

Consolidated Statements of Cash Flows

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 35,965	¥ 2,913	\$ 336,121
Adjustments for:			
Income taxes paid	(1,436)	(3,597)	(13,421)
Depreciation and amortization	20,612	20,152	192,636
Provision for doubtful accounts	83	5,752	776
Foreign currency exchange gain	(454)	(175)	(4,243)
Equity in earnings of unconsolidated subsidiaries and affiliates	(2,190)	(494)	(20,467)
Valuation loss on marketable and investment securities	891	496	8,327
Loss (gain) on sales or disposals of property and equipment net	476	(1,519)	4,449
Gain on sales of marketable and investment securities net	(10,497)	(4,740)	(98,103)
Bonuses to directors including share of minority interests	(123)	(109)	(1,150)
Loss on impairment of long-lived assets	1,772	—	16,561
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(80,979)	91,815	(756,813)
Decrease in inventories	77,554	29,553	724,804
Increase (decrease) in payables	57,061	(59,858)	533,280
Increase (decrease) in advances received	4,370	(27,362)	40,841
Increase (decrease) in accrued expenses	3,173	(3,643)	29,654
Decrease in liability for retirement benefits	(2,747)	(22,990)	(25,673)
Increase in allowance for loss on development projects	615	6,775	5,748
Decrease in other assets	34,662	57,122	323,944
Decrease in other liabilities	(59,296)	(39,024)	(554,169)
Other net	7,977	(965)	74,552
Net cash provided by operating activities	<u>87,489</u>	<u>50,102</u>	<u>817,654</u>
INVESTING ACTIVITIES:			
(Increase) decrease of time deposits excluding cash equivalents	(61)	3,635	(570)
Payment for purchases of marketable and investment securities	(8,816)	(15,601)	(82,393)
Proceeds from sales and redemption of marketable and investment securities ..	23,705	18,492	221,542
Payment for purchases of property and equipment	(12,157)	(22,174)	(113,617)
Proceeds from sales of property and equipment	15,116	16,676	141,271
Disbursements for loans	(15,286)	(34,094)	(142,860)
Proceeds from collection of loans	11,850	11,527	110,748
Payment for purchases of intangible assets	(1,101)	(1,241)	(10,290)
Other net	2,855	(11,871)	26,683
Net cash provided by (used in) investing activities	<u>16,105</u>	<u>(34,651)</u>	<u>150,514</u>
FINANCING ACTIVITIES:			
(Decrease) increase in short-term borrowings	(49,910)	35,131	(466,449)
Net repayment of commercial paper	(18,000)	(10,000)	(168,224)
Proceeds from issuance of long-term debt	72,203	64,299	674,794
Repayment of long-term debt	(106,101)	(137,665)	(991,598)
Proceeds from issuance of bonds	35,993	25,372	336,383
Proceeds from issuance of new shares	—	34,478	—
Cash dividends paid	(5,256)	(4,778)	(49,122)
Other net	(288)	(170)	(2,691)
Net cash (used in) provided by financing activities	<u>(71,359)</u>	<u>6,667</u>	<u>(666,907)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	(39)	(1,387)	(364)
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,196	20,731	300,897
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	107,476	86,745	1,004,449
CASH AND CASH EQUIVALENTS OF SUBSIDIARIES EXCLUDED FROM CONSOLIDATION, DURING THE YEAR			
	(75)	—	(701)
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 139,597	¥ 107,476	\$ 1,304,645

K A J I M A C O R P O R A T I O N

See notes to consolidated financial statements.