

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2020 and 2019

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Cash flows from operating activities:			
Profit before income taxes	¥ 7,575	¥ 4,273	\$ 70,145
Adjustments to reconcile income before income taxes and Non-controlling interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	1,560	1,786	14,451
Loss on impairment of fixed assets	2	74	20
Exchange (gain) loss, net	85	(44)	789
(Gain) loss on sale or disposal of fixed assets and intangible assets	(10)	(45)	(93)
(Gain) loss on sale of investment in securities (Note 3)	(124)	(412)	(1,152)
Increase (decrease) in liability for retirement benefits	(450)	(356)	(4,173)
Increase (decrease) in allowance for doubtful accounts	(4)	13	(45)
Increase (decrease) in provision for loss on construction defects	(3,241)	(6,035)	(30,010)
Changes in:			
Notes and accounts receivable, trade	5,869	(9,800)	54,345
Real estate for sale	454	416	4,205
Cost on construction contracts in progress and other	(397)	(446)	(3,679)
Notes and accounts payable, trade	(12,723)	11,514	(117,806)
Advances received on construction contracts in progress	37	1,513	347
Advanced money (Note 3)	3,348	(7,892)	31,005
Deposits received (Note 3)	5,710	1,431	52,876
Other, net (Note 3)	4,241	1,829	39,271
Sub-total	11,933	(2,179)	110,497
Interest and dividend income received	346	381	3,205
Interest paid	(290)	(310)	(2,692)
Income taxes paid	(492)	(239)	(4,559)
Net cash (used in) provided by operating activities	11,496	(2,347)	106,450
Cash flows from investing activities:			
Payments for acquisition of investment in securities	(114)	(126)	(1,060)
Proceeds from sale of investment in securities	559	830	5,184
Payments for acquisition of property, plant and equipment	(3,407)	(2,072)	(31,552)
Proceeds from sale of property, plant and equipment	352	338	3,265
Other, net	(241)	(466)	(2,236)
Net cash (used in) provided by investing activities	(2,851)	(1,496)	(26,399)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(122)	242	(1,137)
Proceeds from long-term debt	4,580	4,790	42,407
Repayment of long-term debt	(5,238)	(5,412)	(48,508)
Net increase (decrease) in redemption of bonds	7,000	—	64,814
Acquisition of treasury stock	(2,130)	(1)	(19,722)
Sale of treasury stock	129	—	1,203
Cash dividends paid	(624)	(418)	(5,782)
Other, net	(220)	(243)	(2,041)
Net cash (used in) provided by financing activities	3,373	(1,042)	31,232
Effect of exchange rate changes on cash and cash equivalents	(71)	34	(664)
Net increase (decrease) in cash and cash equivalents	11,946	(4,852)	110,620
Cash and cash equivalents at beginning of year	31,799	36,652	294,443
Cash and cash equivalents at end of year (Note 9)	¥ 43,746	¥ 31,799	\$ 405,063

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