

KAJIMA CORPORATION

Consolidated and Non-Consolidated Financial Statements

(For the Period from 1 April 2006 to 31 March 2007)

Financial Highlights

Consolidated

Contract Awards

	Full-year FY2005	Full-year FY2006	Full-year FY2007 (Target)
	¥ Mil	¥ Mil	¥ Mil
Contract Awards (Construction)	1,462,799	1,612,531	1,500,000

Operating Performance

	Full-year FY2005	Full-year FY2006	Full-year FY2007 (Target)
	¥ Mil	¥ Mil	¥ Mil
Revenues	1,775,273	1,891,465	1,850,000
Gross Profit	153,915	154,039	140,000
Operating Income	55,734	55,515	43,000
Net Income	22,506	41,439	32,000
Basic Net Income per Share	¥21.19	¥39.41	¥30.44

Assets and Equity

As at	31 Mar 06	31 Mar 07
	¥ Mil	¥ Mil
Total Assets	1,905,964	2,107,222
Total Equity	297,921	352,274
Equity / Assets Ratio	15.6%	16.2%
Equity per Share	¥283.05	¥325.11

Cash Flows

	Full-year FY2005	Full-year FY2006	Full-year FY2007 (Target)
	¥ Mil	¥ Mil	¥ Mil
Operating Activities	53,402	(4,132)	50,000
Investing Activities	(14,844)	22,117	(55,000)
Financing Activities	(35,999)	(4,845)	(48,000)
Cash and Cash Equivalents at the end of the Period	143,858	158,100	105,100

Non-Consolidated

Contract Awards

	Full-year FY2005	Full-year FY2006	Full-year FY2007 (Target)
	¥ Mil	¥ Mil	¥ Mil
Contract Awards	1,374,000	1,387,864	1,285,000

Operating Performance

	Full-year FY2005	Full-year FY2006	Full-year FY2007 (Target)
	¥ Mil	¥ Mil	¥ Mil
Revenues	1,341,282	1,444,925	1,385,000
Gross Profit	123,029	116,371	98,500
Operating Income	57,516	51,065	32,000
Net Income	18,584	29,465	11,000
Basic Net Income per Share	¥17.54	¥27.92	¥10.42

Assets and Equity

As at	31 Mar 06	31 Mar 07
	¥ Mil	¥ Mil
Total Assets	1,547,153	1,741,948
Total Equity	306,671	341,257
Equity / Assets Ratio	19.8%	19.6%
Equity per Share	¥290.49	¥323.41

Income Statements (Consolidated)

	Full-year FY2005		Full-year FY2006		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
Revenues	1,775,273	100%	1,891,465	100%	116,192
Construction	1,512,699	100%	1,583,145	100%	70,446
Real Estate and Other	262,574	100%	308,320	100%	45,745
Cost of Revenues	1,621,358	91.3%	1,737,426	91.9%	116,068
Construction	1,397,631	92.4%	1,480,483	93.5%	82,851
Real Estate and Other	223,726	85.2%	256,942	83.3%	33,216
Gross Profit	153,915	8.7%	154,039	8.1%	123
Construction	115,067	7.6%	102,662	6.5%	(12,405)
Real Estate and Other	38,848	14.8%	51,377	16.7%	12,529
Selling, General and Administrative Expenses	98,180	5.6%	98,523	5.2%	343
Operating Income	55,734	3.1%	55,515	2.9%	(219)
Non-Operating Income	15,609	0.9%	18,624	1.0%	3,015
Interest Income	1,989		2,763		773
Dividends Income	4,115		3,729		(385)
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	1,711		5,361		3,649
Other	7,792		6,770		(1,022)
Non-Operating Expenses	15,989	0.9%	15,425	0.8%	(563)
Interest Expense	8,480		8,688		207
Provision for Doubtful Accounts	3,151		1,083		(2,068)
Other	4,356		5,653		1,296
Recurring Profit	55,354	3.1%	58,713	3.1%	3,359
Extraordinary Profit	2,776	0.1%	30,592	1.6%	27,816
Gain on Sales of Operating Business, Assets and Others	-		26,703		26,703
Other	2,776		3,889		1,112
Extraordinary Loss	7,773	0.4%	16,255	0.8%	8,481
Valuation Loss on Inventories	-		7,554		7,554
Provision for Loss on Development Projects	-		2,406		2,406
Loss on Investments in Affiliates	-		3,320		3,320
Other	7,773		2,975		(4,798)
Income before Income Taxes and Minority Interests	50,357	2.8%	73,050	3.9%	22,693
Income Taxes:	26,472	1.5%	31,107	1.7%	4,635
Current	3,644		18,188		14,544
Deferred	22,827		12,918		(9,909)
Minority Interests	(1,378)	(0.0%)	(503)	(0.0%)	874
Net Income	22,506	1.3%	41,439	2.2%	18,933

Balance Sheets (Consolidated)

As at	31 Mar '06	31 Mar '07	Change
	¥ Mil	¥ Mil	¥ Mil
(ASSETS)			
Current Assets	1,132,929	1,322,928	189,999
Cash and Cash in Banks	144,895	158,951	14,055
Notes and Accounts Receivable - Trade	468,386	630,044	161,657
Marketable Securities	454	298	(155)
Inventories:			
Construction Projects in Progress	115,255	106,009	(9,246)
Development Projects in Progress, Real Estate and Other	242,822	229,542	(13,280)
Deferred Income Taxes	63,188	65,750	2,562
Other	108,598	137,618	29,019
Allowance for Doubtful Accounts	(10,672)	(5,286)	5,386
Fixed Assets	773,034	784,293	11,258
Tangible Fixed Assets	344,184	343,195	(989)
Buildings and Structures	133,874	112,806	(21,068)
Machinery and Equipment	17,176	16,505	(671)
Land	158,357	164,883	6,525
Construction in Progress	33,820	48,071	14,250
Other	955	929	(25)
Intangible Fixed Assets	12,245	10,583	(1,662)
Investments and Other Assets	416,604	430,514	13,909
Investments in Securities	336,114	370,145	34,030
Long-term Loans Receivable	24,237	16,987	(7,249)
Deferred Income Taxes	5,798	4,897	(900)
Other	77,885	57,328	(20,556)
Allowance for Doubtful Accounts	(27,431)	(18,845)	8,586
Total Assets	1,905,964	2,107,222	201,257

As at	31 Mar '06	31 Mar '07	Change
	¥ Mil	¥ Mil	¥ Mil
(LIABILITIES)			
Current Liabilities	1,148,318	1,318,243	169,924
Notes and Accounts Payable - Trade	538,771	628,263	89,492
Short-term Borrowings	130,607	155,323	24,715
Commercial Paper	24,000	50,000	26,000
Current Portion of Bonds	35,808	28,178	(7,630)
Income Taxes Payable	3,735	14,309	10,574
Advance Received:			
Construction Projects in Progress	157,249	166,605	9,356
Development Projects in Progress, Real Estate and Other	63,036	35,253	(27,783)
Deposits Received	99,388	134,649	35,260
Allowance for Warranty on Completed Construction Projects	936	1,318	382
Allowance for Foreseeable Losses on Construction Projects	4,211	8,613	4,402
Liabilities for Bonuses - Directors	-	176	176
Other	90,572	95,550	4,977
Long-Term Liabilities	449,012	436,704	(12,307)
Bonds Payable	103,402	76,355	(27,047)
Long-term Debt	164,686	154,001	(10,684)
Deferred Income Taxes	14,193	30,700	16,506
Deferred Income Taxes on Revaluation of Land	13,958	19,799	5,841
Liability for Retirement Benefits - Employees	64,252	65,348	1,095
Liability for Retirement Benefits - Directors and Corporate Auditors	6,133	1,240	(4,892)
Allowance for Loss on Development Projects	11,435	11,435	-
Equity Loss in excess of Investments in and Loans to Unconsolidated Subsidiaries and Affiliates	5,137	6,408	1,271
Other	65,810	71,412	5,601
Total Liabilities	1,597,330	1,754,947	157,616

As at	31 Mar '06	31 Mar '07	Change
	¥ Mil	¥ Mil	¥ Mil
(EQUITY)			
Owners' Equity		204,035	
Common Stock		81,447	
Additional Paid-in Capital		49,485	
Retained Earnings		75,095	
Treasury Stock - At cost		(1,992)	
Valuation and Translation Adjustments		137,703	
Unrealized Gain on Available-for-sale Securities		110,725	
Deferred Gain (Loss) on Derivatives under Hedge Accounting		(310)	
Revaluation Surplus of Land		26,943	
Foreign Currency Translation Adjustments		345	
Minority Interests		10,535	
Total Equity		352,274	
Total Liabilities and Equity		2,107,222	

(MINORITY INTERESTS)			
Minority Interests	10,712		
(STOCKHOLDERS' EQUITY)			
Stockholders' Equity	297,921		
Common Stock	81,447		
Additional Paid-in Capital	49,485		
Retained Earnings	48,745		
Revaluation Surplus of Land	18,361		
Unrealized Gain on Available-for-sale Securities	98,748		
Foreign Currency Translation Adjustments	2,785		
Treasury Stock - At cost	(1,651)		
Total Liabilities, Minority Interests and Stockholders' Equity	1,905,964		

Cash Flow Statements (Consolidated)

	Full-year FY2005	Full-year FY2006
	¥ Mil	¥ Mil
OPERATING ACTIVITIES		
Income before Income Taxes and Minority Interests	50,357	73,050
Adjustments for:		
Depreciation and Amortization	17,884	15,944
Loss on Impairment of Long-lived Assets	-	1,260
Increase (Decrease) in Provision for Doubtful Accounts	3,056	860
Increase (Decrease) in Allowance for Foreseeable Losses on Construction Projects	248	4,402
Increase (Decrease) in Liability for Retirement Benefits	1,232	1,095
Increase (Decrease) in Liability for Retirement Benefits - Directors and Corporate Auditors	321	(1,275)
Interest and Dividends	(6,104)	(6,493)
Interest Expense	8,480	8,688
Foreign Currency Exchange Loss (Gain)	(1,742)	(2,660)
Equity in earnings of Unconsolidated Subsidiaries and Affiliates	(1,711)	(5,361)
Loss (Gain) on Sales or Disposals of Property and Equipment - Net	785	(2,276)
Loss (Gain) on Sales of Marketable and Investment Securities - Net	(2,356)	(397)
Valuation Loss on Marketable and Investment Securities	327	399
Gain on Sales of Operating Business, Assets and Other	-	(26,703)
Loss on Investments in Affiliates	-	3,320
(Increase) Decrease in Receivables	(9,877)	(160,435)
(Increase) Decrease in Inventories - Construction Projects in Progress	32,369	9,680
(Increase) Decrease in Other Inventories	(35,305)	5,367
Increase (Decrease) in Payables	10,390	87,193
Increase (Decrease) in Advances Received	(17,769)	(18,880)
Increase (Decrease) in Deposits Received	12,685	36,337
Other	(1,879)	(18,367)
Sub-total	61,391	4,750
Interest and Dividends Received	6,152	6,716
Interest Paid	(8,553)	(8,660)
Income Taxes - Paid	(5,588)	(6,939)
Net Cash provided by (used in) Operating Activities	53,402	(4,132)
INVESTING ACTIVITIES		
Payment for Purchases of Marketable and Investment Securities	(13,201)	(14,908)
Proceeds from Sales and Redemption of Marketable and Investment Securities	8,313	5,024
Payment for Purchases of Property and Equipment	(19,701)	(37,176)
Proceeds from Sales of Property and Equipment	3,597	8,448
Disbursements for Loans	(7,282)	(12,571)
Proceeds from Collection of Loans	12,540	3,067
Proceeds from Reduction of Capital	0	8,950
Proceeds from Sales of Operating Business, Assets and Other	-	60,663
Other - Net	888	620
Net Cash provided by (used in) Investing Activities	(14,844)	22,117
FINANCING ACTIVITIES		
Increase (Decrease) in Short-term Borrowings	221	1,849
Net Repayment of Commercial Paper	(2,000)	26,000
Proceeds from Issuance of Long-term Debt	34,362	55,859
Repayment of Long-term Debt	(48,024)	(44,969)
Proceeds from Issuance of Bonds	43,827	4,087
Redemption of Bonds	(57,295)	(41,094)
Cash Dividends Paid	(6,830)	(6,294)
Other - Net	(260)	(282)
Net Cash provided by (used in) Financing Activities	(35,999)	(4,845)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	1,702	1,102
Net Increase (Decrease) in Cash and Cash Equivalents	4,261	14,241
Cash and Cash Equivalents - Beginning of the Period	139,597	143,858
Cash and Cash Equivalents - End of the Period	143,858	158,100

Income Statements (Non-Consolidated)

	Full-year FY2005		Full-year FY2006		Change
	¥ Mil	%	¥ Mil	%	¥ Mil
Revenues	1,341,282	100%	1,444,925	100%	103,643
Construction	1,256,777	100%	1,298,154	100%	41,376
Real Estate and Other	84,504	100%	146,771	100%	62,266
Cost of Revenues	1,218,252	90.8%	1,328,554	91.9%	110,301
Construction	1,141,800	90.9%	1,205,455	92.9%	63,655
Real Estate and Other	76,452	90.5%	123,098	83.9%	46,646
Gross Profit	123,029	9.2%	116,371	8.1%	(6,658)
Construction	114,977	9.1%	92,698	7.1%	(22,278)
Real Estate and Other	8,051	9.5%	23,672	16.1%	15,620
Selling, General and Administrative Expenses	65,513	4.9%	65,305	4.6%	(207)
Operating Income	57,516	4.3%	51,065	3.5%	(6,450)
Non-Operating Income	7,860	0.6%	11,040	0.8%	3,179
Interest Income	481		393		(87)
Dividends Income	4,892		5,383		490
Foreign Currency Exchange Gain	1,076		2,996		1,919
Other	1,411		2,267		856
Non-Operating Expenses	10,631	0.8%	10,037	0.7%	(594)
Interest Expense	3,096		3,937		841
Interest Expense on Bonds	1,780		1,414		(365)
Provision for Doubtful Accounts	3,632		1,220		(2,412)
Other	2,122		3,464		1,342
Recurring Profit	54,745	4.1%	52,068	3.6%	(2,676)
Extraordinary Profit	1,924	0.1%	28,749	2.0%	26,824
Gain on Sale of Property and Equipment	28		3,239		3,211
Gain on Sale of Marketable and Investment Securities	1,896		341		(1,555)
Liquidation Dividend on a Consolidation Subsidiary	-		25,168		25,168
Extraordinary Loss	21,835	1.6%	25,363	1.8%	3,527
Valuation Loss on Inventories	-		7,398		7,398
Loss on Investments in Affiliates	-		3,320		3,320
Provision for Loss on Investments in Subsidiaries and Affiliates	10,767		8,502		(2,265)
Other	11,067		6,142		(4,925)
Income before Income Taxes	34,834	2.6%	55,455	3.8%	20,620
Income Taxes - Current	930		9,883		8,952
Income Taxes - Deferred	15,319		16,105		786
Net Income	18,584	1.4%	29,465	2.0%	10,881
Unappropriated Retained Earnings - Prior	6,413				
Transfer of Revaluation Surplus of Land	3,153				
Interim Cash Dividends Paid	3,166				
Unappropriated Retained Earnings	24,984				

Balance Sheets (Non-Consolidated)

As at	31 Mar '06	31 Mar '07	Change
	¥ Mil	¥ Mil	¥ Mil
(ASSETS)			
Current Assets	869,112	1,043,857	174,745
Cash and Cash in Banks	102,144	118,915	16,770
Notes Receivable - Trade	14,921	17,537	2,616
Accounts Receivable - Trade	358,921	488,599	129,678
Marketable Securities	99	158	58
Inventories:			
Real Estate for Sale	38,596	34,637	(3,959)
Construction Projects in Progress	76,644	91,905	15,260
Development Projects in Progress and Other	119,546	98,385	(21,161)
Deferred Income Taxes	61,545	63,815	2,270
Other Account Receivable	32,289	30,957	(1,331)
Suspense Payment	47,713	68,738	21,025
Other	24,122	32,331	8,208
Allowance for Doubtful Accounts	(7,433)	(2,125)	5,308
Fixed Assets	678,041	698,090	20,049
Tangible Fixed Assets	222,222	234,374	12,151
Buildings	72,922	68,062	(4,860)
Structures	3,795	3,041	(753)
Machinery	2,652	1,999	(652)
Vehicles	320	271	(49)
Tools and Equipment	1,599	1,705	106
Land	138,236	146,882	8,645
Construction in Progress	2,289	12,004	9,715
Other	406	407	1
Intangible Fixed Assets	8,122	6,867	(1,255)
Investments and Other Assets	447,695	456,847	9,152
Investments in Securities	302,647	334,434	31,786
Investment Securities of Subsidiaries and Affiliates	58,230	56,925	(1,304)
Other Investments	1,345	1,220	(125)
Investments in Subsidiaries and Affiliates	16,356	7,083	(9,273)
Long-term Loans Receivable	3,720	3,593	(126)
Long-term Loans Receivable - Employees	2	1	0
Long-term Loans Receivable - Subsidiaries and Affiliates	29,182	38,434	9,251
Claims in Bankruptcy or Reorganization Proceedings	4,374	562	(3,812)
Prepaid Expenses	4,564	4,701	137
Deferred Income Taxes	21,834	1,342	(20,491)
Other	33,213	24,219	(8,994)
Allowance for Doubtful Accounts	(27,775)	(15,670)	12,105
Total Assets	1,547,153	1,741,948	194,794

As at	31 Mar '06	31 Mar '07	Change
	¥ Mil	¥ Mil	¥ Mil
(LIABILITIES)			
Current Liabilities	918,846	1,084,999	166,153
Notes Payable - Trade	3,419	4,007	587
Accounts Payable - Trade	426,848	514,144	87,296
Short-term Borrowings	78,973	80,142	1,169
Commercial Paper	24,000	50,000	26,000
Current Portion of Bonds	10,000	25,000	15,000
Income Tax Payable	1,859	10,578	8,718
Advances Received:			
Construction Projects in Progress	141,403	143,133	1,729
Development Projects in Progress and Other	61,036	33,311	(27,725)
Deposits Received	102,412	144,205	41,792
Allowance for Warranty on Completed Construction Projects	760	1,016	256
Allowance for Foreseeable Losses on Construction Projects	4,000	8,290	4,290
Employees' Savings Deposits	22,611	22,574	(36)
Other	41,520	48,596	7,075
Long-Term Liabilities	321,636	315,691	(5,944)
Bonds Payable	85,000	60,000	(25,000)
Long-term Debt	90,178	89,943	(235)
Long-term Debt - Subsidiaries and Affiliates	-	5,759	5,759
Deferred Income Taxes on Revaluation of Land	12,197	18,038	5,841
Liability for Retirement Benefits - Employees	56,148	57,585	1,436
Liability for Retirement Benefits - Directors and Corporate Auditors	4,943	-	(4,943)
Allowance for Loss on Development Projects	5,904	5,904	-
Allowance for Loss on Investments in Subsidiaries and Affiliates	17,863	26,366	8,502
Long-term Accounts Payable	22,916	24,405	1,488
Long-term Deposits Received	23,517	24,465	948
Other	2,966	3,223	257
Total Liabilities	1,240,482	1,400,691	160,208

As at	31 Mar '06	31 Mar '07
	¥ Mil	¥ Mil
(EQUITY)		
Owner's Equity		205,114
Common Stock		81,447
Additional Paid-in Capital		49,485
Additional Paid-in Capital		49,485
Retained Earnings		75,035
Retained Earnings		75,035
Special Depreciation Reserve		177
Advance Depreciation Reserve		11,000
Other Reserve		38,997
Unappropriated		24,860
Treasury Stock - At cost		(853)
Valuation and Translation Adjustments		136,142
Unrealized Gain on Available-for-sale Securities		110,064
Deferred Gain (Loss) on Derivatives under Hedge Accounting		(422)
Revaluation Surplus of Land		26,500
Total Equity		341,257
Total Liabilities and Equity		1,741,948

(STOCKHOLDERS' EQUITY)		
Stockholders' Equity	306,671	
Common Stock	81,447	
Additional Paid-in Capital	49,485	
Additional Paid-in Capital	49,485	
Retained Earnings	60,548	
Reserve	35,564	
Special Depreciation Reserve	294	
Advance Depreciation Reserve	11,672	
Other Reserve	23,597	
Unappropriated	24,984	
Revaluation Surplus of Land	17,919	
Unrealized Gain on Available-for-sale Securities	97,953	
Treasury Stock - At cost	(682)	
Total Liabilities and Stockholders' Equity	1,547,153	