NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

1.Significant Respects for the Basis of Preparing 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 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 of Japan.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been rounded down to the nearest million Japanese yen. Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

Ⅰ. Basis of consolidation

The Company has 16 majority-owned subsidiaries as of March 31, 2014. The consolidated financial statements for the year ended March 31, 2014 include the accounts of the Company and 11 majority-owned subsidiaries. Principal consolidated subsidiaries were TOA Agency Co., Ltd., Shinko Corporation, TOA Kikai Kogyo Co., Ltd. Consolidated subsidiaries have the same financial period as the Company that ends on March 31.

PFI Saijo Unei Co., Ltd., Morioka Dai-ni Godo Chosya Seibi Unei Co., Ltd. and PFI Ichinomiya Saijo Co., Ltd. are newly included in the scope of consolidation from the year ended March 31, 2014 because of their increased importance.

Other 5 subsidiaries are not consolidated as they are at small scale and not significant in terms of total assets, net sales, retained earnings or net income in aggregate.

Investments in unconsolidated subsidiaries (Human Affair Co., Ltd. And others) and affiliates (Sengenyama Developing Co., Ltd. and others) are excluded from application of the equity method as they are not significant in terms of net income or retained earnings in aggregate.

Ⅱ. Basis of accounting treatment

(1) Basis of valuation for significant assets

a) Securities

Securities held by the Companies are classified into two categories;

Held-to-maturity debt securities are carried at amortized cost.

Other securities for which market quotations are available are stated at fair value. Net Unrealized gains or losses on these securities are treated as directly charged or credited to the net assets and cost of securities sold are computed by the moving average method.

Other securities for which market quotation are unavailable are stated at moving average cost method.

b) 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.

c) Inventories

Cost on construction contracts in progress, PFI projects and real estate for sale are stated at specific cost method for each contract. Materials and supplies are stated at moving average cost method.

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

(2) Depreciation for property, plant and equipment and other

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

As for intangible fixed assets excluding leased assets and long-term prepaid expenses, amortization is computed by the straight-line method and the useful lives are in conformity with the provisions of the Corporation Tax Law of Japan.

As for leased assets related to finance lease, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by the straight-line method over the useful lives 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 by a method similar to that applicable to the ordinary operating lease transactions.

(3) Reserve and allowance

a) 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.

b) 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.

c) 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 form which loss is assumed and estimated.

(4) Retirement benefits

Liabilities for retirement benefits has been provided on an accrual basis as of the balance sheet date based on an estimate of the projected benefit obligation and the employees' pension plan assets.

To calculate projected benefit obligation, the straight-line method is used to allocate expected retirement benefit payments to the each period through current fiscal year-end.

Actuarial gain and loss is amortized by the straight-line method over a defined period (13 years), not exceeding the average remaining service period of the employees from the next fiscal year after the incurrence.

Certain consolidated subsidiaries apply the simplified method which assumes retirement benefit obligation to be equal to the benefits payable assuming voluntary retirement of all employees at fiscal year-end.

(5) Recognition of contract revenue and cost

The Companies adopt the percentage-of-completion method for revenue recognition for the construction-type contracts where the outcome of the construction activities by the end of this year can be reliably estimated.

Completion method is adopted otherwise. The percentage of completion is measured by the ratio of the costs incurred to the estimated total costs for each contract.

(6) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as a component of net assets 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.

For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values but an alternative (short-cut) method under Japanese accounting standards in applied by which the amounts received or paid for such interest swap arrangements are recognized as interest over the life of each of the arrangements.

The derivatives designated as hedging instruments by the Companies are principally interest swaps and forward exchange contracts. The related hedged item is 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. 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.

(7) Amortization of goodwill

The acquisition costs of consolidated subsidiaries in excess of the equity in their net assets at date of acquisition are accounted for as goodwill. The Companies have a balance of negative goodwill which arose on or before March 31, 2010 and amortize the negative goodwill over a period of five years on average.

(8) Scope of cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows and composed of cash on hand, bank deposits which are able to be 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.

(9) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(10) 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 ¥102=US$1, the approximated rate of exchange prevailing on March 31, 2014. The inclusion of such dollar amounts is solely for the 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.

Amounts less than one thousand have been rounded down to the nearest thousand dollars.

2.Changes in Accounting Policy

The Companies adopted “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 of May 17,2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of May 17,2012) (except for certain provisions described in Section 35 of the standard and in Section 67 of the guidance) as of the end of the fiscal year ended March 31, 2014. These accounting standards require entities to apply a revised method for recording the retirement benefit obligation, after deducting pension plan assets, as a liability for retirement benefits. In addition, unrecognized actuarial gain and loss is recorded as a liability for retirement benefits. Concerning the application of the Accounting Standard for Retirement Benefits, based on the transitional treatment set out in Section 37 of the standard, the effects of such changes in the current fiscal year have been recorded in retirement benefits liability adjustments of accumulated other comprehensive income. As a result of this change, a liability for retirement benefits was recognized in the amount of ¥6,254 million ($61,315 thousand) and accumulated other comprehensive income decreased by ¥1,768 million ($17,337 thousand) as of March 31, 2014. In addition, net assets per share decreased by ¥8.46 ($0.08).

3.Issued but not yet adopted accounting standard and others

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No. 25, May 17, 2012)

(1) Overview

From the viewpoint of improvements to financial reporting and international convergence, this accounting standard mainly focuses on

a) changes in the treatment of unrecognized actuarial differences and unrecognized prior service cost, and enhancement of disclosures, and
b) a revision to determination of projected benefit obligations and current service cost.

(2) Scheduled Date of Application

The Companies are scheduled to apply above b) from the beginning of the fiscal year starting April 1, 2014. However, the companies have already applied above a) from the consolidated financial statements concerning the end of the fiscal year starting April 1, 2013.

(3) Effect of Application of this accounting standard

The effect of the application of this accounting standard is currently under consideration.

4.Changes in Presentation

The Companies have changed the presentation of items in the consolidated statement of income as follows:

Loss on disposal of fixed assets included in Other, net of Other income (expenses) in the previous year, is presented separately in the current year.

To reflect this change in presentation, the Companies reclassified items of previous year in the consolidated statement of income for the current year.

Consequently, Loss on disposal of fixed assets was newly shown in the amount of ¥(4) million and Other, net was ¥(141) million compared with ¥(146) million in Other, net of other income (expenses) in the consolidated statement of income for the previous year.

5.Additional Information

On March 30, 2014, an accident occurred during construction on Okinotori Island in which a pier overturned.

An investigation for the causes of the accidents and consideration on the measures to prevent a recurrence will be made.

At this point, it is difficult to make a reasonable estimate of the financial impact on the current year's consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

6.Notes to Consolidated Balance Sheet

Ⅰ.Cost on construction contracts in progress and other

Cost on construction contracts in progress and other as of March 31, 2014 and 2013 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Cost on construction contracts in progress	**¥5,220**	¥2,175	**$51,184**
PFI projects	**2,362**	—	**23,159**
Other inventories	**603**	627	**5,921**
Cost on construction contracts in progress and other	**¥8,187**	¥2,803	**$80,265**

Ⅱ.Reserve for loss on construction works

Cost on construction 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 construction contracts in progress, amount in aggregate corresponding to reserve for loss on construction works as of March 31, 2014 and 2013 are as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥1,573	¥15	**$15,429**

Ⅲ.Investments in securities

Among investments in securities, amount in aggregate corresponding to unconsolidated subsidiaries and affiliates as of March 31, 2014 and 2013 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Investments in affiliates	**¥250**	¥503	**$2,454**

Ⅳ.Revaluation of land

In accordance with the "Act on Revaluation of Land" (Act No.34 promulgated on March 31, 1998) and the "Act on Partial Revision of the Act on Revaluation of Land" (Act No.19 promulgated on March 31, 2001), the Company revalued its land held for the business purpose and accounted for the amount equivalent to tax related to this differences on revaluation as "deferred tax liabilities on revaluation of land" in liabilities and accounted for the amount that tax amount were deducted from the differences on revaluation as "revaluation reserve for land" in net assets.

Furthermore, reviewing a collectability of "deferred tax assets for land revaluation" individually, among the amount equivalent to tax related to the differences on revaluation of land, the amount that were difficult to anticipate collectability were reduced from "revaluation reserve for land".

Revalued method

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

Revalued date March 31, 2002

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Differences of the land after revaluation exceeded its fair value	**¥6,118**	¥6,665	**$59,987**

Ⅴ.Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2014 and 2013 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
Assets pledged as collateral:	**2014**	2013	**2014**
Current assets			
Other current assets	**¥26**	¥49	**$255**
Investment and other assets			
Investment in securities	**2,101**	2,705	**20,600**
Long-term loans	**297**	673	**2,918**
Other	**—**	65	—
Total	**¥2,425**	¥3,494	**$23,775**

As of March 31, 2014, the assets listed above are pledged as collateral to secure contingent liabilities amounting to ¥1,598 million (US$15,673 thousand) and liabilities based on the loan agreements with credit line between 12 PFI companies and financial institutions.

As of March 31, 2013, secured liabilities were in the amount of ¥1,632 million and liabilities were for 15 PFI companies.

Ⅵ.Securities lent

Among investment in securities, securities were lent to financial institution under the security lending agreement at March 31, 2014 and 2013 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥212	¥115	**$2,079**

Ⅶ.Commitments and contingent liabilities

The Companies are contingently liable for the following as of March 31, 2014 and 2013:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Employees (Loan guarantee to bank)	**¥13**	¥18	**$131**
National Federation of Promotion for Fishing Ports and Villages	**295**	379	**2,896**
Fisheries Cooperative Association (Loan guarantee)			
Others	**295**	242	**2,892**
Total	**¥603**	¥641	**$5,920**

Ⅷ.Short-term borrowings

The Company had commitment lines for efficient financial arrangement from 7 banks at March 31, 2014 and 2013 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Total amount of contracts of commitment lines	**¥20,000**	¥20,000	**$196,078**
Outstanding borrowings	**—**	—	**—**
Balance	**¥20,000**	¥20,000	**$196,078**

Ⅸ.Notes receivable and notes payable

On March 31, 2013, financial institutions were on a holiday in Japan, the following notes receivable and payable maturing on that date were included in their own balance in the balance sheet and were settled on the next business day.

	Millions of Japanese Yen
Notes receivable	¥1,762
Notes payable	1,489

Ⅹ.Non-recourse debt

The following non-recourse debts are included in current portion of long-term debt and long-term debt with PFI business pledged as collateral.

The amount of non-recourse debts as of March 31, 2014 are as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Non-recourse debt included in current portion of long-term debt	**¥663**	**$6,505**
Non-recourse debt included in long-term debt	**4,231**	**41,485**
Total	**¥4,895**	**$47,990**

The amount of PFI assets pledged as collateral for non-recourse debt as of March 31, 2014 are as follows:

Millions of Japanese Yen	Thousands of U.S. Dollars
¥6,839	**$67,058**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

7.Notes to Consolidated Statement of Income

Ⅰ.Net sales

The amounts of contract revenue which are accounted for by the percentage-of-completion method were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥175,670	¥147,699	**$1,722,255**

Ⅱ.Loss on valuation of inventory

The ending inventory was the carrying value after writing down due to the decreased profitability. Among the cost of sales, amount in aggregate corresponding to loss on valuation of inventory were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥67	¥22	**$660**

Ⅲ.Reserve for loss on construction works

Among the cost of sales, amount in aggregate corresponding to reserve for loss on construction works were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥4,554	¥713	**$44,651**

Ⅳ.Selling, general and administrative expenses

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Salaries to employees	**¥4,081**	¥4,234	**$40,019**
Provision for retirement benefits for directors	**4**	23	**42**
Expenses for retirement benefits for employees	**514**	552	**5,039**
Reserch expenses	**848**	816	**8,318**
Provision for doubtful accounts, trade	**(18)**	(132)	**(184)**

Ⅴ.Research and development expenses

Among the general and administrative expenses and the cost on contract, amount in aggregate corresponding to research and development expenses were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2014	2013	**2014**
¥946	¥912	**$9,278**

Ⅵ.Gain on sale of fixed assets

The breakdown of the gain on sale of fixed assets were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Land	**¥4**	¥65	**$39**
Machinery and equipment	**0**	25	**4**
Vessels	**80**	9	**792**
Others	**1**	0	**13**
Total	**¥86**	¥100	**$849**

Ⅶ.Impairment of fixed assets

For the year ended March 31, 2014, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Idle properties	Land	Kanagawa and others	2

The idle properties were grouped by each individual objective. The carrying amount of the relevant assets was written down to the recoverable value due to the drop in fair value and ¥166 million (US$1,629 thousand) was accounted for as loss on impairment of fixed assets whose detail amount consisted of only for land.

Meanwhile, the recoverable value of the relevant assets was based on the anticipated net sale value. Furthermore, the anticipated net sale value of land whose carrying amount was significant was applied to the appraisal value by the licensed real-estate appraiser.

For the year ended March 31, 2013, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Idle properties	Land	Hokkaido and others	5

The idle properties were grouped by each individual objective. The carrying amount of the relevant assets was written down to the recoverable value due to the drop in fair value and ¥47 million was accounted for as loss on impairment of fixed assets whose detail amount consisted of only for land.

Meanwhile, the recoverable value of the relevant assets was based on the anticipated net sale value. Furthermore, the anticipated net sale value of land whose carrying amount was significant was applied to the appraisal value by the licensed real-estate appraiser.

8.Notes to Consolidated Statement of Comprehensive Income

Reclassifications adjustments and tax effects in relation to the other comprehensive income were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Unrealized gains (Losses) on securities:			
Amount arising during the year	**¥2,029**	¥2,455	**$19,895**
Amount of reclassification adjustments	**(712)**	96	**(6,980)**
Amount before tax effect	**1,317**	2,551	**12,914**
Tax effect	**(429)**	(905)	**(4,206)**
Unrealized gains (Losses) on securities	**888**	1,645	**8,708**
Deferred gains (losses) on hedges:			
Amount arising during the year	**—**	49	**—**
Amount of reclassification adjustments	**—**	(16)	**—**
Amount before tax effect	**—**	32	**—**
Tax effect	**—**	(12)	**—**
Deferred gains (losses) on hedges	**—**	20	**—**
Total other comprehensive income	**¥888**	¥1,666	**$8,708**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

9.Notes to Consolidated Statement of Changes in Net Assets

Ⅰ.Type and number of shares

For the year ended March 31, 2014

				Thousands of shares
Type of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	**224,946**	**—**	**—**	**224,946**
Treasury stock				
Common stock	**15,257**	**660**	**—**	**15,917**

Notes:The principal details for increase in treasury stock were as follows:	
Increase due to purchase of odd stock	3 thousand shares
Increase due to acquisition of treasury stock by the Company	657 thousand shares

For the year ended March 31, 2013

				Thousands of shares
Type of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	224,946	—	—	224,946
Treasury stock				
Common stock	13,678	1,578	—	15,257

Notes:The principal details for increase in treasury stock were as follows:	
Increase due to purchase of odd stock	3 thousand shares
Increase due to acquisition of treasury stock by the Company	1,575 thousand shares

Ⅱ.Dividend payment

For the year ended March 31, 2013

			Millions of Japanese Yen			
Resolution	Type of share	Dividend resource	Total amount of dividends	Cash dividends per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting held on June 28, 2012	Common stock	Retaind earnings	¥429	¥2	March 31, 2012	June 29, 2012

Ⅲ.Among dividends whose record date belong in the current fiscal year, dividends which become effective in the following fiscal year were as follows:

For the year ended March 31, 2014

			Millions of Japanese Yen		Thousands of U.S Dollars			
Resolution	Type of share	Dividend resource	Total amount of dividends	Cash dividends per share (Yen)	Total amount of dividends	Cash dividends per share (Dollars)	Record date	Effective date
Annual Shareholders' Meeting held on June 27, 2014	Common stock	Retaind earnings	**¥425**	**¥2**	**$4,167**	**$0.01**	March 31, 2014	June 30, 2014

10.Notes to Consolidated Statement of Cash Flows

Cash and cash equivalents consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Cash and bank deposits	**¥43,040**	¥50,095	**$421,963**
Time deposits due over three months	**(25)**	(25)	**(249)**
Cash and cash equivalents	**¥43,014**	¥50,069	**$421,713**

11.Leases

The scheduled maturities of future operating lease payments, including an interest portion on such lease contracts as of March 31, 2014 and 2013, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Due within one year	**¥514**	¥519	**$5,041**
Due over one year	**981**	1,433	**9,622**
Total	**¥1,495**	¥1,952	**$14,663**

12.Financial Instruments

Ⅰ.Summary of financial instruments

a) Policy for financial instruments

The Companies limit its fund management to low-risk financial instruments, such as bank deposits in a short period and have a policy to raise low-interest funds through bank borrowings flexibly. The Companies utilize derivatives in order to reduce the risk of fluctuation in interest rates and foreign exchange rates for debts and credits in foreign currencies. The Companies, furthermore, utilize the hedging instruments for the purpose of stabilizing the cost on contracts and do not enter into derivatives for speculative purpose.

b) Contents of financial instruments, related risk and risk management

Notes and accounts receivable which categorized into operating receivables are exposed to client's credit risk. These risks are reviewed at entering into contract and the concerned counterparts are managed by the administration headquarters in each case.

Investments in securities are exposed to fluctuation risks of market price.

Those securities are mainly shares of other companies with which the Company has business relationships and the Company monitors the monthly fair value.

Among the debt, short-term borrowings are principally applicable to funds for business activities, long-term debt (maturities are within five years in principle) are funds for capital investments and long-term debt (maturities are over five years in principle) are funds for PFI projects. Long-term debt with variable interest rates are exposed to the risk of interest rate fluctuation. The Company utilizes derivatives which are the interest swaps in each contracts in order to avoid fluctuation risk of interest expenses and stabilize interest cost. Conducting of derivative transactions is managed by gaining approval by directors and derivatives provided by the highly-rated financial institutions are utilized in order to avoid credit risk.

c) Supplemental explanation for fair value of financial instruments

Notional amounts of derivatives are not indicative of the actual market risk involved in derivative transactions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

Ⅱ.Fair value of financial instruments

As of March 31, 2014, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)
	Millions of Japanese Yen			Thousands of U.S. Dollars		
Cash and bank deposits	¥43,040	¥43,040	¥—	$421,963	$421,963	$—
Notes and accounts receivable, trade	68,591	68,591	—	672,469	672,469	—
Advanced money	10,041	10,041	—	98,450	98,450	—
Investments in securities						
Held-to-maturity debt securities	15	15	0	147	147	0
Other securities	11,044	11,044	—	108,276	108,276	—
Notes and accounts payable, trade	(51,130)	(51,130)	—	(501,279)	(501,279)	—
Short-term borrowings	(9,870)	(9,870)	—	(96,764)	(96,764)	—
Deposits received	(11,846)	(11,846)	—	(116,145)	(116,145)	—
Long-term debt (*2)	(22,417)	(22,724)	(306)	(219,783)	(222,793)	(3,009)
Derivative transactions	¥—	¥—	¥—	$—	$—	$—

(*1) The amount in parentheses represents liability position.

(*2) Current portion of long-term debt of ¥5,271 million (US$51,680 thousand) is included in long-term debts and carrying amount and fair value are represented.

As of March 31, 2013, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount (*1)	Fair value (*1)	Unrealized gain (loss)
	Millions of Japanese Yen		
Cash and bank deposits	¥50,095	¥50,095	¥—
Notes and accounts receivable, trade	59,524	59,524	—
Advanced money	11,696	11,696	—
Investments in securities			
Other securities	10,116	10,116	—
Notes and accounts payable, trade	(52,167)	(52,167)	—
Short-term borrowings	(11,539)	(11,539)	—
Deposits received	(13,967)	(13,967)	—
Long-term debt (*2)	(15,647)	(15,792)	(145)
Derivative transactions	¥—	¥—	¥—

(*1) The amount in parentheses represents liability position.

(*2) Current portion of long-term debt of ¥4,549 million is included in long-term debts and carrying amount and fair value are represented.

a) Computation of fair value for financial instruments, investment in securities and derivative transactions

Cash and bank deposits, notes and accounts receivable, trade, and advanced money in other current assets

Those accounts are carrying value, since those are settled in a short period and their fair value is equivalent to carrying amount approximately.

Investments in securities

Fair value of investments in securities is based on market price at Stock Exchange.

Notes and accounts payable, trade, short-term borrowings, and deposits received in other current liabilities

Those accounts are carrying value, since those are settled in a short period and their fair value is equivalent to carrying amount approximately.

Long-term debt

Fair value of long-term debt is based on the present value of the total of principal and interest discounted by the interest rate to be applied,provided that the equivalent loans are newly entered into.

b) Financial instruments for which it is extremely difficult to determine fair value

Unlisted stocks are not included in Investments in securities, since those have no market price and it is extremely difficult to determine fair value.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Unlisted stocks	**¥2,112**	¥2,365	**$20,711**

c) Projected redemption

The projected redemption of monetary claim as of March 31, 2014 were as follows:

	within one year	over one year within five years	over five years within ten years	over ten years	within one year	over one year within five years	over five years within ten years	over ten years
	Millions of Japanese Yen				Thousands of U.S.Dollars			
Cash and bank deposits	**¥42,973**	**¥—**	**¥—**	**¥—**	**$421,306**	**$—**	**$—**	**$—**
Notes and accounts								
receivable, trade	**61,487**	**6,065**	**1,024**	**15**	**602,816**	**59,464**	**10,041**	**147**
Investments in securities								
Held-to-maturity debt securities								
(Governmental bonds)	**—**	**15**	**—**	**—**	**—**	**147**	**—**	**—**
Other securities with maturities								
(Governmental bonds)	**—**	**—**	**40**	**—**	**—**	**—**	**400**	**—**
Total	**¥104,460**	**¥6,080**	**¥1,065**	**¥15**	**$1,024,123**	**$59,611**	**$10,441**	**$147**

The projected redemption of monetary claim as of March 31, 2013 were as follows:

	within one year	over one year within five years	over five years within ten years	over ten years
	Millions of Japanese Yen			
Cash and bank deposits	¥50,015	¥—	¥—	¥—
Notes and accounts				
receivable, trade	57,053	2,470	—	—
Investments in securities				
Other securities with maturities				
(Government bonds)	25	—	40	—
Total	¥107,094	¥2,470	¥40	¥—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

d) The projected repayment of short-term borrowings, long-term debt and lease obligation as of March 31, 2014 were as follows:

	within one year	over one year within two years	over two years within three years	over three years within four years	over four years within five years	over five years
	Millions of Japanese Yen					
Short-term borrowings	**¥9,870**	**¥—**	**¥—**	**¥—**	**¥—**	**¥—**
Long-term debt	**5,271**	**5,641**	**4,648**	**3,189**	**1,921**	**1,746**
Lease obligation	**56**	**52**	**17**	**6**	**4**	**0**
Total	**¥15,198**	**¥5,694**	**¥4,665**	**¥3,195**	**¥1,926**	**¥1,746**

	within one year	over one year within two years	over two years within three years	over three years within four years	over four years within five years	over five years
	Thousands of U.S. Dollars					
Short-term borrowings	**$96,764**	**$—**	**$—**	**$—**	**$—**	**$—**
Long-term debt	**51,680**	**55,306**	**45,569**	**31,268**	**18,837**	**17,120**
Lease obligation	**554**	**518**	**168**	**61**	**46**	**6**
Total	**$149,000**	**$55,824**	**$45,738**	**$31,329**	**$18,884**	**$17,126**

The projected repayment of long-term debt and lease obligation as of March 31, 2013 were as follows:

	within one year	over one year within two years	over two years within three years	over three years within four years	over four years within five years	over five years
	Millions of Japanese Yen					
Short-term borrowings	¥11,539	¥—	¥—	¥—	¥—	¥—
Long-term debt	4,549	4,405	3,285	2,313	1,093	—
Lease obligation	53	51	47	12	1	1
Total	¥16,142	¥4,457	¥3,333	¥2,325	¥1,095	¥1

13.Securities

(1) The following is certain information related to the aggregate acquisition costs, carrying amount and fair value of securities.

At March 31, 2014

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)
Held-to-maturity debt securities whose consolidated balance sheet amount exceeds its acquisition cost						
Government bonds	**¥15**	**¥15**	**¥0**	**$147**	**$147**	**$0**
Sub total	**15**	**15**	**0**	**147**	**147**	**0**
The securities whose consolidated balance sheet amount does not exceed its acquisition cost						
Government bond	**—**	**—**	**—**	**—**	**—**	**—**
Sub total	**—**	**—**	**—**	**—**	**—**	**—**
Total	**¥15**	**¥15**	**¥0**	**$147**	**$147**	**$0**

At March 31, 2014

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)
Other securities whose consolidated balance sheet amount exceeds its acquisition cost						
Stock	¥5,163	¥10,154	¥4,990	$50,622	$99,551	$48,929
Government bonds	37	40	3	366	400	33
Sub total	5,200	10,195	4,994	50,989	99,952	48,962
The securities whose consolidated balance sheet amount does not exceed its acquisition cost						
Stock	972	849	(123)	9,535	8,323	(1,211)
Government bond	—	—	—	—	—	—
Sub total	972	849	(123)	9,535	8,323	(1,211)
Total	¥6,173	¥11,044	¥4,870	$60,525	$108,276	$47,750

At March 31, 2013

	Millions of Japanese Yen		
	Acquisition cost	Fair value (Carrying value)	Unrealized gain (loss)
Other securities whose consolidated balance sheet amount exceeds its acquisition cost			
Stock	¥5,601	¥9,261	¥3,659
Government bonds	44	50	5
Sub total	5,646	9,311	3,665
The securities whose consolidated balance sheet amount does not exceed its acquisition cost			
Stock	926	814	(111)
Government bonds	15	15	0
Sub total	941	829	(111)
Total	¥6,587	¥10,141	¥3,553

(2) Other securities sold during the financial years ended March 31, 2014 and 2013 were as follows:

At March 31, 2014

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Sales	gain on sales	loss from sales	Sales	gain on sales	loss from sales
Stock	¥410	¥310	¥(27)	$4,024	$3,042	$(266)
Other	—	—	—	—	—	—
Total	¥410	¥310	¥(27)	$4,024	$3,042	$(266)

At March 31, 2013

	Millions of Japanese Yen		
	Sales	gain on sales	loss from sales
Stock	¥276	¥186	¥—
Other	—	—	—
Total	¥276	¥186	¥—

(3) Securities with impairment treatment proceeded

Acquisition cost on the above schedule is carrying value after proceeding impairment treatment. Meanwhile, impairment treatment was proceeded and loss on valuation of investment in securities for the year ended March 31, 2013 were accounted for ¥284 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

14.Derivative Transactions

Derivative transactions for the year ended March 31, 2014 were classified into:

a) Hedge accounting unapplied

Not applicable

b) Hedge accounting applied

Notional amounts and fair value conditioned on contracts in each hedge accounting method are as follows:

			Millions of Japanese Yen			Thousands of U.S. Dollars		
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value	Notional amount	Maturing over one year	Fair value
Short-cut	Interest rate swaps Pay/fixed and receive/floating	Long-term debt	**¥13,935**	**¥9,892**	**(*)**	**$136,619**	**$96,988**	**(*)**

(*) Fair value based on the short-cut method is included in fair value of these long-term debt, since the derivative transactions are treated with the hedged long-term debts collectively.

Derivative transactions for the year ended March 31, 2013 were classified into:

a) Hedge accounting unapplied

Not applicable

b)Hedge accounting applied

Notional amounts and fair value conditioned on contracts in each hedge accounting method are as follows:

			Millions of Japanese Yen		
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value
Short-cut	Interest rate swaps Pay/fixed and receive/floating	Long-term debt	¥13,143	¥9,473	(*)

(*) Fair value based on the short-cut method is included in fair value of these long-term debt, since the derivative transactions are treated with the hedged long-term debts collectively.

15.Retirement Benefits and Pension Plan

For the year ended March 31, 2014

The Company and its consolidated subsidiaries have the funded/unfunded defined retirement benefit plans.

The Company has the funded defined benefit plan under the cash balance plan. The Company also set up the retirement benefit trust.

Some consolidated subsidiaries have the unfunded retirement lump sum plans.

Furthermore, additional severance payment would be applied.

The changes in the retirement benefit obligation during the year ended March 31, 2014 are as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Retirement benefit obligation at April 1, 2013	**¥24,036**	**$235,652**
Service cost	**827**	**8,109**
Interest cost	**258**	**2,529**
Actuarial gain	**(454)**	**(4,459)**
Retirement benefit paid	**(2,031)**	**(19,916)**
Retirement benefit obligation at March 31, 2014	**¥22,635**	**$221,914**

The changes in plan assets during the year ended March 31, 2014 are as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Plan assets at April 1, 2013	**¥15,680**	**$153,729**
Expected return on plan assets	**192**	**1,885**
Actuarial loss	**899**	**8,821**
Contributions by the Company	**1,653**	**16,214**
Retirement benefits paid	**(2,045)**	**(20,052)**
Plan assets at March 31, 2014	**¥16,381**	**$160,599**

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2014 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Retirement benefit obligation under the funded plans	¥22,324	$218,865
Plan assets at fair value	(16,381)	(160,599)
	5,943	58,265
Retirement benefit obligation under the unfunded plans	311	3,049
Net liability for retirement benefits in the balance sheet	6,254	61,315
Liability for retirement benefits	6,254	61,315
Net liability for retirement benefits in the balance sheet	¥6,254	$61,315

The components of retirement benefit expense for the year ended March 31, 2014 are as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Service cost	¥827	$8,109
Interest cost	258	2,529
Expected return on plan assets	(192)	(1,885)
Amortization of actuarial loss	940	9,220
Other	53	526
Retirement benefit expense	¥1,887	$18,500

Unrecognized actuarial loss included in accumulated other comprehensive income (before tax effect) as of March 31, 2014 are as follows:

	Millions of Japanese Yen	Thousands of U.S. Dollars
Unrecognized actuarial loss	¥2,746	$26,921

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2014 are as follows:

Stocks	44%
Bonds	41%
General account assets	10%
Other	5%
Total	100%

The expected return on assets has been estimated based on the anticipated allocation of the assets to each asset category and the expected long-term returns on assets held in each category.

The assumptions used in accounting for the above plans were as follows:

Discount rate	1.1%
Expected rate of return on plan assets	2.0%

For the year ended March 31, 2013

The Company and its consolidated subsidiaries adopt the cash balance plan, retirement lump sum 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
Projected benefit obligations	¥(24,036)
Plan assets	15,680
Unfunded retirement benefit obligations	(8,356)
Unrecognized actuarial differences	5,041
Reserve for employee retirement benefits	¥(3,314)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

Net pension and severance costs expense related to the retirement benefits for the years ended March 31,2013 were as follows:

	Millions of Japanese Yen
Service cost	¥772
Interest cost	527
Expected return on plan assets	(223)
Amortization of unrecognized actuarial differences	872
Net pension and severance costs	¥1,949

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

Discount rate	1.1%
Expected rate of return on plan assets	2.0%
Method of attributing the projected benefits to periods of services	Straight-line basis
Amortization period of unrecognized actuarial differences	13 years

16.Tax Effect Accounting

1.The significant components of deferred tax assets and liabilities as of March 31, 2014 and 2013 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Deferred Tax Assets:			
Pension and severance costs	**¥ —**	¥2,386	**$ —**
Liability for retirement benefits	**3,424**	—	**33,578**
Reserve for loss on construction works	**1,527**	405	**14,975**
Accrued bonus to employees	**424**	351	**4,160**
Unrealized losses on securities	**197**	104	**1,935**
Loss on valuation of utility rights	**314**	328	**3,088**
Loss on valuation of investment in securities	**192**	192	**1,887**
Other	**2,449**	2,390	**24,012**
Valuation allowance	**(1,089)**	(1,113)	**(10,679)**
Deferred tax assets	**¥7,441**	¥5,044	**$72,958**
Deferred Tax Liabilities:			
Revaluation reserve for land	**¥(756)**	¥(818)	**$(7,416)**
Unrealized gains on securities	**(1,889)**	(1,367)	**(18,524)**
Other	**(120)**	(73)	**(1,178)**
Deferred tax liabilities	**(2,766)**	(2,259)	**(27,120)**
Net Deferred Tax Assets	**¥4,675**	¥2,785	**$45,837**

(Note) Net deferred tax assets were included in the following items.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Current assets - Deferred tax assets	**¥3,582**	¥2,123	**$35,118**
Investments and other assets - Deferred tax assets	**1,911**	1,504	**18,740**
Current liabilities - Other current liabilities	**73**	44	**722**
Long-term liabilities - Other long-term liabilities	**744**	797	**7,297**

2. A reconciliation between the normal effective statutory tax rate for the years ended March 31, 2014 and 2013, and the actual effective tax rates reflected in the accompanying consolidated statement of income is as follows:

	2014	2013
Normal effective statutory tax rate	**38.0%**	38.0%
Expenses not deductible for income tax purposes	**7.0**	8.2
Per capita levy of inhabitant taxes	**5.5**	6.1
Non-taxable income	**(2.1)**	(1.9)
Change in valuation allowance	**(1.1)**	9.3
Tax rate change	**15.3**	-
Amortization of negative goodwill	**(0.0)**	(0.0)
Foreign corporation tax	**(4.6)**	39.7
Loss carried forward	**—**	(10.2)
Other-net	**3.9**	(0.3)
Actual effective tax rates	**61.9%**	88.9%

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 10 of 2014) was promulgated on March 31, 2014 and, as a result, the Company is no longer subject to the Special Reconstruction Corporation Tax effective for fiscal years beginning on or after April 1, 2014.
As a result, the effective statutory tax rate used to measure the Company’s deferred tax assets and liabilities was changed from 38.0% to 35.6% for the temporary differences expected to be realized or settled in the fiscal year beginning April 1, 2014. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets after offsetting deferred tax liabilities by ¥285 million (U.S.$2,797 thousand) and increase deferred income taxes by ¥285 million (U.S.$2,797 thousand) as of and for the year ended March 31, 2014.

17.Asset Retirement Obligations

Because of insignificant amounts in asset retirement obligations, the Companies have omitted notation in the Notes to Consolidated Financial Statements for the years ended March 31, 2014 and 2013.

18.Investment and Rental Property

Because of insignificant amounts in investment and rental property, the Companies have omitted notation in the Notes to Consolidated Financial Statements for the year ended March 31, 2014 and 2013.

19.Information on Various Segments

Ⅰ.Outline of the reportable segments

The reportable segments of the Companies are components for which discrete financial information is available and prepared for the regular review, so that the board of directors can make decisions on the distribution of management resources and evaluate the operating performance. The Company comprises "Civil Engineering General Headquarters" and "Building Construction General Headquarters", which control domestic construction businesses, and "International Division" for overseas businesses. Those Headquarters and International Division develop strategies comprehensively in each line of business and expand business activities.

Accordingly, the Company's businesses consist of segments classified by products and services based on the headquarters.The reportable segments are composed of "Domestic Civil Engineering Businesses", "Domestic Architectural Building Businesses","Overseas Businesses" and principal activities in each segment are the following:

1) Domestic Civil Engineering Businesses: domestic civil engineering contracts, contracts related to design and others
2) Domestic Architectural Building Businesses: domestic architectural building contracts, contracts related to design and others
3) Overseas Businesses: general overseas contracts

Ⅱ.Computation for the amount of net sales, profits or losses and other items in each reportable segment

The accounting policies of the reportable segments are substantially equivalent to the description in Significant Respects for the Basis of Preparing Consolidated Financial Statements. Intersegment net sales and transfers are based on the current market price.

Meanwhile, assets are not allocated to the business segments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

Ⅲ.Information on net sales, profits or losses and other items in the reportable segments

For the year ended March 31, 2014

Millions of Japanese Yen

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	¥93,618	¥47,698	¥39,097	¥180,413	¥12,193	¥192,607	¥—	¥192,607
Inter-segment	111	80	—	192	27,969	28,161	(28,161)	—
Total	¥93,730	¥47,778	¥39,097	¥180,605	¥40,163	¥220,769	¥(28,161)	¥192,607
Segment profits or losses	6,870	(1,403)	(1,158)	4,308	687	4,996	(2,794)	2,201
Other items Depreciation and amortization	¥400	¥20	¥644	¥1,065	¥450	¥1,516	¥235	¥1,751

For the year ended March 31, 2014

Thousands of U.S. Dollars

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	$917,825	$467,628	$383,307	$1,768,761	$119,545	$1,888,307	$—	$1,888,307
Inter-segment	1,096	787	—	1,884	274,212	276,097	(276,097)	—
Total	$918,922	$468,416	$383,307	$1,770,646	$393,758	$2,164,404	$(276,097)	$1,888,307
Segment profits or losses	67,359	(13,762)	(11,355)	42,241	6,743	48,985	(27,397)	21,587
Other items Depreciation and amortization	$3,930	$199	$6,316	$10,445	$4,418	$14,864	$2,304	$17,168

Notes

1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
2. Adjustment of the segment profits amounting to ¥(2,794) million (US$(27,397) thousand) is inclusive of inter-segment elimination amounting to ¥85 million (US$838 thousand) and Selling, General and Administrative Expenses amounting to ¥(2,880) million (US$(28,236) thousand) which are not attributed to any reportable segments.
3. Segment profits or losses are adjusted to the operating income in the consolidated statement of income.
4. Assets are not described due to no allocation to the business segments.

For the year ended March 31, 2013

Millions of Japanese Yen

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	¥79,984	¥43,176	¥28,549	¥151,617	¥9,367	¥160,984	¥—	¥160,984
Inter-segment	94	184	—	278	26,234	26,512	(26,512)	—
Total	¥79,984	¥43,361	¥28,549	¥151,895	¥35,602	¥187,497	¥(26,512)	¥160,984
Segment profits or losses	3,893	(2,070)	3,131	4,954	426	5,381	(2,929)	2,451
Other items Depreciation and amortization	¥511	¥22	¥680	¥1,214	¥475	¥1,690	¥251	¥1,941

Notes

1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
2.Adjustment of the segment profits amounting to¥(2,929) million is inclusive of inter-segment elimination amounting to ¥7 million and

Selling, General and Administrative Expenses amounting to ¥(2,937) million which are not attributed to any reportable segments.
3. Segment profits or losses are adjusted to the operating income in the consolidated statement of income.
4. Assets are not described due to no allocation to the business segments.

20.Related Information

Ⅰ.Information on products and services

Description is excluded since the similar information is disclosed in the segment information.

Ⅱ.Geographical information

1) Net sales

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Japan	**¥153,511**	¥132,448	**$1,505,017**
Singapore	**26,222**	18,367	**257,087**
Other	**12,872**	10,169	**126,201**
Total	**¥192,607**	¥160,984	**$1,888,307**

Note) Net sales are based on the customers' location and categorized into the countries or areas.

2) Tangible fixed assets

Description is excluded since the amounts of the tangible fixed assets registered at domestically exceed 90% of those amounts in the consolidated balance sheet.

Ⅲ.Information on principal customer

For the year ended March 31, 2014

		Net sales	
Name of Customer	Related segments	Millions of Japanese Yen	Thousands of U.S. Dollars
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Building Businesses, others	**¥41,647**	**$408,310**
Housing and Development Board, Singapore	Overseas Businesses	**¥24,768**	**$242,830**

For the year ended March 31, 2013

		Net sales
Name of Customer	Related segments	Millions of Japanese Yen
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Building Businesses, others	¥29,557
Housing and Development Board, Singapore	Overseas Businesses	¥16,712

Ⅳ.Information on the loss on impairment of fixed assets in each reportable segment

The losses on impairment of fixed assets were not allocated to the each reportable segment of the Companies. Description of the amounts and contents is excluded since the similar information is disclosed in the notes related to the consolidated statement of income.

Ⅴ.Information on the amortization and the unamortized balance of goodwill in each reportable segment

The Companies did not allocate the goodwill and the negative goodwill to the each reportable segment.

Because of insignificant amounts in the amortization and the unamortized balance of the negative goodwill, the Companies have omitted notation in the Notes to Consolidated Financial Statements for the year ended March 31, 2014 and 2013.

Ⅵ.Information on gain on negative goodwill in each reportable segment

The Companies did not allocate the gain on negative goodwill to the each reportable segment.

The gain was not applicable for the year ended March 31, 2014 and 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

21.Per Share Data

	Japanese Yen		U.S. Dollars
	2014	2013	**2014**
Net assets	**¥304.65**	¥304.53	**$2.986**
Net income	**3.92**	1.00	**0.038**

Because there was no dilutive shares, the Companies have not presented the diluted net income per share for the years ended March 31, 2014 and 2013.

Notes) The basic information for calculation of per share data were as follows:

1.Per share data on net assets

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Net assets	**¥63,978**	¥63,856	**$627,244**
Net assets amount for common stocks	**63,681**	63,856	**624,326**
Significant breakdown of differences			
Minority interests	**¥297**	¥—	**$2,917**

	Thousands of shares	
	2014	2013
Numbers of issued shares of common stocks	**224,946**	224,946
Numbers of treasury stocks of common stocks	**15,917**	15,257
Numbers of common stocks which were used for calculation for per share data on net assets	**209,028**	209,689

2.Per share data on net income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2014	2013	**2014**
Net income	**¥819**	¥209	**$8,037**
Net income which does not belong to common stockholders	**—**	—	**—**
Net income for common stocks	**¥819**	¥209	**$8,037**

	Thousands of Shares	
	2014	2013
Average number of shares of common stocks	**209,281**	210,202

As described in the notes to consolidated financial statements 2. Changes in Accounting Policy, the Companies applied the Accounting Standard for Retirement Benefits, based on the transitional treatment set out in Section 37 of the standard.

Consequently, net assets per share decreased by ¥8.46 (US$0.08).

22.Significant Subsequent Events

Not applicable

Consolidated table for detailed statements

Table for borrowing

	Millions of Japanese Yen		Thousands of U.S. Dollars		Average rates	Repayment deadline
	Beginning balance	Closing balance	Beginning balance	Closing balance	%	
Short-term borrowings	¥11,539	¥9,870	$113,128	$96,764	1.30%	
Current portion of Long-term debt	4,549	4,607	44,600	45,175	1.77%	
Current portion of Non-recourse debt	658	663	6,454	6,505	2.72%	
Current portion of lease obligations	53	56	528	554	—	
Long-term debt (excluding current portion)	11,097	12,915	108,802	126,617	1.57%	from 2015 to 2019
Non-recourse debt (excluding current portion)	4,895	4,231	47,990	41,485	2.63%	from 2015 to 2026
Lease obligation (excluding current portion)	115	81	1,128	801	—	from 2015 to 2019
Other debt	—	—	—	—	—	
Total	¥32,908	¥32,426	$322,634	$317,905	—	

Notes

1. Due to newly consolidated 3 PFI subsidiaries, total amounts of the beginning balance as of the fiscal year starting April, 2014 increased by ¥5,553 million (US$54,444 thousand) from the closing balance as of the fiscal year starting April, 2013.
2. The "average rates" are balanced by the weighted average.
   The average rates of lease obligations are not listed because interests are included in the lease obligation in the consolidated balance sheet.
3. The amount scheduled to be repayment of long-term debt, non-recourse debt and lease obligations (excluding current portions) within 5years after the consolidated closing date were as follows:

	Millions of Japanese Yen				Thousands of U.S. Dollars			
	over one year within two years	over two years within three years	over three years within four years	over four years within five years	over one year within two years	over two years within three years	over three years within four years	over four years within five years
Long-term debt	¥4,975	¥4,003	¥2,583	¥1,353	$48,779	$39,245	$25,323	$13,269
Non-recourse debt	665	645	606	567	6,527	6,324	5,944	5,568
Lease obligations	52	17	6	4	518	168	61	46

Table for asset retirement obligation

The indication omitted due to the beginning balance and closing balance of asset retirement obligation were less than or equal to hundredth part of the beginning balance and closing balance of the liabilities and net assets.