

# CONSOLIDATED STATEMENT OF OPERATIONS

TOA CORPORATION and its consolidated subsidiaries  
For the years ended March 31, 2018 and 2017

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
<b>Net sales</b> (Note 5)	¥ 161,045	¥ 167,200	\$ 1,519,294
<b>Cost of sales</b> (Note 5)	148,029	150,990	1,396,504
Gross profit	13,015	16,210	122,789
<b>Selling, general and administrative expenses</b> (Note 5)	10,135	10,013	95,620
Operating income	2,879	6,196	27,168
<b>Other income (expenses):</b>			
Interest and dividend income	314	283	2,962
Interest expense	(342)	(388)	(3,228)
Provision for doubtful accounts, non-trade	(16)	33	(158)
Loss on impairment of fixed assets (Note 5)	(59)	(332)	(565)
Additional severance payment (Note 3)	(46)	(78)	(439)
Gain on sale of fixed assets (Note 5)	81	79	766
Compensation for damage	(72)	—	(679)
Commission fee (Note 3)	(110)	(42)	(1,047)
Guarantee fee	(62)	(72)	(591)
Loss on sale of fixed assets (Note 5)	(5)	(184)	(53)
Loss on disposal of fixed assets (Note 5)	(37)	(13)	(355)
Loss on construction defects (Note 5)	—	(15,374)	—
Other, net (Note 3)	36	(125)	344
	(322)	(16,215)	(3,045)
<b>Profit (loss) before income taxes</b>	2,557	(10,018)	24,123
<b>Income taxes</b> (Note 14):			
Current	307	884	2,900
Deferred	476	(3,539)	4,493
	783	(2,654)	7,393
<b>Profit (loss)</b>	1,773	(7,364)	16,729
<b>Profit (loss) attributable to :</b>			
Non-controlling interests	¥ 23	¥ 74	\$ 218
Owners of parent	¥ 1,750	¥ (7,438)	\$ 16,511