

Consolidated Statements of Cash Flows

TAISEI CORPORATION and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2012

	Millions of Yen		Thousands of U.S. Dollars
	2011	2012	(Note 1) 2012
Cash flows from operating activities:			
Income before income taxes and other items	¥ 19,374	¥ 16,673	\$ 202,859
Adjustments to reconcile income before income taxes and other items to net cash provided by operating activities:			
Depreciation and amortization	8,520	8,002	97,360
Impairment losses on fixed assets	3,206	12,174	148,120
Interest and dividend income	(3,283)	(3,171)	(38,581)
Interest expense	8,678	7,505	91,313
Foreign exchange losses	4,040	1,934	23,531
Write-down of investment securities	2,522	12,658	154,009
Gains on sale of investment securities	(1,259)	(1,365)	(16,608)
Losses (Gains) on sale of property and equipment	15	(78)	(949)
Write-down of real estate for sale	4,518	5,772	70,228
Changes in assets and liabilities:			
Decrease (Increase) in trade receivables	101,202	(92,192)	(1,121,694)
Decrease (Increase) in cost on uncompleted contract	1,099	(2,131)	(25,928)
Decrease in inventories other than cost on uncompleted contract	3,056	8,425	102,506
Increase (Decrease) in trade payables	(4,788)	83,356	1,014,187
Increase (Decrease) in advances received and progress billings on uncompleted contracts	(2,366)	31,761	386,434
Decrease in allowance for doubtful accounts	(4,552)	(2,132)	(25,940)
Increase (Decrease) in allowance for losses on construction contracts	(1,246)	13,465	163,828
Increase in retirement benefits	1,747	2,305	28,045
Increase (Decrease) in deposit received	(23,252)	21,510	261,711
Other, net	11,684	(12,272)	(149,314)
Sub-total	128,915	112,199	1,365,117
Cash received (paid) during the year for:			
Interest and dividends received	3,679	3,100	37,718
Interest paid	(8,568)	(7,572)	(92,128)
Income taxes paid	(5,132)	(2,627)	(31,963)
Net cash provided by (used in) operating activities	118,894	105,100	1,278,744
Cash flows from investing activities:			
Decrease (Increase) in time deposits	360	(2,259)	(27,485)
Purchase of marketable and investment securities	(6,468)	(5,832)	(70,958)
Proceeds from sale of marketable and investment securities	7,353	5,170	62,903
Purchase of property, equipment and intangible assets	(5,538)	(6,722)	(81,786)
Proceeds from sale of property, equipment and intangible assets	659	1,947	23,689
Other, net	(268)	(399)	(4,854)
Net cash provided by (used in) investing activities	(3,902)	(8,095)	(98,491)
Cash flows from financing activities:			
Decrease in short-term borrowings	(33,614)	(23,901)	(290,802)
Decrease in commercial papers	(29,990)	-	-
Proceeds from long-term debt	97,974	89,396	1,087,675
Repayment of long-term debt	(93,192)	(118,323)	(1,439,628)
Cash dividends paid, including those to minority interest	(5,574)	(5,698)	(69,327)
Other, net	(355)	(296)	(3,601)
Net cash provided by financing activities	(64,751)	(58,822)	(715,683)
Effect of exchange rate changes on cash and cash equivalents	(2,496)	(694)	(8,444)
Net increase in cash and cash equivalents	47,745	37,489	456,126
Cash and cash equivalents at beginning of year	155,929	203,674	2,478,087
Cash and cash equivalents at end of year (Note 3)	¥ 203,674	¥ 241,163	\$ 2,934,213

The accompanying notes are an integral part of these statements.