

12 October 2005

KAJIMA CORPORATION

Announcement of revisions to the interim financial projections for the first half of the financial year ending on 31 March 2006 (for the six-month period from 1 April to 30 September 2005)

Please be advised that we have revised the interim consolidated and non-consolidated financial projections for the first half of the financial year ending on 31 March 2006, which were announced on 18 May 2005 upon the release of its financial result for the financial year ending on 31 March 2005. We have made the revisions based on the latest financial performance of the group.

1. Revisions to the interim consolidated financial projection for the six-month period from 1 April to 30 September 2005

		(Millions of Yen)		
		<u>Revenues</u>	<u>Recurring Profit</u>	<u>Net Profit</u>
- Projection announced				
on 18 May 2005	(A)	770,000	15,000	7,000
- Revisions announced herein	(B)	770,000	17,000	3,000
- Change	(B)-(A)	-	2,000	(-) 4,000
- Change in %		- %	13.3%	(-) 57.1%
- Result in the equivalent period last year		732,664	18,642	(-) 2,612

2. Revisions to the interim non-consolidated financial projection for the six-month period from 1 April to 30 September 2005

		(Millions of Yen)		
		<u>Revenues</u>	<u>Recurring Profit</u>	<u>Net Profit</u>
- Projection announced				
on 18 May 2005	(A)	590,000	15,000	7,000
- Revisions announced herein	(B)	590,000	19,500	2,500
- Change	(B)-(A)	-	4,500	(-) 4,500
- Change in %		-%	30.0%	(-) 64.3%
- Result in the equivalent period last year		578,005	24,883	1,931

3. Causes for the revisions

(1) Loss on investments in subsidiaries (on a non-consolidated basis)

As a result of deteriorated operating performance of a construction business related subsidiary in the U.K. under Kajima Europe B.V., the holding company of our operations in Europe, a loss on investments in Kajima Europe B.V. shall be recorded in the approximate amount of 14.5 billion Yen.

We are reviewing all options available concerning our construction operations in the U.K.

(2) Loss on restructuring of business (on a consolidated basis)

A loss on restructuring of business shall be recorded in the approximate amount of 5.5 billion Yen for restructuring charges to be incurred in the U.K..

(3) Increase in interim recurring profit

The non-consolidated recurring profit is projected to reach 19.5 billion Yen, up by 4.5 billion Yen against the earlier projection.

The consolidated recurring profit is projected to reach 17.0 billion Yen, up by 2.0 billion Yen against the earlier projection, which is attributable to the improved financial results of Kajima Corporation as well as overseas subsidiaries in other countries that enabled us to absorb the loss derived from Kajima Europe B.V. group.

(4) Decrease in interim net profit

The interim net profit on a consolidated basis shall drop to 3.0 billion Yen, falling short of the earlier projection by 4.0 billion Yen.

The interim net profit on a non-consolidation basis shall drop to 2.5 billion Yen due to the loss on investments in Kajima Europe B.V. despite an increase in recurring profit.

3. The consolidated and the non-consolidated financial projections for the full year ending on 31 March 2006 shall be made available on 17 November 2005 when we officially announce the interim financial result.

Projections contained herein are based on information available as at the date of this announcement and are subject to risks and uncertainties that may cause the actual results to vary.

Reference:

Non-consolidated interim contract awards from 1 April to 30 September 2005

(based on latest information, but yet to be finalised)

		(Billions of Yen)					
		(Civil Eng.)	Construction (Building)	(Total)	Real Estate & Other	Total	
-	Projection announced on 18 May 2005	(A)	125.0	370.0	495.0	40.0	535.0
-	Actual	(B)	163.1	371.5	534.7	55.1	589.8
-	Change	(B)-(A)	38.1	1.5	39.7	15.1	54.8
-	Change in %		30.5%	0.4%	8.0%	37.8%	10.3%
-	Result in the equivalent period last year		111.7	436.7	548.5	104.0	652.4

Further information is available at:

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