

October 21, 2008

KAJIMA CORPORATION

INVESTIGATION RESULTS OF CIRCULAR TRANSACTIONS AT A SUBSIDIARY

On September 5, 2008, Kajima Corporation (“Company”) announced that the Company had confirmed on a preliminary basis that circular transactions had been conducted at Taiko Trading Co., Ltd., a subsidiary of the Company and that the Company had established an investigation committee.

The Company has since investigated said transactions and their causes, ascertained effects on the past financial statements and considered measures to prevent recurrence of such transactions. The Company submitted the results of the investigation to the Independent Committee formed on September 17, 2008 for its review and advices.

The results of the investigations and reviews were reported to the Board of Directors today. To our great regret, the total loss of approximately ¥ 6,900 million is ascertained including the corrections of the past financial statements. Please refer to the attached sheets for a summary of said corrections.

As to the effect on the current year earnings, please refer to Announcement of Revisions to the Financial Projections for the Financial Year ending 31 March 2009 announced also today.

For further information, please contact Shuko Yamauchi, Executive Officer and General Manager of Corporate Planning Department at +81-3-6438-2073 (Telephone) or +81-3-6438-2711 (Facsimile).

Summary of corrections on the past financial statements (consolidated basis)

(Million of Yen)

		Before Corrections (B)	After Corrections (A)	(A)-(B)	((A)-(B))/(B)
Financial Year '03 (1 April 2003 - 31 March 2004)	Revenues	1,621,760	1,616,127	△ 5,632	△ 0.35%
	Operating Income	46,418	46,300	△ 118	△ 0.25%
	Recurring Profit	37,749	37,631	△ 118	△ 0.31%
	Net Loss	△ 4,474	△ 4,876	△ 402	△ 8.99%
	Total Assets	1,870,279	1,870,279	—	—
	Total Equity	216,509	216,107	△ 402	△ 0.19%
Financial Year '04 (1 April 2004 - 31 March 2005)	Revenues	1,687,379	1,682,499	△ 4,880	△ 0.29%
	Operating Income	47,114	47,007	△ 107	△ 0.23%
	Recurring Profit	47,253	47,146	△ 107	△ 0.23%
	Net Income	13,219	13,110	△ 109	△ 0.82%
	Total Assets	1,817,729	1,817,729	—	—
	Total Equity	219,741	219,230	△ 511	△ 0.23%
Financial Year '05 (1 April 2005 - 31 March 2006)	Revenues	1,775,273	1,770,834	△ 4,438	△ 0.25%
	Operating Income	55,734	55,633	△ 101	△ 0.18%
	Recurring Profit	55,354	55,253	△ 101	△ 0.18%
	Net Income	22,506	22,107	△ 398	△ 1.77%
	Total Assets	1,905,964	1,905,964	—	—
	Total Equity	297,921	297,011	△ 909	△ 0.31%
Financial Year '06 (1 April 2006 - 31 March 2007)	Revenues	1,891,465	1,891,366	△ 99	△ 0.01%
	Operating Income	55,515	55,416	△ 99	△ 0.18%
	Recurring Profit	58,713	58,614	△ 99	△ 0.17%
	Net Income	41,439	41,310	△ 128	△ 0.31%
	Total Assets	2,107,222	2,107,222	—	—
	Total Equity	352,274	350,969	△ 1,305	△ 0.37%
Financial Year '07 (1 April 2007 - 31 March 2008)	Revenues	1,894,187	1,894,044	△ 142	△ 0.01%
	Operating Income	18,239	18,096	△ 142	△ 0.78%
	Recurring Profit	29,610	29,468	△ 142	△ 0.48%
	Net Income	42,162	40,709	△ 1,453	△ 3.45%
	Total Assets	1,918,510	1,918,395	△ 114	△ 0.01%
	Total Equity	308,581	305,449	△ 3,132	△ 1.01%

(Million of Yen)

		Before Corrections (B)	After Corrections (A)	(A)-(B)	((A)-(B))/(B)
1st Half Financial Year '05 (1 April - 30 September 2005)	Revenues	784,494	782,130	△ 2,363	△ 0.30%
	Operating Income	19,463	19,410	△ 52	△ 0.27%
	Recurring Profit	18,779	18,726	△ 52	△ 0.28%
	Net Income	3,797	3,741	△ 56	△ 1.48%
	Total Assets	1,795,935	1,795,935	—	—
	Total Equity	241,331	240,764	△ 567	△ 0.24%
1st Half Financial Year '06 (1 April - 30 September 2006)	Revenues	804,969	804,925	△ 44	△ 0.01%
	Operating Income	16,186	16,141	△ 44	△ 0.28%
	Recurring Profit	17,821	17,776	△ 44	△ 0.25%
	Net Income	18,556	18,497	△ 59	△ 0.32%
	Total Assets	1,881,154	1,881,154	—	—
	Total Equity	314,091	312,873	△ 1,217	△ 0.39%
1st Half Financial Year '07 (1 April - 30 September 2007)	Revenues	815,133	815,054	△ 78	△ 0.01%
	Operating Income	5,492	5,413	△ 78	△ 1.43%
	Recurring Profit	15,464	15,386	△ 78	△ 0.51%
	Net Income	24,855	24,635	△ 219	△ 0.88%
	Total Assets	1,998,601	1,998,601	—	—
	Total Equity	356,021	354,439	△ 1,581	△ 0.44%

(Million of Yen)

		Before Corrections (B)	After Corrections (A)	(A)-(B)	((A)-(B))/(B)
1st Quarter Financial Year '08 (1 April - 30 June 2008)	Revenues	412,343	412,308	△ 34	△ 0.01%
	Operating Income	1,794	1,760	△ 34	△ 1.92%
	Recurring Profit	4,921	4,886	△ 34	△ 0.70%
	Net Income	6,498	4,748	△ 1,749	△ 26.93%
	Total Assets	1,904,631	1,902,986	△ 1,645	△ 0.09%
	Total Equity	310,658	305,326	△ 5,331	△ 1.72%

Note

Figures in After Corrections are under audit and may vary.