

K A J I M A
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C O R P O R A T E
R E P O R T



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Building for the Next 100 Years

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Editorial Policy

The Kajima Group has published the *Kajima Corporate Report 2015* in order to provide stakeholders with an accessible summary of the Group's management and corporate activities. The report summarizes the performance of the Kajima Group and its business segments and describes the Group's management structure. The report was written to help stakeholders understand how the Kajima Group is working to create value and help build a more sustainable world from an economic, social, and environmental perspective. In assembling this report, the editorial team used the following documents as references: *The International Integrated Reporting Framework (Version 1)*, and *G4 Sustainability Reporting Guidelines* of the Global Reporting Initiative.

Forward-Looking Statements

This Corporate Report includes forward-looking statements that are based on various assumptions. Actual performance figures and the achievement of strategies could differ materially.

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Scope of Report

■ **Period**

This report covers fiscal 2014, the fiscal year ended March 31, 2015, except where otherwise stated.

■ **Organization**

Kajima Group

Note: Quantitative data regarding occupational safety and health and the environment only covers Kajima Corporation in Japan.

Websites

Top Page:

<http://www.kajima.co.jp/english/welcome.html>

Investor Relations:

<http://www.kajima.co.jp/english/ir/index.html>

CSR:

<http://www.kajima.co.jp/english/csr/index.html>

Kajima's Corporate Philosophy

As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.



Philosophy

In 2015, Kajima marks 176 years in operations since its foundation in 1840. Ever since that time, Kajima has sought through its construction business to provide social infrastructure and places for people to live and work, contributing to safety, security, and amenity for society. Driven by its corporate philosophy, Kajima continues to evolve as a creative corporate group that is full of vitality.

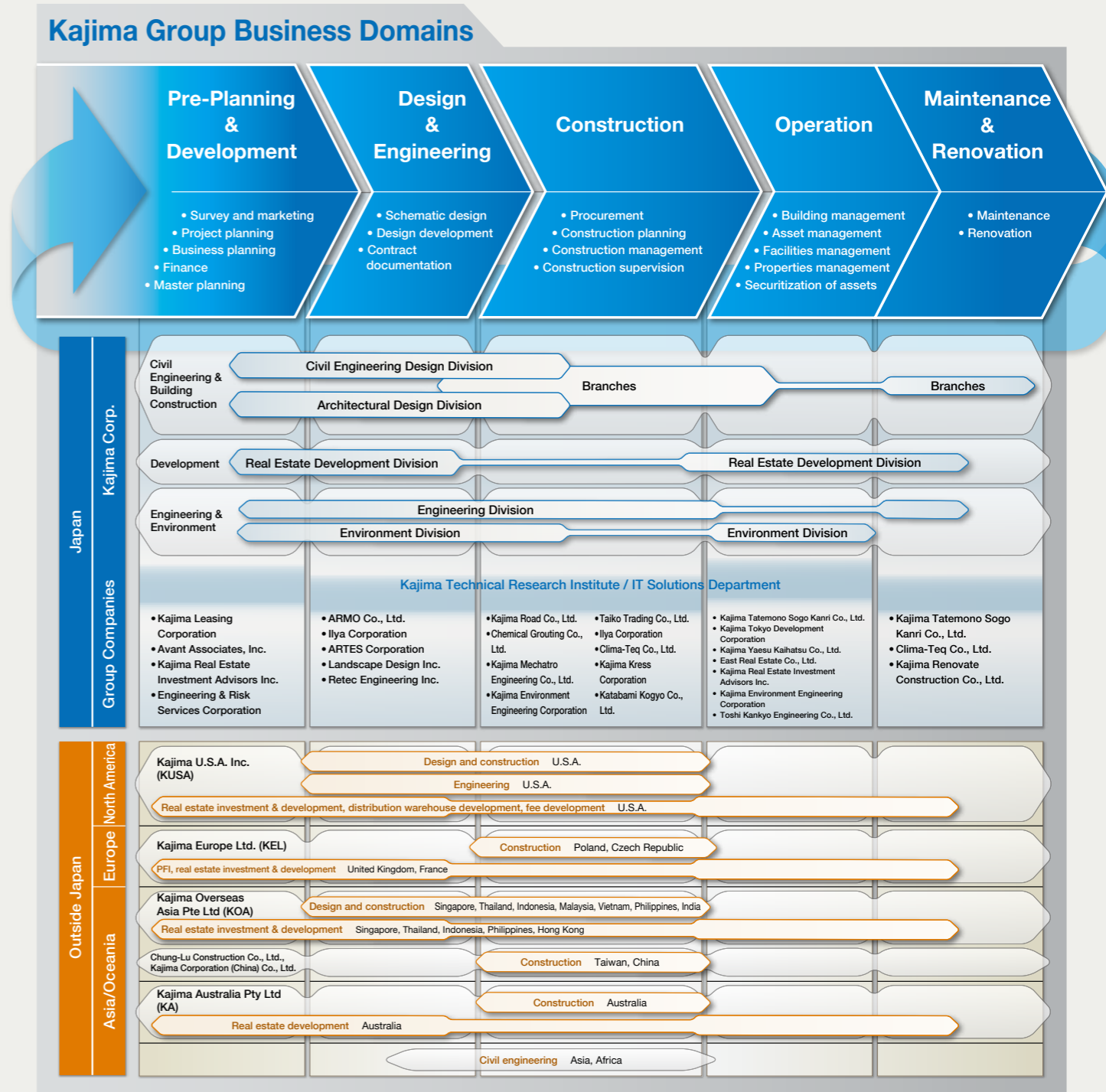


Business Model

Leveraging Technology and Human Resources to Deliver Sophisticated, Diverse Services

Kajima first built its reputation in a variety of rail and civil construction projects, and later earned renown for building skyscrapers and nuclear power plants. Many of these projects applied Kajima's structural engineering and basic research, the cornerstones of civil construction and building projects.

Another core business segment is real estate development, where Kajima serves as both project developer and contractor. The Kajima Group is working to strengthen and geographically expand its business domains into fields where it can leverage the construction value chain. Kajima will continue to evolve as a group by enhancing the international competitiveness of its business segments and pursuing synergies across segments.



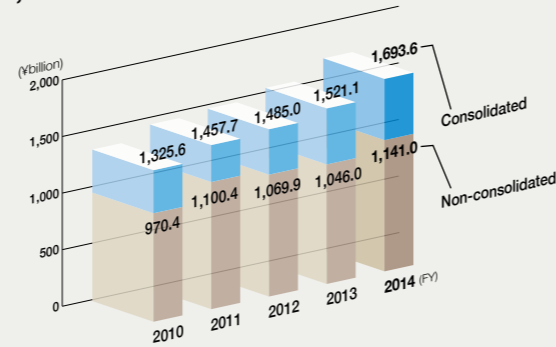
Numbers

Data for Kajima Group

A review of Kajima's data for FY 2014 ended March 31, 2015

Revenues

¥1,693.6 billion



Overseas Revenues / Total Revenues Ratio

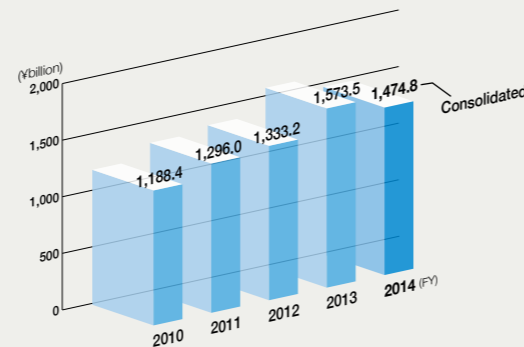
19.3%

Revenues, by Region

Japan	80.7 %
North America	11.4
Europe	1.4
Asia	7.6
Other regions	(1.1)

Construction Contract Awards

¥1,474.8 billion



Percentage of Net Sales from No-Bid Contracts

(Non-Consolidated)

48.2%

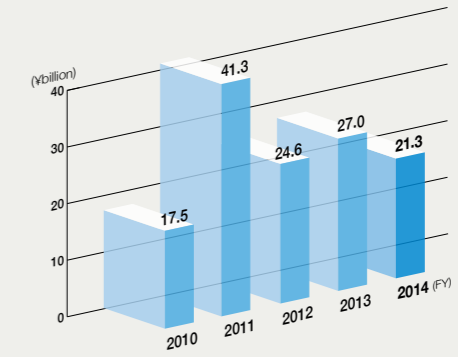
Percentage of Net Sales from Design-Build Contracts

(Non-Consolidated)

44.9%

Recurring Profit

¥21.3 billion



Research and Development Cost

¥7.7 billion

Recycling Rate for Construction Waste

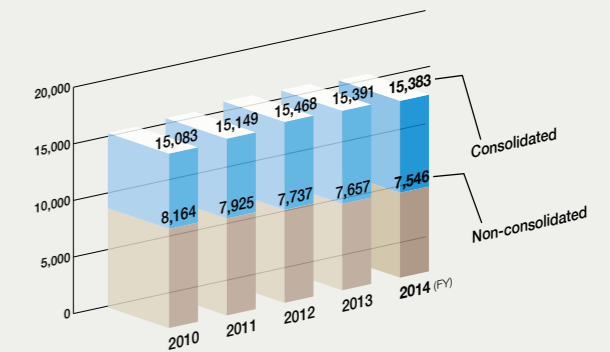
96.6%

(excluding sludge)

▶ See page 57

Number of Employees (Consolidated)¹

15,383

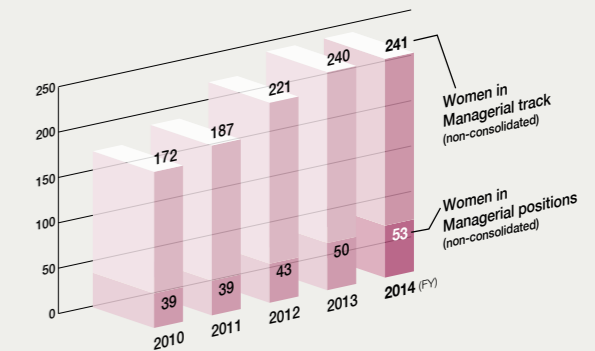


Number of Women in Managerial Track (Non-Consolidated)²

241

Number of Women in Managerial Positions (Non-Consolidated)²

53



1. As of March 31 of the fiscal year
2. As of April 1 of the fiscal year

10 Year Highlights

(Consolidated)

(FY)	2005	2006	2007
Construction Contract Awards	1,462.7	1,612.5	1,677.2
Revenues	1,770.8	1,891.3	1,894.0
Operating Income (Loss)	55.6	55.4	18.0
Recurring Profit	55.2	58.6	29.4
Net Income (Loss)	22.1	41.3	40.7
Basic Net Income (Loss) per Share (Yen)	20.81	39.29	39.13
Return on Equity (ROE) (%)	8.6	13.0	12.8
Operating Margin (%)	3.1	2.9	1.0
Total Assets	1,905.9	2,107.2	1,918.3
Shareholders' Equity	—	340.6	297.2
Net Assets	297.0	350.9	305.4
Shareholders' Equity Ratio (%)	15.6	16.2	15.5
Net Assets per Share (Yen)	282.19	324.12	292.63
Interest-bearing Debt	458.5	463.8	473.8
Debt Equity Ratio	1.54	1.36	1.59
Cash Dividends per Share (Yen)	6.0	7.0	7.0
Cash Flow from Operating Activities	53.4	(4.1)	(52.5)
Cash Flow from Investing Activities	(14.8)	22.1	3.0
Cash Flow from Financing Activities	(35.9)	(4.8)	(7.6)
R&D Costs	9.5	9.1	9.6
Capital Investment	21.9	39.8	34.5
Number of Employees (Consolidated)	15,951	14,837	14,934
(Non-consolidated)	9,234	9,084	8,817

(¥billion)

2008	2009	2010	2011	2012	2013	2014
1,585.4	1,138.3	1,188.4	1,296.0	1,333.2	1,573.5	1,474.8
1,948.5	1,637.3	1,325.6	1,457.7	1,485.0	1,521.1	1,693.6
19.6	(6.7)	17.2	29.4	18.4	23.0	12.6
15.9	9.0	17.5	41.3	24.6	27.0	21.3
(6.2)	13.2	25.8	3.8	23.4	20.7	15.1
(6.20)	13.03	24.87	3.69	22.55	19.98	14.58
(2.4)	5.4	10.0	1.5	8.1	6.0	3.8
1.0	(0.4)	1.3	2.0	1.2	1.5	0.7
1,885.4	1,796.8	1,644.9	1,686.2	1,686.0	1,789.4	1,839.2
231.1	261.8	252.8	256.7	320.4	368.2	434.9
239.0	262.1	253.2	256.7	318.1	364.1	436.9
12.3	14.6	15.4	15.2	19.0	20.6	23.6
227.56	251.97	243.35	247.12	308.49	354.62	418.86
540.5	620.0	558.9	525.7	480.1	444.7	385.0
2.34	2.37	2.21	2.05	1.50	1.21	0.89
6.0	6.0	6.0	5.0	5.0	5.0	5.0
16.1	(76.9)	64.0	81.7	58.4	32.9	59.2
(30.5)	(5.7)	2.9	(38.7)	36.7	17.3	8.3
74.6	71.9	(50.5)	(37.7)	(58.6)	(17.1)	(70.7)
9.9	10.0	9.7	9.1	8.4	7.8	7.7
23.1	23.8	22.9	35.9	20.5	19.8	25.4
15,608	15,189	15,083	15,149	15,468	15,391	15,383
8,705	8,452	8,164	7,925	7,737	7,657	7,546

Teruaki Yamaguchi
Executive Vice President,
General Manager, Real Estate
Development Division

Takashi Hinago
Director, Executive Vice President,
General Manager, Sales and
Marketing Division

Masayasu Kayano
Director, Executive Vice President,
General Manager, Civil
Engineering Management Division

Kazuo Kojima
Executive Vice President,
Research and Technology
Development



Tamiharu Tashiro
Representative Director,
Executive Vice President

Yoshikazu Oshimi
President, Representative
Director

Naoki Atsumi
Representative Director,
Executive Vice President

Hiroyoshi Koizumi
Representative Director,
Executive Vice President,
General Manager, Building
Construction Management
Division

Management

Kajima's Management Team

In June 2015, Yoshikazu Oshimi was appointed President of Kajima Corporation, with Mitsuyoshi Nakamura stepping down after 10 years in the position. In April 2015, Kajima appointed new executive vice presidents responsible for real estate development and research and technology development, respectively, forming part of the new management team.

Yoshikazu Oshimi

President and Representative Director
Kajima Corporation



Our Journey to 2020 Starts and Ends with Craftsmanship

My Commitments as President

As the new president of Kajima Corporation, I am deeply honored to take the helm of the Kajima Group, an enterprise with a proud history of more than 175 years. I bring over 30 years of experience with Kajima to the job. I've been a construction project manager, a branch general manager, and a division general manager. All the while, I was learning from clients and colleagues, including the people at suppliers, architecture firms, and construction subcontractors. I count myself fortunate to have celebrated with these partners the completion of so many successful projects. If I had to sum up what I've learned, it's that Kajima can and will overcome any and all obstacles as we strive to fulfill our mission of constructing buildings and providing services that satisfy not only our clients, but all future users.

When I was a branch manager, I started using two slogans: "Think Safety! Make today accident free!" and "Building with the heart and soul of a craftsman." Now they have become our companywide slogans.

The first commitment—Think Safety! Make today accident free!—is about protecting the safety of everyone working

at the construction site. Kajima people stay true to this each and every day. We also take seriously our obligation to the workers and staff from our subcontractors—our essential partners—to maintain safe working conditions and construction plans. At Kajima, we are determined to ensure that everyone we work with returns home safely to their families at the end of every day.

The second slogan—Building with the heart and soul of a craftsman—is the foundation of Kajima quality. I am emphasizing this anew, partly in response to the serious criticism we have received for major construction flaws in several projects in recent years. This is unacceptable. The very heart of our business is providing our clients with high-quality buildings and structures, constructed safely and finished on schedule. This is always our genuine pursuit, and I would like to state here my total resolve to restore and uphold Kajima's heritage of outstanding craftsmanship. In essence, these two commitments—safety and craftsmanship—are the keys to our success, and I am positioning them front and center as we pursue the goals of the new Kajima Group Medium-Term Business Plan from 2015 through 2017.

Launching a New Medium-Term Business Plan, and Looking Ahead to 2020

In the fiscal 2014 ended March 31, 2015, Kajima posted consolidated revenues of ¥1,693.6 billion and operating income of ¥12.6 billion. Subsidiaries both in Japan and around the world achieved steady revenue growth overall, making a strong contribution to consolidated results. On a non-consolidated basis, however, the Company posted an operating loss of ¥18.0 billion, and its core construction business saw a low profit margin. I am making it a top priority to improve this profit margin, considering it an essential factor in the Kajima Group's performance.

In light of these financial results, we recently formulated and embarked upon the Kajima Group Medium-Term Business Plan, which covers from 2015 to 2017. In crafting it, we also looked ahead to 2020, building a plan which uses the next three years as a launching pad to get us to where we want to be when the new decade begins.

One of the main priorities of the plan is completely turning around performance in our core construction operations. Our goal is to build a business structure that can consistently deliver over ¥20 billion in non-consolidated operating income. We will do this by restructuring in the first two years: streamlining the Company's construction business and reorganizing all unprofitable projects. Meanwhile, starting now, we will refine the Kajima Group's business platform to make sure that we are leveraging our competitive advantages effectively to reinforce and expand our business portfolio.

Building on these steps, we are determined to reach ¥85 billion in consolidated recurring profit by fiscal 2020. To get there, we will qualitatively enhance the Kajima Group's businesses and further raise the level of consolidated profits by capitalizing on the synergies delivered by our near-term efforts to improve profitability and refine Group operations.

I recognize that it will be crucial to achieve our fiscal 2015 financial targets in the first year of the plan. Seeing this through is my first major responsibility as president. Simultaneously, I will fully prepare for fiscal 2016 and 2017, starting now.

A number of projects of an unprecedented large scale are coming up in Tokyo, and we expect to be involved in many of them, as they present uniquely valuable opportunities. The overlapping timeframes of the various projects will allow us to formulate integrated plans to take advantage of economies of scale and make the most of the collective expertise and experience of our design and construction professionals. Embracing these challenging opportunities, we intend to translate these experiences into assets for Kajima's future. I am calling upon everyone at Kajima to precisely assess our clients' needs and earn their trust that Kajima's valuable capabilities can meet them.

Putting the Construction Site First

To deliver on the targets of our Medium-Term Business Plan, I am going to make sure that we "put the construction site first" in everything we do. The construction site is the source of Kajima's success, the driver of profitability. Management's job, then, is to provide the construction site with as much support as possible. Our leadership team is focused on making sure every site is ready to overcome every challenge, by keeping the entire Kajima team focused on making sites successful. Of course, subcontractors are working hard side by side with Kajima employees at our construction sites. I want to engage their creativity and insight as well, bringing together the diverse perspectives of every party to ensure success.

Exemplifying this approach, in 2013 we set up a dedicated site support office at the Kansai Branch while I was the Branch Manager. Construction sites require various inspections and

are subject to many different reporting requirements. We wanted to add a new perspective to this process by inviting a different group of people to take a fresh look. The new office assembled a site support team mainly composed of female office employees with no prior experience at a construction site. The team was asked to inspect all of the finishing touches in the interiors of newly built condominiums and give detailed feedback with a view to future improvements. At Kajima, we want all employees, whether engineers or not, to contribute to Kajima's craftsmanship. This kind of program is also expected to generate useful ideas for approaching various life events with flexibility.

My career started on the construction site, and I have worked as a project manager on a number of projects. I know from first-hand experience that it is the people at the site who ultimately create the building's appearance and functions. The most fascinating aspect of this is the flexibility that sites actually have in shaping the exact process and methods used over the course of a construction project. Many different construction methods could potentially be used, so the

methods authorized by the project manager must be highly credible. What's more, these methods only gain maximum credibility onsite if the Company's departments and people are united behind the project manager's vision. Of course, it is also vital that construction work is well-planned, but my point here is that ideas must also be allowed to develop at the project manager's discretion. I am certain that the new concepts and approaches that Kajima must develop to stay competitive will be created when we put the construction site first.

The first project I worked on as a project manager was an office building in the city of Fujisawa, Japan. Many challenges arose in that project and I was under a great deal of pressure, but I still vividly remember how delighted I was when the construction methods I chose proved to increase safety and productivity onsite and enhanced the quality of the building. I will never forget it. That's why I want to build a culture at Kajima that fosters this kind of dynamic, creative approach at our construction sites. Ultimately, I want everyone working hard every day at the site to experience the same deep satisfaction I did.

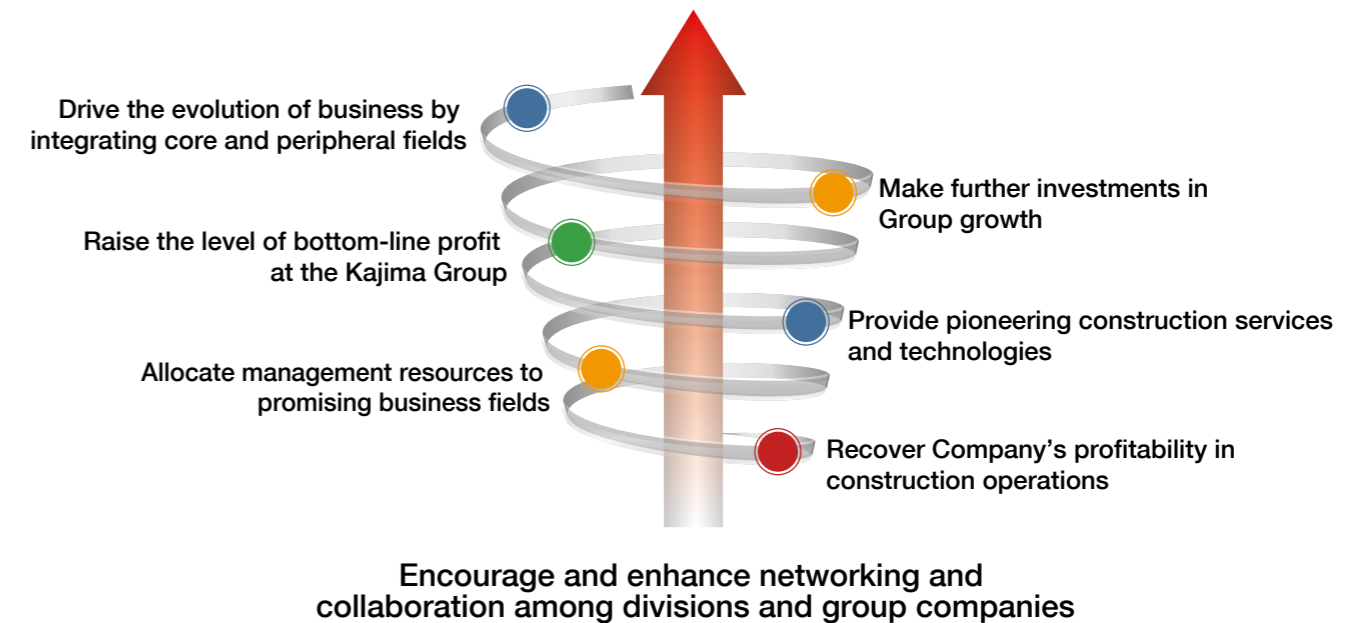


Kajima Group Medium-Term Business Plan			
Fiscal Year	2015	2016	2017
	Restructuring period Main tasks in the first two years		2020
Non-consolidated	<ul style="list-style-type: none"> Revitalize and reinforce the Kajima Corporation's non-consolidated construction operations Restore the foundation for generating steady operating income of over 20 billion yen 		
Kajima Group	<ul style="list-style-type: none"> Leverage the Kajima Group's competitive advantages to systematically reinforce and expand its business portfolio Refine the Kajima Group's management platform 		
Recurring profit	Consolidated	¥43 billion	¥65 billion
	Non-consolidated	¥22 billion	¥35 billion
Revenues	Consolidated	¥1,750 billion	¥1,750 billion
	Non-consolidated	¥1,130 billion	¥1,080 billion
Interest-bearing debt	No more than ¥380 billion		No more than ¥370 billion
Return on equity	—		At least 8.0%

¥85 billion



Set Up a Group-Wide Business Platform That Generates a Positive Spiral



Flexibly Adapting to a Shifting Market Environment

Over the medium to long term, the Japanese construction market is projected to stagnate and eventually even shrink as a result of the country's declining birthrate. Structural changes are also anticipated, including greater concentration of investment in large cities and a growing proportion of construction projects involving maintenance, repairs and renovations. Facing these realities, we know we will face greater competition in the market over the medium term. We also recognize the risk posed by a chronic shortage of skilled workers needed at construction sites.

In light of the shrinking Japanese market, Kajima has been proactively expanding operations outside Japan for some time. The Kajima Group combines capabilities and expertise in both construction and real estate development. By making the most of the competitive advantage created by this integration, we expect to continue growing our projects outside Japan while minimizing associated risks.

Kajima recently established a new subsidiary in Australia. Our strategy there is to effectively combine the Group's leading-edge capabilities with the talent of our local personnel and network in the country, instead of simply dispatching staff and other operational resources from Japan. This demonstrates how we are expanding our business with strategies tailored to specific countries and regions. Our goal is to be ready to fully demonstrate Kajima's strengths and competitive advantages on the international stage by around 2020, when

the aforementioned changes in the Japanese market will be emerging. We are preparing by fostering a global business mindset among our employees by training and stationing them in countries around the world, conducting market research in promising countries and regions, and identifying potential local business partners.

Meanwhile, we will not be passive in Japan about the upcoming structural shifts. We are transforming our operations to ensure that we can provide the leading-edge construction and engineering services required to meet new clients' needs. We will leverage the Kajima Group's competitive advantages to reinforce and expand our business portfolio while enlisting the strengths of all group companies in Japan to achieve our strategic and financial goals. We will strive to diversify the Company's earnings drivers and increase profitability by leveraging the core domestic construction business to generate more profit from downstream projects, such as maintenance and building management, and pursue greater involvement in upstream projects, particularly in engineering-, environment-, and energy-related fields. In this way, we will take advantage of every phase of opportunity in the value chain, across the entire building lifecycle.

In the Company's real estate development business, which spans from project conception to building management, we intend to make effective use of investments in Japan to create unrivalled projects, and to restructure our non-asset business platform, which includes fee-based businesses. We will also draw on each group company's specialized expertise and unique strengths, especially their ability to flexibly and

effectively respond to the market, in order to diversify earnings sources and establish a network that generates synergies from all Kajima Group workplaces. In so doing, I am sure we will increase the sustainability of the Kajima Group.

Finally, the shortage of skilled workers needed at construction sites in Japan, including engineers and specialists, is going to require far-reaching measures by the industry as a whole. The next several years are projected to see growing construction work volume, but after that, every subcontracting firm will need to shift from specialized construction work to more flexible and diversified operations. In the same way, each worker will need to be capable of handling multiple tasks in a single project. This broadening of skills has potential to improve productivity, help stabilize revenues, and lead directly to safer construction sites. From the subcontractor's point of view, leveling out workloads could promote more stable conditions for securing workers. In order to take advantage of these beneficial synergies, prime contractors and subcontractors will need to share information and work together to carry out fundamental industry reforms.

I believe Kajima has an important obligation to promote the benefits of working in the construction industry to young people in order to attract the next generation of workers. This is why we cooperate with our colleagues across the construction industry to show young people how construction sites are actually exciting places to work, for instance by holding site tours for children.

Creating a More Sustainable Kajima Group

While carrying out the measures listed above, we have set a target of ¥65 billion in consolidated recurring profit by fiscal 2017, the third year of the Kajima Group Medium-Term Business Plan. With fiscal 2015 to 2016 positioned as a restructuring period, we should be ready to tackle major tasks from fiscal 2017 and beyond with our sights set on 2020. We are determined to constantly work to resolve issues early on and put preparations in place with a long-term outlook. Indeed, Kajima's underlying resources in the future will depend on the extent to which we are able to focus on these preparations in advance. To be ready for fiscal 2016 and 2017, we will flexibly reassign personnel and reorganize operational resources, and engage the entire Company fully in preparing for upcoming projects.

Our management approach over the short term applies equally to Japan and the Group's international operations. Nevertheless, for Kajima's business to make inroads in other countries, it will be essential to collect extensive data and make calculated decisions on market entry based on a solid understanding of international markets. On that basis, we intend to strategically determine when and where to direct operational resources and resolutely follow through on those decisions.

Outlook for the Construction Market in Japan

	Period of the business plan from 2015 to 2017	Mid-term outlook
Market environment	<ul style="list-style-type: none"> Favorable conditions are continuing <ul style="list-style-type: none"> Demand for reconstruction in areas hit by the Tohoku earthquake Measures for preventing and reducing the impact of disasters Demand for replacement of aging infrastructure Projects related to the 2020 Tokyo Olympic Games 	<ul style="list-style-type: none"> Investment in construction will steadily decline <ul style="list-style-type: none"> Shrinking population Limited public spending Investment will be concentrated in big cities Qualitative shifts <ul style="list-style-type: none"> New construction demand will be gradually replaced by demand for maintenance, repairs, and renovations Public-private partnerships and private finance initiatives projects will increase
Competitive environment	<ul style="list-style-type: none"> Demand is robust and competition is easing 	<ul style="list-style-type: none"> Competition will intensify
Labor environment	<ul style="list-style-type: none"> Shortage of skilled construction workers caused by increasing demand 	<ul style="list-style-type: none"> Falling birthrate and aging society will lead to further shortages of skilled construction workers

Establishing a Platform for Growth

Setting up a group-wide business platform that generates a positive spiral is essential for achieving our fiscal 2017 targets. To this end, I will not only enhance cooperation within the Company, but also promote greater collaboration among Kajima Group companies. What enables Kajima to create value are its technologies and its people. We plan to step up technological development in line with our business strategies and accelerate hiring and training of human resources to put this business platform into place.

Kajima's technologies have built a strong reputation at the leading edge of Japan's construction industry. Yet we can take it higher. We are determined to pursue advantageous technical alliances and take a new, more objective look at technological development. Without bias from the past, we will boldly select the technical fields where Kajima is best positioned to capitalize on its leadership, and pursue a more proactive approach to meeting market needs. Therefore, while continuing to leverage our strong track record in high-rise building construction and seismic structural control systems, we will also expand into the energy sector and pursue technological development under the Kajima brand by focusing on strategic projects, such as mechanized construction.

To All Stakeholders

In the fiscal year underway, Kajima appointed three outside directors to its board. Given the extensive experience and expertise of each of these directors in their respective fields, I look forward to their advice and suggestions based on their strict supervision of the Company's management execution as we strive to expand our business based on considerations of current trends and market conditions.

In our daily operations, everyone at Kajima is working in earnest to deliver the buildings and services that clients genuinely want. For that purpose, we plan to continue organizing dialogues with our clients, designers, and other parties involved in projects, recognizing the need to take the initiative in strengthening ties across the industry.

In addition to the companies and organizations that place orders for construction, Kajima's clients include our valued subcontractors. Working together with these important partners, we will mutually set ambitious goals in order to help the Japanese construction industry thrive as a whole, while striving to continue bringing benefits to society by considering the needs of local communities and addressing global environmental issues.

With a strong commitment to engaging in ongoing dialogue with all stakeholders and responding to the needs of our clients, all of us at the Kajima Group will continue to take on the challenge of meeting the needs of the future.

In recent years, we have been taking decisive steps to address unprofitable construction products while working to better respond to the changing market environment. Our management team will continue tackling these issues as we do our utmost to meet the expectations of shareholders and investors. While working to build a growth platform that leverages Kajima's competitive advantages, we intend to pay dividends as planned and in accordance with the results of the steps described above.

I look forward to taking on the challenges ahead with the backing of the entire Kajima team. I invite you to watch our progress as we make the journey of growth to 2020.



Civil
Engineering
BusinessRedefining Value
for a New EraTamiharuru
TashiroRepresentative Director,
Executive Vice President

Since I was appointed an executive vice president in 2010, Kajima's civil engineering business has bounced back from a time of stagnation, driven by an upswing in contracts for construction projects in Japan, our main source of business. However, we expect overall market demand in Japan to contract in the next five years with fewer projects related to reconstruction in disaster-stricken areas and the 2020 Tokyo Olympic and Paralympic Games. We will address this by steadily increasing the profitability of Kajima's construction operations in Japan, while continuing to improve the work environment at construction sites. Meanwhile, we will build a business model that positions us to enter new markets, including those outside the country. These are the key goals I have set for the civil engineering business.

Determining What Makes Structures and Technologies Worth Paying For

At Kajima, we have had cause recently to reconsider our confidence that the structures we build and the techniques we use to build them are sure to satisfy clients. A contract for construction work involves doing the actual work required to build the structure, based on the design document and following work process and quality requirements. In doing all this, construction management methods and quality control techniques chosen by Kajima are applied until the building is handed over to the client.

When I reflect on this process, I wonder if a project is really finished when we feel the satisfaction of completing construction according to the standards we ourselves set. Rather, shouldn't we be measuring success by how we met the expectations of the client and the needs of the users?

It is obvious that everything should start by understanding and responding to actual client needs. We should never be satisfied with ourselves just for offering high-quality, high-value-added construction based on our own standards. Instead, all of us at Kajima need to keep reconsidering how to prove to clients that the value of the structures we build and our unique approach to construction management are clearly worth paying for.

In the same way, this approach applies to our technical development. Regrettably, Kajima has introduced fewer industry-leading technologies in recent years than before, so we are faced with the challenges of getting back to the roots of Kajima innovation and renewing our commitment to doing creative work. I am determined to ensure that we make every effort at this, always focusing on our clients' needs and demonstrating to them that Kajima offers greater value that is worth paying for. In this process, the key will be restructuring the civil engineering business by broadening its portfolio so that we can more effectively meet today's diversifying needs. Now is the time for Kajima to pave the way to a new era.

Improving Productivity to Promote Safety

Over the past decade, labor productivity has improved by about 20% across manufacturing industries in Japan. The construction industry, however, has seen little improvement. Moreover, with Japan's aging population, young workers have been in short supply. Securing enough workers is going to be an urgent and serious challenge.

There have been calls to improve productivity in the construction industry for many years, but progress has been relatively slow, because cutting costs has been the primary goal. Due to this, the trend has been to focus on construction site costs per project constructed. But the time has come for this viewpoint to change. Using precast materials, automation, and information technology are among the solutions often proposed nowadays, but rather than paying too much attention to improving efficiency by cutting costs and shortening construction times, we must turn our attention to actual working conditions at construction sites, particularly the shortage of workers, in order to improve productivity.

It is not normal to have construction workers work around the clock or give up their days off, except in emergencies caused by events like typhoons or earthquakes. If we are to raise productivity, we must also reduce the risk of construction accidents by addressing labor shortages, ensuring workers are given an appropriate number of days off, and reducing the amount of work and number of hours put in onsite. The construction industry has a relatively high number of accidents, and more of them are fatal. Making substantial improvements at construction sites, including ensuring enough time off for workers, is a compelling goal. Recruiting more women to the industry is another crucial challenge.

We recognize the synergies we can realize by improving productivity, enhancing working conditions at construction sites, and improving safety, and we will pursue all these efforts with determination. Needless to say, better productivity also increases profitability.

Expanding into More Business Domains

Meanwhile, we are also striving to create diverse business models for the Kajima Group as a whole, aiming to build an organization that can respond effectively to market changes. We are diversifying our business portfolio to include new construction management methods and private finance initiatives. In addition, we are improving the Group's capabilities across a broader range of businesses by adding more operational and maintenance management to our design and construction work. These steps will diversify revenue and profit sources while generating synergies.

Moving forward, we will go beyond conventional approaches to pursue both depth and breadth in our business by taking advantage of our expertise in the real estate development business, leveraging the collective strength of our group companies, and setting up new businesses in the environmental field.

Beyond Japan, we are examining how we can leverage our position to win construction projects in other countries, drawing on the broad range of experiences we have had so far, including our mistakes. Given the much greater range of projects internationally, we recognize the need to closely monitor the risks involved. Civil engineering construction projects are especially prone to environment-related risks, including natural disasters, unpredictable weather, and unknown topographic and geological features, so we will always bear these factors in mind.

People's needs are increasingly sophisticated and society is changing faster than ever. In this constantly evolving world, Kajima's most important competitive advantage is its human resources. Leaving conventional ideas behind, together we will take on new challenges with the enterprising spirit we inherited from our hard-working predecessors and the profound sense of humility we feel as we re-engineer the natural world.

FY 2014 Performance

In the fiscal year ended March 31, 2015, revenues in the civil engineering business declined 7.5% to ¥276.4 billion. The business posted an operating loss of ¥15.5 billion, mainly due to declining profits at construction projects outside Japan.

Contract awards both in and outside Japan totaled ¥339.9 billion, staying high as in the previous fiscal year. About 60% of these contracts were awarded by central and local governments in Japan. Leveraging its competitive advantages to win more orders, Kajima intends to continue developing technologies targeting major projects, including construction related to the 2020 Tokyo Olympic and Paralympic Games and the new Linear Chuo Shinkansen Line coming to Japan.

One of the goals of Kajima's new medium-term business plan is to revitalize and reinforce core construction operations. To this end, the Company is flexibly assigning personnel as the market shifts, establishing a sounder construction work system, and working to raise productivity. The business plan will leverage Kajima's recent development of an automated system for dam construction, as well as the Group's competitive advantages, to reinforce and expand the business portfolio.

Kajima is creatively applying the full gamut of its original construction management methods to redevelop the disaster-stricken town of Onagawa in Miyagi Prefecture. Further, it is actively examining the feasibility of participating in public-private partnerships (PPPs) and private finance initiatives (PFIs) outside of its existing construction contracting business. Diversifying business models so that the Company is prepared for the changing times involves more than changing the makeup of existing businesses—it also means selectively entering new business areas by initiating environmentally oriented projects and enhancing Kajima's presence in the energy sector.

To develop civil engineers, the Company conducts training programs designed to ensure employees acquire the skills required of engineers at Kajima. In their first five years with the Company, employees undergo continuous training—both on-the-job training in their workplaces and classroom training using case studies from actual construction projects. The Company also uses a job rotation system that gives employees experience in a broad range of operations, including design, construction, and construction cost estimation work. While continuing with these activities in fiscal 2015, the Company also enhanced its training system with the addition of a new program designed especially for female employees.



The Project for Rehabilitation of a Trunk Road in Ethiopia.



Redevelopment work at the Tsuruta Dam in Japan.

Reconstruction work along the coast of Rikuzentakata in Japan.

Major projects completed

- Ishinomaki disaster waste disposal facility
- Northbound section of the Central Circular Shinagawa Route Shield Tunnel
- Civil engineering work for a new section of the Kyogoku Power Plant

Major project in process

- Reconstruction work in the town of Onagawa, Japan

Major contracts awarded

- North Tomei section of the southbound tunnel of the Tokyo Outer Ring Road
- Road construction in the Shirai area of the National Highway Route 45
- Reconstruction of the Nagayasuguchi Dam from fiscal 2014 to 2018

TOPICS

Project

Entire Tokyo Metropolitan Expressway Central Circular Route Now Open

Central Circular Shinagawa Route Shield Tunnel Northbound Section Construction Office, Gotanda Entrance/Exit Construction Office, and Ohashi Junction Construction Office, Tokyo Civil Engineering Branch

At present, the Tokyo Metropolitan area has three ring-shaped expressway systems: the Ken-O Expressway, Tokyo Gaikan Expressway, and Tokyo Metropolitan Expressway Central Circular Route. Situated between the inner and outer routes, the Central Circular Route fully opened in March 2015. A Kajima joint-venture firm was responsible for constructing several sections of two ultra-long shield tunnels about eight kilometers in length that connect the Oi Junction and Ohashi Junction. This included the construction of the underground Gotanda entrance/exit, in which a pipe roof arch technique was utilized to shorten construction times.

The opening of the Central Circular Route improved the Tokyo Expressway system and halved the time needed to drive from Shinjuku to Haneda Airport to about 20 minutes. The expressway is an important piece of infrastructure for improving urban transport in time for the 2020 Tokyo Olympic and Paralympic Games, and it is also expected to enable faster road transportation to disaster prevention facilities across a wider area in the metropolitan region.



A ceremony was held in March 2015 for the opening of the Yamate Tunnel, the longest road tunnel in Japan.

Person

Aiming to Become a Project Manager That Keeps Everyone Satisfied

Takeshi Sasaki

Deputy Section Chief of Construction, Seibu Oizumi-gakuen Joint-Venture Project Office, Tokyo Civil Engineering Branch

After joining Kajima, I worked on bridges and shield tunnels at the Civil Engineering Design Division. Later, I was involved in the construction of the Tokyo Metro Fukutoshin Subway Line at Shibuya Station in Tokyo. Now, I am working on a project to construct a multi-level road and railway crossing spanning about 2.4 kilometers on the Seibu Ikebukuro Train Line between Nerima Takanodai Station and Oizumi-gakuen Station.

Fifteen years have now passed since I joined Kajima. While the construction industry has been the subject of increasing public scrutiny in recent years,

I hope to contribute to society through public works projects, and I am working hard every day to be a first-rate civil engineer who can benefit the people around me. At the busiest times, I tend to focus just on how to get things done, rather than why I'm doing them. To counter this, I try to follow the "people first, numbers second" principle in my daily work, and to remember that the only thing I can ultimately change is myself. As Kajima people work alongside staff from our subcontractors, I want to be an engineer that everyone really wants to work with. Looking ahead, my aim is to become a project manager that keeps everyone on the site satisfied.



"My extensive experience made me who I am today, and I am looking forward to being appointed as a project manager."

Group company

Taking on the Challenge of Creating New Value

Kajima Road Co., Ltd.

Kajima Road is focused on the challenge of creating new value, aiming to build comfortable environments for people and ensure that the earth's ecosystems thrive. Based on this mission, and as a member of the Kajima Group, Kajima Road carries out diverse operations in construction and civil works projects, including roads, expressways, bridges, airport runways, automobile test courses, and paved areas at harbors, dams, and water reservoirs. It also manufactures and sells asphalt mixtures.

In Kajima's civil engineering and construction projects, Kajima Road performs specialized roadwork and also outsources work as a prime contractor. Beyond its core roadwork business, the company engages in construction work utilizing the small-caliber steel pipe pile method, which has an excellent reputation for outstanding efficiency and environmental

friendliness. It also carries out soil purification work and participates in private finance initiatives. All of these activities help to maintain the extensive infrastructure needed for people's everyday lifestyles. Kajima Road also has subsidiaries in Thailand and Vietnam which assist Japanese companies building new factories in those countries.

To meet today's needs for road and infrastructure maintenance, Kajima Road applies its technical and construction capabilities to projects involving maintenance and upgrades of aging social capital as well as infrastructure for preventing and mitigating the effects of large-scale disasters.



Roadwork between the Sagami-hara-ai-kawa Interchange and Sagami-hara Interchange on the Ken-O Expressway.

Building Construction Business

Strengthening Our Core Business for the Next Quantum Leap



Hiroyoshi Koizumi

Representative Director,
Executive Vice President,
General Manager, Building
Construction Management Division

Strengthening the building construction business—Kajima's core business—is an urgent priority. Under our current medium-term business plan, we aim to become the industry leader in terms of technological edge and profitability by fiscal 2020.

The first two years of the mid-term business plan is named "Structural Improvement Phase" where each and every department and employee is expected to establish goals to attain at each segmented step to improve overall performance. In the near term, we will focus on performing a stellar role in ongoing construction projects to ensure that clients are satisfied beyond their expectations with our services and this, in turn, will lead to the better financial results. Looking further ahead, however, we will face many socioeconomic changes such as declining birthrate, aging population, matured society and abandoned stock of infrastructure. Therefore, it is imperative that we keep ourselves lean and nimble to cope with those changes.

Envisioning the Future of the Building Construction Business

In the past, Kajima's building construction business developed advanced techniques for high-rise buildings and nuclear power plants, which society needed at the time, and those types of projects drove the Company's growth. In recent years, however, society's needs are more difficult to pin down due to their rapid diversification and increasing complexity, which left us a blurry image when focusing on target market. So I think we need to reconsider our strategy for identifying the needs of society in the first place.

Kajima has many outstanding technical experts who take the initiative in technology development, generating successes "from the bottom up," as it were. Yet steering the best future course sometimes requires a certain level of top-down strategic leadership. For example, our management is taking steps to look beyond the construction industry and explore opportunities to collaborate with other industries to broaden our outlook and acquire different views, so that we can bring more inspiring new ideas to Kajima. Likewise, aiming to provide a wider range of leading-edge services, we intend to work more closely with group companies on services spanning the entire lifecycle of buildings and other structures. Combining the Group's competitive advantages is sure to create new business and market opportunities.

Facing Challenges Head On

As for the industry as a whole, the shortage of skilled workers is a major problem. As these workers grow older, their numbers are expected to decline by 1.3 million from the current 3.4 million over the next decade, unless they are replaced by new workers. Consequently, it is essential to attract and retain young people in these jobs, while also working to improve productivity at construction sites.

To attract and retain young workers, the structure of subcontracting needs to be streamlined to enable higher wages, all workers must be enrolled in social insurance programs, and working conditions, including use of paid leave, must be improved. To improve productivity, we must raise the efficiency of the ever-smaller onsite workforce by using prefabricated materials to reduce onsite work and promoting further mechanization and use of information technology. Less onsite work also means fewer accidents, and prefabrication helps to ensure more consistent quality.

Another important trend is building information modelling, a new technology for the industry. We expect this to drive helpful innovation in manufacturing systems. During the period of our medium-term business plan, we intend to apply this approach across our building construction operations to help improve conditions for skilled construction workers and raise productivity at sites.

Leveraging Our Experience Internationally

I believe that what we learn from our international operations is crucial for enhancing Kajima's core businesses. Conversely, the Company's solid business platform in Japan is a vital support for what we do in other countries. Our experiences in dealing with various problems at overseas job sites helps make our business in Japan stronger, which, in turn, gives us a stronger platform for entering the global market and expanding our business internationally. In this synergistic way, we hope to generate good growth in Japan and abroad in an upward spiral.

I worked in North America and Southeast Asia for two decades. I was able to get a sense of North America's strict risk management, including standard requirements when working for the first time with clients and subcontractors or when undertaking projects in new areas. Those requirements are well described in the contract, and every single word of the contract is important. In Japan, likewise, we need to do more to incorporate risk management when drawing up contracts. During my time in Southeast Asia, I recognized that the biggest competitive edge of Japanese general contractors like Kajima was our ability to offer various alternative proposals at the bidding stage. We were able to incorporate technological advantages into our proposals and convince clients to consider not only the cost but the added value they could enjoy. This approach was quite welcomed and resulted in many contracts signed.

As we work to strengthen Kajima's building construction business over the first two years of restructuring, we will also be preparing for the times ahead. We intend to develop the company into an Engineering Contractor Group that can, whether in Japan or anywhere else in the world, sufficiently manage risks and win new contracts by demonstrating to clients the kind of tailored added value that only Kajima can offer.

Kajima as an Engineering Contractor Group



FY 2014 Performance

In the fiscal year ended March 31, 2015, total revenues in the building construction business in Japan rose 13.2% to ¥780.8 billion, reflecting high contract awards in the previous fiscal year. Despite this, however, the segment recorded an operating loss of ¥23.4 billion, primarily due to poor profitability in certain projects.

New contract awards in the business totaled ¥742.5 billion on a non-consolidated basis, a decrease of ¥99.2 billion year on year. Among all private-sector projects, however, 66.5% of the contracts designated Kajima from the outset, indicating strong client trust. Kajima has been receiving large-scale orders for some time, and this is expected to continue in fiscal 2015. Keeping in mind total building construction capacity, the Company will strive to boost revenues and profits by pursuing projects that make the most of Kajima's competitive advantages and attract clients from more upstream sectors of the market.

Construction projects in Japan are now concentrated in the Tokyo Metropolitan area and the Tohoku region, and this is expected to continue for a number of years. To respond, the Company will flexibly assign employees from a company-wide perspective while bolstering its nation-wide network of subcontractors and construction workers to ensure market responsiveness. It will also step up efforts to make inroads in the

markets where the Kajima Group's competitive edge delivers the greatest advantage. Kajima's engineering business, for instance, has excellent prospects in the medical products market. In addition, the Company will collaborate with group companies to make the most of opportunities to secure construction work in a broad range of sectors from upstream to downstream.

When developing engineers in the building construction business, Kajima regards the first five years of their careers as a critical training period. Each year, they receive training to enhance expertise—both on-the-job training at construction sites and regularly held classroom training. The Company is also working to ensure that women can thrive as engineers, and regularly holds seminars where female engineers gather to discuss their jobs, consider career prospects, and plan for major life events.



Major projects completed

- Construction of a new hospital wing at Aichi Medical University
- Construction of the Sapporo Mitsui JP Building (Photo at right)

Major projects in process

- Construction of an office and hotel complex in the Kioi-cho Project (tentative name)
- Construction of buildings in the Kachidoki 5-Chome Redevelopment Project

Major contracts awarded

- Construction of buildings in the New Hibiya Project (tentative name)
- Construction of buildings in the Nihonbashi 2-Chome Redevelopment Project (in its C and D blocks)
- Construction of the XIV Yagawara Hotel (tentative name)



The Hakusan bullet train depot for the Hokuriku Shinkansen Line.

Himeji Castle, designated as a national treasure in Japan, held a grand reopening in March 2015 after five and a half years of restoration and repair work.

TOPICS

Project

Building a New Market to Revive the Fisheries Industry in Disaster Areas

Ishinomaki District Wholesale Fish Market Construction Project

Kajima is using the at-risk construction management method in its role as construction manager for a new fish market in the city of Ishinomaki in Miyagi Prefecture. Intended to speed up large-scale reconstruction of this disaster-affected area, the method integrates not only general construction work, but also coordinated management with projects nearby, an open book approach, pre-authorized selections of specialists, and inspections by clients and third-party organizations. Kajima's civil engineering business had already applied this method in a redevelopment project in the town of Onagawa in the same prefecture, but this is the method's Japan debut in such a large-scale municipal construction project.

Under construction is a wholesale fish market about 880 meters in length, with state-of-the-art facilities that comply with the Hazard Analysis & Critical

Control Points (HACCP) system. Parts of the building are already in use, and the rest will be completed soon. After selecting the designers and preparing necessary paperwork, Kajima put its experience and expertise to work to complete the east wing, main building, and part of the west wing by February 2015. The Company is working hard to complete the entire fish market, as the region hopes to accelerate recovery from the 2011 disasters.



The market has been expanded to 880 meters in length from the 650 meters planned prior to the earthquake.

Person

Aiming to Become a Building Engineer

Mao Kawane

Construction Project Office for Mitsubishi Heavy Industries Komaki Minami Factory, Chubu Branch

This year is my fourth at Kajima, and so far I have been involved in a major redevelopment PFI in an area near a train station and a commercial facility after I was transferred to my current branch. Now I am helping to manage the construction of a large factory.

At the factory construction site, I answer to the construction section manager, and I am in charge of the construction of the building frame. I have to think about how to get many construction workers to do their jobs efficiently, as well as carefully read design documents, confirm onsite

conditions, and communicate with everyone involved. Last year, when a wide-span steel truss beam was being erected, I handled the work according to plans made by the structural engineers. I got a fresh appreciation for how satisfying it is to complete a big job like that. All of us involved in the work had many discussions, and we drew on the experience of the construction workers, allowing us to finish a building that satisfied the client. I have experienced the excitement of this work, so I want to apply it and build on my skills to prepare even better construction management plans in the future.



After being certified as a first-class architect last year, Kawane has set her sights on becoming a reputable engineer.

Group company

Training Diverse Human Resources to Build the Future of the Kajima Group

Kajima Kress Corporation

Kajima Kress has been dispatching engineers to Kajima's workplaces and construction sites since 1987. More than 360 of its employees are now stationed at Kajima construction sites across Japan, supporting the preparation of construction plans, making calculations, digitizing documents, drafting plans spanning from the start of work to construction completion, and managing construction work. In fiscal 2014, Kajima Kress introduced a system enabling its top specialists to obtain job transfers directly to Kajima, greatly expanding career advancement opportunities for its employees.

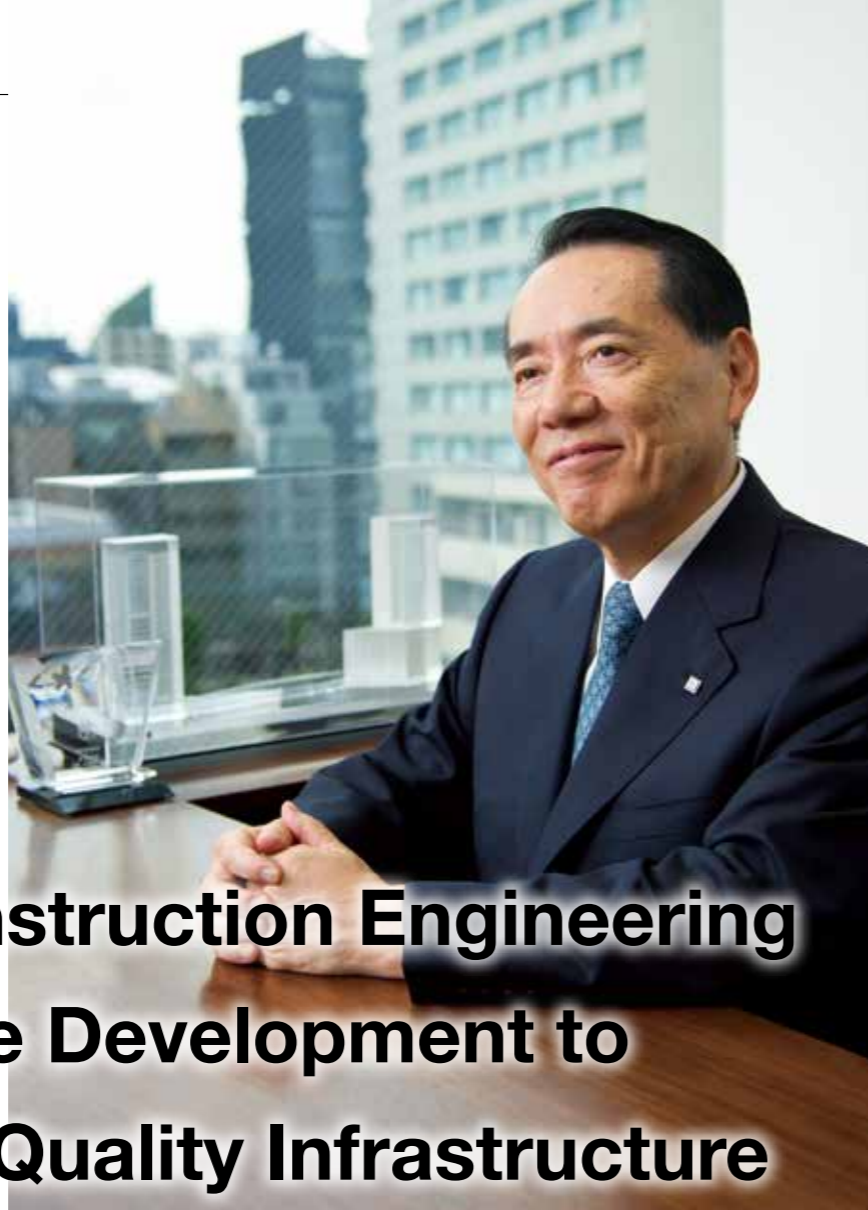
To attract young, enthusiastic, and capable employees, Kajima Kress recruits at vocational high schools and technical colleges all over Japan.

It also has its veteran employees visit their alma mater to build relationships with teachers, students and their parents. Seeing employees as priceless assets, Kajima Kress is training its diverse human resources in specialized skills so they can lend new dynamism to Kajima's construction sites. The company is improving its employee training system to develop experts in construction management and planning, aiming to contribute to Kajima and all of its group companies. This has been the company's mission since it was founded, and everyone at Kajima Kress today is determined to keep pursuing it.



The team from Kajima Kress Corporation involved in a high-rise building project in Tokyo.

Real Estate Development Business



Levering Construction Engineering in Real Estate Development to Create High-Quality Infrastructure

Teruaki Yamaguchi

Executive Vice President,
General Manager, Real Estate
Development Division

Kajima has been in the real estate development business since 1976, almost 40 years, and it has become one of the Company's core businesses. Today, Kajima is a well-established developer known for its strengths in construction engineering. As we deliver on the goals of Kajima's medium-term business plan, we will continue to develop our real estate development business as a core business that sustains the Company for decades to come.

Looking to the Future with a Spirit of Challenge

Over the past decade, the creative projects of our real estate development business have brought significant new value and potential to many urban areas. Now, with our sights set on 2020 and beyond, we are leveraging Kajima's years of expertise to devise projects that make the most of our leading-edge technologies. As we pursue large-scale comprehensive urban redevelopment projects, we will give priority to projects in Tokyo bayside areas and access routes to Tokyo International Airport in Haneda, looking to capitalize on growing demand in the tourism and transport industries.

■ Balancing Our Business in Japan

At the present time, it is vital that we find the right balance between our business in short-term turnover properties and our medium- to long-term property management business. In the former, Kajima secures capital gains by selling property it has developed from conceptualization and planning phases to design and construction. In the latter, the Company acquires steady earnings by continuing to manage and maintain properties after their construction. Here in particular, we can draw on the

expertise of Kajima Group companies in the downstream operations of maintenance and management. The Group is strongest when we work together to create value driven by a comprehensive portfolio of services. Meanwhile, by applying the knowledge we gain in this process to the upstream work of conceptualization and design, we can develop projects that better meet the needs of property users and clients. In addition, we strive to create new projects that make the most of our own underutilized properties and to build on Kajima's expertise in property utilization, so as to propose strategic corporate real estate to our clients.

■ Flexibly Capitalizing on Financial Markets

Japan's securitized real estate market is projected to keep growing. Having considered how conditions in this market are changing, we are looking into using investment vehicles that help keep interest-bearing liabilities under control, drawing on the experience we have gained in managing the Kajima Fund, a real estate investment fund launched in 2005.

Leveraging Our Competitive Edge

The competitive advantages of Kajima's real estate development business are its development engineering capabilities and its ability to bring plans to the finish line. These strengths are derived from a broad range of capabilities: achieving consensus among business partners we have worked with on redevelopment projects; cooperating with government organizations, which involves utilizing specially designated districts, acquiring approval and authorization, and so on; planning buildings, such as offices with high environmental performance; and organizing projects that utilize diverse techniques and approaches.

Combining all of these strengths, we will integrate our design and construction engineering expertise, strong credit capacity, community-based networking, and our ties with other companies in the various industries where the Kajima Group does business with. In this way, we establish projects as an "engineering developer" based on the Kajima brand reputation, which competitors simply cannot match.

■ Balancing Our Portfolio Internationally

Just as we work to balance short-term turnover properties with assets we want to hold and manage, we also strive to maintain a healthy balance in our portfolio of businesses in and outside Japan. In Japan, we are pursuing short-term investments intended to turn a profit while also investing in and managing properties for lease. Meanwhile, we are building on our real estate development expertise and business experience to bolster the headquarters organizations tasked with supporting our businesses in other countries. Our overseas operations are working with Kajima subsidiaries around the world to proactively pursue investment projects tailored to local needs, such as the development of a building complex in Senayan, Indonesia; Stockley Park in London,

England; and SkyHouse urban condominiums for lease in cities throughout the United States.

■ Developing Talent with Extensive Experience

Supporting all of these activities are about 200 people who our division has directly employed over the past 28 years. New employees gain basic experience working in three different departments within the division during their first 10 years. We also develop personnel with engineering skills to thrive both in Japan and worldwide, using a job transfer system and training at overseas subsidiaries. I hope to see these top performers acquire management skills by working outside of Japan, and then bring their international experience and overseas networks back to Japan to pioneer new business fields. We also transfer employees to Kajima Group companies in Japan, where they learn labor management, good governance, and other best practices in management, and then later apply their experience after returning to Kajima.

While working to create projects well suited for Kajima, we will help our employees grow by giving them abundant opportunities to gain extensive knowledge, broaden their experiences, and refine their decision-making skills. In this way, we will strive to ensure that the real estate development business is a reliable mainstay for Kajima over the next two years of restructuring.



Akasaka K-Tower.

FY 2014 Performance

Taking advantage of a recovery in Japan's real estate market, Kajima sold a number of properties during the fiscal year ended March 31, 2015. Owing to these results and other factors, total revenues in the real estate development business, including design and engineering, jumped 46.5% year on year to ¥83.7 billion. Meanwhile, operating income came in at ¥20.9 billion, more than 12 times higher than the previous fiscal year.

Aiming to secure steady earnings during the restructuring of the next two years, the real estate development business is carrying out a number of ongoing projects, including a condominium project in Tokyo's Harumi area and a redevelopment project in the city's Kachidoki district. In addition, Kajima is participating in an urban renewal project in Tokyo's Takeshiba district, which will continue beyond 2020. It has been authorized by the prime minister as a special project in a "National Strategic Economic Growth Area."



The redeveloped Yaesu side of Tokyo Station.

Meanwhile, the real estate development business is working to raise the value of its properties for lease, including offices in the Toranomom Towers building in Tokyo, by investing in renovations when needed and paying close attention to tenants' increasingly diverse needs for safety, security, environmental friendliness, and more.

For private finance initiatives (PFI) projects, the Company carefully selects those that allow it to leverage the Kajima Group's leading position. With this approach, Kajima won five bids for these projects in fiscal 2014. Among the 110 PFI projects that Kajima has tendered bids for since 1999, it was successful in 49 cases, or 44.5% of the total, establishing the Company as the top general contractor in Japanese PFI.

Besides pursuing real estate development projects, the business is also applying its expertise in project organization to offer consulting services and propose ways for clients to make better use of their land. When providing these services, Kajima aims to creatively develop cities while considering important trends and key developments, including "National Strategic Economic Growth Areas" in Japan, the upcoming 2020 Tokyo Olympic and Paralympic Games, medical cluster promotion, the rapidly aging demographic in major cities, and the internationalization of education.



Artist's rendering of a culture center in the city of Higashine, Yamagata Prefecture, to be built in a PFI project.

Major Projects

Project name	Location	Site area (m ²)	Overview of the project
Projects Being Constructed			
Harumi 2-Chome Condominium Project (The Parkhouse Harumi Towers Tiaro Residence)	Tokyo	Approx. 14,900	<ul style="list-style-type: none"> Conducting sales of condominium units (861 units on 49 floors) jointly with other companies. Started construction in July 2012, commenced sales of units in August 2013, and planning to hand over the building in August 2016.
Kachidoki 5-Chome Redevelopment Project (Kachidoki The Tower)	Tokyo	Approx. 10,900	<ul style="list-style-type: none"> Conducting sales of condominium units (1,318 of a total of 1,420 units on 53 floors) jointly with other companies as a member of the redevelopment project planning organization. Established the planning organization in October 2011, acquired approval of the plan to transfer property rights in December 2012, started construction of the building in September 2013, commenced sales of units in May 2014, and planning to hand over the building in March 2017.
Takeshiba District Urban Renewal Step-Up Project	Tokyo	Approx. 15,500	<ul style="list-style-type: none"> Overseeing the leasing of an office building (39 floors) and residential building (21 floors) jointly with other companies on Tokyo government-owned land to be leased for 70 years.
Totsuka Real Estate Development Project	Yokohama	Approx. 28,400	<ul style="list-style-type: none"> Conducting sales of condominium units (number not yet determined) jointly with other companies. Planning to start construction in fiscal 2016, and planning to complete construction and hand over the building in fiscal 2018.
Projects Under Management			
Toranomom Towers Office Project	Tokyo	Approx. 6,600	<ul style="list-style-type: none"> Managing leased offices, a parking area, and some stores in a 23-story building. Completed construction in August 2006 and developed the multi-purpose complex with a condominium building as the sole project manager. Designated as a top-level office building according to the Tokyo government's environmental preservation regulations in fiscal 2010.
Tokyo Station Yaesu Entrance Development Project	Tokyo	Approx. 19,800 (total site area)	<ul style="list-style-type: none"> Developed a large-scale complex with East Japan Railway Company, Mitsui Fudosan, and other partners. The Kajima Group participated in a project to develop the south wing building (42 floors), and sold off a portion of its holdings in February 2013. The completion of the public plaza in front of the station in September 2014 brought the entire project to a conclusion.
Akasaka K-Tower Project	Tokyo	Approx. 5,000	<ul style="list-style-type: none"> Constructed the building using an integrated design system on the site of Kajima's former head office, creating a high-rise building complex (30 floors) containing offices and residences; completed construction in January 2012. Acquired an "S" rating for new buildings according to the Comprehensive Assessment System for Building Environment Efficiency (CASBEE).

Project

TOPICS

Functioning as a Total Coordinator

Real Estate Development Division
Kachidoki 5-Chome Redevelopment Project

Tokyo's bayside areas have enormous potential for development now that the city is preparing to build infrastructure in time for the 2020 Tokyo Olympic and Paralympic Games. Accordingly, the Real Estate Development Division sees these bayside areas as important targets, and is pursuing development projects designed to meet renewed demand for urban redevelopment.

At present, the division is involved in the redevelopment of the 5-Chome district in Kachidoki at Tokyo Bay. The large-scale project comprises three buildings, including a 53-story condominium with over 1,400 units, making it one of the largest development projects in Japan.

When project members were being selected by the redevelopment preparation association, Kajima's real estate development, design, and construction departments combined their expertise from past redevelopment projects to make the bid. The Company won high marks for its emphasis on designing the building from the perspective of future

occupants and its capacity to coordinate all aspects of architectural and structural design, construction planning, cost control measures, and other factors. As a result, Kajima was not only selected as the project coordinator for the entire redevelopment project, but also tasked with constructing certain buildings.

After winning the bid, Kajima held meetings with the redevelopment association to discuss building plans, designs and coordination with government officials. The final project plan was appealing from both the urban development and community-building perspectives. Kajima then formed and led a joint venture with four major development firms, and began selling the units in 2014. This project, to be completed in 2016, is adding to Kajima's credibility as an integrated construction company and real estate developer, thanks in particular to its outstanding building plans, earthquake-resistant structural technologies, and the unique Y-shaped building design.

Artist's rendering of the building.



Person

Flexibly Applying Strengths in Development and Engineering

Hirotu Takahashi
Tohoku Reconstruction and Development Office, Real Estate Development Division

I am in charge of examining usage of city land and supporting project management in an urban reconstruction and land planning project in the north Gamou district of the city of Sendai, which was damaged in the 2011 earthquake and tsunami disaster. When I first joined Kajima, I was assigned to a real estate development planning department at headquarters, but after the disaster I requested a transfer to the Tohoku region, where I grew up, so I could help with reconstruction. I am thankful that the Company granted my request.

To rebuild the damaged areas, Kajima is flexibly adapting to new contract schemes that employ private-sector support, including a new construction management method and early contractor involvement. While making the most of its development know-how, the real estate development business is cooperating closely with the civil engineering and building construction businesses from the conceptual stage when each project is approved. Everyone wants the area to be rebuilt quickly, which involves the construction of various kinds of infrastructure, land preparation work, and ensuring the final usage of the land. Management skills are the key to quickly coordinating requests from government authorities and personnel from both inside and outside the company. I hope to balance all of these demands while drawing on the support of Kajima's unique history and expert personnel in this unprecedented project.



Group company

Providing a Safe, Secure, and Comfortable Urban Space

Kajima Tokyo Development Corporation

This company was established to manage Tokyo East 21, a building complex located in the Toyo district of Tokyo's Koto City, and it has been in business for 23 years since the complex opened. It handles operation and management of all facilities, for instance leasing office and commercial space to tenants and operating the Hotel East 21 Tokyo.

Tokyo East 21 is an urban space used by many kinds of tenants and visitors. Aiming to see it serve as a business center on weekdays and a recreational space for local residents on weekends, the company strives to keep the area dynamic by organizing weekly events and bringing in appealing new commercial tenants.

Following the Great East Japan Earthquake, the company formulated a business continuity plan and renovated offices accordingly, promptly setting up a smart energy network and equipping the office building with emergency supplies.

The company also renovated guest rooms in the hotel so that guests could have an unobstructed view of the Tokyo Sky Tree tower. This has made the hotel even more popular with families and the recently growing number of Asian tourists.

With the 2020 Tokyo Olympic and Paralympic Games approaching, Kajima Tokyo Development Corporation is staying apace with changing trends and meeting the diverse needs of customers by equipping Tokyo East 21 with a full range of attractions and services.



The Tokyo East 21 complex.

Overseas Construction and Real Estate Development

Tapping into Kajima's Essence in Search of New Growth Trajectories



Keisuke Koshijima

Senior Executive Officer,
General Manager, Overseas
Operations Division

Kajima's overseas subsidiaries have steadily been growing their construction and real estate development businesses in the United States, Asia (Southeast Asia, Taiwan, China), and Europe. In March 2015, we entered the Australian market and established Kajima Australia Pty Ltd. In each of these regions, the Company operates a construction and real estate development platform designed specifically for the local market. Through expanding our overseas presence we aim to create new and diversified sources of revenue growth.

The first step in this process is to build a business platform, placing emphasis on two aspects: "people & organization" and "a revenue generating mechanism (business model)." We are continually working to strengthen our business base on both fronts. We also aim to further leverage our professional expertise in different regions and fields. Construction and real estate development require very deep local knowledge and we place great importance on establishing an organization which can continuously support our personnel and subsidiaries and help them grow.

When entering new markets Kajima adopts a variety of approaches. Besides sending Japanese employees to a new overseas location and starting operations from scratch, we also consider acquiring and building a skilled and dependable workforce through M&A and other means. The latter approach has been successful for us in the United States, where Kajima has invested in reliable companies, with whom we share the same values.

In addition to working with Kajima Group subsidiaries, another viable approach is to ally with reliable partners, which have special strengths and with whom we

can jointly realize increased synergies. By building a more effective business model and creating value through multiple approaches we can establish a flexible business base, which can quickly and efficiently take advantage of new revenue opportunities.

Regional Roots

■ Asia

At Kajima, our employees are directly involved in both construction and real estate development, and spend a long time sharpening their skills for executing large projects. In the construction business especially, our highly trained local staff contribute significantly to our competitiveness. In addition to fostering the technical expertise of the local workforce, Kajima places a strong importance on strengthening its own managerial capabilities in order to foster closer and more effective teamwork.

Kajima's strength in Asia lies in our unique service offering, which takes advantage of our design engineering expertise that allows us to propose new ideas. To remain one step ahead of the competition, we constantly review and update our technology. For example, the Kajima Technical Research Institute established an office in Singapore in 2013. This office is now collaborating with local universities and related organizations on joint research and other undertakings. Government agencies there have strongly praised the office's expertise.

Going forward, we intend to deepen our knowledge of Asian markets and to develop breakthrough technologies tailored for the local market. In addition, Kajima entered the engineering field in 2014. Asia's medical and pharmaceutical markets are growing, and business opportunities in the field of engineering are increasing. Rather than serving merely as an auxiliary to the construction business, we want to see Kajima's engineering prowess itself become a mainstay of our business.

■ The United States

In the US, construction and real estate development companies under the holding company, Kajima U.S.A. Inc. (KUSA), have built up a proven track record by operating multiple platforms. In the future, whilst closely watching market conditions, they will pursue ways to diversify revenue sources in both fields. In particular, a special effort has been made in recent years to develop unique services and products through collaboration between different operating subsidiaries within the Group. A good example is the high-rise apartment developments that are part of the SkyHouse series of urban communities, which bring together the Group's real estate development and construction functions in a single business model. The Group is also investing in new revenue-generating assets to replace Industrial Developments International Inc., a developer of logistics warehouses sold in 2013.

■ Europe

In Europe, Kajima offers construction services in Central Europe, whilst a dedicated in-house team engages in real estate development and investment. The Company continues to seek new projects and fee-generating businesses, building upon its base of stable revenues derived from big projects under private finance initiatives (PFIs) in the United Kingdom. In addition, Kajima engages in quick-turnaround property investment, adding value through asset management.

■ Australia

Kajima set up Kajima Australia Pty Ltd and acquired a majority stake in ICON Co Pty Ltd., a mid-tier player in construction and real estate development. Building on this base, Kajima will develop a unique platform for both the construction and real estate development sectors in the Australian property market, which is expected to grow.

Succeeding in the Global Market

In any market, investments must be made and risks must be borne. Kajima firmly believes that the methods used for allocating corporate resources and evaluating risks must be thoroughly considered on a regular basis to ensure the best possible results. The Company has engaged in business outside Japan for many years. Along the way we experienced many setbacks before achieving our current profitability and settling upon our latest strategy. Our ongoing approach may not necessarily yield immediate or ready results but we believe strongly in investing in our organization for the future and working together as one team.

Whilst it is very satisfying when we are able to export Japanese methods and tools to our overseas businesses, working in Japan can lead to a Japan-centric view of the global market, when every location in the world is a center in its own right. Our task is to constantly maintain our ability to maximize the opportunities in growth centers around the world.

FY 2014 Performance

Kajima engages in construction and real estate development in 17 different jurisdictions around the globe. Through its overseas subsidiaries, the Group has laid down deep roots in each region, and pays strong attention to its corporate social responsibilities in each location. In the United States, Southeast Asia, Europe, and Australia, operating companies conduct their business under a regional headquarters. In addition, Kajima has one operating company in Taiwan and two in China.

In 2013, Kajima Overseas Asia Pte Ltd celebrated its 25th anniversary in Singapore, whilst Chung-Lu Construction Co., Ltd. marked its 30th anniversary in Taiwan, and in 2014 Kajima U.S.A. Inc. completed 50 years in business in the United States and Mexico. Kajima Europe Ltd. has now been doing business in Europe for 20 years. These long track records reflect the Group's commitment to setting down deep local roots around the world.

Kajima's overseas subsidiaries performed well in fiscal 2014 in terms of both revenues and profits (the construction business posted contract awards of ¥281.2 billion, revenues of ¥340.2 billion, recurring profit of ¥18.9 billion, and net income of ¥13.2 billion). These figures reflect a large volume of ongoing construction projects and strong sales, in addition to stable revenues from real estate development projects in progress.

Kajima's construction business has been increasingly successful in winning big contracts such as the large condominium projects awarded to the Hawaiian Dredging Construction Company, Inc. and increasing its construction

volume. Overall revenues are robust, especially due to a large order book in the United States. These favorable conditions are expected to continue into the coming fiscal year.

The Group's real estate development business is building a growing portfolio of income generating property. In the US, the SkyHouse series of apartment developments continue to grow. In Southeast Asia, the Senayan Square project in Indonesia continues to perform strongly. In the United Kingdom, a total of 18 PFI projects are generating robust revenues, and the Company has made some well-timed sales of assets from inventory.

Fiscal 2015 marks the start of the Kajima Group Medium-Term Business Plan (2015 to 2017), in which Kajima commits to "build up its overseas businesses (construction, real estate development) by further expanding existing operations and entering new markets and new fields." In 2015, Kajima purchased an office building in the City, London's financial district, and also signed a contract to design and build seven schools under the new PF2 scheme. Meanwhile, Kajima has entered the Australian construction and real estate development markets with the establishment of Kajima Australia. In these and other ways, the Group is working to further grow existing business and develop new markets and new fields.

Moving forward, Kajima will continue to reinforce its business base to support its businesses outside Japan and meet the objectives set out in the Medium-Term Business Plan.

TOPICS

Message from Hawaiian Dredging Construction Company

Bill Wilson, Chairman of the Board

KUSA acquired the Hawaiian Dredging Construction Company (HDCC) on November 1, 2002. After starting out in 1902 as a provider of harbor dredging services in Hawaii, HDCC branched out into the construction of buildings, bridges, power plants, and factories. Today it is the oldest, largest, and most diversified contractor in Hawaii.

Kajima first started working with HDCC decades ago when the two companies collaborated on the development of a large office building in Honolulu. At that time, Kajima provided design support as project owner while retaining HDCC as the contractor. Moving forward to the 1990s, Kajima again hired HDCC as the contractor to build an office building on Oahu and the Four Seasons Resort at Hualalai on

the island of Hawaii. These successful collaborations cemented a strong relationship and in 2000 the two parties entered into a joint venture that carried out three more projects.

Since becoming a subsidiary of KUSA in 2002, HDCC has continued to achieve notable success, and we are now handling more projects throughout Hawaii than ever before.

HDCC and Kajima have worked for clients in both the public and private sectors, and together we have built a solid relationship that both parties are very proud of. Capitalizing on its dominant position in Hawaii, HDCC expects to chalk up even more impressive achievements in the future.

Bill Wilson (Chairman of the Board) is fourth from left.



The United States



The KUSA group beat its business targets in fiscal 2014, posting construction contract awards of ¥193.1 billion, revenues of ¥193.5 billion, recurring profit of ¥4.0 billion, and net income of ¥2.4 billion. These figures reflect record-high orders and sales driven by the solid economic recovery in the United States. Both the construction and real estate development businesses made positive contributions to profits.

The KUSA group's medium- to long-term vision is to "become a top player in selected lines of business or geographical regions." To achieve this, it will seek to fully capitalize on the special strengths of each group company.

Working in line with this clear management vision, KUSA is focused on generating strong group-wide earnings by

investing in superior business opportunities. One example is the SkyHouse series of high-rise apartment developments, in which Kajima is investing very actively. These unique projects are a source of pride and they leverage fully the synergies arising from collaboration between the KUSA's core construction and real estate development businesses.

Simultaneously, the KUSA group proactively seeks ways to further diversify revenue sources by acquiring promising companies with good track records or by establishing new organizations. In real estate development, the group is placing special attention to stable monetization of its investments over the investment cycle.

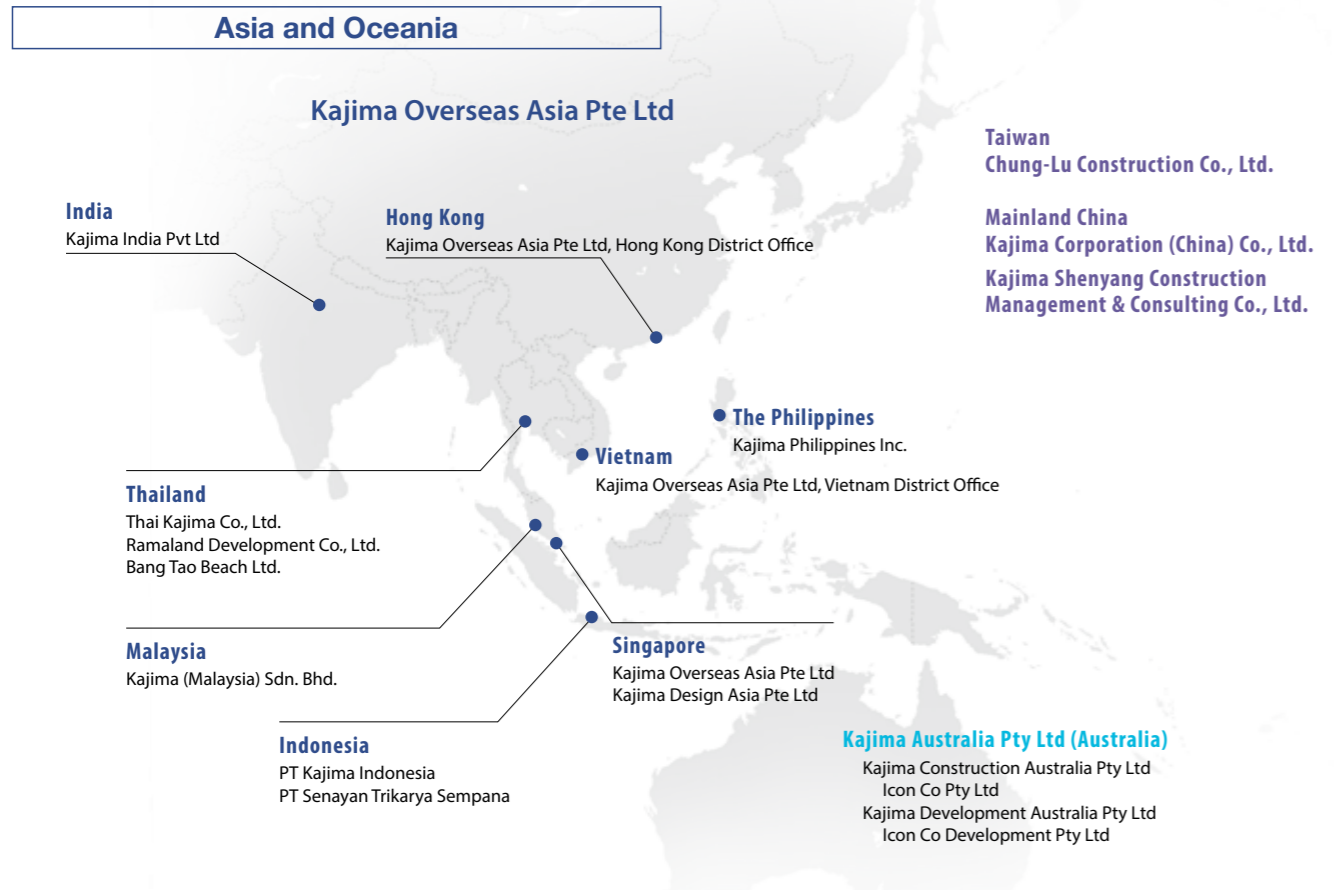
SkyHouse Houston. Completed in 2014, this is the fifth in the SkyHouse series of high-rise apartment developments.



Waihonua Condominium



Reception held in November 2014 to mark the 50th anniversary of KUSA.



In fiscal 2014, the Kajima Overseas Asia group (KOA group) delivered over ¥100 billion in revenues for the third year in a row despite fierce international competition in the Southeast Asia market, and also exceeded its profit target on the back of good performance in the real estate development business. The group posted construction contract awards of ¥62.6 billion, revenues of ¥110.1 billion, recurring profit of ¥9.9 billion, and net income of ¥7.6 billion.

The KOA group's business strategy is to "seek further expansion and increased stability by building a solid business platform, looking to capitalize on Asian economic expansion." In each of the eight countries where it operates it implements a tailor-made strategy for winning orders and runs a distinctive real estate development business. The group is also pursuing new markets and business opportunities.

In the construction business, the key to the KOA group's success is carefully selecting and focusing on fields where it has a competitive advantage, and making technical proposals that capitalize on its strengths. The KOA group intends to enhance its competitiveness in large markets such as Singapore where it continues to win major public facilities projects.

In its real estate development business, the KOA group is pursuing greater income stability by generating more revenues from its existing real estate holdings, such as Senayan Square project in Indonesia, which saw the opening of a new hotel in August 2015.

The KOA group is also exploring opportunities for business expansion by researching new markets that appear to hold good potential.

At the Kajima Europe group (KE group) both construction and real estate development contributed to a strong performance in fiscal 2014, posting construction contract awards of ¥14.2 billion, revenues of ¥22.5 billion, recurring profit of ¥3.8 billion, and net income of ¥2.3 billion. The group's construction business in Central Europe won an order for a major logistics warehouse project, and in the United Kingdom the real estate development business entered into contracts for new PFI projects whilst selling some properties from inventory.

The mission of the KE group is to take maximum advantage of its four-country business platform and provide solutions that meet the varied and exacting demands of Japanese and other multi-national corporations in Europe.

In the United Kingdom and France, whose mature economies are expected to see stable growth, the KE group has identified real estate investing, real estate development, and PFI/PF2 projects as core lines of its real estate business. In Poland and the Czech Republic, where there is still much scope for infrastructure development, and many new industrial new hubs are being established, it is targeting industrial, commercial, and educational facilities as the mainstays of its construction business.

The KE group continues to view the entire European region as a market opportunity, where it can leverage its years of knowledge and experience and provide high-quality, high-value services which contribute to the local community.



Singapore University of Technology and Design. (Singapore)



Shown here is the Ford plant at Sanand, where the KOA group is in charge of design and construction management during phase-one construction of this integrated auto manufacturing facility. (India)



Senayan Square is a major development project comprising a shopping center, three office buildings, four apartment buildings, and a hotel complex. (Indonesia)



Bicester Community Hospital, a PFI project that was completed and opened its doors in 2014. (United Kingdom)



55 Moorgate, an office building in London's financial district, acquired by the KE group in 2015. (United Kingdom)



Les Domaines de Saint Endreol Golf & Spa Resort. (France)

Technology

Staying a Step Ahead in the Technology Race

Kajima has remained the construction technology leader as Japan's economy has grown over time by integrating business strategy and technology strategy. In the civil engineering field, people talk about "Kajima, the railway builder" and "Kajima, the dam builder." In the building engineering field, we're known for our Western-style buildings, skyscrapers, and nuclear power plants. In addition, our revolutionary aseismic technologies have earned an unassailable reputation.

As I see it, Kajima's construction technology platform was laid out early on by two great specialists. One was Dr. Kiyoshi Muto, an internationally renowned earthquake engineering expert who specialized in the field of high-rise construction. The other is Dr. Takuji Kobori, a leading theorist in the field of structural response control. Both of these experts joined Kajima in the position of vice president, and under their strong leadership the Company united to deliver advanced technologies. Continual improvement over the years built the Kajima we know today.

Technology Development: Carrying on the Tradition

Kajima was hired after the Great East Japan Earthquake of 2011 to reinforce the Shinjuku Mitsui Building, and we recently finished. One of the most eye-catching skyscrapers in Tokyo's Shinjuku district, the building was put up way back in 1974. While it was not directly damaged by the 2011 quake, there have still been concerns about the risk posed by long-period ground motion. Answering the call for a safer skyscraper equipped with the most advanced seismic protections available today, Kajima developed an original set of 1,800-ton tuned mass dampers (D³SKY[®]) for installation on the roof to counter long-period ground motion.

Ordinary earthquake reinforcements are accomplished by installing multiple damping mechanisms in the lower-floor framework. To reinforce a building while it is occupied is a real challenge, for it must be done without impacting tenants or the building's appearance. Our unique D³SKY[®] system solved these challenges and considerably enhanced the building's value. It has received rave reviews as a superior approach to seismic upgrading technology for existing high-rise buildings.

At Kajima, we are proud of our corporate culture, which encourages the kind of free thinking that yields the most rational technologies. We prize the spirit of technical innovation that was born in this corporate culture and fostered by the strong guidance of Dr. Kiyoshi Muto and Dr. Takuji Kobori. We aim to build on this legacy to bring out Kajima's next set of breakthrough technologies for our quest to keep building safer, more sustainable cities. In recent years, markets for construction technologies have diversified, and miniaturization has come with technological progress. To drive further progress in R&D, we will carry forward Kajima's long-standing pioneering spirit and apply it to human resources development.

Value creation at Kajima is driven by people and technology. We have deep technological roots. To meet client needs, Kajima brings outstanding employees into an open atmosphere of free thinking and discussion. This is how, as a team, we develop technologies for every new age. Technology and people are inextricably linked. At Kajima, we focus on developing great technologies and great people; it's a winning combination that generates true value.



Kazuo Kojima

Executive Vice President,
Research & Technology Development

Responding to the Times and to Markets

Construction investment in Japan is half of what it was at its peak in the bubble period. Meanwhile, Japan's construction market as a share of GDP is about the same size as in the developed Western countries. The market for newly built properties is mature, so the percentage of investment going to renovations and other aspects of the life cycle has risen. Creatively addressing these structural changes is a top priority.

At Kajima, our construction business covers the entire life cycle of built structures, from upstream to downstream. We take advantage of this by focusing R&D on promising fields to strengthen our business portfolio as well as our competitiveness in the global market. Upstream, we are focusing on improving our original technologies. Midstream, we look to innovate in construction techniques and develop new renovation methods. Downstream, we are working on decommissioning nuclear reactors, including dismantling and final disposal.

Kajima is also strategic about generating investment returns. For example, with the convergence of new technologies—such as information and communications technology (ICT) and the internet of things (IoT)—we have formed technical alliances with R&D organizations and non-construction companies, and look to do joint R&D work with clients, as well.

The Kajima Technical Research Institute established an office in Singapore in September 2013. Capturing this new energy, we will identify the best system to contribute locally and create mechanisms to monitor and satisfy local needs.

Looking to the future, Kajima's task is to develop the next generation of highly skilled human resources while carrying out the technology development needed to drive our mid- to long-term business strategy. This is the key to taking the value we provide to a whole new level.

Human Resources

Encouraging True Diversity and Work-Life Balance

In addition to offices and construction sites in Japan, Kajima operates subsidiaries worldwide including in Europe, Asia, and the Americas, employing local staff of diverse nationalities. The efforts of Kajima's diverse workforce earn the Kajima Group the trust of local companies and business partners, which ensures that business development is firmly rooted in local communities. The Group emphasizes dialogue when carrying out M&A, always seeking mutual understanding with the new partner. This builds trust with both management and staff, resulting in a commitment to overcoming challenges as a team.

FY 2014 Performance

In April 2014, Kajima hired 116 new employees, including 9 women. As of March 31, 2015, Kajima Corporation's workforce was 7,546 employees, and the Kajima Group employed 15,383 persons. People with disabilities made up 2.25% of the workforce, up from the previous fiscal year. The overall turnover rate was 3.7%. As of April 1, 2015, Kajima Corporation employed 248 women in managerial-track—from civil engineering and construction project sites to design and business promotion. Of these, 63 women were in managerial positions, 2.3 times higher than the 2007 baseline.

Employee Data

	(FY)	2010	2011	2012	2013	2014
Employees (consolidated)		15,083	15,149	15,468	15,391	15,383
Employees (non-consolidated, also below)		8,164	7,925	7,737	7,657	7,546
Re-employed personnel		1002	968	945	804	908
Employees with disabilities (%)		1.75	1.83	1.88	2.03	2.25
Turnover rate (%)		2.7	2.1	4.3	5.4	3.7
Employees taking childcare/nursing leaves		47	38	37	36	54
Employees taking shortened work hours		7	12	18	22	23
Employees taking paid leaves		35.4	37.6	32.4	35.8	42.5
Employees using volunteer leave system		8	26	8	5	10
No. of new employees*1		185	185	191	203	116
No. of female new employees*1		26	20	27	24	9

1. As of April 1 of the fiscal year



Person

Leveraging Kajima's Strengths in the United Kingdom

Julian Rudd-Jones
 Managing Director, Kajima Partnerships Ltd.
 Managing Director, Kajima Properties (Europe) Ltd.

Kajima Partnerships and Kajima Properties (Europe) are engaged in two areas of the rapidly growing real estate development market in the United Kingdom. One is the real estate business in London, one of the world's leading cosmopolitan centers. The other is the maintenance and operation of essential social infrastructure via PFIs and PPPs, including schools, hospitals, and other public facilities.

Kajima Partnerships was founded in 1999, the year I joined the company, seeking to establish a British company with Japanese qualities. We have formed strong partnerships with experienced local contractors, leveraging the experience and commitment of our employees and the confidence that the Kajima name inspires worldwide. As a result, we have earned the trust of clients and have continued to grow.

Of our many diverse projects, I am most proud of the London middle school with its exquisite architectural design, the Royal Alex Children's Hospital, Brighton, with its unique design, and the office building in the Mayfair District, London, whose value was significantly enhanced. We will keep working to meet high expectations and further develop our business, leveraging the continued backing from Kajima to capitalize on the strong growth of the British economy.



Corporate Governance at Kajima

True to its corporate philosophy, the Kajima Group strives to continually advance its business operations and contribute to society. The Group's objective is to earn the trust and regard of all stakeholders, including stockholders, customers, business partners, local communities and employees.

Fundamental Stance

Kajima's fundamental commitment on corporate governance is to ensure fair and transparent corporate activities using enhanced management supervision by the Board of Directors and Audit & Supervisory Board. This is combined with risk management and accountability achieved via internal controls and systematic steps to secure compliance.

Kajima will keep working to strengthen its corporate governance by implementing policies fundamentally consistent with the Corporate Governance Code outlined by the Tokyo Stock Exchange.

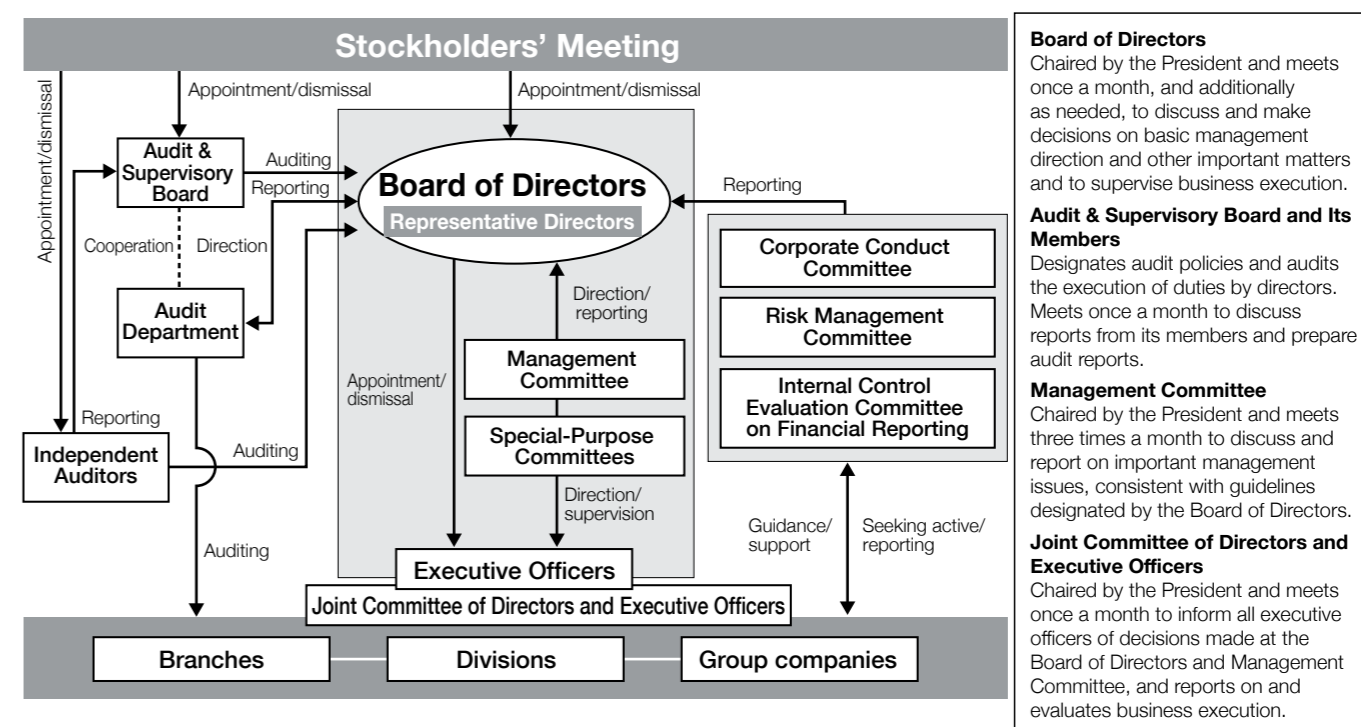
Governance Structure—Board of Corporate Auditors
 Directors: 14 persons (including three outside directors)
 Term: 2 years
 Audit & Supervisory Board Members: 5 persons (including three outside members)
 Executive officers: Yes
 Independent directors: 6 persons

Kajima has elected to use the Board of Directors to supervise and monitor business execution, and an Audit & Supervisory Board to audit management.

The Board of Directors meets once a month, and additionally as needed, to discuss and make decisions on basic management direction and other important matters and to supervise the Company's business execution. In addition to internal directors with expert knowledge of the Company's businesses, the Board has had three outside directors since June 2015, who add an independent perspective on key decisions and enhance management supervision. The total membership of the Board of Directors is 14 persons. Board meetings are attended by the five members of the Audit & Supervisory Board, including its three outside members. The outside directors and outside members of the Audit & Supervisory Board apply their experience and provide insight regarding the appropriateness and validity of decisions made by the Board of Directors. They also provide input from a third-party perspective to enhance objectivity and neutrality.

In 2005, Kajima adopted an executive officer system to clarify the responsibilities and functions of directors who execute business. Also, a Management Committee headed by the President meets three times a month to discuss important management issues, endeavoring to increase the efficiency and speed of business execution.

The Audit & Supervisory Board comprises two inside and three outside members, including finance and accounting experts. They attend important meetings, including Board of Directors meetings, and audit the appropriateness and validity of business execution by directors, with the support of the Audit Department. They also work closely with independent auditors and the Audit Department, receiving reports from the Risk Management Committee and Internal Control Evaluation Committee on Financial Reporting concerning the implementation of internal controls, and working to enhance the effectiveness and efficiency of auditing.



Board of Directors
 Chaired by the President and meets once a month, and additionally as needed, to discuss and make decisions on basic management direction and other important matters and to supervise business execution.

Audit & Supervisory Board and Its Members
 Designates audit policies and audits the execution of duties by directors. Meets once a month to discuss reports from its members and prepare audit reports.

Management Committee
 Chaired by the President and meets three times a month to discuss and report on important management issues, consistent with guidelines designated by the Board of Directors.

Joint Committee of Directors and Executive Officers
 Chaired by the President and meets once a month to inform all executive officers of decisions made at the Board of Directors and Management Committee, and reports on and evaluates business execution.

Current Outside Directors and Outside Members of Audit & Supervisory Board

Kajima appoints three outside directors as well as three outside members of the Audit & Supervisory Board, with an emphasis on securing a high degree of independence. Appointees must satisfy certain requirements for independent directors laid down by stock exchanges, and all are on file as independent directors with the Tokyo Stock Exchange and Nagoya Stock Exchange.

Major Internal Meetings in FY2014

Board of Directors	15 meetings
Audit & Supervisory Board	15 meetings
Attendance by outside members of Audit & Supervisory Board at Board of	
Directors meeting	95%
Attendance by outside members at Audit & Supervisory Board meeting	98%

Basis for Appointing Outside Directors

Name	Reason for Appointment
Koji Furukawa	Furukawa provides valuable insight from his extensive experience in senior management positions with leading organizations in different industries, including Mitsubishi Corporation, Mitsubishi Motors Corporation, Japan Post Bank Co., Ltd., and Japan Post Network Co., Ltd.
Masahiro Sakane	Sakane provides valuable insight from his experience leading a global manufacturer. He served as President and later as Chairman of the Board of Komatsu Ltd.
Kiyomi Saito	Saito provides valuable insight from her extensive experience gained as a business leader and entrepreneur. She served as Executive Director at Morgan Stanley and founding President of JBond Co., Ltd. (currently JBond Totan Securities Co., Ltd.).

Basis for Appointing Outside Members of Audit & Supervisory Board

Name	Reason for Appointment
Kinro Nakamura	Nakamura provides valuable input from a neutral and objective perspective, based on his extensive knowledge of finance and accounting and his years of experience at financial institutions. He served as manager and auditor at Sumitomo Bank Limited and Sumitomo Mitsui Banking Corporation.
Shuichiro Sudo	Sudo provides valuable input from a neutral and objective perspective, based on insight gained from his extensive experience in senior management positions at insurance companies including The Dowa Fire and Marine Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd.
Yukio Machida	Machida brings specialized knowledge as a prosecutor and attorney, and provides valuable input from a neutral and objective perspective based on insight gained from his extensive legal experience.

■ Remuneration for Directors

In keeping with its policy on determining remuneration for directors, Kajima pays directors monthly wages as fixed payments and variable compensation in conjunction with a business performance bonus, decided according to positions (including operating officer positions for directors concurrently serving in that role) and tenure. In fiscal 2014, the total remuneration for all directors was ¥390 million, and for all members of the Audit & Supervisory Board was ¥107 million.

(¥million)		
Position	No. of Persons	Total Remuneration, All Persons
Directors	10	390
Audit & Supervisory Board Members	6	107
Outside members of Audit & Supervisory Board	4	50

Compliance

Kajima designates compliance as one of the five cornerstones of its framework for corporate social responsibility (CSR). Compliance is considered fundamental to all corporate conduct, a stance that is outlined in the Kajima Group Code of Conduct.

The following summarizes some of Kajima's ongoing initiatives for specific areas of compliance.

Kajima Group Code of Conduct	
1 Fair and Honest Corporate Conduct <ol style="list-style-type: none"> Observing the law and social norms Emphasizing the needs of society and clients Fair, transparent and free competition, and appropriate trade Protection of intellectual property, rights and assets Transparent relations with government Eradication of antisocial activity Maintaining adequate accounting 	3 Respect for All People Connected to the Kajima Group <ol style="list-style-type: none"> Prohibiting discrimination and unfair treatment Providing a safe and secure workplace environment Respecting employee's unique characteristics and promoting individual development Avoiding child labor and forced labor
2 Harmony with Society <ol style="list-style-type: none"> Building solid community relations Respecting cultures and customs of all nations and people Timely and appropriate disclosures and communications of information 	4 Responsibility to the Environment <ol style="list-style-type: none"> Approach to environmental issues
	5 Implementation of Corporate Code of Conduct <ol style="list-style-type: none"> Education and awareness Establishment of an effective internal monitoring structure
	6 Occurrence of Code Violations <ol style="list-style-type: none"> Accountability and preventive measures Disciplinary action

■ Compliance Framework

The Legal Department is responsible for overseeing compliance at Kajima, and engages in ongoing measures to make all directors and employees aware of the need for compliance. These measures include the development and distribution of a compliance manual (*Handbook for Practical Application of the Code of Conduct*), and Group training concerning the Corporate Code of Conduct. A Corporate Conduct Committee headed by the president meets once a year to examine the effectiveness of current strategies and develop strategies for the next fiscal year.

Kajima operates a corporate ethics hotline for confidential, anonymous reporting by employees and other stakeholders, available internally through the head office and branches as well as externally through an attorney's office. Information cards on the hotline are distributed to employees to raise awareness and encourage them to use it.

■ Prevention of Bid Rigging

Kajima operates an Antitrust Law Committee under the Corporate Conduct Committee, and implements initiatives to prevent bid rigging within the Company. These initiatives include the internal circulation of a Manual for Compliance with the Antimonopoly Act, regular monitoring of bid processes, and implementation of workshops on the Antimonopoly Act. In fiscal 2014, workshops on the Antimonopoly Act were conducted for 822 employees, mainly focusing on staff in sales positions and encompassing 136 employees of 14 Group companies.

In January 2015, subsidiary Kajima Road Co., Ltd. received an on-site inspection from the Japan Fair Trade Commission related to suspected violations of the Antimonopoly Act. The investigation is ongoing as of July 2015. Kajima greatly regrets the fact that its subsidiary is under suspicion of bid rigging, and is redoubling its efforts as a Group to prevent bid rigging.

■ Information Security

Kajima firmly prioritizes constant risk management and operates an information security policy. Employees of the Kajima Group and its business partners receive an annual online course on information security. Special emphasis is placed on response to targeted cyber-attacks.

In the construction industry, project offices are often housed in temporary structures, and there is frequent communication with clients and business partners during the construction process. These factors increase information security risk. Accordingly, Kajima regularly inspects and audits to verify that physical, personal, and technical measures are in place, while it also continues enhancing such measures.

In fiscal 2014, Kajima addressed 10 issues for improvement resulting from audits of 22 sites. The Company also verifies and supervises the implementation of information security measures at its business partners aiming for thorough management of information risks.

Risk Management

With appropriate and efficient risk management systems established, the Kajima Group has made its best effort to exactly identify risks in day-to-day operations and prevent them. The Group also strives to keep improving corporate value by winning the trust of shareholders, clients, and others with timely information disclosure.

■ Company-Wide Risk Management System

Kajima conducts company-wide activities to eliminate or reduce operational risks. The Management Committee and special-purpose committees deliberate on countermeasures to deal with such risks, including for new businesses and development investments.

The Risk Management Committee, which meets every March and is chaired by the president, identifies major business risks that must be controlled company-wide. Kajima seeks to raise

awareness of these risks and undertake risk management initiatives based on the PDCA cycle. Group companies in and outside of Japan have adopted standardized systems and have independently introduced risk management initiatives.

■ Business Continuity Plan: Preparing for Disasters

In the event of an earthquake or other natural disaster, the construction industry must quickly mobilize to ensure business continuity and resume operations, as well as rapidly restore social infrastructure such as roads and bridges. To meet these responsibilities, and as a member of the Japan Federation of Construction Contractors, which acts at the behest of the Japanese government, Kajima has put in place a business continuity plan (BCP), conducts regular drills, and periodically updates the plan to prepare for contingencies. Kajima also has agreements with government bodies at various levels to cooperate on disaster preparedness.

Internal Controls

In keeping with the Companies Act in Japan, Kajima has established a basic internal control systems policy to ensure that its financial reporting is accurate and reliable. The Company draws on this system to operate appropriately and effectively while ensuring thorough compliance and risk management.

of Japan's Financial Instruments and Exchange Act. The most recent report evaluated management activities and internal controls designed to ensure the accuracy of all reported information, and received a favorable opinion by an independent auditing firm. Kajima will continue to improve its internal control reporting system to ensure consistently credible financial reporting.

■ Application of Internal Controls over Financial Reporting

Kajima issues internal control reports on the validity of its financial reporting, in accordance with the requirements

Investor Relations

Kajima strives to engage in timely and appropriate disclosure of corporate and business information to keep shareholders

and investors well informed. The following is a summary of Kajima's main investor relations activities in fiscal 2014.

Activity	Times Conducted	Description
Briefing for analysts and institutional investors	4	Earnings briefing with the president held at the end of the fiscal year. IR teleconference briefings were held at the end of Q1, Q2, and Q3.
Construction site tour for analysts and institutional investors	1	Annual tour of construction sites and Kajima development projects for analysts and institutional investors.
IR activities for institutional investors outside of Japan	—	Participated in two conferences arranged by a securities company, mainly holding one-on-one meetings with institutional investors.
Release of documents at IR website	—	Released earnings briefing documents, Fact Book, quarterly earnings reports, and data on contract awards at Kajima's investor relations website. http://www.kajima.co.jp/english/ir/

Directors and Auditors



Mitsuyoshi Nakamura
Chairman,
Representative Director

1965 Joined the Company
1996 Director
1999 Managing Director
2002 Senior Managing Director,
General Manager, Sales
and Marketing Division;
and General Manager,
Kansai Sales and
Marketing Division
2005 President, Representative
Director
2015 Chairman, Representative
Director (to the present)



Yoshikazu Oshimi
President,
Representative Director

1974 Joined the Company
2005 Executive Officer; General
Manager, Yokohama
Branch Office
2008 Managing Executive
Officer
2009 General Manager, Building
Construction Management
Division
2010 Senior Executive Officer
2013 General Manager, Kansai
Branch
2015 Executive Vice President,
President, Representative
Director (to the present)



Shoichi Kajima
Director, Senior Advisor

1953 Director
1959 Executive Vice President, Representative Director
1978 Vice Chairman, Representative Director
1984 President, Representative Director
1990 Co-Chairman and CEO, Representative Director
1994 Director, Senior Advisor (to the present)



Naoki Atsumi
Representative Director,
Executive Vice President

1986 Joined the Company
1995 Director
1997 Managing Director
2000 Senior Managing Director
2002 Representative Director, Executive Vice
President, Responsible for Executive
Office, Human Resources and Audit
2005 Representative Director (to the present);
Executive Vice President (to the present);
General Manager, Corporate Planning
Division, Responsible for CSR and
Overseeing Executive Office, Audit
Department, New Business Department,
Affiliated Business Department and IT
Solutions Department



Tamiharu Tashiro
Representative Director,
Executive Vice President

1971 Joined the Company
2005 Executive Officer; General Manager,
Tokyo Civil Engineering Branch, Tokyo
Metropolitan Business Division
2007 Managing Executive Officer; General
Manager, Civil Engineering Management
Division, Overseeing Machinery and
Electrical Engineering Department
2008 Senior Executive Officer
2009 Director
2010 Representative Director (to the present),
Executive Vice President (to the present)



Hiroyoshi Koizumi
Representative Director,
Executive Vice President,
General Manager, Building
Construction Management
Division

1973 Joined the Company
2004 Managing Director, Kajima Overseas Asia
Pte Ltd
2008 Executive Officer
2010 Managing Executive Officer
2013 Senior Executive Officer; General Manager,
Building Construction Management
Division (to the present)
2015 Representative Director (to the present),
Executive Vice President (to the present)



Takashi Hinago
Director, Executive Vice President,
General Manager, Sales and
Marketing Division

1968 Joined the Company
2003 Director
2005 Executive Officer
2006 Managing Executive Officer
2007 General Manager, Sales and Marketing
Division (to the present)
2008 Senior Executive Officer
2011 Executive Vice President (to the present)
2012 Director (to the present)



Koji Furukawa
Director*

1962 Joined Mitsubishi Corporation
1999 Director, Senior Executive Vice President,
Mitsubishi Corporation
2004 Vice Chairman of the Board, Mitsubishi
Motors Corporation
2007 Chairman and CEO, Representative
Director, Japan Post Bank Co., Ltd.
2009 Chairman and CEO, Representative
Director, Japan Post Network Co., Ltd.
2012 Chairman and CEO, Representative
Director, Japan Post Co., Ltd.
2013 Advisor, Japan Post Co., Ltd.; Advisor,
Mitsubishi Corporation (to the present)
2015 Director (to the present)



Masahiro Sakane
Director*

1963 Joined Komatsu Ltd.
1989 Director, Komatsu Ltd.
1999 Executive Vice President, Representative
Director, Komatsu Ltd.
2001 President, Representative Director,
Komatsu Ltd.
2003 President, CEO, Representative Director,
Komatsu Ltd.
2007 Chairman of the Board, Representative
Director, Komatsu Ltd.
2010 Chairman of the Board, Director, Komatsu
Ltd.
2013 Councillor, Komatsu Ltd. (to the present)
2015 Director (to the present)



Kiyomi Saito
Director*

1973 Joined Nikkei Inc.
1975 Joined Sony Corporation
1984 Joined Morgan Stanley
1990 Executive Director, Morgan Stanley
2000 President, JBond Co., Ltd. (currently
JBond Totan Securities Co., Ltd.) (to the
present)
2015 Director (to the present)



Kinro Nakamura
Audit & Supervisory Board
Member**

1972 Joined the Sumitomo Bank, Limited
2002 Corporate Auditor, Sumitomo Mitsui
Banking Corporation
2003 Managing Director, Managing Executive
Officer, Sumitomo Mitsui Card Company,
Limited
2006 Audit & Supervisory Board Member (to the
present)



Masayasu Kayano
Director, Executive Vice President,
General Manager, Civil
Engineering Management Division

1974 Joined the Company
2001 Secretary Senior Manager
2007 Executive Officer; General Manager, Tokyo
Civil Engineering Branch
2009 Managing Executive Officer
2011 General Manager, Civil Engineering
Management Division (to the present),
Overseeing Machinery and Electrical
Engineering Department
2012 Senior Executive Officer
2014 Director (to the present), Executive Vice
President (to the present)



Hiroshi Ishikawa
Director, Senior Executive Director

1989 Joined the Company
1997 Representative Director; Vice President,
Kajima Leasing Corporation
2000 Director
2002 Managing Director
2004 Senior Managing Director
2005 Director (to the present), Senior Executive
Officer (to the present)
2007 Responsible for Sales and Marketing (to
the present)



Hironobu Takano
Director, Senior Executive Officer,
General Manager, Treasury
Division

1972 Joined the Company
2008 Executive Officer; Deputy General
Manager, Treasury Division
2010 General Manager, Treasury Division (to the
present)
2011 Managing Executive Officer
2012 Senior Executive Officer (to the present),
Director (to the present)



Nobuyuki Hiraizumi
Director

1984 Joined the Company
2005 Principal Economist, Research
Department, Policy Research Institute,
Ministry of Finance
2007 Senior Manager, Asset Management
Service Department, Real Estate
Development Division
2009 Retired from the Company
Advisor, Avant Associates, Inc. (to the
present)
2012 Director (to the present)



Yuichiro Tajima
Audit & Supervisory Board
Member

1974 Joined the Company
2007 General Manager, Audit Department
2009 Executive Officer
2014 Managing Executive Officer
2015 Audit & Supervisory Board Member (to the
present)



Atsuhiko Takata
Audit & Supervisory Board
Member

1977 Joined the Company
2005 General Manager, Legal Department,
Administration and Human Resources
Division
2006 General Manager, Legal Department
2007 General Manager, Human Resources
Department, Administration and Human
Resources Division
2013 Audit & Supervisory Board Member (to the
present)



Shuichiro Sudo
Audit & Supervisory Board
Member**

1964 Joined The Dowa Fire and Marine
Insurance Co., Ltd.
1991 Director, The Dowa Fire and Marine
Insurance Co., Ltd.
1996 Managing Director, The Dowa Fire and
Marine Insurance Co., Ltd.
1998 President, Representative Director, The
Dowa Fire and Marine Insurance Co., Ltd.
2001 President, Representative Director, Nissay
Dowa General Insurance Co., Ltd.
2006 Chairman, Representative Director, Nissay
Dowa General Insurance Co., Ltd.
2010 Representative Director, Aioi Nissay Dowa
Insurance Co., Ltd.
2012 Audit & Supervisory Board Member (to the
present)



Yukio Machida
Audit & Supervisory Board
Member**

1969 Public Prosecutor, Tokyo District Public
Prosecutor's Office
2002 Director-General, Public Security
Investigation Agency
2004 Superintending Prosecutor, Sendai High
Public Prosecutor's Office
2004 Deputy Prosecutor-General, Supreme
Public Prosecutor's Office
2005 Retired from Public Prosecutors' Office;
Admitted to the bar
2015 Audit & Supervisory Board Member (to the
present)

* Outside Director as defined in item 15, Article 2 of the Companies Act.
** Outside Company Auditor as defined in item 16, Article 2 of the Companies Act.

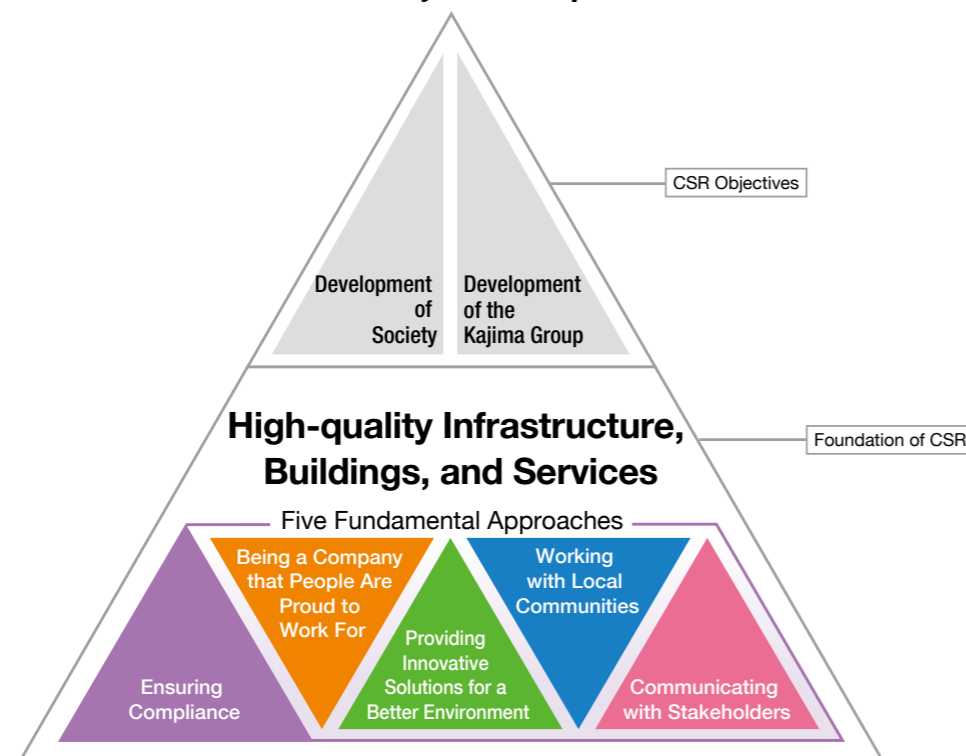
CSR at Kajima Group

The Kajima Group has adopted the corporate slogan, “Building for the Next 100 Years.” The buildings and other structures Kajima builds will be used by generations to come. That is why Kajima sees its mission as a long-term endeavor—building the next century to create added value for society as a whole. Taking the long view, Kajima earnestly seeks to fulfill its responsibilities and exercise painstaking care, not only throughout the construction process, but also in the ensuing building maintenance and operation.

Basic CSR Approach of the Kajima Group

Kajima’s Corporate Philosophy is to “contribute to society through the development of the Company’s business operations.” The Company’s CSR framework was adopted on the basis of this philosophy, and it guides the CSR activities of the entire Kajima Group. The Company’s responsibility is to maintain its main business of reliably providing high-quality infrastructure, buildings, and services that meet the needs of customers. The aim is to help create a society that is ever more safe, secure and comfortable. Quality, safety, and the environment are key considerations in this process, and these are addressed by Kajima’s quality assurance, safety and health, and environmental policies.

CSR Framework at the Kajima Group



Quality Assurance, Safety and Health, and Environmental Policies

Basic Policy

Quality assurance, safety and health, and environmental management are fundamental to production and corporate survival. By establishing and continuously improving management systems to comply with relevant laws, ordinances, and other societal requirements, Kajima works to produce efficiently while earning the trust of clients and society.

Quality Assurance Policy

Kajima provides products and services that satisfy clients, from marketing to follow-up services, allowing them to place orders with a sense of reassurance and trust.

- 1 We ensure product quality by heeding and addressing client requirements and responding while thoroughly implementing the plan-do-check-act cycle.
- 2 We enhance research and development and plan ways to improve quality and increase operational efficiency.

Safety and Health Policy

Safety is the barometer of a company’s capabilities and ethics. We therefore collaborate with subcontractors with strong management to eliminate construction-related accidents and injuries so we can maintain public trust in the construction industry while pursuing sustainable corporate progress.

- 1 We work to prevent accidents and incidents stemming from human error by focusing on the workplace, equipment, and site conditions and by using point-call-and-response practices as routine workplace procedures.

- 2 We strive to create safe and comfortable working environments by facilitating close communication between Kajima and partner companies and by ensuring close coordination between people, machinery, and equipment.

Environmental Policy

Kajima “Building for the Next 100 Years,” pursues a unique long-term environmental vision, doing its part in the broader social efforts to preserve the environment and ensure economic sustainability.

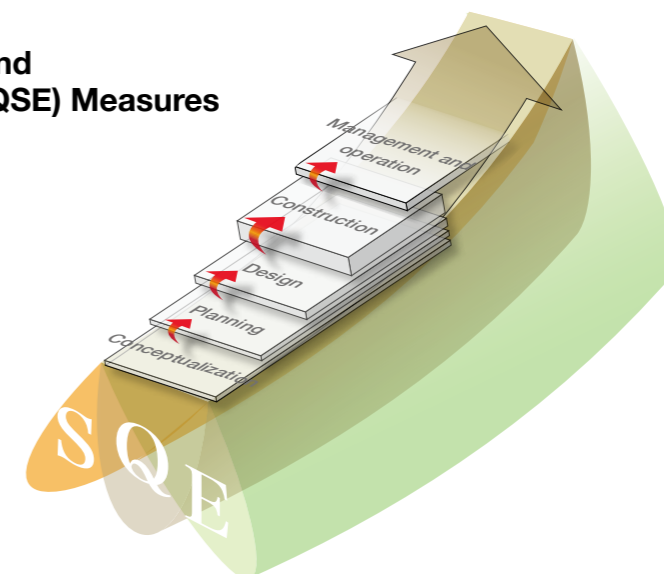
- 1 We work to reduce the environmental impact of our business and take into consideration the entire lifecycle of the structures we construct. We thereby seek to help build societies which use materials responsibly, have a low carbon footprint, and harmonize with nature.
- 2 As a standard for achieving these goals, Kajima:
 - Creates innovative technologies that help safeguard the environmental and use resources sustainably
 - Engages in construction management processes to prevent environmental damage caused by hazardous materials used in construction projects
 - Cooperates with the public, including by proactively disclosing information

Integrated Management System for Quality Assurance, Safety and Health, and Environment

In April 2003, Kajima integrated several separate policies on quality, safety and health, and the environment. Then, the Company introduced management systems based on the new common policy to its construction business, both in civil engineering and building construction. Since quality, safety,

and the environment are all interconnected, improving one area yields synergies in the others. Kajima incorporates these three perspectives into construction plans and daily operations at each site.

Quality, Safety and Environmental (QSE) Measures



Quality

Building with the Heart and Soul of a Craftsman

Kajima has a long track record of delivering reliable quality. Kajima quality has earned the trust and appreciation of property owners and clients, in turn creating opportunities for new projects. In recent years, however, the Company has been strongly criticized for a number of quality issues. In response, Kajima has re-examined its methods, and launched an all-out effort to ensure total dedication to quality assurance, the foundation of clients' trust. The slogan for this effort is, "Building with the Heart and Soul of a Craftsman."

■ Management Systems

Kajima performs quality management in accordance with the ISO 9001 certification obtained by both its civil engineering and building construction businesses. The certification covers quality management at relevant Head Office departments, the Kajima Technical Research Institute, the Architectural Design Division, and branch offices. Group companies outside Japan have also obtained certification when appropriate. The two businesses have both prepared manuals and implementation guidelines under the quality management system.

In each of its civil engineering projects, Kajima makes it a priority to ensure the quality of concrete and eliminate quality issues in piles. Manuals have been prepared to ensure these issues get priority management. While expanding training programs for improving technical capabilities, Kajima is also focusing on research and technology development to further promote quality assurance.

In the building construction business, Kajima operates according to the Guidelines for Managing and Supervising

Construction Work. The aim is to develop dynamic quality management activities and keep improving their effectiveness, while focusing on items that need to be recorded at construction sites as well as inspection methods as part of quality management by the builder. There is a very diverse range of specialized jobs in building construction. Since multiple jobs are being performed at the same time, Kajima executes thorough process management for each job, including the installation of rebar, piles, concrete and waterproofing.

■ Effective Systems

In order to ensure quality, it is essential that the awareness of each employee is consistent with that of the Head Office, branch office, and construction site organizations, as well as each committee.

From the time a property owner gives the go-ahead until the start of construction, and during the construction process, the earlier that construction planning can be carried out from the macro to micro levels, the better results can be achieved for quality, cost, delivery time, safety, and the environment (QSDSE). As part of construction planning, specialists in procurement as well as mechanical and electrical engineering provide their input at consultations such as construction preparation committee meetings. The planning framework allows Kajima to utilize the expertise it has gained through numerous projects over the years.

Verification is also provided at the testing facilities of the Kajima Technical Research Institute, using simulations based on the particular conditions at the site concerned. This technical support for its construction sites is part of the comprehensive strength Kajima offers.



The Academia, Singapore General Hospital, for which Kajima was recognized in 2015 by the Singapore's Building and Construction Authority Awards for Construction Excellence, in the Institutional Building Category.

Isawa Dam, for which Kajima received the Technology Award 2014 from the Japan Society of Dam Engineers, along with recognition of the Regulating Reservoir Project for the Kyogoku Hydroelectric Power Station.

Kyoto Yaoichi Honkan, for which Kajima was honored at the 55th BCS Awards by the Japan Building Contractors Society.



Safety

Think Safety! Make Today Accident Free!

Kajima has a responsibility to ensure onsite safety and health management for everyone at its construction sites. As the prime contractor, Kajima must perform planning and risk management so that the employees and workers of subcontractor companies present on each Kajima site are able to work efficiently in a safe environment.

At construction sites in Japan in fiscal 2014, Kajima experienced 102 accidents resulting in four or more lost workdays, including 2 fatal accidents. The frequency rate of industrial injuries resulting in four or more lost workdays was 0.93, and the rate for injuries resulting in one to three lost workdays was 1.99. The severity rate of industrial injuries was 0.16. Redoubling its efforts under the slogan, "Think Safety! Make Today Accident Free!" Kajima is working hard to ensure that everyone on site puts safety first.

Changes in Safety Results

	2010	2011	2012	2013	2014
Accident frequency rate (at least 4 days off work)	0.66	0.82	0.76	0.77	0.93
Accident frequency rate (at least 1 day off work)	—	—	1.73	1.67	1.99
Accident severity rate	0.02	0.58	0.40	0.10	0.16
No. of accidents	64	89	85	80	102
No. of fatalities	0	8	5	1	2
Cumulative working hours (millions of hours)	97.07	108.19	112.16	104.51	109.32

Frequency rate: The number of fatalities and injuries at worksites per one million cumulative working hours
Severity rate: The severity of illnesses and injuries represented by the number of workdays lost over one thousand cumulative working hours



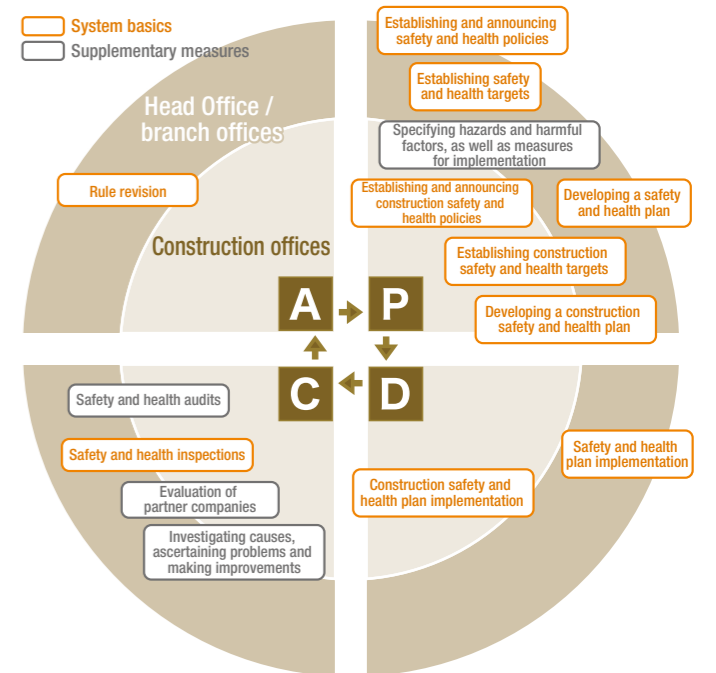
Kajima is recognized with three excellence and two encouragement awards from the Minister for Health, Labour and Welfare for excellent workplaces, organizations and persons with a very high level of occupational safety and health performance.

■ Management System

Kajima performs safety and health management in accordance with the Construction Occupational Health and Safety Management System (COHSMS) established by the Japan Construction Occupational Safety and Health Association.

Kajima reviews its safety and health policies as needed based on the current situation and the previous year's results. It then develops company-wide safety and health targets and plans for the coming fiscal year. This plan-do-check-act (PDCA) cycle is used to identify priority measures for implementation at each construction office, at supporting branch offices and Head Office, and at partner companies. With this foundation, each Kajima construction site sets safety and health policies, targets and plans, which are implemented with partner companies during construction. Moreover, regular safety patrols are carried out at construction sites in order to constantly improve the safety and health level.

PDCA Cycle Chart for Ensuring Compliance

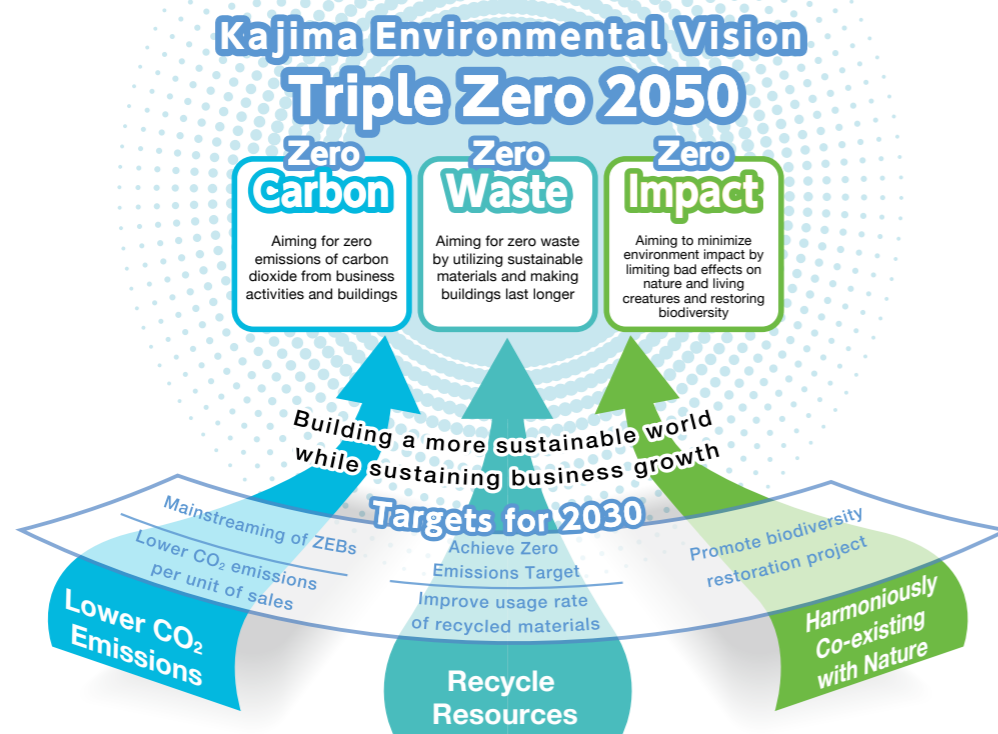


President Yoshikazu Oshimi makes a safety patrol.

Environment

The construction industry has a substantial impact on the future by creating social infrastructure. As the company that is "Building for the Next 100 Years," Kajima is reducing the environmental impact of its business activities. At the same time, it is creating social infrastructure that harmonizes with the natural environment as a leader in building a more sustainable world.

The Kajima Environmental Vision, "Triple Zero 2050," plots out the Company's approach to sustainability through 2050. The Kajima Group is pursuing this vision with its sights set on extending the reach of its environmentally friendly business activities upstream and downstream in the supply chain.



	Social goals	Triple Zero 2050	Targets for 2030	Common Foundation Initiative Areas
Building a More Sustainable World	Lower CO₂ Emissions Balancing greenhouse gas emissions from human activities with the Earth's capacity for CO ₂ absorption	Zero Carbon Aiming for zero emissions of CO ₂ and other greenhouse gases, not only from the Company's business activities, but also from the buildings it constructs	Design Operations Realize zero-energy buildings (ZEBs) by 2020, standardize ZEB techniques by 2025, and promote the mainstreaming of these buildings by 2030. Construction Operations Lower CO ₂ emissions per unit of sales to 35% ¹ of 1990 level	<ul style="list-style-type: none"> Management of hazardous substances Ensure preventative measures (especially for soil contamination and asbestos) and proper management of chemical substances Perform research and technology development Actively distribute information in and outside the Company
	Recycle Resources Pursuing zero emissions by employing state-of-the-art infrastructure maintained and operated using sustainable resources	Zero Waste Aiming to eliminate waste from construction operations by ensuring zero landfill disposal of waste during construction, utilizing sustainable materials, and making buildings last longer	<ul style="list-style-type: none"> Completely eliminate final landfill waste disposed from construction operations Achieve a usage rate of recycled materials of at least 60% for principal construction materials.² 	
	Harmoniously Co-existing with Nature Valuing the continuous benefits of ecosystem services by minimizing the impact of human activities on the environment and living creatures	Zero Impact Aiming to minimize the overall environmental impact of construction operations by limiting their effect on nature and living creatures while promoting the restoration of biodiversity and new ways to make use of its benefits	<ul style="list-style-type: none"> Promote biodiversity restoration projects Build up effective projects and make them hubs for biodiversity-related networking 	

1. Equivalent to a 65% reduction of total emissions.
2. Principal construction materials are steel, cement, concrete, crushed stone, and asphalt.

Building a More Sustainable World while Sustaining Business Growth

The Kajima Environmental Vision, "Triple Zero 2050," was established in 2013. It aims for both environmental and business sustainability, focusing on three essential activities: reducing carbon emissions, recycling resources, and harmoniously co-existing with nature. This means targeting zero carbon emissions, waste, and environmental impact from operations. The vision seeks not only to minimize risk for the Company by reducing its environmental impact, but also to create new business opportunities as the Company proposes new environmental technologies to clients and the broader society. It identifies the core activities needed and includes interim quantitative targets for 2030 for each design and construction stage.

While pursuing Triple Zero 2050, Kajima will pursue in-depth cooperation with society. The Company's "common foundation initiative areas" include management of hazardous substances, research and technology development, and dissemination of information in and outside the Company.

■ Reducing Society's Carbon Footprint

Kajima aims to reduce CO₂ emissions in each stage of construction on site by reducing fuel consumption and eliminating wasted materials and work. The Company's *Genba de Eco* ("On-Site Eco") intranet site enables site managers to select from a menu of CO₂ emissions reduction measures by construction project size to formulate an emissions reduction plan.

Recognizing that most CO₂ emissions come from the stage of building use, Kajima creates outstanding environmental and energy-saving designs for the buildings it constructs.

The Company is developing technologies and conducting demonstrations using its facilities to promote ZEBs.

■ Promoting Resource Recycling

Kajima utilizes recycling programs that allow manufacturers recognized by Japan's Minister of the Environment to collect their own used products, such as building material waste and scrap, and to recycle or properly dispose of them. For example, sheetrock scraps are collected and separated into paper and gypsum powder at the manufacturer's plant. The paper can be recycled into cardboard and the powder can be used to make new sheetrock. This type of horizontal recycling makes the substances in waste useful again as new products, and is a key initiative in resource recycling.

Kajima has also been contributing to resource recycling by developing new materials. This includes CO₂-SUICOM[®], an environmentally friendly concrete that brings CO₂ emissions to zero or less during manufacturing, and KKC Environmentally Friendly Concrete for CFT Structures, which reduces CO₂ emissions by 40% compared to regular concrete.

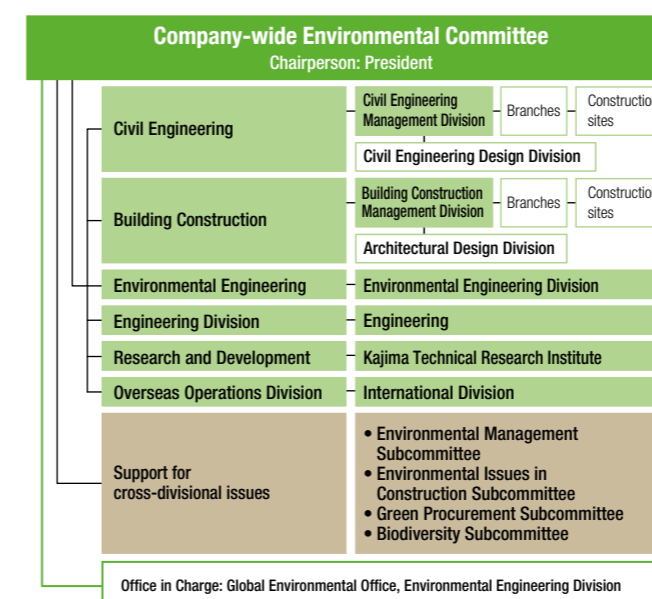
■ Helping Society Co-exist Harmoniously with Nature

At construction sites, Kajima is working to minimize its impact on the surrounding environment in terms of noise and vibration. It also takes great care from the project planning stage to preserve biodiversity and protect rare species.

Through its business activities, Kajima strives to provide green infrastructure by pursuing land use and facility development that makes the most of the power of nature. Kajima Biophilic Cities, a leading initiative in this area, are designed to foster healthy urban ecosystems.

Environmental Management System

Environmental Management System (EMS) Structure



Kajima's environmental management system is ISO 14001-compliant. As shown in the chart, the Company-wide Environmental Committee oversees the implementation of the system across six businesses, with support by four subcommittees for cross-divisional issues. The system is also implemented in 15 group companies in Japan, mainly construction-related companies, and study meetings are held to reinforce the environmental vision.

FY 2014 Overview and Next Steps

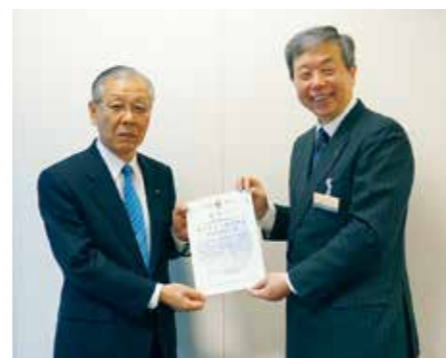
In fiscal 2014, the final year of the medium-term environmental plan, progress was mostly steady. However, with only a 14% reduction in CO₂ emissions during construction, the plan target of reaching an 18% reduction from fiscal 1990 was not achieved. This was primarily due to Japan's currently high CO₂ emissions coefficient per kilowatt hour of electricity. Calculated using the coefficient from before the 2011 disaster, the reduction in construction emissions would have been 19.2%, meeting the target. Also, the CO₂ emissions reduction rate during building operation was only 32% for the plan period, falling just short of the new benchmark under Japan's revised Act on the Rational Use of Energy.

Management of hazardous substances has been identified by Kajima as one of its "common foundation initiative areas." In recent years, however, the Company has had a few issues with inadvertent release of asbestos dust. In response, in fiscal 2014 Kajima completed a major revision of its environmental management manual and preliminary survey manual, including hazardous substance management measures. The new manuals are being put into use in fiscal 2015.

In fiscal 2014, the First Environmental Dream Competition was held within the Kajima Group. Employees were invited to send in their ideas about how to realize the Environmental Vision, "Triple Zero 2050." This encouraged employees to think about Kajima's future environmental contributions and to embrace the vision.

In the new medium-term environmental plan (fiscal 2015 to 2017), Kajima added "reduction of construction sludge and promotion of its effective use" in the resource recycling area. Other than this, the new plan picks up where the prior one left off. During the term of the new plan, the Company is introducing new initiatives in each area, including environmental training programs for younger and mid-level employees in fiscal 2015, in order to better equip them to prevent environmental accidents.

The Kajima Group's medium-term business plan includes the goals of expanding involvement in the upstream supply chain and creating environmental projects. Recognizing the foundational significance of the environment for its business, Kajima will continue to strengthen these initiatives in coming years.



Kajima was honored with the distinguished service award from the World Wildlife Fund (WWF) Japan. Then-Executive Vice President Hiroshi Kaneko (left) receives the award certificate from WWF Japan Secretary General Takashi Tsutsui (right).

Medium-Term Environmental Plans: Performance for FY2012–2014 and New Targets for FY2015–2017

	Medium-Term Environmental Plan (FY2012–2014)	Results	Evaluation	New Medium-Term Environmental Plan (FY2015–2017)	Points for Improvement
Lower CO ₂ Emissions	Design: Reduce CO ₂ emissions during building use by 32% compared to the benchmark under the Act on the Rational Use of Energy	Reduced 32% (FY2014) Reduced 37% (FY2012–2014)	△	Design: Reduce CO ₂ emissions during building use by 35% compared to the benchmark under the Act on the Rational Use of Energy	Strengthening measures to reach the higher benchmark
	Construction: Reduce CO ₂ emissions per unit during construction by 18% compared to the fiscal 1990 level	14.0% (At pre-disaster CO ₂ emissions coefficient per kilowatt hour of electricity from early 2011: 19.2%)	△	Construction: Reduce CO ₂ emissions per unit from construction by 17% compared to the fiscal 1990 level (using the higher post-disaster emissions coefficient per kilowatt hour of electricity)	Utilizing the list of emission reduction options
Recycle Resources	Zero emission: Final disposal rate of less than 3%	Final disposal rate: 3.4%	△	Recycling: • Final disposal rate of less than 3% • Reduction of construction sludge and promotion of its effective use	Maintaining activity level Adding new items such as risk countermeasures
	Promote green procurement at design stage: Out of 17 standard construction materials/supplies, propose at least 4 to clients in each design	Proposal achievement rate: 85% (average: 4.9 proposed)	○	Promote green procurement at design stage: Out of 17 standard construction materials/supplies, propose at least 4 to clients in each design	Improving materials/supplies for proposal
Harmoniously Co-existing with Nature	Implement outstanding biodiversity projects: 5 or more projects per year	4 projects	△	Implement outstanding biodiversity projects: 6 or more projects per year	Better utilizing biodiversity projects in proposals
	Implement activities for communication, education and public awareness	Yaesu Honey Bee Project, Ikimachi online newsletter, etc.	○	Implement activities for communication, education and public awareness	
Common Foundation Initiative Areas	Implement research and technology development for environmental conservation and sustainable resource use: Deploy 6 or more of these new technologies during 3 years of plan	Development: 14 projects New technologies deployed: 4 cases (FY2014) 19 cases (FY2012–2014)	○	Implement research and technology development for environmental conservation and sustainable resource use: Deploy 6 or more of these technologies during 3 years of plan	
	Manage hazardous substances: Implement preventative measures (especially for soil contamination and asbestos)	2 incidents involving improper demolition of asbestos-containing building materials (building construction)	×	Manage hazardous substances: Implement preventative measures (especially for soil contamination and asbestos)	
	Implement management of chemical substances	Performed risk assessment based on an environmental checklist (design/construction)	○	Implement management of chemical substances	

Evaluation: ○ Achieved, △ Nearly achieved, × Not achieved

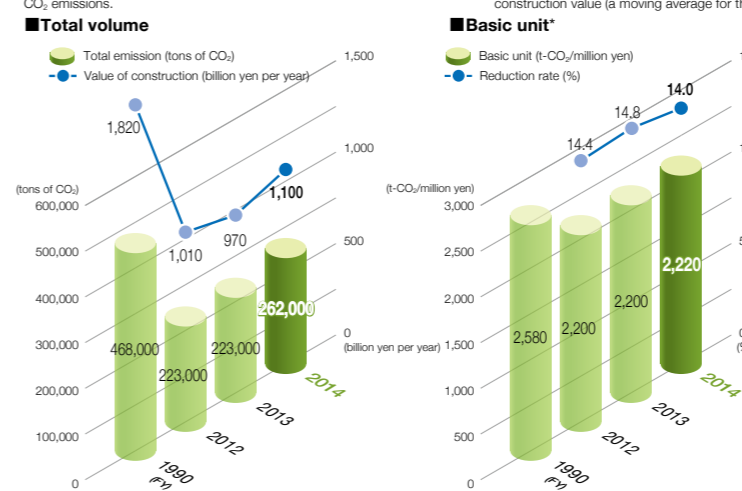
Material Flow

	INPUT	
Project sites	Diesel oil	74,943 kl
	Kerosene	3,740 kl
	Electricity	112,710,000 kWh
	Construction materials	2,293,000 t
	Water	1,640,000 m³
Office	Electricity	25,630,000 kWh
	Heavy Oil	30 kl
	Kerosene	15 kl
	Gas	190,000 m ³
	Water	150,000 m ³

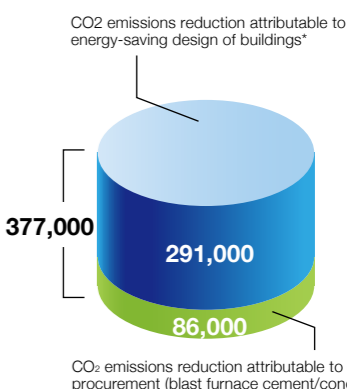
OUTPUT	
CO ₂ emissions (construction)	262,000 t
Construction surplus soil	1,365,000 m ³
Hazardous materials	
Materials containing asbestos	13,946.3 t
CFCs and halon received	6.8 t
Fluorescent tubes	47.3 t
Construction waste	1,975,000 t
Final disposal volume	139,000 t
CO₂ emissions	
	16,000 t
Volume of waste	
	1.0 t

Changes in CO₂ emissions attributable to construction

In relation to electricity, we adopted the power generation end CO₂ intensity since FY2014. Because of this, we modified the past data of CO₂ emissions.

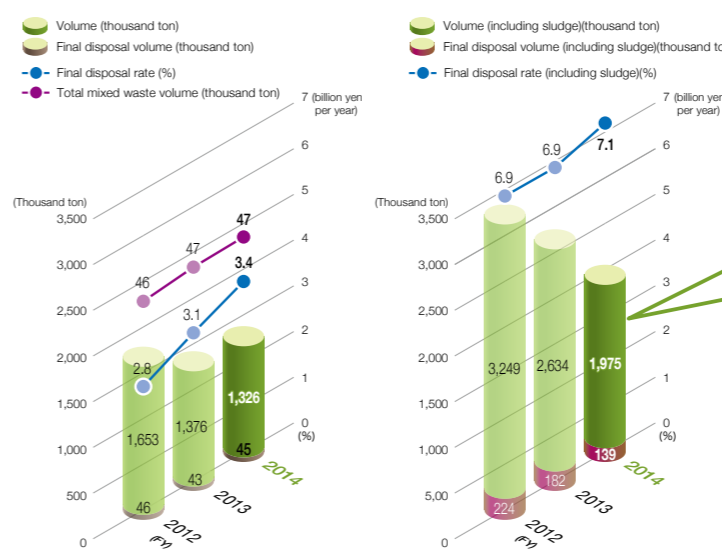


Indirect reduction (tons of CO₂)

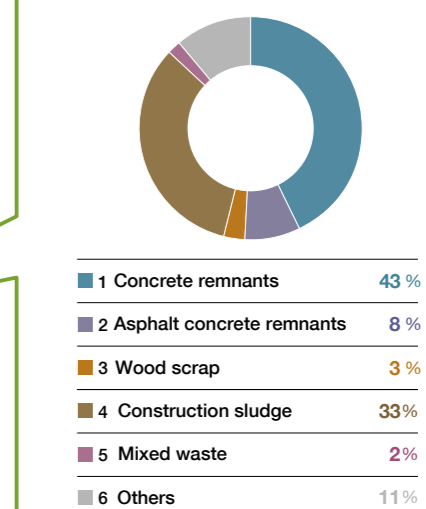


* It is a cumulative value since fiscal 2003, when Kajima started publicizing this value, as CO₂ emissions attributable to the use of buildings continue to fall every year.

Volume of construction waste and final disposal volume



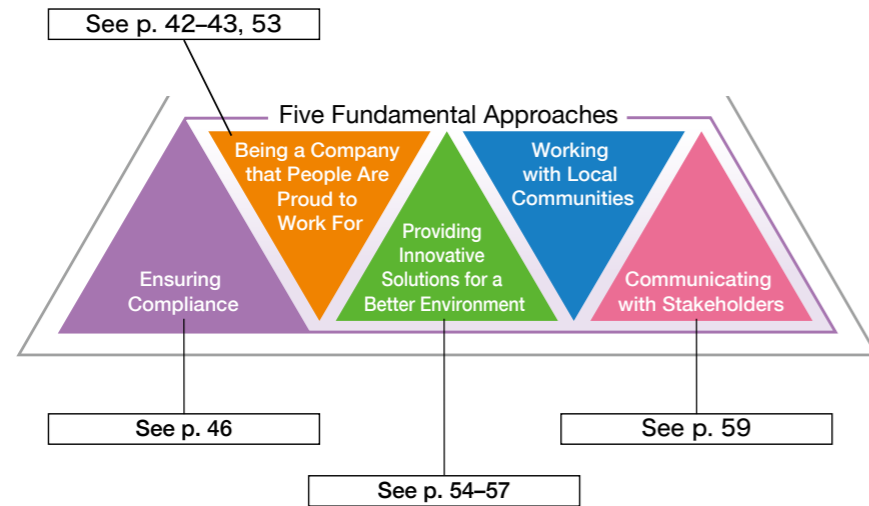
Emissions by waste category



Five Fundamental Approaches to Social Responsibility

By prioritizing quality, safety and the environment, Kajima is working to deliver high-quality infrastructure, buildings and services. As part of its business activities, the Company is promoting five important approaches to CSR: ensuring

compliance, being a company that people are proud to work for, providing innovative solutions for a better environment, working with local communities, and communicating with stakeholders.



Kajima's Stakeholders

Construction companies like Kajima have a broad range of stakeholders—shareholders, investors, clients, land developers, employees, design firms, subcontractors and other companies working at sites, government authorities,

media organizations, industry associations, local communities, and the general public, including the many future users of completed buildings. With such a broad array of interested parties, the construction industry has many missions to fulfill.



Supporting Academic Research, Culture, and Arts

As a good corporate citizen, Kajima actively supports academic, cultural, and artistic activities. The Company has five non-profit foundations, through which it has promoted academic research and culture for many years.

The Kajima Foundation

The Kajima Foundation, established in 1976, became a public interest incorporated foundation in October 2011. It assists research projects to promote academic and cultural development in Japan, focusing on the theme of improving the lives of Japanese citizens by developing healthy urban and residential environments and effectively using land and resources. In fiscal 2014, the Foundation provided a total of ¥50 million in grant and other aid to 41 different projects.

The Kajima Foundation for the Arts

The Kajima Foundation for the Arts, established in 1982, provides support for research in the arts, related publications, international exchange, and projects to foster the dissemination of art, all with the goal of promoting the arts and helping to enrich Japanese culture. In fiscal 2014, ¥42.12 million was allocated to 70 research projects.

Kajima Institute of International Peace

Established in 1966, the Kajima Institute of International Peace promotes international peace and strives to contribute to Japan's security. It studies and provides funding for research on international peace and security, economic matters, and issues concerning Japan's foreign relations, and then publishes the research findings.

Atsumi International Scholarship Foundation

Established in 1994, the Atsumi International Foundation provides student scholarships and develops international exchange programs. Since its inception, the scholarship fund has provided assistance to 241 individuals (including 12 in fiscal 2014) from 42 different countries and regions worldwide. As part of its international exchange work, in August 2014 the Foundation brought together 380 researchers at the Second Asian Future Conference in Bali, Indonesia.

Kajima Ikueikai Foundation

Established in 1956 to provide scholarships and financial assistance to university students in Japan, including students from abroad. In fiscal 2014, it awarded scholarships worth over ¥22.2 million in total to 50 students, including 5 foreign students.

TOPICS

Kajima Sculpture Competition Held Every Two Years

The Kajima Sculpture Competition is held every two years, with the sponsorship of the Kajima Foundation for the Arts and the Kajima Foundation. Under the theme of Sculpture, Architecture & Space, this competition for indoor sculpture is being judged by art critic Tadayasu Sakai, sculptors Kiichi Sumikawa and Kan Yasuda, architects Fumihiko Maki and Yoshio Taniguchi, as well as Shoichi Kajima, Director and Senior Advisor, Kajima Corporation. The competition has become a gateway to success for young sculptors, and always attracts a large number of applicants from in and outside Japan. The 2015–2016 competition marks the 14th in the contest's history.

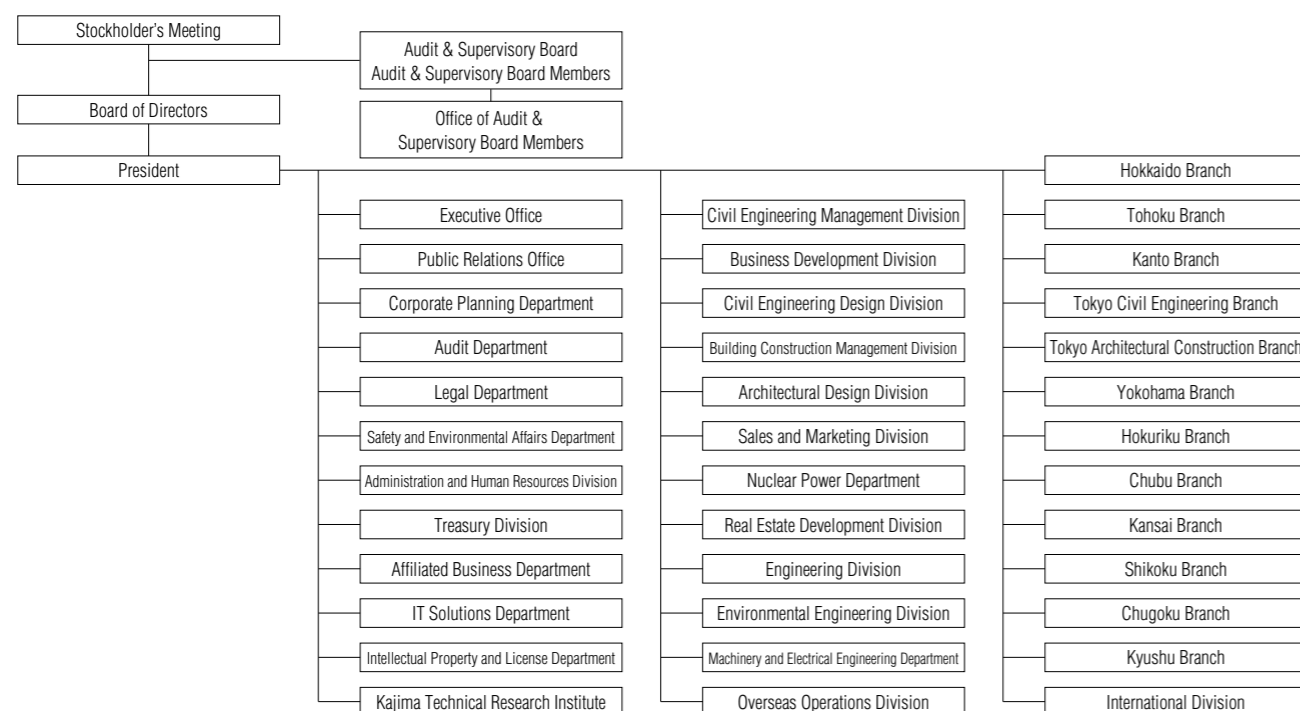


A winning sculpture is displayed in the atrium of the Kajima KI Building.

Corporate Profile

Company Name	Kajima Corporation
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Paid-in Capital	Over ¥81,400 million
Number of Employees	7,546 (non-consolidated), 15,383 (consolidated) As of March 31, 2015
Business Domains	Construction, real estate development, architectural design, civil engineering design, engineering, and other
Group Companies	190 companies (including 11 consolidated subsidiaries in Japan, 82 overseas) As of March 31, 2015
Main Offices in Japan	Head Office, Akasaka Annex, KI Building, Kajima Technical Research Institute Hokkaido Branch, Tohoku Branch, Kanto Branch, Tokyo Civil Engineering Branch, Tokyo Architectural Construction Branch, Yokohama Branch, Hokuuriku Branch, Chubu Branch, Kansai Branch, Shikoku Branch, Chugoku Branch, Kyushu Branch, International Division
Kajima Corporation Offices outside Japan	Taiwan Office, Asia Regional Office, Singapore District Office, Indonesia District Office, Vietnam District Office, Myanmar District Office, Tanzania District Office, Overseas Business Head Office/China Representative Office

Corporate Organization



Principal Subsidiaries and Affiliates

In Japan

	Company name	Business description
Design and Consulting	Ilya Corporation	Interior design, consulting, interior and furniture-related business
	ARMO Co., Ltd.	Architectural design, facility design, and presentation
	ARTES Corporation	Building structure design, consulting, and construction engineering
	KRL Co., Ltd.	Planning, design, surveying, testing, and vehicle leasing related to paving and civil engineering construction
	Engineering & Risk Services Corporation	Asset evaluation, soil environmental assessment, and disaster risk assessment
	Landscape Design Inc.	Property exterior structure design, landscape planning, greening consulting, and town planning proposals
	Retec Engineering Inc.	Survey and diagnosis of civil engineering structures, new construction and repair/reinforcement design, and measurement management
	Avant Associates, Inc.	Urban planning, town planning support, public real estate utilization (PRE), public-private partnerships (PPP), and area management
Procurement and Construction	Taiko Trading Co., Ltd.	Sale and rental of construction equipment and materials, and subcontracting for various construction projects
	Chemical Grouting Co., Ltd.	Ground improvement, foundation construction, and soil remediation
	Kajima Road Co., Ltd.	Paving of roads, bridges, airports, etc., manufacture and sale of paving materials
	Japan Sea Works Co., Ltd.	Ocean port and coastal protection work, and geological surveying
	Kajima Kress Corporation	Construction, equipment and renovation work, and temporary staffing
	Kajima Environment Engineering Corporation	Environmental and consulting work focused on water and waste
	Kajima Mechatro Engineering Co., Ltd.	Construction machinery manufacturing
	Grout Trading Co., Ltd.	Sales of construction materials and equipment
	Kajima Renovate Construction Co., Ltd.	Repair and reinforcement work for civil engineering structures, and sales of repair materials
	Clima-Teq Co., Ltd.	Integrated facility construction, and renovation
Real Estate Development and Management	Kajima Tatemono Sogo Kanri Co., Ltd.	Building management
	Kajima Tokyo Development Corporation	Leasing and operational management of real estate, and hotel management
	East Real Estate Co., Ltd.	Leasing, management, brokerage and appraisal of real estate
	Kajima Yaesu Kaihatsu Co., Ltd.	Real estate leasing, buying and selling
	Niigata Bandaijima Building Co., Ltd.	Real estate leasing and operational management
Finance and Insurance	Katabami Kogyo Co., Ltd.	Greening landscaping, and agency for property and casualty as well as life insurance
	Kajima Leasing Corporation	Planning of construction projects, building and equipment leasing
Sales and Services	Kajima Services Co., Ltd.	Travel agency, product sales, and business services
	Act Technical Support, Inc.	Temporary staffing and human resources placement, and events planning
	Kajima Information Communication Technology Co., Ltd.	Design, operation and management of the Kajima Group's information communication technology infrastructure and various computer systems
	Toshi Kankyo Engineering Co., Ltd.	Collection, transportation and processing of waste
	K-PROVISION Co., Ltd.	Public relations and advertising planning and production, as well as video production
	Kajima Real Estate Investment Advisors Inc.	Real estate asset management, etc.
Culture	Kajima Institute Publishing Co., Ltd.	Editing and publishing of books and publications
	Yaesu Book Center Co., Ltd.	Sales of books, publications, and stationery
Hotel and Leisure	Azuma Kanko Kaihatsu Co., Ltd.	Operation of the Takasaka Country Club golf course
	Hotel Kajima no Mori Co., Ltd.	Hotel management including hotel operation and restaurants as well as conferences and banqueting
	Kajima Resort Corporation	Sale and management of vacation home property in Tateshina, Nagano Prefecture, as well as management of the Kajima Minami Tateshina golf course
	Atema Kogen Resort, Inc.	Hotel and golf course management
	Nasu Resort Corporation	Management of the Nasu Chifuriko Country Club golf course
	Shinrinkohen Golf Club Co., Ltd.	Golf course management
	Kajima Karuizawa Resort, Inc.	Management of a golf course, hotel, and ski and summer resort

Overseas

Kajima U.S.A. Inc. (U.S.A.)	
Construction Business	
U.S.A.	Kajima International Inc. Kajima Building and Design, Inc. KCS West, Inc. Hawaiian Dredging Construction Company, Inc. The Austin Company Batson-Cook Company
Mexico	Kajima Alberici Construcciones S.A. de C.V.
Real Estate Development Business	
U.S.A.	Kajima Real Estate Development Inc. Core5 Industrial Partners LLC Logistic Developments International, LLC Batson-Cook Development Company Commercial Developments International, Inc. Kajima Development Corporation KUD International LLC Anglebrook Golf Club
Kajima Overseas Asia Pte Ltd (Singapore)	
Construction Business	
Singapore	Kajima Overseas Asia Pte Ltd Kajima Design Asia Pte Ltd
Thailand	Thai Kajima Co., Ltd.
Indonesia	PT Kajima Indonesia
Malaysia	Kajima (Malaysia) Sdn. Bhd.
The Philippines	Kajima Philippines Inc.
India	Kajima India Pvt Ltd
Vietnam	Kajima Overseas Asia Pte Ltd, Vietnam District Office
Real Estate Development Business	
Singapore	Kajima Overseas Asia Pte Ltd
Thailand	Ramaland Development Co., Ltd. Bang Tao Beach Ltd.
Indonesia	PT Senayan Trikarya Sempana
Hong Kong	Kajima Overseas Asia Pte Ltd, Hong Kong District Office
Kajima Europe Ltd. (United Kingdom)	
Construction Business	
United Kingdom	Kajima Europe Design and Construction (Holding) Ltd.
Poland	Kajima Poland Sp. z o.o.
Czech Republic	Kajima Czech Design and Construction s.r.o.
Real Estate Development Business	
United Kingdom	Kajima Estates (Europe) Ltd. Kajima Partnerships Ltd. Kajima Properties (Europe) Ltd.
France	Kajima France Development S.A.R.L. Kajima Europe Lou Roucas S.A.R.L., Saint Andreol
Chung-Lu Construction Co., Ltd. (Taiwan)	
Kajima Corporation (China) Co., Ltd. (Mainland China)	
Kajima Shenyang Construction Management & Consulting Co., Ltd. (Mainland China)	
Kajima Australia Pty Ltd (Australia)	
Construction Business	
	Kajima Construction Australia Pty Ltd ICON Co Pty Ltd
Real Estate Development Business	
	Kajima Development Australia Pty Ltd ICON Co Development Pty Ltd
Group Companies	
Subsidiary outside Japan	CGC Geotecnia e Construções Ltda. (Brazil) KRO Co., Ltd. (Thailand)

Executive Officers

President	Yoshikazu Oshimi			
Executive Vice Presidents	Naoki Atsumi Masayasu Kayano	Tamiharu Tashiro Teruaki Yamaguchi	Hiroyoshi Koizumi Kazuo Kojima	Takashi Hinago
Senior Executive Officers	Hiroshi Ishikawa Yutaka Takeda Toshiki Kurihara	Shuhei Masunaga Hironobu Takano Hiromasa Amano	Toshio Hasegawa Masao Oka Kenichi Suzuki	Masaru Ozaki Masatoshi Urashima Keisuke Koshijima
Managing Executive Officers	Satoshi Togari Hitoshi Ueda Jun Matsushima Yoshihisa Takada Kazuo Yamamoto	Takao Nomura Tsuneo Nakashima Isao Kinoshita Hideya Marugame	Katsumasa Kawamoto Tomokatsu Seguchi Osamu Sato Shigeru Tomoda	Hitoshi Ito Koichi Matsuzaki Toshinobu Nakatani Masaru Kazama
Executive Officers	Seigo Takahashi Toshiharu Tanaka Kazuya Obokata Akihiro Horikawa Ken Uchida Takaharu Fukuda	Takahiro Ota Yoshinori Sakamoto Takeshi Katsumi Takeshi Tadokoro Kiyomi Aikawa Hiroshi Kunihira	Hiroyuki Sawajiri Yutaka Katayama Kenji Otsu Hiroshi Shoji Nobutoyo Oshima Yasuhiko Yamada	Minoru Dohi Takao Shinkawa Kengo Kono Yoshihiko Riho Masahito Tanaami

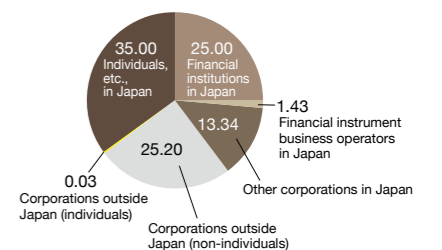
Basic Share Information

As of March 31, 2015

Number of Shares - Authorized	2,500,000,000
Number of Shares - Issued and Outstanding	1,057,312,022 (Including treasury stock of 17,386,337 shares)
Number of Shareholders	74,078 (down 13,430 from fiscal 2013 end)
Major Shareholders	

Shareholders	Number of shares (Thousand shares)	Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	58,005	5.58
Japan Trustee Services Bank, Ltd. (Trust Account)	48,102	4.63
Shoichi Kajima	31,585	3.04
Kajima Employee Stock Ownership	21,988	2.11
Sumitomo Mitsui Banking Corporation	20,442	1.97
The Kajima Foundation	14,470	1.39
Yoshiko Ishikawa	14,442	1.39
Taisho Pharmaceutical Holdings Co., Ltd.	12,576	1.21
Itsuko Atsumi	12,254	1.18
The Bank of New York Mellon SA/NV 10	12,176	1.17

Stock Ownership Breakdown (%)



Notes 1. In addition to the above, Kajima Corporation has treasury stock of 17,386,337 shares.
2. Shareholding was computed excluding total treasury stock.