SUMMARY AND FORECAST OF BUSINESS PERFORMANCE

OVERVIEW OF BUSINESS PERFORMANCE

During the fiscal year ended March 31, 2011, while the global economy as a whole began trending toward recovery, the most robust turnaround was limited to Asia. The economic picture continued to harbor instability, stoked in particular by the economic impact of worsening unrest in the Middle East.

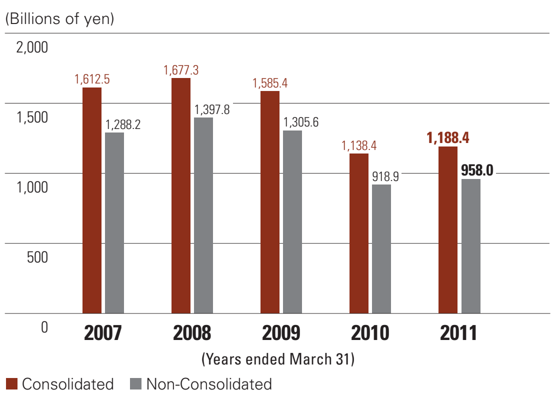
The situation surrounding the Japanese economy, meanwhile, continued to warrant serious concern. Although corporate earnings showed signs of improvement, a full-fledged recovery in domestic demand, especially in capital investment and consumer spending, remained elusive against a backdrop of gradual deflation, a strong yen, and an adverse employment picture. The economy was also impacted by the disaster triggered by the Great East Japan Earthquake, the largest seismic event in Japan's recorded history, which struck off the northeastern coast of the country.

Amid declining investment in public works, the Japanese construction market remained weak overall. This stemmed from lackluster construction investment in the private sector, which dropped sharply in the previous fiscal year and mirrored prevailing economic uncertainty, as well as growing investment, most notably by the manufacturing industry, in bases outside of Japan. The primary outcome was more intense competition for new contracts, as the business environment remained as severe as ever.

Under these conditions, the Kajima Group's consolidated results for the fiscal year ended March 31, 2011 were as follows.

Consolidated construction contract awards increased 4.4 percent compared with the previous fiscal year to ¥1,188.4 billion, primarily due to an increase in construction business at the parent company. Non-consolidated construction contract awards increased 4.3 percent year on year to ¥958.0 billion. Of this total, ¥226.0 billion came from civil engineering, a year-on-year decrease of 15.6 percent, mainly from declines overseas, and ¥732.0 billion came from building construction, up 12.4 percent year on year, spurred by contract awards for large-scale projects mainly from non-manufacturing industries, despite lackluster capital investment in the private sector.

CONSTRUCTION CONTRACT AWARDS

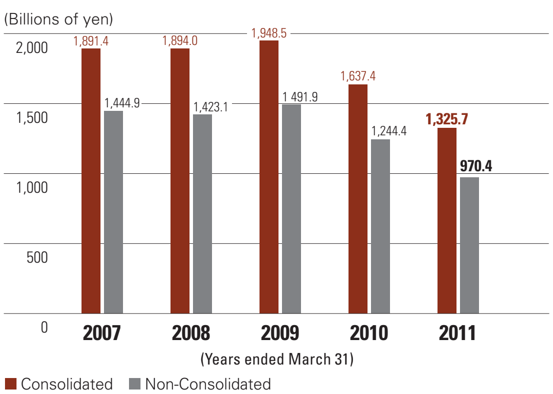


Consolidated revenues decreased 19.0 percent compared with the previous fiscal year to ¥1,325.7 billion, mainly because of the significant decrease in construction contract awards in the previous year.

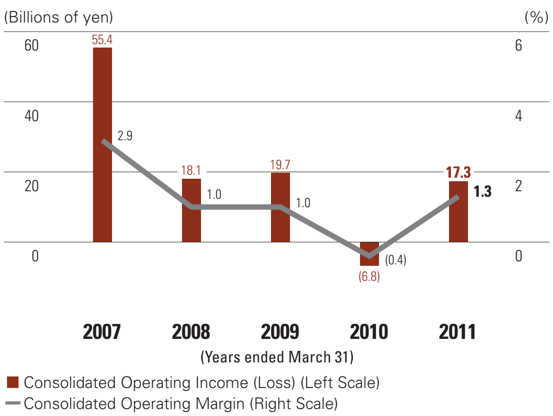
Consolidated operating income was ¥17.3 billion, a year-on-year turnaround from the ¥6.8 billion loss of the previous fiscal year, mainly due to an increase in gross profit on completed projects in the parent company's building construction business.

Consolidated net income increased 95.4 percent to ¥25.8 billion, mainly due to the booking of extraordinary profit from a gain on the transfer of a portion of ownership (preferred equity) in UDX SPC.

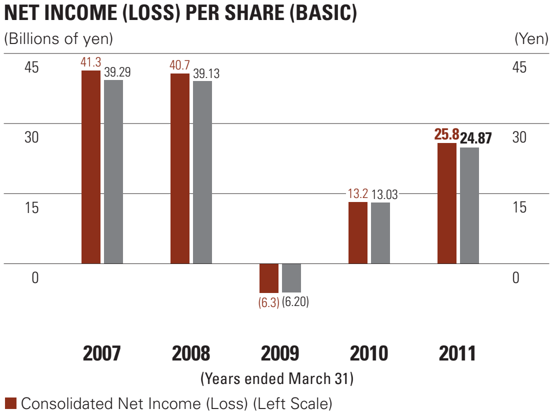
REVENUES



CONSOLIDATED OPERATING INCOME (LOSS) / CONSOLIDATED OPERATING MARGIN



CONSOLIDATED NET INCOME (LOSS) / NET INCOME (LOSS) PER SHARE (BASIC)



SEGMENT PERFORMANCE

Civil Engineering

Revenues fell 25.3 percent to ¥273.9 billion mainly because of the decline in contract awards in the previous fiscal year. The worsening outlook for profitability at some projects resulted in an operating loss of ¥16.1 billion. The loss was ¥20.9 billion one year earlier.

(Billions of yen)

(Years ended March 31)	2011	2010	2011/2010 (%)
Revenues	273.9	366.9	(25.3)
Operating loss	(16.1)	(20.9)	—

Building Construction

Lower contract awards in the previous fiscal year were primarily responsible for a 23.4 percent downturn in revenues to ¥639.4 billion. Operating income increased 119.8 percent to ¥25.3 billion despite the decline in revenues because of an improvement in the gross profit margin at completed projects.

(Billions of yen)

(Years ended March 31)	2011	2010	2011/2010 (%)
Revenues	639.4	834.9	(23.4)
Operating income	25.3	11.5	119.8

Real Estate Development and Other

Revenues increased 34.0 percent to ¥57.1 billion. There was an operating loss of ¥1.3 billion compared with a profit of ¥1.4 billion in the previous fiscal year due to the protracted slump in Japan's real estate sector.

(Billions of yen)

(Years ended March 31)	2011	2010	2011/2010 (%)
Revenues	57.1	42.6	34.0
Operating (loss) income	(1.3)	1.4	—

Domestic Subsidiaries and Affiliates

Revenues and operating income were not significantly different from one year earlier. Revenues decreased 0.3 percent to ¥332.2 billion and there was a 17.4 percent decline in operating income to ¥3.8 billion.

(Billions of yen)

(Years ended March 31)	2011	2010	2011/2010 (%)
Revenues	332.2	333.1	(0.3)
Operating income	3.8	4.6	(17.4)

Overseas Subsidiaries and Affiliates

Revenues decreased 19.1 percent to ¥155.9 billion mainly because of the downturn in new orders in the construction business in the previous fiscal year. Last year's ¥2.3 billion operating loss improved to operating income of ¥3.0 billion, primarily due to higher gross profit in the real estate development business and cuts in selling, general and administrative expenses.

(Billions of yen)

(Years ended March 31)	2011	2010	2011/2010 (%)
Revenues	155.9	192.7	(19.1)
Operating income (loss)	3.0	(2.3)	—

ANALYSIS OF FINANCIAL POSITION

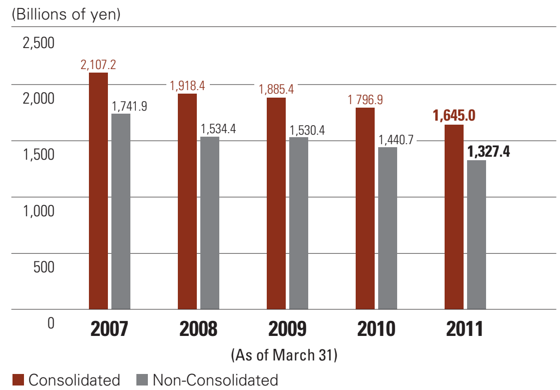
Assets, Liabilities and Equity

Total assets as of March 31, 2011 decreased ¥151.9 billion from a year earlier to ¥1,645.0 billion. This was mainly due to a decrease in notes and accounts receivable—trade, and a decrease in inventories on development projects in progress, real estate for sale and other.

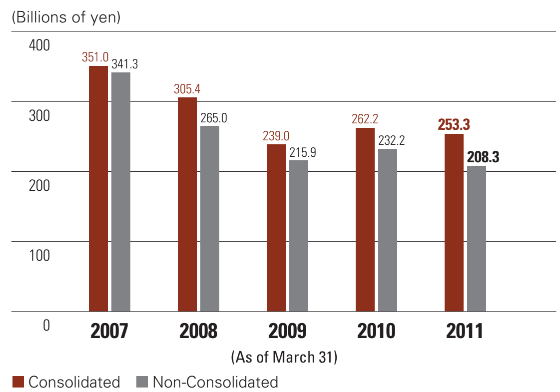
Total liabilities decreased ¥143.0 billion from a year earlier to ¥1,391.7 billion. This was mainly due to a decrease in interest-bearing debt and a decrease in notes and accounts payable—trade.

Total equity decreased ¥8.9 billion from a year earlier to ¥253.3 billion. As a result, the stockholders' equity/assets ratio increased to 15.4 percent from 14.6 percent as of March 31, 2010.

TOTAL ASSETS



TOTAL EQUITY



Cash Flows

Operating activities generated a net cash inflow of ¥64.1 billion during the fiscal year ended March 31, 2011, as opposed to a net cash outflow of ¥76.9 billion in the previous fiscal year. The cash inflow resulted mainly from income before income taxes and minority interests of ¥26.1 billion, with adjustments including depreciation and amortization of ¥18.9 billion, a decrease in receivables of ¥53.9 billion and a decrease in inventories of ¥35.2 billion. Cash outflow resulted mainly from a decrease in payables of ¥51.1 billion.

Investing activities resulted in a net cash inflow of ¥3.0 billion (fiscal year ended March 31, 2010: net cash outflow of ¥5.7 billion). The cash inflow resulted mainly from proceeds from the sales of investments of ¥14.3 billion, and proceeds from collection of loans of ¥7.9 billion. Cash outflow resulted mainly from payments for purchases of property and equipment totaling ¥20.7 billion.

Financing activities resulted in a net cash outflow of ¥50.6 billion (fiscal year ended March 31, 2010: net cash inflow of ¥72.0 billion). There were net outflows of ¥42.6 billion from fund procurement and repayments related to short-term borrowings, commercial paper, long-term debt and bonds, in addition to cash dividend payment of ¥6.2 billion.

As a result, cash and cash equivalents on March 31, 2011 increased ¥14.6 billion from a year earlier to ¥156.4 billion.

Statements of Cash Flows Highlights

(Billions of yen)

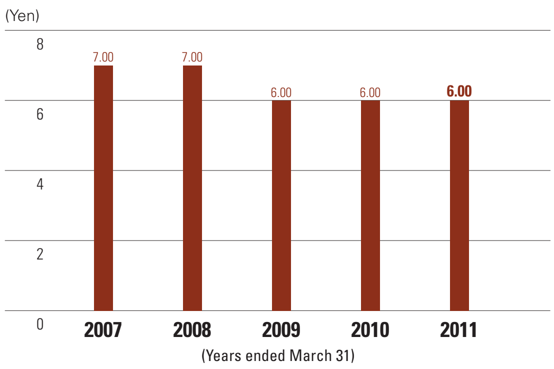
(Years ended March 31)	2011	2010	2009
Net cash provided by (used in) operating activities	**64.1**	(76.9)	16.1
Net cash provided by (used in) investing activities	**3.0**	(5.7)	(30.6)
Net cash (used in) provided by financing activities	**(50.6)**	72.0	74.6
Cash and cash equivalents at end of year	**156.4**	141.8	151.4

BASIC POLICY FOR PROFIT ALLOCATION

Our basic policy for profit allocation is to provide stable dividends to stockholders in accordance with business performance while securing internal reserves to maintain a sound management foundation. We use internal reserves to reinforce our financial structure and raise capital efficiency.

We considered our financial results for the fiscal year ended March 31, 2011 and the outlook for the operating environment in paying cash dividends per share for the fiscal year ended March 31, 2011 of ¥6.00, consisting of an interim dividend of ¥3.00 per share and a year-end dividend of ¥3.00 per share. We also plan to pay cash dividends totaling ¥6.00 per share for the current fiscal year, including an interim dividend of ¥3.00 per share.

CASH DIVIDENDS PER SHARE



FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2012

In terms of the outlook for the Japanese economy and construction market, despite expectations of moderate growth in the global economy, against the backdrop of the impact of the Great East Japan Earthquake and its aftermath, a self-sustaining recovery of the domestic economy is expected to require more time. In light of concerns about revisions being made to private-sector capital expenditure plans and apprehension about increased prices for certain construction materials, the operating environment of the construction industry is forecast to become even more adverse and challenging.

Given these conditions, we forecast that consolidated revenues for the current fiscal year will increase 10.9 percent year on year to ¥1,470.0 billion. Based on an anticipated increase in gross profit in the construction business of the parent company, we forecast operating income will increase 96.8 percent year on year to ¥34.0 billion. We also forecast that net income will decrease 34.2 percent year on year to ¥17.0 billion.

* Please note that the above projections are based on information available as of May 13, 2011, and are subject to risk and uncertainties that may cause actual results to vary.

BUSINESS AND OTHER RISKS

Risk factors that investors should consider before making any decision concerning the Kajima Group include, but are not limited to, those noted below. Forward-looking statements in this section are based on judgments made as of March 31, 2011.

The Kajima Group precludes, diversifies and hedges these and other risks and uncertainties related to its business to the largest extent practically possible, in order to minimize their impact on corporate activities.

1. Changes in Business Environment

Drastic adverse changes in the operating environments for construction and real estate development, including an unexpected decrease in demand for construction, a rapid increase in the cost of primary construction materials, or changes in prices or supply and demand in the real estate market, could affect the Kajima Group's results and financial position.

2. Changes in Construction Costs

Long-term, large-scale construction projects are subject to rapid increases in the prices of primary construction materials that could cause construction costs to increase unexpectedly, which could affect the Kajima Group's results and financial position.

3. Fluctuations in Interest and Foreign Exchange Rates

A sharp increase in interest rates or substantial changes in foreign exchange rates could affect the Kajima Group's results and financial position.

4. Fluctuations in Asset Value and Profitability

A significant drop in the value and profitability of the Kajima Group's assets, including real estate for sale, real estate used in operations and investment securities, could affect the Kajima Group's results and financial position.

5. Country Risk

The Kajima Group operates in North America, Europe, Asia and other regions around the world. Significant political, economic or legal changes in the countries and regions where the Kajima Group operates could affect the Kajima Group's results and financial position.

6. Changes in the PFI Project Environment

PFI business typically extends over a long period of time, during which significant changes in the operating environment could affect the Kajima Group's results and financial position.

7. Construction and Other Defects

The Kajima Group provides various services such as design and construction that, if significantly defective, could affect the Kajima Group's results and financial position.

8. Counterparty Credit Risk

Credit problems of customers, subcontractors, joint venture partners or other counterparties could cause bad debts, construction delays or other problems that could affect the Kajima Group's results and financial position.

9. Deferred Income Tax Assets

The Kajima Group expects to fully utilize deferred income tax assets outstanding as of March 31, 2011 to offset taxable income in the future. However, unexpected events including, but not limited to, changes in tax regulations may partially prevent the Kajima Group from doing so.

10. Laws and Regulations

The Kajima Group operates in the Japanese construction industry, which is subject to a variety of laws and regulations including the Construction Business Act, the Building Standards Act, the Building Lots and Buildings Transaction Business Act, the National Land Use Planning Act, the City Planning Act and the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade. Revision of these laws, the enactment of new laws or regulations, or changes to the applicable standards could affect the Kajima Group's results and financial position. Also, any litigation against the Kajima Group could affect the Kajima Group's results and financial position if the outcome differs from the Group's assertion or prediction.