and 2008 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Cash and time deposits.....	¥ 33,981	¥ 28,532	\$ 346,741
Time deposits due over three months.....	(1,789)	(169)	(18,250)
Repurchase agreement in other current assets	300	—	3,060
Cash and cash equivalents.....	<u>¥ 32,492</u>	<u>¥ 28,363</u>	<u>\$ 331,551</u>

The Companies trade repurchase agreement and take marketable securities in pledge from repo counterparty.

Fair value of the marketable securities as of March 31, 2009 was ¥300 million (US\$3,060 thousand).

Supplementary Cash Flow Information

The Company excluded TOA Concrete Co., Ltd. from its consolidated subsidiaries list by sales of its shares in March 2009. The total amount of sales was ¥900 million (US\$9,184 thousand) determined by the estimated value at the date of transaction.

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2009	2009
Current assets	¥ 496	\$ 5,064
Fixed assets	686	7,000
Current liabilities	(339)	(3,461)
Long-term liabilities	(9)	(90)
Minority interest	(360)	(3,672)
Gain on sale of shares	426	4,343
Sales amount	900	9,184
Cash and Cash equivalents	(164)	(1,674)
Net income by sales	<u>¥ 736</u>	<u>\$ 7,510</u>

(4) Marketable Securities and Investments in Securities

The following is certain information related to the aggregate acquisition costs, 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
	2009	2008	2009
Carrying amount			
Government bond, municipal bond and other.....	¥ 57	¥ 62	\$ 585
Total.....	<u>¥ 57</u>	<u>¥ 62</u>	<u>\$ 585</u>

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Carrying amount.....	¥ 57	¥ 62	\$ 585
Fair value.....	58	63	596
Unrealized gain..	<u>¥ 1</u>	<u>¥ 1</u>	<u>\$ 11</u>

(b) Other securities having its market value:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Carrying amount			
Marketable equity securities.....	¥ 7,263	¥ 10,134	\$ 74,111
Debentures.....	—	6	—
Other.....	83	129	852
Total.....	<u>¥ 7,346</u>	<u>¥ 10,269</u>	<u>\$ 74,963</u>

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Acquisition cost..	¥ 8,225	¥ 8,811	\$ 83,932
Fair value (Carrying value)..	7,346	10,269	74,963
Unrealized gain (loss)	¥ (879)	¥ 1,458	\$ (8,969)

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

Investments in securities at March 31, 2009 and 2008 comprise investment securities lent to the third party under a security loan agreement amounting to ¥83 million (US\$843 thousand) and ¥186 million, respectively.

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

Short-term borrowings were represented generally by 365-day notes in 2009 and 2008 issued by the Companies, and bore interest principally at the short-term prim rates in effect in 2009 and 2008.

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, 2009 and 2008 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Loans from banks and insurance companies with interest ranging from 2.05% to 2.13%, due various dates through 2014:	¥20,085	¥24,130	\$204,949
Total.....	20,085	24,130	204,949
Current portion included in current liabilities.....	(9,339)	(9,315)	(95,296)
Total.....	¥10,746	¥14,815	\$109,653

Lease obligations as of March 31, 2009 and 2008 consisted of the following:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current.....	¥14	—	\$146
Non-current.....	32	—	327
Total.....	¥46	—	\$473

Certain 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 loans.

The Company had credit lines at March 31, 2009 and 2008, from 7 banks amounting to ¥29,000 million (US\$295,918 thousand) in total and from 9 banks amounting to ¥35,000 million in total, respectively.

Assets pledged as collateral for short-term borrowings, long-term debt and contingent liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Assets pledged as collateral:			
Land.....	¥ —	¥ 105	\$ —
Investment securities.....	2,257	¥ 2,878	23,031
Loans.....	595	597	6,075
Others	28	19	289
	¥ 2,880	¥ 3,599	\$ 29,395

Liabilities secured thereby:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current portion of long-term debt.....	¥ —	¥ 100	\$ —
Contingent liabilities..	¥ 1,683	¥ 1,763	\$ 17,170

The aggregate annual maturities of long-term debt (including current portion) as of March 31, 2008 were as follows:

Year ending March 31,	Millions of Japanese Yen	Thousands of U.S. Dollars
2010	¥ 9,339	\$ 95,296
2011	5,431	55,418
2012	3,478	35,490
2013	988	10,082
2014	849	8,663
Total	¥ 20,085	\$204,949

(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 adopt the cash balance plan, retirement allowance plan, and additional severance payment covering substantially all employees for the defined benefit retirement plans. Furthermore, the Company set up the retirement benefit trust.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligations	¥(23,267)	¥(23,313)	\$(237,412)
Plan assets	12,354	16,336	126,059
	(10,913)	(6,977)	(111,353)
Unrecognized actuarial differences	8,814	4,941	89,935
	¥ (2,099)	¥ (2,036)	\$ (21,418)

Net pension and severance costs expense related to the retirement benefits for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Service cost	¥ 777	¥ 830	\$ 7,933
Interest cost	571	625	5,830
Expected return on plan assets	(250)	(327)	(2,558)
Amortization of unrecognized actuarial differences..	621	67	6,337
Amortization of prior service cost.....	—	(1,062)	—
Net pension and severance costs	¥ 1,719	¥ 133	\$ 17,542

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

	2009	2008
Discount rate	2.5%	2.5%
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 period of unrecognized actuarial differences	13 years	15 years
Amortization period 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 ¥71 million (US\$720 thousands) and ¥66 million as of March 31, 2009 and 2008, 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) Selling, General and Administrative Expenses

The significant items of selling, general and administrative expenses for 2009 and 2008 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Salaries to employees	¥ 4,389	¥ 4,264	\$ 44,791

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Expenses for retirement benefits..	586	—	5,975
Reserve for retirement benefits..	29	30	292
Provision for doubtful receivables.	501	674	5,109
Depreciation	199	254	2,028
Research expenses	¥ 951	¥ 1,098	\$ 9,702

(9) Income Taxes

(a) The significant components of deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Deferred Tax Assets:			
Pension and severance costs	¥ 1,959	¥ 1,940	\$ 19,987
Reserve for loss on construction works	951	659	9,700
Unrealized loss on securities	445	—	4,537
Write-down of utility rights	432	458	4,407
Write-down of investments securities	194	200	1,978
Allowance for doubtful accounts ..	—	418	—
Accrued bonus to employees	459	414	4,682
Others	1,627	1,992	16,626
Valuation allowance..	(978)	(1,406)	(9,982)
Deferred Tax Assets	¥ 5,089	¥ 4,675	\$ 51,935

Deferred Tax Liabilities:

Unrealized gain on securities	¥ (32)	(¥590)	\$ (328)
Reserve for land	(1,102)	(1,102)	(11,246)
Other	(100)	(104)	(1,019)
Deferred Tax Liabilities	¥ (1,234)	¥ (1,796)	\$ (12,593)
Net Deferred Tax Assets	¥ 3,855	¥ 2,879	\$ 39,342

(b) A reconciliation between the normal effective statutory tax rate for the year ended March 31, 2009 and 2008, and the actual effective tax rates reflected in the accompanying consolidated statements of income is as follows.

	2009	2008
Normal effective statutory tax rate	40.4%	40.4%
Expenses not deductible for income tax purposes	11.7	3.9
Non-taxable income	(3.9)	(0.2)
Per capita levy of inhabitant taxes	8.8	0.6
Change in valuation allowance	(23.6)	4.9
Other-net	0.8	(4.4)
Actual Effective Tax Rates...	34.2%	45.2%

(10) Net Assets

Under Corporation Law of Japan (“the Law”), certain issuance of common shares is required to be credited to the common stock account for 50% of the proceeds. The Law permits, by resolution of the shareholders' meeting, transfer from amounts of additional paid-in capital to the common stock.

The Law provides that an amount equal to 10% of dividends of surplus shall be appropriated as a legal reserve or additional paid-in capital 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 or may be transferred to common stock by resolution of the shareholders' meeting. On condition that the total amount of legal reserve and additional paid-in capital remains equal to or exceeds 25% of common stock, they are available for distributions by the resolution of the shareholders' meeting.

(11) Leases

Finance Lease

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2009 and 2008, which would have been reflected in the balance sheets if finance lease accounting had been applied to finance leases currently accounted for as operating leases, and are included an interest portion there of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Machinery, vehicles, tools and others	¥1,472	¥1,478	\$ 15,018
Accumulated depreciation	1,226	1,025	12,512
	¥ 246	¥ 453	\$ 2,506

The scheduled maturities of future lease rental payments, including an interest portion on such lease contracts as of March 31, 2009 and 2008 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year.....	¥ 171	¥ 249	\$ 1,737
Due over one year	75	204	769
	¥ 246	¥ 453	\$ 2,506

Lease rental expenses incurred in connection with finance leases, other than those which are deemed to transfer the ownership of the leased assets to lessee, amount to ¥259 million (US\$2,647 thousand) and ¥273 million for the year ended March 31, 2009 and 2008, respectively.

Operating Lease

The scheduled maturities of future operating lease rental payments, including an interest portion on such lease contracts as of March 31, 2009 and 2008 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Due within one year.....	¥ 6	¥ 5	\$ 58
Due over one year.....	3	7	36
	¥ 9	¥ 12	\$ 94

(12) Revaluation of Land

The Company revalued its land held for business purposes based on the value appraised by an appraiser which is regulated by Article 2 No.4 of an Enforcement Ordinance, and No.119 of Law Concerning Land Revaluation (effective March 31, 1998) with certain necessary adjustments.

Deferences arising from the land revaluation

have been accounted for as revaluation reserve for land under net assets at a net-of-tax amount. The carrying value of the land after revaluation exceeded its fair value as of March 31, 2009 and 2008 by ¥5,716 million (US\$58,324 thousand) and ¥5,943 million, respectively.

(13) Commitments and Contingent Liabilities

The Companies are contingently liable for the following at March 31, 2009 and 2008:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2009	2008	2009
Trade notes receivable discounted and endorsed	¥ —	¥ 10	\$ —
Guarantees of short- term and long- term debt of employee, customers, unconsolidated subsidiaries and affiliates	2,427	2,908	24,762
	¥ 2,427	¥ 2,918	\$ 24,762

On December 11, 2007, the Company was brought a lawsuit by a logistic agency on commission fee amounting ¥123 million. At present, the lawsuit is pending and its result of arbitration is not predictable.

(14) Segment Information

a. Business Segments

Business segments are principally composed of the following:

- Construction Civil Engineering and
Architectural Construction
- Real Estate Development of Land and
Buildings
- Other Businesses.. Building and Repair of Vessels
and Agency Businesses

Year Ended March 31, 2009

Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 200,205	¥ 1,645	¥ 4,129	¥ 205,979	¥ —	¥ 205,979
Inter-segment	1,434	439	1,370	3,243	(3,243)	—
Total	201,639	2,084	5,499	209,222	(3,243)	205,979
Operating expenses	198,712	1,677	5,129	205,518	(3,198)	202,320
Operating income	2,927	407	370	3,704	(45)	3,659
Total assets	130,942	18,507	5,005	154,454	37,897	192,351
Depreciation expenses	3,416	110	91	3,617	(14)	3,603
Capital Expenditure	¥ 2,558	¥689	¥ 342	¥ 3,589	¥ (64)	¥ 3,525

Year Ended March 31, 2008

Millions of Japanese Yen

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 207,810	¥ 2,150	¥ 3,865	¥ 213,825	¥ —	¥ 213,825
Inter-segment	847	981	1,622	3,450	(3,450)	—
Total	208,657	3,131	5,487	217,275	(3,450)	213,825
Operating expenses	205,185	2,970	5,063	213,218	(3,139)	210,079
Operating income	3,472	161	424	4,057	(311)	3,746
Total assets	142,259	18,346	5,025	165,630	35,313	200,943
Depreciation expenses	2,469	135	72	2,676	6	2,682
Capital Expenditure	¥ 4,575	¥ 7	¥ 41	¥ 4,623	¥ (10)	¥ 4,613

Year Ended March 31, 2009

Thousands of U.S. Dollars

	Construction	Real Estate	Other Businesses	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	\$2,042,905	\$ 16,787	\$ 42,131	\$2,101,823	\$ —	\$ 2,101,823
Inter-segment	14,631	4,476	13,982	33,089	(33,089)	—
Total	2,057,536	21,263	56,113	2,134,912	(33,089)	2,101,823
Operating expenses	2,027,676	17,116	52,332	2,097,124	(32,636)	2,064,488
Operating income	29,860	4,147	3,781	37,788	(453)	37,335
Total assets	1,336,144	188,846	51,069	1,576,059	386,704	1,962,763
Depreciation expenses	34,855	1,118	924	36,897	(136)	36,761
Capital Expenditure	\$ 26,103	\$ 7,033	\$ 3,494	\$ 36,630	\$ (656)	\$ 35,974

Changes in accounting policies

1. The Company changed the amortization period of unrecognized actuarial differences as described in Note (1)-(k) "Reserve for retirement benefits". As a result, in segment Construction operating expenses increased by ¥133 million (US\$1,356 thousand), while operating income decreased by the same amount, and in segment Real Estate operating expenses increased by ¥1 million (US\$8 thousand), while operating income decreased by the same amount.
2. The Companies adopted Accounting Standard for Construction Contracts and Guidance on Accounting Standard for Construction Contracts as described in Note (1)-(p) "Recognition of contract revenue and cost". As a result, net sales in segment Construction increased by ¥5,909 million (US\$60,298 thousand), while operating income increased by 350 million (US\$3,567 thousand), and net sales in segment Other Businesses increased by ¥87 million (US\$883 thousand), while operating income increased by ¥2 million (US\$17 thousand).

b. Geographical Segments

Each area primarily refers to the following countries:

Southeast AsiaSingapore, Philippines and Viet Nam

Year Ended March 31, 2009

Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 159,096	¥ 34,188	¥ 12,695	¥ 205,979	¥ —	¥ 205,979
Inter-segment	178	—	—	178	(178)	—
Total	159,274	34,188	12,695	206,157	(178)	205,979
Operating expenses	154,905	34,783	12,810	202,498	(178)	202,320
Operating income	4,369	(595)	(115)	3,659	—	3,659
Total assets	¥ 130,758	¥ 15,633	¥ 5,459	¥ 151,850	¥ 40,501	¥ 192,351

Year Ended March 31, 2008

Millions of Japanese Yen

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	¥ 184,472	¥ 21,017	¥ 8,336	¥ 213,825	¥ —	¥ 213,825
Inter-segment	323	—	—	323	(323)	—
Total	184,795	21,017	8,336	214,148	(323)	213,825
Operating expenses	182,234	20,669	7,499	210,402	(323)	210,079
Operating income	2,561	348	837	3,746	(—)	3,746
Total assets	¥ 141,256	¥ 15,461	¥ 6,286	¥ 163,003	¥ 37,940	¥ 200,943

Year Ended March 31, 2009

Thousands of U.S. Dollars

	Japan	Southeast Asia	Other Areas	Total	Elimination / Corporate	Consolidated
Net sales:						
External customers	\$1,623,425	\$ 348,854	\$ 129,544	\$2,101,823	\$ —	\$2,101,823
Inter-segment	1,817	—	—	1,817	(1,817)	—
Total	1,625,242	348,854	129,544	2,103,640	(1,817)	2,101,823
Operating expenses	1,580,660	354,926	130,719	2,066,305	(1,817)	2,064,488
Operating income	44,582	(6,072)	(1,175)	37,335	—	37,335
Total assets	\$1,334,265	\$ 159,517	\$ 55,700	\$1,549,482	\$ 413,281	\$1,962,763

Changes in accounting policies

- The Company changed the amortization period of unrecognized actuarial differences as described in Note (1)-(k) "Reserve for retirement benefits". As a result, in segment Japan operating expenses increased by ¥104 million (US\$1,065 thousand), while operating income decreased by the same amount, in segment Southeast Asia operating expenses increased by ¥21 million (US\$218 thousand), while operating loss increased by the same amount, and in segment Other Areas operating expenses increased by ¥8 million (US\$81 thousand), while operating loss increased by the same amount.
- The Companies adopted Accounting Standard for Construction Contracts and Guidance on Accounting Standard for Construction Contracts as described in Note (1)-(p) "Recognition of contract revenue and cost". As a result, net sales in segment Japan increased by ¥5,990 million (US\$61,125 thousand), and operating income increased by 351 million (US\$3,586 thousand). There were no effects seen in segment Southeast Area and Other Areas.

c. Overseas Net Sales

Each area primarily refers to the following countries:

Southeast AsiaSingapore, Philippines and Viet Nam

Year Ended March 31, 2009		Millions of Japanese Yen	
	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 34,188	¥ 12,695	¥ 46,883
Consolidated net sales	—	—	205,979
Ratio (%)	16.6	6.2	22.8

Year Ended March 31, 2008		Millions of Japanese Yen	
	Southeast Asia	Other Areas	Total
Overseas net sales	¥ 21,017	¥ 8,336	¥ 29,353
Consolidated net sales	—	—	213,825
Ratio (%)	9.8	3.9	13.7

Year Ended March 31, 2009		Thousands of U.S. Dollars	
	Southeast Asia	Other Areas	Total
Overseas net sales	\$ 348,854	\$ 129,544	\$ 478,398
Consolidated net sales	—	—	\$2,101,823

Report of Independent Auditors

The Board of Directors
TOA CORPORATION

We have audited the accompanying consolidated balance sheets of TOA CORPORATION and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOA CORPORATION and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note (1)-(p), effective the year ended March 31, 2009, the Company and consolidated subsidiaries compiled the consolidated financial statements by adopting the Accounting Standard for Construction Contracts.

As described in Note (1)-(f), effective the year ended March 31, 2008, the Company and consolidated subsidiaries compiled the consolidated financial statements by adopting the Accounting Standard for Measurement of Inventories.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note (2).

Ernst & Young ShinNihon LLC

June 26, 2009

Board of Directors

(As of June 26, 2009)

President and Representative Director

Yukio Suzuki

Representative Directors

Kentaro Imano

Masaomi Matsuo

Directors

Osamu Nakagome

Tsuyoshi Torii

Kazuo Oka

Morimasa Tani

Corporate Auditors

Yasuhito Hayashi

Nobuyuki Isa

Kenji Kita

Satoshi Inaba

Executive Officers

(As of April 1, 2009)

President and Chief Executive Officer (CEO)

Yukio Suzuki

Executive Vice Presidents

Kentaro Imano

Masaomi Matsuo

Senior Executive Officers

Osamu Nakagome

Tsuyoshi Torii

Kazuo Oka

Motonobu Sugimoto

Morimasa Tani

Managing Executive Officers

Mitsugi Okuda

Yoshio Sasaki

Takeshi Saito

Masashi Tanaka

Tsutomu Higashi

Kiyoshi Kazuma

Executive Officers

Sanji Kida

Haruyuki Miyoshi

Takao Kishida

Toshiro Sakasegawa

Ryo Suetomi

Tsuyoshi Hyakutake

Masaki Akiyama

Etsuhisa Hirose

Hiroki Suda

Akio Aikawa

Yukio Toyama

Osamu Sasaki

Michio Kanazaki

INVESTOR INFORMATION

(As of June 26, 2009)

Head Office

TOA CORPORATION
5, Yonban-cho, Chiyoda-ku, Tokyo
102-8451, Japan
Phone: +81-3-3262-5102
http://www.toa-const.co.jp/

International Division

5, Yonban-cho, Chiyoda-ku, Tokyo
102-8451, Japan
Phone: +81-3-5226-1232
Facsimile: +81-3-5226-1234
E-mail: webmaster@toa-const.co.jp

Date of Incorporation

January 1920

Paid-In Capital

¥18,976 million (As of March 31, 2009)

Authorized Shares

600,000,000

Outstanding Shares

224,946,290 shares in 2008 (As of March 31, 2009)

Number of Shareholders

13,395 (As of March 31, 2009)

Number of Employees

1,592 (As of March 31, 2009)

General Meeting

The General Meeting of Shareholders
was held on June 26, 2009

Stock Listing

Tokyo Stock Exchange, 1st Section
Sapporo Securities Exchanges

Transfer Agent

Mizuho Trust & Banking Co., Ltd.
2-1, Yaesu 1-chome, Chuo-ku, Tokyo
103-8670, Japan

Auditor

Ernst & Young ShinNihon
Hibiya Kokusai Building
2-3, Uchisaiwai-cho 2 chome,
Chiyoda-ku, Tokyo 100-0011, Japan

Domestic Branches

Hokkaido Branch
Tohoku Branch
Chiba Branch
Tokyo Branch
Yokohama Branch
Hokuriku Branch
Nagoya Branch
Osaka Branch
Chugoku Branch
Shikoku Branch
Kyushu Branch
Metropolitan Architecture Division
Engineering Research and Development Center

Overseas NETWORK

Overseas Offices

SINGAPORE

Singapore Office
23, Pandan Crescent,
Republic of Singapore 128472
Phone: (65) 6775-5044~5049
Facsimile: (65) 6775-3542, 6775-0373

INDONESIA

Indonesia Office
10th Floor, Century Tower,
Jl. HR. Rasuna Said Kav,
X-2 Kuningan, Jakarta 12950,
Republic of Indonesia
Phone: (62-21) 522-8781
Facsimile: (62- 21) 522-8782

PHILIPPINE

Philippine Office
3F, 1st Life Center, 174 Salcedo Street,
Legaspi Village, Makati City 1229,
Republic of Philippines
Phone: (63-2) 816-3560
Facsimile: (63- 2) 816-3561

VIET NAM

Viet Nam Office
Suite 707, Hanoi Tung Shing Sq.,
2 Ngo Quyen, Hoan Kiem Dist.,
Hanoi, Socialist Republic of Viet Nam
Phone: (84-4) 826-2606
Facsimile: (84-4) 826-2628

MALAYSIA

Malaysia Office
6th Floor, Wisma Genting Jalan,
Sultan Ismail 50250, Kuala Lumpur
Malaysia
Phone: (60-3) 2166-5909
Facsimile: (60-3) 2166-5908

SRI LANKA

Sri Lanka Office
8/5 Pansalhena Road, Kolonnawa,
Democratic Socialist Republic of Sri Lanka
Phone: (94-1) 12572005
Facsimile: (94-1) 12572535

CARIBBEAN ISLANDS

Carib Office
P.O.Box 2330 OWIA St.Vincent
West Indies
Phone: (1-784) 4589612
Facsimile: (1-784) 4589612

U.A.E.

Dubai Office
G 17, Lob 1, Jebel Ali Free Zone,
Dubai, United Arab Emirates
Phone: (971-4) 8871953
Facsimile: (971-4) 8872054

Overseas Subsidiaries and Affiliates

TOA HARBOR (S) PTE., LTD.

23, Pandan Crescent,
Republic of Singapore 128472
Phone: (65) 6775-5044
Facsimile: (65) 6775-3542

TOA (M) SENDIRIAN BERHAD

6th Floor, Wisma Genting Jalan,
Sultan Ismail 50250,
Kuala Lumpur, Malaysia
Phone: (60-3) 2166-5909
Facsimile: (60-3) 2166-5908

PT. TOA TIRTA DHARMA

10thFloor, Century Tower,
Jl. HR. Rasuna Said Kav,
X-2 Kuningan, Jakarta 12950,
Republic of Indonesia
Phone: (62-21) 522-8781
Facsimile: (62- 21) 522-8782

TOA (LUX) S.A.

4, Rue Henri Schnadt L-2530,
Grand Duchy of Luxembourg
Phone: (352) 403727
Facsimile:(352) 403723



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