

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2017 and 2016

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2017	2016	2017
Cash flows from operating activities:			
Profit (loss) before income taxes	¥ (10,018)	¥ 8,732	\$ (89,450)
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	2,010	2,033	17,953
Loss on impairment of fixed assets	332	1,402	2,968
Exchange (gain) loss, net	35	504	316
(Gain) Loss on sale or disposal of fixed assets	106	143	951
Increase (decrease) in liability for retirement benefits	(114)	(898)	(1,019)
Increase (decrease) in allowance for doubtful accounts	(30)	9	(272)
Increase (decrease) in provision for loss on construction defects	14,100	—	125,892
Changes in:			
Notes and accounts receivable, trade	(4,313)	15,726	(38,512)
Real estate for sale	307	(11)	2,744
Cost on construction contracts in progress and other	4,747	(4,053)	42,388
Notes and accounts payable, trade	(11,664)	(1,660)	(104,148)
Advances received on construction contracts in progress	(1,134)	(760)	(10,129)
Other, net	1,090	950	9,734
Sub-total	(4,545)	22,119	(40,581)
Interest and dividend income received	297	298	2,654
Interest paid	(428)	(396)	(3,828)
Income taxes paid	(4,093)	(2,170)	(36,545)
Net cash (used in) provided by operating activities	(8,769)	19,850	(78,301)
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(23)	(44)	(212)
Proceeds from sale of investment in securities	0	4	0
Payments for acquisition of property, plant and equipment	(1,693)	(2,928)	(15,120)
Proceeds from sale of property, plant and equipment	478	234	4,270
Other, net	(24)	266	(215)
Net cash (used in) provided by investing activities	(1,263)	(2,467)	(11,277)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	87	(14)	781
Proceeds from long-term debt	4,947	6,477	44,171
Repayment of long-term debt	(5,744)	(5,839)	(51,293)
Acquisition of treasury stock	(2)	(0)	(26)
Cash dividends paid	(832)	(416)	(7,430)
Other, net	(94)	(141)	(840)
Net cash (used in) provided by financing activities	(1,639)	65	(14,637)
Effect of exchange rate changes on cash and cash equivalents	(37)	(461)	(330)
Net increase (decrease) in cash and cash equivalents	(11,709)	16,986	(104,546)
Cash and cash equivalents at beginning of year	39,896	22,909	356,220
Cash and cash equivalents at end of year (Note 9)	¥ 28,187	¥ 39,896	\$ 251,673

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