

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2018 and 2017

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2018	2017	2018
Cash flows from operating activities:			
Profit (loss) before income taxes	¥ 2,557	¥ (10,018)	\$ 24,123
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	1,771	2,010	16,712
Loss on impairment of fixed assets	59	332	565
Exchange (gain) loss, net	62	35	586
(Gain) loss on sale or disposal of fixed assets	(64)	106	(610)
Increase (decrease) in liability for retirement benefits	(988)	(114)	(9,325)
Increase (decrease) in allowance for doubtful accounts	(262)	(30)	(2,480)
Increase (decrease) in provision for loss on construction defects	(3,323)	14,100	(31,353)
Changes in:			
Notes and accounts receivable, trade	(1,056)	(4,313)	(9,966)
Real estate for sale	229	307	2,167
Cost on construction contracts in progress and other	1,236	4,747	11,668
Notes and accounts payable, trade	8,464	(11,664)	79,856
Advances received on construction contracts in progress	931	(1,134)	8,788
Other, net	787	1,090	7,429
Sub-total	10,405	(4,545)	98,162
Interest and dividend income received	328	297	3,094
Interest paid	(378)	(428)	(3,573)
Income taxes paid	(426)	(4,093)	(4,020)
Net cash (used in) provided by operating activities	9,928	(8,769)	93,663
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(33)	(23)	(311)
Proceeds from sale of investment in securities	22	0	207
Payments for acquisition of property, plant and equipment	(1,072)	(1,693)	(10,114)
Proceeds from sale of property, plant and equipment	483	478	4,561
Other, net	(114)	(24)	(1,084)
Net cash (used in) provided by investing activities	(714)	(1,263)	(6,740)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	52	87	495
Proceeds from long-term debt	4,920	4,947	46,415
Repayment of long-term debt	(5,535)	(5,744)	(52,226)
Acquisition of treasury stock	(1)	(2)	(14)
Cash dividends paid	(0)	(832)	(4)
Other, net	(109)	(94)	(1,030)
Net cash (used in) provided by financing activities	(674)	(1,639)	(6,365)
Effect of exchange rate changes on cash and cash equivalents	(74)	(37)	(700)
Net increase (decrease) in cash and cash equivalents	8,464	(11,709)	79,856
Cash and cash equivalents at beginning of year	28,187	39,896	265,919
Cash and cash equivalents at end of year (Note 8)	¥ 36,652	¥ 28,187	\$ 345,776

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