KAJIMA CORPORATION

# WE'RE BEHIND MODERN WONDERS OF THE WORLD

## ANNUAL REPORT 2011

For the fiscal year ended March 31, 2011

# TOKYO INTERNATIONAL AIRPORT: CONSTRUCTION OF D-RUNWAY AND NEW INTERNATIONAL PASSENGER TERMINAL BUILDING

**Tokyo International Airport (Haneda Airport) boasts the fourth highest passenger traffic in the world, and accounts for roughly 60% of Japan's domestic airline passengers. With demand for international flights continuing to grow, D-Runway, the fourth runway of the airport, had long been awaited so that the airport could expand its capacity to handle more flight arrivals and departures. In tandem with construction of the 2,500-meter long, 60-meter wide runway, a new terminal building for international flights was also planned. Kajima, in joint ventures with other Japanese contractors, was selected as the successful bidder for the runway construction project, including maintenance and refurbishment for 30 years, as well as the terminal construction project.**

## DRIVE 1,165 Piles

### Various Technologies for Piled-elevated Platform

# CONNECT

## 424 m

### Technologies for Sea Protection

The D-Runway, located at the mouth of the Tama River, is a unique hybrid structure, incorporating both buried and bridge elements to preserve the flow of the river. Despite limitations imposed by dealing with runways in active use, we managed to complete this unprecedentedly large and technically challenging construction project in just 41 months through high-volume and rapid construction work around the clock.

→ SEE PAGE 10–11:

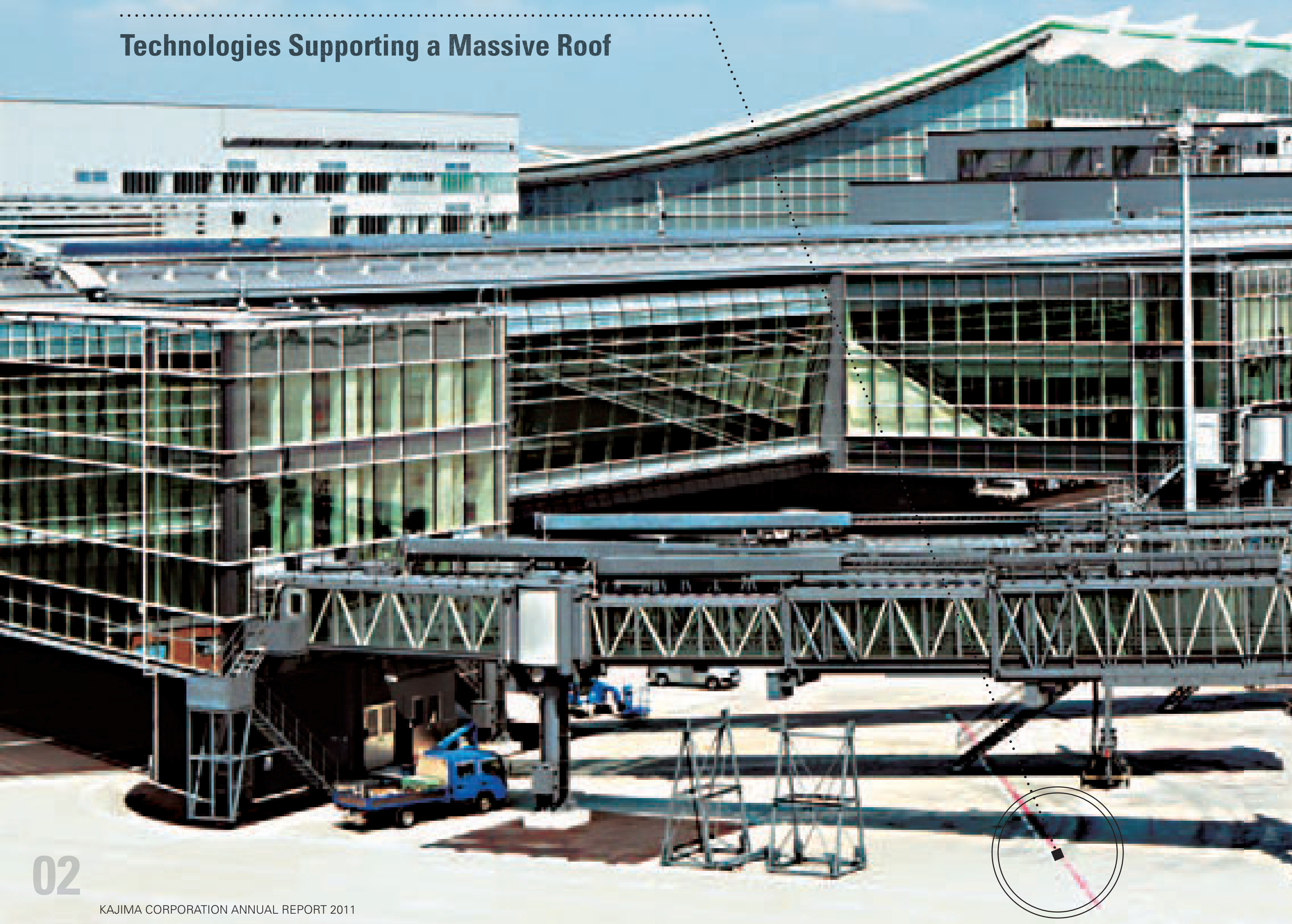
Please refer to
"FEATURE: NEW OFFSHORE RUNWAY AT HANEDA AIRPORT".

# MAKING A NEW CENTER FOR INTERNATIONAL FLIGHTS

In addition to the D-Runway construction, Kajima led another joint venture and completed construction of the passenger terminal building for international flights. Over a short construction time of roughly two years, the joint venture harnessed the latest technology to put together a gigantic roof structure covering an area of 18,000 m$^2$.

## ASSESS 10xFaster

### Technologies Supporting a Massive Roof



# MOVE

## 5,000t

Our Technologies Slide a 5,000-ton Roof into Place

→ SEE PAGE 12–13:

Please refer to “FEATURE: NEW INTERNATIONAL PASSENGER TERMINAL, HANEDA AIRPORT”.

## KAJIMA TECHNOLOGY PIONEERS NEW FRONTIERS FOR CENTURIES TO COME.

# PROFILE

The Kajima Group is one of Japan's largest general contractors. Established in 1840 and headquartered in Tokyo, the Kajima Group has more than 15,000 employees serving customers in over 20 countries. For the fiscal year ended March 31, 2011, consolidated revenues totaled ¥1,326 billion (U.S.$16.0 billion).

Customer satisfaction is a priority. In our core civil engineering, building construction and real estate development operations, we use our comprehensive capabilities in every area and phase of our business activities to provide total solutions. Our broad technical expertise underpins our comprehensive capabilities. We consistently develop innovative technologies that help us add value to our products and earn customer satisfaction.

Committed to global corporate citizenship, we emphasize ethical operations, compliance and corporate social responsibility in continually working to earn the trust and respect of all stakeholders.

## 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."**

FORWARD-LOOKING STATEMENTS

This Annual Report includes forward-looking statements that represent Kajima's assumptions and expectations in light of information available as of May 13, 2011. These statements reflect industry trends, customers' situations and other factors, and involve risks and uncertainties that may cause actual performance results to differ from those discussed in the forward-looking statements in accordance with changes in the domestic and overseas business environment.

# CONTENTS

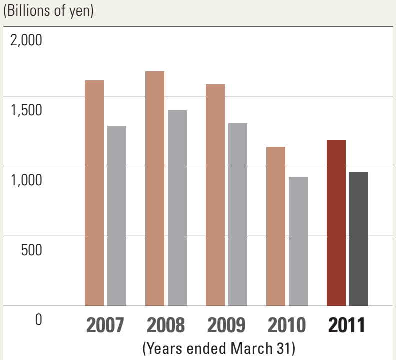
# FINANCIAL HIGHLIGHTS (Consolidated and Non-Consolidated)

| | Millions of Yen (except per share data) | | | | | Thousands of U.S. Dollars (except per share data) |
|---|---|---|---|---|---|---|
| | 2007 (Note 4) | 2008 (Note 4) | 2009 | 2010 | **2011** | **2011** |
| **Consolidated:** | | | (Years ended March 31) | | | |
| Construction Contract Awards | ¥1,612,531 | ¥1,677,272 | ¥1,585,437 | ¥1,138,394 | **¥1,188,438** | **$14,318,530** |
| Revenues | 1,891,367 | 1,894,045 | 1,948,540 | 1,637,362 | **1,325,680** | **15,972,048** |
| Operating Income (Loss) | 55,416 | 18,097 | 19,696 | (6,762) | **17,272** | **208,096** |
| Net Income (Loss) | 41,311 | 40,709 | (6,297) | 13,226 | **25,844** | **311,373** |
| Total Assets | 2,107,222 | 1,918,396 | 1,885,427 | 1,796,865 | **1,644,962** | **19,818,819** |
| Total Equity | 350,969 | 305,449 | 239,046 | 262,165 | **253,300** | **3,051,807** |
| Interest-bearing Debt | 463,859 | 473,801 | 540,537 | 620,052 | **558,974** | **6,734,627** |
| ROE | 13.0% | 12.8% | — | 5.4% | **10.0%** | **—** |
| Stockholders' Equity / Assets Ratio | 16.2% | 15.5% | 12.3% | 14.6% | **15.4%** | **—** |
| Per Share: | | | | | | |
| Basic Net Income (Loss) (Note 2) | 39.29 | 39.13 | (6.20) | 13.03 | **24.87** | **0.300** |
| Cash Dividends | 7.00 | 7.00 | 6.00 | 6.00 | **6.00** | **0.072** |
| | | | Thousand shares | | | |
| Number of Shares Issued (Including treasury stock) | 1,057,312 | 1,057,312 | 1,057,312 | 1,057,312 | **1,057,312** | **—** |
| **Non-Consolidated:** | | | Millions of Yen | | | Thousands of U.S. Dollars |
| Contract Awards (Note 3) | 1,387,865 | 1,463,688 | 1,387,640 | 944,005 | **1,023,940** | **12,336,627** |
| Construction Contract Awards | 1,288,222 | 1,397,807 | 1,305,645 | 918,885 | **957,967** | **11,541,771** |
| Revenues | 1,444,925 | 1,423,144 | 1,491,937 | 1,244,411 | **970,413** | **11,691,723** |
| Operating Income (Loss) | 51,065 | 4,643 | 9,362 | (7,977) | **7,963** | **95,940** |
| Net Income (Loss) | 29,466 | 5,871 | (7,548) | 3,129 | **4,540** | **54,699** |

Notes:
1. The U.S. dollar amounts included herein are presented solely for convenience of the reader. Such dollar amounts have been translated from yen at the approximate exchange rate in Tokyo on March 31, 2011 of ¥83=U.S.$1. The translations should not be construed as representations that Japanese yen have been, could have been or could in the future be converted into U.S. dollars at that or any other rate.
2. Basic net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding for each fiscal year.
3. "Contract awards" is the sum of construction contract awards and contracts awarded in the real estate development business.
4. On September 5, 2008, Kajima Corporation (the "Company") announced that inappropriate transactions on computer software trading had been conducted at Taiko Trading Co., Ltd. ("Taiko"), a consolidated subsidiary of the Company. After the investigation, the Company determined that the accumulated total loss on circular transactions that occurred at Taiko was ¥6,742 million, and allocated this loss to the respective fiscal years. As a result, the consolidated financial statements for the years ended March 31, 2008 and 2007 have been restated. Regarding the effects of these restatements, please refer to the announcement by the Company on October 21, 2008.

### CONSTRUCTION CONTRACT AWARDS

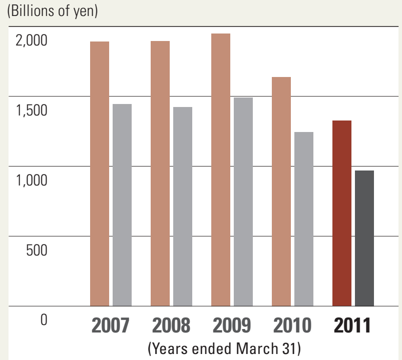
(Billions of yen)




Consolidated Non-Consolidated

### REVENUES

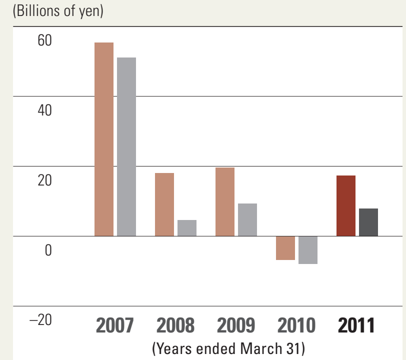
(Billions of yen)




Consolidated Non-Consolidated

### OPERATING INCOME (LOSS)

(Billions of yen)

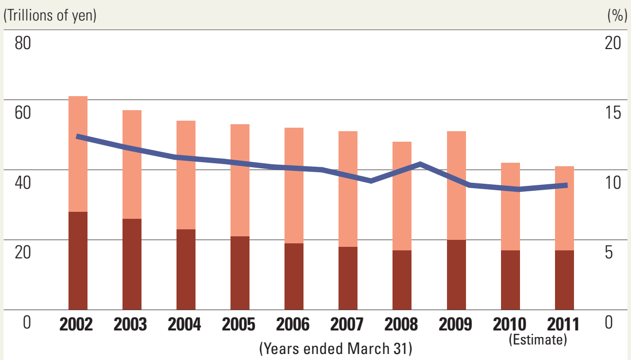



Consolidated Non-Consolidated

# JAPANESE CONSTRUCTION MARKET ENVIRONMENT DATA

## CONSTRUCTION INVESTMENT

Construction investment in Japan has experienced a largely consistent downturn since the collapse of the economic bubble in the early 1990s. Similarly, in a context of lower public works investment, construction investment in Japan (nominal value) is projected to have declined to around ¥40 trillion for the fiscal year ended March 31, 2011. This figure also reflects weak private-sector investment, and is less than half the peak level recorded in the fiscal year ended March 31, 1993.

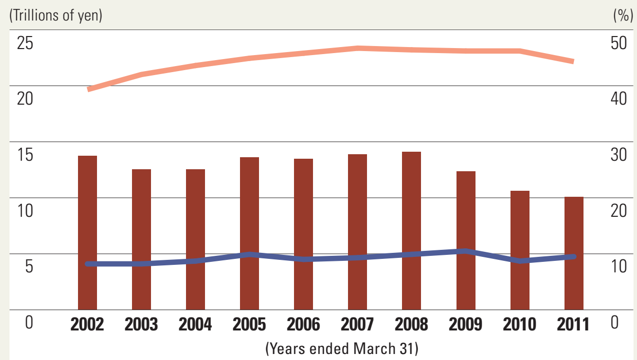



Source : Ministry of Land, Infrastructure and Transport

■ Public (left scale) ■ Private (left scale) — Proportion of construction investment to GDP (right scale)

## CONSTRUCTION CONTRACT AWARDS BY 50 MAJOR CONTRACTORS

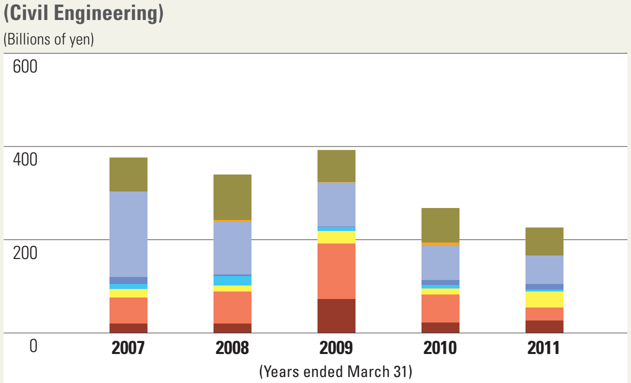
Kajima and other largest general contractors have been taking advantage of the prevailing trend of Japan's construction industry to emphasize "comprehensive capabilities" including price and technology in evaluating bidders for construction projects. In this environment, among 50 large companies in the industry, the 5 largest, including Kajima, have a share of contracts awarded approaching 50%. Of this figure, Kajima's own share is around 10% of the market. Going forward, we will continue to leverage the amassed technological capabilities at our command to win more contracts.



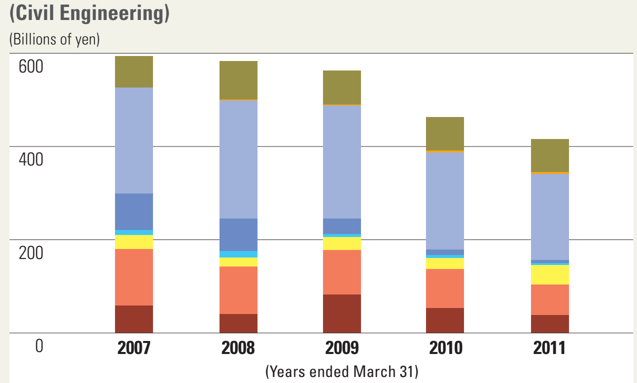

Source : Ministry of Land, Infrastructure and Transport

■ Construction contract awards by 50 majors on parent basis (left scale)
— Proportion of contracts awarded to 5 majors out of total contracts awarded to 50 majors (right scale)
— Proportion of contracts awarded to Kajima out of total contracts awarded to 50 majors (right scale)

## CONSTRUCTION CONTRACT AWARDS BY PROJECT TYPE AT KAJIMA CORP (Civil Engineering)

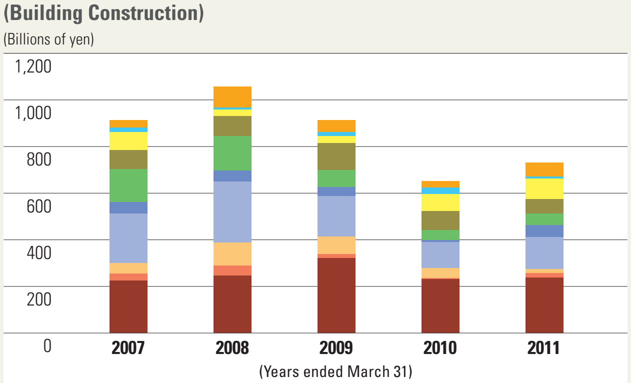



## PROJECT BACKLOGS BY PROJECT TYPE AT KAJIMA CORP (Civil Engineering)

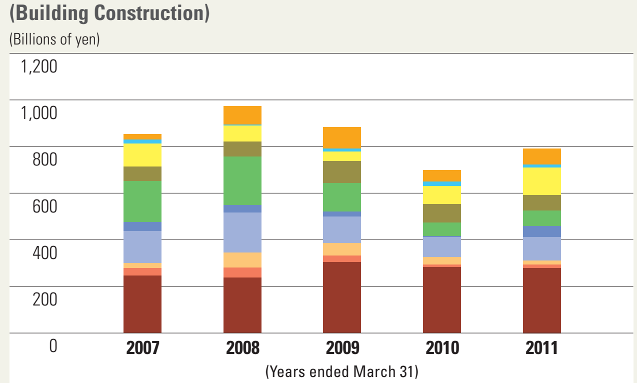



■ Flood Control ■ Railway ■ Potable / Waste Water ■ Land Improvement ■ Port / Airport ■ Road ■ Transmission Line ■ Other

## CONSTRUCTION CONTRACT AWARDS BY PROJECT TYPE AT KAJIMA CORP (Building Construction)




## PROJECT BACKLOGS BY PROJECT TYPE AT KAJIMA CORP (Building Construction)




■ Office (Public / Private) ■ Lodging ■ Retail ■ Power Plant / Factory ■ Warehouse / Distribution Center ■ Residential ■ Education / Research / Culture ■ Medical / Welfare ■ Recreational ■ Other

# MESSAGE FROM THE MANAGEMENT

**Kajima is dedicated to establishing a rock-solid earnings base. To this end, we are boosting our earnings power through a policy on attracting new contracts that emphasizes profitability. Underpinning this policy is a commitment to finding deeper cost reductions and leveraging our technological advantages.**
**Furthermore, we are striving to deliver improved business performance across the entire Kajima Group, including through overseas and real estate development businesses.**

**MITSUYOSHI NAKAMURA**
President, Representative Director

## RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2011

Amid declining investment in public works, the Japanese construction market remained weak overall. This stemmed from lackluster construction investment in the private sector, which dropped sharply in the previous fiscal year and mirrored prevailing economic uncertainty, as well as growing investment, most notably by the manufacturing industry, in bases outside of Japan. The primary outcome was more intense competition for new contracts, as the business environment remained as severe as ever.

In this climate, the Kajima Group sought to establish a foundation for stable earnings that can weather the volatile business environment. To this end, the Group came together in a concerted effort to further strengthen the competitiveness and profitability of its core businesses, civil engineering, building construction, and real estate development, by powerfully advancing its Medium-Term Business Plan for the three years ending March 2012.

The Kajima Group's business performance for the fiscal year ended March 31, 2011 is detailed below.

Consolidated construction contract awards rose 4.4% year on year to ¥1,188.4 billion, compared to ¥1,138.4 billion in the previous fiscal year. Growth came primarily atop an increase in building construction. Consolidated revenues decreased 19.0% to ¥1,325.7 billion, compared to ¥1,637.4 billion in the previous fiscal year. This decline was mainly the result of a sharp drop in contract volume in the construction business in the previous fiscal year.

In terms of profit, consolidated operating income was ¥17.3 billion, reversing a loss of ¥6.8 billion in the previous fiscal year. This mainly reflected an improvement in gross profit from completed building construction projects at Kajima Corporation. Ultimately, consolidated net income increased 95.4% to ¥25.8

billion, compared to ¥13.2 billion a year earlier, due to extraordinary profit recorded as a gain on the transfer of preferred equity in UDX SPC, a special purpose company to develop and own Akihabara UDX.

## PRESSING ISSUES

Determined to lay robust foundations for profitability, the Kajima Group has been fully dedicated to promoting its Medium-Term Business Plan for the three years ending March 2012. However, given the protracted weakness in construction demand and the real estate market in Japan, achieving the plan's objectives now presents daunting challenges.

We aim to further boost earnings power in the domestic construction business through a policy of attracting contracts that emphasizes profitability. Underpinning this policy is a commitment to striving for deeper cost reductions and leveraging our technological advantages. In the overseas construction business, along with doing our very best to improve profitability in construction work underway, we will take steps to reinforce sales efforts targeting promising markets, particularly in Asia. In these ways, we are determined to expand business performance across the entire Kajima Group.

In the real estate development business, we will continue to launch into new projects based on a down-to-earth yet innovative approach. By promoting close ties between real estate development and construction teams, we will pursue synergies to enhance profitability.

By consistently growing profits going forward, the Kajima Group will steadily and simultaneously enhance stockholders' equity and reduce interest-bearing debt. These efforts, in turn, will culminate in a stronger business base.

In the aftermath of the Great East Japan Earthquake, the Kajima Group is closely involved in efforts to quickly restore and revitalize the affected region, including dispatching personnel and transporting relief supplies as needed. As a leading member of the Japanese construction industry, the Group will continue to pool its collective strengths, capitalizing on advanced technological capabilities honed over many years to the fullest extent possible to help Japan overcome this unprecedented natural disaster.

## DISTRIBUTION OF PROFITS

Our basic stockholder return policy is to stably provide dividends in line with our earnings, while securing internal reserves to strengthen financial position, improve capital efficiency, and otherwise maintain a sound business base.

After comprehensively taking into account factors such as the Group's performance and business foundation, we paid, as initially forecast, an annual dividend of ¥6 per share for the fiscal year under review. This figure included an interim dividend of ¥3 per share. We anticipate paying the same dividend for the fiscal year ending March 2012.

As our stockholders and investors, your continued understanding and support will be critical to our success going forward.

July 2011

**MITSUYOSHI NAKAMURA**
President, Representative Director

# 01 NEW OFFSHORE RUNWAY AT HANEDA AIRPORT

**Haneda Airport takes a major step towards becoming one of Asia's hub airports. Kajima's cutting-edge civil engineering technologies were used for the D-Runway, which has substantially augmented arrival and departure capacity.**

## KAJIMA'S CIVIL ENGINEERING TECHNOLOGIES

# CONNECT

### MOVEMENT OF RECLAIMED ISLAND AND PILED-ELEVATED PLATFORM ABSORBED BY 424-METER LONG EXPANSION JOINT

The D-Runway at Haneda Airport is the world's first offshore runway with a hybrid structure combining a reclaimed island and piled-elevated platform. The 424-meter long "connector" joining the two different structures is a vital component for allowing aircraft to safely utilize the runway. Various Kajima technologies were adopted for the construction of this connector.

Construction started with foundation work on the sea floor of the reclaimed land. We concentrated on minimizing the impact of the shifting of the ground on the piled-elevated platform's steel pipe piles caused by the foundation work. Along with packing in a number of steel pipe piles deep into the earth, we tightly linked these pipes together to build a solid foundation.

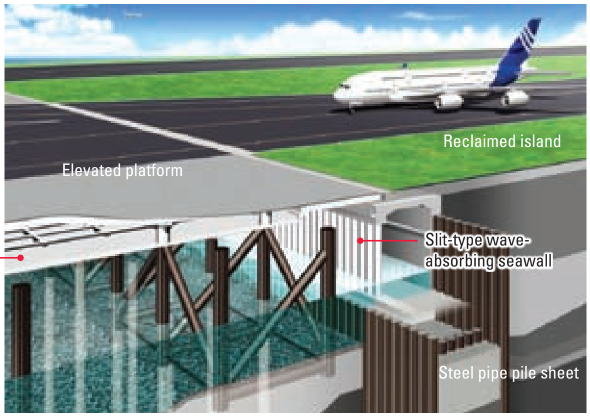
Wave-absorbing seawall during construction. 229 concrete pillars were installed for the seawall (428 m) on the reclaimed island side.

Next, we built a wave-absorbing seawall using slit-type circular columns along the part of the runway on the reclaimed island. By doing so, we successfully minimized the impact of waves. The seawall also has the ability to withstand water pressure at a depth of 18 meters.

In designing the seawall, the Kajima Technical Research Institute, Kajima's in-house technical research laboratory, used models to measure wave pressure before deciding on the optimal pillar shape and distance between pillars. Steel pipe piles for the seawall were then embedded in concrete. A row of evenly-spaced, concrete pillars—229 in total—was then installed directly in front for the construction of a 428-meter long slit-type seawall.

**CROSS-SECTIONAL VIEW OF THE CONNECTOR**

Precast floor slab (SUQCEM)



Additionally, a type of expansion joint called a "roller-shutter joint" was installed in the runway connecting the reclaimed island and piled-elevated platform. This system expands and contracts with changes in temperature on the piled-elevated platform. When earthquakes cause tremors, the expansion joint can expand or contract up to 60 cm to cope with relative movement between the reclaimed island and piled-elevated platform, allowing runway utilization by aircraft.

The connector component of the runway was not structurally damaged by the Great East Japan Earthquake that struck on March 11, 2011. The expansion joint, in fact, functioned phenomenally, largely avoiding any interruption in flight schedules.

"Roller-shutter type" expansion joint (linking the reclaimed island and piled-elevated platform of the runway) during construction

DRIVE

## 1,165 PILES—THE MOST IN JAPAN—AND ADOPTION OF VARIOUS TECHNOLOGIES FOR PILED-ELEVATED PLATFORM

The piled-elevated platform of the runway, with expansive dimensions of 1,100 m x 524 m, has steel jackets placed on steel pipe piles to keep them firmly in place. A slab of precast concrete (concrete manufactured beforehand in a factory for later assembly or installation onsite) is then put over the jackets, followed by a finishing layer of asphalt pavement.

A total of 1,165 steel pipe piles were used for this piled-elevated platform, the most ever for a single facility in Japan. The piles were plunged down to a depth of 70 meters into solid ground, beyond the thick but soft clay layer under the seafloor surrounding Haneda. The jackets covering the piles have individual dimensions of 63 m x 45 m x 30 m in size. The weight of this enormous structure is some 1,600 tons. Because part of the runway features an offshore piled-elevated platform structure, large-scale maintenance and repair would take it offline for a protracted period of time. With this in mind, a number of anti-corrosion technologies were employed that should preserve the durability of the jackets for up to a century.

Piled-elevated platform during construction. The runway was created after connecting the component to a steel jacket.

What's more, above the level of the sea, steel pipe piles are wrapped in seawater-resistant stainless steel, keeping the steel pipe piles from direct contact with seawater. The steel girders above the steel pipe piles are covered entirely on the sides and bottom by titanium cover plates, shielding the girders from air above the sea. Dehumidifiers have also been installed in the spaces within the steel girders to help prevent corrosion to the girders.

### THE TECHNOLOGY OF KAJIMA

## SUQCEM® ULTRA-HIGH STRENGTH FIBER REINFORCED CONCRETE

SUQCEM, a type of concrete reinforced with ultra-high strength fibers, was used for part of the concrete slab used for the D-Runway. SUQCEM offers compressive strength and durability that are a step above conventional concrete. Its defining feature is the mixing of special steel fibers into the concrete, giving it high tensile strength and resilience. This element eliminates the need for steel rod placement in structures. The high fluidity and self-filling properties of the concrete, meanwhile, make it suitable for construction requiring thin materials and those with complex shapes. The concrete also leads to lighter-weight structures and reduces required construction work, as well as allows for reductions in construction costs. Lower lifecycle costs are another expected benefit due to the concrete's high durability.

Opting to use SUQCEM on the D-Runway resulted in a 50% reduction in weight compared to ordinary concrete slabs. This benefit contributed heavily to reducing steel weight from the steel jackets and steel pipe piles used for the piled-elevated platform of the runway.

Test pouring of the concrete slab

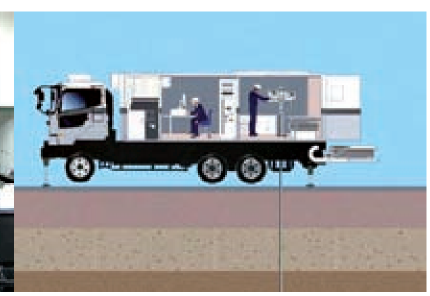
# 02 NEW INTERNATIONAL PASSENGER TERMINAL, HANEDA AIRPORT

**For airport terminal buildings, securing a wide expanse with good visibility is critical. From there, Kajima technologies for erecting massive roofs, embodying the Company's originality and ingenuity, were put to use.**

## KAJIMA'S BUILDING CONSTRUCTION TECHNOLOGIES

## ASSESS

### SWIFTLY SURVEYING PILE FOUNDATION BEARING LAYERS AT MORE THAN 10 TIMES CONVENTIONAL SPEED



Inside the Geo-Explorer truck

Steel pile construction work

Soil strata survey using the Geo-Explorer truck

Our initial boring survey revealed that the terminal building was planned on a stretch of land where the undulation of the bearing layers was peculiarly large. Completing piling within a limited construction schedule required, on the one hand, additional surveys to precisely assess the layers underground. At the same time, due to height regulations to maintain safety in the sky, construction cranes and other equipment and machinery had to be removed from the project site each day once work was completed.

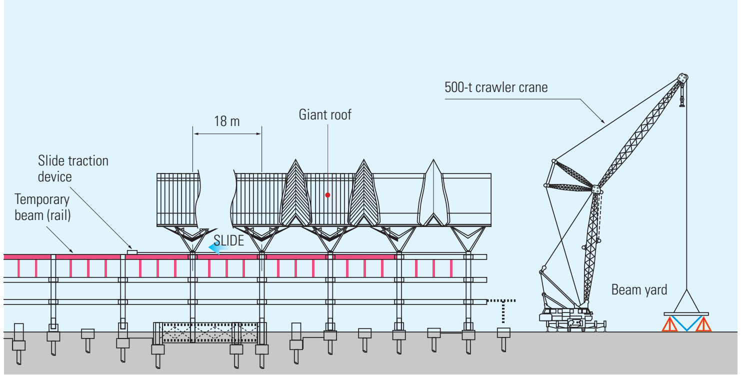
To clear these stringent hurdles, "Geo-Explorer," Kajima's self-developed soil-exploring vehicle, played a major role. Introducing this vehicle enabled highly precise, continuous soil surveying at 10 times the speed of conventional boring survey methods. Survey results were also displayed in real time, which contributed greatly to shortening the construction period.

In the end, Kajima completed a survey of 69 different points and a cumulative depth of 4,000 meters in a short 20 days. The detailed assessment of the ground layers also helped achieve higher quality, lower construction costs, and a shorter time for the foundation work.

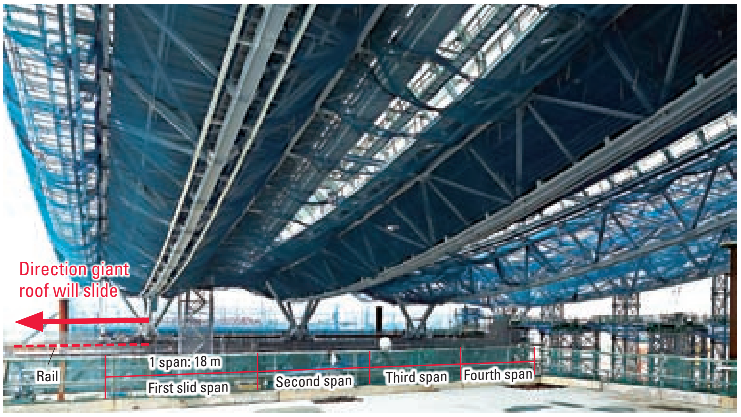
MOVE

## JAPAN'S FIRST AND ONLY TECHNOLOGY FOR MAKING A 5,000-T SLIDING ROOF A REALITY

One of the major challenges in this construction project was how to construct and install the enormous roof, which is 178 meters long, 95 meters wide, and weighs in at 5,000 tons. Various techniques were explored for building the roof, including the "Lift-up Method," whereby the roof was assembled on the ground and then hoisted up into position. However, because subway lines run beneath the site, installing massive cranes in what would be the center of the building directly over tunnels was not feasible. Ultimately, Kajima decided to adopt the "Slide Method." With this method requiring delicate execution, the roof was divided into spans at one side of the building, which were then assembled and slid horizontally into position. The introduction of this method to a 5,000-ton roof was unprecedented, but Kajima met this tough challenge and successfully completed the work.



"Slide Method" overview diagram



Actual roof installation using the "Slide Method"

### COMMENTS FROM THE PROJECT MANAGER

## CONSTRUCTION AS THE EMBODIMENT OF IDEAS ONSITE

My job started with gathering talented specialists from various fields to form a strong team to complete this tremendously complex project. Connections we cultivated from past project teams were vital here, and the close partnerships we formed with sub-contractors enabled us to deliver a higher-quality project.

Construction of a large roof for Haneda Airport Building was a complex process. Because of this, it was important to visualize how the entire project would look like from start to finish. By virtue of it being such a large-scale construction, staying true to the basics by pursuing each image in turn and methodically carrying out plans, while anticipating conceivable risks, was very important.

For this building, we drew upon Kajima's high-level construction technologies to make the steel structure slimmer, installed new seismic damping equipment, devised support techniques for the large-scale curtain wall and massive roof, and developed information and communication facilities. We also turned our attention to environmental considerations. The use of solar panels and geothermal energy are examples. In addition, we installed wind generators at the project site office as part of an extensive energy-saving program.

**TOSHINARI OTAKE**
Project Manager

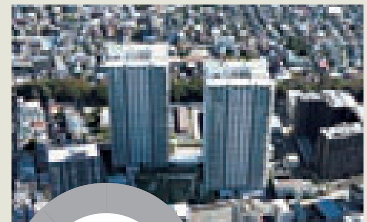
# KAJIMA AT A GLANCE (Consolidated)

## 5 BUSINESS SEGMENTS BY MANAGEMENT APPROACH

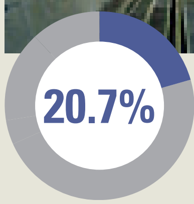
### PARENT COMPANY (KAJIMA CORPORATION)

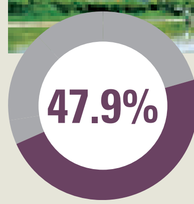
| CIVIL ENGINEERING | BUILDING CONSTRUCTION | REAL ESTATE DEVELOPMENT AND OTHER |
|---|---|---|

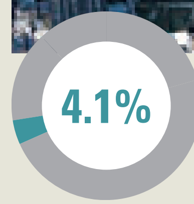




**SHARE OF REVENUES**
(Year ended March 31, 2011)

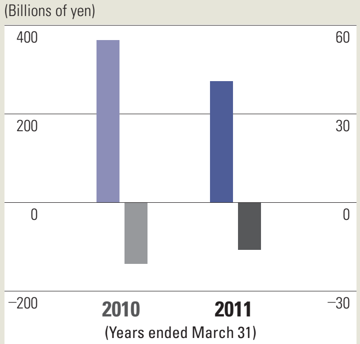
CIVIL ENGINEERING



BUILDING CONSTRUCTION



REAL ESTATE DEVELOPMENT AND OTHER


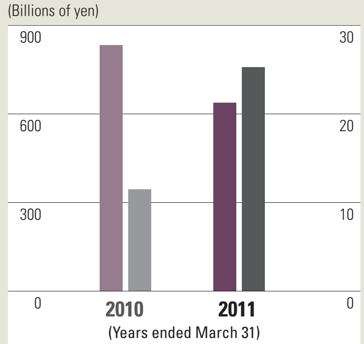

**REVENUES AND OPERATING INCOME (LOSS)**

CIVIL ENGINEERING

(Billions of yen)


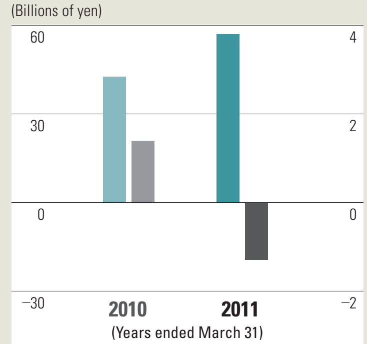
Revenues (left scale)
Operating income (right scale)

BUILDING CONSTRUCTION

(Billions of yen)


Revenues (left scale)
Operating income (right scale)

REAL ESTATE DEVELOPMENT AND OTHER

(Billions of yen)


Revenues (left scale)
Operating income (right scale)

**OVERVIEW**

**Civil Engineering:** Kajima has maintained a leading position in Japan's civil engineering industry for many years. With the comprehensive evaluation bidding format, which emphasizes both price and technologies, gaining popularity, Kajima is giving full play to its unrivaled technological expertise to help build various social infrastructure. In overseas markets, Kajima is strictly selecting projects where it can best leverage its technological prowess.

**Building Construction:** Kajima has a competitive advantage as the pioneer of super-high-rise office building construction and nuclear power plant construction in Japan, with a broad track record of constructing other types of buildings as well. Capitalizing on its strengths of seismic resistance, isolation and control technologies, along with expertise in environmental and engineering areas, Kajima is meeting the multifarious needs of our customers.

**Real Estate Development and Other:** Kajima has created the largest number of real estate development projects among general contractors in Japan. Fully leveraging our strengths as a general contractor with in-house design and construction divisions and wedding our construction technology and real estate development expertise, we are striving to deliver greater value and aim at standing apart from our competitors.

**HIGHLIGHTS OF THE FISCAL YEAR ENDED MARCH 31, 2011**

**Civil Engineering:** Revenues fell 25.3% to ¥273.9 billion from ¥366.9 billion mainly because of the decline in contract awards in the previous fiscal year. The worsening outlook for profitability at some projects resulted in an operating loss of ¥16.1 billion. The loss was ¥20.9 billion one year earlier.

**Building Construction:** Lower contract awards in the previous fiscal year were primarily responsible for a 23.4% downturn in revenues to ¥639.4 billion from ¥834.9 billion one year earlier. Operating income increased 119.8% from ¥11.5 billion to ¥25.3 billion despite the decline in revenues because of an improvement in the gross profit margin at completed projects.

**Real Estate Development and Other:** Revenues increased 34.0% to ¥57.1 billion from ¥42.6 billion. There was an operating loss of ¥1.3 billion compared with a profit of ¥1.4 billion in the previous fiscal year due to the protracted slump in Japan's real estate sector.

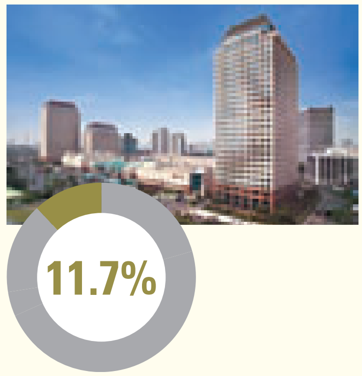
## DOMESTIC SUBSIDIARIES AND AFFILIATES



Our domestic subsidiaries and affiliates pursue operations that highlight synergies with the parent company, including in the construction business, manufacturing and sales of construction materials and machinery, real estate development, design, financing (leasing), and facility management. This segment contributes consistently to Kajima Group's business performance.

Revenues and operating income were not significantly different from one year earlier. Revenues decreased 0.3% to ¥332.2 billion from ¥333.1 billion and there was a 17.4% decline in operating income from ¥4.6 billion to ¥3.8 billion.

## OVERSEAS SUBSIDIARIES AND AFFILIATES





Armed with superior technology and comprehensive capabilities with a long history of experiences, our overseas subsidiaries and affiliates have been engaged in and are aggressively promoting building construction and real estate development business in North America, Asia and Europe. The contribution of this segment to Kajima Group's financial performance is also growing.

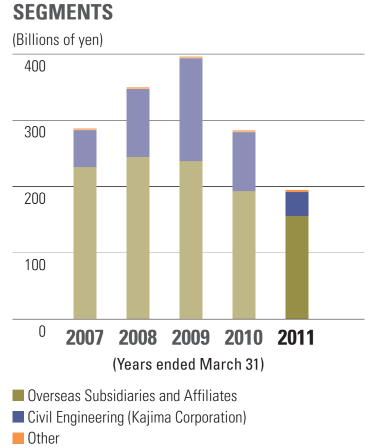
Revenues decreased 19.1% to ¥155.9 billion from ¥192.7 billion mainly because of the downturn in new orders in the construction business in the previous fiscal year. Last year's ¥2.3 billion operating loss improved to operating income of ¥3.0 billion, primarily due to higher gross profit in the real estate development business and cuts in selling, general and administrative expenses.

## OVERSEAS ACTIVITIES OF KAJIMA GROUP

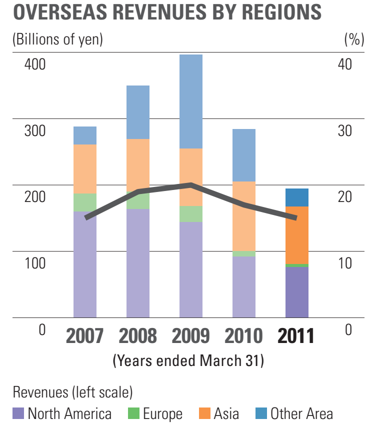

Our overseas activities consist of :

1) Building construction and real estate development by overseas subsidiaries and affiliates
2) Civil engineering by parent company (Kajima Corporation)

### OVERSEAS REVENUES BY BUSINESS SEGMENTS




### OVERSEAS REVENUES BY REGIONS



# CIVIL ENGINEERING

**Kajima has maintained a leading position in Japan's civil engineering industry for many years. With the comprehensive evaluation bidding format, which emphasizes both price and technologies, gaining popularity, Kajima is giving full play to its unrivaled technological expertise to help build various social infrastructure. In overseas markets, Kajima is strictly selecting projects where it can best leverage its technological prowess.**

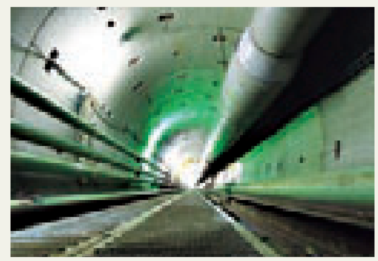
TOPICS 01

## PLACING A NATURAL GAS PIPELINE BELOW THE SEA

In January 2011, we completed a pipeline installation project across Ise Bay in central Japan. This project was one of our major construction projects completed in the fiscal year ended March 31, 2011. In this project, our task was to construct a 17-kilometer undersea tunnel, where the pipeline was placed across Ise Bay.

Posing the greatest challenge was the need for "underground docking" of the shield machines that simultaneously excavated the tunnel from each side. A mistake would be fatal because these shields can only move forward. Once the shields were within 50 meters of each other, we eliminated alignment errors by conducting precise measurements and excavation.

This resulted in a successful tunnel breakthrough with an error of only about nine millimeters when the shield machines came together for docking. The tunnel was designed to have the strength to withstand earthquakes in the magnitude 8 range even when they occur simultaneously. With our wide variety of technologies, we overcame various difficulties and completed the tunnel with one of the fastest speeds ever achieved in Japan. As a contractor, we have helped contribute to ensuring the reliability of natural gas supplies in central Japan through this project.



Gas pipeline inside the tunnel

TOPICS 02

## RAPID CONSTRUCTION OF THE YUNISHIGAWA DAM

The Yunishigawa Dam is the fourth dam on the Kinugawa River watershed of Tochigi Prefecture, one of the Tokyo metropolitan area's primary sources of water.

In this public bid, the "advanced-technology proposal type" comprehensive evaluation bidding format was introduced. We won the bid with a proposal to shorten the construction period by 96 days through application of our most-advanced construction technologies. Construction is currently underway at an unprecedented speed to complete the placement of one million $m^3$ of concrete in a cumulative 19 months so that the project may be finished on time.

Maintaining a consistent supply of concrete is vital during the placement of concrete used for the main body of a dam. At this project, a state-of-the-art production facility at the site helped ensure a reliable supply of concrete. Also, a number of measures have been taken to expedite construction. Examples include the installation of two cable cranes and a transport pipe solely for sending concrete to the dam body, and the introduction of a concrete output control system to control concrete production.

Aggregate for the dam's concrete contains earth excavated to build the dam along with sand gravel from nearby rivers. We determined the optimum mixture of these materials to produce the aggregate required.

Also, we introduced the improved Roller Compacted Dam-Concrete (RCD) Method, a new technology for enhancing construction efficiency. By applying this method, we have been able to reduce time for concrete compaction.

View of the entire worksite

Casting the concrete body of the dam

Projects completed during the fiscal year ended March 31, 2011

Jiyoshi Tunnel, National Highway No. 440

D-Runway of the Tokyo International Airport (Haneda)

Fukura Wind Park

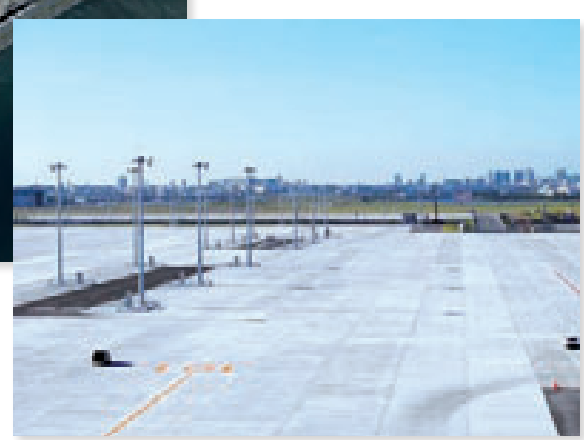
Sunakosawa Dam

Projects completed during the fiscal year ended March 31, 2011

**Shielded Tunnel for the Gas Pipelines across Ise Bay**

**Cebu South Coastal Road, Philippines**

**Tokyo International Airport (Haneda) International Apron**



# BUILDING CONSTRUCTION

**Kajima has a competitive advantage as the pioneer of super-high-rise office building construction and nuclear power plant construction in Japan, with a broad track record of constructing other types of buildings as well. Capitalizing on its strengths of seismic resistance, isolation and control technologies, along with expertise in environmental and engineering areas, Kajima is meeting the multifarious needs of our customers.**

TOPICS 01

## REVIVING A PAST ICON: WORK TO PRESERVE AND RESTORE TOKYO STATION'S MARUNOUCHI BUILDING TO ITS ORIGINAL GREATNESS

Tokyo Station is the point of origination for north- and south-bound bullet trains and a hub for numerous other conventional rail lines. The Marunouchi Building at Tokyo Station, built in 1914, is Japan's largest brick building and is designated as one of the country's important cultural properties. We won the contract to preserve and restore this building, and work is now underway.

The goals for this restoration project are two-fold. The first is to preserve and utilize as much of the present building as possible. The second is to restore the building to its original appearance by recreating the roof, northern and southern domes, and other architectural elements destroyed during World War Two. Because most of the original structure was built by professional artisans by hand, we are drawing on the knowledge and techniques of noted experts and traditional artisans, incorporating the specifications and methodologies of the time in its restoration work wherever possible.

In tandem, we are developing a new underground structure that will expand and enhance the Marunouchi Building's functionality. State-of-the-art technologies, such as seismic isolation systems, will also be adopted to ensure that this cultural asset remains for generations to come. In building the underground structure and making the site more earthquake resistant, the entire length and weight of this massive building, measuring some 335 meters and roughly 70,000 tons, must be temporarily supported. This dynamic concept for performing seismic-resistance work, which entails building an enormous cavern underground while the interior of the station structure remains in use, is the largest-scale effort of its kind ever attempted in Japan.

We are driving this project steadily forward towards a scheduled completion date of 2012.

Image of planned dome for the Marunouchi Building

TOPICS 02

## RESTORATION WORK PROCEEDING ON ONE OF JAPAN'S NATIONAL TREASURES – HIMEJI CASTLE

Located in the city of Himeji, Hyogo Prefecture, Himeji Castle is designated as a national treasure in Japan for its large and beautiful tenshu, or keep, that has survived from the Edo period to today. It is a registered World Heritage site as well. Having stood for more than four centuries now, the castle has been the subject of a major restoration project for the past 45 years or so. Today, we are responsible for carrying that work forward.

For the current restoration work, once the temporary gantry and roof for performing the work are in place, the roof tiles on the largest part of the keep will be completely replaced. The large outer wall near the top of the keep will also be broken down and repairs made to the mortar and paint on the damaged gables and other areas. A partial teardown analysis will be performed and structural reinforcement work carried out at the same time as structural checks.

In March 2011, we completed work on a steel-framed temporary roof structure. This structure will protect the castle, where brick and mortar are starting to fall away, from wind and rain during the three-year restoration effort. In building this temporary roof, causing damage to the ground was not an option since the site where the massive keep stands itself holds special historical significance. In response, rather than dig into the ground, we erected the 52-meter high, 1,700-ton steel frame on a 3,700-ton slab of concrete, which sits aboveground.

Today, Himeji Castle is covered by a temporary roof, completely obscuring any exterior view of the castle. With that said, an observation facility has been built at the very top of the temporary roof structure, where visitors can observe up close the restoration effort underway. With work scheduled to finish in March 2015, we will continue pushing ahead with this project to restore one of Japan's best-known treasures.

Himeji Castle under restoration

Projects completed during the fiscal year ended March 31, 2011

**Tokyo International Airport (Haneda) International Passenger Terminal Building**

**Kanagawa Arts Theatre**

**Park City Hamadayama**

**Kyoto-Yodobashi**

Sumitomo Mitsui Banking Corporation Head Office

Tokyo Southern Garden

SANYO's Kasai Green Energy Park

Toyosu Front

# REAL ESTATE DEVELOPMENT AND OTHER

**Kajima has created the largest number of real estate development projects among general contractors in Japan. Fully leveraging our strengths as a general contractor with in-house design and construction divisions and wedding our construction technology and real estate development expertise, we are striving to deliver greater value and aim at standing apart from our competitors.**

TOPICS 01

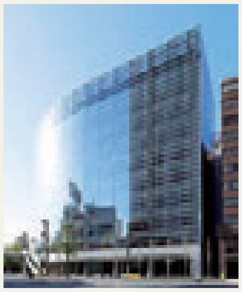
## TWO PRIME OFFICE BUILDINGS SOLD IN CENTRAL TOKYO: AOYAMA KAJIMA BUILDING AND GLASS CUBE SHINAGAWA

In 2011, Kajima completed the sale of Aoyama Kajima Building and Glass Cube Shinagawa in prime office locations in Tokyo. These were two of Kajima's major real estate developments in central Tokyo.

The Aoyama Kajima Building (nine floors, total rentable floor area of 8,054 $m^2$) is located in the Minami-Aoyama district. With its easy access to Otemachi, Shibuya, Ginza, Roppongi and other destinations in central Tokyo by subway, the district is one of the most sought-after office, commercial, and residential areas in Tokyo. Surrounded by green gardens and other open spaces, the Aoyama Kajima Building drew attention from the market as an office space best suited for global and blue-chip firms.

We planned and developed this project with two exit strategies in mind. One was to sell the building to an investor after signing lease agreements with key tenants, while the other was to sell the building to an owner-occupier who was looking for a new headquarters location. Eventually, the building was sold in February 2011 to a Japanese investor.

Glass Cube Shinagawa, a 13-story office building with a total rentable floor area of 13,503 $m^2$, is one of the major office buildings recently developed in the Higashi-Shinagawa district. Ideally located with its quick access to Haneda Airport and Shinagawa Station, a bullet train stop, the district has been in demand from a growing number of Japanese firms seeking high-quality office space. Kajima's aim with this redevelopment project was to add an A-grade building to the district. Construction was completed as planned, and we sold the building to a Japanese investor in March 2011.



Aoyama Kajima Building

Glass Cube Shinagawa

TOPICS 02

## GRAND MID TOWERS OMIYA ATTRACTS MANY BUYERS

Construction has been completed of the south tower of Grand Mid Towers Omiya (twin-tower), one of Kajima's condominium development projects in metropolitan Tokyo.

Located to the north of Tokyo, Omiya has prospered as the home of many people who work in Tokyo and a major commercial center for the northern Kanto region. With both conventional and bullet train service, Omiya Station has a daily passenger volume of more than 500,000. Grand Mid Towers Omiya is only a seven-minute walk from this bustling station. In addition to being the joint-owner of this development, Kajima participated in this project as a designer and contractor. In designing and constructing the twin towers (two 30-story condominium towers with a total of 941 units), Kajima drew fully on its design and construction expertise, such as the Hybrid Double Tube Construction Method.

Exterior designs of the towers incorporate traditional Japanese "oyashiki" architecture*1 down to tiny details, so that the towers blend in with the atmosphere of the neighboring Hikawa Shrine, which has a history of more than 2,000 years. Amenities in the towers include a convenience store, child care center and lounge for residents. Also, the towers have a garden of about 3,200 $m^2$ exclusively for the enjoyment of residents that is located between one of the street entrance gates and a building entrance.

Steady sales demonstrate the strong response of prospective buyers to this impressive development project. Started in 2006, the project reached completion of the south tower in February 2011 where units are progressively being handed over to their owners. Construction of the north tower is scheduled for completion in September 2011.

*1 The design theme was based on four elements: gates, walls, gardens, and the distance between building entrances and residences.

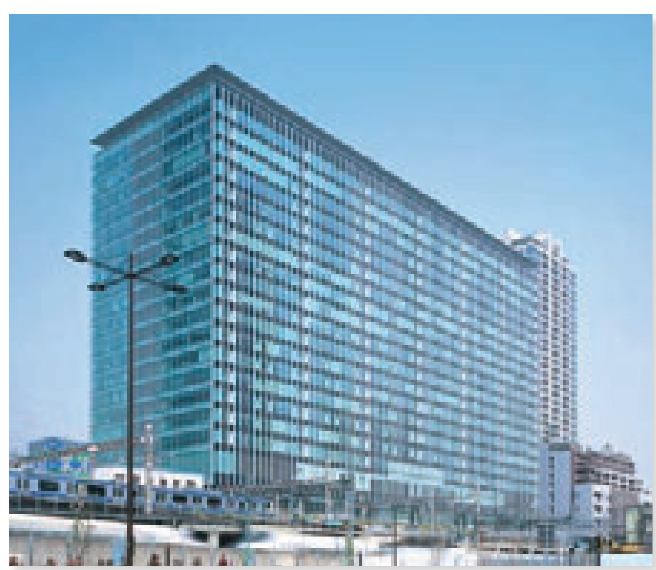
Entrance to Grand Mid Towers Omiya

Projects completed during the fiscal year ended March 31, 2011

**Grand Mid Towers Omiya**

**Toranomon Towers Office (Under operation since 2006)**


**Akamon-dori Building**



**Akihabara UDX (Cashed out between 2008 and 2010)**

# DOMESTIC SUBSIDIARIES AND AFFILIATES

**Our domestic subsidiaries and affiliates pursue operations that highlight synergies with the parent company (Kajima), including in the construction business, manufacturing and sales of construction materials and machinery, real estate development, design, financing (leasing), and facility management. This segment contributes consistently to Kajima Group's business performance.**

TOPICS 01

## DEVELOPMENT OF ENEMASTER SYSTEM COMPATIBLE WITH AMENDED ACT ON THE RATIONAL USE OF ENERGY

Kajima Tatemono Sogo Kanri Co., Ltd., a building maintenance and management company wholly owned by Kajima, has developed EneMASTER, a management system for conserving energy in buildings.

In Japan, April 2010 saw the amended Act on the Rational Use of Energy come into force. The amended act moves the locus of energy management from the traditional business site level to the business operator. As a result, companies must promote energy conservation in all buildings in use. This change is expected to increase the clerical workload on business managers, which is translating into a growing need to respond efficiently among companies that use multiple buildings.

EneMASTER is an all-in-one system that collects and manages data on buildings in use via the Internet, automatically generates forms to submit for legal compliance, and analyzes energy usage. Through this system, customers can compile the energy data they input and verify energy conservation status online. Going forward, Kajima Tatemono Sogo Kanri intends to expand its comprehensive corporate consulting services around compliance with the act by developing a lineup filled with a variety of other energy conservation services.

Tokyo East 21, a multifaceted development managed by Kajima Tatemono Sogo Kanri Co., Ltd.

Building management work

Projects completed during the fiscal year ended March 31, 2011

**Road pavement work on the Izu Jukan Tokura Road (Constructed by Kajima Road Co., Ltd.)**

**Construction work to prevent coastal erosion at the LNG Terminal (Constructed by Chemical Grouting Co., Ltd.)**

# OVERSEAS SUBSIDIARIES AND AFFILIATES

**Armed with superior technology and comprehensive capabilities with a long history of experiences, our overseas subsidiaries and affiliates have been engaged in and are aggressively promoting building construction and real estate development business in North America, Asia and Europe. The contribution of this segment to Kajima Group's financial performance is also growing.**

TOPICS 01

## COMPLETION OF SENTRAL SENAYAN Ⅲ

On December 9, 2010, a ceremony was held to mark the completion of Sentral Senayan Ⅲ, an office building located in Senayan Square in Senayan, a southern district in the Indonesian capital of Jakarta. STS, an affiliate of local Kajima subsidiary Kajima Overseas Asia Pte Ltd, is responsible for lease management of the property. Built by P.T. Kajima Indonesia, the reinforced-concrete building boasts 28 aboveground floors and one basement floor, for a total floor area of approximately 60,000 $m^2$. The building is also the first in Indonesia to offer raised flooring on each floor, helping it achieve full occupancy since opening its doors.

The Senayan Square Project, a multifaceted development project overseeing the construction of shopping malls, office buildings, luxury condominiums and hotels over an approximately 20 hectare site, is the largest project of its kind in Asia. STS has a BOT (build-operate-transfer) agreement with the Indonesian government regarding the project that will run through 2036. Work on the project was first launched in 1989.

Plaza Senayan, a large-scale shopping mall on the site, opened for business in 1996. Today, two office buildings and luxury condominiums are also in operation. Construction is soon set to begin on a luxury hotel, with all construction work scheduled for completion in 2014.

Senayan Square

Sentral Senayan Ⅲ Lobby

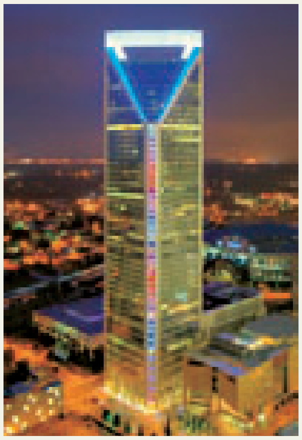
TOPICS 02

## CONTRIBUTION OF U.S.-BASED SUBSIDIARIES TO THE KAJIMA GROUP

Alongside KBD Group, a U.S. subsidiary that has long serviced Japanese customers locally, overseas Kajima subsidiary Kajima U.S.A. Inc. (KUSA) acquired three construction and engineering firms between 2002 and 2008. Today, those acquisitions contribute heavily to KUSA business performance.

Hawaiian Dredging Construction Company, Inc., acquired in 2002, is a trusted company with industry-leading sales in the state and a century-long record of achievements. The company's own desire to steadily boost profits by becoming a top player in specified fields and regions meshed with KUSA's corporate strategy, culminating in the acquisition decision. The Austin Company, acquired in 2005, is a middle-tier firm headquartered in the state of Ohio that made its name as an industrial facility design and construction company. With customers in fields as diverse as food product processing, pharmaceuticals and aeronautics, the company has established a reputation for its specialist knowledge related to engineering. Enabling the acquisition was the corporate culture of The Austin Company, which is very similar to that of Kajima, and an expectation that business related to industrial facilities will increase going forward. Batson-Cook Construction, acquired in 2008, is a prominent construction company in the southeastern United States with a history and track record stretching back more than 90 years. The acquisition of this company, which maintains a widespread network in the southeastern U.S., where economic growth is anticipated, and repeat customers, will be a major plus for future construction business development efforts in the country.

In light of unavoidable contraction in Japan's own construction market, Kajima is taking proactive steps to develop overseas by eyeing M&A opportunities with prominent local companies in markets where it hopes to establish a foothold.



Duke Energy Center
(Constructed by Batson-Cook Construction)

Projects completed during the fiscal year ended March 31, 2011

Sentral Senayan III, Indonesia

Marina Bay Financial Centre, Singapore

Cliveden at Grange, Singapore

Unicharm No. 2 Indonesia Plant

Duke Energy Center, USA

Siam Kubota Combine Plant, Thailand

Resorts World Sentosa, Singapore

AEON Mahkota Cheras Shopping Center, Malaysia

# RESEARCH AND DEVELOPMENT

**Upholding our image as a technology-driven company, we are responding at the industry-leading Kajima Technical Research Institute to customers' increasingly complex and diverse needs. Through research and development, we continue to lead to new market creation, contribute to stronger competitiveness, and boost profitability and quality.**

TOPICS 01

## DEVELOPMENT OF CULTIVATION SYSTEM FOR MEDICINAL PLANTS

Kajima, the National Institute of Biomedical Innovation (NIBIO) and Chiba University have developed Japan's first hydroponic system to stably produce licorice in a short period of time.

Licorice root is one of the most commonly used plant sources of Chinese herbal remedies. Among its many other applications, the plant is widely used as a food additive to impart sweetness to *miso* paste and soy sauce, and as a raw material for cosmetics. However, there is growing concern that securing the plant will become more challenging going forward due to restrictions on its harvesting in China and increased global demand for medical herbs. Consequently, there have been stronger calls from Japanese industries, notably pharmaceuticals, food products and cosmetics, to cultivate licorice root domestically. Despite this mounting pressure, little progress has been made by medicinal plant owners in establishing cultivation technology due to its high research and development cost.

Kajima, NIBIO and Chiba University worked jointly to select promising seedlings. In contrast to conventional hydroponics, in which licorice roots fail to enlarge, the partners developed a cultivation unit that stimulates root enlargement by controlling multiple environmental conditions and artificially applying appropriate levels of stress. The team is now designing a hybrid plant production facility that incorporates both sunlight and artificial lighting to form the right environment needed to encourage licorice root growth.

Going forward, in addition to building production facilities for companies seeking to commercially produce licorice root, Kajima is eyeing proposals around everything from seedling propagation and cultivation know-how, to cultivation facility operation services.

Licorice root grown using the Kajima cultivation unit

TOPICS 02

## COMPLETION OF 3-D SHAKING TABLE SYSTEM BOASTING BEST PERFORMANCE LEVEL IN JAPAN

Kajima Technical Research Institute, Kajima's in-house technical research laboratory, has adopted "W-DECKER," a high-performance, 3-D shaking table system to reproduce a variety of earthquake motions.

In terms of recreating the speed and displacement of an earthquake, W-DECKER boasts the highest level of performance in Japan, and is capable of producing the world's largest amplitude of displacement recorded on upper floors of high-rise buildings during long-period earthquakes.

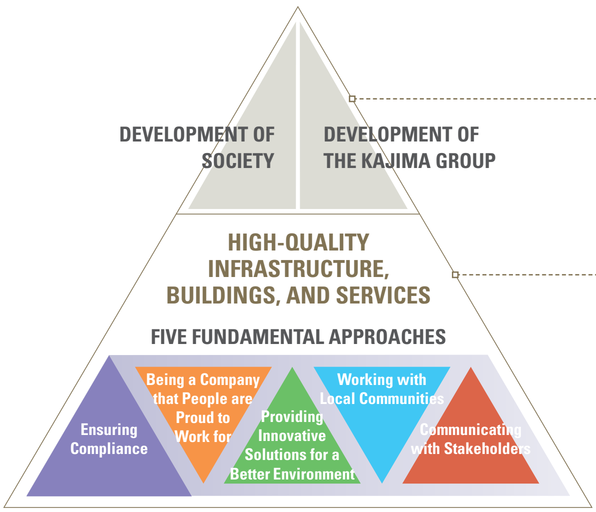
For Kajima, ensuring and improving seismic resistance and safety in its buildings and structures is a management issue of continual importance. Since introducing our first shaking table in 1975, and upgrading to 3-D shaking tables in 1990, we have continued to actively invest in R&D for delivering the latest in seismic response technology. Now, effective utilization of W-DECKER will be vital to maintaining and enhancing the baseline seismic resistance, isolation and control technologies that support this commitment. Kajima is also vigorously tackling technology fields related to BCP (business continuity planning), involving efforts to maintain building functionality, as well as real-time earthquake disaster prevention, to contribute to faster post-quake recovery.


W-DECKER 3-D shaking table

# CORPORATE SOCIAL RESPONSIBILITY

**The achievements of the construction industry have directly supported society and people's livelihoods. In tandem with the industry's tradition of continuously improving society, Kajima aims to pursue steady growth by putting CSR into practice based on the enduring trust it receives from its clients and society as a whole.**

### THE KAJIMA GROUP'S CSR PRACTICES




## CSR OBJECTIVES

Kajima believes that the essence of CSR is to meet the expectations of society and build and maintain positive relationships with diverse stakeholders through fair business practices. Buildings and structures designed and built by construction firms directly support the activities of society and individuals over a long period of time. Through its implementation of CSR, Kajima aims to ensure that the construction industry as a whole and Kajima in particular, supported by the trust of society and clients, will achieve stable development in a manner conducive to sustainable progress for all of society.

## FOUNDATION OF CSR

For Kajima, accomplishing its CSR objectives requires holding to the highest level of ethical standards in the sincere pursuit of our corporate mission: providing superior quality infrastructure, buildings, and services, all based on advanced technical competence gained from tireless research. The foundation of the trust Kajima receives from its customers and society lies in our commitment to quality. Gaining such trust, contributing to society, and providing customers with convenience, comfort, and peace of mind, while building our enduring reputation, constitute the foundation of Kajima's approach to CSR.

## FIVE FUNDAMENTAL APPROACHES

**Ensuring Compliance**

While the construction industry receives fair recognition of its contribution to society from the public, the industry's image in the eyes of the public is not always positive. Nevertheless, when it considers the industry's long-term responsibility in supporting the activities of society and individuals, the public can gain a renewed appreciation and place trust in construction companies. To gain this trust, Kajima strives for thorough compliance in accordance to laws and regulations, and encourages each and every one of its employees to work toward realizing a company that practices the highest level of corporate ethics.

**Being a Company that People are Proud to Work for**

A construction firm is responsible for completing an entire project, which involves bringing together subcontractors with many different specialties and uniting them into a cohesive team. Each individual's abilities are an asset. Kajima strives to create an environment where they can work in together in safety, with mutual trust, and take pride in their contribution to society.

**Providing Innovative Solutions for a Better Environment**

Construction firms consume resources in great quantity, and their operations have a major impact on the natural environment. Kajima seeks to be sensitive and respectful to the environment, and regards conservation of the global environment as its responsibility to the next generation. Furthermore, Kajima works to present customers with forward-looking project proposals, and pays close attention in its daily operations to minimize the burdens it places on the environment.

**Working with Local Communities**

A construction firm cannot move forward smoothly with a project without the understanding and cooperation of the local community, including those located in the immediate vicinity. Moreover, given the risk of natural disasters such as earthquakes, which often occur in Japan, disaster preparedness is one kind of CSR activity in which construction firms are expected to play an important role.

**Communicating with Stakeholders**

Until recently, the construction industry has not communicated effectively with society regarding its social mission and activities. As full and transparent disclosure of information is the foundation of trust in an enterprise, Kajima will take a proactive approach to informing the public and strive to maintain communications with stakeholders, to fulfill its responsibility to society and gain trust.

### CSR REPORTS

Please visit our website below.

Web **http://www.kajima.co.jp/english/csr/index.html**

# FUNDAMENTAL STANCE ON CORPORATE GOVERNANCE

**The Kajima Group "strives to continually advance its business operations and contribute to society" under its management philosophy. Our objective is to earn the trust and regard of all stakeholders, including stockholders, customers, business partners, local communities and employees.**

**Our fundamental stance on corporate governance is to ensure fair and transparent corporate conduct by improving management supervision by corporate auditors, the Board of Directors and others; enhancing our internal control system to manage risk and maintain accountability; and formulating measures for strict compliance.**

## CORPORATE GOVERNANCE SYSTEM

As a company under a corporate auditor system, we have implemented an executive officer system to separate the functions of management and supervision from execution, to strengthen these functions, and to enhance the efficiency and speed of management. In addition, we maintained and upgraded our internal management (internal control) system to prevent violations of laws and regulations and other misconduct, as well as inappropriate and illegal accounting practices.

## CORPORATE MANAGEMENT SYSTEM FOR SUPERVISION AND EXECUTION

In principle, the Board of Directors meets once a month to discuss and decide upon key issues involving basic management policies, issues for which board resolutions are legally required, and other important management issues. In addition, the Board of Directors supervises business execution and confirms the progress of management plans.

The Management Committee, consisting of directors, some of the corporate auditors and executive officers, deliberates and reports on key management issues. The Joint Committee of Directors and Executive Officers, consisting of directors, corporate auditors and executive officers, familiarizes participants with the resolutions and reports of the Board of Directors and the Management Committee, while reporting on and evaluating the state of business execution.

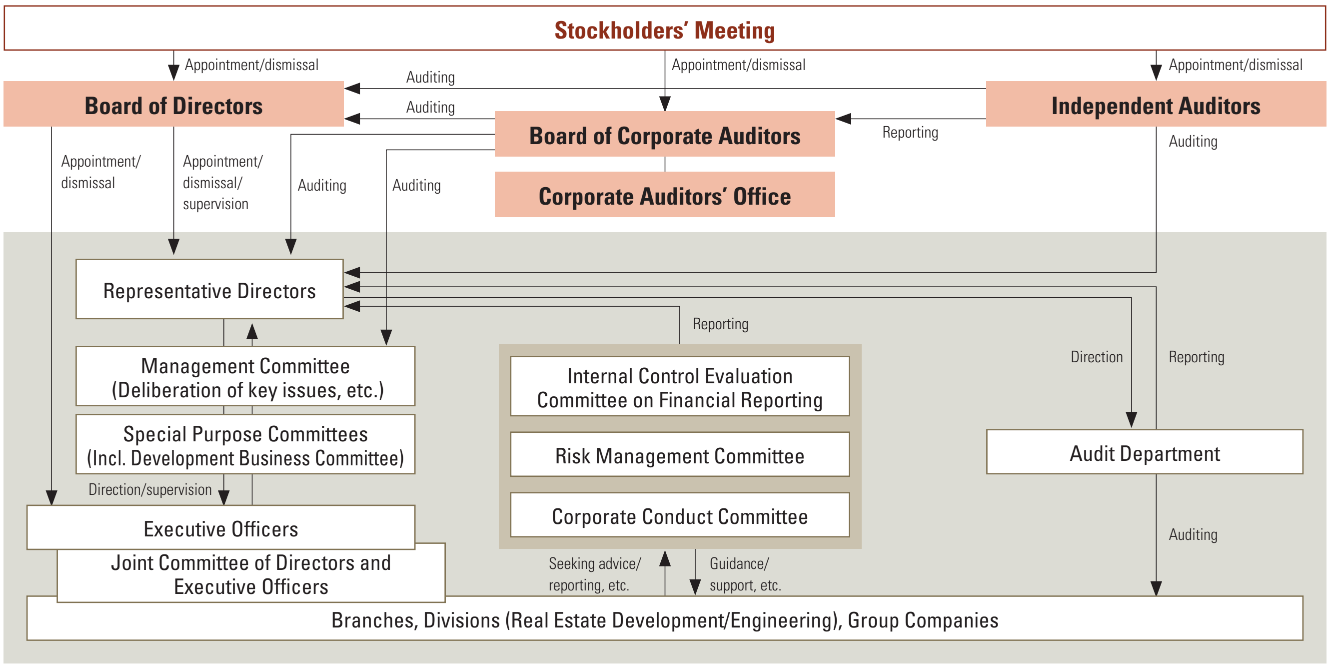
The chairman of Kajima Corporation presides over the Board of Directors, while the president of Kajima Corporation presides over the Management Committee and the Joint Committee of Directors and Executive Officers. This creates a system under which the chairman is responsible for decision-making and supervision and the president is responsible for overall business execution.

## AUDIT SYSTEM

The Board of Corporate Auditors consists of five corporate auditors, including three external auditors with legal and accounting backgrounds. Each corporate auditor attends the Board of Directors' meetings and other important meetings to audit the propriety and suitability of business execution by directors. The external auditors have no vested interest in Kajima other than attorney fees. The appointment of auditors with legal and accounting backgrounds strengthens the auditing function.

The Audit Department handles internal audits independently of our in-house divisions and departments and audits the suitability of accounting practices and business activities and the efficacy of internal controls related to financial reporting at Kajima and its affiliated companies. Independent auditors, with no vested interest in Kajima, conduct impartial and unbiased audits.

## CORPORATE GOVERNANCE SYSTEM




Corporate auditors, the Audit Department and independent auditors cooperate closely in working to raise the effectiveness and efficiency of audits by evaluating reports on the implementation status of Kajima's internal controls through financial reports made by the Internal Control Evaluation Committee on Financial Reporting.

## INTERNAL CONTROL SYSTEM TO ENSURE APPROPRIATE EXECUTION OF BUSINESS

While assiduously promoting compliance and managing risks in conducting business in an appropriate and efficient manner, we are working to enhance our internal management (internal control) system. For example, for the purpose of implementing the Internal Control Reporting System with the aim of ensuring the reliability of financial accounting, we have introduced the Kajima Group Code of Conduct, the Corporate Ethics Reporting System and other internal rules and regulations. We have also established the Corporate Conduct Committee, Risk Management Committee and Internal Control Evaluation Committee on Financial Reporting.

## INFORMATION DISCLOSURE

To promote communication with stakeholders, every year we publish the Kajima CSR Report, which covers a wide array of information on the Group's environmental and social activities. We also provide corporate information by updating our website and publishing the Annual Report, various company brochures, and other materials.

Moreover, the IR Group in the Corporate Planning Department energetically conducts investor and public relations activities that disclose timely and appropriate corporate information. In particular, the IR Group works to support highly transparent corporate management through results briefings in which the President explains our management policy and financial performance to institutional investors and securities analysts.

# BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(As of July 1, 2011)

## BOARD OF DIRECTORS

**SADAO UMEDA**
Chairman,
Representative Director

**MITSUYOSHI NAKAMURA**
President,
Representative Director*

**SHOICHI KAJIMA**
Director,
Senior Advisor

**NAOKI ATSUMI**
Representative Director,*
Executive Vice President

**HIROSHI KANEKO**
Representative Director,*
Executive Vice President

**TAMIHARU TASHIRO**
Representative Director,*
Executive Vice President

**HIROSHI ISHIKAWA**
Director,*
Senior Executive Officer
Responsible for sales and marketing

**KOICHI KAJIMA**
Director,
President, Kajima Institute Publishing Co., Ltd.
President, Yaesu Book Center Co., Ltd.

**KAORU SOMEYA**
Director,*
Senior Executive Officer
Responsible for treasury

*These directors also serve as executive officers.

## CORPORATE AUDITORS

TAKASHI MOMMA
TSUNEO FUJII
KINRO NAKAMURA
HIROSHI ARAKI
KUNIHISA HAMA

## EXECUTIVE OFFICERS

### Executive Vice President

**TAKASHI HINAGO**
General Manager, Sales and Marketing Division

### Senior Executive Officers

**SEIICHIRO TOMIOKA**
Responsible for The East-West Motorway, Algeria

**TERUAKI MURATA**
General Manager, Business Development Division

**ATSUSHI HATTORI**
General Manager, Tokyo Architectural Construction Branch

**TERUAKI YAMAGUCHI**
General Manager, Real Estate Development Division

**TOSHIO YAMAMOTO**
Responsible for research & technology development and architectural design
Overseeing Intellectual Property and License Department

**TAKAJI MINEO**
General Manager, International Division

**SEIGO AKANUMA**
General Manager, Tohoku Branch

**YOSHIKAZU OSHIMI**
General Manager, Building Construction Management Division

**JUN OKAZAKI**
Senior Supervisory Engineer

**SHUHEI MASUNAGA**
General Manager, Kanto Branch

**TOSHIO MISHIBA**
General Manager, Kansai Branch

### Managing Executive Officers

**KENRYO NAGATA**
Deputy General Manager, Tokyo Architectural Construction Branch

**TOSHIO HASEGAWA**
Responsible for architectural design

**TORU NAITO**
Deputy General Manager, Sales and Marketing Division

**MASANOBU SUMIYOSHI**
General Manager, Hokuriku Branch

**MASARU OZAKI**
General Manager, Architectural Design Division

**MASAO OKA**
General Manager, Engineering Division

**MASAYASU KAYANO**
General Manager, Civil Engineering Management Division, Overseeing Machinery and Electrical Engineering Department

**YUTAKA TAKEDA**
General Manager, Administration and Human Resources Division
Overseeing Public Relations Office, Legal Department, Safety and Environmental Affairs Department, and IT Solutions Department

**KAZUO KOJIMA**
Deputy General Manager, Architectural Design Division

**HIROYOSHI KOIZUMI**
President, Kajima Overseas Asia Pte Ltd

**TAKASHI FUKAMI**
Responsible for nuclear power

**MASATOSHI URASHIMA**
Deputy General Manager, Sales and Marketing Division

**HIRONOBU TAKANO**
General Manager, Treasury Division

**SHUKO YAMAUCHI**
General Manager, Corporate Planning Department
Overseeing Affiliated Business Department

**TOSHIKI KURIHARA**
Deputy General Manager, Sales and Marketing Division

### Executive Officers

**KIYOKAZU SAIKI**
General Manager, Chubu Branch

**TAKAAKI TSUKADA**
General Manager, Environmental Engineering Division

**SUSUMU ANDO**
General Manager, Shikoku Branch

**SATOSHI TOGARI**
Director, Kajima Technical Research Institute

**TATSUO HAGA**
Deputy General Manager, Tokyo Architectural Construction Branch

**HARUO SAKAI**
Deputy General Manager, Kansai Branch

**YUICHIRO TAJIMA**
General Manager, Audit Department

**MASAYOSHI UNO**
Deputy General Manager, Tokyo Architectural Construction Branch

**TSUTOMU MATSUMOTO**
Deputy General Manager, Sales and Marketing Division

**TAKAO NOMURA**
General Manager, Yokohama Branch

**HIROMASA AMANO**
Deputy General Manager, Building Construction Management Division

**KENICHI SUZUKI**
General Manager, Civil Engineering Design Division

**KEISUKE KOSHIJIMA**
General Manager, Overseas Operations Division

**KATSUMASA KAWAMOTO**
Deputy General Manager, Kansai Branch

**HITOSHI ITO**
Deputy General Manager, Tokyo Architectural Construction Branch

**HIROSHI TAJIMA**
Responsible for The East-West Motorway, Algeria

**MASAO HASHIMOTO**
Executive Vice President, Kajima Overseas Asia Pte Ltd

**ISAO KINOSHITA**
General Manager, Hokkaido Branch

**OSAMU SATO**
Deputy General Manager, Sales and Marketing Division

**TSUNEO NAKASHIMA**
General Manager, Chugoku Branch

**TOMOKATSU SEGUCHI**
General Manager, Tokyo Civil Engineering Branch

**TOSHINOBU NAKATANI**
Deputy General Manager, Treasury Division
General Manager, Accounting Department

**KOICHI MATSUZAKI**
General Manager, Kyushu Branch

**SEIGO TAKAHASHI**
Executive Vice President, Kajima Overseas Asia Pte Ltd

**HIDETOSHI OHSAWA**
Deputy General Manager, Real Estate Development Division

## OVERVIEW OF BUSINESS PERFORMANCE

During the fiscal year ended March 31, 2011, while the global economy as a whole began trending toward recovery, the most robust turnaround was limited to Asia. The economic picture continued to harbor instability, stoked in particular by the economic impact of worsening unrest in the Middle East.

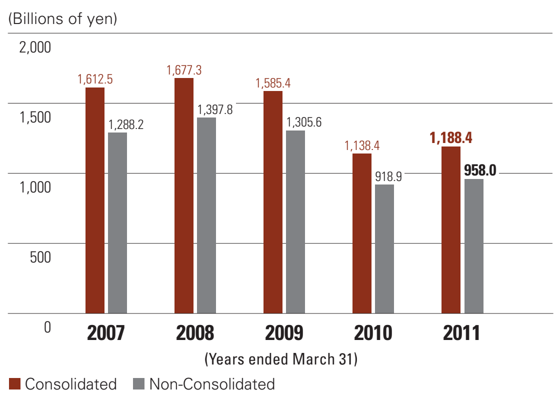
The situation surrounding the Japanese economy, meanwhile, continued to warrant serious concern. Although corporate earnings showed signs of improvement, a full-fledged recovery in domestic demand, especially in capital investment and consumer spending, remained elusive against a backdrop of gradual deflation, a strong yen, and an adverse employment picture. The economy was also impacted by the disaster triggered by the Great East Japan Earthquake, the largest seismic event in Japan's recorded history, which struck off the northeastern coast of the country.

Amid declining investment in public works, the Japanese construction market remained weak overall. This stemmed from lackluster construction investment in the private sector, which dropped sharply in the previous fiscal year and mirrored prevailing economic uncertainty, as well as growing investment, most notably by the manufacturing industry, in bases outside of Japan. The primary outcome was more intense competition for new contracts, as the business environment remained as severe as ever.

Under these conditions, the Kajima Group's consolidated results for the fiscal year ended March 31, 2011 were as follows.

Consolidated construction contract awards increased 4.4 percent compared with the previous fiscal year to ¥1,188.4 billion, primarily due to an increase in construction business at the parent company. Non-consolidated construction contract awards increased 4.3 percent year on year to ¥958.0 billion. Of this total, ¥226.0 billion came from civil engineering, a year-on-year decrease of 15.6 percent, mainly from declines overseas, and ¥732.0 billion came from building construction, up 12.4 percent year on year, spurred by contract awards for large-scale projects mainly from non-manufacturing industries, despite lackluster capital investment in the private sector.

**CONSTRUCTION CONTRACT AWARDS**

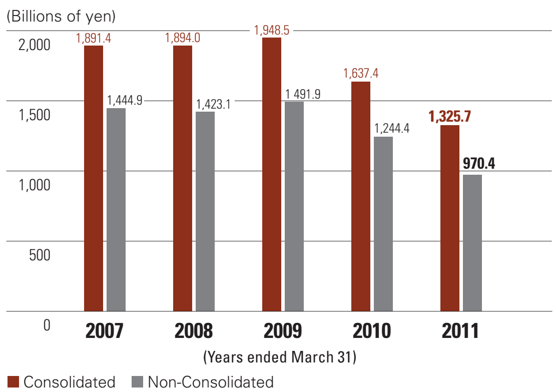



Consolidated revenues decreased 19.0 percent compared with the previous fiscal year to ¥1,325.7 billion, mainly because of the significant decrease in construction contract awards in the previous year.

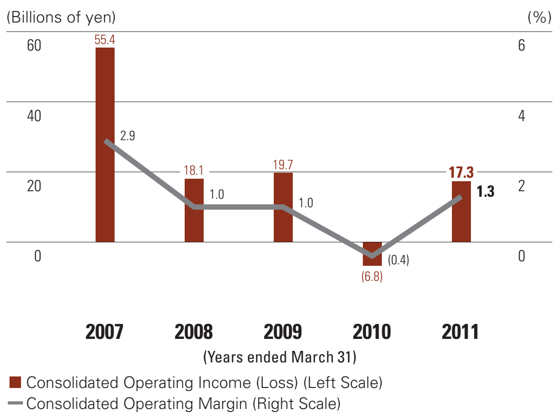
Consolidated operating income was ¥17.3 billion, a year-on-year turnaround from the ¥6.8 billion loss of the previous fiscal year, mainly due to an increase in gross profit on completed projects in the parent company's building construction business.

Consolidated net income increased 95.4 percent to ¥25.8 billion, mainly due to the booking of extraordinary profit from a gain on the transfer of a portion of ownership (preferred equity) in UDX SPC.

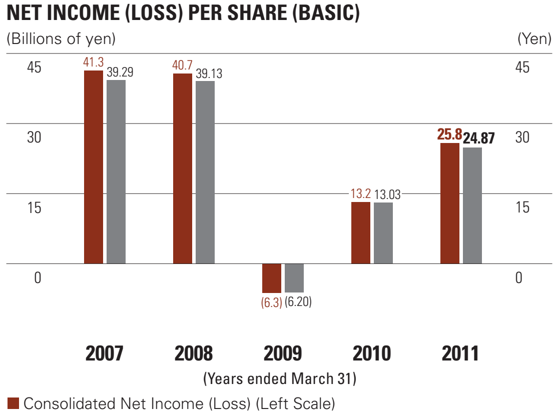
### REVENUES




### CONSOLIDATED OPERATING INCOME (LOSS) / CONSOLIDATED OPERATING MARGIN




### CONSOLIDATED NET INCOME (LOSS) / NET INCOME (LOSS) PER SHARE (BASIC)




## SEGMENT PERFORMANCE

### Civil Engineering

Revenues fell 25.3 percent to ¥273.9 billion mainly because of the decline in contract awards in the previous fiscal year. The worsening outlook for profitability at some projects resulted in an operating loss of ¥16.1 billion. The loss was ¥20.9 billion one year earlier.

(Billions of yen)

| (Years ended March 31) | 2011 | 2010 | 2011/2010 (%) |
|---|---|---|---|
| Revenues | **273.9** | 366.9 | (25.3) |
| Operating loss | **(16.1)** | (20.9) | — |

### Building Construction

Lower contract awards in the previous fiscal year were primarily responsible for a 23.4 percent downturn in revenues to ¥639.4 billion. Operating income increased 119.8 percent to ¥25.3 billion despite the decline in revenues because of an improvement in the gross profit margin at completed projects.

(Billions of yen)

| (Years ended March 31) | 2011 | 2010 | 2011/2010 (%) |
|---|---|---|---|
| Revenues | **639.4** | 834.9 | (23.4) |
| Operating income | **25.3** | 11.5 | 119.8 |

### Real Estate Development and Other

Revenues increased 34.0 percent to ¥57.1 billion. There was an operating loss of ¥1.3 billion compared with a profit of ¥1.4 billion in the previous fiscal year due to the protracted slump in Japan's real estate sector.

(Billions of yen)

| (Years ended March 31) | 2011 | 2010 | 2011/2010 (%) |
|---|---|---|---|
| Revenues | **57.1** | 42.6 | 34.0 |
| Operating (loss) income | **(1.3)** | 1.4 | — |

### Domestic Subsidiaries and Affiliates

Revenues and operating income were not significantly different from one year earlier. Revenues decreased 0.3 percent to ¥332.2 billion and there was a 17.4 percent decline in operating income to ¥3.8 billion.

(Billions of yen)

| (Years ended March 31) | 2011 | 2010 | 2011/2010 (%) |
|---|---|---|---|
| Revenues | **332.2** | 333.1 | (0.3) |
| Operating income | **3.8** | 4.6 | (17.4) |

### Overseas Subsidiaries and Affiliates

Revenues decreased 19.1 percent to ¥155.9 billion mainly because of the downturn in new orders in the construction business in the previous fiscal year. Last year's ¥2.3 billion operating loss improved to operating income of ¥3.0 billion, primarily due to higher gross profit in the real estate development business and cuts in selling, general and administrative expenses.

(Billions of yen)

| (Years ended March 31) | 2011 | 2010 | 2011/2010 (%) |
|---|---|---|---|
| Revenues | **155.9** | 192.7 | (19.1) |
| Operating income (loss) | **3.0** | (2.3) | — |

## ANALYSIS OF FINANCIAL POSITION

### Assets, Liabilities and Equity

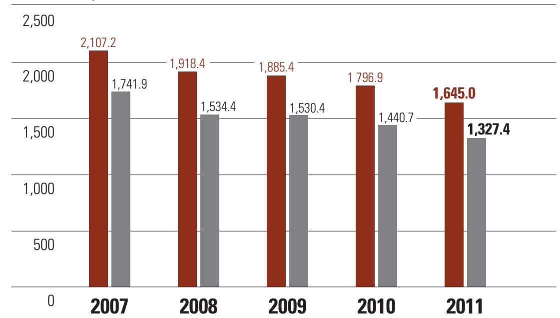
Total assets as of March 31, 2011 decreased ¥151.9 billion from a year earlier to ¥1,645.0 billion. This was mainly due to a decrease in notes and accounts receivable—trade, and a decrease in inventories on development projects in progress, real estate for sale and other.

Total liabilities decreased ¥143.0 billion from a year earlier to ¥1,391.7 billion. This was mainly due to a decrease in interest-bearing debt and a decrease in notes and accounts payable—trade.

Total equity decreased ¥8.9 billion from a year earlier to ¥253.3 billion. As a result, the stockholders' equity/assets ratio increased to 15.4 percent from 14.6 percent as of March 31, 2010.

#### TOTAL ASSETS

(Billions of yen)

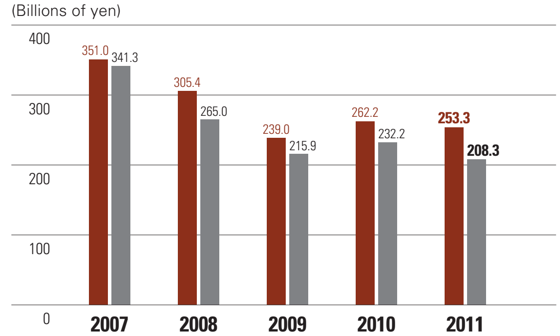



(As of March 31)

Consolidated Non-Consolidated

#### TOTAL EQUITY

(Billions of yen)




(As of March 31)

Consolidated Non-Consolidated

### Cash Flows

Operating activities generated a net cash inflow of ¥64.1 billion during the fiscal year ended March 31, 2011, as opposed to a net cash outflow of ¥76.9 billion in the previous fiscal year. The cash inflow resulted mainly from income before income taxes and minority interests of ¥26.1 billion, with adjustments including depreciation and amortization of ¥18.9 billion, a decrease in receivables of ¥53.9 billion and a decrease in inventories of ¥35.2 billion. Cash outflow resulted mainly from a decrease in payables of ¥51.1 billion.

Investing activities resulted in a net cash inflow of ¥3.0 billion (fiscal year ended March 31, 2010: net cash outflow of ¥5.7 billion). The cash inflow resulted mainly from proceeds from the sales of investments of ¥14.3 billion, and proceeds from collection of loans of ¥7.9 billion. Cash outflow resulted mainly from payments for purchases of property and equipment totaling ¥20.7 billion.

Financing activities resulted in a net cash outflow of ¥50.6 billion (fiscal year ended March 31, 2010: net cash inflow of ¥72.0 billion). There were net outflows of ¥42.6 billion from fund procurement and repayments related to short-term borrowings, commercial paper, long-term debt and bonds, in addition to cash dividend payment of ¥6.2 billion.

As a result, cash and cash equivalents on March 31, 2011 increased ¥14.6 billion from a year earlier to ¥156.4 billion.

**Statements of Cash Flows Highlights**

(Billions of yen)

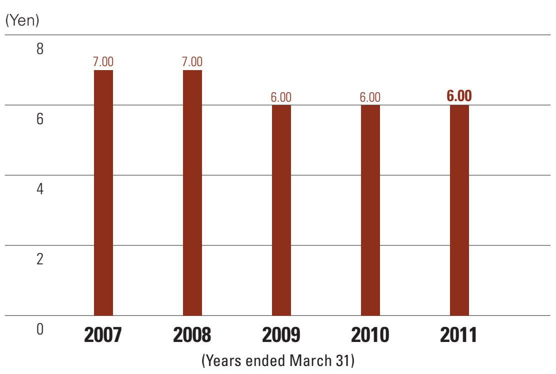
| (Years ended March 31) | 2011 | 2010 | 2009 |
|---|---|---|---|
| Net cash provided by (used in) operating activities | **64.1** | (76.9) | 16.1 |
| Net cash provided by (used in) investing activities | **3.0** | (5.7) | (30.6) |
| Net cash (used in) provided by financing activities | **(50.6)** | 72.0 | 74.6 |
| Cash and cash equivalents at end of year | **156.4** | 141.8 | 151.4 |

## BASIC POLICY FOR PROFIT ALLOCATION

Our basic policy for profit allocation is to provide stable dividends to stockholders in accordance with business performance while securing internal reserves to maintain a sound management foundation. We use internal reserves to reinforce our financial structure and raise capital efficiency.

We considered our financial results for the fiscal year ended March 31, 2011 and the outlook for the operating environment in paying cash dividends per share for the fiscal year ended March 31, 2011 of ¥6.00, consisting of an interim dividend of ¥3.00 per share and a year-end dividend of ¥3.00 per share. We also plan to pay cash dividends totaling ¥6.00 per share for the current fiscal year, including an interim dividend of ¥3.00 per share.

**CASH DIVIDENDS PER SHARE**



## FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2012

In terms of the outlook for the Japanese economy and construction market, despite expectations of moderate growth in the global economy, against the backdrop of the impact of the Great East Japan Earthquake and its aftermath, a self-sustaining recovery of the domestic economy is expected to require more time. In light of concerns about revisions being made to private-sector capital expenditure plans and apprehension about increased prices for certain construction materials, the operating environment of the construction industry is forecast to become even more adverse and challenging.

Given these conditions, we forecast that consolidated revenues for the current fiscal year will increase 10.9 percent year on year to ¥1,470.0 billion. Based on an anticipated increase in gross profit in the construction business of the parent company, we forecast operating income will increase 96.8 percent year on year to ¥34.0 billion. We also forecast that net income will decrease 34.2 percent year on year to ¥17.0 billion.

* Please note that the above projections are based on information available as of May 13, 2011, and are subject to risk and uncertainties that may cause actual results to vary.

## BUSINESS AND OTHER RISKS

Risk factors that investors should consider before making any decision concerning the Kajima Group include, but are not limited to, those noted below. Forward-looking statements in this section are based on judgments made as of March 31, 2011.

The Kajima Group precludes, diversifies and hedges these and other risks and uncertainties related to its business to the largest extent practically possible, in order to minimize their impact on corporate activities.

### 1. Changes in Business Environment

Drastic adverse changes in the operating environments for construction and real estate development, including an unexpected decrease in demand for construction, a rapid increase in the cost of primary construction materials, or changes in prices or supply and demand in the real estate market, could affect the Kajima Group's results and financial position.

### 2. Changes in Construction Costs

Long-term, large-scale construction projects are subject to rapid increases in the prices of primary construction materials that could cause construction costs to increase unexpectedly, which could affect the Kajima Group's results and financial position.

### 3. Fluctuations in Interest and Foreign Exchange Rates

A sharp increase in interest rates or substantial changes in foreign exchange rates could affect the Kajima Group's results and financial position.

### 4. Fluctuations in Asset Value and Profitability

A significant drop in the value and profitability of the Kajima Group's assets, including real estate for sale, real estate used in operations and investment securities, could affect the Kajima Group's results and financial position.

### 5. Country Risk

The Kajima Group operates in North America, Europe, Asia and other regions around the world. Significant political, economic or legal changes in the countries and regions where the Kajima Group operates could affect the Kajima Group's results and financial position.

### 6. Changes in the PFI Project Environment

PFI business typically extends over a long period of time, during which significant changes in the operating environment could affect the Kajima Group's results and financial position.

### 7. Construction and Other Defects

The Kajima Group provides various services such as design and construction that, if significantly defective, could affect the Kajima Group's results and financial position.

### 8. Counterparty Credit Risk

Credit problems of customers, subcontractors, joint venture partners or other counterparties could cause bad debts, construction delays or other problems that could affect the Kajima Group's results and financial position.

### 9. Deferred Income Tax Assets

The Kajima Group expects to fully utilize deferred income tax assets outstanding as of March 31, 2011 to offset taxable income in the future. However, unexpected events including, but not limited to, changes in tax regulations may partially prevent the Kajima Group from doing so.

### 10. Laws and Regulations

The Kajima Group operates in the Japanese construction industry, which is subject to a variety of laws and regulations including the Construction Business Act, the Building Standards Act, the Building Lots and Buildings Transaction Business Act, the National Land Use Planning Act, the City Planning Act and the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade. Revision of these laws, the enactment of new laws or regulations, or changes to the applicable standards could affect the Kajima Group's results and financial position. Also, any litigation against the Kajima Group could affect the Kajima Group's results and financial position if the outcome differs from the Group's assertion or prediction.

# CONSOLIDATED BALANCE SHEETS

KAJIMA Corporation and Consolidated Subsidiaries

| | As of March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
| | 2011 | 2010 | 2011 |
| **ASSETS** | | | |
| **CURRENT ASSETS:** | | | |
| Cash and cash equivalents (Note 18) | ¥ 156,356 | ¥ 141,773 | $ 1,883,807 |
| Marketable securities (Notes 4 and 18) | 246 | 143 | 2,964 |
| Operational investments in securities (Notes 4 and 18) | 18,439 | 20,932 | 222,157 |
| Notes and accounts receivable—trade (Notes 9, 18 and 20) | 442,616 | 503,000 | 5,332,723 |
| Allowance for doubtful accounts (Note 18) | (3,219) | (4,271) | (38,783) |
| Inventories: | | | |
| Construction projects in progress | 48,225 | 57,185 | 581,024 |
| Development projects in progress, real estate for sale and other (Note 9) | 193,741 | 240,073 | 2,334,229 |
| Deferred tax assets (Note 15) | 65,309 | 64,266 | 786,855 |
| Other current assets (Notes 9 and 18) | 95,585 | 142,515 | 1,151,626 |
| Total current assets | 1,017,298 | 1,165,616 | 12,256,602 |
| **PROPERTY AND EQUIPMENT:** | | | |
| Land (Notes 5, 6, 7 and 9) | 193,892 | 194,828 | 2,336,048 |
| Buildings and structures (Notes 6, 7 and 9) | 109,019 | 115,401 | 1,313,482 |
| Machinery, equipment and other (Note 6) | 16,294 | 16,738 | 196,313 |
| Construction in progress (Note 7) | 18,055 | 10,602 | 217,530 |
| Total property and equipment | 337,260 | 337,569 | 4,063,373 |
| **INVESTMENTS AND OTHER ASSETS:** | | | |
| Investments in securities (Notes 4, 9 and 18) | 178,716 | 190,522 | 2,153,205 |
| Investments in unconsolidated subsidiaries and affiliates (Notes 9 and 18) | 18,796 | 17,679 | 226,458 |
| Long-term loans receivable (Notes 8 and 18) | 24,531 | 28,342 | 295,554 |
| Long-term loans to unconsolidated subsidiaries and affiliates (Notes 9 and 18) | 6,987 | 8,098 | 84,181 |
| Allowance for doubtful accounts (Note 18) | (20,417) | (25,332) | (245,988) |
| Deferred tax assets (Note 15) | 32,100 | 23,745 | 386,747 |
| Other (Notes 6 and 7) | 49,691 | 50,626 | 598,687 |
| Total investments and other assets | 290,404 | 293,680 | 3,498,844 |
| **TOTAL** | ¥1,644,962 | ¥1,796,865 | $19,818,819 |

See notes to consolidated financial statements.

| | Millions of Yen 2011 | Millions of Yen 2010 | Thousands of U.S. Dollars (Note 1) 2011 |
|---|---|---|---|
| | As of March 31 | | |
| **LIABILITIES AND EQUITY** | | | |
| **CURRENT LIABILITIES:** | | | |
| Short-term borrowings (Notes 9, 10 and 18) | **¥ 150,069** | ¥ 191,654 | **$ 1,808,060** |
| Commercial paper (Notes 11 and 18) | **64,000** | 70,000 | **771,084** |
| Current portion of long-term debt (Notes 9, 10 and 18) | **61,189** | 64,351 | **737,217** |
| Notes and accounts payable—trade (Note 18) | **417,149** | 471,520 | **5,025,892** |
| Advances received: | | | |
| Construction projects in progress (Notes 12 and 16) | **72,161** | 85,612 | **869,410** |
| Development projects in progress, real estate for sale and other | **20,848** | 17,064 | **251,181** |
| Income taxes payable (Note 18) | **2,811** | 9,829 | **33,867** |
| Accrued expenses | **18,600** | 20,095 | **224,096** |
| Other current liabilities (Note 9) | **139,746** | 163,530 | **1,683,687** |
| Total current liabilities | **946,573** | 1,093,655 | **11,404,494** |
| **LONG-TERM LIABILITIES:** | | | |
| Long-term debt (Notes 9, 10 and 18) | **286,610** | 297,567 | **3,453,133** |
| Deferred tax liabilities (Note 15) | **21** | 10 | **253** |
| Deferred tax liabilities on revaluation surplus of land (Note 5) | **32,055** | 20,569 | **386,205** |
| Liability for retirement benefits (Note 13) | **59,867** | 60,546 | **721,289** |
| Equity loss in excess of investments in and loans to unconsolidated subsidiaries and affiliates | **1,654** | 1,816 | **19,928** |
| Other long-term liabilities (Notes 3 and 9) | **64,882** | 60,537 | **781,710** |
| Total long-term liabilities | **445,089** | 441,045 | **5,362,518** |
| **COMMITMENTS AND CONTINGENT LIABILITIES** (Notes 17, 19 and 20) | | | |
| **EQUITY** (Notes 14 and 23)**:** | | | |
| Common stock, authorized, 2,500,000,000 shares; issued, 1,057,312,022 shares | **81,447** | 81,447 | **981,289** |
| Capital surplus | **45,331** | 45,331 | **546,157** |
| Retained earnings | **116,504** | 97,175 | **1,403,663** |
| Treasury stock—at cost, 18,138,906 shares in 2011 and 18,023,790 shares in 2010 (Note 3) | **(6,030)** | (6,005) | **(72,651)** |
| Accumulated other comprehensive income | | | |
| Unrealized gain on available-for-sale securities (Note 4) | **19,797** | 30,682 | **238,518** |
| Deferred loss on derivatives under hedge accounting | **(1,252)** | (1,083) | **(15,084)** |
| Revaluation surplus of land (Note 5) | **14,309** | 25,476 | **172,398** |
| Foreign currency translation adjustments | **(17,219)** | (11,153) | **(207,459)** |
| Total | **252,887** | 261,870 | **3,046,831** |
| Minority Interests | **413** | 295 | **4,976** |
| Total equity | **253,300** | 262,165 | **3,051,807** |
| **TOTAL** | **¥1,644,962** | ¥1,796,865 | **$19,818,819** |

# CONSOLIDATED STATEMENTS OF INCOME

KAJIMA Corporation and Consolidated Subsidiaries

| | Years Ended March 31 | | |
|---|---|---|---|
| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
| | 2011 | 2010 | 2011 |
| **REVENUES** (Note 16): | | | |
| Construction projects | ¥1,146,134 | ¥1,480,352 | $13,808,843 |
| Real estate and other (Note 7) | 179,546 | 157,010 | 2,163,205 |
| Total revenues | 1,325,680 | 1,637,362 | 15,972,048 |
| **COST OF REVENUES** (Note 16): | | | |
| Construction projects | 1,059,928 | 1,410,982 | 12,770,217 |
| Real estate and other (Notes 4 and 7) | 163,237 | 144,539 | 1,966,711 |
| Total cost of revenues | 1,223,165 | 1,555,521 | 14,736,928 |
| Gross profit | 102,515 | 81,841 | 1,235,120 |
| **SELLING, GENERAL AND ADMINISTRATIVE EXPENSES** | 85,243 | 88,603 | 1,027,024 |
| Operating income (loss) | 17,272 | (6,762) | 208,096 |
| **OTHER INCOME (EXPENSES):** | | | |
| Interest and dividends | 5,404 | 5,640 | 65,108 |
| Interest expense | (8,838) | (8,919) | (106,482) |
| Foreign currency exchange (loss) gain | (2,673) | 537 | (32,205) |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 2,007 | 16,707 | 24,181 |
| Equity in earnings (losses) of partnership | 4,576 | (616) | 55,133 |
| Penalty income on development projects | — | 7,000 | — |
| Loss on sales or disposals of property and equipment—net (Note 7) | (10) | (787) | (120) |
| (Loss) gain on sales of marketable and investment securities—net (Note 4) | (687) | 4,366 | (8,277) |
| Valuation loss on marketable and investment securities (Note 4) | (1,520) | (662) | (18,313) |
| Gain on sales of investments | 12,326 | — | 148,506 |
| Gain on sales of investments in affiliates | 41 | 17,842 | 494 |
| Provision for doubtful accounts | — | (4,255) | — |
| Reversal of allowance for doubtful accounts | 67 | — | 807 |
| Loss on impairment of long-lived assets (Notes 6 and 7) | (477) | (302) | (5,747) |
| Litigation settlement | (14) | (173) | (169) |
| Loss on disaster | — | (485) | — |
| Reversal of foreign currency translation adjustments | (854) | — | (10,289) |
| Other—net | (475) | (320) | (5,723) |
| Other income—net | 8,873 | 35,573 | 106,904 |
| **INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS** | 26,145 | 28,811 | 315,000 |
| **INCOME TAXES** (Note 15): | | | |
| Current | 4,912 | 11,281 | 59,181 |
| Refund of income taxes for prior periods | (3,997) | — | (48,157) |
| Deferred | (2,243) | 3,711 | (27,024) |
| Total income taxes | (1,328) | 14,992 | (16,000) |
| **NET INCOME BEFORE MINORITY INTERESTS** | 27,473 | — | 331,000 |
| **MINORITY INTERESTS IN NET INCOME** | (1,629) | (593) | (19,627) |
| **NET INCOME** | ¥ 25,844 | ¥ 13,226 | $ 311,373 |

| | Yen | | U.S. Dollars |
|---|---|---|---|
| **PER SHARE OF COMMON STOCK** (Note 22): | | | |
| Basic net income | ¥ 24.87 | ¥ 13.03 | $ 0.300 |
| Cash dividends applicable to the year | 6.00 | 6.00 | 0.072 |

See notes to consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KAJIMA Corporation and Consolidated Subsidiaries

| | Year Ended March 31 | |
|---|---|---|
| | Millions of Yen | Thousands of U.S. Dollars (Note 1) |
| | 2011 | 2011 |
| **NET INCOME BEFORE MINORITY INTERESTS** | ¥ 27,473 | $ 331,000 |
| **OTHER COMPREHENSIVE INCOME** (Note 21): | | |
| Unrealized gain on available-for-sale securities | (10,868) | (130,940) |
| Deferred loss on derivatives under hedge accounting | (88) | (1,060) |
| Revaluation surplus of land | (11,446) | (137,904) |
| Foreign currency translation adjustments | (5,731) | (69,048) |
| Share of other comprehensive income in unconsolidated subsidiaries and affiliates | (419) | (5,048) |
| Total other comprehensive income | (28,552) | (344,000) |
| **COMPREHENSIVE INCOME** (Note 21) | ¥ (1,079) | $ (13,000) |
| **TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO** (Note 21): | | |
| Owners of the parent | ¥ (2,723) | $ (32,807) |
| Minority interests | 1,644 | 19,807 |

See notes to consolidated financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

KAJIMA Corporation and Consolidated Subsidiaries

| | Years Ended March 31, 2011 and 2010 | | | | | |
|---|---|---|---|---|---|---|
| | Thousands | Millions of Yen | | | | |
| | | | | | | Accumulated Other Comprehensive Income |
| | Outstanding Number of Shares of Common Stock | Common Stock | Capital Surplus | Retained Earnings | Treasury Stock | Unrealized Gain on Available-for-Sale Securities |
| BALANCE, APRIL 1, 2009 | 1,015,569 | ¥81,447 | ¥49,485 | ¥ 89,199 | ¥(14,414) | ¥ 14,875 |
| Net income | — | — | — | 13,226 | — | — |
| Cash dividends paid: | | | | | | |
| Final for prior year, ¥2.50 per share | — | — | — | (2,533) | — | — |
| Interim for current year, ¥3.00 per share | — | — | — | (3,039) | — | — |
| Adjustments of revaluation surplus of land | — | — | — | (538) | — | — |
| Repurchase of treasury stock | 23,719 | — | — | — | (759) | — |
| Disposal of treasury stock (Note 3) | — | — | (4,154) | — | 9,168 | — |
| Change of scope of equity method | — | — | — | 860 | — | — |
| Net change in the year | — | — | — | — | — | 15,807 |
| BALANCE, MARCH 31, 2010 | 1,039,288 | 81,447 | 45,331 | 97,175 | (6,005) | 30,682 |
| Net income | **—** | **—** | **—** | **25,844** | **—** | **—** |
| Cash dividends paid: | | | | | | |
| Final for prior year, ¥3.00 per share | **—** | **—** | **—** | **(3,118)** | **—** | **—** |
| Interim for current year, ¥3.00 per share | **—** | **—** | **—** | **(3,118)** | **—** | **—** |
| Adjustments of revaluation surplus of land | **—** | **—** | **—** | **(279)** | **—** | **—** |
| Repurchase of treasury stock | **(115)** | **—** | **—** | **—** | **(25)** | **—** |
| Net change in the year | **—** | **—** | **—** | **—** | **—** | **(10,885)** |
| **BALANCE, MARCH 31, 2011** | **1,039,173** | **¥81,447** | **¥45,331** | **¥116,504** | **¥ (6,030)** | **¥ 19,797** |

| | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | |
| | Deferred Loss on Derivatives under Hedge Accounting | Revaluation Surplus of Land | Foreign Currency Translation Adjustments | Total | Minority Interests | Total Equity |
| BALANCE, APRIL 1, 2009 | ¥(1,384) | ¥ 25,552 | ¥(13,656) | ¥231,104 | ¥ 7,942 | ¥239,046 |
| Net income | — | — | — | 13,226 | — | 13,226 |
| Cash dividends paid: | | | | | | |
| Final for prior year, ¥2.50 per share | — | — | — | (2,533) | — | (2,533) |
| Interim for current year, ¥3.00 per share | — | — | — | (3,039) | — | (3,039) |
| Adjustments of revaluation surplus of land | — | (76) | — | (614) | — | (614) |
| Repurchase of treasury stock | — | — | — | (759) | — | (759) |
| Disposal of treasury stock (Note 3) | — | — | — | 5,014 | — | 5,014 |
| Change of scope of equity method | — | — | — | 860 | — | 860 |
| Net change in the year | 301 | — | 2,503 | 18,611 | (7,647) | 10,964 |
| BALANCE, MARCH 31, 2010 | (1,083) | 25,476 | (11,153) | 261,870 | 295 | 262,165 |
| Net income | **—** | **—** | **—** | **25,844** | **—** | **25,844** |
| Cash dividends paid: | | | | | | |
| Final for prior year, ¥3.00 per share | **—** | **—** | **—** | **(3,118)** | **—** | **(3,118)** |
| Interim for current year, ¥3.00 per share | **—** | **—** | **—** | **(3,118)** | **—** | **(3,118)** |
| Adjustments of revaluation surplus of land | **—** | **(11,167)** | **—** | **(11,446)** | **—** | **(11,446)** |
| Repurchase of treasury stock | **—** | **—** | **—** | **(25)** | **—** | **(25)** |
| Net change in the year | **(169)** | **—** | **(6,066)** | **(17,120)** | **118** | **(17,002)** |
| **BALANCE, MARCH 31, 2011** | **¥(1,252)** | **¥ 14,309** | **¥(17,219)** | **¥252,887** | **¥ 413** | **¥253,300** |

See notes to consolidated financial statements.

| | Year Ended March 31, 2011 | | | | |
|---|---|---|---|---|---|
| | Thousands of U.S. Dollars (Note 1) | | | | |
| | | | | | Accumulated Other Comprehensive Income |
| | Common Stock | Capital Surplus | Retained Earnings | Treasury Stock | Unrealized Gain on Available-for-Sale Securities |
| BALANCE, MARCH 31, 2010 | $981,289 | $546,157 | $1,170,783 | $(72,350) | $369,663 |
| Net income | — | — | 311,373 | — | — |
| Cash dividends paid: | | | | | |
| Final for prior year, $0.036 per share | — | — | (37,566) | — | — |
| Interim for current year, $0.036 per share | — | — | (37,566) | — | — |
| Adjustments of revaluation surplus of land | — | — | (3,361) | — | — |
| Repurchase of treasury stock | — | — | — | (301) | — |
| Net change in the year | — | — | — | — | (131,145) |
| **BALANCE, MARCH 31, 2011** | **$981,289** | **$546,157** | **$1,403,663** | **$(72,651)** | **$238,518** |

| | Thousands of U.S. Dollars (Note 1) | | | | | |
|---|---|---|---|---|---|---|
| | Accumulated Other Comprehensive Income | | | | | |
| | Deferred Loss on Derivatives under Hedge Accounting | Revaluation Surplus of Land | Foreign Currency Translation Adjustments | Total | Minority Interests | Total Equity |
| BALANCE, MARCH 31, 2010 | $(13,048) | $306,941 | $(134,374) | $3,155,061 | $3,554 | $3,158,615 |
| Net income | — | — | — | 311,373 | — | 311,373 |
| Cash dividends paid: | | | | | | |
| Final for prior year, $0.036 per share | — | — | — | (37,566) | — | (37,566) |
| Interim for current year, $0.036 per share | — | — | — | (37,566) | — | (37,566) |
| Adjustments of revaluation surplus of land | — | (134,543) | — | (137,904) | — | (137,904) |
| Repurchase of treasury stock | — | — | — | (301) | — | (301) |
| Net change in the year | (2,036) | — | (73,085) | (206,266) | 1,422 | (204,844) |
| **BALANCE, MARCH 31, 2011** | **$(15,084)** | **$172,398** | **$(207,459)** | **$3,046,831** | **$4,976** | **$3,051,807** |

# CONSOLIDATED STATEMENTS OF CASH FLOWS

KAJIMA Corporation and Consolidated Subsidiaries

| | Millions of Yen 2011 | Millions of Yen 2010 | Thousands of U.S. Dollars (Note 1) 2011 |
|---|---|---|---|
| **OPERATING ACTIVITIES:** | | | |
| Income before income taxes and minority interests | **¥ 26,145** | ¥ 28,811 | **$ 315,000** |
| Adjustments for: | | | |
| Income taxes—paid | **(11,999)** | (5,594) | **(144,566)** |
| Refund of income taxes for prior periods | **2,912** | — | **35,084** |
| Depreciation and amortization | **18,920** | 20,024 | **227,952** |
| Provision for doubtful accounts | **(322)** | 6,331 | **(3,880)** |
| Foreign currency exchange (gain) loss | **(805)** | 426 | **(9,699)** |
| Equity in earnings of unconsolidated subsidiaries and affiliates | **(2,007)** | (16,707) | **(24,181)** |
| Reversal of foreign currency translation adjustments | **854** | — | **10,289** |
| Valuation loss on marketable and investment securities | **1,520** | 662 | **18,313** |
| Loss on sales or disposals of property and equipment—net | **10** | 787 | **120** |
| Loss (gain) on sales of marketable and investment securities—net | **687** | (4,366) | **8,277** |
| Loss on impairment of long-lived assets | **477** | 302 | **5,747** |
| Gain on sales of investments | **(12,326)** | — | **(148,506)** |
| Gain on sales of investments in affiliates | **(41)** | (17,842) | **(494)** |
| Changes in operating assets and liabilities: | | | |
| Decrease in receivables | **53,866** | 14,245 | **648,988** |
| Decrease in inventories | **35,181** | 63,915 | **423,867** |
| (Increase) decrease in operational investments in securities | **(4,080)** | 2,477 | **(49,157)** |
| Decrease in payables | **(51,070)** | (89,991) | **(615,301)** |
| Decrease in advances received | **(8,091)** | (88,058) | **(97,482)** |
| Decrease in accrued expenses | **(1,067)** | (4,316) | **(12,855)** |
| Decrease in liability for retirement benefits | **(668)** | (2,883) | **(8,048)** |
| Decrease in other assets | **40,964** | 4,443 | **493,543** |
| Decrease in other liabilities | **(28,179)** | (8,535) | **(339,506)** |
| Other—net | **3,169** | 18,926 | **38,182** |
| Net cash provided by (used in) operating activities | **64,050** | (76,943) | **771,687** |
| **INVESTING ACTIVITIES:** | | | |
| Decrease (increase) of time deposits excluding cash equivalents | **2,190** | (2,559) | **26,386** |
| Payment for purchases of marketable and investment securities | **(2,630)** | (7,529) | **(31,687)** |
| Proceeds from sales and redemption of marketable and investment securities | **1,731** | 16,113 | **20,855** |
| Payment for purchases of investments in other securities of subsidiaries and affiliates | **—** | (3,000) | **—** |
| Payment for purchases of property and equipment | **(20,671)** | (23,240) | **(249,048)** |
| Proceeds from sales of property and equipment | **593** | 1,350 | **7,145** |
| Payment for purchase of intangible assets | **(821)** | (1,263) | **(9,892)** |
| Disbursements for loans | **(3,435)** | (5,639) | **(41,386)** |
| Proceeds from collection of loans | **7,939** | 2,983 | **95,651** |
| Proceeds from sales of investments | **14,300** | — | **172,289** |
| Proceeds from sales of investments in affiliates | **48** | 19,432 | **578** |
| Other—net | **3,732** | (2,390) | **44,964** |
| Net cash provided by (used in) investing activities | **2,976** | (5,742) | **35,855** |
| **FINANCING ACTIVITIES:** | | | |
| (Decrease) increase in short-term borrowings | **(35,592)** | 50,439 | **(428,819)** |
| Net repayment of commercial paper | **(6,000)** | (22,000) | **(72,289)** |
| Proceeds from issuance of long-term debt | **38,627** | 55,936 | **465,386** |
| Repayment of long-term debt | **(69,615)** | (61,913) | **(838,735)** |
| Proceeds from issuance of bonds | **30,000** | 57,500 | **361,446** |
| Repayment of finance lease obligations | **(1,739)** | (2,201) | **(20,952)** |
| Cash dividends paid | **(6,236)** | (5,572) | **(75,133)** |
| Other—net | **(25)** | (229) | **(302)** |
| Net cash (used in) provided by financing activities | **(50,580)** | 71,960 | **(609,398)** |
| **FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS** | **(1,863)** | 1,086 | **(22,445)** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **14,583** | (9,639) | **175,699** |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | **141,773** | 151,412 | **1,708,108** |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | **¥156,356** | ¥141,773 | **$1,883,807** |

Years Ended March 31

See notes to consolidated financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

KAJIMA Corporation and Consolidated Subsidiaries
Years Ended March 31, 2011 and 2010

## 1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Kajima Corporation (the "Company") and its consolidated subsidiaries (together, the "Companies") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards (IFRSs).

Under Japanese GAAP, a consolidated statement of comprehensive income is required from the financial year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheets and the consolidated statements of changes in equity. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 21. In addition, "net income before minority interests" is disclosed in the consolidated statement of income from the year ended March 31, 2011.

In preparing the consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥83 to $1, the approximate rate of exchange at March 31, 2011. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**a. Consolidation —** The consolidated financial statements as of March 31, 2011 include the accounts of the Company and its 89 (90 in 2010) significant subsidiaries.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Companies have the ability to exercise significant influence are accounted for by the equity method.

Another 47 (48 in 2010) subsidiaries were not consolidated as they would not have a material effect on the accompanying consolidated financial statements.

All unconsolidated subsidiaries and 51 (52 in 2010) affiliates were accounted for using the equity method.

(The Company, its subsidiaries and affiliates are collectively referred to as "the Group".)

Goodwill, the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary and affiliate at the date of acquisition, is being amortized over a period of 5 years. Negative goodwill, which was generated on or before March 31, 2010, is being amortized over a period of 5 years.

All significant inter-company balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from inter-company transactions is eliminated.

On March 29, 2007, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Implementation Guidance No. 15, "Implementation Guidance on Disclosures about Certain Special Purpose Entities". This standard permits companies to avoid consolidation of certain special purpose entities which were established and are being operated for the purpose of liquidation of real estate. The Company had 4 special purpose entities (4 in 2010) which are not consolidated under Guidance No. 15 as of March 31, 2011. The total assets and liabilities of such special purpose entities as of March 31, 2011 and 2010 were ¥62,799 million ($756,614 thousand) and ¥63,881 million, ¥62,779 million ($756,373 thousand) and ¥63,861 million, respectively. The Company recognized lease payments of ¥4,841 million ($58,325 thousand) and ¥5,145 million based on lease agreements of real estate for the years ended March 31, 2011 and 2010, respectively. The investment in anonymous association was ¥10,253 million ($123,530 thousand) and ¥8,864 million, respectively, and its related distributed profit was ¥499 million ($6,012 thousand) and ¥1,037 million, respectively, as of and for the years ended March 31, 2011 and 2010.

The breakdown and changes of fully consolidated companies and companies accounted for using the equity method are summarized below:

(1) Breakdown as of March 31, 2011

| | |
|---|---|
| 1) Number of consolidated subsidiaries: | 89: Kajima Road Co., Ltd., Chemical Grouting Co., Ltd., Kajima Leasing Corporation, Kajima Mechatro Engineering Co., Ltd., Taiko Trading Co., Ltd., Kajima U.S.A. Inc. (KUSA) and its 27 subsidiaries, Kajima Europe Ltd. (KEL) and its 9 subsidiaries, Kajima Europe B.V. (KE) and its 10 subsidiaries, Kajima Europe U.K. Holding Ltd. (KEUK) and its 12 subsidiaries, Kajima Overseas Asia Pte. Ltd. (KOA) and its 13 subsidiaries and 8 subsidiaries of the Company |
| 2) Number of unconsolidated subsidiaries accounted for using the equity method: | 47: ARTES Corporation, Japan Sea Works Co., Ltd. and 45 other companies |
| 3) Number of affiliates accounted for using the equity method: | 51: Katabami Kogyo Co., Ltd., Yaesu Book Center Co., Ltd., and 49 other companies |

(2) Changes for the year ended March 31, 2011

| | |
|---|---|
| 1) Companies excluded from consolidation: | Kajima Kona Holdings, Inc. due to liquidation |
| 2) Companies newly accounted for using the equity method: | 1 subsidiary and 1 affiliate due to new establishments |
| 3) Companies excluded from the equity method: | 2 subsidiaries and 2 affiliates due to merger, liquidation and sales of shares |

b. **Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements —** On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No. 18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either IFRSs or the generally accepted accounting principles in the United States ("U.S. GAAP") tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the statements of income where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained.

c. **Unification of Accounting Policies Applied to Foreign Affiliates for the Equity Method —** On March 10, 2008, the ASBJ issued ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments". The new standard requires adjustments to be made to conform the affiliate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the affiliate's financial statements are used in applying the equity method unless it is impracticable to determine adjustments. In addition, financial statements prepared by foreign affiliates in accordance with either IFRSs or U.S. GAAP tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the statements of income where retrospective adjustments to the financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained.

This standard was applicable to equity method of accounting for financial years beginning on or after April 1, 2010.

The Company applied this accounting standard effective April 1, 2010. There was no impact on the consolidated statement of income for the year ended March 31, 2011.

**d. Business Combination —** On October 31, 2003, the Business Accounting Council (the "BAC") issued a Statement of Opinion, "Accounting for Business Combinations", and on December 27, 2005, the ASBJ issued ASBJ Statement No. 7, "Accounting Standard for Business Divestitures", and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures". The accounting standard for business combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required. This standard also prescribes the accounting for combinations of entities under common control and for joint ventures.

On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No. 21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows:

(1) The revised standard requires accounting for business combinations only by the purchase method. As a result, the pooling of interests method of accounting is no longer allowed.

(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, in-process research and development (IPR&D) acquired in the business combination is capitalized as an intangible asset.

(3) The previous accounting standard provided for a bargain purchase gain (negative goodwill) to be systematically amortized over a period not exceeding 20 years. Under the revised standard, the acquirer recognizes the bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase allocation.

This standard was applicable to business combinations undertaken on or after April 1, 2010.

Effective March 29, 2010, the Company made Kajima Road Co., Ltd., a 50.59% owned subsidiary, a wholly owned subsidiary of the Company by means of a share exchange. The detail of the share exchange is described in Note 3.

**e. Cash Equivalents —** Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificate of deposits, all of which mature or become due within three months of the date of acquisition.

**f. Inventories —** Construction projects in progress are stated at cost as determined on a specific project basis. Related general and administrative expenses and financial charges are principally excluded from such costs.

On July 5, 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories". This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

As a result of the measurement, gross profit for the years ended March 31, 2011 and 2010 decreased by ¥2,821 million ($33,988 thousand) and ¥9,323 million, respectively.

However, in the case of certain overseas subsidiaries, construction projects in progress and real estate for sale are stated at cost, when not in excess of net realizable value.

**g. Capitalization of Interest —** Interest costs incurred for real estate development projects (including property and equipment) conducted by certain overseas subsidiaries have been capitalized as a part of the development cost of such projects. Interest expense capitalized was ¥672 million ($8,096 thousand) and ¥818 million for the years ended March 31, 2011 and 2010, respectively.

**h. Marketable Securities, Operational Investments in Securities and Investments in Securities —** Marketable securities, operational investments in securities and investments in securities are classified and accounted for, depending on management's intent, as follows:

(1) Trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value and the related unrealized gains and losses are included in earnings;

(2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost;

(3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

All securities held by the Companies are classified as available-for-sale securities. The cost of securities sold is determined based on the moving-average method. Non-marketable available-for-sale securities are stated at amortized cost or at cost determined by the moving-average method according to their nature. For other than temporary declines in fair value, available-for-sale securities are reduced to net realizable value by a charge to income.

**i. Property and Equipment —** Property and equipment are principally stated at cost, net of accumulated depreciation. Depreciation has been principally computed using the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998.

The estimated useful lives for buildings and structures range from 2 to 50 years, and for machinery, equipment and other, range from 2 to 20 years.

However, in the accounts of certain overseas subsidiaries, depreciation is principally calculated using the straight-line method over the estimated useful lives of the respective assets.

Accumulated depreciation totaled ¥250,819 million ($3,021,916 thousand) and ¥243,937 million as of March 31, 2011 and 2010, respectively.

**j. Long-lived Assets —** The Companies review their long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

**k. Allowance for Doubtful Accounts —** Allowance for doubtful accounts provided by the Company and its consolidated domestic subsidiaries is stated in amounts considered to be appropriate based on each company's past credit loss experience and an evaluation of potential losses in the receivables and others outstanding. However, the consolidated overseas subsidiaries provide for such possible losses using management's estimate.

**l. Retirement Benefits —** Under the employees' retirement benefit plans, the Company, its consolidated domestic subsidiaries and certain overseas subsidiaries have funded and/or unfunded retirement benefit plans covering all of their employees. Certain overseas subsidiaries have defined contribution plans.

The liability for employees' retirement benefits is based on projected benefit obligations and plan assets at the balance sheet date in conformity with the accounting standard for employees' retirement benefits.

**m. Asset Retirement Obligations —** On March 31, 2008, the ASBJ published the accounting standard for asset retirement obligations, ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations", and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard was effective for financial years beginning on or after April 1, 2010.

The Companies applied this accounting standard effective April 1, 2010. There was no material impact on the consolidated statement of income for the year ended March 31, 2011.

**n. Construction Contracts —** On December 27, 2007, the ASBJ issued ASBJ Statement No. 15, "Accounting Standard for Construction Contracts", and ASBJ Guidance No. 18, "Guidance on Accounting Standard for Construction Contracts". Under this accounting standard, the construction revenue and construction costs should be recognized by the percentage-of-completion method, if the outcome of a construction contract can be estimated reliably. When total construction revenue, total construction costs and the stage of completion of the contract at the balance sheet date can be reliably measured, the outcome of a construction contract can be estimated reliably. If the outcome of a construction contract cannot be reliably estimated, the completed-contract method should be applied. When it is probable that the total construction costs will exceed total construction revenue, an estimated loss on the contract should be immediately recognized by providing for a loss on construction contracts. This standard is applicable to construction contracts and software development contracts and was effective for financial years beginning on or after April 1, 2009.

Effective April 1, 2009, the Company and its consolidated domestic subsidiaries applied the accounting standard for the contracts commencing on or after April 1, 2009. For the contracts which commenced on or before March 31, 2009, individual construction projects, whose contract amounts are not less than ¥100 million and whose contract periods are beyond one year, are recorded using the percentage-of-completion method, while individual construction projects, except the aforementioned, are recorded using the completed-contract method.

In the consolidated overseas subsidiaries, construction projects are principally recorded using the percentage-of-completion method.

The revenues posted by way of the percentage-of-completion method for the years ended March 31, 2011 and 2010 were ¥970,298 million ($11,690,337 thousand) and ¥1,165,330 million, respectively.

The Companies provided for foreseeable losses on a contract backlog which was recorded in other current liabilities. The accrual for foreseeable losses on the contract backlog was ¥21,254 million ($256,072 thousand) and ¥18,234 million as of March 31, 2011 and 2010, respectively.

**o. Costs of Research and Development and Debenture Issuance —** All research and development costs and debenture issuance costs are charged to income as incurred. Costs of research and development for the years ended March 31, 2011 and 2010 totaled ¥9,711 million ($117,000 thousand) and ¥10,069 million, respectively.

**p. Leases —** On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions was effective for financial years beginning on or after April 1, 2008.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be measured at the obligations under finance leases at the transition date and recorded as acquisition cost of lease assets.

The Company and its consolidated domestic subsidiaries applied the revised accounting standard effective April 1, 2008. In addition, the Company and its consolidated domestic subsidiaries accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as acquisition cost of lease assets measured at the obligations under finance leases at the transition date.

All other leases are accounted for as operating leases.

**q. Bonuses to Directors —** Bonuses to directors are accrued at the year end to which such bonuses are attributable.

**r. Income Taxes —** The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income taxes are measured by applying currently enacted tax laws to the temporary differences.

The Company files a tax return under the consolidated corporate-tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

**s. Foreign Currency Transactions —** All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts or currency swaps.

**t. Foreign Currency Financial Statements —** The balance sheet accounts and revenue and expense accounts of the consolidated overseas subsidiaries are translated into Japanese yen at the current exchange rates as of each balance sheet date except for equity, which is translated at the historical exchange rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

**u. Derivatives and Hedging Activities —** The Companies use derivative financial instruments to manage their exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts, currency swaps and interest rate swaps are principally utilized by the Companies to reduce the risks arising from the factors mentioned above. The Companies do not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows:

(1) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income, and

(2) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The derivative instruments applied for forecasted or committed transactions are measured at fair value, but the unrealized gains/losses are deferred until the underlying transactions are completed.

The monetary debts and credits denominated in foreign currencies, for which foreign exchange forward contracts or currency swaps are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts or currency swaps qualify for hedge accounting.

The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differentials paid or received under the swap agreements are charged to income.

**v. Per Share Information —** Basic net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share is not disclosed because the Companies have nothing which might dilute the per share information for the years ended March 31, 2011 and 2010.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the financial year.

**w. New Accounting Pronouncements**

Accounting Changes and Error Corrections

On December 4, 2009, the ASBJ issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections", and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". Accounting treatments under this standard and guidance are as follows:

(1) Changes in Accounting Policies

When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.

(2) Changes in Presentations

When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.

(3) Changes in Accounting Estimates

A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.

(4) Corrections of Prior Period Errors

When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance are applicable to accounting changes and corrections of prior period errors which are made from the beginning of the financial year that begins on or after April 1, 2011.

## 3. BUSINESS COMBINATION

For the year ended March 31, 2010

Transaction under Common Control

### a. Name of combined company and description of business, legal form of business combination and outline of the transaction including its purpose

(1) Name of combined company and description of business

Name: Kajima Road Co., Ltd. (Consolidated subsidiary)

Description of business: Pavement work, civil work, building work and sales of asphalt mixtures

(2) Legal form of business combination

A share exchange to make Kajima Road Co., Ltd. a wholly owned subsidiary of the Company

(3) Outline of the transaction including its purpose

Under the severe business environment in the construction industry, to respond flexibly and expeditiously to significant changes in the structure of the market, further progress was required in terms of enhancing group solidarity and forcefully advancing the improvement of business efficiency. To this end, the Company made Kajima Road Co., Ltd. a wholly owned subsidiary through a planned share exchange in accordance with the provisions of clause 3 of Article 796 in the Companies Act of Japan (the "Companies Act"), on March 29, 2010.

### b. Overview of the accounting treatment

It was treated as a transaction under common control according to a Statement of Opinion, "Accounting for Business Combinations" (issued by the BAC on October 31, 2003), and ASBJ Guidance No. 10, "Guidance for Accounting Standard for Business Combinations and Business Divestitures" (issued by the ASBJ on December 27, 2005).

### c. Acquisition cost of the additional shares of Kajima Road Co., Ltd.

(1) Acquisition cost and its detail

| | Millions of Yen |
|---|---|
| Common stock of Kajima Road Co., Ltd. | ¥5,158 |
| Direct expenditure related to acquisition | 39 |
| Total acquisition cost | ¥5,197 |

(2) Allotment ratio of shares and type of share

The share allocation was 9 shares of the Company common stock per 1 share of Kajima Road Co., Ltd. common stock. However, allotment by this share exchange was not applicable to Kajima Road Co., Ltd. common stocks, which the Company owns.

In addition, the Company has not issued new common stock because the Company allotted treasury stock to shareholders of Kajima Road Co., Ltd.

(3) Method of calculation for share-exchange ratio

With reference to the result of the share-exchange ratio calculations provided in the independent third-party valuations, discussing and negotiating deliberately by both companies, the Company and Kajima Road Co., Ltd. decided the share-exchange ratio as noted c. (2) above.

(4) Number of issued shares and its amount

Number of issued shares: 27,005,499 shares

Amount: ¥5,158 million

(5) Detail of negative goodwill, reason, amortization method and amortization period

Negative goodwill was ¥3,184 million, which was generated because the additional acquisition cost of Kajima Road Co., Ltd. was less than the decrease in the minority interest due to the share exchange. Negative goodwill will be amortized by the straight-line method over 5 years.

## 4. MARKETABLE SECURITIES, OPERATIONAL INVESTMENTS IN SECURITIES AND INVESTMENTS IN SECURITIES

Marketable securities, operational investments in securities and investments in securities as of March 31, 2011 and 2010 consisted of the following:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Current: | | | |
| Government and corporate bonds | **¥ 189** | ¥ 143 | **$ 2,277** |
| Fund trusts and other | **18,496** | 20,932 | **222,844** |
| **Total** | **¥ 18,685** | ¥ 21,075 | **$ 225,121** |
| Non-Current: | | | |
| Equity securities | **¥150,116** | ¥169,195 | **$1,808,627** |
| Government and corporate bonds | **1,607** | 1,909 | **19,361** |
| Fund trusts and other | **26,993** | 19,418 | **325,217** |
| **Total** | **¥178,716** | ¥190,522 | **$2,153,205** |

The costs and aggregate fair values regarding the category of the securities classified as available-for-sale as of March 31, 2011 and 2010 were as follows:

| **As of March 31, 2011** | Millions of Yen | | | |
|---|---|---|---|---|
| | Cost | Unrealized Gain | Unrealized Loss | Fair Value (Carrying Amount) |
| Available-for-sale: | | | | |
| Equity securities | **¥106,348** | **¥41,573** | **¥(7,770)** | **¥140,151** |
| Government and corporate bonds | **1,784** | **12** | **(0)** | **1,796** |
| Fund trusts and other | **1,100** | **119** | **(69)** | **1,150** |
| **Total** | **¥109,232** | **¥41,704** | **¥(7,839)** | **¥143,097** |

| As of March 31, 2010 | Millions of Yen | | | |
|---|---|---|---|---|
| | Cost | Unrealized Gain | Unrealized Loss | Fair Value (Carrying Amount) |
| Available-for-sale: | | | | |
| Equity securities | ¥105,537 | ¥55,617 | ¥(3,686) | ¥157,468 |
| Government and corporate bonds | 2,037 | 16 | (2) | 2,051 |
| Fund trusts and other | 1,136 | 184 | (81) | 1,239 |
| Total | ¥108,710 | ¥55,817 | ¥(3,769) | ¥160,758 |

| **As of March 31, 2011** | Thousands of U.S. Dollars | | | |
|---|---|---|---|---|
| | Cost | Unrealized Gain | Unrealized Loss | Fair Value (Carrying Amount) |
| Available-for-sale: | | | | |
| Equity securities | **$1,281,301** | **$500,880** | **$(93,615)** | **$1,688,566** |
| Government and corporate bonds | **21,494** | **144** | **(0)** | **21,638** |
| Fund trusts and other | **13,253** | **1,434** | **(831)** | **13,856** |
| **Total** | **$1,316,048** | **$502,458** | **$(94,446)** | **$1,724,060** |

The above figure includes marketable equity securities temporarily lent to financial institutions based on a securities lending agreement in the amount of ¥41,179 million ($496,133 thousand) and ¥64,044 million as of March 31, 2011 and 2010, respectively.

The information for available-for-sale securities which were sold during the years ended March 31, 2011 and 2010 was as follows:

| As of March 31, 2011 | Millions of Yen | | |
|---|---|---|---|
| | Proceeds | Realized Gain | Realized Loss |
| Available-for-sale: | | | |
| Equity securities | **¥1,116** | **¥145** | **¥(832)** |
| Government and corporate bonds | **309** | **3** | **(0)** |
| **Total** | **¥1,425** | **¥148** | **¥(832)** |

| As of March 31, 2010 | Millions of Yen | | |
|---|---|---|---|
| | Proceeds | Realized Gain | Realized Loss |
| Available-for-sale: | | | |
| Equity securities | ¥10,694 | ¥4,566 | ¥(201) |
| Government and corporate bonds | 89 | 4 | — |
| Total | ¥10,783 | ¥4,570 | ¥(201) |

| As of March 31, 2011 | Thousands of U.S. Dollars | | |
|---|---|---|---|
| | Proceeds | Realized Gain | Realized Loss |
| Available-for-sale: | | | |
| Equity securities | **$13,446** | **$1,747** | **$(10,024)** |
| Government and corporate bonds | **3,723** | **36** | **(0)** |
| **Total** | **$17,169** | **$1,783** | **$(10,024)** |

The impairment losses on available-for-sale securities were ¥2,657 million ($32,012 thousand), of which ¥1,524 million ($18,361 thousand) was included in valuation loss on marketable and investment securities and ¥1,133 million ($13,651 thousand) was included in cost of revenues of real estate and other, for the year ended March 31, 2011 and ¥662 million, which was included in valuation loss on marketable and investment securities for the year ended March 31, 2010.

## 5. REVALUATION OF LAND

Under the "Law of Land Revaluation", the Company and a domestic subsidiary adopted a one-time revaluation of their own-use land in Japan to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

As of March 31, 2011, the carrying amount of the land after the above one-time revaluation exceeded the market value by ¥1,885 million ($22,711 thousand).

## 6. LONG-LIVED ASSETS

For the year ended March 31, 2011, the Company and a consolidated domestic subsidiary recognized losses on impairment of the following assets:

| Use | Type of assets | Location | Number of assets |
|---|---|---|---|
| Assets used for business | Land, Buildings and structures, Machinery, equipment and other, Others | Aichi Prefecture and others | 5 |
| Assets used for rent | Land, Buildings and structures | Kagawa Prefecture | 1 |

For purposes of evaluating and measuring impairment, assets used for business are considered to constitute a group by each branch. Assets used for rent are individually evaluated.

Carrying amounts of certain assets used for business and asset used for rent were devalued to their recoverable amounts or fair value, due to substantial declines in the fair market value and profitability.

As a result, the Company and a consolidated domestic subsidiary recognized an impairment loss of ¥477 million ($5,747 thousand), which consisted of assets used for business of ¥181 million ($2,181 thousand) and asset used for rent ¥296 million ($3,566 thousand) for the year ended March 31, 2011.

Recoverable amounts of certain assets were measured at the anticipated net selling price at disposition. The Company and a consolidated domestic subsidiary principally used appraisal value, less the cost of disposal, for calculating net selling price at disposition.

For the year ended March 31, 2010, the Company and consolidated subsidiaries recognized losses on impairment of the following assets:

| Use | Type of assets | Location | Number of assets |
|---|---|---|---|
| Idle properties | Land, Buildings and structures | Miyagi Prefecture and other | 2 |
| — | Goodwill | U.S.A. | 1 |

For purposes of evaluating and measuring impairment, idle properties are individually evaluated.

Carrying amounts of certain idle properties and goodwill were devalued to their recoverable amounts or fair value, due to substantial declines in the fair market value and profitability.

As a result, the Company and consolidated subsidiaries recognized an impairment loss of ¥302 million, which consisted of idle properties of ¥125 million and goodwill of ¥177 million for the year ended March 31, 2010.

Recoverable amounts of certain idle properties were measured at the anticipated net selling price at disposition. The Company and a consolidated domestic subsidiary principally used appraisal value, less the cost of disposal, for calculating net selling price at disposition. Goodwill held by a consolidated overseas subsidiary in the U.S.A. was evaluated for impairment in accordance with the provisions of Accounting Standards Codification 350.

## 7. INVESTMENT PROPERTY

On November 28, 2008, the ASBJ issued ASBJ Statement No. 20, "Accounting Standard for Investment Property and Related Disclosures", and issued ASBJ Guidance No. 23, "Guidance on Accounting Standard for Investment Property and Related Disclosures". This accounting standard and the guidance were applicable to investment property and related disclosures at the end of the financial years ending on or after March 31, 2010. The Companies applied the accounting standard and guidance effective March 31, 2010.

The Company and consolidated subsidiaries own certain rental properties such as office buildings and commercial facilities in Tokyo, other areas in Japan and overseas (Indonesia, United Kingdom and others). The net of rental income and operating expenses for those rental properties was ¥7,349 million ($88,542 thousand) and ¥6,546 million, loss on sales or disposals of property and equipment—net was ¥81 million ($976 thousand) and ¥704 million and loss on impairment of long-lived assets was ¥296 million ($3,566 thousand) and ¥125 million for the years ended March 31, 2011 and 2010, respectively.

In addition, the carrying amounts, changes in such balances and market prices of such properties are as follows:

| Millions of Yen | | | |
|---|---|---|---|
| Carrying amount | | | Fair value |
| **As of April 1, 2010** | **Increase/Decrease** | **As of March 31, 2011** | **As of March 31, 2011** |
| **¥176,226** | **¥4,801** | **¥181,027** | **¥259,794** |

| Millions of Yen | | | |
|---|---|---|---|
| Carrying amount | | | Fair value |
| As of April 1, 2009 | Increase/Decrease | As of March 31, 2010 | As of March 31, 2010 |
| ¥169,755 | ¥6,471 | ¥176,226 | ¥278,027 |

| Thousands of U.S. Dollars | | | |
|---|---|---|---|
| Carrying amount | | | Fair value |
| As of April 1, 2010 | Increase/Decrease | As of March 31, 2011 | As of March 31, 2011 |
| **$2,123,205** | **$57,843** | **$2,181,048** | **$3,130,048** |

Notes:
(1) Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
(2) Fair value of properties as of March 31, 2011 and 2010 is measured as follows:
1) Fair value of domestic properties is principally measured by the Companies in accordance with its Real-estate Appraisal Standard, including adjustments using indexes.
2) Fair value of overseas properties is principally measured by third-party appraisal report.

## 8. LONG-TERM LOANS RECEIVABLE

Long-term loans receivable primarily consist of loans to customers of the Companies.

## 9. PLEDGED ASSETS

As of March 31, 2011, the following assets of the Companies were pledged to secure the repayment of short-term borrowings of ¥9 million ($108 thousand), current portion of long-term debt of ¥7,551 million ($90,976 thousand), other current liabilities of ¥25 million ($301 thousand), long-term debt of ¥1,885 million ($22,711 thousand) and other long-term liabilities of ¥611 million ($7,361 thousand) and to assure the performance by the Companies under certain agreements.

| | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| Notes and accounts receivable—trade | **¥ 221** | **$ 2,663** |
| Inventories: | | |
| Development projects in progress, real estate and other | **10,465** | **126,084** |
| Other current assets | **61** | **735** |
| Land | **35** | **422** |
| Buildings and structures | **2,010** | **24,217** |
| Investments in securities and Investments in unconsolidated subsidiaries and affiliates | **791** | **9,530** |
| Long-term loans to unconsolidated subsidiaries and affiliates | **1,556** | **18,747** |
| **Total** | **¥15,139** | **$182,398** |

## 10. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings as of March 31, 2011 and 2010 mainly consisted of bank overdrafts. The annual interest rates applicable to the short-term borrowings ranged from 0.53% to 2.42% and 0.643% to 4.5% as of March 31, 2011 and 2010, respectively.

Long-term debt as of March 31, 2011 and 2010 consisted of the following:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| 0.63% to 6.5% loans from banks, due 2011–2016 | **¥217,767** | ¥233,539 | **$2,623,699** |
| 0.85% to 6.5% loans from insurance companies and other financial institutions, due 2011–2021 | **22,138** | 27,359 | **266,723** |
| 0.89636% to 1.6% bonds, due 2012–2016 | **105,000** | 97,500 | **1,265,060** |
| Lease obligations | **2,894** | 3,520 | **34,868** |
| Total | **347,799** | 361,918 | **4,190,350** |
| Current portion included in current liabilities | **(61,189)** | (64,351) | **(737,217)** |
| **Total** | **¥286,610** | ¥297,567 | **$3,453,133** |

Substantially all of the short-term and long-term loans from banks are made under agreements which, as is customary in Japan, provide that the bank may, under certain conditions, require the borrower to provide collateral (or additional collateral) or guarantors with respect to the loans, and that the bank may treat any collateral, whether furnished as security for short-term or long-term loans or otherwise, as collateral for all indebtedness to such bank. However, the Company and its consolidated domestic subsidiaries have never received such a request.

The aggregate annual maturities of long-term debt (including current portion) as of March 31, 2011 were as follows:

| Year Ending March 31 | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| 2012 | ¥ 61,189 | $ 737,217 |
| 2013 | 84,827 | 1,022,012 |
| 2014 | 113,748 | 1,370,458 |
| 2015 | 54,835 | 660,663 |
| 2016 | 33,097 | 398,759 |
| 2017 and thereafter | 103 | 1,241 |
| **Total** | ¥347,799 | $4,190,350 |

In addition, the Company entered into committed loan facility agreements aggregating ¥150,000 million ($1,807,229 thousand) with several Japanese banks. There was no outstanding balance under the committed loan facility agreements as of March 31, 2011.

## 11. COMMERCIAL PAPER

Commercial paper was represented by 30 to 85-day paper issued by the Company with interest at 0.137% to 0.3% and 29 to 110-day paper at 0.402% to 0.7% as of March 31, 2011 and 2010, respectively.

## 12. ADVANCES RECEIVED ON CONSTRUCTION PROJECTS IN PROGRESS

The Companies normally receive payments from customers on a progress basis in accordance with the terms of the respective construction contracts.

## 13. RETIREMENT BENEFITS

The Company, consolidated domestic subsidiaries and certain overseas subsidiaries have retirement benefit plans for employees. The Company's retirement benefit plan consists of a defined contribution pension plan, a point-based benefit plan and closed qualified pension plan. Under the point-based benefit system, benefits are calculated based on accumulated points allocated each month according to an employee's job classification and performance.

Certain overseas subsidiaries have defined contribution plans.

The information for employees' retirement benefits was as follows:

### a. The liability for employees' retirement benefits as of March 31, 2011 and 2010

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Projected benefit obligation | ¥ 86,292 | ¥ 91,870 | $1,039,663 |
| Fair value of plan assets | (14,930) | (15,887) | (179,880) |
| Unrecognized actuarial loss | (2,241) | (2,958) | (27,000) |
| Unrecognized prior service cost | (9,254) | (12,479) | (111,494) |
| **Net liability** | ¥ 59,867 | ¥ 60,546 | $ 721,289 |

## b. The components of net periodic benefit costs for the years ended March 31, 2011 and 2010

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Service cost | **¥ 4,130** | ¥ 4,077 | **$ 49,759** |
| Interest cost | **1,804** | 1,914 | **21,735** |
| Expected return on plan assets | **(267)** | (247) | **(3,217)** |
| Amortization of actuarial loss | **605** | 176 | **7,289** |
| Amortization of prior service cost | **3,224** | 3,224 | **38,843** |
| Other | **2,387** | 2,527 | **28,760** |
| **Net periodic benefit costs** | **¥11,883** | ¥11,671 | **$143,169** |

"Other" in the above table consists principally of the cost of defined contribution plans.

## c. Assumptions used for the years ended March 31, 2011 and 2010

| | **2011** | 2010 |
|---|---|---|
| Discount rate | **2.0%** | 2.0% |
| Expected rate of return on plan assets | **0% to 2.5%** | 0% to 2.5% |
| Amortization period of prior service cost | **10 years** | 10 years |
| Recognition period of actuarial gain/loss | **10 years** | 10 years |

# 14. EQUITY

Japanese companies are subject to the Companies Act. The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

## a. Dividends

Under the Companies Act, companies can pay dividends at any time during the financial year in addition to the year-end dividend upon resolution at the stockholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors of such company may declare dividends (except for dividends in kind) at any time during the financial year if the company has prescribed so in its articles of incorporation.

However, the Company cannot do so because it does not meet all the above criteria. Semiannual interim dividends can be paid once a year upon resolution by the Board of Directors as stipulated in the articles of incorporation of the Company.

## b. Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the stockholders.

## c. Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the stockholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

## 15. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40.5% for the years ended March 31, 2011 and 2010.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Deferred tax assets: | | | |
| Inventories | **¥ 25,633** | ¥ 27,647 | **$ 308,831** |
| Liability for retirement benefits | **25,015** | 25,279 | **301,386** |
| Tax loss carryforwards | **17,124** | 2,348 | **206,313** |
| Property and equipment | **11,524** | 11,635 | **138,843** |
| Other | **60,256** | 65,125 | **725,976** |
| Subtotal | **139,552** | 132,034 | **1,681,349** |
| Valuation allowance | **(17,556)** | (14,479) | **(211,518)** |
| **Total** | **121,996** | 117,555 | **1,469,831** |
| Deferred tax liabilities: | | | |
| Unrealized gain on available-for-sale securities | **(16,820)** | (22,517) | **(202,651)** |
| Other | **(7,788)** | (7,037) | **(93,831)** |
| **Total** | **(24,608)** | (29,554) | **(296,482)** |
| **Net deferred tax assets** | **¥ 97,388** | ¥ 88,001 | **$1,173,349** |

As of March 31, 2011, the Company had tax loss carryforwards of approximately ¥34,212 million ($412,193 thousand) which will expire in the financial year ending March 31, 2018 to the extent they remain unutilized. Certain consolidated subsidiaries of the Company have tax loss carryforwards whose expiration dates range from 2012 to 2018. Due to the uncertainty of the realization of such tax loss carryforwards, the Companies have established a valuation allowance to offset part of the related deferred tax assets in the amount of ¥2,505 million ($30,181 thousand) and ¥2,317 million as of March 31, 2011 and 2010, respectively.

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2011 and 2010 was as follows:

| | **2011** | 2010 |
|---|---|---|
| Normal effective statutory tax rate | **40.5 %** | 40.5 % |
| Expenses not deductible for income tax purposes | **5.0** | 5.9 |
| Non-taxable income | **(1.8)** | (2.4) |
| Inhabitant taxes | **1.8** | 1.9 |
| Valuation allowance | **(33.5)** | 9.7 |
| Refund of income taxes for prior periods | **(15.3)** | — |
| Tax benefits not recognized on equity in earnings or losses of unconsolidated subsidiaries and affiliates | **(1.7)** | (15.9) |
| Elimination of intercompany dividends | **0.8** | 14.0 |
| Other—net | **(0.9)** | (1.7) |
| **Actual effective tax rate** | **(5.1)%** | 52.0 % |

## 16. RELATED PARTY TRANSACTIONS

Transactions with unconsolidated subsidiaries and affiliates for the years ended March 31, 2011 and 2010 were as follows:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Construction and other revenues | **¥ 9,221** | ¥16,236 | **$111,096** |
| Purchases | **15,453** | 21,274 | **186,181** |

In addition, during the financial year ended March 31, 2010, the Company entered into an amendment of a construction contract to increase the original contract amount of ¥720 million by ¥222 million. Also during the financial year ended March 31, 2010, a domestic subsidiary entered into a construction contract of ¥178 million. During the financial year ended March 31, 2011, the domestic subsidiary amended the construction contract to decrease the original contract amount by ¥39 million ($470 thousand). The domestic subsidiary also entered into several new construction contracts which amounted to ¥14 million ($169 thousand) in aggregate. All of these contracts were with a corporation owned by the family of a director of the Company. Under these contracts, revenue recognized for construction projects were ¥95 million ($1,145 thousand) and ¥577 million, including the amount realized using the percentage-of-completion method of ¥81 million ($976 thousand) and ¥577 million, for the years ended March 31, 2011 and 2010, respectively. As of March 31, 2010, advances received on such construction projects in progress was ¥13 million. The Company recognized revenue for real estate and other, which amounted to ¥35 million, under a development contract with the same corporation, for the year ended March 31, 2010.

During the financial year ended March 31, 2011, the Company entered into a construction contract of ¥33 million ($398 thousand) with the family of a director of the Company and recognized revenue of the same amount.

Besides as mentioned above, during the financial year ended March 31, 2010, the Company allotted its common stocks of ¥251 million to a director and the families of the directors of the Company in accordance with a share exchange agreement to make Kajima Road Co., Ltd. a wholly owned subsidiary as mentioned in Note 3.

Also, the Company purchased the stock of a consolidated subsidiary in the amount of ¥11 million from a director of the Company, and a domestic subsidiary purchased the stock of an unconsolidated subsidiary in the amount of ¥30 million from the family of a director of the Company, during the financial year ended March 31, 2010.

The above contracts are at an arm's-length basis and in the normal course of business.

## 17. LEASES

The Companies have a number of lease agreements, primarily for office space and computer equipment, which are renewable upon expiration and mainly cancellable. Rental expenses on such leases were approximately ¥6,477 million ($78,036 thousand) and ¥7,459 million for the years ended March 31, 2011 and 2010, respectively.

### a. Operating leases as a lessee

The minimum rental commitments under noncancellable operating leases as of March 31, 2011 and 2010 were as follows:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Due within one year | **¥ 9,572** | ¥ 9,961 | **$115,325** |
| Due after one year | **52,424** | 44,506 | **631,615** |
| **Total** | **¥61,996** | ¥54,467 | **$746,940** |

### b. Operating leases as a lessor

The minimum rental receivables under noncancellable operating leases as of March 31, 2011 and 2010 were as follows:

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Due within one year | **¥ 9,243** | ¥ 9,887 | **$111,361** |
| Due after one year | **54,942** | 61,354 | **661,952** |
| **Total** | **¥64,185** | ¥71,241 | **$773,313** |

## 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments", and issued ASBJ Guidance No. 19, "Guidance on Accounting Standard for Financial Instruments and Related Disclosures". This accounting standard and the guidance were applicable to financial instruments and related disclosures at the end of the financial years ending on or after March 31, 2010. The Companies applied the revised accounting standard and the guidance effective March 31, 2010.

### a. Policy for financial instruments

The Companies use financial instruments, mainly loans from banks and bonds, based on their capital financing plan for construction and development business. Cash surpluses, if any, are invested in low risk financial assets such as deposits. As a matter of policy, the Companies only use derivatives for actual operating requirements, not for speculation.

### b. Nature, extent of risks arising from financial instruments and risk management for financial instruments

Receivables such as notes and accounts receivable—trade are exposed to customer credit risks. The Companies thoroughly enforce the credit risk management, which includes principally credit researches at the time of obtaining work and timely monitoring of credit standings.

Payment terms of payables, such as notes and accounts payable—trade, are within one year.

Although marketable securities and investments in securities are exposed to the risk of market price fluctuations, the Companies use the internal management system to recognize their fair values periodically.

Loans from banks, commercial paper and bonds are used to raise funds for construction and development business.

Derivatives mainly include foreign exchange forward contracts, currency swaps and interest rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of future demands and collection of foreign-currency-denominated funds, and from changes in interest rates of loans from banks and bonds. Please see Note 19 for more detail about derivatives.

In addition, the Company entered into committed loan facility agreements aggregating ¥150,000 million ($1,807,229 thousand) with several Japanese banks to manage exposure to liquidity risks on raising funds.

### c. Fair values of financial instruments

Fair values of financial instruments are based on a quoted price in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Also please see Note 19 for the detail of fair value for derivatives.

(1) Fair value of financial instruments

The carrying amount, fair value and unrealized gain (loss) of financial instruments as of March 31, 2011 and 2010 were as follows. However, financial instruments whose fair value cannot be reliably determined are not included.

| | Millions of Yen | | |
|---|---|---|---|
| **As of March 31, 2011** | Carrying Amount | Fair Value | Unrealized Gain (Loss) |
| ASSETS | | | |
| Cash and cash equivalents | **¥156,356** | **¥156,356** | **¥ . . —** |
| Marketable securities and investments in securities | | | |
| Available-for-sale securities | **143,097** | **143,097** | **—** |
| Notes and accounts receivable—trade | **442,616** | | |
| Allowance for doubtful accounts | **(1,711)** | | |
| | **440,905** | **440,332** | **(573)** |
| Other current assets | | | |
| Time deposits due after three months of the date of acquisition | **2,604** | **2,604** | **—** |
| Long-term loans receivable | **24,531** | | |
| Long-term loans to unconsolidated subsidiaries and affiliates | **6,987** | | |
| Allowance for doubtful accounts | **(16,612)** | | |
| | **14,906** | **14,876** | **(30)** |
| **Total** | **¥757,868** | **¥757,265** | **¥ .(603)** |
| LIABILITIES | | | |
| Short-term borrowings | **¥150,069** | **¥150,069** | **¥ . . —** |
| Commercial paper | **64,000** | **64,000** | **—** |
| Current portion of long-term debt | **61,189** | **61,239** | **50** |
| Notes and accounts payable—trade | **417,149** | **417,149** | **—** |
| Income taxes payable | **2,811** | **2,811** | **—** |
| Long-term debt | **286,610** | **287,778** | **1,168** |
| **Total** | **¥981,828** | **¥983,046** | **¥1,218** |

| As of March 31, 2010 | Millions of Yen Carrying Amount | Fair Value | Unrealized Gain (Loss) |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | ¥ 141,773 | ¥ 141,773 | ¥ . — |
| Marketable securities and investments in securities | | | |
| Available-for-sale securities | 160,758 | 160,758 | — |
| Notes and accounts receivable—trade | 503,000 | | |
| Allowance for doubtful accounts | (2,548) | | |
| | 500,452 | 500,407 | (45) |
| Other current assets | | | |
| Time deposits due after three months of the date of acquisition | 4,798 | 4,798 | — |
| Long-term loans receivable | 28,342 | | |
| Long-term loans to unconsolidated subsidiaries and affiliates | 8,098 | | |
| Allowance for doubtful accounts | (20,738) | | |
| | 15,702 | 15,628 | (74) |
| Total | ¥ 823,483 | ¥ 823,364 | ¥(119) |
| LIABILITIES | | | |
| Short-term borrowings | ¥ 191,654 | ¥ 191,654 | ¥ . — |
| Commercial paper | 70,000 | 70,000 | — |
| Current portion of long-term debt | 64,351 | 64,328 | (23) |
| Notes and accounts payable—trade | 471,520 | 471,520 | — |
| Income taxes payable | 9,829 | 9,829 | — |
| Long-term debt | 297,567 | 297,264 | (303) |
| Total | ¥1,104,921 | ¥1,104,595 | ¥(326) |

| **As of March 31, 2011** | Thousands of U.S. Dollars Carrying Amount | Fair Value | Unrealized Gain (Loss) |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | **$ 1,883,807** | **$ 1,883,807** | **$ . . . —** |
| Marketable securities and investments in securities | | | |
| Available-for-sale securities | **1,724,060** | **1,724,060** | **—** |
| Notes and accounts receivable—trade | **5,332,723** | | |
| Allowance for doubtful accounts | **(20,614)** | | |
| | **5,312,109** | **5,305,205** | **(6,904)** |
| Other current assets | | | |
| Time deposits due after three months of the date of acquisition | **31,373** | **31,373** | **—** |
| Long-term loans receivable | **295,554** | | |
| Long-term loans to unconsolidated subsidiaries and affiliates | **84,181** | | |
| Allowance for doubtful accounts | **(200,145)** | | |
| | **179,590** | **179,229** | **(361)** |
| **Total** | **$ 9,130,939** | **$ 9,123,674** | **$ (7,265)** |
| LIABILITIES | | | |
| Short-term borrowings | **$ 1,808,060** | **$ 1,808,060** | **$ . . . —** |
| Commercial paper | **771,084** | **771,084** | **—** |
| Current portion of long-term debt | **737,217** | **737,819** | **602** |
| Notes and accounts payable—trade | **5,025,892** | **5,025,892** | **—** |
| Income taxes payable | **33,867** | **33,867** | **—** |
| Long-term debt | **3,453,133** | **3,467,206** | **14,073** |
| **Total** | **$11,829,253** | **$11,843,928** | **$14,675** |

## ASSETS

*Cash and cash equivalents and Other current assets (Time deposits due after three months of the date of acquisition)*

The carrying amounts of cash and cash equivalents and other current assets (time deposits due after three months of the date of acquisition) approximate fair value because of their short maturities.

*Marketable securities and investments in securities*

The fair values of marketable securities and investments in securities, consisting of available-for-sale securities whose fair value can be reliably determined, are measured at the quoted market price of the stock exchange for the equity instruments, and at the quoted price obtained from the financial institution for certain debt instruments. The information of the fair value for marketable securities and investments in securities by classification is included in Note 4.

*Notes and accounts receivable—trade*

Regarding short maturities, the carrying amounts of notes and accounts receivable—trade approximate fair value.

Regarding maturities after one year, the fair values of notes and accounts receivable—trade are measured at the amount to be received at maturity discounted at the Companies' assumed corporate discount rate with consideration for the remaining terms and credit risks.

*Long-term loans receivable and Long-term loans to unconsolidated subsidiaries and affiliates*

The fair values of long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates are principally measured by discounting the cash flows at the Companies' assumed corporate discount rate by adding the credit spread to the appropriate indexes such as the yield of government bonds. In addition, the fair values of certain doubtful long-term loans receivable are equivalent to the carrying amount after deduction of allowance for doubtful accounts quoted by the estimated amount to be received subject to collateral and guarantee.

## LIABILITIES

*Short-term borrowings, Commercial paper, Notes and accounts payable—trade and Income taxes payable*

The carrying amounts of short-term borrowings, commercial paper, notes and accounts payable—trade and income taxes payable approximate fair value because of their short maturities.

*Current portion of long-term debt*

The carrying amounts of the current portion of long-term loans approximate fair value because of their short maturities. The fair values of the current portion of long-term bonds are principally measured at market price.

*Long-term debt*

The carrying amounts of long-term loans with fluctuating interest rates approximate fair value because the variable interest rates reflect market rates in a short period of time and the credit standing of the Company is not substantially changed. The fair values of long-term loans with fixed interest rates are measured by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rate. In addition, the fair values of long-term bonds are principally measured at market price.

## DERIVATIVES

The information of the fair value for derivatives is included in Note 19.

(2) Carrying amount of financial instruments whose fair value cannot be reliably determined

| | Millions of Yen | | Thousands of U.S. Dollars |
|---|---|---|---|
| | **2011** | 2010 | **2011** |
| Investments in securities | | | |
| Available-for-sale: | | | |
| Equity securities | **¥ 9,965** | ¥11,727 | **$120,061** |
| Fund trusts and other | **44,339** | 39,113 | **534,205** |
| Investments in unconsolidated subsidiaries and affiliates | **18,796** | 17,679 | **226,458** |
| **Total** | **¥73,100** | ¥68,519 | **$880,724** |

The carrying amounts mentioned above include the carrying amounts of operational investments in securities, whose fair value cannot be reliably determined, because there are no market prices.

## d. Maturity analysis for financial assets and securities with contractual maturities

| | Millions of Yen | | | |
|---|---|---|---|---|
| **As of March 31, 2011** | Due within one year | Due after one year through five years | Due after five years through ten years | Due after ten years |
| Cash and cash equivalents | **¥156,356** | **¥ — ** | **¥ —** | **¥ —** |
| Marketable securities and investments in securities | | | | |
| Available-for-sale securities with contractual maturities | | | | |
| Government and corporate bonds | **188** | **349** | **351** | **896** |
| Fund trusts and other | **57** | **—** | **—** | **—** |
| Notes and accounts receivable—trade | **378,409** | **63,257** | **941** | **9** |
| Other current assets | | | | |
| Time deposits due after three months of the date of acquisition | **2,604** | **—** | **—** | **—** |
| Long-term loans receivable | **22** | **710** | **47** | **23,774** |
| Long-term loans to unconsolidated subsidiaries and affiliates | **67** | **2,271** | **1,736** | **2,980** |
| **Total** | **¥537,703** | **¥66,587** | **¥3,075** | **¥27,659** |

| | Thousands of U.S. Dollars | | | |
|---|---|---|---|---|
| **As of March 31, 2011** | Due within one year | Due after one year through five years | Due after five years through ten years | Due after ten years |
| Cash and cash equivalents | **$1,883,807** | **$ —** | **$ —** | **$ —** |
| Marketable securities and investments in securities | | | | |
| Available-for-sale securities with contractual maturities | | | | |
| Government and corporate bonds | **2,265** | **4,205** | **4,229** | **10,795** |
| Fund trusts and other | **687** | **—** | **—** | **—** |
| Notes and accounts receivable—trade | **4,559,145** | **762,133** | **11,337** | **108** |
| Other current assets | | | | |
| Time deposits due after three months of the date of acquisition | **31,373** | **—** | **—** | **—** |
| Long-term loans receivable | **265** | **8,554** | **566** | **286,434** |
| Long-term loans to unconsolidated subsidiaries and affiliates | **807** | **27,361** | **20,916** | **35,904** |
| **Total** | **$6,478,349** | **$802,253** | **$37,048** | **$333,241** |

Please see Note 10 for annual maturities of long-term debt.

## 19. DERIVATIVES

The Companies enter into derivative financial instruments ("derivatives"), including principally foreign exchange forward contracts, currency swaps and interest rate swaps agreements.

The Companies do not hold or issue derivatives for trading or speculative purposes and it is the Companies' policy to use derivatives only for the purpose of reducing market risks and financing costs in accordance with internal regulations.

All derivative transactions are entered into to hedge interest and foreign currency exposures incorporated within the Companies' business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major domestic or overseas financial institutions, the Companies do not anticipate any losses arising from credit risk.

### a. Derivative transactions to which hedge accounting is not applied

| | Millions of Yen | | | |
|---|---|---|---|---|
| **As of March 31, 2011** | Contract Amount | Contract Amount due after One Year | Fair Value | Unrealized Gain (Loss) |
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| Poland Zloty forward | **¥ 56** | **¥—** | **¥ 0** | **¥ 0** |
| Selling: | | | | |
| U.S. Dollar forward | **862** | **—** | **23** | **23** |
| **Total** | **¥918** | **¥—** | **¥23** | **¥23** |

| | Millions of Yen | | | |
|---|---|---|---|---|
| As of March 31, 2010 | Contract Amount | Contract Amount due after One Year | Fair Value | Unrealized Gain (Loss) |
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| Poland Zloty forward | ¥ 605 | ¥— | ¥ (3) | ¥ (3) |
| Selling: | | | | |
| Euro forward | 507 | — | (18) | (18) |
| Total | ¥1,112 | ¥— | ¥(21) | ¥(21) |

| | Thousands of U.S. Dollars | | | |
|---|---|---|---|---|
| **As of March 31, 2011** | Contract Amount | Contract Amount due after One Year | Fair Value | Unrealized Gain (Loss) |
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| Poland Zloty forward | **$ 674** | **$—** | **$ 0** | **$ 0** |
| Selling: | | | | |
| U.S. Dollar forward | **10,386** | **—** | **277** | **277** |
| **Total** | **$11,060** | **$—** | **$277** | **$277** |

## b. Derivative transactions to which hedge accounting is applied

| **As of March 31, 2011** | Hedged item | Millions of Yen Contract Amount | Millions of Yen Contract Amount due after One Year | Millions of Yen Fair Value |
|---|---|---|---|---|
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| U.S. Dollar forward | Accounts payable—trade | **¥ 363** | **¥ . . . —** | **¥ (17)** |
| **Total** | | **¥ 363** | **¥ . . . —** | **¥ (17)** |
| Interest rate swaps | | | | |
| Selling: | | | | |
| Pay—fix / Receive—float | Long-term debt | **¥83,784** | **¥72,319** | **¥(2,868)** |
| **Total** | | **¥83,784** | **¥72,319** | **¥(2,868)** |

| As of March 31, 2010 | Hedged item | Millions of Yen Contract Amount | Millions of Yen Contract Amount due after One Year | Millions of Yen Fair Value |
|---|---|---|---|---|
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| U.S. Dollar forward | Accounts payable—trade | ¥ 82 | ¥ . . . — | ¥ . . . 4 |
| Thai Baht forward | | 50 | — | 1 |
| Total | | ¥ 132 | ¥ . . . — | ¥ . . . 5 |
| Interest rate swaps | | | | |
| Selling: | | | | |
| Pay—fix / Receive—float | Long-term debt | ¥84,806 | ¥81,824 | ¥(2,686) |
| Total | | ¥84,806 | ¥81,824 | ¥(2,686) |

| **As of March 31, 2011** | Hedged item | Thousands of U.S. Dollars Contract Amount | Thousands of U.S. Dollars Contract Amount due after One Year | Thousands of U.S. Dollars Fair Value |
|---|---|---|---|---|
| Foreign exchange forward contracts | | | | |
| Buying: | | | | |
| U.S. Dollar forward | Accounts payable—trade | **$ 4,373** | **$ . . . . —** | **$ (205)** |
| **Total** | | **$ 4,373** | **$ . . . . —** | **$ (205)** |
| Interest rate swaps | | | | |
| Selling: | | | | |
| Pay—fix / Receive—float | Long-term debt | **$1,009,446** | **$871,313** | **$(34,554)** |
| **Total** | | **$1,009,446** | **$871,313** | **$(34,554)** |

The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

The contract amounts of derivatives which are shown in the above table do not represent the amounts exchanged by the parties and do not measure the exposure to credit or market risk.

## 20. COMMITMENTS AND CONTINGENT LIABILITIES

The Company sold accounts receivable—trade to financial institutions. As of March 31, 2011, accounts receivable—trade amounting to ¥25,275 million ($304,518 thousand) were excluded from the consolidated balance sheets.

As of March 31, 2011, contingent liabilities for loans guaranteed, including related items of a similar nature, amounted to ¥13,209 million ($159,145 thousand).

## 21. COMPREHENSIVE INCOME

Total comprehensive income for the year ended March 31, 2010 was the following:

| | Millions of Yen |
|---|---|
| | 2010 |
| Total comprehensive income attributable to: | |
| Owners of the parent | ¥31,222 |
| Minority interests | 470 |
| Total comprehensive income | ¥31,692 |

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

| | Millions of Yen |
|---|---|
| | 2010 |
| Other comprehensive income: | |
| Unrealized gain on available-for-sale securities | ¥15,861 |
| Deferred loss on derivatives under hedge accounting | 450 |
| Revaluation surplus of land | (614) |
| Foreign currency translation adjustments | 2,667 |
| Share of other comprehensive income in unconsolidated subsidiaries and affiliates | (491) |
| Total other comprehensive income | ¥17,873 |

## 22. NET INCOME PER SHARE

The basis of calculation of the basic net income per share ("EPS") for the years ended March 31, 2011 and 2010 was as follows:

| | | Thousand of Shares | Yen | U.S. Dollars |
|---|---|---|---|---|
| | Millions of Yen | Weighted Average Shares | EPS | |
| **For the year ended March 31, 2011:** | | | | |
| Basic EPS | | | | |
| Net income attributable to common stockholders | **¥25,844** | **1,039,235** | **¥24.87** | **$0.300** |
| For the year ended March 31, 2010: | | | | |
| Basic EPS | | | | |
| Net income attributable to common stockholders | ¥13,226 | 1,015,017 | ¥13.03 | |

## 23. SUBSEQUENT EVENTS

On June 29, 2011, the stockholders of the Company approved the appropriation of retained earnings to pay a dividend of ¥3.00 ($0.036) per share (final for the year ended March 31, 2011) for a total amount of ¥3,124 million ($37,639 thousand).

## 24. SEGMENT INFORMATION

### a. Segment Information

**For the years ended March 31, 2011 and 2010**

On March 21, 2008, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20 "Guidance on Accounting Standard for Segment Information Disclosures". Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This accounting standard and the guidance are applicable to segment information disclosures for the financial years beginning on or after April 1, 2010.

The segment information for the year ended March 31, 2010 under the revised accounting standard is also disclosed hereunder as required.

(1) Description of reportable segments

The Group's reportable segments are those for which separately financial information is available and regular evaluation by the board of directors of the Company is being performed in order to decide how resources are allocated among the Group and to assess performance of each reportable segment.

The Group is doing wide and multilateral business. The Company organizes management divisions for each operating segment such as civil engineering, building construction, real estate development and others, which strategize and develop their business. Also the Company's domestic and overseas subsidiaries and affiliates cooperate with the Company to spread the range of the Group's business.

Therefore, the Group consists of five reportable segments as follows:

| | |
|---|---|
| Civil Engineering: | Civil engineering in the construction business operated by the Company |
| Building Construction: | Building construction in the construction business operated by the Company |
| Real Estate Development and Others: | Urban, regional and other real estate development business, architectural, structural and other design business and engineering business operated by the Company |
| Domestic Subsidiaries and Affiliates: | Sales of construction materials, special construction and engineering services, comprehensive leasing business, building rental business and others mainly in Japan operated by the domestic subsidiaries and affiliates |
| Overseas Subsidiaries and Affiliates: | Construction business, real estate development business and others in overseas such as U.S.A., Europe, Asia and other area operated by the overseas subsidiaries and affiliates |

(2) Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies". The profit (loss) of each reportable segment is measured by its operating income (loss). The contracts between the reportable segments are at an arm's-length basis and in the normal course of business.

(3) Information about revenues, profit (loss), assets, liabilities and other items is as follows.

**Year Ended March 31, 2011** — Millions of Yen

| | Civil Engineering | Building Construction | Real Estate Development and Others | Domestic Subsidiaries and Affiliates | Overseas Subsidiaries and Affiliates | Total | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Sales to external customers | **¥273,901** | **¥634,490** | **¥54,664** | **¥206,782** | **¥155,843** | **¥1,325,680** | **¥ —** | **¥1,325,680** |
| Intersegment sales or transfers | **—** | **4,918** | **2,440** | **125,378** | **16** | **132,752** | **(132,752)** | **—** |
| Total | **273,901** | **639,408** | **57,104** | **332,160** | **155,859** | **1,458,432** | **(132,752)** | **1,325,680** |
| Segment profit (loss) | **¥ (16,067)** | **¥ 25,308** | **¥ (1,279)** | **¥ 3,804** | **¥ 2,959** | **¥ 14,725** | **¥ 2,547** | **¥ 17,272** |
| Other: | | | | | | | | |
| Depreciation | **¥ 1,970** | **¥ 4,599** | **¥ 3,500** | **¥ 6,472** | **¥ 2,605** | **¥ 19,146** | **¥ (226)** | **¥ 18,920** |
| Amortization of goodwill | **—** | **—** | **—** | **—** | **569** | **569** | **(534)** | **35** |

Year Ended March 31, 2010 — Millions of Yen

| | Civil Engineering | Building Construction | Real Estate Development and Others | Domestic Subsidiaries and Affiliates | Overseas Subsidiaries and Affiliates | Total | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Sales to external customers | ¥366,896 | ¥828,269 | ¥40,088 | ¥209,391 | ¥192,718 | ¥1,637,362 | ¥ — | ¥1,637,362 |
| Intersegment sales or transfers | — | 6,624 | 2,535 | 123,688 | 13 | 132,860 | (132,860) | — |
| Total | 366,896 | 834,893 | 42,623 | 333,079 | 192,731 | 1,770,222 | (132,860) | 1,637,362 |
| Segment profit (loss) | ¥ (20,928) | ¥ 11,513 | ¥ 1,438 | ¥ 4,604 | ¥ (2,340) | ¥ (5,713) | ¥ (1,049) | ¥ (6,762) |
| Other: | | | | | | | | |
| Depreciation | ¥ 2,095 | ¥ 4,766 | ¥ 3,515 | ¥ 6,883 | ¥ 2,900 | ¥ 20,159 | ¥ (135) | ¥ 20,024 |
| Amortization of goodwill | — | — | — | — | 724 | 724 | 32 | 756 |

**Year Ended March 31, 2011** — Thousands of U.S. Dollars

| | Civil Engineering | Building Construction | Real Estate Development and Others | Domestic Subsidiaries and Affiliates | Overseas Subsidiaries and Affiliates | Total | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Sales to external customers | **$3,300,012** | **$7,644,458** | **$658,602** | **$2,491,349** | **$1,877,627** | **$15,972,048** | **$ —** | **$15,972,048** |
| Intersegment sales or transfers | **—** | **59,253** | **29,398** | **1,510,578** | **193** | **1,599,422** | **(1,599,422)** | **—** |
| Total | **3,300,012** | **7,703,711** | **688,000** | **4,001,927** | **1,877,820** | **17,571,470** | **(1,599,422)** | **15,972,048** |
| Segment profit (loss) | **$ (193,578)** | **$ 304,916** | **$ (15,410)** | **$ 45,831** | **$ 35,651** | **$ 177,410** | **$ 30,686** | **$ 208,096** |
| Other: | | | | | | | | |
| Depreciation | **$ 23,735** | **$ 55,410** | **$ 42,169** | **$ 77,976** | **$ 31,385** | **$ 230,675** | **$ (2,723)** | **$ 227,952** |
| Amortization of goodwill | **—** | **—** | **—** | **—** | **6,855** | **6,855** | **(6,433)** | **422** |

Notes:
(1) The amount of reconciliations in segment profit (loss), which was profit of ¥2,547 million ($30,686 thousand) and loss of ¥1,049 million for the years ended March 31, 2011 and 2010, respectively, mainly consists of the elimination of inter-segment transactions.
(2) Consolidated segment profit (loss) is equal to operating income (loss) on consolidated statements of income.
(3) Assets are not allocated to operating segments.

For the year ended March 31, 2010

(1) Business Segments

Business segments are principally composed of the following:

Construction .......... Civil engineering and architectural construction

Real Estate ........... Development and sale of land and buildings

Other ............... Architecture, engineering, financing and any other relevant business

| Year Ended March 31, 2010 | Millions of Yen | | | | | |
|---|---|---|---|---|---|---|
| | Construction | Real Estate | Other | Total | Elimination | Consolidated |
| Revenues: | | | | | | |
| Customers | ¥1,480,352 | ¥ 63,503 | ¥93,507 | ¥1,637,362 | ¥ — | ¥1,637,362 |
| Inter-segment | 6,852 | 2,063 | 6,357 | 15,272 | (15,272) | — |
| Total | 1,487,204 | 65,566 | 99,864 | 1,652,634 | (15,272) | 1,637,362 |
| Operating expenses | 1,489,981 | 73,192 | 94,785 | 1,657,958 | (13,834) | 1,644,124 |
| Operating income (loss) | ¥ (2,777) | ¥ (7,626) | ¥ 5,079 | ¥ (5,324) | ¥ (1,438) | ¥ (6,762) |
| Assets | ¥1,386,161 | ¥475,643 | ¥78,965 | ¥1,940,769 | ¥(143,904) | ¥1,796,865 |
| Depreciation | 10,297 | 6,878 | 2,984 | 20,159 | (135) | 20,024 |
| Impairment loss | 179 | — | 123 | 302 | — | 302 |
| Capital expenditures | 8,933 | 12,616 | 2,420 | 23,969 | (157) | 23,812 |

Note: As discussed in Note 2.n., effective April 1, 2009, the Company and its consolidated domestic subsidiaries applied ASBJ Statement No.15, "Accounting Standard for Construction Contracts". The effect of this change was to decrease operating loss of Construction by ¥2,289 million for the year ended March 31, 2010.

(2) Geographical Segments

Each area primarily refers to the following countries:

North America ........ U.S.A.

Europe .............. United Kingdom and France

Asia ................. Singapore and Taiwan

| Year Ended March 31, 2010 | Millions of Yen | | | | | | |
|---|---|---|---|---|---|---|---|
| | Japan | North America | Europe | Asia | Total | Elimination | Consolidated |
| Revenues: | | | | | | | |
| Customers | ¥1,444,644 | ¥ 91,936 | ¥ 8,277 | ¥92,505 | ¥1,637,362 | ¥ — | ¥1,637,362 |
| Inter-segment | 2,516 | — | 13 | — | 2,529 | (2,529) | — |
| Total | 1,447,160 | 91,936 | 8,290 | 92,505 | 1,639,891 | (2,529) | 1,637,362 |
| Operating expenses | 1,451,590 | 96,809 | 11,330 | 86,931 | 1,646,660 | (2,536) | 1,644,124 |
| Operating income (loss) | ¥ (4,430) | ¥ (4,873) | ¥ (3,040) | ¥ 5,574 | ¥ (6,769) | ¥ 7 | ¥ (6,762) |
| Assets | ¥1,720,432 | ¥139,391 | ¥16,931 | ¥80,850 | ¥1,957,604 | ¥(160,739) | ¥1,796,865 |

Note: As discussed in Note 2.n., effective April 1, 2009, the Company and its consolidated domestic subsidiaries applied ASBJ Statement No.15, "Accounting Standard for Construction Contracts". The effect of this change was to decrease operating loss of Japan by ¥2,289 million for the year ended March 31, 2010.

(3) Overseas Revenues

Each area primarily refers to the following countries:

North America . . . . . . . . U.S.A.
Europe . . . . . . . . . . . . . . Poland and France
Asia . . . . . . . . . . . . . . . . . Singapore and Taiwan
Other Area . . . . . . . . . . . Algeria and United Arab Emirates

| Year ended March 31, 2010 | Millions of Yen | | | | |
|---|---|---|---|---|---|
| | North America | Europe | Asia | Other Area | Total |
| Overseas Revenues | ¥91,911 | ¥8,887 | ¥105,148 | ¥78,994 | ¥ 284,940 |
| Consolidated Revenues | — | — | — | — | 1,637,362 |
| Overseas / Consolidated Ratio (%) | 5.6 | 0.6 | 6.4 | 4.8 | 17.4 |

## b. Related Information

(1) Information about products and services

| | Millions of Yen | | | |
|---|---|---|---|---|
| **Year Ended March 31, 2011** | Construction | Real Estate | Other | Total |
| Sales to external customers | **¥1,146,134** | **¥89,796** | **¥89,750** | **¥1,325,680** |

| | Thousands of U.S. Dollars | | | |
|---|---|---|---|---|
| **Year Ended March 31, 2011** | Construction | Real Estate | Other | Total |
| Sales to external customers | **$13,808,843** | **$1,081,880** | **$1,081,325** | **$15,972,048** |

(2) Information about geographical areas

1) Revenues

| Millions of Yen | | | | | |
|---|---|---|---|---|---|
| **2011** | | | | | |
| Japan | North America | Europe | Asia | Other Area | Total |
| **¥1,131,103** | **¥76,686** | **¥4,118** | **¥86,822** | **¥26,951** | **¥1,325,680** |

| Thousands of U.S. Dollars | | | | | |
|---|---|---|---|---|---|
| **2011** | | | | | |
| Japan | North America | Europe | Asia | Other Area | Total |
| **$13,627,747** | **$923,928** | **$49,614** | **$1,046,048** | **$324,711** | **$15,972,048** |

Note: Revenues are classified in countries or regions based on location of customers.

2) Property and equipment

| Millions of Yen | | | | | |
|---|---|---|---|---|---|
| **2011** | | | | | |
| Japan | North America | Europe | Asia | Other Area | Total |
| **¥302,579** | **¥5,517** | **¥6,054** | **¥23,026** | **¥84** | **¥337,260** |

| Thousands of U.S. Dollars | | | | | |
|---|---|---|---|---|---|
| **2011** | | | | | |
| Japan | North America | Europe | Asia | Other Area | Total |
| **$3,645,530** | **$66,470** | **$72,940** | **$277,422** | **$1,011** | **$4,063,373** |

## c. Information about impairment losses of assets

| | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| | 2011 | 2011 |
| Impairment losses of assets | ¥477 | $5,747 |

Notes:
(1) The impairment losses of assets of ¥477 million ($5,747 thousand) consisted of assets used for business of ¥181 million ($2,181 thousand) and asset used for rent ¥296 million ($3,566 thousand). Please see Note 6 for more details.
(2) The impairment losses of assets are not allocated to operating segments.

## d. Information about goodwill

(1) Amortization of goodwill for the year ended March 31, 2011

| | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| | 2011 | 2011 |
| Goodwill | ¥684 | $8,241 |
| Negative goodwill | 649 | 7,819 |

(2) Goodwill as of March 31, 2011

| | Millions of Yen | Thousands of U.S. Dollars |
|---|---|---|
| | 2011 | 2011 |
| Goodwill | ¥ 952 | $11,470 |
| Negative goodwill | 2,584 | 31,133 |

Notes:
(1) Negative goodwill was generated on or before March 31, 2010, mainly because of the share exchange to make Kajima Road Co., Ltd. a wholly owned subsidiary of the Company as mentioned in Note 3, and is offset by goodwill.
(2) Goodwill and negative goodwill are not allocated to operating segments.

# INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte Touche Tohmatsu LLC
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Japan

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Kajima Corporation:

We have audited the accompanying consolidated balance sheets of Kajima Corporation (the "Company") and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income for the years then ended, the consolidated statement of comprehensive income for the year ended March 31, 2011, and the related consolidated statements of changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kajima Corporation and consolidated subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 2.n to the consolidated financial statements, the Company and its consolidated domestic subsidiaries applied the accounting standard for construction contracts effective April 1, 2009.

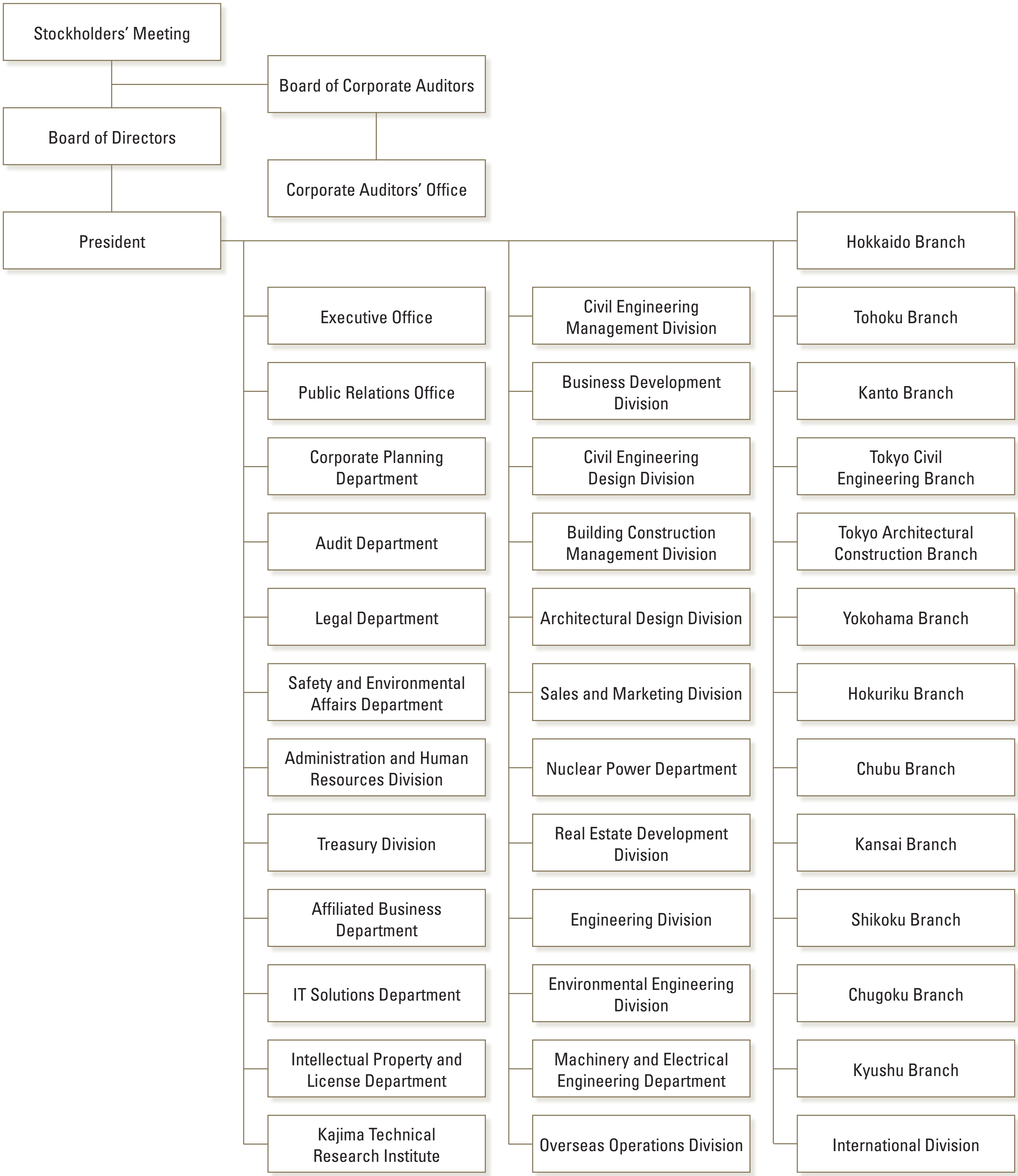
Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 29, 2011

# CORPORATE ORGANIZATION

(As of July 1, 2011)



# PRINCIPAL SUBSIDIARIES AND AFFILIATES IN JAPAN

## DESIGN & CONSULTING

Ilya Corporation
ARMO Co., Ltd.
ARTES Corporation
Engineering And Risk Services Corporation
RTC Inc.
EcoRoad Co., Ltd.

## PROCUREMENT & CONSTRUCTION

Taiko Trading Co., Ltd.
Chemical Grouting Co., Ltd.
Kajima Road Co., Ltd.
Japan Sea Works Co., Ltd.
Chuo Industries Co., Ltd.
Kajima Kress Co., Ltd.
Kajima Mechatro Engineering Co., Ltd.
Kajima Aquatech Corporation
Grout Trading Co., Ltd.
KRC Co., Ltd.
Clima-Teq Co., Ltd.

## REAL ESTATE DEVELOPMENT & MANAGEMENT

Kajima Tatemono Sogo Kanri Co., Ltd.
Kajima Tokyo Development Corporation
East Real Estate Co., Ltd.
Kajima Tohoku Kousan Co., Ltd.
Kajima Yaesu Kaihatsu Co., Ltd.
Niigata Bandaijima Building Co., Ltd.

## FINANCE & INSURANCE

Katabami Kogyo Co., Ltd.
Kajima Leasing Corporation
KR Lease Corporation

## SALES & SERVICES

Kajima Services Co., Ltd.
Environment Management Corporation
ACT TECHNICAL SUPPORT Inc.
Kajima Information Communication Technology Co., Ltd.
Toshi Kankyo Engineering Co., Ltd.
Public Relations Officer Corporation
Toyama Green Food Recycle, Inc.
Green Materials Recycle Corporation
Kajima Accounting Inc.
Kajima Real Estate Investment Advisors Inc.

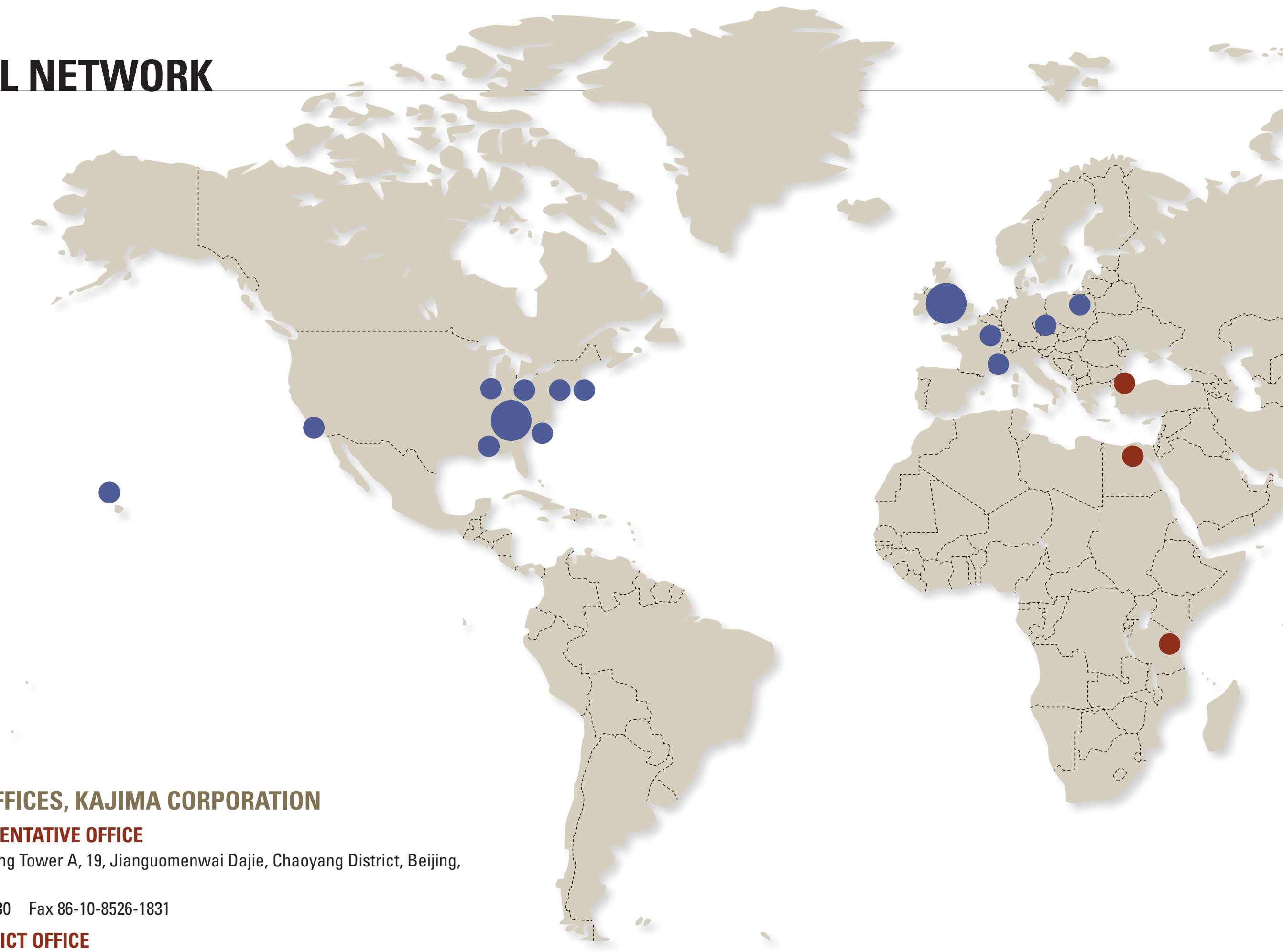
## CULTURE

Kajima Institute Publishing Co., Ltd.
Kajimavision Productions Co., Ltd.
Yaesu Book Center Co., Ltd.

## HOTEL & LEISURE

Azuma Kanko Kaihatsu Co., Ltd.
Hotel Kajima no Mori Co., Ltd.
Kajima Resort Corporation
Atema Kogen Resort Inc.
Nasu Resort Corporation
Shinrinkohen Golf Club Co., Ltd.
Kajima Karuizawa Resort, Inc.

# GLOBAL NETWORK



## DISTRICT OFFICES, KAJIMA CORPORATION

### CHINA REPRESENTATIVE OFFICE
11-A, CITIC Building Tower A, 19, Jianguomenwai Dajie, Chaoyang District, Beijing, 100004, China
Tel 86-10-8526-1630 Fax 86-10-8526-1831

### TAIWAN DISTRICT OFFICE
2nd Floor, No. 9, Lane 65, Chung Shan North Road, Section 2 Taipei, Taiwan
Tel 886-2-2541-0812 Fax 886-2-2523-5637

### ASIAN NORTH REGIONAL OFFICE/THAILAND DISTRICT OFFICE
17th Floor, Ramaland Building, 952 Rama IV Road, Bangrak, Bangkok 10500, Thailand
Tel 66-2-632-8600 Fax 66-2-632-8603

### PHILIPPINE DISTRICT OFFICE
12th Floor, Sky Plaza, 6788 Ayala Avenue, Makati City, Philippines 1226
Tel 63-2-886-6818 Fax 63-2-886-6817

### VIETNAM DISTRICT OFFICE
Thanglong Building Unit No. 203A, 2nd Floor, No.105 Lang Ha Street, Hanoi, Vietnam
Tel 84-4-3562-2748 Fax 84-4-3562-2738

### ASIAN SOUTH REGIONAL OFFICE/MALAYSIA DISTRICT OFFICE
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50250 Kuala Lumpur, Malaysia
Tel 60-3-2145-2526 Fax 60-3-2145-2786

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80 Marine Parade Road, #14-01/03 Parkway Parade, Singapore 449269
Tel 65-6339-8890 Fax 65-6344-3777

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Sentral Senayan 1, 17th Floor, Unit #117C, Jalan Asia Afrika No.8,
Jakarta 10270, Indonesia
Tel 62-21-572-4480 Fax 62-21-572-4485

### TURKEY DISTRICT OFFICE
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Kadikoy, 34742, Istanbul, Turkey
Tel 90-216-380-6295 Fax 90-216-380-6299

### AFRICA REGIONAL OFFICE/EGYPT DISTRICT OFFICE
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Tel 20-2-2736-0935 Fax 20-2-2736-0948

### TANZANIA REGIONAL OFFICE
Plot No.100, Morogoro Road, Jangwani grounds near Magomeni Township,
Dar es Salaam, Tanzania
Tel 255-22-2170-438 Fax 255-22-2170-510

## PRINCIPAL SUBSIDIARIES AND AFFILIATES

### NORTH AMERICA/HAWAII

[USA]

**KAJIMA U.S.A. INC.**
**KAJIMA INTERNATIONAL INC.**
**KAJIMA REAL ESTATE DEVELOPMENT, INC.**
3475 Piedmont Road NE, Suite 1600, Atlanta, GA 30305, USA
Tel 1-404-564-3900 Fax 1-404-564-3901

**KAJIMA ASSOCIATES, INC.**
1 Meadowlands Plaza, Suite 1401, East Rutherford, NJ 07073, USA
Tel 1-201-518-2100 Fax 1-201-518-1532 (Construction), 1-201-518-1534 (Design)

**KAJIMA BUILDING & DESIGN GROUP, INC.**
3490 Piedmont Road, Suite 900, Atlanta, GA 30305, USA
Tel 1-404-812-8600 Fax 1-404-812-8691

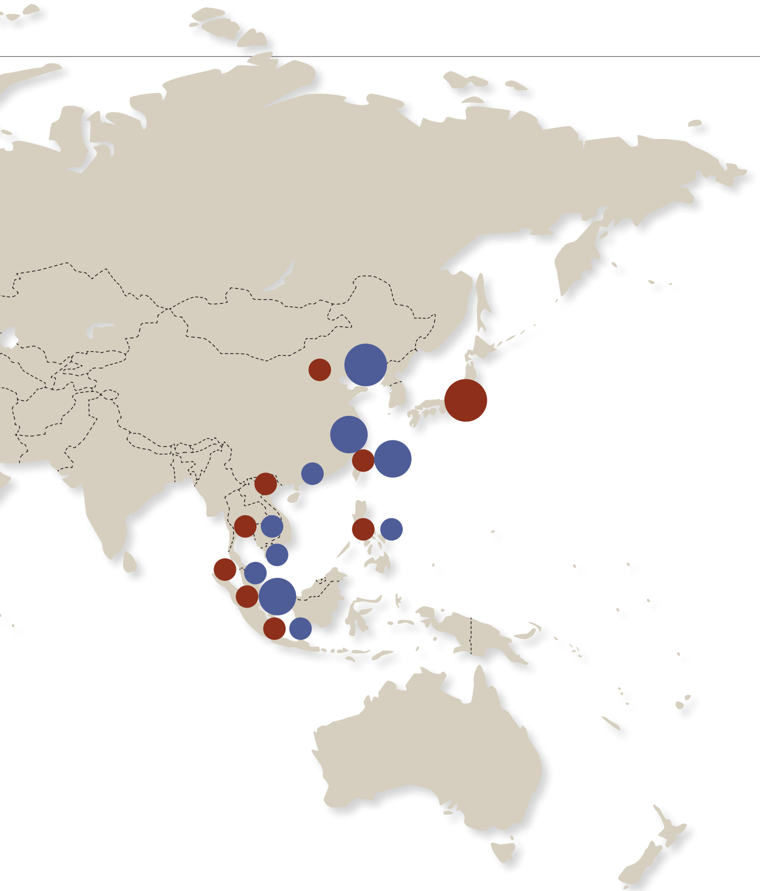
**KCS WEST, INC.**
901 Corporate Center Drive, 3rd Floor, Monterey Park, CA 91754, USA
Tel 1-323-269-0020 Fax 1-323-264-5912

**HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC.**
201 Merchant Street, Honolulu, HI 96813, USA
Tel 1-808-735-3211 Fax 1-808-735-7416

**THE AUSTIN COMPANY**
6095 Parkland Boulevard, Cleveland, OH 44124, USA
Tel 1-440-544-2600 Fax 1-440-544-2690

**BATSON-COOK COMPANY**
817 Fourth Avenue, West Point, GA 31833, USA
Tel 1-706-643-2500 Fax 1-706-643-2199

**INDUSTRIAL DEVELOPMENTS INTERNATIONAL, INC.**
Eleven Hundred Peachtree, 1100 Peachtree Street, Suite 1100, Atlanta,
GA 30309, USA
Tel 1-404-479-4000 Fax 1-404-479-4162



**COMMERCIAL DEVELOPMENTS INTERNATIONAL, INC.**
1251 Avenue of the Americas, Suite 910, New York, NY 10020, USA
Tel 1-212-899-4570 Fax 1-212-899-4569

**KAJIMA DEVELOPMENT CORPORATION**
901 Corporate Center Drive, Suite 104, Monterey Park, CA 91754, USA
Tel 1-323-262-8484 Fax 1-323-262-8893

**KUD INTERNATIONAL LLC**
111 West Ocean Boulevard, Suite 1000, Long Beach, CA 90802, USA
Tel 1-562-276-4180 Fax 1-562-276-4179

**BATSON-COOK DEVELOPMENT COMPANY**
300 Galleria Parkway, Suite 1600, Atlanta, GA 30339, USA
Tel 1-770-953-9600 Fax 1-770-955-2742

**ANGLEBROOK GOLF CLUB**
100 Route 202, Lincolndale, NY 10540, USA
Tel 1-914-245-5588 Fax 1-914-245-5592

## EUROPE

[UK]

**KAJIMA EUROPE LTD.**
**KAJIMA EUROPE DESIGN AND CONSTRUCTION (HOLDING) LTD.**
**KAJIMA ESTATES (EUROPE) LTD.**
**KAJIMA PARTNERSHIPS LTD.**
**KAJIMA PROPERTIES (EUROPE) LTD.**
55 Baker Street, London W1U 8EW, UK
Tel 44-20-3075-1800 Fax 44-20-3075-1899

[FRANCE]

**KAJIMA EUROPE S.A.S.**
10, Rue de la Paix, 75002 Paris, France
Tel 33-1-4261-2053 Fax 33-1-4260-3764

**KAJIMA EUROPE LOU ROUCAS S.A.R.L., SAINT ENDREOL OFFICE**
Saint Endreol, Route de Bagnols en Foret, 83920 La Motte en Provence, France
Tel 33-4-9451-8200 Fax 33-4-9499-2081

[POLAND]

**KAJIMA POLAND SP. Z O.O.**
Lim Center 12th Floor, Al. Jerozolimskie 65/79, 00-697 Warsaw, Poland
Tel 48-22-630-75-20 Fax 48-22-630-75-19

[CZECH REPUBLIC]

**KAJIMA CZECH DESIGN AND CONSTRUCTION S.R.O.**
Palac Flora Building C 9th Floor, Vinohradska 151/2828, 130 00 Praha 3, Czech Republic
Tel 420-255-742-455 Fax 420-255-742-499

## ASIA

[SINGAPORE]

**KAJIMA OVERSEAS ASIA PTE LTD**
80 Marine Parade Road, #14-01/03 Parkway Parade, Singapore 449269
Tel 65-6344-0066 Fax 65-6344-3777

**KAJIMA DESIGN ASIA PTE LTD**
80 Marine Parade Road, #06-02/05 Parkway Parade, Singapore 449269
Tel 65-6334-1383 Fax 65-6334-1318

[INDONESIA]

**P.T. KAJIMA INDONESIA**
Sentral Senayan 1, 17th Floor, Unit #117A, Jalan Asia Afrika No.8,
Jakarta 10270, Indonesia
Tel 62-21-572-4477 Fax 62-21-572-4433

**P.T. SENAYAN TRIKARYA SEMPANA**
Sentral Senayan 1, 8th Floor, Jalan Asia Afrika No.8, Jakarta 10270, Indonesia
Tel 62-21-572-3456 Fax 62-21-579-00111

[THAILAND]

**THAI KAJIMA CO., LTD.**
19th Floor, Ramaland Building, 952 Rama IV Road, Bangrak, Bangkok 10500, Thailand
Tel 66-2-632-9300 Fax 66-2-632-9312

**RAMALAND DEVELOPMENT CO., LTD.**
19th Floor, Ramaland Building, 952 Rama IV Road, Bangrak, Bangkok 10500, Thailand
Tel 66-2-632-9777 Fax 66-2-632-9779

[MALAYSIA]

**KAJIMA (MALAYSIA) SDN. BHD.**
16th Floor, Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Tel 60-3-2141-4391 Fax 60-3-2142-0322

[VIETNAM]

**KAJIMA OVERSEAS ASIA PTE LTD, VIETNAM DISTRICT OFFICE**
7th Floor, AB Tower, 76 Le Lai Street, District 1, Ho Chi Minh City, Vietnam
Tel 84-8-3521-0720 Fax 84-8-3521-0721

[PHILIPPINES]

**KAJIMA PHILIPPINES INC.**
12th Floor, Sky Plaza, 6788 Ayala Avenue, Makati City, Philippines 1226
Tel 63-2-886-6818 Fax 63-2-886-6817

[HONG KONG]

**KAJIMA OVERSEAS ASIA PTE LTD, HONG KONG DISTRICT OFFICE**
Room 1905, 19th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong
Tel 852-2598-6767 Fax 852-2598-0696

[TAIWAN]

**CHUNG-LU CONSTRUCTION CO., LTD.**
2nd Floor, No.9, Lane 65, Chung Shan North Road, Section 2 Taipei, Taiwan
Tel 886-2-2541-0812 Fax 886-2-2522-3092

[CHINA]

**KAJIMA CORPORATION (CHINA) CO., LTD.**
Lei Shing International Plaza 11th Floor, No.1319, West Yan'an Road,
Changning District, Shanghai, 200050, China
Tel 86-21-6226-0997 Fax 86-21-6226-0992

**KAJIMA SHENYANG CONSTRUCTION MANAGEMENT & CONSULTING CO., LTD.**
#503 Traders Hotel, 68 Zhong Hua Road, Heping District, Shenyang, 110-001, China
Tel 86-24-2341-3641 Fax 86-24-2341-3653

# STOCK INFORMATION

(As of March 31, 2011)

## BASIC INFORMATION

| | |
|---|---|
| STOCK EXCHANGE LISTINGS | Tokyo, Osaka, and Nagoya Stock Exchanges |
| INDUSTRY AND SECURITIES CODE | Construction / 1812 |
| TRADING UNIT | 1,000 |
| NUMBER OF SHARES OF COMMON STOCK | Authorized 2,500,000,000<br>Issued 1,057,312,022 |
| PAID-IN CAPITAL | ¥81,447,203,834 |
| NUMBER OF SHAREHOLDERS | 84,229 |

## STOCKHOLDER INFORMATION

| | | |
|---|---|---|
| FISCAL YEAR-END | March 31 every year | |
| ORDINARY SHAREHOLDERS' MEETING | Late June every year in Tokyo<br>(within three months from the day following the fiscal year-end) | |
| DATE OF RECORD | Ordinary Shareholders' Meeting | March 31 every year |
| | Year-end dividend | March 31 every year |
| | Interim dividend | September 30 every year |
| TRANSFER AGENT | The Chuo Mitsui Trust and Banking Company, Limited | |

## PRINCIPAL SHAREHOLDERS

(Units: thousand shares, %)

| Name | Number of shares | Shareholding |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 44,686 | 4.29 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 38,188 | 3.67 |
| Shoichi Kajima | 31,585 | 3.03 |
| Kajima Employee Stock Ownership | 25,975 | 2.49 |
| SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS | 21,314 | 2.05 |
| Sumitomo Mitsui Banking Corporation | 20,442 | 1.96 |
| Japan Trustee Services Bank, Ltd. (Trust Account 4) | 20,234 | 1.94 |
| THE BANK OF NEW YORK-JASDECTREATYACCOUNT | 18,688 | 1.79 |
| Yoshiko Ishikawa | 15,692 | 1.51 |
| The Kajima Foundation | 14,470 | 1.39 |
| Total | **251,277** | **24.13** |

1. In addition to the above, Kajima Corporation has treasury stock of 16,144 thousand shares.
2. Shareholding was computed excluding total treasury stock.

# CORPORATE DATA

(As of March 31, 2011)

| | |
|---|---|
| **COMPANY NAME** | Kajima Corporation |
| **ESTABLISHED** | 1840 |
| **INCORPORATED** | 1930 |
| **LOCATION OF HEADQUARTERS** | 1-3-1, Motoakasaka, Minato-ku, Tokyo 107-8388, Japan |
| **BUSINESS DOMAIN** | Construction (Civil Engineering and Building Construction), Real Estate Development, Architectural Design, Civil Engineering Design, Engineering, and Other |
| **NUMBER OF EMPLOYEES** | 8,164 |
| **INDEPENDENT AUDITOR** | Deloitte Touche Tohmatsu LLC |
| **INVESTOR RELATIONS WEBSITE** | http://www.kajima.co.jp/english/ir/index.html |

Kajima's Investor Relations Website contains financial and operating results and other information.

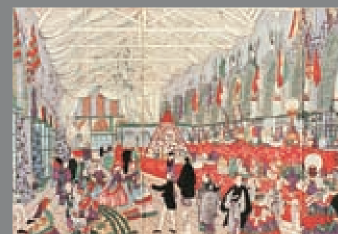
## IN 2009, KAJIMA CORPORATION CELEBRATED ITS 170TH ANNIVERSARY.

Iwazo Kajima

From the historic Edo period to today, Kajima has played a vital role in developing the social capital essential to Japan's industrial and economic advancement, and an improved standard of living for its citizens. Naturally, times have not always been generous, and countless challenges have arisen over the years. To face them, our predecessors pooled their knowledge and strengths to anticipate the needs of the era, turning the tables on adversity to embark on a bold wave of management innovation.

The key to Kajima's ongoing development is a bold and vigorous enterprising spirit that runs through the veins of our managers and employees. Our corporate philosophy is "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." While times may change, our unyielding commitment to this philosophy never will.

# 1800s



1860 Ei-Ichiban Kan

1880 Began construction of Yanagase Railroad

## [JAPAN]

**1860** Ei-Ichiban Kan

**1872** Houraisha Office

**1874** Papermaking Company (Oji Paper) Factory

**1878** Okayama Prefectural Office

**1880** Began construction of Yanagase Railroad

**1891** Began construction of Usui Railway Line

1872 Houraisha Office

1874 Papermaking Company (Oji Paper) Factory

1878 Okayama Prefectural Office

## [OVERSEAS]

**1899** Built railroads in Taiwan, Korea, etc.

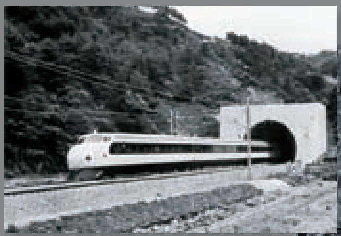
1899 Built railroads in Taiwan, Korea, etc.

## 1900-1959

1918 Began construction of Tanna Tunnel (17-year project)

1924 Ohmine Dam

## 1960-1969



1963 New Tanna Tunnel

1968 Kasumigaseki Building

**1918** Began construction of Tanna Tunnel (17-year project)

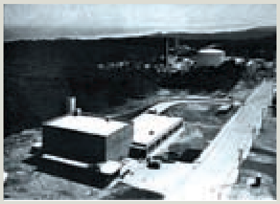
**1924** Ohmine Dam

**1934** Ueno Station

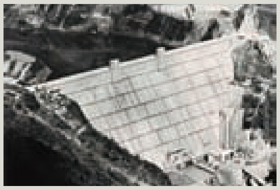
**1957** No.1 Reactor, Japan Nuclear Power Research Center

**1957** Ogouchi Dam

1934 Ueno Station



1957 No.1 Reactor, Japan Nuclear Power Research Center



1957 Ogouchi Dam

**1960** Yamashina construction zone on the Meishin Expressway

**1961** Okutadami Dam

**1962** Tobata Iron Mill, Yawata Iron and Steel Co., Ltd.

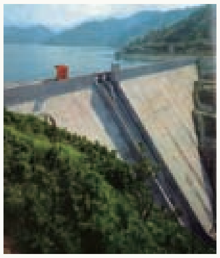
**1963** New Tanna Tunnel

**1964** Komazawa Olympic Gymnasium

**1968** Kasumigaseki Building

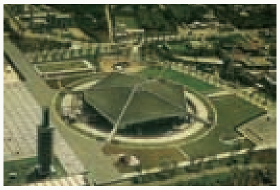
**1968** Keiyo Sea Berth

**1969** Nagawado Arch Dam, Azumi Power Plant



1961 Okutadami Dam

1962 Tobata Iron Mill, Yawata Iron and Steel Co., Ltd.



1964 Komazawa Olympic Gymnasium

**1960** Baluchaung Hydroelectric Power Plant, former Burma

**1965** Karang-Kates Dams, Indonesia

**1965** Jurong Shipyard Docks, Singapore

1960 Baluchaung Hydroelectric Power Plant, former Burma

# 1970-1979

1974 Sumitomo Shinjuku Building, KDDI Building, Shinjuku Mitsui Building

1974 Supreme Court

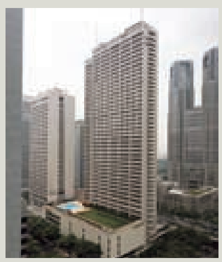
# 1980-1989

1984 Kokugikan Sumo Arena

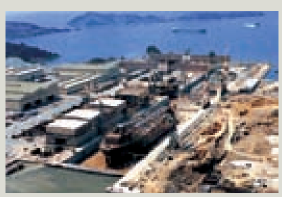
1988 Honshu-Shikoku Bridge

## [JAPAN]

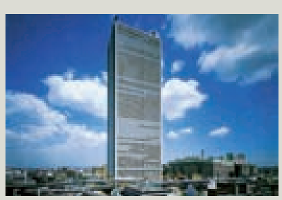
**1971** Keio Plaza Hotel
**1972** MHI Kouyagichou Dock
**1974** Sumitomo Shinjuku Building, KDDI Building, Shinjuku Mitsui Building
**1974** Supreme Court
**1978** Sunshine 60 Building



1971 Keio Plaza Hotel

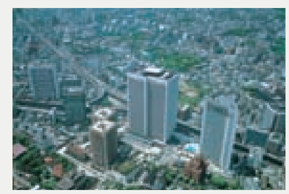


1972 MHI Kouyagichou Dock



1978 Sunshine 60 Building

**1984** Kokugikan Sumo Arena
**1986** ARK Hills
**1988** Seikan Tunnel
**1988** Honshu-Shikoku Bridge
**1989** Kajima KI Building



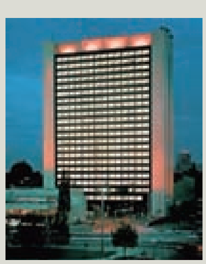
1986 ARK Hills

1988 Seikan Tunnel

1989 Kajima KI Building

## [OVERSEAS]

**1978** International Trade Center, former East Germany

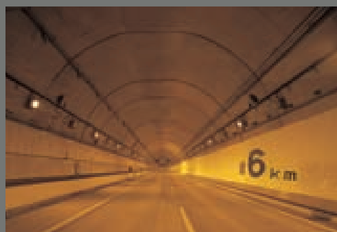


1978 International Trade Center, former East Germany

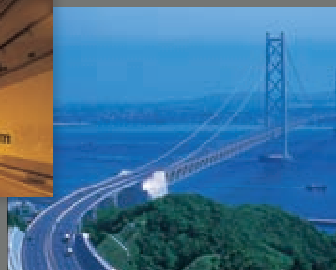
**1982** Jeddah Royal State Palace, Saudi Arabia
**1982** Asahan Sigura-gura Power Plant, Indonesia
**1987** Mazda Detroit Plant, USA
**1987** Grand Hotel Berlin, former East Germany

1987 Mazda Detroit Plant, USA

# 1990-1999



1997 Tokyo Wan Aqua Line

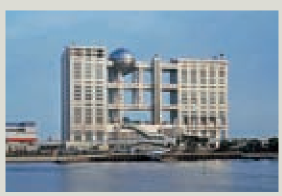


1998 Akashi Kaikyo Bridge

■ Real estate development project (year of construction completed)

- ■ 1992 Tokyo East 21
- 1993 Tennozu Isle, Seafort Square
- 1994 Shinjuku Park Tower
- 1994 Yebisu Garden Place
- 1994 Kansai International Airport
- 1996 Fuji Television Head Office
- 1996 Nagano Olympic Memorial Arena
- 1997 Tokyo Wan Aqua Line
- 1997 Miyagase Dam
- 1998 Akashi Kaikyo Bridge

1994 Shinjuku Park Tower



1996 Fuji Television Head Office

1997 Miyagase Dam

- ■ 1990 Stockley Park, UK
- 1995 Hotel Nikko Kuala Lumpur, Malaysia
- ■ 1996 Senayan Square, Indonesia (Office Tower I, II and Plaza Senayan)
- ■ 1996 Hualalai Resort, Hawaii
- ■ 1997 Millenia Singapore

1997 Millenia Singapore

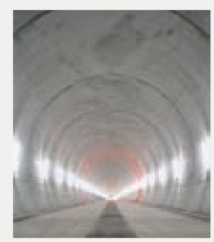
# 2000-

2005 Akihabara Crossfield

2010 D-Runway, Tokyo International Airport

- ■ 2000 Daikanyama Address
- 2001 Saitama Stadium 2002
- ■ 2003 Shiodome Tower
- 2003 Roppongi Hills Mori Tower
- 2004 Hakkoda Tunnel
- ■ 2005 Akihabara Crossfield
- ■ 2006 Toranomon Towers Residence & Office
- 2006 The National Art Center
- 2007 GranTokyo North Tower
- ■ 2007 GranTokyo South Tower
- 2007 Kajima Head Office and Kajima Akasaka Annex
- 2010 D-Runway, Tokyo International Airport
- 2010 Metropolitan Expressway, Central Circular Shinjuku Route, Yamate Tunnel

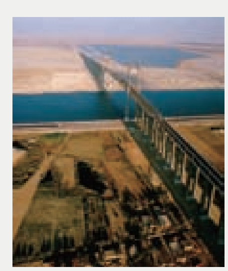
2003 Roppongi Hills Mori Tower



2004 Hakkoda Tunnel

2007 Kajima Head Office

- 2000 Ambassador Hotel Hsinchu, Taiwan
- ■ 2000 AT&T Park, San Francisco, USA
- 2001 Mubarak-Peace Bridge, Egypt
- 2005 Treasure Palace (Condominium), Taiwan
- 2006 Began construction of Algeria East-West Motorway
- 2010 Resorts World Sentosa, Singapore



2001 Mubarak-Peace Bridge, Egypt

KAJIMA CORPORATION

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