

May 18, 2006

KAJIMA CORPORATION

Sale of Operating Assets of our Subsidiary group in Hawaii

This is to announce that the group of Kajima Kona Holdings Incorporated (“KKH”), a consolidated subsidiary of Kajima Corporation, will sell its operating assets as set out below.

1. Reasons for and Background to the Sale

Under the booming real estate market in Hawaii, we judged that we were at a right opportunity to sell KKH group’s operating assets. On March 6, 2006, we reached an agreement, with conditions precedent, to sell KKH group’s hotel and golf operation business, housing business, and fixed assets and others, and have since continued negotiations with the buyer, targeting to transfer the assets on June 1, 2006. As we have finally cleared most of the conditions of the sales agreement, the deal is now likely to be closed.

2. Assets for the Sale

The assets to be sold comprise hotel and golf operation business, housing business, and fixed assets and others, owned by KKH group in Kona, The Island of Hawaii, Hawaii, U.S.A..

Hawaii Hualalai Resort Business

Location: Ka’upulehu-Kona, Hawaii, U.S.A.

Area: 860 acres

1) Operation Business

- Four Seasons Resort Hualalai at Historic Ka’upulehu (243 guest rooms)
 - #1 Golf course (18 holes)
 - #2 Golf course (18 holes)

- Spa & fitness facilities, tennis courts, clubhouses, beach houses, etc.

2) Housing Business

- Number of houses planned: 515 units
- Number of houses sold: 285 units (as of May 2006)

3. KKH Profile

- 1) Headquarters: located in New Castle, Delaware, U.S.A.

- 2) Represented by: Masafumi Fukuyama
- 3) Stockholders: owned by Kajima Corporation by 100%
- 4) Business: real estate development business in Hawaii, U.S.A.

4. Future Outlook

We have included an estimated profit from the sale of the assets in our projections of the consolidated and non-consolidated financial results for the year ending March 2007.

(Consolidated Basis)

- Estimated amount of sale: approx. US\$ 550 million (approx. Yen 60 billion)
- Estimated profit (extraordinary profit): approx US\$ 230 million (approx. Yen 25 billion)

(Non-Consolidated Basis)

- Extraordinary profit: approx. Yen 25 billion

NOTE:

The above estimations were based on our judgments made with information available as of the date of this letter. Accordingly, the results could differ from those set out above due to a variety of factors.

Further information is available at:

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