

# KAJIMA CORPORATION

## Consolidated Financial Statements (For the Period from 1 April 2008 to 30 June 2008)

### 1. Summary of Operating Results (consolidated) Q1/FY2008 (1 April - 30 June 2008)

#### (1) Financial Results (consolidated)

	Revenues		Operating Income (Loss)		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Q1 / FY'08	412,343	22.2	1,794	-	4,921	(18.9)	6,498	110.3
Q1 / FY'07	337,467	2.6	(2,406)	-	6,064	20.9	3,090	(87.3)
Full-Year / FY'07	1,894,187		18,239		29,610		42,162	

#: Representing increase (decrease) from Q1 of the previous year

	Basic Net Income per Share
	¥
Q1 / FY'08	6.40
Q1 / FY'07	2.94
Full-Year / FY'07	40.53

#### (2) Assets and Equity (consolidated)

	Assets	Equity	Equity/Assets Ratio	Equity per Share
	¥ Mil	¥ Mil	%	¥
Q1 / FY'08	1,904,631	310,658	15.9	297.76
Q1 / FY'07	1,974,890	346,869	17.0	320.23
Full-Year / FY'07	1,918,510	308,581	15.6	295.08

### 2. Forecasts of Operating Results (consolidated) Half-year (1 April – 30 September 2008) and Full-year (1 April 2008 – 31 March 2009)

	Revenues		Operating Income		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Half-Year	870,000	6.7	6,000	9.2	9,000	(41.8)	5,000	(79.9)
Full-Year	1,890,000	(0.2)	34,000	86.4	38,000	28.3	25,000	(40.7)

#: Representing increase (decrease) from the same period of FY2007

	Basic Net Income per Share
	¥
Half-Year	4.92
Full-Year	24.61

### **Attention**

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.

### **Qualitative Information/Financial Statements etc.**

No revisions have been made to our forecasts of half-year and full-year operating results, which we announced on 15 May 2008.

### **Supplementary Information: Forecasts of Operating Results (non-consolidated)**

	Revenues		Operating Income		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Half-Year	630,000	5.3	2,000	29.9	3,000	(55.7)	0	(100.0)
Full-Year	1,370,000	(3.7)	21,000	352.3	22,000	326.1	8,000	36.3

#: Representing increase (decrease) from the same period of FY2007

	Basic Net Income per Share
	¥
Half-Year	0.00
Full-Year	7.84

## Consolidated Balance Sheet (condensed)

as at 30 June 2008

As at	30 June '08		31 March '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
<b>(ASSETS)</b>					
<b>Current Assets</b>	<b>1,219,008</b>	<b>64.0%</b>	<b>1,220,283</b>	<b>63.6%</b>	<b>(1,275)</b>
Cash and Deposits	125,594		102,020		23,573
Notes Receivable, Accounts Receivable from Completed Construction Contracts and Other	522,603		586,195		(63,592)
Costs on Uncompleted Construction Contracts	138,478		111,578		26,899
Costs on Development Projects in Progress	123,257		120,253		3,003
Real Estate for Sale	90,624		100,612		(9,988)
Other Inventories	14,775		9,436		5,339
Other	206,842		195,194		11,647
Allowance for Doubtful Accounts	(3,166)		(5,009)		1,842
<b>Noncurrent Assets</b>	<b>685,623</b>	<b>36.0%</b>	<b>698,226</b>	<b>36.4%</b>	<b>(12,603)</b>
<b>Property, Plant and Equipment</b>	<b>342,447</b>		<b>347,761</b>		<b>(5,313)</b>
Land	193,671		194,682		(1,010)
Other	148,775		153,078		(4,302)
<b>Intangible Assets</b>	<b>12,063</b>		<b>13,351</b>		<b>(1,288)</b>
<b>Investments and Other Assets</b>	<b>331,111</b>		<b>337,113</b>		<b>(6,001)</b>
Investment Securities	269,723		269,264		459
Other	74,902		81,419		(6,516)
Allowance for Doubtful Accounts	(13,514)		(13,569)		55
<b>Total Assets</b>	<b>1,904,631</b>	<b>100.0%</b>	<b>1,918,510</b>	<b>100.0%</b>	<b>(13,878)</b>

As at	30 June '08		31 March '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
<b>(LIABILITIES)</b>					
<b>Current Liabilities</b>	<b>1,198,606</b>	<b>62.9%</b>	<b>1,208,941</b>	<b>63.0%</b>	<b>(10,335)</b>
Notes Payable, Accounts Payable for Construction Contracts and Other	560,558		562,720		(2,161)
Short-term Loans Payable	175,219		137,808		37,410
Commercial Papers	45,000		77,000		(32,000)
Current Portion of Bonds	18,221		24,711		(6,490)
Advances Received on Uncompleted Construction Contracts	199,967		170,936		29,030
Provision	19,791		22,429		(2,637)
Other	179,846		213,334		(33,487)
<b>Noncurrent Liabilities</b>	<b>395,367</b>	<b>20.8%</b>	<b>400,987</b>	<b>20.9%</b>	<b>(5,619)</b>
Bonds Payable	60,200		61,379		(1,179)
Long-term Loans Payable	169,545		172,900		(3,355)
Provision for Retirement Benefits	63,931		64,021		(89)
Allowance for Loss on Development Projects	5,904		5,904		-
Other	95,786		96,781		(995)
<b>Total Liabilities</b>	<b>1,593,973</b>	<b>83.7%</b>	<b>1,609,928</b>	<b>83.9%</b>	<b>(15,954)</b>
<b>(NET ASSETS)</b>					
<b>Shareholders' Equity</b>	<b>224,128</b>	<b>11.8%</b>	<b>225,213</b>	<b>11.7%</b>	<b>(1,084)</b>
Capital Stock	81,447		81,447		-
Capital Surplus	49,485		49,485		-
Retained Earnings	107,527		108,595		(1,068)
Treasury Stock	(14,331)		(14,314)		(16)
<b>Valuation and Translation Adjustments</b>	<b>78,349</b>	<b>4.1%</b>	<b>74,558</b>	<b>3.9%</b>	<b>3,790</b>
Valuation Difference on Available-for-sale Securities	59,208		49,492		9,716
Deferred Gains or Losses on Hedges	(645)		(768)		123
Revaluation Reserve for Land	26,056		26,161		(104)
Foreign Currency Translation Adjustment	(6,271)		(326)		(5,944)
<b>Minority Interests</b>	<b>8,180</b>	<b>0.4%</b>	<b>8,809</b>	<b>0.5%</b>	<b>(629)</b>
<b>Total Net Assets</b>	<b>310,658</b>	<b>16.3%</b>	<b>308,581</b>	<b>16.1%</b>	<b>2,076</b>
<b>Total Liabilities and Net Assets</b>	<b>1,904,631</b>	<b>100.0%</b>	<b>1,918,510</b>	<b>100.0%</b>	<b>(13,878)</b>

## Consolidated Income Statement (condensed)

Q1 / FY2008 (1 April - 30 June 2008)

	Q1 / FY2007 (1 Apr - 30 Jun '07)		Q1 / FY2008 (1 Apr - 30 Jun '08)		Change ¥ Mil	Full-Year / FY2007 (1 Apr '07 - 31 Mar '08)	
	¥ Mil	%	¥ Mil	%		¥ Mil	¥ Mil
<b>Revenues</b>	<b>337,467</b>	<b>100.0%</b>	<b>412,343</b>	<b>100.0%</b>	<b>74,875</b>	<b>1,894,187</b>	<b>100.0%</b>
Construction	299,396	100.0%	361,000	100.0%	61,603	1,599,626	100.0%
Real Estate and Other	38,070	100.0%	51,342	100.0%	13,271	294,560	100.0%
<b>Cost of Revenues</b>	<b>317,341</b>	<b>94.0%</b>	<b>387,056</b>	<b>93.9%</b>	<b>69,714</b>	<b>1,778,354</b>	<b>93.9%</b>
Construction	283,779	94.8%	343,975	95.3%	60,196	1,525,036	95.3%
Real Estate and Other	33,561	88.2%	43,080	83.9%	9,518	253,318	86.0%
<b>Gross Profit</b>	<b>20,125</b>	<b>6.0%</b>	<b>25,286</b>	<b>6.1%</b>	<b>5,161</b>	<b>115,832</b>	<b>6.1%</b>
Construction	15,617	5.2%	17,024	4.7%	1,407	74,590	4.7%
Real Estate and Other	4,508	11.8%	8,261	16.1%	3,753	41,242	14.0%
<b>Selling, General and Administrative Expenses</b>	<b>22,532</b>	<b>6.7%</b>	<b>23,492</b>	<b>5.7%</b>	<b>959</b>	<b>97,593</b>	<b>5.1%</b>
<b>Operating Income (Loss)</b>	<b>(2,406)</b>	<b>(0.7%)</b>	<b>1,794</b>	<b>0.4%</b>	<b>4,201</b>	<b>18,239</b>	<b>1.0%</b>
<b>Non-Operating Income</b>	<b>11,433</b>	<b>3.4%</b>	<b>5,435</b>	<b>1.3%</b>	<b>(5,997)</b>	<b>31,856</b>	<b>1.7%</b>
Dividends Income	2,217		2,526		309	5,318	
Other	9,215		2,908		(6,306)	26,537	
<b>Non-Operating Expenses</b>	<b>2,961</b>	<b>0.9%</b>	<b>2,309</b>	<b>0.5%</b>	<b>(652)</b>	<b>20,484</b>	<b>1.1%</b>
Interest Expense	2,028		1,727		(301)	8,479	
Other	933		581		(351)	12,005	
<b>Recurring Profit</b>	<b>6,064</b>	<b>1.8%</b>	<b>4,921</b>	<b>1.2%</b>	<b>(1,143)</b>	<b>29,610</b>	<b>1.6%</b>
<b>Extraordinary Profit</b>	<b>53</b>	<b>0.0%</b>	<b>5,184</b>	<b>1.2%</b>	<b>5,131</b>	<b>38,472</b>	<b>2.0%</b>
<b>Extraordinary Loss</b>	<b>768</b>	<b>0.2%</b>	<b>484</b>	<b>0.1%</b>	<b>(283)</b>	<b>16,861</b>	<b>0.9%</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>5,349</b>	<b>1.6%</b>	<b>9,621</b>	<b>2.3%</b>	<b>4,271</b>	<b>51,221</b>	<b>2.7%</b>
Income Taxes	2,552	0.8%	3,691	0.9%	1,139	8,719	0.5%
Minority Interests	293	0.1%	569	0.2%	276	(339)	(0.0%)
<b>Net Income</b>	<b>3,090</b>	<b>0.9%</b>	<b>6,498</b>	<b>1.6%</b>	<b>3,408</b>	<b>42,162</b>	<b>2.2%</b>

## Business & Geographical Segment (Consolidated)

### 1. Performance by Business Segment

Q1 / FY2008 (1 April - 30 June 2008)

	Construction	Real Estate	Other	Adjustments	Total
	¥ Mil	¥ Mil	¥ Mil	¥ Mil	¥ Mil
Revenues	361,000	31,336	20,005	-	412,343
Inter-company	1,103	454	2,160	(3,718)	-
Total Revenues	362,104	31,791	22,165	(3,718)	412,343
Operating Income	(2,404)	5,384	(1,173)	(10)	1,794

### 2. Performance by Geographical Segment

Q1 / FY2008 (1 April - 30 June 2008)

	Japan	North America	Europe	Asia	Adjustments	Total
	¥ Mil	¥ Mil	¥ Mil	¥ Mil	¥ Mil	¥ Mil
Revenues	346,997	36,117	16,250	12,977	-	412,343
Inter-company	49	-	-	0	(49)	-
Total Revenues	347,046	36,117	16,250	12,977	(49)	412,343
Operating Income	(2,443)	(426)	3,863	800	1	1,794

### 3. Overseas Revenues

Q1 / FY2008 (1 April - 30 June 2008)

	North America	Europe	Asia	Other Resions	Total
	¥ Mil	¥ Mil	¥ Mil	¥ Mil	¥ Mil
Revenues	36,068	16,352	18,402	30,293	101,117
Consolidated Revenues					412,343
Note:	8.7%	4.0%	4.5%	7.3%	24.5%

Note: percentage of overseas revenues to the consolidated revenues

**Supplementary Information**  
**Non-Consolidated Balance Sheet (condensed)**  
as at 30 June 2008

As at	30 June '08		31 March '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
<b>(ASSETS)</b>					
<b>Current Assets</b>	<b>905,646</b>	<b>59.1%</b>	<b>898,142</b>	<b>58.5%</b>	<b>7,504</b>
Cash and Deposits	75,458		66,326		9,131
Notes Receivable, Accounts Receivable from Completed Construction Contracts and Other	430,805		472,561		(41,756)
Real Estate for Sale	30,002		30,755		(752)
Costs on Uncompleted Construction Contracts	99,186		79,464		19,722
Costs on Development Projects in Progress and Other	70,866		64,407		6,458
Other	201,088		186,289		14,799
Allowance for Doubtful Accounts	(1,762)		(1,662)		(99)
<b>Noncurrent Assets</b>	<b>626,521</b>	<b>40.9%</b>	<b>636,211</b>	<b>41.5%</b>	<b>(9,690)</b>
<b>Property, Plant and Equipment</b>	<b>232,383</b>		<b>231,508</b>		<b>875</b>
<b>Intangible Assets</b>	<b>7,528</b>		<b>7,660</b>		<b>(131)</b>
<b>Investments and Other Assets</b>	<b>386,608</b>		<b>397,043</b>		<b>(10,434)</b>
Investment Securities	301,404		299,112		2,291
Other	95,754		108,505		(12,751)
Allowance for Doubtful Accounts	(10,549)		(10,574)		24
<b>Total Assets</b>	<b>1,532,167</b>	<b>100.0%</b>	<b>1,534,353</b>	<b>100.0%</b>	<b>(2,186)</b>

As at	30 June '08		31 March '08		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
<b>(LIABILITIES)</b>					
<b>Current Liabilities</b>	<b>960,876</b>	<b>62.7%</b>	<b>970,362</b>	<b>63.2%</b>	<b>(9,485)</b>
Notes Payable, Accounts Payable for Construction Contracts and Other	456,451		448,449		8,002
Short-term Loans Payable	104,922		79,068		25,854
Commercial Papers	45,000		77,000		(32,000)
Current Portion of Bonds	10,000		10,000		-
Advances Received on Uncompleted Construction Contracts	168,521		150,270		18,250
Allowance for Warranty on Completed Construction Contracts	1,285		1,140		145
Allowance for Foreseeable Losses on Uncompleted Construction Contracts	18,130		20,770		(2,640)
Other	156,566		183,664		(27,097)
<b>Noncurrent Liabilities</b>	<b>299,577</b>	<b>19.6%</b>	<b>298,964</b>	<b>19.5%</b>	<b>612</b>
Bonds Payable	60,000		60,000		-
Long-term Loans Payable	87,975		88,148		(172)
Provision for Retirement Benefits	56,974		56,990		(16)
Allowance for Loss on Development Projects	5,904		5,904		-
Allowance for Loss on Investments in Subsidiaries and Affiliates	19,404		18,452		952
Other	69,319		69,469		(150)
<b>Total Liabilities</b>	<b>1,260,454</b>	<b>82.3%</b>	<b>1,269,327</b>	<b>82.7%</b>	<b>(8,872)</b>
<b>(NET ASSETS)</b>					
<b>Shareholders' Equity</b>	<b>187,596</b>	<b>12.2%</b>	<b>190,667</b>	<b>12.4%</b>	<b>(3,071)</b>
Capital Stock	81,447		81,447		-
Capital Surplus	49,485		49,485		-
Retained Earnings	69,855		72,910		(3,055)
Treasury Stock	(13,191)		(13,174)		(16)
<b>Valuation and Translation Adjustments</b>	<b>84,116</b>	<b>5.5%</b>	<b>74,358</b>	<b>4.9%</b>	<b>9,757</b>
Valuation Difference on Available-for-sale Securities	58,956		49,406		9,549
Deferred Gains or Losses on Hedges	(423)		(729)		306
Revaluation Reserve for Land	25,584		25,681		(97)
<b>Total Net Assets</b>	<b>271,712</b>	<b>17.7%</b>	<b>265,026</b>	<b>17.3%</b>	<b>6,686</b>
<b>Total Liabilities and Net Assets</b>	<b>1,532,167</b>	<b>100.0%</b>	<b>1,534,353</b>	<b>100.0%</b>	<b>(2,186)</b>



## Non-Consolidated Income Statement (condensed)

Q1 / FY2008 (1 April - 30 June 2008)

	Q1 / FY2007 (1 Apr - 30 Jun '07)		Q1 / FY2008 (1 Apr - 30 Jun '08)		Change	Full-Year / FY2007 (1 Apr '07 - 31 Mar '08)	
	¥ Mil	%	¥ Mil	%	¥ Mil	¥ Mil	%
<b>Revenues</b>	<b>247,421</b>	<b>100.0%</b>	<b>310,510</b>	<b>100.0%</b>	<b>63,089</b>	<b>1,423,143</b>	<b>100.0%</b>
Construction	239,967	100.0%	303,417	100.0%	63,450	1,288,730	100.0%
Real Estate and Other	7,454	100.0%	7,093	100.0%	(361)	134,413	100.0%
<b>Cost of Revenues</b>	<b>234,210</b>	<b>94.7%</b>	<b>296,773</b>	<b>95.6%</b>	<b>62,562</b>	<b>1,352,030</b>	<b>95.0%</b>
Construction	228,051	95.0%	290,806	95.8%	62,754	1,236,525	95.9%
Real Estate and Other	6,159	82.6%	5,966	84.1%	(192)	115,505	85.9%
<b>Gross Profit</b>	<b>13,210</b>	<b>5.3%</b>	<b>13,737</b>	<b>4.4%</b>	<b>526</b>	<b>71,113</b>	<b>5.0%</b>
Construction	11,915	5.0%	12,611	4.2%	695	52,205	4.1%
Real Estate and Other	1,295	17.4%	1,126	15.9%	(168)	18,908	14.1%
<b>Selling, General and Administrative Expenses</b>	<b>15,472</b>	<b>6.2%</b>	<b>15,808</b>	<b>5.1%</b>	<b>335</b>	<b>66,471</b>	<b>4.7%</b>
<b>Operating Income (Loss)</b>	<b>(2,262)</b>	<b>(0.9%)</b>	<b>(2,071)</b>	<b>(0.7%)</b>	<b>191</b>	<b>4,642</b>	<b>0.3%</b>
<b>Non-Operating Income</b>	<b>8,648</b>	<b>3.5%</b>	<b>6,692</b>	<b>2.2%</b>	<b>(1,955)</b>	<b>15,052</b>	<b>1.1%</b>
<b>Non-Operating Expenses</b>	<b>2,041</b>	<b>0.8%</b>	<b>1,544</b>	<b>0.5%</b>	<b>(496)</b>	<b>14,531</b>	<b>1.0%</b>
<b>Recurring Profit</b>	<b>4,345</b>	<b>1.8%</b>	<b>3,077</b>	<b>1.0%</b>	<b>(1,268)</b>	<b>5,163</b>	<b>0.4%</b>
<b>Extraordinary Profit</b>	<b>22</b>	<b>0.0%</b>	<b>1</b>	<b>0.0%</b>	<b>(21)</b>	<b>26,499</b>	<b>1.8%</b>
<b>Extraordinary Loss</b>	<b>763</b>	<b>0.3%</b>	<b>1,419</b>	<b>0.5%</b>	<b>656</b>	<b>15,619</b>	<b>1.1%</b>
<b>Income before Income Taxes</b>	<b>3,604</b>	<b>1.5%</b>	<b>1,659</b>	<b>0.5%</b>	<b>(1,945)</b>	<b>16,043</b>	<b>1.1%</b>
Income Taxes	2,080	0.9%	1,242	0.4%	(838)	10,173	0.7%
<b>Net Income</b>	<b>1,523</b>	<b>0.6%</b>	<b>416</b>	<b>0.1%</b>	<b>(1,107)</b>	<b>5,870</b>	<b>0.4%</b>