

October 10, 2006

KAJIMA CORPORATION

Announcement of revisions to the interim financial projections for the first half of the financial year ending March 31, 2007

(from April 1 to September 30, 2006)

Please be advised that we have revised the interim consolidated and non-consolidated financial projections for the first half of the financial year ending March 31, 2007, which we announced on May 18, 2006 upon the release of the financial results for the financial year ending March 31, 2006. We have made the revisions based on the latest financial performance of Kajima group.

1. Revisions to the interim consolidated financial projections for the six-month period from April 1 to September 30, 2006

(Millions of Yen)

		Revenues	Recurring Profit	Net Profit
Projections announced on May 18, 2006	(A)	770,000	11,000	12,000
Revisions announced herein	(B)	790,000	17,500	18,500
Change	(B) - (A)	20,000	6,500	6,500
Change in %		2.6%	59.1%	54.2%
Results for the equivalent period last year		784,494	18,779	3,797

2. Revisions to the interim non-consolidated financial projections for the six-month period from April 1 to September 30, 2006

(Millions of Yen)

		Revenues	Recurring Profit	Net Profit
Projections announced on May 18, 2006	(A)	590,000	8,000	11,000
Revisions announced herein	(B)	610,000	18,500	12,500
Change	(B) - (A)	20,000	10,500	1,500
Change in %		3.4%	131.3%	13.6%
Results for the equivalent period last year		588,826	19,748	2,719

3. Causes for the revisions

(1) Increase in interim recurring profit

The consolidated recurring profit is projected to reach ¥17.5 billion, up by ¥6.5 billion against our earlier projection, attributable primarily to Kajima Corporation and overseas subsidiaries, delivering

an improved financial results and absorbing the loss incurred by Kajima Europe UK Holding Ltd. (hereinafter called “KEUK”), a subsidiary of Kajima Corporation.

The non-consolidated recurring profit is projected to increase to ¥18.5 billion, up by ¥10.5 billion from our earlier projection, attributable primarily to the increase in gross profit in the construction and real estate development sector.

(2) Increase in interim net profit

On the consolidated basis, the net profit is projected to increase to ¥18.5 billion, up by ¥6.5 billion from our earlier projection, due to the increase in recurring profit by ¥6.5 billion.

On the non-consolidated basis, while the recurring profit is projected to increase ¥10.5 billion from our earlier projection, the net profit is projected at ¥12.5 billion, an increase of ¥1.5 billion, affected mainly by a “Provision for loss on investment securities in subsidiaries and affiliates” related to KEUK posted in the approximate amount of ¥7.7 billion.

(3) Posting of a “Provision for loss on investment securities in subsidiaries and affiliates” (non-consolidated basis)

As a result of deteriorated performance of a construction business related subsidiary in the UK under KEUK, a “Provision for loss on investment securities in subsidiaries and affiliates” shall be posted in the approximate amount of ¥7.7 billion.

In our UK construction sector, we are focusing on expediting the completion of construction projects in progress.

4. The consolidated and the non-consolidated financial projections for the full year ending March 31, 2007 shall be made available on November 15, 2006, together with the announcement of the interim financial results.

Projections contained herein are based on information available as at the date of this announcement and are subject to risks and uncertainties that may cause the actual results to vary.

Further information is available at:

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