

(Translation)

October 15, 2003

To whom it may concern:

KAJIMA CORPORATION  
Sadao Umeda, President and Representative Director  
(Code Number 1812, First Sections of Tokyo Stock  
Exchange, Osaka Stock Exchange and Nagoya Stock  
Exchange)  
Attn.: Yoshiyuki Uno, General Manager,  
Finance Department, Treasury Division  
(Tel.: 03-3404-3311)

## **ANNOUNCEMENT OF ISSUANCE OF NEW SHARES BY PUBLIC OFFERING**

The Board of Directors of Kajima Corporation (the “Company”), at its meeting held on October 15, 2003, resolved that the Company issue new shares by public offering pursuant to the following terms.

### **Issuance of new shares by public offering**

1. Number of shares to be issued

96,000,000 shares of common stock

2. Issue price

To be determined on the price fixing date (any day between October 22, 2003 (Wednesday) and October 24, 2003 (Friday)), in accordance with the method as set forth in Article 7-2 of the Fair Business Practice Regulations No. 14 of the Japan Securities Dealers Association.

3. Amount of issue price not to be capitalized

Amount to be obtained by deducting the amount to be capitalized from the issue price determined pursuant to 2. above; the amount to be capitalized means one half of the issue price rounded upward to the nearest Yen.

4. Method of offering

Public offering. Daiwa Securities SMBC Co. Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., Mitsubishi Securities Co., Ltd. and Nikko Citigroup Limited will subscribe for and purchase all new shares to be issued.

Offer price for the public offering shall be determined taking into account the demand for new shares. The price indicated for the purpose of investigating the demands is an

amount equal to the amount which is between 90% and 100% (rounded downward to the nearest Yen) of the last reported sales price of the Company's shares on the Tokyo Stock Exchange, Inc. on the price fixing date (if there is no last reported sales price on such date, the last reported sales price on the day immediately preceding such date shall be used).

5. Fees to be paid to underwriters

No underwriting commission will be paid to the underwriters. Disparity between the aggregate of offer price for the public offering and the aggregate of the issue price paid by the underwriters to the Company shall be for the account of the underwriters.

6. Subscription period

From October 27, 2003 (Monday) to October 29, 2003 (Wednesday). However, the period may be moved forward taking into account the demand for new shares. The earliest subscription period will be from October 23, 2003 (Thursday) to October 27, 2003 (Monday).

7. Payment date

Any day between October 31, 2003 (Friday) and November 5, 2003 (Wednesday). As described in 6. above, the subscription period may be moved forward taking into account the demand for new shares, and the earliest payment date will be October 31, 2003.

8. Dividend accruing date

Dividend with respect to the new shares shall start to accrue on October 1, 2003 (Wednesday).

9. Unit of shares for subscription

1,000 shares.

10. The Company authorizes the President and Representative Director to determine the issue price, the amount of issue price not to be capitalized and other items necessary for issuance of new shares.

11. Each of the above items shall be subject to the condition that the registration under the Securities and Exchange Law becomes effective.

<Information for reference>

1. Changes in the number of issued and outstanding shares upon the scheduled capital increase by public offering

Current number of issued and outstanding shares: 961,312,022 shares  
(as of October 15, 2003)

Number of additional shares to be issued upon

public offering:	96,000,000 shares
Number of issued and outstanding shares after public offering:	1,057,312,022 shares

2. Use of funds

(1) Use of proceeds from the share offering

The entire amount of the estimated net proceeds from the capital increase, 39,604 million yen, will be used for investment in stand-alone projects including development projects and PFI projects.

(2) Changes in use of funds previously procured

Not applicable.

(3) Prospects for the effect on business performance

The Company expects that it will help improve its future business performance through accelerated business expansions into strategic areas.

3. Distribution of profits to shareholders

(1) Basic policy on distribution of profits

The Company's basic policy on distribution of profits is to pay stable dividends to the shareholders and distribute profits according to the business results, while ensuring retained earnings to maintain sound business infrastructure.

(2) Determination of dividends

Pursuant to the policy described in (1) above, the amount of dividends will be determined in view of the Company's business results and future business environment, etc.

(3) Use of retained earnings

The Company intends to apply the retained earnings to business investments and loans, etc. and utilize them for improvement of the Company's profitability and diversification of its profit-making sources.

(4) Dividends for the preceding three fiscal years

	Fiscal year ended March 31, 2001	Fiscal year ended March 31, 2002	Fiscal year ended March 31, 2003
Net income or loss per share	7.41 yen	(49.72) yen	8.86 yen
Dividend per share	7 yen	7 yen	5 yen

Dividend payout ratio	94.4%	-%	56.4%
Return on equity	2.9%	-%	4.4%
Dividend yield	2.5%	3.3%	2.6%

Notes:

1. Net income or loss per share are the net income or loss for the fiscal year divided by the average number of shares during the fiscal year.
2. Return on equity is the net income for the fiscal year divided by shareholder's equity (the average of the total shareholder's equity at the beginning of the fiscal year and the total shareholder's equity at the end of the fiscal year).
3. Dividend yield is the aggregate of annual dividends for the fiscal year divided by shareholder's equity (total shareholder's equity at the end of the fiscal year).
4. For the fiscal year ended March 31, 2002, the dividend payout ratio and return on equity are not provided because of net loss for the period.
5. From the fiscal year ended March 31, 2002, the amount of the treasury stock is deducted from the shareholders' equity, and the net income or loss per share is calculated after deducting the number of the treasury shares from the number of issued shares.
6. From the fiscal year ended March 31, 2003, the Company applies the Accounting Standards for Net Income Per Share (Accounting Standard No. 2) and the Guidelines for Application of Accounting Standards for Net Income Per Share (Guidelines for Application of Accounting Standard No. 4) in calculating the net income per share.

- (5) Compliance with the rules concerning distribution of profits

Not applicable.

4. Others

- (1) Designation of allottees

Not applicable.

- (2) Dilution due to latent shares

Not applicable.

- (3) Equity finance during the preceding three years

- (i) Implementation of equity finance  
Not applicable.

- (ii) Share prices during the preceding three fiscal years and the current fiscal year.

	Fiscal Year ended March 31, 2001	Fiscal Year ended March 31, 2002	Fiscal Year ended March 31, 2003	Fiscal Year ending March 31, 2004
Opening price	285 yen	337 yen	323 yen	220 yen

High price	365 yen	469 yen	390 yen	438 yen
Low price	238 yen	295 yen	216 yen	218 yen
Closing price	341 yen	318 yen	219 yen	425 yen
Price/earnings ratio	46.0 times	-	24.7 times	-

Notes:

1. For the share prices of fiscal year ending March 31, 2004, the prices up to October 14, 2003 are provided.
2. Price/earnings ratio is the closing share price at the end of the fiscal year divided by the net income per share for such fiscal year.
3. For the fiscal year ended March 31, 2002, the price/earnings ratio is not provided because of net loss for the period.

(4) Others

Not applicable.

*Note: This document is a press release for public announcement of the Company's issuance of new shares, and not intended to serve as a solicitation for investment. Investors considering investment in the Company's shares are requested to read the Registration Prospectus for Share Offering (including amendments thereto) prepared by the Company before making their investment decisions.*