

NON-CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

TOA CORPORATION

For the years ended March 31, 2002 and 2001

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2002	2001	2002
Net sales	¥ 270,341	¥ 271,307	\$ 2,032,641
Cost of sales	<u>248,955</u>	<u>247,053</u>	<u>1,871,845</u>
Gross profit	21,386	24,254	160,796
Selling, general and administrative expenses	<u>14,433</u>	<u>14,694</u>	<u>108,519</u>
Operating income	6,953	9,560	52,277
Other income (expenses):			
Interest and dividends income	664	596	4,993
Interest expenses	(1,279)	(1,499)	(9,618)
Write-down of marketable securities and investment securities	(1,362)	(406)	(10,237)
Gain on sales or disposals of property and equipment-net	(79)	518	(591)
Write-down of real estate and others	(196)	(1,078)	(1,477)
Amortization of transition amount for retirement benefits	—	(13,704)	—
Other, net	(454)	(1,042)	(3,411)
	<u>(2,706)</u>	<u>(16,615)</u>	<u>(20,341)</u>
Income (loss) before income taxes	4,247	(7,055)	31,936
Income taxes			
Current	3,620	4,392	27,218
Deferred	(885)	(6,815)	(6,654)
Net income (loss)	<u>¥ 1,512</u>	<u>¥ (4,632)</u>	<u>\$ 11,372</u>
Retained earnings:			
Balance at beginning of year	10,212	16,007	76,777
Cash dividends	(997)	(997)	(7,496)
Transfer to legal reserve	(100)	(106)	(752)
Bonuses to directors and statutory auditors	—	(60)	—
Net income (loss)	<u>1,512</u>	<u>(4,632)</u>	<u>11,372</u>
Balance at end of year	<u>¥ 10,627</u>	<u>¥ 10,212</u>	<u>\$ 79,901</u>
Per share data (Note 1):	Japanese Yen		U.S. Dollars (Note 2)
Net income (loss)	¥ 7.58	¥ (23.23)	\$ 0.060
Cash dividends	¥ 5.00	¥ 5.00	\$ 0.038

The accompanying notes are an integral part of this statement.