

KAJIMA CORPORATION

Announcement of Revisions to the Half-year and Full-year Financial Projections for the Financial Year ending 31 March 2009

Please be advised that we have revised the consolidated and the non-consolidated financial projections for the financial year ending 31 March 2009, which we announced on 15 May 2008. The revisions were based on the latest financial performance of our group.

1. Consolidated basis

(1) Half-Year Financial Projections (From 1 April 2008 to 30 September 2008)

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on 15 May 2008 (A)	870,000	6,000	9,000	5,000	¥4.92
Revisions announced herein (B)	938,000	11,000	11,000	6,000	¥5.91
Change (B-A)	68,000	5,000	2,000	1,000	-
Change (%)	7.8%	83.3%	22.2%	20.0%	-
Results for the equivalent period last year	815,133	5,492	15,464	24,855	¥23.65

(2) Full-year Financial Projections (From 1 April 2008 to 31 March 2009)

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on 15 May 2008 (A)	1,890,000	34,000	38,000	25,000	¥24.61
Revisions announced herein (B)	1,960,000	18,500	20,000	12,000	¥11.81
Change (B-A)	70,000	(15,500)	(18,000)	(13,000)	-
Change (%)	3.7%	(45.6%)	(47.4%)	(52.0%)	-
Results for the equivalent period last year	1,894,187	18,239	29,610	42,162	¥40.53

2. Non-consolidated basis

(1) Half-year Financial Projections (From 1 April 2008 to 30 September 2008)

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on 15 May 2008 (A)	630,000	2,000	3,000	0	¥0.00
Revisions announced herein (B)	716,300	5,500	8,400	3,700	¥3.63
Change (B-A)	86,300	3,500	5,400	3,700	-
Change (%)	13.7%	175.0%	180.0%	- %	-
Results for the equivalent period last year	598,130	1,539	6,770	2,048	¥1.94

(2) Full-year Financial Projections (From 1 April 2008 to 31 March 2009)

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on 15 May 2008 (A)	1,370,000	21,000	22,000	8,000	¥7.84
Revisions announced herein (B)	1,460,000	8,000	10,000	1,000	¥0.98
Change (B-A)	90,000	(13,000)	(12,000)	(7,000)	-
Change (%)	6.6%	(61.9%)	(54.5%)	(87.5%)	-
Results for the equivalent period last year	1,423,143	4,642	5,163	5,870	¥5.62

3. Reasons for Revised Projections

(1) Half-Year Projections

The gross margin on construction put in place has declined due to unsuccessful negotiations for additions and change orders as well as unforeseen price increases of construction materials on certain large construction contracts and substantial foreign exchange losses are posted by an overseas subsidiary. These are offset by the sale of a large commercial facility in Tokyo which was originally scheduled to be sold in the second half year. Consequently, we have revised upward the half year earnings projections on a consolidated basis as well as on a non-consolidated basis announced on May 15, 2008.

As for the circular transactions at one of the subsidiaries the announcement of which was made on September 5, 2008, an extraordinary loss of ¥ 3,780 million is posted (see 3(3). below).

(2) Full-year Projections

We have revised downward the full year earnings projections on a consolidated basis as well as on a non-consolidated basis in view of the fact that lower gross margin is expected on construction put in place and that we have postponed the sale of certain overseas real estate projects due to global financial turmoil and slowdown in real estate markets.

We will strengthen our competitiveness and increase our profitability by placing priority on profits, implementing risk control and continuing to execute measures geared for improving our financial performance.

(3) Extraordinary Loss

A loss of ¥ 6,912 million is ascertained as a result of the investigation relative to the inappropriate transactions at Taiko Trading Co., Ltd., a subsidiary of the Company. Earlier on September 5, 2008, approximately ¥ 7,000 million was estimated and announced as the amount to affect the financial performance (profit).

Consequently, the operating revenue is reduced by ¥ 34 million and an extraordinary loss of ¥ 3,745 million is posted for the current half and full year. The remaining amount of ¥ 3,132 million will be reflected in the corrections of the past financial statements.

Reservations: 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.

For further information, please contact:

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