

# CONSOLIDATED STATEMENTS OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries  
For the years ended March 31, 2002 and 2001

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2002	2001	2002
<b>Cash flows from operating activities:</b>			
Income (loss) before income taxes .....	¥ 5,502	¥ (5,783)	\$ 41,368
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization .....	4,391	3,295	33,014
Gain (loss) on sales or disposal of P.P. & E .....	151	(318)	1,135
Gain (loss) on sales of securities .....	241	(219)	1,809
Write-down of marketable securities and investment securities .....	1,383	413	10,400
Write-down of real estate for sale and other .....	261	4,326	1,963
Provision for severance indemnities .....	815	11,200	6,125
Provision for allowance for doubtful accounts .....	(689)	263	(5,183)
Changes in:			
Notes and accounts receivable, trade .....	7,652	(11,454)	57,533
Inventories, principally real estate for sale .....	1,545	(786)	11,620
Cost on contracts in progress .....	862	315	6,480
Prepaid expenses and other current assets .....	10,266	(2,623)	77,191
Notes and accounts payable, trade .....	(2,915)	16,940	(21,915)
Advances on contracts in progress .....	(4,477)	(4,575)	(33,662)
Other current liabilities .....	(10,433)	3,378	(78,441)
Other, net .....	(1,022)	767	(7,687)
Sub-total .....	13,533	15,139	101,750
Interest and dividends income received .....	560	541	4,211
Interest paid .....	(1,455)	(1,693)	(10,938)
Income taxes paid .....	(5,245)	(2,820)	(39,435)
Net cash provided by/(used in) operating activities .....	7,393	11,167	55,588
<b>Cash flows from investing activities:</b>			
Payment for purchases of securities .....	(1,061)	(239)	(7,976)
Proceeds from sale of marketable and investment securities .....	1,790	1,124	13,460
Acquisition of investment in securities .....	(1,059)	(1,552)	(7,962)
Acquisition of P.P. & E .....	(9,165)	(4,510)	(68,910)
Proceeds from sale or disposal of P.P. & E .....	239	953	1,799
Other, net .....	1,907	34	14,333
Net cash provided by/(used in) investing activities .....	(7,349)	(4,190)	(55,256)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt .....	5,203	2,113	39,120
Increase in commercial paper .....	8,000	—	60,150
Net decrease in short-term borrowings .....	(1,108)	(7,908)	(8,333)
Redemption of bonds .....	(500)	(300)	(3,759)
Repayment of long-term debt .....	(4,633)	(5,184)	(34,836)
Cash dividends paid .....	(983)	(997)	(7,389)
Other, net .....	(24)	(157)	(177)
Net cash provided by/(used in) financing activities .....	5,955	(12,433)	44,776
<b>Effect of exchange rate changes on cash and cash equivalents..</b>	85	259	636
<b>Net increase (decrease) in cash and cash equivalents .....</b>	6,084	(5,197)	45,744
<b>Cash and cash equivalents at beginning of year .....</b>	35,710	40,907	268,498
<b>Cash and cash equivalents at end of year .....</b>	¥ 41,794	¥ 35,710	\$ 314,242

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