



Annual Report

For the fiscal year ended March 31, 2016

2016

CORPORATE PROFILE

TOA Corporation is one of the largest multinational construction and engineering companies in Japan. Founded in 1908 to enter into the business of developing vast diversified port facilities and adjacent industrial lands by dredging and reclaiming the shallow waters in 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 expanded its business fields into on-land infrastructure works, architectural works, and international operations. To meet the growing demands of modern society, TOA also develops the highest level of technologies and expertise for environmental sustainability, life cycle management of social assets, disaster prevention, and PFI projects.

On March 31, 2016, TOA established its headquarters in Tokyo, under which thirteen domestic branches, eight offshore offices, eleven consolidated subsidiaries, six non-consolidated subsidiaries, and seventeen affiliate companies have been actively involved in construction and other related businesses.

Corporate Philosophy and Management Principles

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

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

- 1) To maintain competitiveness through thorough corporate planning.
- 2) To gain the long-term confidence of clients and society through careful and conscientious work practices.
- 3) To enhance the personal competence of our staff and maximize the power of our organization.

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FINANCIAL HIGHLIGHTS

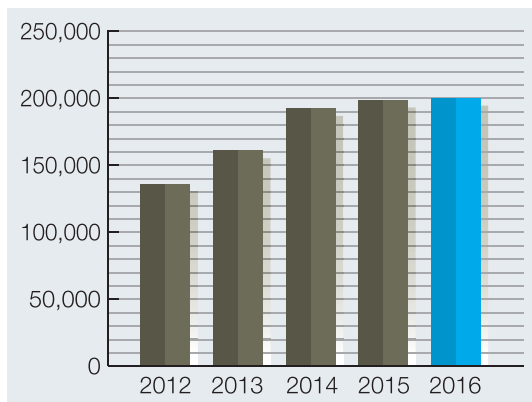
TOA CORPORATION and its consolidated subsidiaries

Years ended March 31,	Millions of Japanese Yen					Thousands of U.S. Dollars (Note)
	2012	2013	2014	2015	2016	2016
	Consolidated					
For the year:						
Net sales	¥ 136,007	¥ 160,984	¥ 192,607	¥ 198,884	¥ 200,282	\$ 1,788,237
Profit before income taxes	1,349	1,904	2,232	5,513	8,732	77,971
Profit attributable to owners of parent	678	209	819	2,080	6,038	53,912
At year-end:						
Total assets	168,123	182,868	189,445	190,202	196,491	1,754,389
Net assets	62,608	63,856	63,978	69,004	71,143	635,214
Property, plant and equipment-net	30,684	29,986	29,510	29,468	29,483	263,246

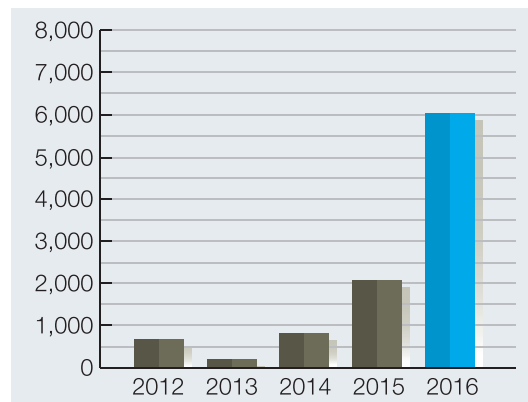
Per share of common stock:	Yen					U.S. Dollars
	2012	2013	2014	2015	2016	2016
Net income	¥ 3.23	¥ 1.00	¥ 3.92	¥ 9.95	¥ 28.89	\$ 0.257
Cash dividends	2.00	—	2.00	2.00	4.00	0.035
Net assets	295.66	304.53	304.65	328.35	338.16	3.019

Note: The amount in U.S. dollars was converted at the rate of ¥112=US\$1, the effective rate at March 31, 2016.

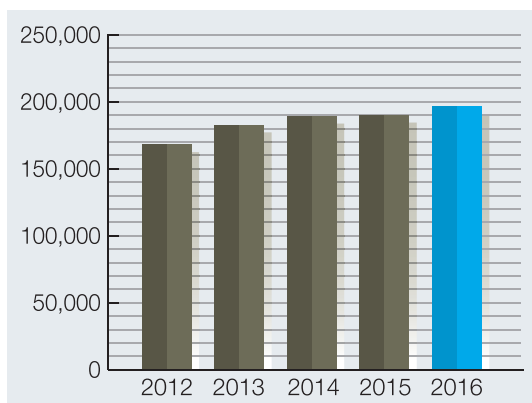
■ Net sales (Unit: Millions of Yen)



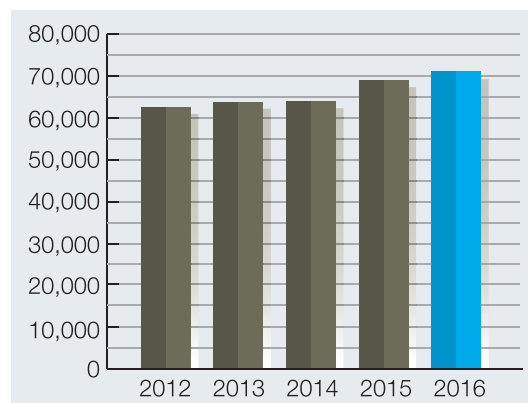
■ Net income (Unit: Millions of Yen)



■ Total assets (Unit: Millions of Yen)



■ Net assets (Unit: Millions of Yen)



MESSAGE FROM THE PRESIDENT



President and Chief Executive Officer
Masaki Akiyama

For the fiscal year ended March 31, 2016, against a backdrop of improvements to the employment situation and corporate earnings that were partly the result of emergency economic measures implemented by the Japanese government, the Japanese economy continued to show signs of a gradual recovery.

In the domestic construction industry, public investment showed improvement, primarily in such areas as prevention and reduction of damage from natural disasters, based on the Fundamental Plan for National Resilience, and due to increases in

corporate profits, investments in the private sector began to see, although still only gradually, a bright spot in the direction of capital investments.

However, the prices for materials and equipment continue to rise, and labor costs due to the shortage of workers, too, remain high, creating harsh business challenges for today's construction industry.

Amidst this environment, the Toa Corporation Group carried forward various measures, based on its Medium-Term Business Plan (from FY2013 to FY2015), in which the

basic principles to “firmly maintain the scale of its business,” “endeavor to increase profitability,” and “enhance its customer-oriented approach” are set forth, to strengthen its management base.

With regard to the consolidated results for the fiscal year just ended of Toa Corporation and the entire Group, due to such management efforts, net sales increased 0.7% over the previous consolidated fiscal year to ¥200,282 million. Due to such factors as improved profitability of our overseas construction business, operating income increased 107.0% over the previous consolidated fiscal year to ¥11,789 million. Ordinary income increased 99.8% over the previous consolidated fiscal year to more than ¥10,606 million. An impairment loss of ¥1,438 million from such things as land for business was allocated as an extraordinary loss, but net income increased 190.2% over the previous consolidated fiscal year to ¥6,038 million.

The results for the fiscal year just ended for the segments of the Toa Corporation Group are described below.

Domestic Civil Engineering Business

The core business of the Toa Corporation Group is in the field of marine civil engineering, with efforts focused on building social capital. Moreover, efforts continue to be made to restore as well as build infrastructure in the areas that suffered earthquake-related damage. Net sales for the consolidated fiscal year just ended increased 11.1% over the previous consolidated fiscal year to ¥99,937 million, and the segment profit decreased 21.0% from the previous consolidated fiscal year to ¥7,178 million.

Domestic Construction Business

The Toa Corporation Group is striving to ensure profits by increasing orders received of sole-source projects, works planned and proposed by the Company, and works designed and executed by the Company, as well as by pursuing minimum costs through the rigorous checking of construction cost. Net sales for the consolidated fiscal year just ended decreased 23.4% from the previous consolidated fiscal year to ¥41,925 million. As a result of a reduction in unprofitable construction work, the segment profit increased 111.4% over the previous

consolidated fiscal year to ¥1,559 million.

Overseas Business

The Toa Corporation Group is focusing its efforts on marine civil engineering construction and construction of thermal power plants and other plants primarily Southeast Asia, but also throughout the South Pacific and other regions. Net sales for the consolidated fiscal year just ended increased 19.7% over the previous consolidated fiscal year to ¥48,736 million. The segment loss for the previous consolidated fiscal year was ¥1,653 million, but as a result of a reduction in unprofitable construction work, the segment profit was ¥5,256 million.

Others

Net sales for the consolidated fiscal year just ended decreased 28.0% from the previous consolidated fiscal year to ¥9,682 million, while the segment profit increased 162.0% over the previous consolidated fiscal year to ¥1,145 million.

FUNDAMENTAL MANAGEMENT POLICY REGARDING DISTRIBUTION OF PROFITS AND DIVIDENDS FOR THE FISCAL YEAR JUST ENDED AND THE NEXT FISCAL YEAR

With regard to dividends, it is the fundamental policy to return profits based on the results of the Company's performance, to place priority on continuously providing stable dividends, and to maintain internal reserves for use in improving the Company's financial standing in order to strengthen the management base and enable the Company to meet the challenges of the harsh business environment in the future.

Based on the abovementioned policy, the cash dividend for shareholders for the fiscal year just ended is expected to be ¥4 per share.

THE COMPANY'S BASIC PRINCIPLES OF MANAGEMENT

The Company's mission statement is "Expand the Company's business through its advanced technologies, and fulfill its social responsibility through sound management." For the Company, the corporate philosophy is embodied in successfully competing

MESSAGE FROM THE PRESIDENT

through steady management plans, and building long-lasting trust by carrying out work conscientiously and with integrity, meeting the expectations and justifying the trust of customers, and developing and growing together with the customers.

MEDIUM- AND LONG-TERM COMPANY MANAGEMENT STRATEGIES AND ISSUES THAT SHOULD BE ADDRESSED

Issues in FY2016

With regard to the recent incidents involving chemical grouting work, it was ascertained that the work was defective and contrary to specifications, and in addition, that in the completion forms and other documents, data had been falsified and reports altered. Going forward, the investigative commission, which includes experts in the field, will look into the causes of the incidents, and based on the findings of the commission, carry out thorough measures to prevent the recurrence of such incidents, and strive to regain the trust of the public.

The 2016 fiscal year is the first year of our three-year Medium-Term Management Plan, which will be

drawn up by incorporating various measures that place top priority on strict observance of compliance and regaining the trust of the public, and after taking a very close look at the impact that the recent incidents will have on our business results. Plans call for the Management Plan to then be made public.

The medium- and long-term strategies of the divisions include “continuing to secure stable profits” for the domestic civil engineering division; “achieving and sustaining complete independence as a business division” for the domestic construction division; “gradually expanding the scale of its business” for the overseas division; and “thorough observance of compliance” for the management and administration division.

Key Measures by Division

- Domestic Civil Engineering Business
 - *Establish itself as the leader in all water areas, including marine and rivers.
 - *Make strategic and efficient use of large-scale work vessels.
 - *In the field of on-land works, secure business volume and profits while being meticulous in the

- selection and focus of the projects.
- Domestic Construction Business
 - *Putting priority on the importance of profitability, secure the targeted business volume.
 - *Increase the proportion of orders received of sole-source projects, as well as works designed and executed by the Company.
 - *Efforts will be made to carry out more effective operations of the two construction branch offices system comprising the Eastern Japan Block and Western Japan Block.

- Overseas Business
 - *Efforts will be made to gradually expand the scale of our business with an eye on global markets, with Southeast Asia as our base.
 - *Strategically carry out activities to secure orders in the four key fields of marine civil engineering construction, plant construction, on-land civil engineering construction, and architectural building construction.
 - *Efforts will be made to strengthen project management.

- For All Businesses
 - *Improve capabilities to collect

information and make business proposals; strengthen collaboration between divisions, as well as inside Japan and abroad; and strive to properly grasp the needs of customers and propose technologies that meet the needs of customers.

*Efforts will be made to raise the level of satisfaction of customers by executing high-quality work.

*Maximize the cutting-edge facilities at the TOA Research and Development Center, which was completed this fiscal year, to make advances in the development of new technologies as well as proprietary technologies. Focus on developing technologies that anticipate the needs of the market, especially in such areas as prevention and reduction of damage from natural disasters, renewable energy, development of marine resources, and maintenance and management as well as renovation of infrastructure.

• Business Management and Personnel Measures, etc.

*Spread awareness throughout all employees of all of the Group companies that corporate activities are to be carried out with top

priority placed on compliance.

*Efforts will be made to enhance and strengthen our risk management system.

*Ensure all employees share the awareness of “safety must have priority over all else,” and promote safety and health activities that will act as preventive measures.

*Make efforts to strengthen the collaboration and profitability of each of the companies in the Group, and thereby enhance the value of the entire corporate Group.

*Systematically cultivate and nurture the human resources that will be the next generation of leaders.

Efforts will be made to resolve management issues through the sharing of these key measures by the executives of the Toa Corporation Group, and the steady implementation of various measures based on the strategies of the divisions. In addition, we will accomplish a broad range of corporate social responsibilities, including earthquake recovery efforts and preservation of the environment, and form a safe and secure workplace environment. Moreover, we aim to regain credibility as a fair and highly trusted corporation, and earn lasting acclaim by thoroughly and meticulously

practicing corporate governance.

We would be very grateful for the continued cooperation and support of all of our shareholders.

June 2016

President and Chief Executive Officer

M. Akizama

MARINE CIVIL ENGINEERING

Operations

Since its foundation in 1908, TOA has engaged in reclamation and marine construction works through various projects all over the world. Among them are reclamation works for industrial areas and offshore 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 equipment 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 becoming of greater concern to society, TOA has developed new technologies for renewal and reinforcement of structures, environmental assessment and pollution control, sub-surface and sub-ground survey, disaster prevention, and so on.

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

Chubu Centrair International Airport (Aichi)

Chubu Centrair International Airport, inaugurated on February 7, 2005, is a first class airport with a 3,500m runway. It is 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 prevent disturbing local communities with airplane noise.

Throughout the construction of the 470ha artificial island, which commenced in November 2001, "Plug Magic" and "COS-NET," two of TOA's advanced technologies, played

critical roles in building the 12km-long enclosing seawalls and reclaiming 56,000,000m³ of soil and earth in an economical, timely, safe, and environmentally-friendly manner. "Plug Magic" recycled the soft clayey material coming from dredging operations of navigational channels in Ise Bay into construction material suitable for reclamation, and saved 8,630,000m³ of soil from having to be transported from 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, and ensure their smooth and safe navigation around the working area.



TOA's "Plug Magic" dredging method was adopted in order to maximize the recycling of dredged soft materials

Tokyo International Airport (Haneda Airport) (Tokyo)

Haneda Airport started in 1931 as a small nationally run airfield with a single 300-meter runway. Subsequent extensions were continuously carried out to keep pace with the continually increasing demand of the airport. To respond to this growth, Toa Corporation, too, moved forward with its state-of-the-art civil engineering technologies. A new artificial island was completed at the Haneda Airport site and put to use for the 4th runway (2,500 m).

The construction was carried out in cooperation with multiple construction companies under a variety of difficult conditions, including using a hybrid pier/reclamation construction, a structure rarely used anywhere in the world, short construction periods, and quick execution under restrictions by airlines.

Toa Corporation's technologies were applied to nearly every part of the construction of the artificial island, including improving the weak foundation soil and producing landfill material by hardening dredged soil. Furthermore, the

company dedicated itself to ensuring quality by grasping the ever-changing movements of the foundation in real-time through meticulous management of work execution that was reflected in subsequent processes.



Minami-Honmoku Container Terminal (Yokohama)

The Minami-Honmoku Pier is located at the Port of Yokohama, which is one of the ports in Keihin Port, a designated strategic international container port. With the aim of strengthening its international competitiveness, work is currently underway to make improvements to the facilities at the Minami-Honmoku Pier to transform it into an international container terminal capable of enabling large-scale container ships to come alongside the quay. Columns measuring 32 meters high with a diameter of 24.5 meters constructed of steel sheet structure cellular were employed in the work to construct the earthquake-resistant quay's foundation. The quay will, in the future, have a façade that is sunk to a depth of 20 meters. The project

was started in the 2007 fiscal year and is scheduled to be completed in the 2012 fiscal year. Work on MC-3 was completed in the

2015 fiscal year. At present, work is being carried out on MC-4.



MARINE CIVIL ENGINEERING

Operations

Sakhalin II LNG Project (Russia)

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

TOA overcame various difficulties that hampered the smooth execution of the construction work, such as the severe weather conditions that prevented offshore work throughout the winter and oftentimes other seasons as well, the strict environmental regulations to protect fish, other marine creatures, and their habitats around the worksite, and completed the project in 2008 on schedule.



Provided by SEIC

Saigon Premier Container Terminal (Vietnam)

The Saigon Premier Container Terminal, located in the south part of Ho Chi Minh City, was constructed in the largest port in the city. This facility has a 500-meter wharf and a 23-ha container yard with a storage capacity of 16,000 TEU (20-foot equivalent container units), giving it the capability of handling containers totalling 930,000 TEU a year.

Making use of its many years of experience in construction work in the Mekong Delta region in southern Vietnam, TOA took part in the construction of this facility by undertaking measures to reinforce the soft ground in the delta region. TOA employed the cement deep mixing (CDM) method, a technology for ground improvement developed by TOA, earning high praise from the client.

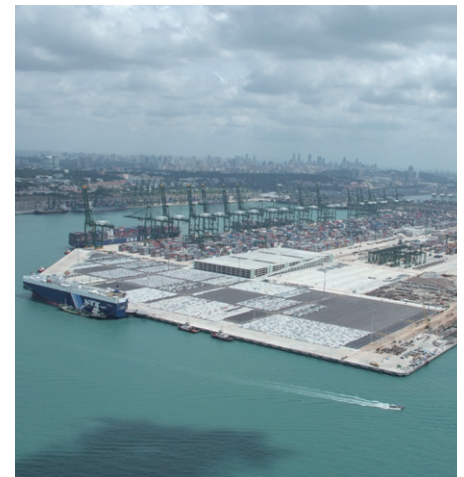
The construction of such port and harbor facilities is seen as being a part of the port and harbor development projects promoted by the government of Vietnam. It is anticipated that this facility will make it possible to increase the volume of containers handled in the southern part of Vietnam.



Pasir Panjang Container Terminal (Singapore)

The Port of Singapore, which is connected to 600 ports in 123 countries, is one of the largest container hub ports in the world. The Pasir Panjang Container Terminal, located in the southwest part of Singapore Island, will have a total of 26 berths at the completion of Phase I and II of the project. All container berths have been designed to have a depth of 15 meters and be equipped with gantry cranes capable of reaching out across 18 rows of containers, making it possible to accommodate Post-Panamax class container ships.

Since 2005, TOA Corporation has been awarded 6 separate contracts to construct 14 container berths with a total quay length of 4,330 meters and a carry ferry terminal. The last 4 berths, with a total quay length of 1,300 meters, were completed in October 2009.



Newly Completed Project

Construction Work to Relocate Tokushima Port Ferry Terminal (Tokushima)

Relocation of the terminal facilities for Ocean Tokyu Ferry, which connects Tokushima with Tokyo and Kita-Kyushu, has been completed on the opposite bank of the Shinmachigawa estuary.

By making it possible for large ships that had been unable to dock at the old terminal to enter the port, and also shortening the distance to the expressway interchange, it is anticipated that the completion of the new terminal will increase the quantity of distribution as well as optimize the transport function.



■ Client

Ocean Trans Co., Ltd.

■ Construction period

December 2014 to November 2015

■ Site of construction

Tokushima City, Tokushima Prefecture

■ Project outline

This project involved the construction of a ferry terminal, side rampway (vehicle ramp), and gangway (footbridge) in preparation for the relocation of the Tokushima Pier of the Ocean Tokyu Ferry.

The newly-built terminal building is a four-story steel-framed structure with a total floor space of 1,162.10m²

Construction and installation of the side rampway (vehicle ramp): steel structure, capable of handling 50t trailers, constructed using pile foundation construction method.

Construction Work on Tarakan Island Shipyard (Indonesia)

Construction work on the Tarakan Island Shipyard on Tarakan Island, North Kalimantan, Indonesia, has been completed. Construction work for this project was undertaken to build a shipyard with two slipways for barges and one slipway for tug boats, and also an unloading jetty and facilities to control the operation of the shipyard, where the maintenance and repair of barges and tug boats operated by local private business operators could be carried out.

TOA CORPORATION undertook all aspects of the project, from end to end, starting with the design of the structures, procurement of equipment and materials, all the way through to the construction of the structures and guidance regarding the operation of the facilities after construction was completed.



■ Client

PT. KAYAN MARINE SHIPYARD and PT. CIPTA UTAMA

■ Construction period

April 2012 to April 2015

■ Site of construction

Tarakan Island, North Kalimantan, Indonesia

■ Project outline

- (1) Slipways: two slipways for barges (DWT 4,000 tons and Weight 2,000 tons) and one slipway for tug boats (DWT 411 tons and Weight 400 tons)
- (2) Unloading jetty; and
- (3) Other facilities to control the operation of the shipyard

ON-LAND CIVIL ENGINEERING

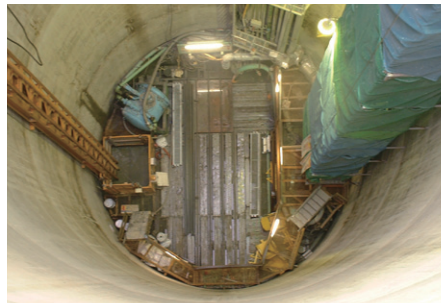
Operations

With a century-long history as a highly-reputed, reliable contractor in marine construction and engineering, TOA also has accumulated experience and expertise in on-land civil engineering through the completion of various projects. Among the projects are roads, bridges, railways, tunnels, water dams, river dikes and water gates, water supply and drainage systems, sewage collection and treatment facilities, land development, and environmental mitigation and rehabilitation programs. In each and every project, TOA has devoted all of its capabilities to faithfully execute its duties and responsibilities as a contractor, enhancing TOA's reputation as one of the most trustworthy contractors in Japan.

Shibakawa Aqua-duct Shield Tunnel (Saitama)

The Shibakawa River suffered from deteriorating water quality due to increases in domestic sewage from the growing population in its basin. As the channel slope of the Shibakawa River was too gentle for its natural flow to cope with the pollutants in the sewage.

TOA was awarded a contract to construct a shield tunnel having a total length of 2,330m and an inner diameter of 1,650mm to connect the two rivers. One of the key requirements of the contract was to recycle the shield sludge in order to minimize the adverse impact on the environment caused by the construction by-products. TOA's technical team properly responded to the requirement by developing plant to process 5,300m³ of soft and clayey shield sludge into a construction material with characteristics.



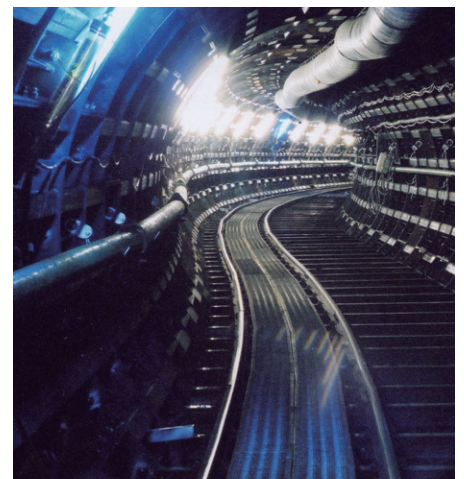
2nd Magsaysay Bridge and Butuan City Bypass Road (Philippines)

In the Republic of the Philippines, the road network bears 90% of the passenger traffic and 50% of the cargo transportation, but many roads in various areas are unpaved or too narrow to keep up with the growing volume of traffic. Funded by an aid-loan from Japan's ODA program, the Government planned a bypass road in Butuan City to improve traffic conditions and bolster the economy in the northeastern region of Mindanao Island. In this connection, the Philippines awarded a contract to a joint venture of TOA and Nippon Steel Corporation to build the 2nd Magsaysay Bridge, a steel cable-stayed bridge with a total length of 882m, a two-lane bypass road with a total length of 8.1km, and two link roads with a length of 1.33km and 2.9km respectively to connect the bypass road with the existing main road.



Rehabilitation of Sewage Drainage System (Tokyo)

The sewerage network in downtown Tokyo, was constructed nearly one century ago. The Tokyo Metropolitan Government started a project to rehabilitate the sewage drainage network through reconstruction and refurbishment. TOA was awarded a contract to reconstruct the drainage system for surface runoff in Chiyoda ward. Against the construction site of narrow streets with heavy traffic and a dense concentration of buildings, TOA's highly-qualified engineers dealt with various difficulties and utilized the shield tunnel method to complete the drainage system, which measured 2,058m in length with an inner diameter of 2,200mm, on schedule without any accidents.



Newly Completed Project

Preparation of Site for Grounds at Teikyo University of Science (Yamanashi)

With regard to site preparation for grounds on the Uenohara Campus of Teikyo University of Science, TOA CORPORATION was responsible for planning, preparing, and constructing the grounds.

Putting the dredged soil generated by the large-scale construction and improvement project for the Sagami Reservoir to effective use as soil for the preparation of the grounds for this project, made it possible for the work done on this project to be friendly to the environment.



■ Client

Teikyo University of Science

■ Construction period

April 2004 to March 2016

■ Site of construction

Uenohara City, Yamanashi Prefecture

■ Project outline

This project involved site preparation for grounds at Teikyo University of Science. The preparation area was 94,000m² and the earth volume of the landfill was 770,000m³.

Post-Disaster Restoration Work on Outer Face of Coastal Breastworks at Kesenuma Port (Miyagi)

Construction of the breastworks (seawall) was carried out as a part of a project for the restoration of the disaster-damaged commercial port quay in Asahicho in Kesenuma, which suffered catastrophic damage from the Great East Japan Earthquake.

Due to the shortened construction period and to avoid being affected by any issues with the supply of concrete, a hybrid structure (steel frame filled with concrete) was used for the structure of the breastworks. The structure was composed of footing blocks (17.4-ton blocks), which served as the foundation, and a wall formed of four rows of blocks (24.4-ton blocks) to withstand the impact of tsunami.



■ Client

Miyagi Prefecture

■ Construction period

March 2014 to March 2016

■ Site of construction

Kesenuma City, Miyagi Prefecture

■ Project outline

This project involved carrying out work on the Kesenuma Port Asahicho District coastal breastworks, which suffered catastrophic damage from the Great East Japan Earthquake. Construction work was carried out over a length of 532.8m, with work on the breastworks undertaken over a length of 532.8m, and work on the cargo handling yard covering an area of 8,814m².

ARCHITECTURAL BUILDING WORKS

Operations

In 1973, TOA established the Building Department and became a full-fledged general contractor. Since then, TOA has accumulated experience and earned 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 nursing care facilities for the elderly; 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 designs for environmental sustainability, earthquake-proof mechanisms for disaster prevention, and HACCP food processing systems for food safety.

Kaolack Central Fish Market (Senegal)

TOA was awarded a contract by the Government of the Republic of Senegal to construct a new, 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 with 1,936m² of floorspace, an 811m² ice plant building, a refrigeration system, an ice production plant, a sewage treatment system, and other auxiliary utilities.

New Construction Work for Aizumicho Town Gymnasium (provisional name) (Tokushima)

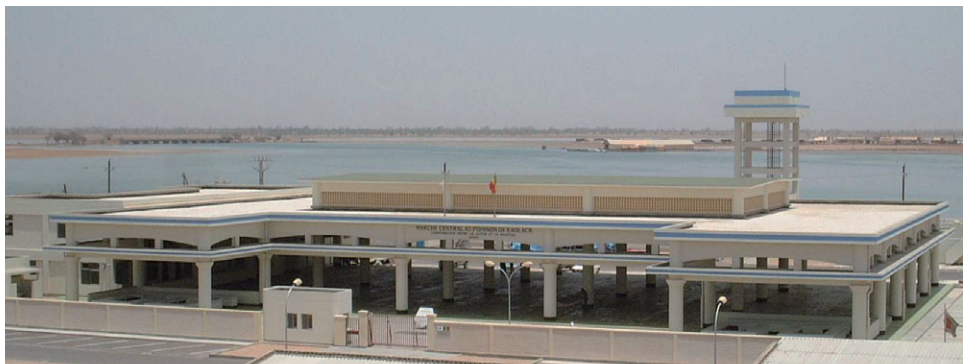


Work was completed in January 2013 on the construction of the Aizumicho Town Gymnasium (provisional name), which was commissioned by the town of Aizumicho in Tokushima Prefecture on Shikoku Island. This three-story building is a modern gymnasium of RC construction, with a total floor area of 5,208.46m². It is a full-fledged gymnasium with the second floor equipped with seating for more than 500 spectators. As this building is ideally located almost in the middle of the town of Aizumicho, praise has been widespread and the expectations have been high for its use as an emergency facility in the event of a disaster such as the Nankai Trough Earthquake, which many believe could occur in the near future. Moreover, the gymnasium, as a culture and sports facility that is a symbol of the town, presents an appearance that harmonizes the traditional with the

modern in various ways, such as using tiles on the outer walls of the building that bring to mind the image of "indigo warehouses," which have a very close connection with the town.

One's Tower (Tokyo)

In Higashi-Murayama City, located in the west part of the Tokyo Metropolitan Area, an urban renewal project was carried out in the district west of Higashi-Murayama Station of the Seibu Line. Among the projects undertaken there, TOA constructed "One's Tower," a 100-meter high-rise building that was completed in August 2009. The building, a symbol of the city, is connected directly with the train station and has shopping areas and public spaces from the 1st through 4th floors called "One's Plaza," and houses 182 stores on the 5th through 25th floors.



Newly Completed Project

New Construction Work on a Factory in Hyuga City – Stage 1 Construction Work (Miyazaki)

New construction work on a factory in Hyuga City, Miyazaki Prefecture, has been completed. The purpose of carrying out this project in Miyazaki Prefecture, which is one of the leading areas in Japan for producing Japanese cedar, was to make effective use of domestic Japanese cedar. The first stage of construction at this factory, which is one of the largest sawmills in Japan, covers a site having an area of 300,000 m².

This factory not only houses various facilities capable of handling such functions as collecting and receiving, drying, pre-cutting, and laminating materials, as well as delivering products, but also focuses on making use of the energy generated throughout the factory so nothing is wasted. This facility, which forms a comprehensive production system that brings a wide range of functions together at one site, also pays particular attention to using energy efficiently.



■ Client

Chugoku Mokuzai Co., Ltd.

■ Construction period

June 2013 to August 2015

■ Site of construction

Hyuga City, Miyazaki Prefecture

■ Project outline

Total of nine buildings, including factory, warehouses, offices, and attached buildings

Total floor space 51,356.26m²

Machine foundations, etc. at five places (20,687.75m²) and civil engineering works

New Construction Work for Iwatsuki Distribution Center (Saitama)

Construction of the Daiichi Storehouse & Refrigeration Iwatsuki Nagamiya Refrigerated Distribution Center has been completed in Iwatsuki ward, Saitama City, Saitama Prefecture. Situated along National Route 16, it is located about four kilometers northeast of the Iwatsuki Interchange of the Tohoko Expressway.

This facility was constructed for the purpose of responding to the expanding need for refrigerated warehouses, which are expected to play an ever-growing role in the future, and ensuring that the capability to provide a stable supply of foodstuffs is not lost in the event of a major earthquake. This distribution warehouse incorporates both high-performance, high-efficiency energy-saving refrigeration capability and the latest seismic base isolation capability.



■ Client

Daiichi Storehouse & Refrigeration Co., Ltd.

■ Construction period

October 2013 to April 2015

■ Site of construction

Saitama City, Saitama Prefecture

■ Project outline

Use Warehouse

Structure PC structure (base isolation structure); Four floors above

Total floor space 29,488.89m²

Building area 7,916.46m²

RESEARCH & DEVELOPMENT

Operations

From Yokohama Tsurumi to everywhere in Japan, to all the world, and to the future



Developing “Technologies with a Vision for the Future”

We believe that the mission of TOA CORPORATION is to respond to the needs of society, which change with the times, and contribute continuously and appropriately to society as a construction company. In order to promote contributions to society, TOA Research and Development Center truly shoulders the responsibility of being “the foundation of TOA’s technology.”

The demands made of a construction company will change due to dramatic shifts in the consciousness of the people and in society.

- “Protect people’s livelihoods from natural disasters”
- “Reduce the burden on the environment, and live in harmony with nature”
- “Maintain and renew the facilities in service and utilize them for a long time”

To create a sustainable society, it is essential to respond to a wide variety of needs, including coexisting in harmony with nature, and prevention and reduction of damage from natural disasters, as well as safety and security. We are fully prepared to respond to those needs.

We will effectively activate the research and development capabilities, know-how, and skills we have accumulated from the past to today, and thoroughly grasp the ever-changing needs to determine the direction our research and development will take.

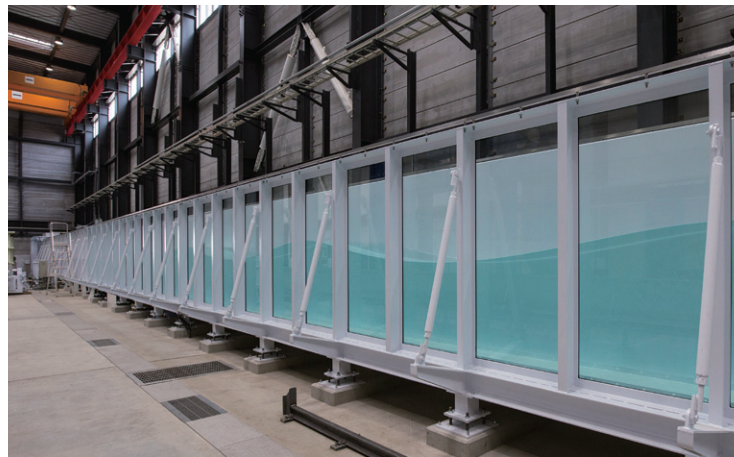
Going forward, in order to perfect “technologies with a vision for the future,” TOA Research and Development Center will continue its efforts in research and development of the technologies that will form the fundamentals of its those technologies.

Large-Scale Wave Flume, Small-Scale Wave Flume

The large-scale wave flume, equipped with a wave generator and current generator, is capable of generating various types of waves and flows. Furthermore, various types of tsunami having the desired wave profiles can be generated by using either the wave generator, the current generator, or a tsunami generator independently, as well as by coordinating the various systems together.

This large-scale wave flume makes it possible to carry out large-scale experiments in about 1/20 scale. It can be used in the development of technologies for port and harbor structures, marine and coastal structures, floating structures, ships, coastal erosion, tsunami disaster prevention works, and other structures.

The small-scale wave flume, which is set up at

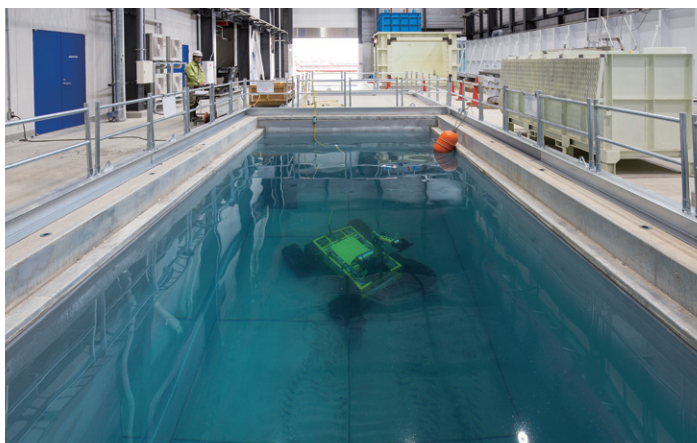


the same premises, is used to conduct basic experiments and preliminary experiments in about 1/100 scale. The system is very easy to use, making it possible to conduct



Tsunami generator

experiments speedily.



Deep Water Basin

This is a huge water basin, which is installed in the basement, with the capability of reproducing on a large scale various working conditions that are encountered underwater. In this water basin, it is possible to conduct various types of construction experiments underwater, and carry out work experiments using underwater construction robots or other equipment.

Together we can observe the condition of the experiment from the 1st floor, and also from underwater through an observation window provided in the basement.



Large-Scale Soil Container

The large soil container makes it possible to conduct large-scale experiments similar to in-situ tests, controlling the experimental condition on model ground accurately. We can apply a pile load test to observe bearing capacity and pile friction.

In addition, we can conduct pilot tests on soil improvement work by chemical grouting and cement mixing, etc.



Large-Scale Loading Test Equipment

This is the equipment for performing loading tests of full-scale structural members such as columns, slabs, beams, as well as the joints of beam-columns, etc.

By utilizing a vertical jack in combination with a horizontal jack and/or a reaction frame, biaxial loading tests in the vertical and the horizontal directions can be performed.



Severe Environment Reproducing Chamber

This is the chamber for reproducing various environments with extremely high or low temperatures, extremely high or low humidity. It is possible to mix concrete and conduct various quality of tests of concrete, as well as to produce test specimens in the reproduced harsh environments, because of the spacious work area in the chamber. In addition, the durability test can be performed by exposing test specimens in harsh environments for an extended period.

Therefore it is possible to conduct advanced researches and developments of materials and construction methods taking into consideration the local and harsh environment of the construction site such as freezing warehouses or foreign countries' climate.

RESEARCH & DEVELOPMENT

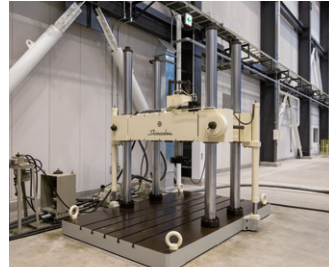
Operations



One-Dimensional Shaking Table Test Equipment

With this equipment, it is possible to conduct basic experiments in a gravitational field (1G gravitational field) related to liquefaction and deformation of foundation

material and soil structure caused by seismic vibration. This equipment can be applied to the development of ground improvement methods and foundation materials. The specifications of this equipment give it the capability to reproduce the maximum acceleration (approx. 1.8G) similar to the acceleration in the harbor area during the 2011 off the Pacific coast of Tohoku Earthquake. One to its small size, a large number of experiments can be conducted in a short period of time.



Fatigue Testing Machine

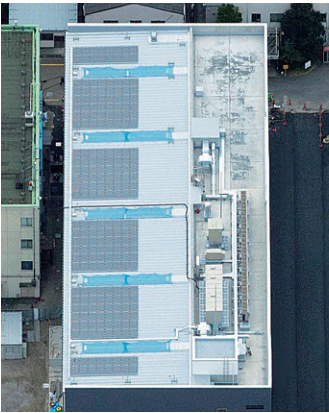
This testing machine is equipped with vertically-oriented high-speed actuators. This is the machine for performing bending test and fatigue test of

structural members under static or dynamic load condition. By setting a hydraulic jack separately in the horizontal direction, biaxial loading can be performed.

Environmental and energy-saving technologies implemented in the Research and Development Center

Energy-saving facilities

Solar power generation

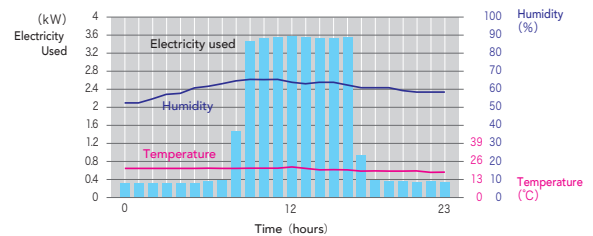


Rooftop solar panels

- Solar panels are installed on the spacious rooftop. Its capacity is 49.28kW.
- Its daily output can be monitored at the entrance lobby.

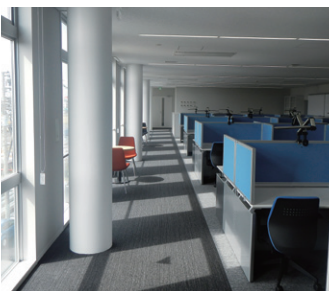
Visualization of the amount of electric power (with introduction of BEMS)

- Building Energy Management System (or BEMS) are computer-based systems that help to manage, control and monitor building technical services (HVAC, lighting etc.) and the energy consumption of devices used in the building. They provide the information and the tools that we need both to understand the energy usage of our facility and to control and improve its energy performance.



Example of conversion graph indicating amount of electricity consumption

Daylight sensor, Task-ambient lighting and LED lighting



Office that actively brings in natural light

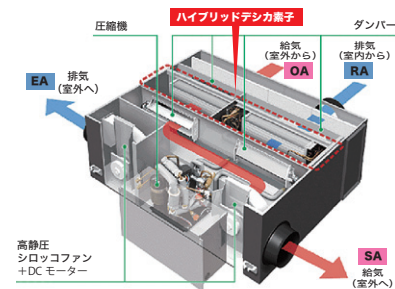
- Daylight sensor works to help using daylight energy effectively.
- Task-ambient lighting* contributes higher energy saving when compared with most general lighting strategies, because higher light levels are provided for the task areas only.

*Task ambient lighting

This is a system where the interior of a room as a whole is illuminated with a low level of lighting provided by ambient light, but a specific area where work is being performed is provided with a higher level of light by means of task (work) lighting.

A heat pump desiccant for humidity and outside air control unit without water piping

- "A heat pump desiccant humidity control outside air unit without water piping" permits individual integrated control of humidity and temperature, leading to increases in both comfort and energy saving.



Configuration and Structure of DESICA (manufactured by Daikin Industries, Ltd.)

INTERNAL CONTROL

The TOA Corporation Group believes that good corporate governance enhances our competitiveness and performance, enabling us to fulfill corporate social responsibilities and increase the corporate value for shareholders. Recognizing that effective internal control plays a key role in achieving that goal, we are striving to improve the quality and effectiveness of our internal controls.

1. Compliance

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

2. Risk Management

We have developed a framework to appropriately identify, assess, and control risk factors associated with business activities of The TOA Corporation Group. All risk factors, once identified, are to be properly dealt with by a responsible department or a provisional task force 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 any adverse impact on our business activities and on our valued customers.

3. Information Management and Control

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

4. Independent Auditors and Fair and Reliable Financial Statements

Each and every legal entity within The TOA Corporation Group guarantees that independent professional auditors shall be 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 understanding. Thus, the fairness and reliability of our financial statements and internal control performance reports can be ensured, and the transparency of our management can be maintained.

5. Effective Audit by Corporate Auditors

The corporate auditors of The TOA Corporation Group are authorized to attend major meetings of each entity, hold regular meetings with the representative directors, regularly review the performance of the directors and respective departments, and access the information necessary to perform their audits. Thus, it can be ensured that the corporate auditors can independently appraise the effectiveness, legal compliancy and soundness of the management, and duly carry out their responsibilities.

6. Proper Management Control of The TOA Corporation Group

TOA Corporation, as the parent company of The TOA Corporation Group, has established the rules and regulations to govern each legal entity within The TOA Corporation Group in order to fulfill corporate social responsibilities and enhance its value 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 Management Planning Department.

7. Fulfillment of Corporate Social Responsibilities

TOA Corporation has established the CSR Committee, which is chaired by the president, in order to ensure fulfillment of CSR 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 been established under the CSR Committee in order to make thorough reviews and enhance the quality and effectiveness of our CSR performance.

TOA Corporation annually edits and opens to the public its Annual CSR Report in order to promote to society, its valued shareholders, and all members of The TOA Corporation Group an awareness and understanding of its engagement in CSR activities.

8. Sound and Sustainable Construction Industry

One of the highest-priority issues for The TOA Corporation Group is contributing to sound and sustainable construction industry. The Group is listening intently to the opinions of its customers and the market, offering high-value-added solutions to its customers through construction and civil engineering markets, and providing high-quality infrastructure related services. Moreover, TOA is taking active initiatives to contribute to society, principally through providing opportunities for technological education.

9. Environmental Approach

The TOA Corporation Group is committed to acting in an environmentally responsible manner and should, therefore, approach environmental issues positively. We created both our Environmental Statement and Environmental Policy and, with the Environmental Activities Working Group as the core, we are proactively working to reduce the environmental impact of our business activities.

CONSOLIDATED BALANCE SHEET

TOA CORPORATION and its consolidated subsidiaries
As of March 31, 2016 and 2015

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Current assets:			
Cash and bank deposits (Note 11)	¥ 39,965	¥ 22,935	\$ 356,830
Notes and accounts receivable, trade (Note 11)	73,974	89,701	660,490
Allowance for doubtful accounts	(524)	(503)	(4,682)
Real estate for sale	4,120	4,108	36,785
Cost on construction contracts in progress and other (Note 5)	12,450	8,397	111,165
Advanced money (Note 11)	12,564	11,623	112,186
Deferred tax assets (Note 15)	3,725	2,349	33,267
Other current assets (Note 5)	4,299	5,274	38,388
Total current assets	150,576	143,887	1,344,431
Property, plant and equipment:			
Land (Note 5)	18,653	19,965	166,549
Buildings and structures	16,643	16,153	148,603
Machinery, vehicles and equipment	20,992	24,418	187,436
Leased assets	151	154	1,351
Construction in progress	121	447	1,082
Total property, plant and equipment	56,562	61,139	505,022
Less accumulated depreciation	(27,078)	(31,670)	(241,775)
Property, plant and equipment—net	29,483	29,468	263,246
Intangible fixed assets	637	533	5,691
Investments and other assets:			
Investments in securities (Notes 5, 11 and 12)	12,237	14,153	109,263
Long-term loans (Note 5)	374	410	3,342
Deferred tax assets (Note 15)	1,808	368	16,145
Other (Note 5)	2,007	2,025	17,920
Allowance for doubtful accounts	(633)	(644)	(5,652)
Total investments and other assets	15,794	16,312	141,019
Total assets	¥ 196,491	¥ 190,202	\$ 1,754,389

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 1)
	2016	2015	2016
Current liabilities:			
Short-term borrowings (Notes 5 and 11)	¥ 8,376	¥ 8,390	\$ 74,785
Current portion of long-term debt (Notes 5 and 11)	5,744	5,839	51,293
Notes and accounts payable, trade (Note 11)	51,107	52,767	456,315
Accrued income taxes	3,661	1,801	32,688
Advances received on construction contracts in progress	8,756	9,516	78,186
Reserve for indemnity on completed contracts	527	370	4,705
Reserve for loss on construction works (Note 5)	1,850	1,566	16,526
Deposits received (Note 11)	13,309	15,187	118,833
Other current liabilities (Notes 5 and 11)	6,890	3,581	61,519
Total current liabilities	100,223	99,021	894,854
Long-term liabilities:			
Long-term debt (Notes 5 and 11)	15,784	15,052	140,936
Liability for retirement benefits (Note 14)	5,586	2,847	49,876
Deferred tax liabilities on revaluation of land (Notes 5 and 15)	2,397	2,688	21,402
Other long-term liabilities (Note 11)	1,355	1,588	12,104
Total long-term liabilities	25,123	22,176	224,320
Total liabilities	125,347	121,197	1,119,174
Net assets (Note 8):			
Shareholders' equity:			
Common stock,			
Authorized—600,000,000 shares			
Issued—224,946,290 shares at March 31, 2016 and 2015	18,976	18,976	169,434
Capital surplus	18,113	18,113	161,730
Retained earnings	31,353	26,015	279,938
Treasury stock, at cost 15,923 thousand shares and 15,919 thousand shares at March 31, 2016 and 2015, respectively	(2,053)	(2,052)	(18,338)
Total shareholders' equity	66,389	61,053	592,765
Accumulated other comprehensive income:			
Net unrealized gains (losses) on securities (Note 12)	2,966	4,247	26,483
Net deferred gains (losses) on hedges (Notes 11 and 13)	2	51	23
Revaluation reserve for land (Note 5)	3,570	3,154	31,880
Retirement benefits liability adjustments (Note 14)	(2,244)	125	(20,043)
Total accumulated other comprehensive income	4,294	7,579	38,343
Non-controlling interests (Note 2)	459	371	4,105
Total net assets	71,143	69,004	635,214
Commitments and contingent liabilities (Note 5):			
Total liabilities and net assets	¥ 196,491	¥ 190,202	\$ 1,754,389

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

CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2016 and 2015

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net sales (Note 6)	¥ 200,282	¥ 198,884	\$ 1,788,237
Cost of sales (Note 6)	178,543	183,598	1,594,138
Gross profit	21,739	15,286	194,098
Selling, general and administrative expenses (Note 6)	9,949	9,589	88,836
Operating income	11,789	5,696	105,262
Other income (expenses):			
Interest and dividend income	303	282	2,706
Interest expense	(423)	(519)	(3,779)
Provision for doubtful accounts, non-trade	(36)	(153)	(324)
Loss on impairment of fixed assets (Note 6)	(1,438)	(164)	(12,848)
Gain on sale of fixed assets (Note 6)	46	171	416
Gain on sale of investment in securities	—	939	-
Exchange gain (loss), net	(921)	133	(8,231)
Loss on sale of fixed assets (Note 6)	(35)	(157)	(319)
Loss on disposal of fixed assets (Note 6)	(427)	(50)	(3,817)
Other, net (Note 4)	(122)	(664)	(1,094)
	(3,056)	(183)	(27,290)
Profit before income taxes	8,732	5,513	77,971
Income taxes (Note 15):			
Current	4,020	1,883	35,901
Deferred	(1,414)	1,475	(12,629)
	2,606	3,359	23,271
Profit	6,126	2,154	54,699
Profit attributable to :			
Non-controlling interests	¥ 88	¥ 74	\$ 786
Owners of parent	¥ 6,038	¥ 2,080	\$ 53,912

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2016 and 2015

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)	
	2016	2015	2016	
Profit	¥ 6,126	¥ 2,154	\$ 54,699	
Other comprehensive income:				
Net unrealized gains on securities	(1,281)	1,069	(11,442)	
Net deferred gains on hedges	(49)	51	(438)	
Revaluation reserve for land (Note 5)	133	274	1,189	
Retirement benefits liability adjustments (Note 14)	(2,370)	1,894	(21,165)	
Total other comprehensive income (Note 7)	(3,568)	3,289	(31,857)	
Comprehensive income	¥ 2,558	¥ 5,444	\$ 22,842	
Total comprehensive income attributable to: (Note 7)				
Owners of parent	¥ 2,470	¥ 5,370	\$ 22,055	
Non-controlling interests	¥ 88	¥ 74	\$ 786	

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

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2016 and 2015

Millions of Japanese Yen										
	Shareholders' equity				Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized gains (losses) on securities (Note 12)	Net deferred gains (losses) on hedges	Revaluation reserve for land (Note 5)	Retirement benefits liability adjustments (Note 14)		
Balance at March 31, 2014	¥ 18,976	¥ 18,113	¥ 24,540	¥ (2,052)	¥ 3,178	¥ —	¥ 2,693	¥ (1,768)	¥ 297	¥ 63,978
Cash dividends			(418)							(418)
Profit attributable to owners of parent for the period			2,080							2,080
Acquisition of treasury stock				(0)						(0)
Reversal of revaluation reserve for land			(186)							(186)
Net changes in items other than shareholders' equity					1,069	51	461	1,894	74	3,550
Balance at March 31, 2015	¥ 18,976	¥ 18,113	¥ 26,015	¥ (2,052)	¥ 4,247	¥ 51	¥ 3,154	¥ 125	¥ 371	¥ 69,004
Cash dividends			(418)							(418)
Profit attributable to owners of parent for the period			6,038							6,038
Acquisition of treasury stock				(0)						(0)
Reversal of revaluation reserve for land			(282)							(282)
Net changes in items other than shareholders' equity					(1,281)	(49)	415	(2,370)	88	(3,197)
Balance at March 31, 2016	¥ 18,976	¥ 18,113	¥ 31,353	¥ (2,053)	¥ 2,966	¥ 2	¥ 3,570	¥ (2,244)	¥ 459	¥ 71,143

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

Thousands of U.S. Dollars (Note 1)										
	Shareholders' equity				Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized gains (losses) on securities (Note 12)	Net deferred gains (losses) on hedges	Revaluation reserve for land (Note 5)	Retirement benefits liability adjustments (Note 14)		
Balance at March 31, 2015	\$169,434	\$161,730	\$232,282	\$ (18,329)	\$ 37,925	\$ 461	\$ 28,167	\$ 1,121	\$ 3,318	\$616,113
Cash dividends			(3,732)							(3,732)
Profit attributable to owners of parent for the period			53,912							53,912
Acquisition of treasury stock				(8)						(8)
Reversal of revaluation reserve for land			(2,524)							(2,524)
Net changes in items other than shareholders' equity					(11,442)	(438)	3,713	(21,165)	786	(28,546)
Balance at March 31, 2016	\$169,434	\$161,730	\$279,938	\$ (18,338)	\$ 26,483	\$ 23	\$ 31,880	\$ (20,043)	\$ 4,105	\$635,214

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

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2016 and 2015

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Cash flows from operating activities:			
Profit before income taxes	¥ 8,732	¥ 5,513	\$ 77,971
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	2,033	1,985	18,152
Loss on impairment of fixed assets	1,402	164	12,522
Exchange (gain) loss, net	504	(308)	4,506
(Gain) Loss on sale or disposal of fixed assets	143	11	1,282
(Gain) Loss on sale of investment in securities	—	(939)	—
Increase (decrease) in liability for retirement benefits	(898)	(475)	(8,024)
Increase (decrease) in allowance for doubtful accounts	9	284	86
Changes in:			
Notes and accounts receivable, trade	15,726	(21,099)	140,416
Real estate for sale	(11)	894	(99)
Cost on construction contracts in progress and other	(4,053)	(210)	(36,189)
Notes and accounts payable, trade	(1,660)	1,638	(14,825)
Advances received on construction contracts in progress	(760)	1,646	(6,786)
Other, net	950	(1,684)	8,486
Sub-total	22,120	(12,577)	197,498
Interest and dividend income received	298	271	2,662
Interest paid	(396)	(520)	(3,544)
Income taxes paid	(2,170)	(2,593)	(19,383)
Net cash (used in) provided by operating activities	19,851	(15,419)	177,232
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(44)	(41)	(401)
Proceeds from sale of investment in securities	4	1,287	38
Payments for acquisition of property, plant and equipment	(2,928)	(2,108)	(26,144)
Proceeds from sale of property, plant and equipment	234	163	2,097
Other, net	266	(690)	2,381
Net cash (used in) provided by investing activities	(2,467)	(1,388)	(22,028)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(14)	(1,480)	(125)
Proceeds from long-term debt	6,477	3,745	57,834
Repayment of long-term debt	(5,839)	(5,271)	(52,136)
Acquisition of treasury stock	(0)	(0)	(8)
Cash dividends paid	(416)	(415)	(3,715)
Other, net	(141)	(141)	(1,262)
Net cash (used in) provided by financing activities	65	(3,563)	587
Effect of exchange rate changes on cash and cash equivalents	(461)	267	(4,122)
Net increase (decrease) in cash and cash equivalents	16,986	(20,105)	151,669
Cash and cash equivalents at beginning of year	22,909	43,014	204,551
Cash and cash equivalents at end of year (Note 9)	¥ 39,896	¥ 22,909	\$ 356,220

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

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.

I. Basis of consolidation

The Company has 17 majority-owned subsidiaries as of March 31, 2016. The consolidated financial statements for the year ended March 31, 2016 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.

Other 6 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.

(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 benefit formula method is used to allocate expected retirement benefit payments to the each period through current fiscal year-end.

Actuarial gain or 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 and foreign currency monetary liabilities and forecasted transactions.

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 foreign exchange 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) 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.

(8) Consumption taxes

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

(9) 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 ¥112=US\$1, the approximated rate of exchange prevailing on March 31, 2016. 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 Company and its domestic consolidated subsidiaries adopted "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 promulgated on September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 promulgated on September 13, 2013) and "Revised Accounting Standard for Business Divestitures"(ASBJ Statement No. 7 promulgated on September 13, 2013), effective from April 1, 2015.

As a result, under these revised accounting standards, the accounting treatment for any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, provisional amounts in a business combination shall be retrospectively adjusted as if the initial accounting for the business combination had reflected in the consolidated statement at the acquisition date.

Furthermore, the presentation method of profit (loss) attributable to owners of parent was amended, the reference to "minority interests" was changed to "non-controlling interests", and accounting treatment for adjustments to provisional amounts during measurement period was also changed. To reflect these changes in presentation, the Companies reclassified items of previous year in the consolidated financial statement.

In accordance with the transitional treatment described in Paragraph 58-2(4) of "Revised Accounting Standard for Business Combinations", Paragraph 44-5(4) of "Revised Accounting Standard for Consolidated Financial Statements" and Paragraph 57-4(4) of "Revised Accounting Standard for Business Divestitures", the Company and its domestic consolidated subsidiaries adopted them from the beginning of the current year to the future.

In the consolidated statement of cash flows of the current year, cash flows from acquisition or disposal of the shares of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from financing activities" and cash flows from acquisition related costs of the shares of subsidiaries with changes in the scope of consolidation are included in "Cash flows from operating activities".

These changes have no effect on the consolidated financial statement and the per share data in the current year.

3.Issued but not yet adopted accounting standard and others

Implementation Guidance on Recoverability of Deferred Tax Assets

On March 28, 2016, the ASBJ issued "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26).

(1) Overview

Regarding the treatment of the recoverability of deferred tax assets, a review was conducted following the framework of the Japanese Institute of Certified Public Accountants Audit Committee Report No. 66 "Audit Treatment on Determining the Recoverability of Deferred Tax Assets", whereby companies are categorized into five categories and deferred tax assets are calculated based on each of these categories.

a) Treatment of companies that do not satisfy any of the category requirements for (Category 1) through (Category 5)

b) Category requirements for (Category2) and (Category 3)

c) Treatment related to future deductible temporary differences which cannot be scheduled in companies that qualify as (Category 2)

d) Treatment related to the reasonable estimable period of future pre-adjusted taxable income in companies that qualify as (Category 3)

e) Treatment in cases that companies that satisfy the category requirements for (Category 4) but qualify as (Category 2) or (Category 3)

(2) Scheduled date of adoption

The Company expects to adopt the revised implementation guidance from the beginning of the fiscal year ending March 31, 2017.

(3) Impact of adopting revised implementation guidance

The Company is currently evaluating the effect of adopting this revised implementation guidance on its consolidated financial statements.

4.Changes in Presentation

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

Guarantee fee, Additional severance payment, Compensation for damage, Loss on litigation and Loss on disaster presented separately in the previous year, is included in Other, net of Other income (expenses) in the current year.

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

Consequently, Guarantee fee in the amount of ¥94 million, Additional severance payment in the amount of ¥49 million, Compensation for damage in the amount of ¥432 million, Loss on litigation in the amount of ¥6 million and Loss on disaster in the amount of ¥21 million were included in Other.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

5. 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, 2016 and 2015 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Cost on construction contracts in progress	¥10,322	¥5,208	\$92,169
PFI projects	1,604	1,864	14,324
Other inventories	523	1,324	4,671
Cost on construction contracts in progress and other	¥12,450	¥8,397	\$111,165

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, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
	¥1,148	¥800	\$10,250

III. Investments in securities

Among investments in securities, amount in aggregate corresponding to unconsolidated subsidiaries and affiliates as of March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Investments in affiliates	¥247	¥225	\$2,205

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
	2016	2015	2016
Differences of the land after revaluation exceeded its fair value	¥4,117	¥5,901	\$36,759

V. Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2016 and 2015 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Assets pledged as collateral:			
Current assets			
Other current assets	¥27	¥26	\$241
Investment and other assets			
Investment in securities	2,315	2,385	20,676
Long-term loans	247	272	2,210
Total	¥2,590	¥2,685	\$23,128

As of March 31, 2016, the assets listed above are pledged as collateral to secure contingent liabilities amounting to ¥1,618 million (US\$14,452 thousand) and liabilities based on the loan agreements with credit line between 12 PFI companies and financial institutions.

As of March 31, 2015, secured liabilities were in the amount of ¥1,558 million and liabilities were for 12 PFI companies.

VI. Securities lent

Among investment in securities, securities were lent to financial institution under the security lending agreement at March 31, 2016 and 2015 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2016	2015	2016
¥161	¥202	\$1,441

VII. Commitments and contingent liabilities

(a) The Companies are contingently liable for the following as of March 31, 2016 and 2015:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Employees (Loan guarantee to bank)	¥14	¥13	\$125
National Federation of Promotion for Fishing Ports and Villages	159	220	1,428
Fisheries Cooperative Association (Loan guarantee)			
Others	674	382	6,018
Total	¥848	¥615	\$7,572

(b) The company has been brought a damage suit (totaling 1,206 million yen (US\$10,768 thousand)) as the reasons of defect for building construction work (completed in 1997) by said client in the Tokyo District Court and it is currently pending. The trial results are unpredictable at this time.

(c) Due to the discovery of a construction defect and false reporting, certain contract specification requirements were determined to be unfulfilled for a soil improvement project at Haneda International Airport in Tokyo and other projects carried out by the Company.

The Company has established a Special Investigation Committee with an external attorney-at-law, and the related investigation is ongoing.

As a result, there may be some financial loss on the Company in the future, but it is difficult to make a reasonable estimate of any such impact on the current year's consolidated financial statements as negotiations are currently in progress with the client.

VIII. Short-term borrowings

The Company had commitment lines for efficient financial arrangement from 7 banks at March 31, 2016 and 2015 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Total amount of contracts of commitment lines	¥20,000	¥20,000	\$178,571
Outstanding borrowings	—	—	—
Balance	¥20,000	¥20,000	\$178,571

IX. 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, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Non-recourse debt included in current portion of long term debt	¥645	¥665	\$5,759
Non-recourse debt included in long-term debt	2,920	3,565	26,077
Total	¥3,565	¥4,231	\$31,836

The amount of PFI assets pledged as collateral for non-recourse debt as of March 31, 2016 and 2015 are as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2016	2015	2016
¥5,691	¥6,248	\$50,815

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

6. 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
2016	2015	2016
¥185,276	¥174,718	\$1,654,257

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
2016	2015	2016
¥1,404	¥603	\$12,543

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
2016	2015	2016
¥741	¥1,211	\$6,620

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
	2016	2015	2016
Salaries to employees	¥4,214	¥4,078	\$37,628
Expenses for retirement benefits for employees	260	361	2,323
Reserch expenses	763	693	6,816
Provision for doubtful accounts, trade	(25)	19	(229)

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
2016	2015	2016
¥872	¥777	\$7,791

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
	2016	2015	2016
Vessels	¥15	¥39	\$135
Land	14	132	128
Buildings	13	0	117
Others	3	—	34
Total	¥46	¥171	\$416

VII .Loss on sale of fixed assets

The breakdown of the loss on disposition of fixed assets were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Land	¥19	—	\$170
Buildings	16	0	\$149
Machinery and equipment	—	157	—
Total	¥35	¥157	\$319

VIII .Loss on disposal of fixed assets

The breakdown of the loss on retirement of fixed assets were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Vessels	¥237	¥0	\$2,118
Buildings	182	45	1,630
Others	7	4	68
Total	¥427	¥50	\$3,817

IX .Impairment of fixed assets

For the year ended March 31, 2016, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Idle properties	Land, buildings and others	Osaka and others	8

The construction business assets were grouped by each branch unit, the real estate leasing assets and 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 ¥1,438 million (US\$12,848 thousand) was accounted for as loss on impairment of fixed assets, which consisted of ¥1,194 million (US\$10,665 thousand) for land, ¥195 million (US\$1,748 thousand) for buildings and ¥48 million (US\$434 thousand) for others.

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, 2015, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Construction business	Land, buildings and others	Hokkaido	1
Idle properties	Land	Hokkaido and others	7

The construction business assets were grouped by each branch unit, the real estate leasing assets and the idle properties were grouped by each individual objective.

As to the construction business assets for which loss on impairment was recognized due to the decreased profitability, the carrying amount of the relevant assets was written down to the recoverable value and ¥124 million (US\$1,110 thousand) was accounted for as loss on impairment of fixed assets, which consisted of ¥75 million (US\$674 thousand) for land, ¥44 million (US\$401 thousand) for buildings and ¥3 million (US\$34 thousand) for others.

The carrying amount of the relevant assets was written down to the recoverable value due to the drop in fair value and ¥40 million (US\$362 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

7. 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
	2016	2015	2016
Unrealized gains (Losses) on securities:			
Amount arising during the year	(¥1,955)	¥1,403	(\$17,460)
Amount of reclassification adjustments	—	(117)	—
Amount before tax effect	(1,955)	1,286	(17,460)
Tax effect	673	(217)	6,017
Unrealized gains (Losses) on securities	(1,281)	1,069	(11,442)
Deferred gains (losses) on hedges:			
Amount arising during the year	(5)	72	(53)
Amount of reclassification adjustments	(63)	—	(562)
Amount before tax effect	(69)	72	(616)
Tax effect	19	(20)	177
Deferred gains (losses) on hedges	(49)	51	(438)
Revaluation reserve for land:			
Tax effect	133	274	1,189
Revaluation reserve for land	133	274	1,189
Retirement benefits liability adjustments:			
Amount arising during the year	(3,637)	2,446	(32,480)
Amount of reclassification adjustments	217	485	1,942
Amount before tax effect	(3,420)	2,931	(30,538)
Tax effect	1,049	(1,037)	9,372
Retirement benefits liability adjustments	(2,370)	1,894	(21,165)
Total other comprehensive income	(¥3,568)	¥3,289	(\$31,857)

8. Notes to Consolidated Statement of Changes in Net Assets

I. Type and number of shares

For the year ended March 31, 2016

Type of shares	Number of shares at beginning of year	Increase	Decrease	Thousands of shares
				Number of shares at end of year
Issued stock				
Common stock	224,946	—	—	224,946
Treasury stock				
Common stock	15,919	3	—	15,923

Notes: The principal details for increase in treasury stock were as follows:

Increase due to purchase of odd stock	3 thousand shares
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For the year ended March 31, 2015

Type of shares	Number of shares at beginning of year	Increase	Decrease	Thousands of shares
				Number of shares at end of year
Issued stock				
Common stock	224,946	—	—	224,946
Treasury stock				
Common stock	15,917	2	—	15,919

Notes: The principal details for increase in treasury stock were as follows:

Increase due to purchase of odd stock	2 thousand shares
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II .Dividend payment

For the year ended March 31, 2016

Resolution	Type of share	Dividend resource	Total amount of dividends	Millions of Japanese Yen		Thousands of U.S Dollars		Record date	Effective date
				Cash dividends per share (Yen)	Total amount of dividends	Cash dividends per share (Dollars)	Total amount of dividends		
Annual Shareholders' Meeting held on June 26, 2015	Common stock	Retained earnings	¥425	¥2	\$3,795	\$0.01		March 31, 2015	June 29, 2015

For the year ended March 31, 2015

Resolution	Type of share	Dividend resource	Total amount of dividends	Millions of Japanese Yen		Record date	Effective date
				Cash dividends per share (Yen)	Total amount of dividends		
Annual Shareholders' Meeting held on June 27, 2014	Common stock	Retained earnings	¥425	¥2	March 31, 2014	June 30, 2014	

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

For the year ended March 31, 2016

Resolution	Type of share	Dividend resource	Total amount of dividends	Millions of Japanese Yen		Thousands of U.S Dollars		Record date	Effective date
				Cash dividends per share (Yen)	Total amount of dividends	Cash dividends per share (Dollars)	Total amount of dividends		
Annual Shareholders' Meeting held on June 29, 2016	Common stock	Retained earnings	¥850	¥4	\$7,590	\$0.03		March 31, 2016	June 30, 2016

For the year ended March 31, 2015

Resolution	Type of share	Dividend resource	Total amount of dividends	Millions of Japanese Yen		Record date	Effective date
				Cash dividends per share (Yen)	Total amount of dividends		
Annual Shareholders' Meeting held on June 26, 2015	Common stock	Retained earnings	¥425	¥2	March 31, 2015	June 29, 2015	

9.Notes to Consolidated Statement of Cash Flows

Cash and cash equivalents consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Cash and bank deposits	¥39,965	¥22,935	\$356,830
Time deposits due over three months	(68)	(25)	(610)
Cash and cash equivalents	¥39,896	¥22,909	\$356,220

10.Leases

Operating lease

The scheduled maturities of future operating lease payments, including an interest portion on such lease contracts as of March 31, 2016 and 2015, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Due within one year	¥463	¥511	\$4,142
Due over one year	24	484	222
Total	¥488	¥996	\$4,364

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

11. 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 and long-term debt (maturities are within five years in principle) are funds for capital investments. 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. In addition, the Company utilizes foreign currency exchange contracts to hedge foreign currency exposure of certain transactions related to construction work denominated in foreign currency.

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.

II. Fair value of financial instruments

As of March 31, 2016, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
	Millions of Japanese Yen			Thousands of U.S. Dollars		
Cash and bank deposits	¥39,965	¥39,965	¥—	\$356,830	\$356,830	\$—
Notes and accounts receivable, trade	73,974	73,974	—	660,490	660,490	—
Advanced money	12,564	12,564	—	112,186	112,186	—
Investments in securities :						
Held-to-maturity debt securities	15	15	0	133	133	0
Other securities	10,298	10,298	—	91,954	91,954	—
Total assets	136,818	136,818	0	1,221,595	1,221,595	0
Notes and accounts payable, trade	51,107	51,107	—	456,315	456,315	—
Short-term borrowings	8,376	8,376	—	74,785	74,785	—
Deposits received	13,309	13,309	—	118,833	118,833	—
Long-term debt (*1)	21,529	21,839	310	192,229	194,998	2,768
Total liabilities	94,322	94,632	310	842,164	844,933	2,768
Derivative transactions (*2)	¥3	¥3	¥—	\$32	\$32	\$—

(*1) Current portion of long-term debt of ¥5,744 million (US\$51,293 thousand) is included in long-term debts and carrying amount and fair value are represented.

(*2) The assets and liabilities are reported as net amount.

As of March 31, 2015, carrying amount, fair value and unrealized gain (loss) are as follows:

	Carrying amount	Fair value	Unrealized gain (loss)
Millions of Japanese Yen			
Cash and bank deposits	¥22,935	¥22,935	¥—
Notes and accounts receivable, trade	89,672	89,672	—
Advanced money	11,623	11,623	—
Investments in securities :			
Held-to-maturity debt securities	15	15	0
Other securities	12,230	12,230	—
Total assets	136,476	136,476	0
Notes and accounts payable, trade	52,767	52,767	—
Short-term borrowings	8,390	8,390	—
Deposits received	15,187	15,187	—
Long-term debt (*1)	20,891	21,206	314
Total liabilities	97,237	97,551	314
Derivative transactions (*2)	¥72	¥72	¥—

(*1) Current portion of long-term debt of ¥5,839 million is included in long-term debts and carrying amount and fair value are represented.

(*2) The assets and liabilities are reported as net amount.

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

Assets

Cash and bank deposits, 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.

Notes and accounts receivable and trade

The most of its account 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 or asking price from correspondent financial institution.

Liabilities

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.

Derivative Transactions

Please refer to Notes 13, Derivative Transactions, of the notes the consolidated financial statement

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
	2016	2015	2016
Unlisted stocks	¥1,923	¥1,907	\$17,175

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TOA CORPORATION and its consolidated subsidiaries

c) Projected redemption

The projected redemption of monetary claim as of March 31, 2016 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	¥39,887	¥—	¥—	¥—	\$356,135	\$—	\$—	\$—
Notes and accounts								
receivable, trade	68,603	4,911	458	1	612,527	43,848	4,093	15
Investments in securities								
Held-to-maturity debt securities								
(Governmental bonds)	—	15	—	—	—	133	—	—
Other securities with maturities								
(Governmental bonds)	—	—	43	—	—	—	387	—
Total	¥108,490	¥4,926	¥501	¥1	\$968,662	\$43,982	\$4,480	\$15

The projected redemption of monetary claim as of March 31, 2015 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	¥22,853	¥—	¥—	¥—
Notes and accounts				
receivable, trade	83,343	5,578	741	8
Investments in securities				
Held-to-maturity debt securities				
(Governmental bonds)	—	15	—	—
Other securities with maturities				
(Governmental bonds)	—	—	42	—
Total	¥106,197	¥5,593	¥783	¥8

d) The projected repayment of short-term borrowings, long-term debt and lease obligation as of March 31, 2016 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	¥8,376	¥—	¥—	¥—	¥—	¥—
Long-term debt	5,744	5,436	4,118	2,727	2,357	1,145
Lease obligation	30	19	17	2	—	—
Total	¥14,150	¥5,455	¥4,136	¥2,730	¥2,357	¥1,145

	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	\$74,785	\$—	\$—	\$—	\$—	\$—
Long-term debt	51,293	48,538	36,771	24,348	21,047	10,230
Lease obligation	269	171	158	26	—	—
Total	\$126,348	\$48,709	\$36,929	\$24,375	\$21,047	\$10,230

The projected repayment of short-term borrowings, long-term debt and lease obligation as of March 31, 2015 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	¥8,390	¥—	¥—	¥—	¥—	¥—
Long-term debt	5,839	5,563	4,104	2,786	1,395	1,201
Lease obligation	65	30	19	17	2	-
Total	¥14,295	¥5,593	¥4,124	¥2,804	¥1,398	¥1,201

12. Securities

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

At March 31, 2016

	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 bond	¥15	¥15	¥0	\$133	\$135	\$1
Sub total	15	15	0	133	135	1
The securities whose consolidated balance sheet amount does not exceed its acquisition cost						
Government bond	—	—	—	—	—	—
Sub total	—	—	—	—	—	—
Total	¥15	¥15	¥0	\$133	\$135	\$1

	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 sheets amount exceeds its acquisition cost						
Stock	¥4,842	¥9,205	¥4,362	\$43,233	\$82,188	\$38,954
Government bond	38	43	4	345	387	42
Sub total	4,880	9,248	4,367	43,578	82,575	38,996
The securities consolidated balance sheets amount does not exceed its acquisition cost						
Stock	1,216	1,050	(165)	10,859	9,378	(1,481)
Government bond	—	—	—	—	—	—
Sub total	1,216	1,050	(165)	10,859	9,378	(1,481)
Total	¥6,097	¥10,298	¥4,201	\$54,438	\$91,954	\$37,515

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At March 31, 2015

	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	¥5,619	¥11,802	¥6,183
Government bond	38	42	3
Sub total	5,657	11,844	6,187
The securities consolidated balance sheet amount does not exceed its acquisition cost			
Stock	416	386	(30)
Government bond	—	—	—
Sub total	416	386	(30)
Total	¥6,073	¥12,230	¥6,157

(2) Other securities sold during the financial years ended March 31, 2016 and 2015 were as follows:

At March 31, 2016

The Companies did not sell other securities.

Other securities sold were not applicable for the year ended March 31, 2016.

At March 31, 2015

	Millions of Japanese Yen		
	Sales	Gain on sales	Loss from sales
Stock	¥239	¥116	¥—
Other	—	—	—
Total	¥239	¥116	¥—

13. Derivative Transactions

Derivative transactions for the year ended March 31, 2016 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:

(1) Currency related derivatives

Hedge accounting method	Types of derivative	Hedged item	Millions of Japanese Yen			Thousands of U.S. Dollars		
			Notional amount	Maturing over one year	Fair value	Notional amount	Maturing over one year	Fair value
Accounting in principle	Forward foreign exchange contracts Buying U.S. Dollars	Accounts payable	¥94	¥—	¥3 (*)	\$847	\$—	\$32 (*)

(*) Fair value is calculated based on presented price by correspondent financial institution.

(2) Interest rate related derivatives

Hedge accounting method	Types of derivative	Hedged item	Millions of Japanese Yen			Thousands of U.S. Dollars		
			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	¥10,907	¥7,225	(*)	\$97,385	\$64,513	(*)

(*) 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, 2015 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:

(1) Currency related derivatives

Hedge accounting method	Types of derivative	Hedged item	Millions of Japanese Yen		
			Notional amount	Maturing over one year	Fair value
Accounting in principle	Forward foreign exchange contracts Buying U.S. Dollars	Accounts payable	¥725	¥94	¥72 (*)

(*) Fair value is calculated based on presented price by correspondent financial institution.

(2) Interest rate related derivatives

Hedge accounting method	Types of derivative	Hedged item	Millions of Japanese Yen		
			Notional amount	Maturing over one year	Fair value
Short-cut	Interest rate swaps Pay/fixed and receive/ floating	Long-term debt	¥12,187	¥8,119	(*)

(*) 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.

14. Reserve for Retirement Benefits and Pension Plan

For the year ended March 31, 2016

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

The Company has the funded defined benefit plan, the cash balance plan and sets up the retirement benefit trust.

Some consolidated subsidiaries have the unfunded retirement lump sum plans.

Furthermore, additional severance payment covering substantially all employees.

(1) The changes in the retirement benefit obligation during the year ended March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Retirement benefit obligation balance at the beginning of the year	¥21,445	¥22,635	\$191,476
Service cost	755	780	6,741
Interest cost	182	256	1,628
Actuarial gain	1,655	(333)	14,779
Retirement benefit paid	(1,754)	(1,894)	(15,666)
Retirement benefit obligation balance at the end of the year	¥22,283	¥21,445	\$198,959

(2) The changes in plan assets during the year ended March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Plan assets balance at the beginning of the year	¥18,598	¥16,381	\$166,055
Expected return on plan assets	200	192	1,789
Actuarial loss	(1,982)	2,113	(17,700)
Contributions by the Company	1,602	1,787	14,311
Retirement benefits paid	(1,721)	(1,876)	(15,372)
Plan assets balance at the end of the year	¥16,697	¥18,598	\$149,082

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(3)The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2016 and 2015 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Funded retirement benefit obligation	¥21,930	¥21,104	\$195,804
Plan assets at fair value	(16,697)	(18,598)	(149,082)
	5,232	2,506	46,721
Unfunded retirement benefit obligation	353	340	3,155
Net liability for retirement benefits in the balance sheet	5,586	2,847	49,876
Liability for retirement benefits	5,586	2,847	49,876
Net liability for retirement benefits in the balance sheet	¥5,586	¥2,847	\$49,876

(4)The components of retirement benefit expense for the year ended March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Service cost	¥755	¥780	\$6,741
Interest cost	182	256	1,628
Expected return on plan assets	(200)	(192)	(1,789)
Amortization of actuarial loss	217	485	1,942
Other	11	49	105
Retirement benefit expense	¥966	¥1,379	\$8,628

Notes :

1. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.
2. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method which assumes retirement benefit obligation to be equal to the benefits payable if all eligible employees voluntarily terminated their employment at fiscal year end are included in "Service cost."

(5)Unrecognized actuarial gain included in other comprehensive income (before tax effect) as of March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Actuarial gain (loss)	(¥3,420)	¥2,931	(\$30,538)

(6)Unrecognized actuarial gain (loss) included in accumulated other comprehensive income (before tax effect) as of March 31, 2016 and 2015 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Unrecognized actuarial gain (loss)	¥3,234	¥185	\$28,880

(7)The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2016 and 2015 are as follows:

	2016	2015
	Stocks	39%
Bonds	38%	30%
General account assets	17%	15%
Other	6%	5%
Total	100%	100%

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

The assumptions used in accounting for the above plans as of March 31, 2016 and 2015 were as follows:

	(Weighted average)	
	2016	2015
Discount rate	0.4%	0.9%
Expected rate of return on plan assets	2.0%	2.0%
Expected rate of future salary increase	2.2%~6.9%	2.3%~6.7%

15. Tax Effect Accounting

1. The significant components of deferred tax assets and liabilities at March 31, 2016 and 2015 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Deferred Tax Assets:			
Net liability for retirement benefits	¥2,819	¥2,059	\$25,171
Reserve for loss on construction works	541	512	4,836
Accrued bonus to employees	709	509	6,337
Unrealized losses on securities	250	174	2,238
Loss on valuation of utility rights	257	273	2,301
Loss on valuation of investment in securities	166	175	1,484
Loss on impairment of fixed assets	452	229	4,043
Other	3,040	2,023	27,145
Valuation allowance	(1,187)	(1,115)	(10,605)
Deferred tax assets	¥7,050	¥4,842	\$62,954
Deferred Tax Liabilities:			
Revaluation reserve for land	(¥546)	(¥712)	(\$4,880)
Unrealized gains on securities	(1,494)	(2,094)	(13,345)
Other	(88)	(114)	(788)
Deferred tax liabilities	(2,129)	(2,921)	(19,014)
Net Deferred Tax Assets	¥4,921	¥1,921	\$43,939

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Current assets - Deferred tax assets	¥3,725	¥2,349	\$33,267
Investments and other assets - Deferred tax assets	1,808	368	16,145
Current liabilities - Other current liabilities	71	76	635
Long-term liabilities - Other long-term liabilities	541	720	4,837

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2. A reconciliation between the normal effective statutory tax rate for the years ended March 31, 2016 and 2015, and the actual effective tax rates reflected in the accompanying consolidated statements of income is as follows:

	2016	2015
Normal effective statutory tax rate	33.0%	35.6%
Expenses not deductible for income tax purposes	2.1	5.8
Non-taxable income	(0.8)	(1.0)
Per capita levy of inhabitant taxes	1.3	2.1
Change in valuation allowance	1.7	3.1
Write-down of tax rate change for deferred tax assets	2.4	6.0
Foreign corporation tax	(3.1)	8.2
Reduction of revaluation reserve for land	(3.7)	0.0
Other-net	(3.1)	1.1
Actual effective tax rates	29.9%	60.9%

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No.15 of 2016) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No.13 of 2016) were enacted on March 29, 2016. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 32.3% to 30.9% for the temporary differences expected to be realized or settled in the year beginning April 1, 2016, and to 30.6% for the temporary differences expected to be realized or settled from April 1, 2018.

The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets, after offsetting deferred tax liabilities, by ¥200 million (U.S.\$1,794 thousand) and increase deferred income taxes by ¥268 million (U.S.\$2,396 thousand), unrealized holding gain (loss) on securities by ¥67 million (U.S.\$601 thousand) as of and for the year ended March 31, 2016.

Furthermore, deferred tax liabilities related to revaluation decreased by ¥133 million (US\$1,189 thousand) and revaluation reserve for land increased by the same amount.

16.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, 2016 and 2015.

17.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, 2016 and 2015.

18.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 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 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.

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

For the year ended March 31, 2016

Millions of Japanese Yen								
	Reportable Segments				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total				
Net sales:								
External customers	¥99,937	¥41,925	¥48,736	¥190,599	¥9,682	¥200,282	¥—	¥200,282
Inter-segment	2	1,479	—	1,482	30,963	32,445	(32,445)	—
Total	¥99,940	¥43,405	¥48,736	¥192,082	¥40,645	¥232,728	¥(32,445)	¥200,282
Segment profits or losses	7,178	1,559	5,256	13,994	1,145	15,139	(3,350)	11,789
Other items								
Depreciation and amortization	¥566	¥1	¥617	¥1,185	¥547	¥1,733	¥299	¥2,033

For the year ended March 31, 2016

Thousands of U.S. Dollars								
	Reportable Segments				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total				
Net sales:								
External customers	\$892,299	\$374,336	\$435,149	\$1,701,785	\$86,452	\$1,788,237	\$—	\$1,788,237
Inter-segment	25	13,212	—	13,237	276,455	289,693	(289,693)	—
Total	\$892,324	\$387,549	\$435,149	\$1,715,022	\$362,907	\$2,077,930	\$(289,693)	\$1,788,237
Segment profits or losses	64,095	13,923	46,931	124,950	10,223	135,173	(29,911)	105,262
Other items								
Depreciation and amortization	\$5,055	\$16	\$5,515	\$10,587	\$4,890	\$15,478	\$2,674	\$18,152

Notes :

- "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
- Adjustment of the segment profits amounting to ¥(3,350) million (US\$(29,911) thousand) is inclusive of inter-segment elimination amounting to ¥1 million (US\$14 thousand) and Selling, General and Administrative Expenses amounting to ¥(3,351) million (US\$(29,925) thousand) which are not attributed to any reportable segments.
- Segment profits or losses are adjusted to the operating income in the consolidated statements of income.
- Assets are not described due to no allocation to the business segments.

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For the year ended March 31, 2015

Millions of Japanese Yen								
	Reportable Segments				Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total				
Net sales:								
External customers	¥89,981	¥54,754	¥40,704	¥185,439	¥13,444	¥198,884	¥—	¥198,884
Inter-segment	45	209	—	255	25,303	25,558	(25,558)	—
Total	¥90,026	¥54,963	¥40,704	¥185,694	¥38,748	¥224,443	¥(25,558)	¥198,884
Segment profits or losses	9,088	737	(1,653)	8,172	437	8,610	(2,913)	5,696
Other items								
Depreciation and amortization	¥502	¥16	¥766	¥1,286	¥479	¥1,765	¥219	¥1,985

Notes :

- "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
- Adjustment of the segment profits amounting to ¥(2,913) million (US\$(26,013) thousand) is inclusive of inter-segment elimination amounting to ¥49 million (US\$437 thousand) and Selling, General and Administrative Expenses amounting to ¥(2,962) million (US\$(26,451) thousand) which are not attributed to any reportable segments.
- Segment profits or losses are adjusted to the operating income in the consolidated statements of income.
- Assets are not described due to no allocation to the business segments.

19.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
	2016	2015	2016
Japan	¥151,563	¥158,186	\$1,353,244
Singapore	26,631	26,209	237,779
Other	22,087	14,488	197,213
Total	¥200,282	¥198,884	\$1,788,237

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 sheets.

III .Information on principal customer

For the year ended March 31, 2016

Name of Customer	Related segments	Net sales	
		Millions of Japanese Yen 2016	Thousands of U.S. Dollars 2016
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Businesses, others	¥37,308	\$333,111

For the year ended March 31, 2015

Name of Customer	Related segments	Net sales
		Millions of Japanese Yen 2015
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Businesses, others	¥36,797

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 statements of income for the year ended March 31, 2016 and 2015.

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

The amortization was not applicable for the year ended March 31, 2016 and 2015.

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, 2016 and 2015.

20.Per Share Data

	Japanese Yen		U.S. Dollars
	2016	2015	2016
Net assets	¥338.16	¥328.35	\$3.019
Net income	28.89	9.95	0.257

Because there was no dilutive shares, the Companies have not presented the diluted net income per share for the years ended March 31, 2016 and 2015.

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
	2016	2015	2016
Net assets	¥71,143	¥69,004	\$635,214
Net assets amount for common stocks	70,684	68,633	631,109
Significant breakdown of differences			
Non-controlling interests	¥459	¥371	\$4,105

	Thousands of shares	
	2016	2015
Numbers of issued shares of common stocks	224,946	224,946
Numbers of treasury stocks of common stocks	15,923	15,919
Numbers of common stocks which were used for calculation for per share data on net assets	209,023	209,026

2.Per share data on net income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2016	2015	2016
Profit attributable to owners of parent	¥6,038	¥2,080	\$53,912
Profit attributable to owners of parent which does not belong to common stockholders	—	—	—
Profit attributable to owners of parent for common stocks	¥6,038	¥2,080	\$53,912

	Thousands of Shares	
	2016	2015
Average number of shares of common stocks	209,024	209,027

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21. Significant Subsequent Events

Consolidation of Shares and Changes in the Number of Shares per Share Unit and Authorized Shares

The Company resolved at its Board of Directors' meeting held on May 30, 2016 to submit a proposal for the consolidation of shares and a change in the number of shares per share trading unit to the ordinary general meeting of shareholders.

The proposal was approved at said ordinary general meeting of shareholders held on June 29, 2016.

I. Purpose of consolidation of shares and changes in the number of shares per share unit and authorized shares

Japanese stock exchanges issued "Action Plan for Consolidating Trading Units" with the aim of standardizing the trading unit for common stock of all listed domestic corporations at 100 shares.

As a corporation listed on the Tokyo Stock Exchange and the Sapporo Stock Exchange, the Company respects the objectives of the plan and will change the number of shares per share trading unit (share unit) to 100 shares.

Along with the change in the share unit, the Company will also consolidate its shares to maintain a price level for investing in its shares considered desirable by Japanese stock exchanges (50,000 yen or more and less than 500,000 yen).

II. Details of consolidation of shares

(1) Class of shares to be consolidated

Common stock

(2) Consolidation method and ratio

The Company will consolidate 10 shares into one share on October 1, 2016 based on the number of shares held by shareholders listed in the final shareholders' register as of September 30, 2016.

For any fractional shares of less than one share that result from the consolidation of shares, such fractional shares will be disposed of in accordance with the Companies Law of Japan, and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares.

(3) Decrease in number of shares due to consolidation

Number of outstanding shares before consolidation (as of March 31, 2016)	224,946,290 shares
Decrease in number of shares due to consolidation	202,451,661 shares
Number of outstanding shares after consolidation	22,494,629 shares

Note :

"Decrease in number of shares due to consolidation" and "Number of outstanding shares after consolidation" are theoretical values calculated by multiplying the number of outstanding shares before consolidation by the consolidation ratio.

III. Details of change in number of shares per share unit

Concurrently with the consolidation of shares, the Company will change the number of shares per share unit for common stock from 1,000 to 100.

IV. Details of changes in number of authorized shares

The number of authorized shares will decrease from 600 million shares to 60 million shares in accordance with the ratio of the share consolidation.

Pursuant to Article 182, Paragraph 2 of the Companies Law, the total number of authorized shares specified in the Company's Articles of Incorporation shall be deemed to have changed on October 1, 2016, the effective date for the consolidation of shares.

V. Effective date

Resolution at the Board of Directors' meeting	May 30, 2016
Resolution at the general meeting of shareholders	June 29, 2016
Effective date for consolidation of shares and change in number of shares per share unit	October 1, 2016

VI . Effect on per share information

Per share information as of and for the years ended March 31, 2016 and 2015 on the assumption that the consolidation of shares had been implemented as of April 1, 2014 is as follows;

	Japanese Yen		U.S. Dollars
	2016	2015	2016
Net assets	¥3,381.65	¥3,283.46	\$30.193
Net income (Basic)	288.88	99.53	2.579

Note :

Diluted net income per share was not disclosed because there were no dilutive shares.

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	¥8,390	¥8,376	\$74,910	\$74,785	0.78%	
Current portion of Long-term debt	5,173	5,099	46,191	45,533	1.51%	
Current portion of Non-recourse debt	665	645	5,944	5,759	2.71%	
Current portion of lease obligations	65	30	587	269	—	
Long-term debt (excluding current portion)	11,486	12,864	102,558	114,859	1.29%	from 2017 to 2021
Non-recourse debt (excluding current portion)	3,565	2,920	31,836	26,077	2.60%	from 2017 to 2026
Lease obligation (excluding current portion)	70	39	625	355	—	from 2017 to 2019
Other debt	—	—	—	—	—	
Total	¥29,417	¥29,975	\$262,654	\$267,640	—	

Notes :

1.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 sheets.

2.The amount scheduled to be repayment of long-term debt, non-recourse debt and lease obligations (excluding current portions) within 5 years 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	¥4,829	¥3,550	¥2,181	¥1,814	\$43,124	\$31,700	\$19,481	\$16,201
Non-recourse debt	606	567	545	542	5,413	5,071	4,867	4,845
Lease obligations	¥ 19	¥ 17	¥ 2	—	\$ 171	\$ 158	\$ 26	—

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.

Independent Auditor's Report

The Board of Directors
TOA CORPORATION

We have audited the accompanying consolidated financial statements of TOA CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOA CORPORATION and its consolidated subsidiaries as at March 31, 2016, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

We draw attention to Note 5 to the consolidated financial statements, which states that due to the discovery of a construction defect and false reporting, certain contract specification requirements were determined to be unfulfilled for a soil improvement project at Haneda International Airport in Tokyo and other projects carried out by the Company. The Company has established a Special Investigation Committee and related investigation is ongoing. As a result, there may be some financial loss on the Company in the future.

Our opinion is not qualified in respect of this matter.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.



June 29, 2016
Yokohama, Japan

Quarterly Financial Information

For the fiscal year ended March 31, 2016

Cumulative period	Millions of Japanese Yen				Thousands of U.S. Dollars			
	First quarter	Second quarter	Third quarter	Consolidated accounting period	First quarter	Second quarter	Third quarter	Consolidated accounting period
Net sales	¥45,656	¥98,811	¥150,267	¥200,282	\$407,646	\$882,243	\$1,341,674	\$1,788,237
Profit before income taxes or quarterly profit before income taxes	2,385	6,552	9,336	8,732	21,300	58,504	83,362	77,971
Profit attributable to owners of parent or quarterly profit attributable to owners of parent	¥1,374	¥3,988	¥5,653	¥6,038	\$12,272	\$35,608	\$50,475	\$53,912

Cumulative period	Japanese Yen				U.S. Dollars			
	First quarter	Second quarter	Third quarter	Consolidated accounting period	First quarter	Second quarter	Third quarter	Consolidated accounting period
Per share data on profit or per share data on quarterly profit	¥6.58	¥19.08	¥27.05	¥28.89	\$0.058	\$0.170	\$0.241	\$0.257

Accounting period	Japanese Yen				U.S. Dollars			
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
Per share data on quarterly profit	¥6.58	¥12.50	¥7.97	¥1.84	\$0.058	\$0.111	\$0.071	\$0.016

INFORMATION

Board of Directors

(As of June 29,2016)

President and Representative Director

Masaki Akiyama

Representative Director

Ryo Suetomi

Directors

Masato Ikeda

Shigetoshi Kurosu

Seiichiro Ishii

Masahiko Okamura

Kosei Watanabe

Audit & Supervisory Board Members

Nobuo Terabayashi

Yujiro Oku

Satoshi Nakano

Yoshikazu Mikami

Executive Officers

(As of June 29,2016)

President and Chief Executive Officer (CEO)

Masaki Akiyama

Executive Vice President

Ryo Suetomi

Senior Executive Officers

Motonobu Sugimoto

Seiichi Yamaguchi

Masato Ikeda

Managing Executive Officers

Mitsugi Okuda

Tsutomu Higashi

Kazuyuki Higuchi

Masaharu Fukuda

Shigenori Hada

Atsuro Moriwake

Masanori Iwaki

Shigetoshi Kurosu

Atsushi Tamaki

Makoto Fujino

Seiichiro Ishii

Masayoshi Tatsuta

Executive Officers

Tetsuzo Iwatsuki

Hiroshi Osumi

Tomoko Okiyama

Yoshinobu Fukushima

Masato Horisawa

Hisanobu Nagatomo

Seigo Suzuki

Natsuki Nakano

Masaki Uematsu

Takayuki Baba

Investor Information

(As of June 29, 2016)

Head Office

TOA CORPORATION
3-7-1, Nishi-shinjuku, Shinjuku-ku,
Tokyo, 163-1031 Japan
TEL : +81-3-6757-3800
FAX : +81-3-6757-3830
http://www.toa-const.co.jp/

International Division

3-7-1, Nishi-shinjuku, Shinjuku-ku,
Tokyo, 163-1031 Japan
TEL : +81-3-6367-0801
FAX : +81-3-6367-0809

Date of Incorporation

January 1920

Paid-In Capital

¥18,976 million (As of March 31, 2016)

Authorized Shares

600,000,000

Outstanding Shares

224,946,290 shares in 2016 (As of March 31, 2016)

Number of Shareholders

10,984 (As of March 31, 2016)

Number of Employees

1,457 (As of March 31, 2016)

General Meeting

The General Meeting of Shareholders was held on June 29, 2016

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 LLC
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
Shikoku Branch
Chugoku Branch
Kyushu Branch
East Japan Architecture Branch
West Japan Architecture Branch

Overseas Network

Head Office and Overseas Offices

HEAD OFFICE (International Division)

Shinjuku Park Tower 31F
3-7-1, Nishi-Shinjuku, Shinjuku-ku,
Tokyo, 163-1031 JAPAN
TEL : +81-3-6367-0801
FAX : +81-3-6367-0809

SINGAPORE

Singapore Office
23 Pandan Crescent,
SINGAPORE 128472
TEL : +65-6775-5044
FAX : +65-6775-3542

INDONESIA

Indonesia Office
Palma One Building, 10th Floor,
Suite 1008 JL. HR. Rasuna Said Kav. X-2
No.4 Kuningan, Jakarta 12950, INDONESIA
TEL : +62-21-522-8781
FAX : +62-21-522-8782

VIET NAM

Hanoi Office
12th Floor, Vinafor Building, 127 Lo Duc,
Dong Mac Ward, Hai Ba Trung District,
Hanoi, VIET NAM
TEL : +84-4-3826-2606
FAX : +84-4-3826-2628

VIET NAM

Ho Chi Minh Office
Room 103, 1st Floor, HSC Building, 162B
Dien Bien Phu Street, Ward 6, District 3,
Ho Chi Minh City, VIET NAM
TEL : +84-8-3820-1722
FAX : +84-8-3820-1724

MYANMAR

Myanmar Office
Toronto Room, No.16, 87th Street,
Mingalar Taung Nyunt Township,
Yangon, MYANMAR

SRI LANKA

Sri Lanka Office
No.182/2, Hulftsdorp Street, Colombo 12,
SRI LANKA
TEL : +94-11-2321633
FAX : +94-11-4617783

U.A.E.

Dubai Office
LOB 15, Office 501, JAFZA, Dubai, U.A.E.
TEL : +971-4-880-8868
FAX : +971-4-880-8670

CHINA

Hong Kong Office
36/F., Tower Two, Times Square,
1 Matheson Street, Causeway Bay,
HONG KONG

Overseas Subsidiaries and Affiliates

TOA HARBOR(S) PTE., LTD.

23 Pandan Crescent,
SINGAPORE 128472
TEL : +65-6775-5044
FAX : +65-6775-3542

TOA(M). SDN. BHD.

Suite 3.21, 3rd Floor, The Ampwalk, 218,
Jalan Ampang, 50450 Kuala Lumpur,
MALAYSIA
TEL : +60-3-2161-5909
FAX : +60-3-2161-5908

P.T. TOA TIRTA DHARMA

Palma One Building, 10th Floor,
Suite 1008 JL. HR. Rasuna Said Kav. X-2
No.4 Kuningan, Jakarta 12950, INDONESIA
TEL : +62-21-522-8781
FAX : +62-21-522-8782

TOA (LUX) S.A.

4 Rue Henri Schnadt L-2530,
LUXEMBOURG
TEL : +352-403727
FAX : +352-403723

SIAM TOA CORPORATION LTD.

2 Jasmine Building, 12th Floor,
Soi Prasarnmitr (Sukhumvit 23),
Sukhumvit Road, North Klongtoey, Wattana,
Bangkok 10110, THAILAND

TOA (PHILS.), INC.

26F, U2607, One San Miguel Avenue
Condominium No. 1 San Miguel Avenue
corner Shaw Boulevard, Ortigas Center,
Pasig City, 1605, PHILIPPINES
TEL : +63-2-718-3068
FAX : +63-2-718-3071

Memo

A series of horizontal dashed lines for writing a memo.



Address : 3-7-1, Nishi-shinjuku, Shinjuku-ku, Tokyo, 163-1031 Japan