

April 13, 2010

KAJIMA CORPORATION

**Announcement of Revisions to the Financial Projections
for the Financial Year ended March 31, 2010
&
Announcement of the Financial Projections
for the Financial Year ending March 31, 2011**

Please be advised that we have revised the financial projections for the financial year ended March 31, 2010, which we announced on November 12, 2009, and that we announce the financial projections for the financial year ending March 31, 2011. The revisions were made based on the latest financial performance of our group.

1. Revisions to the Financial Projections for the FY2009 (From April 1, 2009 to March 31, 2010)

(1) Consolidated

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on Nov.12, 2009 (A)	1,650,000	21,000	32,000	16,000	¥15.78
Revisions announced herein (B)	1,620,000	(9,000)	7,500	13,000	¥12.81
Change (B-A)	(30,000)	(30,000)	(24,500)	(3,000)	-
Change (%)	(1.8%)	- %	(76.6%)	(18.8%)	-
Results for the FY2008	1,948,540	19,695	15,999	(6,296)	(¥6.20)

(2) Non-consolidated

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Projections announced on Nov.12, 2009 (A)	1,270,000	17,500	20,000	8,000	¥7.87
Revisions announced herein (B)	1,244,000	(8,000)	7,500	3,000	¥2.95
Change (B-A)	(26,000)	(25,500)	(12,500)	(5,000)	-
Change (%)	(2.0%)	- %	(62.5%)	(62.5%)	-
Results for the FY2008	1,491,936	9,361	11,771	(7,548)	(¥7.40)

2. Reasons for Revised Projections

(1) Non-consolidated

The projected operating income is revised downward ¥25.5 billion to a loss of ¥8.0 billion primarily due to negative outcome on certain large-scale overseas construction projects, while the gross profit margin in domestic construction business exceeds the previous projection.

Such margins on the overseas construction projects are mainly due to an expected loss posted on the Dubai Metro Project, an urban transportation system in Dubai for the Government of Dubai under construction by the joint-venture lead by Obayashi Corporation, and an expected increase in construction costs on the Algerian East-West Highway Project (Eastern Section) for the National Highway Agency of the Algerian Ministry of Public Works under construction by another joint-venture.

The gross profit margin of construction contracts on a non-consolidated basis is expected to be 3.8% (civil engineering, a loss of 0.8%, building construction, 5.9%), while the previous projection was 5.8% (civil engineering, 5.7%, building construction, 5.9%).

We have revised downward the recurring profit projection by ¥12.5 billion to ¥7.5 billion mainly as a result of the above-mentioned revisions on one hand and due to an increase in non-operating income mainly with dividends from domestic and overseas subsidiaries on the other hand.

The net income is projected to decrease by ¥5.0 billion to ¥3.0 billion due to a gain from the sale of a portion of our ownership (preferred equity) in UDX SPC, an affiliated company*, on one hand and a establishment of additional valuation allowances for the items listed in the deferred income tax assets (see 3. below) on the other hand.

** Please refer to “Announcement of Transfer of Preferred Equity in an Affiliated Company” released on March 9, 2010 with regard to the transfer of a portion of our ownership in UDX SPC.*

The year-end dividend will be ¥3.0 per share, ¥6.0 per share for the annual dividend, as we have announced previously.

(2) Consolidated

The operating income is projected to decrease by ¥30.0 billion to a loss of ¥9.0 billion, as a result of the revision mentioned above and devaluation of real estate properties for sale at certain subsidiaries.

We have revised downward the recurring profit projection by ¥24.5 billion to ¥7.5 billion in view of the fact that the dividends income from domestic and overseas subsidiaries posted in non-consolidated financial projections are eliminated on a consolidated basis.

The net income is projected to decrease by ¥3.0 billion to ¥13.0 billion.

3. Posting Additional Valuation Allowances for Deferred Income Tax Assets

Based on the re-examination of deferred income tax assets, we will post the additional valuation allowances for the certain items in deferred income tax assets in an amount of ¥11.0 billion on a non-consolidated basis and post an income tax expense (deferred) as a result of this valuation allowances.

4. Financial Projections for the FY2010 (From April 1, 2010 to March 31, 2011)

Financial projections for the FY2010 are shown in the table below. We will announce the details when we release the financial results for the FY2009 scheduled in May 2010.

We face adverse market conditions, and our revenues, mainly from construction business segment, will decrease. However, we will continuously press on improving profitability in our core construction business segment as well as reducing fixed costs and SG&A (selling, general and administrative expenses).

We will exert our best efforts to effect steady progress and gross profit margin improvement of the overseas construction projects which have caused the revisions to the financial projections for the FY2009, and to further strengthen risk management of overseas construction projects.

The annual dividend is expected to be ¥6.0 per share.

Full-year Financial Projections (From April 1, 2009 to March 31, 2011)

(Millions of Yen)

	Revenues	Operating Income	Recurring Profit	Net Income	Basic Net Income per Share
Consolidated	1,440,000	26,000	25,000	13,000	¥12.51
Non-consolidated	1,080,000	20,000	20,000	11,000	¥10.56

Supplementary Information: Contract awards for the FY2009 (Non-consolidated)
(Billions of Yen)

	Projection Announced on Feb. 10, 2010	Result
Civil Engineering	320.0	267.9
<i>Domestic</i>	270.0	241.8
<i>Overseas</i>	50.0	26.0
Building Construction	700.0	650.9
<i>Domestic</i>	700.0	649.9
<i>Overseas</i>	0.0	1.0
Construction Total	1,020.0	918.8
<i>Domestic</i>	970.0	891.7
<i>Overseas</i>	50.0	27.1
Real Estate and Other	25.0	25.1
Grand Total	1,045.0	944.0

Disclaimer

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.

For inquiries, please contact

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