

# CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries  
For the years ended March 31, 2014 and 2013

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 2,232	¥ 1,904	\$ 21,889
Adjustments to reconcile income before income taxes and minority interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	1,751	1,941	17,168
Loss on impairment of fixed assets	166	47	1,629
Exchange (gain) loss, net	(98)	(295)	(966)
(Gain) Loss on sale or disposal of fixed assets	(49)	(86)	(485)
(Gain) Loss on sale of investment in securities	(283)	(185)	(2,776)
Loss on valuation of investment in securities	—	309	—
Loss on valuation of utility rights	0	3	1
Increase (decrease) in reserve for retirement benefits	(51)	285	(500)
Increase (decrease) in liability for retirement benefits	193	—	1,894
Increase (decrease) in allowance for doubtful accounts	(25)	(117)	(249)
Changes in:			
Notes and accounts receivable, trade	(5,969)	(10,670)	(58,522)
Real estate for sale	961	222	9,442
Cost on construction contracts in progress and other	(2,770)	412	(27,166)
Notes and accounts payable, trade	(1,310)	11,327	(12,849)
Advances received on construction contracts in progress	(4,363)	(1,387)	(42,775)
Other, net	3,675	2,665	36,032
Sub-total	(5,941)	6,378	(58,254)
Interest and dividend income received	290	281	2,851
Interest paid	(576)	(523)	(5,653)
Income taxes paid	(1,071)	(1,063)	(10,502)
Net cash (used in) provided by operating activities	(7,298)	5,072	(71,558)
<b>Cash flows from investing activities:</b>			
Payments for acquisition of investment in securities	(37)	(48)	(369)
Proceeds from sale of investment in securities	424	277	4,165
Payments for acquisition of property, plant and equipment	(1,443)	(1,161)	(14,154)
Proceeds from sale of property, plant and equipment	172	124	1,687
Other, net	132	(216)	1,300
Net cash (used in) provided by investing activities	(751)	(1,024)	(7,370)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term borrowings	(1,669)	(3,650)	(16,363)
Proceeds from long-term debt	6,425	4,945	62,990
Repayment of long-term debt	(5,207)	(4,265)	(51,055)
Acquisition of treasury stock	(91)	(200)	(899)
Cash dividends paid	(1)	(418)	(10)
Other, net	(118)	(105)	(1,163)
Net cash (used in) provided by financing activities	(663)	(3,696)	(6,501)
Effect of exchange rate changes on cash and cash equivalents	115	251	1,136
Net increase (decrease) in cash and cash equivalents	(8,597)	603	(84,293)
Cash and cash equivalents at beginning of year	50,069	49,425	490,880
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	1,542	—	15,127
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiary	—	41	—
Cash and cash equivalents at end of year (Note 10)	¥ 43,014	¥ 50,069	\$ 421,713

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