

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, 2017. The consolidated financial statements for the year ended March 31, 2017 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, and facilities attached to buildings and other non-building structures acquired on or after April 1, 2016 are 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.

d) Reserve for loss on construction defects

Reserve for loss on construction defects is provided for the amount equivalent to cover future defect expenses based upon the estimated repair costs for construction defects for soil improvement projects.

(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 is 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, 2017. 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 "Practical Solution on a change in depreciation method due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) as a result of revisions to the Corporate Tax Act of Japan. Accordingly, the depreciation method for both facilities attached to buildings and other non-building structures acquired on or after April 1, 2016 was changed from the declining-balance method to the straight-line method.

This change did not have a material impact on the Companies' consolidated operating income and

loss before income taxes in the current year.

3.Changes in Presentation

The Companies have changed the presentation of items in the consolidated balance sheet as follows:

Electronically recorded obligations, operating included in Notes and accounts payable, trade of Current liabilities in the previous year, is presented separately in the current year.

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

Consequently, Electronically recorded obligations, operating was newly shown in the amount of ¥10,660 million. Also Notes and account payable, trade in the previous year was shown in the amount of ¥40,446 million, compared with ¥51,107 million previously presented.

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

Guarantee fee included in Other, net of Other income (expenses) in the previous year, is presented separately in the current year.

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

Consequently, Guarantee fee was newly shown in the amount of ¥(117) million. Also Other, net of Other income (expenses) in the previous year was shown in the amount of ¥(4) million, compared with ¥(122) million previously presented.

4.Additional information

The Company and its consolidated subsidiaries adopted "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016) from the beginning of the fiscal year ended March 31, 2017.

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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, 2017 and 2016 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Cost on construction contracts in progress	¥5,605	¥10,322	\$50,049
PFI projects	1,353	1,604	12,080
Other inventories	744	523	6,646
Cost on construction contracts in progress and other	¥7,703	¥12,450	\$68,777

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, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
	¥625	¥1,148	\$5,588

III. Investments in securities

Among investments in securities, amount in aggregate corresponding to unconsolidated subsidiaries and affiliates as of March 31, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Investments in affiliates	¥247	¥247	\$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
	2017	2016	2017
Differences of the land after revaluation exceeded its fair value	¥4,230	¥4,117	\$37,776

V. Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2017 and 2016 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Assets pledged as collateral:			
Current assets			
Other current assets	¥27	¥27	\$247
Investment and other assets			
Investment in securities	1,996	2,315	17,829
Long-term loans	221	247	1,974
Total	¥2,245	¥2,590	\$20,051

As of March 31, 2017, the assets listed above are pledged as collateral to secure contingent liabilities amounting to ¥1,686 million (US\$15,059 thousand) and liabilities based on the loan agreements with credit line between 12 PFI companies and financial institutions.

As of March 31, 2016, secured liabilities were in the amount of ¥1,618 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, 2017 and 2016 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2017	2016	2017
¥157	¥161	\$1,402

VII. Commitments and contingent liabilities

(a) The Companies are contingently liable for the following as of March 31, 2017 and 2016:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Employees (Loan guarantee to bank)	¥18	¥14	\$164
National Federation of Promotion for Fishing Ports and Villages	109	159	977
Fisheries Cooperative Association (Loan guarantee)			
Others	299	674	2,675
Total	¥427	¥848	\$3,818

(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.

VIII. Short-term borrowings

The Company had commitment lines for efficient financial arrangement from 7 banks at March 31, 2017 and 2016 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
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, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Non-recourse debt included in current portion of long term debt	¥606	¥645	\$5,413
Non-recourse debt included in long-term debt	2,314	2,920	20,663
Total	¥2,920	¥3,565	\$26,077

The amount of PFI assets pledged as collateral for non-recourse debt as of March 31, 2017 and 2016 are as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2017	2016	2017
¥5,129	¥5,691	\$45,803

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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
2017	2016	2017
¥154,130	¥185,276	\$1,376,169

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
2017	2016	2017
¥25	¥1,404	\$228

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
2017	2016	2017
¥1,771	¥741	\$15,820

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
	2017	2016	2017
Salaries to employees	¥4,285	¥4,214	\$38,260
Expenses for retirement benefits for employees	219	260	1,958
Research expenses	763	763	6,814
Provision for doubtful accounts, trade	2	(25)	26

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
2017	2016	2017
¥896	¥872	\$8,000

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
	2017	2016	2017
Tools and fixtures	¥51	¥—	\$462
Vessels	14	15	125
Machinery and equipment	13	2	117
Others	0	29	8
Total	¥79	¥46	\$713

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
	2017	2016	2017
Buildings	¥113	¥16	\$1,013
Land	70	19	\$630
Total	¥184	¥35	\$1,644

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
	2017	2016	2017
Buildings	¥12	¥182	\$114
Vessels	0	237	0
Others	0	7	5
Total	¥13	¥427	\$120

IX .Impairment of fixed assets

For the year ended March 31, 2017, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location	Number of groups
Idle properties	Machinery and equipment and others	Tokyo and others	3

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 ¥332 million (US\$2,968 thousand) was accounted for as loss on impairment of fixed assets, which consisted of ¥191 million (US\$1,709 thousand) for machinery and equipment, ¥103 million (US\$920 thousand) for Tools and Fixtures, ¥23 million (US\$212 thousand) for land and ¥13 million (US\$124 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, 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 was accounted for as loss on impairment of fixed assets, which consisted of ¥1,194 million for land, ¥195 million for buildings and ¥48 million 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.

X.Loss on construction defects

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.

As a result, the Company recognized a loss for repair costs and other incurred for these problems.

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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
	2017	2016	2017
Unrealized gains (losses) on securities:			
Amount arising during the year	¥1,738	¥(1,955)	\$15,523
Amount of reclassification adjustments	0	—	0
Amount before tax effect	1,738	(1,955)	15,523
Tax effect	(511)	673	(4,565)
Unrealized gains (losses) on securities	1,227	(1,281)	10,958
Deferred gains (losses) on hedges:			
Amount arising during the year	—	(5)	—
Amount of reclassification adjustments	(3)	(63)	(32)
Amount before tax effect	(3)	(69)	(32)
Tax effect	1	19	9
Deferred gains (losses) on hedges	(2)	(49)	(23)
Revaluation reserve for land:			
Tax effect	—	133	—
Revaluation reserve for land	—	133	—
Retirement benefits liability adjustments:			
Amount arising during the year	1,035	(3,637)	9,248
Amount of reclassification adjustments	106	217	951
Amount before tax effect	1,142	(3,420)	10,200
Tax effect	(349)	1,049	(3,121)
Retirement benefits liability adjustments	792	(2,370)	7,078
Total other comprehensive income (loss)	¥2,017	¥(3,568)	\$18,013

8. Notes to Consolidated Statement of Changes in Net Assets

I. Type and number of shares

For the year ended March 31, 2017

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	—	202,451	22,494
Treasury stock				
Common stock	15,923	3	14,332	1,593

Notes: The Company completed a reverse stock split of its common stock, at ratio of 1 share for 10 shares on October 1, 2016.

Notes: The major components of decrease in issued stock were as follows:

Decrease due to reverse stock split	202,451 thousand shares
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Notes: The major components of increase and decrease in treasury stock were as follows:

Increase due to purchase of odd stock	3 thousand shares
Detail) before reverse stock split	2 thousand shares
after reverse stock split	1 thousand shares
Decrease due to reverse stock split	14,332 thousand 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 major components of increase in treasury stock were as follows:

Increase due to purchase of odd stock 3 thousand shares

II .Dividend payment

For the year ended March 31, 2017

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

Notes: Cash dividends per share are based on the dividend before the reverse stock split effective from October 1, 2016.

For the year ended March 31, 2016

Resolution	Type of share	Dividend resource	Millions of Japanese Yen		Record date	Effective date
			Total amount of dividends	Cash dividends per share (Yen)		
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
	2017	2016	2017
Cash and bank deposits	¥28,217	¥39,965	\$251,945
Time deposits due over three months	(30)	(68)	(271)
Cash and cash equivalents	¥28,187	¥39,896	\$251,673

10. Leases

Operating lease

The scheduled maturities of future operating lease payments, including an interest portion on such lease contracts as of March 31, 2017 and 2016, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Due within one year	¥144	¥463	\$1,292
Due over one year	509	24	4,550
Total	¥654	¥488	\$5,842

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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, 2017, 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	¥28,217	¥28,217	¥—	\$251,945	\$251,945	\$—
Notes and accounts receivable, trade	78,287	78,287	—	698,995	698,995	—
Advanced money	10,965	10,965	—	97,910	97,910	—
Investments in securities						
Held-to-maturity debt securities	15	15	0	133	134	0
Other securities	12,061	12,061	—	107,694	107,694	—
Total assets	129,548	129,548	0	1,156,680	1,156,681	0
Notes and accounts payable, trade	31,012	31,012	—	276,900	276,900	—
Electronically recorded obligations, operating	8,429	8,429	—	75,267	75,267	—
Short-term borrowings	8,463	8,463	—	75,566	75,566	—
Deposits received	11,937	11,937	—	106,583	106,583	—
Long-term debt (*)	20,732	20,927	195	185,108	186,852	1,744
Total liabilities	80,575	80,771	195	719,425	721,170	1,744
Derivative transactions	¥—	¥—	¥—	\$—	\$—	\$—

(*) Current portion of long-term debt of ¥5,535 million (US\$49,428 thousand) is included in long-term debts and carrying amount and fair value are represented.

As of March 31, 2016, 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	¥39,965	¥39,965	¥—
Notes and accounts receivable, trade	73,974	73,974	—
Advanced money	12,564	12,564	—
Investments in securities			
Held-to-maturity debt securities	15	15	0
Other securities	10,298	10,298	—
Total assets	136,818	136,818	0
Notes and accounts payable, trade	40,446	40,446	—
Electronically recorded obligations, operating	10,660	10,660	—
Short-term borrowings	8,376	8,376	—
Deposits received	13,309	13,309	—
Long-term debt (*1)	21,529	21,839	310
Total liabilities	94,322	94,632	310
Derivative transactions (*2)	¥3	¥3	¥—

(*1) Current portion of long-term debt of ¥5,744 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, 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, electronically recorded obligations, operating, 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, Delivative Transactions, of the notes the consolidated financial statement.

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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
	2017	2016	2017
Unlisted stocks	¥1,911	¥1,923	\$17,065

c) Projected redemption

The projected redemption of monetary claim as of March 31, 2017 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	¥28,135	¥—	¥—	¥—	\$251,206	\$—	\$—	\$—
Notes and accounts receivable, trade	74,387	3,730	169	—	664,170	33,309	1,515	—
Investments in securities								
Held-to-maturity debt securities								
(Governmental bonds)	—	15	—	—	—	133	—	—
Other securities with maturities								
(Governmental bonds)	—	—	43	—	—	—	384	—
Total	¥102,522	¥3,745	¥212	¥—	\$915,377	\$33,443	\$1,900	\$—

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
	Millions of Japanese Yen			
Cash and bank deposits	¥39,887	¥—	¥—	¥—
Notes and accounts receivable, trade	68,603	4,911	458	1
Investments in securities				
Held-to-maturity debt securities				
(Governmental bonds)	—	15	—	—
Other securities with maturities				
(Governmental bonds)	—	—	43	—
Total	¥108,490	¥4,926	¥501	¥1

d) The projected repayment of short-term borrowings, long-term debt and lease obligation as of March 31, 2017 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	¥8,463	¥—	¥—	¥—	¥—	¥—
Long-term debt	5,535	5,333	3,941	3,572	2,280	68
Lease obligation	19	17	2	—	—	—
Total	¥14,018	¥5,350	¥3,944	¥3,572	¥2,280	¥68

	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	\$75,566	\$—	\$—	\$—	\$—	\$—
Long-term debt	49,428	47,617	35,195	31,893	20,361	611
Lease obligation	171	158	26	—	—	—
Total	\$125,166	\$47,776	\$35,221	\$31,893	\$20,361	\$611

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

12. Securities

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

At March 31, 2017

	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	\$134	\$0
Sub total	15	15	0	133	134	0
The securities whose consolidated balance sheet amount does not exceed its acquisition cost						
Government bond	—	—	—	—	—	—
Sub total	—	—	—	—	—	—
Total	¥15	¥15	¥0	\$133	\$134	\$0

	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	¥5,617	¥11,622	¥6,005	\$50,155	\$103,772	\$53,616
Government bond	39	43	3	350	384	33
Sub total	5,656	11,665	6,008	50,506	104,157	53,650
The securities consolidated balance sheets amount does not exceed its acquisition cost						
Stock	464	396	(68)	4,149	3,537	(611)
Government bond	—	—	—	—	—	—
Sub total	464	396	(68)	4,149	3,537	(611)
Total	¥6,121	¥12,061	¥5,940	\$54,656	\$107,694	\$53,038

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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At March 31, 2016

	Millions of Japanese Yen		
	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
Sub total	15	15	0
The securities whose consolidated balance sheet amount does not exceed its acquisition cost			
Government bond	—	—	—
Sub total	—	—	—
Total	¥15	¥15	¥0

	Millions of Japanese Yen		
	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
Government bond	38	43	4
Sub total	4,880	9,248	4,367
The securities consolidated balance sheets amount does not exceed its acquisition cost			
Stock	1,216	1,050	(165)
Government bond	—	—	—
Sub total	1,216	1,050	(165)
Total	¥6,097	¥10,298	¥4,201

(2) Other securities sold during the financial years ended March 31, 2017 and 2016 were as follows:

At March 31, 2017

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Sales	Gain on sales	Loss from sales	Sales	Gain on sales	Loss from sales
Stock	¥0	¥—	¥0	\$0	\$—	\$0
Other	—	—	—	—	—	—
Total	¥0	¥—	¥0	\$0	\$—	\$0

At March 31, 2016

The Companies did not sell other securities during the financial year.

13. Derivative Transactions

Derivative transactions for the year ended March 31, 2017 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:

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	¥8,580	¥5,504	(*)	\$76,611	\$49,147	(*)

(*) 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, 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

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

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

(2) Interest Rate related derivatives

Millions of Japanese Yen					
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value
Short-cut	Interest rate swaps Pay/fixed and receive/ floating	Long-term debt	¥10,907	¥7,225	(*)

(*) 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

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, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Retirement benefit obligation balance at the beginning of the year	¥22,283	¥21,445	\$198,959
Service cost	797	755	7,119
Interest cost	96	182	858
Actuarial gain	(466)	1,655	(4,168)
Retirement benefit paid	(1,113)	(1,754)	(9,941)
Retirement benefit obligation balance at the end of the year	¥21,596	¥22,283	\$192,827

(2) The changes in plan assets during the year ended March 31, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Plan assets balance at the beginning of the year	¥16,697	¥18,598	\$149,082
Expected return on plan assets	204	200	1,828
Actuarial loss	569	(1,982)	5,080
Contributions by the Company	799	1,602	7,139
Retirement benefits paid	(1,110)	(1,721)	(9,911)
Plan assets balance at the end of the year	¥17,160	¥16,697	\$153,219

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2017 and 2016 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Funded retirement benefit obligation	¥21,210	¥21,930	\$189,377
Plan assets at fair value	(17,160)	(16,697)	(153,219)
	4,049	5,233	36,158
Unfunded retirement benefit obligation	386	353	3,450
Net liability for retirement benefits in the balance sheet	4,436	5,586	39,608
Liability for retirement benefits	4,436	5,586	39,608
Net liability for retirement benefits in the balance sheet	¥4,436	¥5,586	\$39,608

(4)The components of retirement benefit expense for the year ended March 31, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Service cost	¥797	¥755	\$7,119
Interest cost	96	182	858
Expected return on plan assets	(204)	(200)	(1,828)
Amortization of actuarial loss	106	217	951
Other	11	11	105
Retirement benefit expense	¥807	¥966	\$7,206

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, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Actuarial gain (loss)	¥1,142	(¥3,420)	\$10,200

(6)Unrecognized actuarial gain (loss) included in accumulated other comprehensive income (before tax effect) as of March 31, 2017 and 2016 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Unrecognized actuarial gain (loss)	¥2,092	¥3,234	\$18,680

(7)The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2017 and 2016 are as follows:

	2017	2016
	Stocks	42%
Bonds	38%	38%
General account assets	17%	17%
Other	3%	6%
Total	100%	100%

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.

(8)The assumptions used in accounting for the above plans as of March 31, 2017 and 2016 were as follows:

	(Weighted average)	
	2017	2016
Discount rate	0.5%	0.4%
Expected rate of return on plan assets	2.0%	2.0%
Expected rate of future salary increase	2.3%~6.8%	2.2%~6.9%

15. Tax Effect Accounting

1. The significant components of deferred tax assets and liabilities at March 31, 2017 and 2016 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Deferred Tax Assets:			
Net liability for retirement benefits	¥2,243	¥2,819	\$20,032
Reserve for loss on construction works	689	541	6,155
Accrued bonus to employees	457	709	4,089
Unrealized losses on securities	175	250	1,567
Loss on valuation of utility rights	258	257	2,305
Loss on valuation of investment in securities	169	166	1,517
Loss on impairment of fixed assets	511	452	4,571
Loss on construction defects	4,334		38,703
Other	3,156	3,040	28,179
Valuation allowance	(1,878)	(1,187)	(16,769)
Deferred tax assets	¥10,119	¥7,050	\$90,350
Deferred Tax Liabilities:			
Revaluation reserve for land	(¥545)	(¥546)	(\$4,874)
Unrealized gains on securities	(1,921)	(1,494)	(17,156)
Other	(90)	(88)	(806)
Deferred tax liabilities	(2,557)	(2,129)	(22,837)
Net Deferred Tax Assets	¥7,561	¥4,921	\$67,512

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

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Current assets - Deferred tax assets	¥7,407	¥3,725	\$66,138
Investments and other assets - Deferred tax assets	773	1,808	6,907
Current liabilities - Other current liabilities	67	71	603
Long-term liabilities - Other long-term liabilities	552	541	4,929

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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2. A reconciliation between the normal effective statutory tax rates for the years ended March 31, 2017 and 2016, and the actual effective tax rates reflected in the accompanying consolidated statements of income is as follows:

	2017	2016
Normal effective statutory tax rate	—	33.0%
Expenses not deductible for income tax purposes	—	2.1
Non-taxable income	—	(0.8)
Per capita levy of inhabitant taxes	—	1.3
Change in valuation allowance	—	1.7
Write-down of tax rate change for deferred tax assets	—	2.4
Foreign corporation tax	—	(3.1)
Reduction of revaluation reserve for land	—	(3.7)
Other-net	—	(3.1)
Actual effective tax rates	—	29.9%

Information of a reconciliation between the normal effective statutory tax rate and the actual effective tax rate for the years ended March 31, 2017 have been omitted, because the Company reported loss before income taxes in Consolidated Financial Statements.

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, 2017 and 2016.

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, 2017 and 2016.

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 Aspects 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, 2017

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	¥85,437	¥43,685	¥28,927	¥158,050	¥9,150	¥167,200	¥ —	¥167,200
Inter-segment	28	76	—	104	22,130	22,234	(22,234)	—
Total	¥85,465	¥43,761	¥28,927	¥158,154	¥31,281	¥189,435	(¥22,234)	¥167,200
Segment profits or losses	4,898	709	3,080	8,688	663	9,351	(3,154)	6,196
Other items								
Depreciation and amortization	¥432	¥1	¥655	¥1,088	¥540	¥1,629	¥381	¥2,010

For the year ended March 31, 2017

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	\$762,838	\$390,046	\$258,280	\$1,411,164	\$81,700	\$1,492,865	\$ —	\$1,492,865
Inter-segment	250	678	—	928	197,596	198,525	(198,525)	—
Total	\$763,088	\$390,725	\$258,280	\$1,412,093	\$279,296	\$1,691,390	(\$198,525)	\$1,492,865
Segment profits or losses	43,740	6,331	27,500	77,572	5,920	83,493	(28,166)	55,326
Other items								
Depreciation and amortization	\$3,862	\$10	\$5,848	\$9,721	\$4,826	\$14,547	\$3,406	\$17,953

Notes :

1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.
2. Adjustment of the segment profits amounting to ¥(3,154) million (US\$(28,166) thousand) is inclusive of inter-segment elimination amounting to ¥137 million (US\$1,225 thousand) and Selling, General and Administrative Expenses amounting to ¥(3,291) million (US\$(29,392) thousand) which are not attributed to any reportable segments.
3. Segment profits or losses are adjusted to the operating income in the consolidated statements of income.
4. Assets are not described due to no allocation to the business segments.

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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

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 is inclusive of inter-segment elimination amounting to ¥1 million and Selling, General and Administrative Expenses amounting to ¥(3,351) million 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

For the year ended March 31, 2017

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2017	2017
Japan	¥138,273	\$1,234,584
South east asia	20,282	181,095
Other	8,644	77,184
Total	¥167,200	\$1,492,865

For the year ended March 31, 2016

	Millions of Japanese Yen
	2016
Japan	¥151,563
Singapore	26,631
Other	22,087
Total	¥200,282

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, 2017

Name of Customer	Related segments	Net sales	
		Millions of Japanese Yen 2017	Thousands of U.S. Dollars 2017
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Businesses, others	¥33,496	\$299,073

For the year ended March 31, 2016

Name of Customer	Related segments	Net sales
		Millions of Japanese Yen 2016
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, Domestic Architectural Businesses, others	¥37,308

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, 2017 and 2016.

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, 2017 and 2016.

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, 2017 and 2016.

20.Per Share Data

	Japanese Yen		U.S. Dollars
	2017	2016	2017
Net assets	¥3,082.45	¥3,381.65	\$27.521
Net income (loss)	(355.86)	288.88	(3.177)

Note 1 Diluted net income per share was not disclosed because there were no dilutive share for the year ended March 31, 2016

Note 2 Diluted net income per share was not disclosed because there were net loss per share although no dilutive share for the year ended March 31, 2017

Note 3 The Company completed a reverse stock split of its common stock, at ratio of 1 share for 10 shares on October 1, 2016. Net assets per share and net income per share as of and for the year ended March 31, 2016 are calculated under the assumption that the reverse stock split took place at the beginning of the year ended March 31, 2016.

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
	2017	2016	2017
Net assets	¥64,958	¥71,143	\$579,986
Net assets amount for common stocks	64,426	70,684	575,232
Significant breakdown of differences			
Non-controlling interests	¥532	¥459	\$4,753

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

	Thousands of shares	
	2017	2016
Numbers of issued shares of common stocks	22,494	22,494
Numbers of treasury stocks of common stocks	1,593	1,592
Numbers of common stocks which were used for calculation for per share data on net assets	20,900	20,902

2.Per share data on net income (loss)

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2017	2016	2017
Profit (loss) attributable to owners of parent	¥(7,438)	¥6,038	\$(66,412)
Profit (loss) attributable to owners of parent which does not belong to common stockholders	—	—	—
Profit (loss) attributable to owners of parent for common stocks	¥(7,438)	¥6,038	\$(66,412)

	Thousands of Shares	
	2017	2016
Average number of shares of common stocks	20,901	20,902

21.Significant Subsequent Events

Note applicable

Consolidated table for detailed statements

Table for borrowing

	Millions of Japanese Yen		Thousands of U.S. Dollars		Average rates	Repayment deadline
	Beginning balance	Closing Balance	Beginning balance	Closing Balance	%	
Short-term borrowings	¥8,376	¥8,463	\$74,785	\$75,566	0.73%	
Current portion of Long-term debt	5,099	4,929	45,533	44,014	1.37%	
Current portion of Non-recourse debt	645	606	5,759	5,413	1.72%	
Current portion of lease obligations	30	19	269	171	—	
Long-term debt (excluding current portion)	12,864	12,881	114,859	115,016	1.21%	from 2018 to 2022
Non-recourse debt (excluding current portion)	2,920	2,314	26,077	20,663	1.84%	from 2018 to 2026
Lease obligation (excluding current portion)	39	20	355	184		from 2018 to 2019
Other debt	—	—	—	—		
Total	¥29,975	¥29,235	\$267,640	\$261,031		

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	¥4,765	¥3,396	¥3,029	¥1,690	\$42,546	\$30,327	\$27,048	\$15,093
Non-recourse debt	567	545	542	589	5,071	4,867	4,845	5,267
Lease obligations	17	2	—	—	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.