

April 8, 2005

## KAJIMA CORPORATION

### Notice of revision made to the financial projection for the financial year ended March 31, 2005

Please be advised that Kajima Corporation has duly revised as follows, based on the latest financial performance, the full-year consolidated and non-consolidated financial projections for the financial year ended March 31, 2005, which was previously announced on November 18, 2004 upon the release of its financial results for the six-month period ended September 30, 2004.

1. Revisions made to the Consolidated financial projection for the financial year from April 1, 2004 through March 31, 2005

(Millions of Yen)

|   | <u>Revenues</u> | <u>Recurring Profit</u> | <u>Net Income (Loss)</u> |
|---|-----------------|-------------------------|--------------------------|
| (A) Previous projection released on November 18, 2004                     | 1,670,000       | 45,000                  | 13,000                   |
| (B) Revised projection  | 1,680,000       | 46,000                  | 12,000                   |
| (C) Change (B) - (A)  | 10,000          | 1,000                   | (1,000)                  |
| (D) % Change  | 0.6%            | 2.2%                    | (7.7%)                   |
| Ref.<br>Same period last year (from April 1, 2003 through March 31, 2004) | 1,621,760       | 37,749                  | (4,474)                  |

2. Revisions made to the Non-Consolidated financial projection for the financial year from April 1, 2004 through March 31, 2005

(Millions of Yen)

|   | <u>Revenues</u> | <u>Recurring Profit</u> | <u>Net Income (Loss)</u> |
|---|-----------------|-------------------------|--------------------------|
| (A) Previous projection released on November 18, 2004                     | 1,270,000       | 45,000                  | 12,000                   |
| (B) Revised projection  | 1,295,000       | 49,000                  | 10,000                   |
| (C) Change (B) - (A)  | 25,000          | 4,000                   | (2,000)                  |
| (D) % Change  | 2.0%            | 8.9%                    | (16.7%)                  |
| Ref.<br>Same period last year (from April 1, 2003 through March 31, 2004) | 1,172,432       | 21,255                  | (14,492)                 |

### 3. Causes for revision

(1) Valuation loss on investments in subsidiaries

Non-Consolidated valuation loss of approximately Yen 15 billion is to be recorded on investments in Kajima Europe B.V., a holding company of its European operations, in conjunction with the aggravated financial results of its construction subsidiary in U.K.

(2) Profit on sale of investments in securities

Kajima Corporation has been stepping up the efforts to sell its investments in securities to reduce the risks associated with its asset holding. Profit of approximately Yen 10 billion from the sale of investments in securities is to be recorded on the non-consolidated basis.

(3) Increase in recurring profit

Non-Consolidated recurring profit is projected to climb to Yen 49 billion, up Yen 4 billion from the previous projection, due to improvement in gross profit margin from the construction projects. In the meantime, Consolidated recurring profit is to edge up to Yen 46 billion, up Yen 1 billion from the previous projection, with the rate of improvement curbed by the aggravation of financial performance by Kajima Europe B.V.

(4) Decrease in net income

Non-Consolidated net income is expected to decline to Yen 10 billion, down Yen 2 billion from the previous projection, with the valuation loss on investments in Kajima Europe B.V. offsetting the increase in recurring profit. Accordingly, Consolidated net income is to slide to Yen 12 billion, down Yen 1 billion from the previous projection.

*Projections/forecasts contained herein are based on information available as of April 8, 2005 and are subject to risks and uncertainties that may cause the actual results to vary.*

Ref.

Non-Consolidated Contract Awards for the financial year from April 1, 2004 through March 31, 2005 (based on the latest information, but yet to be finalized)

(Billions of Yen)

|   | Construction |       |         | Real Estate | Total   |
|---|--------------|-------|---------|-------------|---------|
|   | Civil Eng.   | Arch. | Total   |             |         |
| (A) Previous projection released on November 18, 2004                     | 300.0        | 910.0 | 1,210.0 | 140.0       | 1,350.0 |
| (B) Actual  | 343.6        | 995.6 | 1,339.3 | 145.1       | 1,484.4 |
| (C) Change (B) - (A)  | 43.6         | 85.6  | 129.3   | 5.1         | 134.4   |
| (D) % Change  | 14.5%        | 9.4%  | 10.7%   | 3.6%        | 10.0%   |
| Ref.<br>Same period last year (from April 1, 2003 through March 31, 2004) | 288.6        | 803.9 | 1,092.5 | 85.5        | 1,178.1 |

Further information is available at:

Mr. Hironobu Takano, General Manager

Accounting Department, Treasury Division

Kajima Corporation

2-7, Motoakasaka 1-chome,

Minato-ku, Tokyo 107-8388, Japan

Telephone (03) 3404-3311; International 81-3-3404-3311

Facsimile (03) 3746-7168; International 81-3-3746-7168