

KAJIMA CORPORATION

Announcement of Revisions to the Financial Projections for the Financial Year ending 31 March 2008 (From 1 April 2007 to 31 March 2008)

Please be advised that we have revised the consolidated and non-consolidated financial projections for the financial year ending 31 March 2008, which we announced on 15 May 2007. We have made the revisions based on the latest financial performance of Kajima group.

1. Consolidated

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections released on 15 May 2007 (A)	1,850,000	43,000	43,000	32,000	¥30.44
Revisions announced herein (B)	1,850,000	17,000	27,000	27,000	¥25.69
Change (B-A)	-	(26,000)	(16,000)	(5,000)	(¥4.75)
Change in %	-	(60.5%)	(37.2%)	(15.6%)	(15.6%)
Results for the equivalent period last year	1,891,465	55,515	58,713	41,439	¥39.41

2. Non-consolidated

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections released on 15 May 2007 (A)	1,385,000	32,000	30,000	11,000	¥10.42
Revisions announced herein (B)	1,400,000	9,000	13,000	500	¥0.47
Change (B-A)	15,000	(23,000)	(17,000)	(10,500)	(¥9.95)
Change in %	1.1%	(71.9%)	(56.7%)	(95.5%)	(95.5%)
Results for the equivalent period last year	1,444,925	51,065	52,068	29,465	¥27.92

3. Causes for the revisions

(1) Consolidated

The downward revision of the consolidated operating income projection by ¥26.0 billion resulted primarily from aggravated performance of the parent company. On the consolidated projections of recurring profit and net income, the revisions, down by ¥16.0 billion and ¥5.0 billion, respectively,

are mainly due to the aggravated performance of the parent company, but reflect improved results on financial activities, an increase of equity in earnings of unconsolidated subsidiaries and affiliates, and gain on sales of fixed assets.

(2) Non-consolidated

The non-consolidated projection of operating income has been revised down by ¥23.0 billion due to falling gross profit margin on building construction projects. We have made this downward revision by taking into account the worsening profitability on some large-scale building construction projects in metropolitan Tokyo, which is caused by the rising trend of material and labour cost as well as mechanical, electrical, and processing work cost.

On the non-consolidated recurring profit and net income, we have revised down our previous projections by ¥17.0 billion and by ¥10.5 billion, respectively, due to the declining gross profit margin, which is, however, partly offset by improved results on financial activities etc.

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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