

# CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION and its consolidated subsidiaries  
For the years ended March 31, 2017 and 2016

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2017	2016	2017
<b>Net sales</b> (Note 6)	¥ 167,200	¥ 200,282	\$ 1,492,865
<b>Cost of sales</b> (Note 6)	150,990	178,543	1,348,131
Gross profit	16,210	21,739	144,733
<b>Selling, general and administrative expenses</b> (Note 6)	10,013	9,949	89,406
Operating income	6,196	11,789	55,326
<b>Other income (expenses):</b>			
Interest and dividend income	283	303	2,528
Interest expense	(388)	(423)	(3,467)
Provision for doubtful accounts, non-trade	33	(36)	298
Loss on impairment of fixed assets (Note 6)	(332)	(1,438)	(2,968)
Gain on sale of fixed assets (Note 6)	79	46	713
Guarantee fee (Note 3)	(72)	(117)	(644)
Exchange gain (loss), net	(88)	(921)	(788)
Loss on sale of fixed assets (Note 6)	(184)	(35)	(1,644)
Loss on disposal of fixed assets (Note 6)	(13)	(427)	(120)
Loss on construction defects (Note 6)	(15,374)	—	(137,269)
Other, net (Note 3)	(158)	(4)	(1,415)
	(16,215)	(3,056)	(144,777)
<b>Profit (loss) before income taxes</b>	(10,018)	8,732	(89,450)
<b>Income taxes</b> (Note 15):			
Current	884	4,020	7,898
Deferred	(3,539)	(1,414)	(31,598)
	(2,654)	2,606	(23,700)
<b>Profit (loss)</b>	(7,364)	6,126	(65,750)
<b>Profit (loss) attributable to :</b>			
Non-controlling interests	¥ 74	¥ 88	\$ 661
Owners of parent	¥ (7,438)	¥ 6,038	\$ (66,412)

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