

Consolidated Statements of Cash Flows

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	2008
OPERATING ACTIVITIES:			
Income before income taxes and minority interests.....	¥ 51,222	¥ 73,051	\$ 512,220
Adjustments for:			
Income taxes–paid.....	(19,619)	(6,939)	(196,190)
Depreciation and amortization	17,178	15,945	171,780
Provision for doubtful accounts	(3,696)	861	(36,960)
Foreign currency exchange loss (gain).....	5,147	(2,660)	51,470
Equity in earnings of unconsolidated subsidiaries and affiliates	(10,584)	(5,361)	(105,840)
Valuation loss on marketable and investment securities	2,214	399	22,140
Loss (gain) on sales or disposals of property and equipment–net.....	3,635	(2,277)	36,350
Gain on sales of marketable and investment securities–net.....	(315)	(397)	(3,150)
Bonuses to directors including share of minority interests	—	(244)	—
Loss on impairment of long-lived assets.....	2,970	1,261	29,700
Gain on sales of operating business, assets and others	—	(26,703)	—
Loss on restructuring of affiliates	—	3,320	—
Gain on sales of investment in affiliates.....	(30,532)	—	(305,320)
Changes in operating assets and liabilities:			
Decrease (increase) in receivables	42,904	(160,435)	429,040
(Increase) decrease in inventories	(8,039)	15,048	(80,390)
(Decrease) increase in payables	(68,111)	87,193	(681,110)
Decrease in advances received	(13,505)	(18,881)	(135,050)
Increase in accrued expenses.....	1,030	198	10,300
Decrease in liability for retirement benefits.....	(1,327)	(180)	(13,270)
Decrease (increase) in other assets	7,933	(21,026)	79,330
(Decrease) increase in other liabilities	(44,076)	39,533	(440,760)
Other–net	13,030	4,161	130,300
Net cash used in operating activities	(52,541)	(4,133)	(525,410)
INVESTING ACTIVITIES:			
(Increase) decrease of time deposits excluding cash equivalents	(879)	186	(8,790)
Payment for purchases of marketable and investment securities	(18,079)	(14,908)	(180,790)
Proceeds from sales and redemption of marketable and investment securities	3,656	5,024	36,560
Payment for purchases of property and equipment.....	(30,409)	(37,177)	(304,090)
Proceeds from sales of property and equipment	13,057	8,448	130,570
Disbursements for loans	(5,165)	(12,571)	(51,650)
Proceeds from collection of loans	4,872	3,739	48,720
Payment for purchases of intangible assets.....	(2,323)	(1,382)	(23,230)
Proceeds from investments in affiliates	40,667	8,950	406,670
Proceeds from sales of operating business, assets and others.....	—	60,663	—
Increase of cash and cash equivalent of subsidiaries included in consolidation.....	3,738	—	37,380
Other–net.....	(6,114)	1,145	(61,140)
Net cash provided by investing activities.....	3,021	22,117	30,210
FINANCING ACTIVITIES:			
Increase in short-term borrowings	7,011	1,850	70,110
Net issuance of commercial paper	27,000	26,000	270,000
Proceeds from issuance of long-term debt	70,918	55,859	709,180
Repayment of long-term debt.....	(102,501)	(86,064)	(1,025,010)
Proceeds from issuance of bonds.....	10,200	4,087	102,000
Cash dividends paid.....	(7,865)	(6,295)	(78,650)
Other–net.....	(12,442)	(282)	(124,420)
Net cash used in financing activities	(7,679)	(4,845)	(76,790)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS.....	(610)	1,102	(6,100)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(57,809)	14,241	(578,090)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	158,100	143,859	1,581,000
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 100,291	¥158,100	\$1,002,910

See notes to consolidated financial statements.