

Consolidated Statements of Cash Flows

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 73,051	¥ 50,357	\$ 619,076
Adjustments for:			
Income taxes paid	(6,939)	(5,588)	(58,805)
Depreciation and amortization	15,945	17,884	135,127
Provision for doubtful accounts	861	3,056	7,297
Foreign currency exchange gain	(2,660)	(1,742)	(22,542)
Equity in earnings of unconsolidated subsidiaries and affiliates	(5,361)	(1,712)	(45,432)
Valuation loss on marketable and investment securities	399	327	3,381
(Gain) loss on sales or disposals of property and equipment-net	(2,277)	786	(19,297)
Gain on sales of marketable and investment securities-net	(397)	(2,357)	(3,364)
Bonuses to directors including share of minority interests	(244)	(322)	(2,068)
Loss on impairment of long-lived assets	1,261	—	10,686
Gain on sales of operating business, assets and others	(26,703)	—	(226,297)
Loss on restructuring of affiliates	3,320	—	28,136
Changes in operating assets and liabilities:			
Increase in receivables	(160,435)	(9,878)	(1,359,619)
Decrease (increase) in inventories	15,048	(2,936)	127,525
Increase in payables	87,193	10,391	738,924
Decrease in advances received	(18,881)	(17,769)	(160,008)
Increase in accrued expenses	198	5,143	1,678
(Decrease) increase in liability for retirement benefits	(180)	1,554	(1,525)
Decrease in allowance for loss on development projects	—	(9,004)	—
(Increase) decrease in other assets	(21,026)	1,338	(178,186)
Increase in other liabilities	39,533	12,616	335,025
Other-net	4,161	1,259	35,263
Net cash (used in) provided by operating activities	(4,133)	53,403	(35,025)
INVESTING ACTIVITIES:			
Decrease of time deposits excluding cash equivalents	186	665	1,577
Payment for purchases of marketable and investment securities	(14,908)	(13,202)	(126,339)
Proceeds from sales and redemption of marketable and investment securities ..	5,024	8,314	42,576
Payment for purchases of property and equipment	(37,177)	(19,701)	(315,059)
Proceeds from sales of property and equipment	8,448	3,598	71,593
Disbursements for loans	(12,571)	(7,282)	(106,534)
Proceeds from collection of loans	3,739	14,341	31,686
Payment for purchases of intangible assets	(1,382)	(1,035)	(11,712)
Proceeds from investments in affiliates	8,950	—	75,847
Proceeds from sales of operating business, assets and others	60,663	—	514,093
Increase of cash and cash equivalent of subsidiaries included in consolidation..	—	535	—
Other-net	1,145	(1,078)	9,704
Net cash (used in) provided by investing activities	22,117	(14,845)	187,432
FINANCING ACTIVITIES:			
Increase in short-term borrowings	1,850	222	15,678
Net issuance (repayment) of commercial paper	26,000	(2,000)	220,339
Proceeds from issuance of long-term debt	55,859	34,363	473,381
Repayment of long-term debt	(86,064)	(105,320)	(729,356)
Proceeds from issuance of bonds	4,087	43,827	34,636
Cash dividends paid	(6,295)	(6,830)	(53,347)
Other-net	(282)	(261)	(2,390)
Net cash used in financing activities	(4,845)	(35,999)	(41,059)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	1,102	1,703	9,339
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,241	4,262	120,687
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	143,859	139,597	1,219,144
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 158,100	¥ 143,859	\$ 1,339,831

See notes to consolidated financial statements.

Financial Section
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Kajima Corporation
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