

Consolidated Statements of Cash Flows

KAJIMA Corporation and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
OPERATING ACTIVITIES:			
Income before income taxes and minority interests.....	¥ 50,357	¥ 35,965	\$ 430,402
Adjustments for:			
Income taxes paid.....	(5,588)	(1,436)	(47,761)
Depreciation and amortization.....	17,884	20,612	152,855
Provision for doubtful accounts.....	3,056	83	26,120
Foreign currency exchange gain.....	(1,742)	(454)	(14,889)
Equity in earnings of unconsolidated subsidiaries and affiliates.....	(1,712)	(2,190)	(14,632)
Valuation loss on marketable and investment securities.....	327	891	2,795
Loss on sales or disposals of property and equipment-net.....	786	476	6,718
Gain on sales of marketable and investment securities-net.....	(2,357)	(10,497)	(20,145)
Bonuses to directors including share of minority interests.....	(322)	(123)	(2,752)
Loss on impairment of long-lived assets.....	-	1,772	-
Changes in operating assets and liabilities:			
Increase in receivables.....	(9,878)	(80,979)	(84,427)
(Increase) decrease in inventories.....	(2,936)	77,554	(25,094)
Increase in payables.....	10,391	57,061	88,812
(Decrease) increase in advances received.....	(17,769)	4,370	(151,872)
Increase in accrued expenses.....	5,143	3,173	43,957
Increase (decrease) in liability for retirement benefits.....	1,554	(2,747)	13,282
(Decrease) increase in allowance for loss on development projects.....	(9,004)	615	(76,957)
Decrease in other assets.....	1,338	34,662	11,435
Increase (decrease) in other liabilities.....	12,616	(59,296)	107,829
Other-net.....	1,259	7,977	10,760
Net cash provided by operating activities.....	<u>53,403</u>	<u>87,489</u>	<u>456,436</u>
INVESTING ACTIVITIES:			
Decrease (increase) of time deposits excluding cash equivalents.....	665	(61)	5,684
Payment for purchases of marketable and investment securities.....	(13,202)	(8,816)	(112,838)
Proceeds from sales and redemption of marketable and investment securities..	8,314	23,705	71,060
Payment for purchases of property and equipment.....	(19,701)	(12,157)	(168,385)
Proceeds from sales of property and equipment.....	3,598	15,116	30,752
Disbursements for loans.....	(7,282)	(15,286)	(62,239)
Proceeds from collection of loans.....	14,341	11,850	122,573
Payment for purchases of intangible assets.....	(1,035)	(1,101)	(8,846)
Increase of cash and cash equivalent of subsidiaries included in consolidation..	535	-	4,573
Other-net.....	(1,078)	2,855	(9,214)
Net cash (used in) provided by investing activities.....	<u>(14,845)</u>	<u>16,105</u>	<u>(126,880)</u>
FINANCING ACTIVITIES:			
Increase (decrease) in short-term borrowings.....	222	(49,910)	1,897
Net repayment of commercial paper.....	(2,000)	(18,000)	(17,094)
Proceeds from issuance of long-term debt.....	34,363	72,203	293,701
Repayment of long-term debt.....	(105,320)	(106,101)	(900,171)
Proceeds from issuance of bonds.....	43,827	35,993	374,590
Cash dividends paid.....	(6,830)	(5,256)	(58,376)
Other-net.....	(261)	(288)	(2,231)
Net cash used in financing activities.....	<u>(35,999)</u>	<u>(71,359)</u>	<u>(307,684)</u>
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS.....			
	<u>1,703</u>	<u>(39)</u>	<u>14,555</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	<u>4,262</u>	<u>32,196</u>	<u>36,427</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	<u>139,597</u>	<u>107,476</u>	<u>1,193,137</u>
CASH AND CASH EQUIVALENTS OF SUBSIDIARIES EXCLUDED FROM CONSOLIDATION, DURING THE YEAR.....	<u>-</u>	<u>(75)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>¥ 143,859</u>	<u>¥ 139,597</u>	<u>\$ 1,229,564</u>

See notes to consolidated financial statements.