

CONSOLIDATED BALANCE SHEETS

TOA CORPORATION and its consolidated subsidiaries
As of March 31, 2005 and 2004

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2005	2004	2005
Current assets:			
Cash and time deposits (Note 3)	¥ 23,606	¥ 24,721	\$ 220,619
Marketable securities (Notes 4)	15	5	140
Notes and accounts receivable, trade	65,857	70,024	615,489
Allowance for doubtful accounts	(1,556)	(2,087)	(14,546)
Inventories, principally real estate for sale	16,738	17,164	156,433
Cost on contracts in progress	35,030	37,961	327,382
Deferred income taxes (Note 8)	5,553	4,068	51,901
Prepaid expenses and other current assets	20,301	25,937	189,725
Total current assets	165,544	177,793	1,547,143
Investments and other assets:			
Investments in and long-term loans to affiliates	380	575	3,549
Investments in securities (Notes 4 and 5)	19,001	18,015	177,580
Long-term loans	663	492	6,197
Deferred income taxes (Note 8)	8,284	6,376	77,420
Others	10,646	10,735	99,501
Allowance for doubtful accounts	(6,857)	(6,721)	(64,087)
Total investments and other assets	32,117	29,472	300,160
Property, plant and equipment, at cost (Notes 5 and 10):			
Land	30,410	32,085	284,205
Buildings and structures	19,570	21,628	182,898
Machinery and equipment	31,637	32,076	295,669
Construction in progress	78	170	734
Total property, plant and equipment	81,695	85,959	763,506
Less accumulated depreciation	(35,907)	(36,730)	(335,578)
Property, plant and equipment—net	45,788	49,229	427,928
Total	¥ 243,449	¥ 256,494	\$ 2,275,231

The accompanying notes are an integral part of this statement.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2005	2004	2005
Current liabilities:			
Short-term borrowings (Note 5)	¥ 30,974	¥ 32,678	\$ 289,481
Current portion of long-term debt (Note 5)	8,363	12,147	78,161
Commercial paper	6,000	7,000	56,075
Notes and accounts payable, trade	66,752	72,180	623,853
Accrued income taxes	1,934	980	18,074
Advances on contracts in progress (Note 6)	21,575	23,190	201,632
Other current liabilities	14,633	16,507	136,755
Total current liabilities	150,231	164,682	1,404,031
Long-term debt (Note 5)	26,381	24,449	246,551
Reserve for retirement benefits (Note 7)	11,418	13,427	106,712
Reserve for loss on development business	6,836	—	63,888
Other long-term liabilities	3,206	3,001	29,961
Total liabilities	198,072	205,559	1,851,143
Minority interests	1,388	1,334	12,973
Shareholders' equity (Note 9):			
Common stock, ¥50 par value:			
Authorized—600,000,000 shares			
Issued—199,401,173 shares at March 31, 2005 and 2004	16,469	16,469	153,920
Additional paid-in capital	15,586	15,582	145,666
Revaluation reserve for land (Note 11)	(275)	175	(2,571)
Retained earnings	9,834	15,542	91,903
Net unrealized gain (loss) on securities	2,918	2,334	27,272
Common stock owned by consolidated subsidiaries, at cost	(543)	(501)	(5,075)
Total shareholders' equity	43,989	49,601	411,115
Commitments and contingent liabilities (Note 12):			
Total	¥ 243,449	¥ 256,494	\$ 2,275,231

The accompanying notes are an integral part of this statement.