

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2019 and 2018

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash flows from operating activities:			
Profit before income taxes	¥ 4,273	¥ 2,557	\$ 38,852
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	1,786	1,771	16,244
Loss on impairment of fixed assets	74	59	677
Exchange (gain) loss, net	(44)	62	(400)
(Gain) loss on sale or disposal of fixed assets and intangible assets	(45)	(64)	(412)
(Gain) loss on sale of investment in securities (Note 3)	(412)	7	(3,748)
Increase (decrease) in liability for retirement benefits	(356)	(988)	(3,238)
Increase (decrease) in allowance for doubtful accounts	13	(262)	123
Increase (decrease) in provision for loss on construction defects	(6,035)	(3,323)	(54,866)
Changes in:			
Notes and accounts receivable, trade	(9,800)	(1,056)	(89,095)
Real estate for sale	416	229	3,784
Cost on construction contracts in progress and other	(446)	1,236	(4,060)
Notes and accounts payable, trade	11,514	8,464	104,672
Advances received on construction contracts in progress	1,513	931	13,761
Other, net (Note 3)	(4,631)	779	(42,103)
Sub-total	(2,179)	10,405	(19,810)
Interest and dividend income received	381	328	3,471
Interest paid	(310)	(378)	(2,825)
Income taxes paid	(239)	(426)	(2,180)
Net cash (used in) provided by operating activities	(2,347)	9,928	(21,345)
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(126)	(33)	(1,150)
Proceeds from sale of investment in securities	830	22	7,554
Payments for acquisition of property, plant and equipment	(2,072)	(1,072)	(18,844)
Proceeds from sale of property, plant and equipment	338	483	3,077
Other, net	(466)	(114)	(4,237)
Net cash (used in) provided by investing activities	(1,496)	(714)	(13,600)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	242	52	2,207
Proceeds from long-term debt	4,790	4,920	43,545
Repayment of long-term debt	(5,412)	(5,535)	(49,201)
Acquisition of treasury stock	(1)	(1)	(10)
Cash dividends paid	(418)	(0)	(3,808)
Other, net	(243)	(109)	(2,212)
Net cash (used in) provided by financing activities	(1,042)	(674)	(9,480)
Effect of exchange rate changes on cash and cash equivalents	34	(74)	312
Net increase (decrease) in cash and cash equivalents	(4,852)	8,464	(44,113)
Cash and cash equivalents at beginning of year	36,652	28,187	333,202
Cash and cash equivalents at end of year (Note 8)	¥ 31,799	¥ 36,652	\$ 289,089

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