

KAJIMA CORPORATION

Consolidated Financial and Operating Results as at the end of the 1st Quarter / FY2007 (30 June 2007)

1. Summary of Consolidated Operating Results (1 April - 30 June 2007)

(1) Financial Results (consolidated)

	Revenues		Operating Income (Loss)		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Q1 / FY'07	337,467	2.6	(2,406)	-	6,064	20.9	3,090	(87.3)
Q1 / FY'06	328,952	-	2,867	-	5,017	-	24,347	-
Full-Year / FY'06	1,891,465		55,515		58,713		41,439	

#: Representing increase (decrease) from Q1 / FY2006

	Basic Net Income per Share
	¥
Q1 / FY'07	2.94
Q1 / FY'06	23.15
Full-Year / FY'06	39.41

(2) Change of Assets and Equity (consolidated)

	Assets	Equity	Equity/Assets Ratio	Equity per Share
	¥ Mil	¥ Mil	%	¥
Q1 / FY'07	1,974,890	346,869	17.0	320.23
Q1 / FY'06	1,854,753	313,067	16.4	297.76
Full-Year / FY'06	2,107,222	352,274	16.2	325.11

2. Forecasts of Operating Results (FY2007)

	Revenues		Operating Income		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Half-Year	770,000	(4.3)	4,500	(72.2)	7,000	(60.7)	14,000	(24.6)
Full-Year	1,850,000	(2.2)	43,000	(22.5)	43,000	(26.8)	32,000	(22.8)

#: Representing increase (decrease) from the same period of FY2006

	Basic Net Income per Share
	¥
Half-Year	13.32
Full-Year	30.44

Attention

The forecasts expressed in this report are based on information available as at the release of this report and are subject to risks and uncertainties that may cause the actual results to vary from the forecasts.

Qualitative Information/Financial Statements etc.

1. Operating Results (consolidated)

Revenues posted in Q1 account for approximately 1) 44% of the half-year forecast, and 2) 18% of the full-year forecast. This is due to the seasonality of our business that completions of construction works tend to be concentrated on Q2 and Q4.

The operating loss of over ¥2.4 billion in Q1 was caused by the effect of seasonality and also aggravating gross profit margin of construction projects by Kajima Corporation.

2. Change of Assets and Equity (consolidated)

Assets decreased by more than ¥132.3 billion from the end of the last financial year to about ¥1,974.8 billion as at 30 June 2007. Liabilities also decreased by over ¥126.9 billion to ¥1,628.0 billion. These are primarily attributable to the business seasonality, by which both recovery of receivables and disbursement of payables progressed during Q1.

Equity increased to over ¥346.8 billion, and the equity/assets ratio improved to 17.0%, up 0.8 percentage point from the end of the last financial year.

3. Forecasts of Operating Results (FY 2007)

No revisions have been made to our forecasts of half-year and full-year operating results both on a consolidated and a non-consolidated basis, announced on 15 May 2007.

Supplementary Information: Forecasts of Non-Consolidated Operating Results

	Revenues		Operating Income		Recurring Profit		Net Income	
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil	%
Half-Year	570,000	(7.1)	4,000	(76.9)	6,000	(68.3)	1,000	(92.1)
Full-Year	1,385,000	(4.1)	32,000	(37.3)	30,000	(42.4)	11,000	(62.7)

%; Representing increase (decrease) from the same period of FY2006

	Basic Net Income per Share
	¥
Half-Year	0.95
Full-Year	10.42

Consolidated Balance Sheet (condensed)

as at 30 June 2007

As at	30 June '06		30 June '07		31 March '07		Change
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil
(ASSETS)							
Current Assets	1,123,598	60.6%	1,193,749	60.4%	1,322,928	62.8%	(129,179)
Cash and Cash in Banks	162,063		155,763		158,951		(3,188)
Notes and Accounts Receivable - Trade	397,528		450,428		630,044		(179,615)
Marketable Securities	406		298		298		0
Inventories:							
Construction Projects in Progress	147,508		161,152		106,009		55,143
Development Projects in Progress, Real Estate and Other	245,527		245,163		229,542		15,621
Deferred Income Taxes	60,370		64,934		65,750		(816)
Other	119,994		121,151		137,618		(16,467)
Allowance for Doubtful Accounts	(9,801)		(5,143)		(5,286)		142
Fixed Assets	731,155	39.4%	781,141	39.6%	784,293	37.2%	(3,152)
Tangible Fixed Assets	324,433		343,196		343,195		0
Buildings and Structures	117,221		110,965		112,806		(1,840)
Machinery and Equipment	16,115		16,665		16,505		160
Land	155,978		164,763		164,883		(119)
Other	35,118		50,802		49,001		1,800
Intangible Fixed Assets	11,949		11,432		10,583		848
Investments and Other Assets	394,771		426,512		430,514		(4,001)
Investments in Securities	321,919		367,977		370,145		(2,168)
Long-term Loans Receivable	19,059		17,027		16,987		39
Deferred Income Taxes	3,554		4,319		4,897		(577)
Other	78,701		55,647		57,328		(1,681)
Allowance for Doubtful Accounts	(28,462)		(18,459)		(18,845)		386
Total Assets	1,854,753	100.0%	1,974,890	100.0%	2,107,222	100.0%	(132,331)

As at	30 June '06		30 June '07		31 March '07		Change
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil
(LIABILITIES)							
Current Liabilities	1,102,385	59.4%	1,216,382	61.6%	1,318,243	62.6%	(101,860)
Notes and Accounts Payable - Trade	485,755		556,533		628,263		(71,730)
Short-term Borrowings	153,411		194,466		155,323		39,143
Commercial Paper	-		-		50,000		(50,000)
Current Portion of Bonds	23,850		34,921		28,178		6,742
Income Taxes Payable	6,219		3,585		14,309		(10,724)
Advance Received:							
Construction Projects in Progress	169,743		189,827		166,605		23,221
Development Projects in Progress, Real Estate and Other	64,170		37,615		35,253		2,362
Deposits Received	103,229		114,290		134,649		(20,358)
Allowance for Warranty on Completed Construction Projects	1,145		1,419		1,318		100
Allowance for Foreseeable Losses on Construction Projects	5,314		8,154		8,613		(458)
Liabilities for Bonuses - Directors	-		35		176		(141)
Other	89,545		75,533		95,550		(20,016)
Long-Term Liabilities	439,300	23.7%	411,638	20.8%	436,704	20.7%	(25,066)
Bonds Payable	103,425		69,480		76,355		(6,874)
Long-term Debt	166,965		141,265		154,001		(12,736)
Deferred Income Taxes	34		28,650		30,700		(2,050)
Deferred Income Taxes on Revaluation of Land	17,588		19,789		19,799		(10)
Liability for Retirement Benefits - Employees	64,814		65,120		65,348		(227)
Allowance for Loss on Development Projects	11,435		11,435		11,435		-
Equity Loss in excess of Investments in and Loans to Unconsolidated Subsidiaries and Affiliates	5,160		4,908		6,408		(1,500)
Other	69,877		70,987		72,653		(1,666)
Total Liabilities	1,541,686	83.1%	1,628,021	82.4%	1,754,947	83.3%	(126,926)
(EQUITY)							
Owners' Equity	193,479	10.5%	202,907	10.3%	204,035	9.7%	(1,128)
Common Stock	81,447	4.4%	81,447	4.1%	81,447	3.9%	-
Additional Paid-in Capital	49,485	2.7%	49,485	2.5%	49,485	2.3%	-
Retained Earnings	64,395	3.5%	74,005	3.8%	75,095	3.6%	(1,090)
Treasury Stock - At cost	(1,848)	(0.1%)	(2,030)	(0.1%)	(1,992)	(0.1%)	(37)
Valuation and Translation Adjustments	109,944	5.9%	133,682	6.8%	137,703	6.5%	(4,021)
Unrealised Gain on Available-for-sale Securities	84,887	4.5%	108,225	5.5%	110,725	5.2%	(2,499)
Deferred Gain (Loss) on Derivatives under Hedge Accounting	(72)	(0.0%)	(51)	(0.0%)	(310)	(0.0%)	258
Revaluation Surplus of Land	23,694	1.3%	26,928	1.4%	26,943	1.3%	(14)
Foreign Currency Translation Adjustments	1,435	0.1%	(1,420)	(0.1%)	345	0.0%	(1,765)
Minority Interests	9,642	0.5%	10,279	0.5%	10,535	0.5%	(255)
Total Equity	313,067	16.9%	346,869	17.6%	352,274	16.7%	(5,405)
Total Liabilities and Equity	1,854,753	100.0%	1,974,890	100.0%	2,107,222	100.0%	(132,331)

Consolidated Income Statement (condensed)

Q1 / FY2007 (1 April - 30 June 2007)

	Q1 / FY2006 (1 Apr - 30 Jun '06)		Q1 / FY2007 (1 Apr - 30 Jun '07)		Change ¥ Mil	Full-Year / FY2006 (1 Apr '06 - 31 Mar '07)	
	¥ Mil	%	¥ Mil	%		¥ Mil	%
Revenues	328,952	100.0%	337,467	100.0%	8,514	1,891,465	100.0%
Construction	276,775	100.0%	299,396	100.0%	22,621	1,583,145	100.0%
Real Estate and Other	52,177	100.0%	38,070	100.0%	(14,106)	308,320	100.0%
Cost of Revenues	301,939	91.8%	317,341	94.0%	15,401	1,737,426	91.9%
Construction	257,777	93.1%	283,779	94.8%	26,002	1,480,483	93.5%
Real Estate and Other	44,162	84.6%	33,561	88.2%	(10,600)	256,942	83.3%
Gross Profit	27,012	8.2%	20,125	6.0%	(6,887)	154,039	8.1%
Construction	18,997	6.9%	15,617	5.2%	(3,380)	102,662	6.5%
Real Estate and Other	8,014	15.4%	4,508	11.8%	(3,506)	51,377	16.7%
Selling, General and Administrative Expenses	24,144	7.3%	22,532	6.7%	(1,612)	98,523	5.2%
Operating Income (Loss)	2,867	0.9%	(2,406)	(0.7%)	(5,274)	55,515	2.9%
Non-Operating Income	4,814	1.4%	11,433	3.4%	6,618	18,624	1.0%
Interest Income	575		596		20	2,763	
Dividends Income	1,732		2,217		485	3,729	
Other	2,507		8,619		6,112	12,131	
Non-Operating Expenses	2,665	0.8%	2,961	0.9%	296	15,425	0.8%
Interest Expense	1,970		2,028		58	8,688	
Other	695		933		237	6,737	
Recurring Profit	5,017	1.5%	6,064	1.8%	1,047	58,713	3.1%
Extraordinary Profit	27,284	8.3%	53	0.0%	(27,231)	30,592	1.6%
Extraordinary Loss	460	0.1%	768	0.2%	308	16,255	0.8%
Income before Income Taxes and Minority Interests	31,841	9.7%	5,349	1.6%	(26,492)	73,050	3.9%
Income Taxes	8,146	2.5%	2,552	0.8%	(5,594)	31,107	1.7%
Minority Interests	652	0.2%	293	0.1%	(359)	(503)	(0.0%)
Net Income	24,347	7.4%	3,090	0.9%	(21,257)	41,439	2.2%

Non-Consolidated Balance Sheet (condensed)

as at 30 June 2007

As at	30 June '06		30 June '07		31 March '07		Change
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil
(ASSETS)							
Current Assets	851,920	55.8%	895,360	56.0%	1,043,857	59.9%	(148,496)
Cash and Cash in Banks	108,107		108,413		118,915		(10,501)
Notes Receivable - Trade	37,889		32,935		17,537		15,397
Accounts Receivable - Trade	281,122		313,041		488,599		(175,558)
Inventories:							
Real Estate for Sale	38,615		36,208		34,637		1,571
Construction Projects in Progress	97,687		123,454		91,905		31,549
Development Projects in Progress and Other	124,538		105,521		98,385		7,136
Other	170,699		177,832		196,002		(18,169)
Allowance for Doubtful Accounts	(6,739)		(2,047)		(2,125)		77
Fixed Assets	674,921	44.2%	702,323	44.0%	698,090	40.1%	4,233
Tangible Fixed Assets	221,098		234,843		234,374		468
Land	137,278		146,839		146,882		(42)
Other	83,820		88,004		87,492		511
Intangible Fixed Assets	7,939		7,751		6,867		883
Investments and Other Assets	445,883		459,729		456,847		2,881
Investments in Subsidiaries and Affiliates and in their Securities	346,488		387,495		391,359		(3,864)
Other	126,370		87,851		81,158		6,692
Allowance for Doubtful Accounts	(26,975)		(15,617)		(15,670)		52
Total Assets	1,526,841	100.0%	1,597,684	100.0%	1,741,948	100.0%	(144,263)

As at	30 June '06		30 June '07		31 March '07		Change
	¥ Mil	%	¥ Mil	%	¥ Mil	%	¥ Mil
(LIABILITIES)							
Current Liabilities	888,645	58.2%	949,542	59.5%	1,084,999	62.3%	(135,456)
Notes Payable - Trade	3,369		3,672		4,007		(334)
Accounts Payable - Trade	378,270		433,988		514,144		(80,156)
Short-term Borrowings	105,722		104,775		80,142		24,633
Commercial Paper	-		-		50,000		(50,000)
Current Portion of Bonds	10,000		25,000		25,000		-
Advances Received:							
Construction Projects in Progress	149,244		161,528		143,133		18,394
Deposits Received	108,313		123,869		144,205		(20,335)
Allowance for Warranty on Completed Construction Projects	949		1,122		1,016		106
Allowance for Foreseeable Losses on Construction Projects	5,020		7,860		8,290		(430)
Other	127,756		87,726		115,060		(27,334)
Long-Term Liabilities	331,135	21.7%	311,952	19.5%	315,691	18.1%	(3,739)
Bonds Payable	85,000		60,000		60,000		-
Long-term Debt	97,554		91,748		95,702		(3,954)
Liability for Retirement Benefits - Employees	56,844		57,649		57,585		64
Allowance for Loss on Development Projects	5,904		5,904		5,904		-
Allowance for Loss on Investments in Subsidiaries and Affiliates	17,863		26,286		26,366		(79)
Other	67,968		70,364		70,133		230
Total Liabilities	1,219,781	79.9%	1,261,495	79.0%	1,400,691	80.4%	(139,196)
(EQUITY)							
Owner's Equity	199,481	13.1%	202,394	12.6%	205,114	11.8%	(2,719)
Common Stock	81,447		81,447		81,447		-
Additional Paid-in Capital	49,485		49,485		49,485		-
Additional Paid-in Capital	49,485		49,485		49,485		-
Retained Earnings	69,258		72,353		75,035		(2,682)
Retained Earnings	69,258		72,353		75,035		(2,682)
Treasury Stock - At cost	(708)		(890)		(853)		(37)
Valuation and Translation Adjustments	107,578	7.0%	133,795	8.4%	136,142	7.8%	(2,347)
Unrealized Gain on Available-for-sale Securities	84,282		107,482		110,064		(2,581)
Deferred Gain (Loss) on Derivatives under Hedge Accounting	44		(173)		(422)		248
Revaluation Surplus of Land	23,252		26,486		26,500		(14)
Total Equity	307,060	20.1%	336,189	21.0%	341,257	19.6%	(5,067)
Total Liabilities and Equity	1,526,841	100.0%	1,597,684	100.0%	1,741,948	100.0%	(144,263)

Non-Consolidated Income Statement (condensed)

Q1 / FY2007 (1 April - 30 June 2007)

	Q1 / FY2006 (1 Apr - 30 Jun '06)		Q1 / FY2007 (1 Apr - 30 Jun '07)		Change ¥ Mil	Full-Year / FY2006 (1 Apr '06 - 31 Mar '07)	
	¥ Mil	%	¥ Mil	%		¥ Mil	%
Revenues	238,355	100.0%	247,421	100.0%	9,065	1,444,925	100.0%
Construction	224,693	100.0%	239,967	100.0%	15,273	1,298,154	100.0%
Real Estate and Other	13,662	100.0%	7,454	100.0%	(6,207)	146,771	100.0%
Cost of Revenues	221,885	93.1%	234,210	94.7%	12,325	1,328,554	91.9%
Construction	208,404	92.8%	228,051	95.0%	19,647	1,205,455	92.9%
Real Estate and Other	13,480	98.7%	6,159	82.6%	(7,321)	123,098	83.9%
Gross Profit	16,470	6.9%	13,210	5.3%	(3,259)	116,371	8.1%
Construction	16,289	7.2%	11,915	5.0%	(4,373)	92,698	7.1%
Real Estate and Other	181	1.3%	1,295	17.4%	1,113	23,672	16.1%
Selling, General and Administrative Expenses	15,270	6.4%	15,472	6.2%	202	65,305	4.6%
Operating Income (Loss)	1,200	0.5%	(2,262)	(0.9%)	(3,462)	51,065	3.5%
Non-Operating Income	3,348	1.4%	8,648	3.5%	5,300	11,040	0.8%
Non-Operating Expenses	1,450	0.6%	2,041	0.8%	590	10,037	0.7%
Recurring Profit	3,098	1.3%	4,345	1.8%	1,247	52,068	3.6%
Extraordinary Profit	26,051	10.9%	22	0.0%	(26,028)	28,749	2.0%
Extraordinary Loss	444	0.2%	763	0.3%	318	25,363	1.8%
Income before Income Taxes	28,705	12.0%	3,604	1.5%	(25,100)	55,455	3.8%
Income Taxes	11,431	4.8%	2,080	0.9%	(9,350)	25,989	1.8%
Net Income	17,273	7.2%	1,523	0.6%	(15,749)	29,465	2.0%

Supplementary Information: Non-Consolidated Contract Awards

(1) Non-Consolidated Contract Awards (Actual)

	Quarter 1	
	Amount	Change
	¥ Mil	%
FY2007	422,325	107.2
FY2006	203,864	4.8

%: Representing increase (decrease) from the same period of the previous year.

Breakdown of Non-Consolidated Contract Awards

	Q1 - FY2006	Q1 - FY2007	Change	
	¥ Mil	¥ Mil	¥ Mil	%
Civil Engineering				
Domestic - Public	19,833	3,332	(16,501)	(83.2)
Domestic - Private	17,791	21,014	3,222	18.1
Overseas	3,418	50,983	47,565	1,391.5
Sub-total	41,043	75,330	34,286	83.5
Building Construction				
Domestic - Public	13,798	950	(12,847)	(93.1)
Domestic - Private	118,642	328,577	209,935	176.9
Overseas	203	54	(149)	(73.4)
Sub-total	132,644	329,582	196,938	148.5
Construction Total				
Domestic - Public	33,632	4,283	(29,348)	(87.3)
Domestic - Private	136,433	349,592	213,158	156.2
Overseas	3,621	51,037	47,415	1,309.1
Sub-total	173,687	404,913	231,225	133.1
Real Estate and Other	30,176	17,412	(12,764)	(42.3)
Grand Total	203,864	422,325	218,461	107.2

(2) Non-Consolidated Contract Awards (Forecast)

	Half-Year		Full-Year	
	Amount	Change	Amount	Change
	¥ Mil	%	¥ Mil	%
FY2007 (Forecast)	595,000	(9.3)	1,285,000	(7.4)
FY2006 (Actual)	655,806	11.2	1,387,864	1.0

%: Representing increase (decrease) from the same period of the previous year.

- The increase in the construction contract awards from Q1 of the previous financial year was primarily due to the increase in contract awards from the domestic non-manufacturing industry and in the overseas markets.
- No revisions have been made to our forecasts of non-consolidated half-year and full-year results announced on 15 May 2007.

Attention

The forecasts expressed in this report are based on information available as at the release of this report and are subject to risks and uncertainties that may cause the actual results to vary from the forecasts.

For enquiries, please contact

Office of Investor Relations, Corporate Management Department at ir@ml.kajima.com

While every attempt has been made to ensure the accuracy of information in this document, we cannot be held responsible for any errors contained.