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Announcement of Revisions to the Financial Forecast and the Dividend Forecast

In light of recent trends in business performance, Kajima Corporation has revised the financial forecast and the dividend forecast for the fiscal year ending March 31, 2017 (“FY2016”), which were announced on May 13, 2016.

1. Revisions to the Financial Forecast for the first half of FY2016 (From April 1, 2016 to September 30, 2016)

(1) Consolidated

	Revenues	Operating income	Ordinary income	Net income attributable to owners of the parent	Basic net income per share
	(JPY mil)	(JPY mil)	(JPY mil)	(JPY mil)	(JPY)
Previous forecast (A)	870,000	35,000	37,000	24,000	23.12
Revised forecast (B)	820,000	69,000	72,000	47,000	45.27
Change (B-A)	(50,000)	34,000	35,000	23,000	-
Change (%)	(5.7%)	97.1%	94.6%	95.8%	-
(Reference) Results for the first half of FY2015	783,647	32,105	36,746	22,927	22.08

(2) Nonconsolidated

	Revenues	Operating income	Ordinary income	Net income	Basic net income per share
	(JPY mil)	(JPY mil)	(JPY mil)	(JPY mil)	(JPY)
Previous forecast (A)	590,000	26,000	27,000	18,000	17.31
Revised forecast (B)	560,000	60,000	63,000	42,000	40.39
Change (B-A)	(30,000)	34,000	36,000	24,000	-
Change (%)	(5.1%)	130.8%	133.3%	133.3%	-
(Reference) Results for the first half of FY2015	530,216	20,898	21,390	11,817	11.36

**2. Revisions to the Financial Forecast for the full year of FY2016
(From April 1, 2016 to March 31, 2017)**

(1) Consolidated

	Revenues	Operating income	Ordinary income	Net income attributable to owners of the parent	Basic net income per share
	(JPY mil)	(JPY mil)	(JPY mil)	(JPY mil)	(JPY)
Previous forecast (A)	1,900,000	85,000	90,000	60,000	57.79
Revised forecast (B)	1,780,000	120,000	124,000	78,000	75.14
Change (B-A)	(120,000)	35,000	34,000	18,000	-
Change (%)	(6.3%)	41.2%	37.8%	30.0%	-
(Reference)					
Results for the full year of FY2015	1,742,700	111,079	113,376	72,323	69.66

(2) Nonconsolidated

	Revenues	Operating income	Ordinary income	Net income	Basic net income per share
	(JPY mil)	(JPY mil)	(JPY mil)	(JPY mil)	(JPY)
Previous forecast (A)	1,270,000	60,000	60,000	40,000	38.47
Revised forecast (B)	1,210,000	98,000	100,000	65,000	62.51
Change (B-A)	(60,000)	38,000	40,000	25,000	-
Change (%)	(4.7%)	63.3%	66.7%	62.5%	-
(Reference)					
Results for the full year of FY2015	1,166,147	86,977	81,683	39,014	37.52

3. Reasons for Revisions to the Financial Forecast

(1) The first half of FY2016

a) Nonconsolidated

For the first half of FY2016, revenues are expected slightly less than previous forecast. However, operating income forecast is revised upward by ¥34.0 billion to ¥60.0 billion, ordinary income is revised upward by ¥36.0 billion to ¥63.0 billion, and net income is revised upward by ¥24.0 billion to ¥42.0 billion, primarily due to improvement of gross profit margin in domestic construction business.

b) Consolidated

Operating income forecast is revised upward by ¥34.0 billion to ¥69.0 billion, ordinary income is revised upward by ¥35.0 billion to ¥72.0 billion, and net income attributable to owners of the parent is revised upward by ¥23.0 billion to ¥47.0 billion, primarily due to the revisions of nonconsolidated forecast above.

(2) The full year for the FY2016

Mainly due to the revisions of the first half forecast above, consolidated and nonconsolidated forecasts for the full year are revised, accordingly.

4. Revisions to the Dividend Forecast

	Dividends per share (JPY)				
	End of Q1	End of Q2	End of Q3	Year-End	Total
Previous forecast	-	6.00	-	6.00	12.00
Revised forecast	-	7.00	-	7.00	14.00
Paid to date	-	-	-	-	-
Actual dividend for FY2015	-	3.00	-	9.00	12.00

5. Reasons for Revisions to the Dividend Forecast

Our basic policy for profit allocation is to distribute profits to stockholders in line with business performance as well as to provide stable dividends, while securing internal reserves to maintain a sound management foundation.

Under this policy, based on the said upward profit forecast revisions, Kajima Corporation intends to increase the interim and year-end dividend per share by ¥1.00 each, from ¥6.00 to ¥7.00, respectively. The annual dividend will be ¥14.00 by ¥2.00 increase per share, accordingly.

Note: The forecasts contained herein are based on information available as of the date of this announcement, and the actual results may differ materially from forecasts due to various factors.

Disclaimer: This document is a partial English translation of the “Announcement of Revisions to the Financial Forecast and the Dividend Forecast” which was filed with Stock Exchanges in Japan on October 11, 2016. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.