## IV. NON-CONSOLIDATED FINANCIAL STATEMENTS

(The 108th Financial Year from April 1, 2004 to March 31, 2005)

1. Date of the Board of Directors' Meeting to Approve the Non-Consolidated Financial Statements: May 18, 2005
2. Date of Ordinary Stockholders' Meeting: June 29, 2005
3. Financial Highlights for the Years Ended March 31:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | 2005 | 2004 | 2005 |
| Revenues | Yen 1,296,227 | Yen 1,172,432 | $ 12,114,271 |
| Operating Income | 55,084 | 30,286 | 514,804 |
| Net Income (Loss) | 10,976 | (14,492) | 102,579 |
| Total Assets | 1,510,848 | 1,586,815 | 14,120,075 |
| Stockholders’ Equity | 237,991 | 236,473 | 2,224,215 |
| Equity / Assets Ratio (%) | 15.8 | 14.9 | 15.8 |
| Contract Awards | 1,484,455 | 1,178,155 | 13,873,411 |
| Contract Backlog | 1,579,783 | 1,391,555 | 14,764,327 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| Per Share: | | | |
| Basic Net Income (Loss) | Yen 10.25 | Yen (14.49) | $ 0.10 |
| Equity | 225.28 | 223.89 | 2.11 |
| Cash Dividends: | | | |
| Total Annual | 6.00 | 5.00 | 0.056 |
| Year-End | 3.50 | 2.50 | 0.033 |
| Interim | 2.50 | 2.50 | 0.023 |

## 4. Forecast for the 109th Financial Year from April 1, 2005 to March 31, 2006

### (1) Major Financial Results

| | Forecast for the 109th Financial Year | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | First Half | Full Year | Full Year |
| Revenues | Yen 590,000 | Yen 1,260,000 | $ 11,775,701 |
| Construction projects | 550,000 | 1,180,000 | 11,028,037 |
| Civil engineering | 135,000 | 310,000 | 2,897,196 |
| Architectural construction | 415,000 | 870,000 | 8,130,841 |
| Real estate and other | 40,000 | 80,000 | 747,664 |
| Gross Profit | 49,000 | 112,000 | 1,046,729 |
| Gross profit margin (%) | 8.3 | 8.9 | 8.9 |
| Construction projects (%) | 8.4 | 9.0 | 9.0 |
| Civil engineering (%) | 10.7 | 11.5 | 11.5 |
| Architectural construction (%) | 7.6 | 8.1 | 8.1 |
| Real estate and other (%) | 7.5 | 7.5 | 7.5 |
| Selling, General and Administrative Expenses | 31,500 | 64,000 | 598,131 |
| Operating Income | 17,500 | 48,000 | 448,598 |
| Net Income | 7,000 | 20,000 | 186,916 |

### (2) Contract Awards

| | Forecast for the 109th Financial Year | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | First Half | Full Year | Full Year |
| Civil Engineering | Yen 125,000 | Yen 300,000 | $ 2,803,738 |
| Architectural Construction | 370,000 | 820,000 | 7,663,552 |
| Total Construction | 495,000 | 1,120,000 | 10,467,290 |
| Domestic | 473,000 | 1,084,000 | 10,130,841 |
| Overseas | 22,000 | 36,000 | 336,449 |
| Real Estate and Other | 40,000 | 80,000 | 747,663 |
| Total | Yen 535,000 | Yen 1,200,000 | $ 11,214,953 |

### (3) Dividends

| | Forecast for the 109th Financial Year | |
|---|---|---|
| | Yen | U.S. Dollars |
| Cash Dividends per Share | | |
| Total Annual | Yen 6.00 | $ 0.056 |
| Interim | 3.00 | 0.028 |
| Year-End | 3.00 | 0.028 |

The above projections/forecasts are based on information available as of the release of this document and are subject to risks and uncertainties that may cause the actual results to vary.

5. KAJIMA CORPORATION

NON-CONSOLIDATED BALANCE SHEETS

| | As of March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | Yen 110,298 | Yen 80,584 | $ 1,030,822 |
| Marketable securities | 218 | 120 | 2,037 |
| Receivables: | | | |
| Notes receivable-trade | 9,854 | 9,736 | 92,093 |
| Accounts receivable-trade | 353,443 | 287,717 | 3,303,206 |
| Short-term loans | 450 | 6,110 | 4,206 |
| Short-term loans to subsidiaries and affiliates | 3,908 | 2,821 | 36,523 |
| Allowance for doubtful accounts | (5,383) | (9,544) | (50,308) |
| Inventories: | | | |
| Construction projects in progress | 99,538 | 146,808 | 930,262 |
| Development projects in progress | 93,792 | 123,344 | 876,561 |
| Real estate for sale | 44,962 | 47,832 | 420,206 |
| Materials and supplies | 102 | 159 | 953 |
| Deferred income taxes | 77,476 | 72,429 | 724,075 |
| Other current assets | 103,085 | 131,319 | 963,411 |
| Total current assets | 891,743 | 899,435 | 8,334,047 |
| PROPERTY AND EQUIPMENT: | | | |
| Land | 137,562 | 150,553 | 1,285,626 |
| Buildings and structures | 81,524 | 96,522 | 761,907 |
| Machinery and equipment | 4,911 | 4,705 | 45,897 |
| Construction in progress | 317 | 1,237 | 2,963 |
| Total property and equipment | 224,314 | 253,017 | 2,096,393 |
| INVESTMENTS AND OTHER ASSETS: | | | |
| Investments in securities | 198,529 | 212,586 | 1,855,411 |
| Investments in and long-term loans to subsidiaries and affiliates | 102,888 | 136,735 | 961,570 |
| Long-term loans receivable | 27,518 | 24,480 | 257,178 |
| Allowance for doubtful accounts | (33,655) | (60,825) | (314,533) |
| Deferred income taxes | 62,339 | 71,833 | 582,607 |
| Other | 37,172 | 49,554 | 347,402 |
| Total investments and other assets | 394,791 | 434,363 | 3,689,635 |
| TOTAL | Yen 1,510,848 | Yen 1,586,815 | $ 14,120,075 |

| | As of March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Short-term borrowings | Yen 65,646 | Yen 88,832 | $ 613,514 |
| Commercial paper | 26,000 | 44,000 | 242,991 |
| Current portion of long-term debt | 72,653 | 30,022 | 679,000 |
| Payables: | | | |
| Notes payable-trade | 2,865 | 6,675 | 26,776 |
| Accounts payable-trade | 406,882 | 365,677 | 3,802,636 |
| Advances received: | | | |
| Construction projects in progress | 164,334 | 147,774 | 1,535,832 |
| Development projects in progress, real estate and other | 62,931 | 72,860 | 588,140 |
| Income taxes payable | 2,952 | 1,070 | 27,589 |
| Accrued expenses | 11,677 | 9,511 | 109,131 |
| Employees' savings deposits | 22,046 | 22,806 | 206,037 |
| Other current liabilities | 126,983 | 177,111 | 1,186,756 |
| Total current liabilities | 964,969 | 966,338 | 9,018,402 |
| LONG-TERM LIABILITIES: | | | |
| Long-term debt | 160,751 | 221,030 | 1,502,346 |
| Deferred income taxes on revaluation of land | 14,343 | 10,342 | 134,047 |
| Liability for retirement benefits | 58,596 | 60,974 | 547,626 |
| Allowance for loss on development projects | 14,908 | 13,050 | 139,327 |
| Allowance for loss on investments in subsidiaries and affiliates | 10,408 | 24,131 | 97,271 |
| Other long-term liabilities | 48,882 | 54,477 | 456,841 |
| Total long-term liabilities | 307,888 | 384,004 | 2,877,458 |
| CONTINGENT LIABILITIES (See Note (7)) | | | |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock, authorized, 1,920,000,000 shares; issued, 1,057,312,022 shares | 81,447 | 81,447 | 761,187 |
| Additional paid-in capital | 49,485 | 49,485 | 462,477 |
| Retained earnings | 45,823 | 47,411 | 428,252 |
| Revaluation surplus of land | 21,072 | 13,790 | 196,934 |
| Unrealized gain on available-for-sale securities | 40,697 | 44,688 | 380,346 |
| Treasury stock-at cost, 1,542,564 shares in 2005 and 1,093,884 shares in 2004 | (533) | (348) | (4,981) |
| Total stockholders' equity | 237,991 | 236,473 | 2,224,215 |
| TOTAL | Yen 1,510,848 | Yen 1,586,815 | $ 14,120,075 |

6. KAJIMA CORPORATION

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

| | Years Ended March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| REVENUES: | | | |
| Construction projects | Yen 1,137,975 | Yen 1,098,393 | $ 10,635,280 |
| Real estate and other | 158,252 | 74,039 | 1,478,991 |
| Total revenues | 1,296,227 | 1,172,432 | 12,114,271 |
| COST OF REVENUES: | | | |
| Construction projects | 1,034,454 | 1,008,861 | 9,667,794 |
| Real estate and other | 142,165 | 65,312 | 1,328,645 |
| Total cost of revenues | 1,176,619 | 1,074,173 | 10,996,439 |
| Gross profit | 119,608 | 98,259 | 1,117,832 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 64,524 | 67,973 | 603,028 |
| Operating income | 55,084 | 30,286 | 514,804 |
| OTHER INCOME (EXPENSES): | | | |
| Interest and dividends | 3,564 | 3,547 | 33,308 |
| Interest expense | (5,888) | (6,733) | (55,028) |
| Gain on sales of marketable and investment securities-net | 9,764 | 4,766 | 91,252 |
| Loss on restructuring of affiliates | (15,310) | - | (143,084) |
| Loss on dissolution of Welfare Pension Fund | - | (33,484) | - |
| Valuation loss on investments in subsidiaries and affiliates | (15,460) | (6,012) | (144,486) |
| Provision for doubtful accounts | (3,049) | (4,333) | (28,495) |
| Provision for loss on investments in subsidiaries and affiliates | - | (3,390) | - |
| Foreign currency exchange gain (loss) | 1,052 | (629) | 9,832 |
| Provision for loss on development projects | (1,858) | - | (17,364) |
| Loss on impairment of long-lived assets | (1,376) | - | (12,860) |
| Other-net | (3,028) | (122) | (28,300) |
| Other expenses-net | (31,589) | (46,390) | (295,225) |
| INCOME (LOSS) BEFORE INCOME TAXES | 23,495 | (16,104) | 219,579 |
| INCOME TAXES: | | | |
| Current | 1,352 | 70 | 12,636 |
| Deferred | 11,167 | (1,682) | 104,364 |
| Total income taxes | 12,519 | (1,612) | 117,000 |
| NET INCOME (LOSS) | Yen 10,976 | Yen (14,492) | $ 102,579 |

## 7. Notes to Non-Consolidated Financial Statements

### (1)Basis of Presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Kajima Corporation (the "Company") in accordance with the provisions set forth in the Japanese Commercial Code (the "Code") and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards (IFRSs).

As consolidated statements of cash flows and certain disclosures are presented in the consolidated financial statements of the Company, non-consolidated statements of cash flows and certain disclosures are not presented herein in accordance with accounting procedures generally accepted in Japan.

In preparing the non-consolidated financial statements, certain reclassifications and rearrangements have been made to the Company's financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in 2004 non-consolidated financial statements to conform to the classifications and presentations used in 2005. In accordance with accounting procedures generally accepted in Japan, certain comparative disclosures are not required to be and have not been presented herein.

The accounts of the Company are maintained in Japanese yen, the currency of the country in which it is incorporated and principally operates. The U.S. dollar amounts included herein are presented solely for the convenience of the reader. Such dollar amounts have been translated from yen at the approximate exchange rate in Tokyo on March 31, 2005 of Yen107 = U.S.$1. The translations should not be construed as representations that Japanese yen have been, could have been, or could in the future be, converted into U.S. dollars at that or any other rate.

### (2)Summary of Significant Accounting Policies

(a)Non-consolidation

The non-consolidated financial statements do not include the accounts of subsidiaries. Investments in subsidiaries and affiliates are stated at cost. Such investments are written down to a reasonable value, if the investments have been significantly impaired. Profits of these companies are reflected in the Company's books only to the extent dividends are received.

(b)Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within three months of the date of acquisition.

(c)Inventories

Inventories other than materials and supplies are stated at cost as determined on a specific project basis. Related general and administrative expenses and financial charges are excluded from such costs. Materials and supplies are stated at cost determined by the moving-average method.

(d)Marketable Securities and Investments in Securities

Marketable securities and investments in securities are classified and accounted for, depending on management's intent, as follows:

i)Trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value and the related unrealized gains and losses are included in the earnings;

ii)Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost;

iii)Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of stockholders' equity.

All securities held by the Company are classified as available-for-sale securities. The cost of securities sold is determined based on the moving-average method. Non-marketable available-for-sale securities are stated at amortized cost or at cost determined by the moving-average method according to the nature. For other than temporary declines in fair value, available-for-sale securities are reduced to net realizable value by a charge to income.

(e)Property and Equipment

Property and equipment are principally stated at cost, net of accumulated depreciation. Depreciation has been computed using the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998. The estimated useful lives for buildings and structures range from 2 to 50 years and for machinery and equipment range from 2 to 20 years. Accumulated depreciation was Yen166,827 million ($1,559,131 thousand) and Yen162,287 million as of March 31, 2005 and 2004, respectively.

(f) Long-lived Assets

In August 2002, the Business Accounting Council issued a Statement of Opinion, “Accounting for Impairment of Fixed Assets”, and in October 2003 the Accounting Standards Board of Japan (ASB) issued ASB Guidance No. 6, “Guidance for Accounting Standard for Impairment of Fixed Assets”. These new pronouncements are effective for years beginning on or after April 1, 2005 with early adoption permitted for years ending on or after March 31, 2004.

The Company adopted the new accounting standard for impairment of fixed assets as of April 1, 2004. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The effect of adoption of the new accounting standard was to decrease income before income taxes by Yen 1,376 million ($12,860 thousand) for the year ended March 31, 2005. In addition, accumulated impairment losses are deducted directly from the related fixed assets.

(g)Allowance for Doubtful Accounts

Allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Company’s past credit loss experience and an evaluation of potential losses in the receivables and others outstanding.

(h)Retirement Benefits

Under the employees’ retirement benefit plans, the Company has funded and unfunded retirement benefit plans covering all employees.

The employees’ retirement benefits are accounted for the estimated liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date in conformity with the accounting standard for employees’ retirement benefits.

Retirement benefits to directors and corporate auditors are recorded to state the liability at the amount which would be required if all directors and corporate auditors retired at the balance sheet date as stipulated in the retirement regulations.

(i)Allowances for Loss on Development Projects

The Company provides for foreseeable losses arising from certain real estate projects.

(j)Allowances for Loss on Investments in Subsidiaries and Affiliates

The Company provides for losses arising from subsidiaries and affiliates, which will be attributable to the Company.

(k)Recognition of Revenues and Related Costs

Individual construction projects, whose contract amounts are not less than Yen100 million and the contract periods are beyond one year, are recorded using the percentage-of-completion method, while individual construction projects except the aforementioned are recorded using the completed-construction method.

The revenues posted by way of the percentage-of-completion method for the years ended March 31, 2005 and 2004 were Yen714,440 million ($6,677,009 thousand) and Yen639,055 million, respectively.

(l)Costs of Research and Development, Share Issuance and Debenture Issuance

All research and development costs, share issuance costs and debenture issuance costs are charged to income as incurred. Costs of research and development for the years ended March 31, 2005 and 2004 totaled Yen9,767 million ($91,280 thousand) and Yen10,854 million, respectively.

(m)Leases

All leases are accounted for as operating leases. Under the Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s non-consolidated financial statements.

Accordingly, the Company will disclose “Lease” related information in the annual report covering the financial years ended March 31, 2005 and 2004.

(n)Income Taxes

The provision for income taxes is computed based on the pretax income included in the non-consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income taxes are measured by applying currently enacted tax laws to the temporary differences.

Effective from April 1, 2003, the Company files a tax return under the consolidated corporate-tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries. Under the consolidated-tax system, a surcharge tax of 2% of taxable income was levied in addition to the national corporate income tax rate up to the year ended March 31, 2004, but such surcharge is no more levied for the year ended March 31, 2005.

(o)Appropriations of Retained Earnings

Appropriations of retained earnings are reflected in the accompanying non-consolidated financial statements for the following year upon stockholders’ approval.

(p)Foreign Currency Transactions

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the non-consolidated statements of operations to the extent that they are not hedged by forward exchange contracts or currency swaps.

(q)Derivatives and Hedging Activities

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange, interest rates and value of listed equity securities. Foreign exchange forward contracts, currency swaps, interest rate swaps and contracts for future delivery of the equity securities are utilized by the Company to reduce the risks arising from the factors mentioned above. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

i)all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the statements of operations, and

ii)for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions, however, the contracts for future delivery engaged in to hedge fluctuations in listed equity securities are measured at fair value and the unrealized gains and losses are charged to income.

The derivative instruments applied for forecasted or committed transactions are also measured at the fair value, but the unrealized gains/losses are deferred until the underlying transactions are completed.

The monetary debts and credits denominated in foreign currencies, for which foreign exchange forward contracts or currency swaps are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts or currency swaps qualify for hedge accounting.

The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differential paid or received under the swap agreements are charged to income.

(r)Per Share Information

Basic net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. The weighted average number of common shares used in the computation for the years ended March 31, 2005 and 2004 was 1,056,034,914 shares and 1,000,331,462 shares, respectively.

Diluted net income per share is not disclosed because the Company has nothing which might dilute the per share information for the year ended March 31, 2005 and because of the net loss for the year ended March 31, 2004.

(3)Revaluation of Land

Under the "Law of Land Revaluation", the Company adopted a one-time revaluation of its own-use land in Japan to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of stockholders' equity. There is no effect on the non-consolidated statements of operations. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As of March 31, 2005, the carrying amount of the land after the above one-time revaluation exceeded the market value by Yen16,072 million ($150,206 thousand).

(4)Pledged Assets

As of March 31, 2005, the following assets of the Company were pledged.

| | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| Receivables: | | |
| Accounts receivable-trade | Yen 332 | $ 3,103 |
| Land | 62 | 579 |
| Investments in and long-term loans to subsidiaries and affiliates | 438 | 4,093 |
| Investments and other assets - Other | 155 | 1,449 |
| Total | Yen 987 | $ 9,224 |

(5)Retirement Benefits

The Company has retirement benefit plans for employees, directors and corporate auditors. The amount of the employees' retirement benefits is, in general, determined on the basis of length of service and current basic salary at the time of termination of service. If the termination of service is involuntary, an employee is entitled to greater payments than in the case of voluntary termination. The allowance of retirement benefits for employees of the Company is partially funded in the Kajima Pension Fund as the contributory pension plan, the assets of which are administrated by the board of trustees composed of management and employee representatives. The fund is established under the Japanese Welfare Pension Insurance Law, which covers a substitutional portion of the governmental pension program managed by the Company on behalf of the government.

The Company obtained the approval of dissolution of the Kajima Pension Fund by Ministry of Health, Labor and Welfare on March 31, 2004 and dissolved the pension fund. The Company applied accounting treatments specified in the guidance issued by the Accounting Standards Board of Japan. The effect of dissolution was Yen 33,484 million, recorded as loss on dissolution of welfare pension fund in the non-consolidated statements of operations for the year ended March 31, 2004.

At the same time of dissolution of the pension fund, the Company obtained the approval of a regulation of defined contribution pension plan by Ministry of Health, Labor and Welfare. On April 1, 2004, the Company implemented the defined contribution pension plan by which the former qualified defined benefit pension plan was terminated and revised severance lump-sum payment plan.

Liability for retirement benefits as of March 31, 2005 and 2004 includes retirement benefits for directors and corporate auditors of Yen4,740 million ($44,299 thousand) and Yen4,345 million, respectively. The retirement benefits for directors and corporate auditors are paid subject to the approval of stockholders.

(6)Income Taxes

The Company is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.5% and 41.5% for the years ended March 31, 2005 and 2004, respectively.

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2005 and 2004 were as follows:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | 2005 | 2004 | 2005 |
| Deferred Tax Assets: | | | |
| Inventories | Yen 38,899 | Yen 40,494 | $ 363,542 |
| Valuation loss on securities | 37,478 | 31,722 | 350,262 |
| Liability for retirement benefits | 20,625 | 18,482 | 192,757 |
| Allowance for doubtful accounts | 16,271 | 25,422 | 152,065 |
| Property and equipment | 10,358 | 11,292 | 96,804 |
| Other | 55,315 | 57,271 | 516,963 |
| Subtotal | 178,946 | 184,683 | 1,672,393 |
| Valuation allowance | (2,650) | (1,528) | (24,767) |
| Total | 176,296 | 183,155 | 1,647,626 |
| Deferred Tax Liabilities: | | | |
| Unrealized gain on available-for-sale securities | (28,165) | (30,420) | (263,224) |
| Other | (8,316) | (8,473) | (77,720) |
| Total | (36,481) | (38,893) | (340,944) |
| Net Deferred Tax Assets | Yen 139,815 | Yen 144,262 | $ 1,306,682 |

(7)Contingent Liabilities

As of March 31, 2005, contingent liabilities for loans guaranteed including related items of similar nature amounted to Yen131,294 million ($1,227,047 thousand).

# V. BREAKDOWN OF ORDER BOOK

(1)Contract Awards

| | Years Ended March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| Civil Engineering | | | |
| Domestic -Public | Yen 212,521 | Yen 201,128 | $ 1,986,177 |
| -Private | 100,050 | 76,914 | 935,047 |
| Overseas | 31,073 | 10,649 | 290,402 |
| Subtotal | 343,644 | 288,691 | 3,211,626 |
| Architectural Construction | | | |
| Domestic -Public | 67,027 | 77,532 | 626,420 |
| -Private | 928,088 | 724,234 | 8,673,720 |
| Overseas | 550 | 2,139 | 5,140 |
| Subtotal | 995,665 | 803,905 | 9,305,280 |
| Real Estate and Other | 145,146 | 85,559 | 1,356,505 |
| Grand Total | Yen 1,484,455 | Yen 1,178,155 | $ 13,873,411 |

Principal works awarded to the Company during the financial year ended March 31, 2005:

| | (Client) | (Works) |
|---|---|---|
| 1 | Kanto Regional Development Bureau, Ministry of Land, Infrastructure and Transport | The Development of the D Runway of the Tokyo International Airport |
| 2 | Mitsubishi Estate Co., Ltd<br>TOKYU CORPORATION<br>Mitsubishi Logistics Corporation | M. M. TOWERS FORESIS |
| 3 | Fuji Television Network, Inc. | Fuji Television Tokyo Waterfront Subcenter Studio |
| 4 | MEIDENSHA CORPORATION<br>World Trade Center Building, Inc. | Osaki Station West Side Development Project |
| 5 | Canon Inc. | Oita Canon Inc. Oita Plant Phase 2 |
| 6 | The Tohoku Regional Bureau, Ministry of Land, Infrastructure and Transport | Isawa Dam (Phase 1) |
| 7 | Bases Conversion and Development Authority, Republic of the Philippines | Subic-Clark-Tarlac Expressway Project Package 1: Subic-Clark Section |

(2)Revenues

| | Years Ended March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| Civil Engineering | | | |
| Domestic -Public | Yen 181,050 | Yen 209,548 | $ 1,692,056 |
| -Private | 93,411 | 96,594 | 873,000 |
| Overseas | 27,434 | 27,377 | 256,392 |
| Subtotal | 301,895 | 333,519 | 2,821,448 |
| Architectural Construction | | | |
| Domestic -Public | 78,101 | 80,815 | 729,916 |
| -Private | 755,661 | 682,100 | 7,062,252 |
| Overseas | 2,318 | 1,959 | 21,664 |
| Subtotal | 836,080 | 764,874 | 7,813,832 |
| Real Estate and Other | 158,252 | 74,039 | 1,478,991 |
| Grand Total | Yen 1,296,227 | Yen 1,172,432 | $ 12,114,271 |

Principal works completed by the Company during the financial year ended March 31, 2005:

| | (Client) | (Works) |
|---|---|---|
| 1 | Chubu Electric Power Co., Inc | Hamaoka Nuclear Power Plant Unit No. 5 Building Works |
| 2 | SEIBU Railway Co., LTD. | Tokyo PRINCE HOTEL Park Tower |
| 3 | Sumitomo Life Insurance Company<br>Sumitomo Realty & Development Co., Ltd | Shiodome Sumitomo Building |
| 4 | Tohoku Electric Power Co., Inc. | Higashidori Nuclear Power Plant Unit No. 1 Building Works |
| 5 | KOWA REAL ESTATE CO., LTD. | AKASAKA INTERCITY - HOMAT VISCOUNT |
| 6 | Pioneer Corporation | Pioneer Display Products Corporation, Yamanashi Plant #1 |
| 7 | Japan Highway Public Corporation | New Tomei Expressway, Yahagigawa Bridge |

Principal works completed by the consolidated subsidiaries during the financial year ended March 31, 2005:

| | (Client) | (Works) |
|---|---|---|
| 1 | Institute of Technical Education | First ITE Regional Campus Project |

Notes: 1: Completed by Kajima Overseas Asia Pte. Ltd.

(3)Total Contract Backlog

| | Years Ended March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars |
| | 2005 | 2004 | 2005 |
| Civil Engineering | | | |
| Domestic -Public | Yen 311,859 | Yen 280,388 | $ 2,914,570 |
| -Private | 160,906 | 154,267 | 1,503,794 |
| Overseas | 76,817 | 73,178 | 717,916 |
| Subtotal | 549,582 | 507,833 | 5,136,280 |
| Architectural Construction | | | |
| Domestic -Public | 74,200 | 85,274 | 693,458 |
| -Private | 877,392 | 704,965 | 8,199,925 |
| Overseas | 295 | 2,063 | 2,757 |
| Subtotal | 951,887 | 792,302 | 8,896,140 |
| Real Estate and Other | 78,314 | 91,420 | 731,907 |
| Grand Total | Yen 1,579,783 | Yen 1,391,555 | $ 14,764,327 |

Principal works in progress by the Company as of March 31, 2005:

| | (Client) | (Works) |
|---|---|---|
| 1 | Mitsui Fudosan Co., Ltd. | Nihonbashi Mitsui Tower |
| 2 | Mitsui Fudosan Co., Ltd.<br>Mitsubishi Corporation.<br>ORIX Real Estate Corporation.<br>Sumitomo Corporation<br>Nippon Steel City Produce, Inc.<br>ITOCHU PROPERTY DEVELOPMENT,LTD. | Shibaura Island Cape Tower |
| 3 | Mitsubishi Estate Co., Ltd.<br>East Japan Railway Company<br>The Bank of Tokyo-Mitsubishi, Ltd. | Tokyo Building |
| 4 | Hokuriku Electric Power Company | Shika Nuclear Power Station Unit No. 2 Construction |
| 5 | East Japan Railway Company<br>Mitsui Fudosan Co., Ltd. | Tokyo Station Yaesu Area Development Project, North Tower Phase I |
| 6 | East Japan Railway Company<br>Kajima Yaesu Kaihatsu Co., Ltd.<br>Nippon Oil Corporation | Tokyo Station Yaesu Area Development Project, South Tower |
| 7 | Japanese Red Cross Nagoya First Hospital | Japanese Red Cross Nagoya First Hospital Reconstruction Project |
| 8 | Hokkaido Electric Power Co., Inc | The upper reservoir of the Kyogku Power Plant |

The end of documents