

KAJIMA CORPORATION

Consolidated and Non-Consolidated Financial Statements (For the Period from 1 April 2007 to 31 March 2008)

Financial Highlights

Consolidated

OPERATING PERFORMANCE

	FY06 (Result)	FY07 (Result)	FY08 (Projection)
	¥ Bln	¥ Bln	¥ Bln
Contract Awards (Construction)	1,612.5	1,677.2	1,560.0
Revenues	1,891.4	1,894.1	1,890.0
Gross Profit	154.0	115.8	132.5
Operating Income	55.5	18.2	34.0
Recurring Profit	58.7	29.6	38.0
Net Income	41.4	42.1	25.0
Basic Net Income per Share	¥39.41	¥40.53	¥24.61

CASH FLOWS

	FY06 (Result)	FY07 (Result)	FY08 (Projection)
	¥ Bln	¥ Bln	¥ Bln
Operating Activities	(4.1)	(52.5)	30.0
Investing Activities	22.1	3.0	(40.0)
Financing Activities	(4.8)	(7.6)	(10.0)
Cash and Cash Equivalents at the end of the Period	158.1	100.2	-

ASSETS AND EQUITY

	As at	31 Mar 07 (Result)	31 Mar 08 (Result)
		¥ Bln	¥ Bln
Total Assets		2,107.2	1,918.5
Total Equity		352.2	308.5
* Stockholders' Equity / Assets Ratio		16.2%	15.6%
Equity per Share		¥325.11	¥295.08

* From the financial year ended 31 March 07, "EQUITY" includes "Subscription Rights to Shares" and "Minority Interests" while "STOCKHOLDERS' EQUITY" excludes them. (Up till 31 March 08, no Subscription Rights to Shares had been recorded.)

Non-Consolidated

OPERATING PERFORMANCE

	FY06 (Result)	FY07 (Result)	FY08 (Projection)
	¥ Bln	¥ Bln	¥ Bln
Contract Awards	1,387.8	1,463.6	1,275.0
Revenues	1,444.9	1,423.1	1,370.0
Gross Profit	116.3	71.1	87.0
Operating Income	51.0	4.6	21.0
Recurring Profit	52.0	5.1	22.0
Net Income	29.4	5.8	8.0
Basic Net Income per Share	¥27.92	¥5.62	¥7.84

ASSETS AND EQUITY

	As at	31 Mar 07 (Result)	31 Mar 08 (Result)
		¥ Bln	¥ Bln
Total Assets		1,741.9	1,534.3
Total Equity		341.2	265.0
* Stockholders' Equity / Assets Ratio		19.6%	17.3%
Equity per Share		¥323.41	¥259.85

* From the financial year ended 31 March 07, "EQUITY" includes "Subscription Rights to Shares" while "STOCKHOLDERS' EQUITY" excludes it. (Up till 31 March 08, no Subscription Rights to Shares had been recorded.)

Income Statements (Consolidated)

	FY2006 (1 Apr 06 - 31 Mar 07)		FY2007 (1 Apr 07 - 31 Mar 08)		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
Revenues	1,891,465	100%	1,894,187	100%	2,721
Construction	1,583,145	100%	1,599,626	100%	16,480
Real Estate and Other	308,320	100%	294,560	100%	(13,759)
Cost of Revenues	1,737,426	91.9%	1,778,354	93.9%	40,928
Construction	1,480,483	93.5%	1,525,036	95.3%	44,553
Real Estate and Other	256,942	83.3%	253,318	86.0%	(3,624)
Gross Profit	154,039	8.1%	115,832	6.1%	(38,207)
Construction	102,662	6.5%	74,590	4.7%	(28,072)
Real Estate and Other	51,377	16.7%	41,242	14.0%	(10,135)
Selling, General and Administrative Expenses	98,523	5.2%	97,593	5.1%	(930)
Operating Income	55,515	2.9%	18,239	1.0%	(37,276)
Non-Operating Income	18,624	1.0%	31,856	1.7%	13,231
Interest Income	2,763		2,803		39
Dividends Income	3,729		5,318		1,588
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	5,361		10,583		5,222
Other	6,770		13,150		6,380
Non-Operating Expenses	15,425	0.8%	20,484	1.1%	5,058
Interest Expense	8,688		8,479		(209)
Foreign Currency Exchange Loss	-		6,539		6,539
Other	6,737		5,465		(1,271)
Recurring Profit	58,713	3.1%	29,610	1.6%	(29,103)
Extraordinary Profit	30,592	1.6%	38,472	2.0%	7,879
Gain on Sales of Fixed Assets	3,466		4,440		973
Gain on Sales of Marketable and Investment Securities	422		15,153		14,730
Gain on Sales of Investments in Subsidiaries and Affiliates	-		15,703		15,703
Reversal of Allowance for Doubtful Accounts	-		3,176		3,176
Gain on Sales of Operating Business, Assets and Others	26,703		-		(26,703)
Extraordinary Loss	16,255	0.8%	16,861	0.9%	605
Loss on Disposals of Fixed Assets	710		5,759		5,049
Loss on Impairment of Long-lived Assets	1,260		2,969		1,708
Loss on Defect Rectification	-		3,589		3,589
Other	14,284		4,543		(9,741)
Income before Income Taxes and Minority Interests	73,050	3.9%	51,221	2.7%	(21,829)
Income Taxes:	31,107	1.7%	8,719	0.5%	(22,387)
Current	18,188		8,666		(9,522)
Deferred	12,918		52		(12,865)
Minority Interests	(503)	(0.0%)	(339)	(0.0%)	164
Net Income	41,439	2.2%	42,162	2.2%	722

Balance Sheets (Consolidated)

As at	31 Mar '07		31 Mar '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
(ASSETS)					
Current Assets	1,322,928	62.8%	1,220,283	63.6%	(102,645)
Cash and Cash in Banks	158,951		102,020		(56,930)
Notes and Accounts Receivable - Trade	630,044		586,195		(43,848)
Marketable Securities	298		258		(40)
Inventories:					
Construction Projects in Progress	106,009		111,578		5,569
Development Projects in Progress, Real Estate and Other	229,542		230,303		760
Deferred Income Taxes	65,750		66,579		829
Other	137,618		128,356		(9,262)
Allowance for Doubtful Accounts	(5,286)		(5,009)		276
Fixed Assets	784,293	37.2%	698,226	36.4%	(86,066)
Tangible Fixed Assets	343,195		347,761		4,565
Buildings and Structures	112,806		128,052		15,246
Machinery and Equipment	16,505		15,515		(990)
Land	164,883		194,682		29,799
Construction in Progress	48,071		8,743		(39,327)
Other	929		766		(163)
Intangible Fixed Assets	10,583		13,351		2,768
Investments and Other Assets	430,514		337,113		(93,400)
Investments in Securities	370,145		269,264		(100,881)
Long-term Loans Receivable	16,987		14,795		(2,191)
Deferred Income Taxes	4,897		15,132		10,234
Other	57,328		51,491		(5,837)
Allowance for Doubtful Accounts	(18,845)		(13,569)		5,275
Total Assets	2,107,222	100.0%	1,918,510	100.0%	(188,711)

As at	31 Mar '07		31 Mar '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
(LIABILITIES)					
Current Liabilities	1,318,243	62.6%	1,208,941	63.0%	(109,301)
Notes and Accounts Payable - Trade	628,263		562,720		(65,543)
Short-term Borrowings	155,323		137,808		(17,514)
Commercial Paper	50,000		77,000		27,000
Current Portion of Bonds	28,178		24,711		(3,466)
Income Taxes Payable	14,309		3,428		(10,881)
Advance Received:					
Construction Projects in Progress	166,605		170,936		4,330
Development Projects in Progress, Real Estate and Other	35,253		19,768		(15,484)
Deposits Received	134,649		105,317		(29,332)
Allowance for Warranty on Completed Construction Projects	1,318		1,487		168
Allowance for Foreseeable Losses on Construction Projects	8,613		20,785		12,171
Liabilities for Bonuses - Directors	176		156		(19)
Other	95,550		84,820		(10,729)
Long-Term Liabilities	436,704	20.7%	400,987	20.9%	(35,717)
Bonds Payable	76,355		61,379		(14,975)
Long-term Debt	154,001		172,900		18,898
Deferred Income Taxes on Revaluation of Land	19,799		20,440		640
Liability for Retirement Benefits	65,348		64,021		(1,327)
Allowance for Loss on Development Projects	11,435		5,904		(5,531)
Equity Loss in excess of Investments in and Loans to Unconsolidated Subsidiaries and Affiliates	6,408		2,162		(4,246)
Other	103,354		74,178		(29,175)
Total Liabilities	1,754,947	83.3%	1,609,928	83.9%	(145,018)

(EQUITY)					
Owners' Equity	204,035	9.7%	225,213	11.7%	21,178
Common Stock	81,447	3.9%	81,447	4.2%	-
Additional Paid-in Capital	49,485	2.3%	49,485	2.6%	-
Retained Earnings	75,095	3.6%	108,595	5.7%	33,499
Treasury Stock - At cost	(1,992)	(0.1%)	(14,314)	(0.8%)	(12,321)
Valuation and Translation Adjustments	137,703	6.5%	74,558	3.9%	(63,144)
Unrealized Gain on Available-for-sale Securities	110,725	5.2%	49,492	2.6%	(61,232)
Deferred Gain (Loss) on Derivatives under Hedge Accounting	(310)	(0.0%)	(768)	(0.0%)	(458)
Revaluation Surplus of Land	26,943	1.3%	26,161	1.3%	(781)
Foreign Currency Translation Adjustments	345	0.0%	(326)	(0.0%)	(671)
Minority Interests	10,535	0.5%	8,809	0.5%	(1,726)
Total Equity	352,274	16.7%	308,581	16.1%	(43,693)
Total Liabilities and Equity	2,107,222	100.0%	1,918,510	100.0%	(188,711)

Cash Flow Statements (Consolidated)

	FY2006	FY2007
	¥ Mil	¥ Mil
OPERATING ACTIVITIES		
Income before Income Taxes and Minority Interests	73,050	51,221
Adjustments for:		
Depreciation and Amortization	15,944	17,178
Loss on Impairment of Long-lived Assets	1,260	2,969
Increase (Decrease) in Provision for Doubtful Accounts	860	(3,695)
Increase (Decrease) in Allowance for Foreseeable Losses on Construction Projects	4,402	12,171
Increase (Decrease) in Liability for Retirement Benefits	1,095	(1,327)
Increase (Decrease) in Liability for Retirement Benefits - Directors and Corporate Auditors	(1,275)	-
Interest and Dividends	(6,493)	(8,121)
Interest Expense	8,688	8,479
Foreign Currency Exchange Loss (Gain)	(2,660)	5,146
Equity in earnings of Unconsolidated Subsidiaries and Affiliates	(5,361)	(10,583)
Loss (Gain) on Sales or Disposals of Property and Equipment - Net	(2,276)	3,635
Loss (Gain) on Sales of Marketable and Investment Securities - Net	(397)	(15,144)
Valuation Loss on Marketable and Investment Securities	399	2,214
Gain on Sales of Investments in Subsidiaries and Affiliates	-	(15,703)
Gain on Sales of Operating Business, Assets and Other	(26,703)	-
Loss on Investments in Affiliates	3,320	-
(Increase) Decrease in Receivables	(160,435)	42,904
(Increase) Decrease in Inventories - Construction Projects in Progress	9,680	(4,166)
(Increase) Decrease in Other Inventories	5,367	(3,873)
Increase (Decrease) in Payables	87,193	(68,111)
Increase (Decrease) in Advances Received	(18,880)	(13,505)
Increase (Decrease) in Deposits Received	36,337	(29,355)
Other	(18,367)	(4,297)
Sub-total	4,750	(31,962)
Interest and Dividends Received	6,716	7,904
Interest Paid	(8,660)	(8,863)
Income Taxes - Paid	(6,939)	(19,619)
Net Cash provided by (used in) Operating Activities	(4,132)	(52,541)
INVESTING ACTIVITIES		
Payment for Purchases of Marketable and Investment Securities	(14,908)	(18,078)
Proceeds from Sales and Redemption of Marketable and Investment Securities	5,024	27,884
Payment for Purchases of Property and Equipment	(37,176)	(30,408)
Proceeds from Sales of Property and Equipment	8,448	13,057
Payment for Purchases of Intangible Assets	(1,381)	(2,323)
Increase of Cash and Cash Equivalent of Subsidiaries included in Consolidation	-	3,737
Disbursements for Loans	(12,571)	(5,164)
Proceeds from Collection of Loans	3,067	4,396
Proceeds from Sales of Investments in Subsidiaries and Affiliates	-	16,437
Proceeds from Reduction of Capital	8,950	-
Proceeds from Sales of Operating Business, Assets and Other	60,663	-
Other - Net	2,002	(6,518)
Net Cash provided by (used in) Investing Activities	22,117	3,020
FINANCING ACTIVITIES		
Increase (Decrease) in Short-term Borrowings	1,849	7,010
Net Repayment of Commercial Paper	26,000	27,000
Proceeds from Issuance of Long-term Debt	55,859	70,918
Repayment of Long-term Debt	(44,969)	(74,413)
Proceeds from Issuance of Bonds	4,087	10,200
Redemption of Bonds	(41,094)	(28,087)
Acquisition of Treasury Stock	(170)	(12,321)
Cash Dividends Paid	(6,294)	(7,864)
Other - Net	(111)	(119)
Net Cash provided by (used in) Financing Activities	(4,845)	(7,678)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	1,102	(610)
Net Increase (Decrease) in Cash and Cash Equivalents	14,241	(57,809)
Cash and Cash Equivalents - Beginning of the Period	143,858	158,100
Cash and Cash Equivalents - End of the Period	158,100	100,290

Income Statements (Non-Consolidated)

	FY2006 (1 Apr 06 - 31 Mar 07)		FY2007 (1 Apr 07 - 31 Mar 08)		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
Revenues	1,444,925	100%	1,423,143	100%	(21,781)
Construction	1,298,154	100%	1,288,730	100%	(9,423)
Real Estate and Other	146,771	100%	134,413	100%	(12,357)
Cost of Revenues	1,328,554	91.9%	1,352,030	95.0%	23,475
Construction	1,205,455	92.9%	1,236,525	95.9%	31,069
Real Estate and Other	123,098	83.9%	115,505	85.9%	(7,593)
Gross Profit	116,371	8.1%	71,113	5.0%	(45,257)
Construction	92,698	7.1%	52,205	4.1%	(40,493)
Real Estate and Other	23,672	16.1%	18,908	14.1%	(4,764)
Selling, General and Administrative Expenses	65,305	4.6%	66,471	4.7%	1,165
Operating Income	51,065	3.5%	4,642	0.3%	(46,422)
Non-Operating Income	11,040	0.8%	15,052	1.1%	4,012
Interest Income	393		463		69
Dividends Income	5,383		12,587		7,204
Other	5,263		2,001		(3,261)
Non-Operating Expenses	10,037	0.7%	14,531	1.0%	4,494
Interest Expense	3,937		4,475		537
Interest Expense on Bonds	1,414		1,262		(151)
Foreign Currency Exchange Loss	-		5,356		5,356
Other	4,684		3,436		(1,248)
Recurring Profit	52,068	3.6%	5,163	0.4%	(46,905)
Extraordinary Profit	28,749	2.0%	26,499	1.8%	(2,249)
Gain on Sales of Investments in Subsidiaries and Affiliates	-		15,027		15,027
Reversal of Allowance for Doubtful Accounts	-		4,878		4,878
Reversal of Allowance for Loss on Investments in Subsidiaries and Affiliates	-		5,195		5,195
Other	28,749		1,398		(27,350)
Extraordinary Loss	25,363	1.8%	15,619	1.1%	(9,743)
Loss on Sales of Fixed Assets	457		2,094		1,637
Loss on Disposals of Fixed Assets	624		5,629		5,004
Valuation Loss on Marketable and Investment Securities	369		2,172		1,802
Loss on Impairment of Long-lived Assets	560		2,122		1,561
Loss on Defect Rectification	-		3,589		3,589
Other	23,350		11		(23,338)
Income before Income Taxes	55,455	3.8%	16,043	1.1%	(39,411)
Income Taxes - Current	9,883	0.7%	4,732	0.3%	(5,151)
Income Taxes - Deferred	16,105	1.1%	5,441	0.4%	(10,664)
Net Income	29,465	2.0%	5,870	0.4%	(23,595)

Balance Sheets (Non-Consolidated)

As at	31 Mar '07		31 Mar '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
(ASSETS)					
Current Assets	1,043,857	59.9%	898,142	58.5%	(145,715)
Cash and Cash in Banks	118,915		66,326		(52,588)
Notes Receivable - Trade	17,537		12,042		(5,495)
Accounts Receivable - Trade	488,599		460,519		(28,080)
Marketable Securities	158		99		(58)
Inventories:					
Real Estate for Sale	34,637		30,755		(3,882)
Construction Projects in Progress	91,905		79,464		(12,440)
Development Projects in Progress and Other	98,385		64,407		(33,977)
Deferred Income Taxes	63,815		63,647		(168)
Other Account Receivable	30,957		32,283		1,326
Suspense Payment	68,738		57,014		(11,724)
Other	32,331		33,243		912
Allowance for Doubtful Accounts	(2,125)		(1,662)		462
Fixed Assets	698,090	40.1%	636,211	41.5%	(61,878)
Tangible Fixed Assets	234,374		231,508		(2,866)
Buildings	68,062		74,068		6,006
Structures	3,041		3,090		49
Machinery	1,999		2,245		245
Vehicles	271		307		35
Tools and Equipment	1,705		2,144		438
Land	146,882		145,746		(1,135)
Construction in Progress	12,004		3,502		(8,502)
Other	407		402		(4)
Intangible Fixed Assets	6,867		7,660		792
Investments and Other Assets	456,847		397,043		(59,804)
Investments in Securities	334,434		241,011		(93,422)
Investment Securities of Subsidiaries and Affiliates	56,925		54,980		(1,944)
Other Investment Securities of Subsidiaries and Affiliates	-		3,120		3,120
Investments in Partnership and Others	1,220		953		(266)
Investments in Subsidiaries and Affiliates	7,083		6,278		(804)
Long-term Loans Receivable	3,593		3,591		(2)
Long-term Loans Receivable - Employees	1		1		(0)
Long-term Loans Receivable - Subsidiaries and Affiliates	38,434		35,389		(3,044)
Claims in Bankruptcy or Reorganization Proceedings	562		239		(322)
Prepaid Expenses	4,701		4,703		1
Deferred Income Taxes	1,342		37,621		36,278
Other	24,219		19,727		(4,491)
Allowance for Doubtful Accounts	(15,670)		(10,574)		5,095
Total Assets	1,741,948	100.0%	1,534,353	100.0%	(207,594)

As at	31 Mar '07		31 Mar '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
(LIABILITIES)					
Current Liabilities	1,084,999	62.3%	970,362	63.2%	(114,637)
Notes Payable - Trade	4,007		1,934		(2,073)
Accounts Payable - Trade	514,144		446,515		(67,629)
Short-term Borrowings	80,142		79,068		(1,074)
Commercial Paper	50,000		77,000		27,000
Current Portion of Bonds	25,000		10,000		(15,000)
Income Taxes Payable	10,578		848		(9,729)
Advances Received:					
Construction Projects in Progress	143,133		150,270		7,137
Development Projects in Progress and Other	33,311		17,996		(15,314)
Deposits Received	144,205		111,306		(32,898)
Allowance for Warranty on Completed Construction Projects	1,016		1,140		124
Allowance for Foreseeable Losses on Construction Projects	8,290		20,770		12,480
Employees' Savings Deposits	22,574		22,038		(536)
Other	48,596		31,474		(17,121)
Long-Term Liabilities	315,691	18.1%	298,964	19.5%	(16,726)
Bonds Payable	60,000		60,000		-
Long-term Debt	89,943		88,148		(1,794)
Long-term Debt - Subsidiaries and Affiliates	5,759		-		(5,759)
Deferred Income Taxes on Revaluation of Land	18,038		18,995		957
Liability for Retirement Benefits	57,585		56,990		(594)
Allowance for Loss on Development Projects	5,904		5,904		-
Allowance for Loss on Investments in Subsidiaries and Affiliates	26,366		18,452		(7,914)
Long-term Accounts Payable	24,405		22,210		(2,194)
Long-term Deposits Received	24,465		24,762		296
Other	3,223		3,501		277
Total Liabilities	1,400,691	80.4%	1,269,327	82.7%	(131,363)

(EQUITY)					
Owner's Equity	205,114	11.8%	190,667	12.4%	(14,446)
Common Stock	81,447		81,447		-
Additional Paid-in Capital	49,485		49,485		-
Additional Paid-in Capital	49,485		49,485		-
Retained Earnings	75,035		72,910		(2,124)
Retained Earnings	75,035		72,910		(2,124)
Special Depreciation Reserve	177		118		(58)
Advance Depreciation Reserve	11,000		11,095		95
Other Reserve	38,997		51,997		13,000
Unappropriated	24,860		9,699		(15,161)
Treasury Stock - At cost	(853)		(13,174)		(12,321)
Valuation and Translation Adjustments	136,142	7.8%	74,358	4.9%	(61,783)
Unrealized Gain on Available-for-sale Securities	110,064		49,406		(60,657)
Deferred Gain (Loss) on Derivatives under Hedge Accounting	(422)		(729)		(307)
Revaluation Surplus of Land	26,500		25,681		(819)
Total Equity	341,257	19.6%	265,026	17.3%	(76,230)
Total Liabilities and Equity	1,741,948	100.0%	1,534,353	100.0%	(207,594)