

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2016 and 2015

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Cash flows from operating activities:			
Profit before income taxes	¥ 8,732	¥ 5,513	\$ 77,971
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	2,033	1,985	18,152
Loss on impairment of fixed assets	1,402	164	12,522
Exchange (gain) loss, net	504	(308)	4,506
(Gain) Loss on sale or disposal of fixed assets	143	11	1,282
(Gain) Loss on sale of investment in securities	—	(939)	—
Increase (decrease) in liability for retirement benefits	(898)	(475)	(8,024)
Increase (decrease) in allowance for doubtful accounts	9	284	86
Changes in:			
Notes and accounts receivable, trade	15,726	(21,099)	140,416
Real estate for sale	(11)	894	(99)
Cost on construction contracts in progress and other	(4,053)	(210)	(36,189)
Notes and accounts payable, trade	(1,660)	1,638	(14,825)
Advances received on construction contracts in progress	(760)	1,646	(6,786)
Other, net	950	(1,684)	8,486
Sub-total	22,120	(12,577)	197,498
Interest and dividend income received	298	271	2,662
Interest paid	(396)	(520)	(3,544)
Income taxes paid	(2,170)	(2,593)	(19,383)
Net cash (used in) provided by operating activities	19,851	(15,419)	177,232
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(44)	(41)	(401)
Proceeds from sale of investment in securities	4	1,287	38
Payments for acquisition of property, plant and equipment	(2,928)	(2,108)	(26,144)
Proceeds from sale of property, plant and equipment	234	163	2,097
Other, net	266	(690)	2,381
Net cash (used in) provided by investing activities	(2,467)	(1,388)	(22,028)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(14)	(1,480)	(125)
Proceeds from long-term debt	6,477	3,745	57,834
Repayment of long-term debt	(5,839)	(5,271)	(52,136)
Acquisition of treasury stock	(0)	(0)	(8)
Cash dividends paid	(416)	(415)	(3,715)
Other, net	(141)	(141)	(1,262)
Net cash (used in) provided by financing activities	65	(3,563)	587
Effect of exchange rate changes on cash and cash equivalents	(461)	267	(4,122)
Net increase (decrease) in cash and cash equivalents	16,986	(20,105)	151,669
Cash and cash equivalents at beginning of year	22,909	43,014	204,551
Cash and cash equivalents at end of year (Note 9)	¥ 39,896	¥ 22,909	\$ 356,220

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