



- An overview of the Kajima Group Medium-Term Business Plan (FY2021–2023) follows.

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1.

Previous Medium-Term Business Plan Results and Business Environment Outlook

In formulating the new medium-term business plan, we reviewed the past, including the results of the previous medium-term business plan, and examined the vastly changed business environment, including the impacts of the COVID-19 pandemic.

- First, we will review the past, including the results of the previous medium-term business plan, and take a look at the business environment.

1-1. Results of Previous Medium-Term Business Plan

Review of business and financial performance

Raise the performance standards of the Group

- Recovered profitability of the domestic construction business through rigorous front loading and productivity improvement
- Growth of real estate development and overseas businesses in response to enhancement of revenue sources

Financial structure improved and viable growth investment framework enabled

Achieved financial targets for the third consecutive year during the previous medium-term business plan

Financial targets of previous medium-term business plan	Net income: ¥80 billion or more		
	ROE: 10% or more		
Performance	FY2018	FY2019	FY2020
Net income (¥ billion)	109.8	103.2	98.5
ROE	15.5%	13.4%	11.8%

Results of measures taken

Built next-generation construction manufacturing systems

- Conducted focused R&D to improve productivity
- Applied and deployed new technology in projects
- Direct hiring for some occupations, supported human resource development for partner companies

Provided valuable construction services to society and customers

- Achieved investment target for domestic/overseas real estate development
- Began operation of private REIT
- Profit growth in the industrial warehouse development business in the United States and Europe

Established Group management foundation for growth

- Promoted ESG/SDG initiatives, identified material issues
- Promoted technical collaboration and cooperation with major industry peers
- Established compliance and risk management system

Ongoing Issues

Strengthen core businesses

- Further raise productivity and secure future workforce
- Investments focused on efficiency and results

Expansion of business areas

- Initiatives in upstream/downstream construction fields
- Development of new business models

Management platform

- Continue rigorous compliance
- Strengthen decarbonization initiatives

- In terms of business and financial performance, we recovered profitability in the domestic construction business. Also, the growth of profit sources in the real estate development business and overseas business resulted in an improvement in the performance level of the entire group and in the financial structure. We achieved our business targets for the third consecutive year.
- Regarding measures taken, we made steady progress on efforts to focus R&D on improving productivity, investing in real estate development projects, and on efforts to reinforce the management foundation of the Group.
- We believe we need to continue to improve productivity, secure future workforce, expand business areas, develop new business models and revenue sources, and continue to promote rigorous compliance and decarbonization efforts.

1-2. Business Environment Outlook

Changes in the business environment	
Society & Economy <ul style="list-style-type: none"> ● Complexity of Globalization ● Changes in industrial structures and principles governing corporate activities, and promotion of ESG measures and the SDGs ● Transformation of lifestyles and consumption behavior, and diversification of values and work styles ● Medium and long-term decrease in Japanese working-age population 	Environment & Energy <ul style="list-style-type: none"> ● Climate change, and more severe natural disasters ● Decarbonization and renewable energy movements Technology <ul style="list-style-type: none"> ● Acceleration of digitalization, and expansion of AI, IoT, and 5G technology adoption
Impacts of the COVID-19 pandemic	Construction demand outlook
Economic trend <ul style="list-style-type: none"> ● Global economic recovery is expected, but it will take time due to the impact of various economic measures and the spread of vaccines Domestic business <ul style="list-style-type: none"> ● We expect to maintain the production systems at our construction sites by limiting the reduction in work efficiency caused by rigorous COVID-19 countermeasures ● The disappearance of inbound tourism demand and a cautious approach to corporate investment will have a certain impact on order-taking, so the intensely competitive environment could continue Business outside Japan <ul style="list-style-type: none"> ● In North America, Europe, and Oceania, the impact is expected to be minor, and stagnant construction and development projects in Southeast Asia are expected to gradually improve 	Domestic <ul style="list-style-type: none"> ● Public-sector investment is expected to remain strong ● Private capital investment will improve with economic recovery, but time is needed before the impacts of COVID-19 are eliminated completely, so highly uncertain conditions will continue for the time being ● Investments related to decarbonization and digitalization are expected to increase in the medium to long term Overseas <ul style="list-style-type: none"> ● Steady construction demand such as for manufacturing and logistics facilities is expected in North America and Europe, and for housing in Oceania ● It will take some time before demand in Southeast Asia returns to pre-COVID-19 levels

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- Next let us say a few words about how we see the business environment.
- Recent social and economic changes include transformation in industrial structure, people's lifestyles and consumption behaviors, and social values. We recognize that these changes have been accelerated by the COVID-19 pandemic.
- Regarding the outlook for construction demand, it is expected that it will take some time for the effects of COVID-19 to be completely eliminated in domestic private capital investment, and that this fiercely competitive environment may continue.
- Overseas, we anticipate that it will take some time for the Southeast Asian market to return to pre-COVID-19 levels.

2.

Kajima Group Vision

Recognizing the importance of attracting diverse human resources and co-creating value in collaboration with external resources in today's increasingly uncertain business environment, we have formulated the Kajima Group Vision to share the Kajima Group's objectives both internally and externally.

- In order for the Group to grow sustainably in this rapidly changing business environment, we believe it is important to attract diverse human resources and co-create value in collaboration with external resources.
- Based on this awareness, we have formulated the Kajima Group Vision to share our Group's objectives both internally and externally.

2-1. Vision

Vision Statement

Willingness to take on new challenges leveraging the power of ideas and technology to make imagination and amazement a reality

Values

Openness

Having the ability to adapt to changes by seeking external resources and stimuli necessary for business creation and R&D

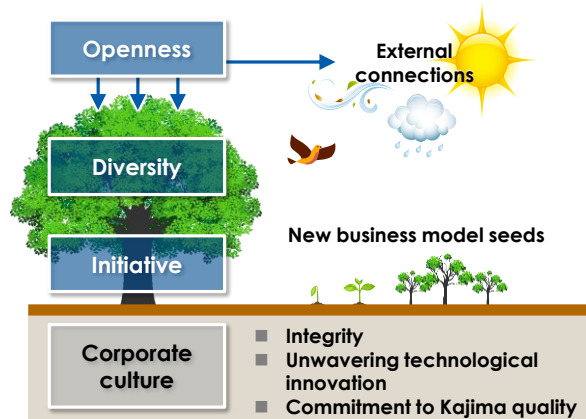
Diversity

Placing importance on diverse human resources and work styles, and having the receptiveness to recognize sharp ideas and different values

Initiative

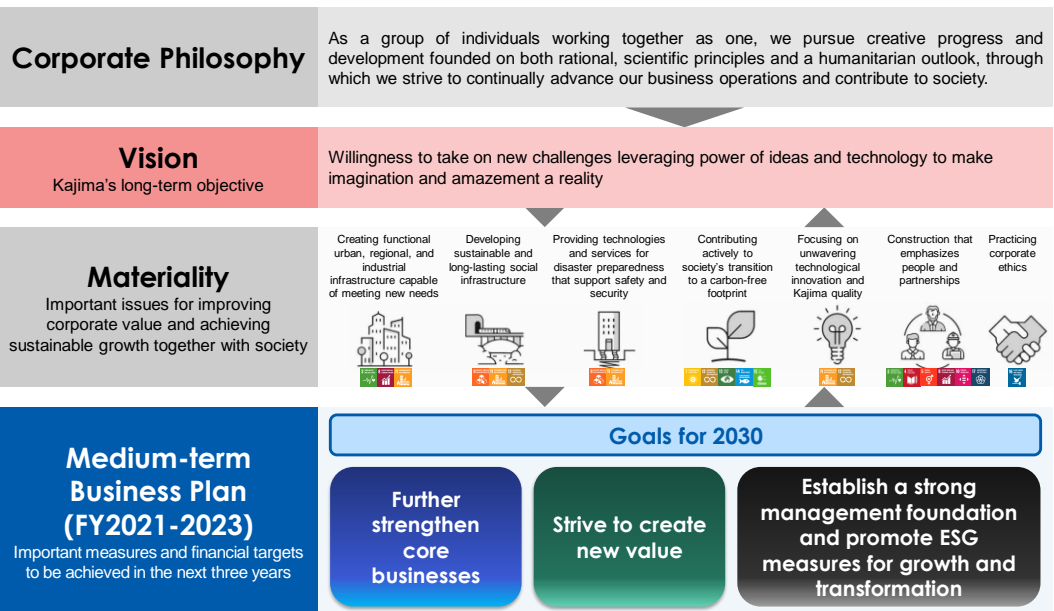
Being able to take the initiative and having the creativity to put together mechanisms for new value areas

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- The Kajima Group Vision consists of a “vision statement” that expresses the course the Group has charted to the future and the “values” that we want to hold fast to in order to achieve the vision.
- The vision statement is as follows: “Willingness to take on new challenges leveraging the power of ideas and technology to make imagination and amazement a reality.”
- Here are the four values that we want to hold fast to. As shown in the illustration, the idea is to form those values into what we call the Kajima tree and then grow that tree accordingly.
- We are striving to grow this “Kajima tree” with the three elements of initiative, diversity, and openness, all built upon the roots of our corporate culture.

2-2. Importance of the Corporate Philosophy, Vision, Material Issues, and Medium-term Business Plan



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- Next is the positioning of our medium-term business plan.
- Our corporate philosophy is at the top; next is our vision for the long term; and then comes materiality, which is the set of issues with significance for Kajima to grow sustainably with society. We have positioned our medium-term business plan to consist of key measures and business goals that we will focus on in the next three years.
- We have partly revised the material issues in connection with the formulation of the vision and medium-term business plan. (Refer to slide 36.)

3.

Medium-Term Business Plan (FY2021-2023) Forward-Looking Investment

Our plan is to invest in medium- to long-term growth while maintaining and improving business performance, even in a fiercely competitive environment, thereby ensuring the future growth of the Group.

(1) Key measures

(2) Financial targets and investment plan

(3) Stockholder returns and financial measures

- Let us move on to the details of the medium-term business plan.
- The subtitle is “forward-looking investment.” What this means is that even in this fiercely competitive environment, the Group is making an all-out effort to maintain and improve business performance while investing for medium- to long-term growth.

3[1]-1. Overview of Medium-Term Business Plan

1. Further strengthen core businesses	2. Strive to create new value	3. Establish a strong management foundation and promote ESG measures for growth and transformation
Goals for 2030		
<ul style="list-style-type: none"> Promote sustainable growth by utilizing intangible and tangible assets as well as digital and conventional technologies, while building a strong value chain Build efficient production systems by applying factory processes to construction sites and visualizing the entire supply chain 	<ul style="list-style-type: none"> Acquire new revenue sources in the promising fields to solve social challenges Establish an open innovation promotion system, and create various new businesses 	<ul style="list-style-type: none"> Achieve Target 2030 as a step toward fulfilling the Kajima Environmental Vision: Triple Zero 2050 Achieve safe, secure and comfortable worksites that all construction engineers will find attractive Build free and open organizations with diverse human resources Pursue R&D based on the world's most advanced knowledge to direct the business
Key Measures to Implement by FY2023		
<ol style="list-style-type: none"> Strengthen proposal, design-build, and engineering capabilities with a focus on growth areas Further promote the development of next-generation construction manufacturing systems Maximize customer value by expanding the business domain Increase profits by proactive investment in the real estate development business Build and enhance global platforms 	<ol style="list-style-type: none"> Proactively promote businesses in solving social challenges Explore and create new businesses by promoting open innovation Enhance functions for envisioning future society 	<ol style="list-style-type: none"> Accelerate Triple Zero 2050 activities Secure next-generation workforce while maintaining and strengthening the supply chain Develop people and systems to promote growth and transformation Strategically promote R&D and DX

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- Take a look at this overview of the key measures of the medium-term business plan.
- We first set goals for 2030 as medium- to long-objectives. Then, we established key measures for the next three years to achieve the goals. In addition to identifying what should be done based on our current situation, we also used a backcasting approach to identify the key measures.
- There are three pillars in the medium-term business plan. The first is to further strengthen core businesses. The second is to strive to create new value. The third is to establish a strong management foundation and promote ESG measures for growth and transformation. We have set our goals for 2030 in each of these pillars.

3[1]-2. Key Measures

1. Further strengthen core businesses 1/2

2. Strive to create new value

3. Establish a strong management foundation and promote ESG measures for growth and transformation

- Expand the value chain of the construction and real estate businesses, our core businesses, and improve profitability

Key Measures to Implement by FY2023

- Strengthen proposal, design-build, and engineering capabilities with a focus on growth areas
- Further promote the development of next-generation construction manufacturing systems
- Maximize customer value by expanding the business domain

Initiatives in growth and priority areas



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Further promote smart production, automated and optimized construction



Enhance efforts to provide value through the value chain



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- Starting here, we will focus on the key measures for 2023 in each of our three pillars.
- There are five key measures for further strengthening core businesses.
- First, we will strengthen proposal, design-build, and engineering capabilities with a focus on growth areas. Since competition is intensifying, we will focus on growth areas and priority areas in particular.
- Second, we will further promote the development of next-generation construction manufacturing systems. We will strive to improve productivity with smart production and automation of construction, and we will also work to leverage digital twinning via BIM and CIM.
- Third, we will maximize customer value by expanding the business domain. We aim to broadly enhance the group-wide services provided to our customers from upstream to downstream in our construction activities.

Key Measures to Implement by FY2023

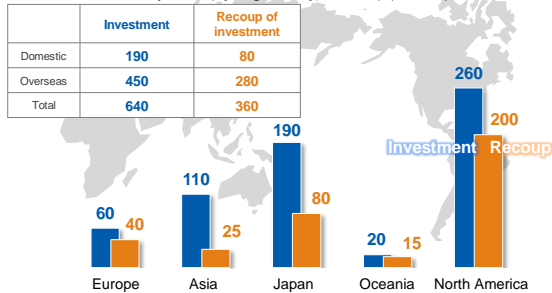
- ④ Increase profits by proactive investment in the real estate development business
- ⑤ Build and enhance global platforms

Expansion of investment cycle of real estate business and diversification of portfolio

Product planning based on the age of the new normal + Diversification of portfolio + Establish and expand the investment cycle

→ Increase profits

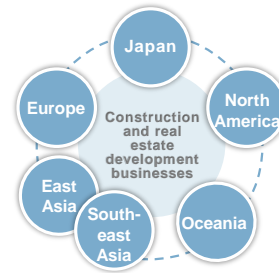
Investment/Recovery Plan (by region, 3-year total) (¥billion)



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Further development of global five-region system

- Further localization in terms of human resources
- Expand business platforms worldwide by forming business and capital alliances
- Enhance upstream and downstream fields such as design, engineering, and O&M, etc.
- Maximize synergies in the construction and real estate development businesses



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- Fourth, we will increase profits by proactive investment in the real estate development business. In Japan and overseas, we will strive to improve profitability by recouping investment by reinforcing the investment cycle, while carrying out product planning based on new needs and diversifying our portfolio. We have also formulated regional investment and recovery plans that match the characteristics of the market.
- Fifth, we will build and enhance global platforms. Some overseas subsidiaries engaged in building construction and real estate development businesses have built a firm foundation. We will build local infrastructure in terms of personnel and expand the business in upstream and downstream fields of construction to enhance an even more solid foundation for subsidiaries set forth above and to restructure the overseas civil engineering business.

3[1]-2. Key Measures

2. Strive to create new value

3. Establish a strong management foundation and promote ESG measures for growth and transformation

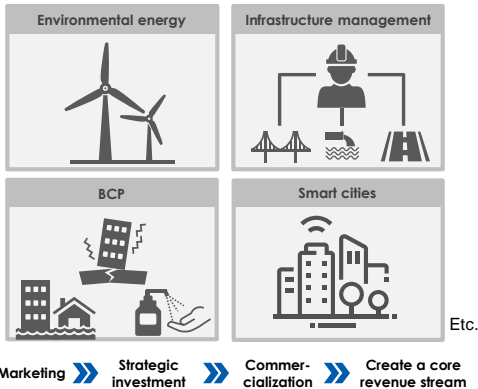
1. Further strengthen core businesses

- Establish an open innovation promotion system, and drive commercialization in promising fields to solve social challenges

Key Measures to Implement by FY2023

- Proactively promote businesses in solving social challenges
- Explore and create new businesses by promoting open innovation
- Enhance functions for envisioning future society

Promote business in new areas



Promote alliances with different industries or venture companies by expansion of open innovation network



Form a future society concept team for frontier area exploration



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- The second pillar of our medium-term business plan is to strive to create new value, and this one consists of three key measures.
- First, we will proactively promote businesses that help to solve social challenges. We will promote commercialization and revenue sources in the promising fields illustrated here.
- Second, we will explore and create new businesses by promoting open innovation. By making the most of our newly established strategic investment budget of 60 billion yen and leveraging our global network with Singapore, Silicon Valley, and so forth, we will promote alliances and investments with different industries and venture companies.
- Third, we will enhance functions for envisioning the society of the future. In order to explore the frontier areas that the Kajima Group will explore in the future, we will organize a concept team that envisions the society of the future and carries out frontier area exploration. It will be composed mainly of employees that indicate they would like to be part of such a team.

3[1]-2. Key Measures

3. Establish a strong management foundation and promote ESG measures for growth and transformation

1. Further strengthen core businesses

2. Strive to create new value

- Promote ESG/SDG initiatives and establishment of a management platform that supports growth and transformation

Key Measures to Implement by FY2023

①Accelerate Triple Zero 2050 activities
②Secure next-generation workforce while maintaining and strengthening the supply chain

③Develop people and systems to promote growth and transformation
④Strategically promote R&D and DX

Striving to become carbon neutral by 2050

Reduction rate of CO₂ emissions per unit of output compared to FY2013

Target to be reduced	FY2023 target	Triple Zero 2050	
		FY2030 target (Target 2030)	FY2050 target
Kajima's CO ₂ emissions	26% decrease	50% decrease	100% decrease

Science Based Targets (SBTs):
An international system for validating greenhouse gas reduction targets

➔ Seek to acquire SBTs recognition in FY2023

- Planned investments for carbon offsets
- Promote development and use of eco-friendly materials such as CO₂-SUICOM

Strengthen governance

- Promote DX throughout the Group to build environments for business process renewal and business model creation
- Enforce rigorous compliance in the supply chain

Restructure multi-layered subcontracting

Form construction system limited to secondary subcontracting, in principle

Target to be achieved by FY2023: 100%

Rigorous safety management, etc.
(Practice safety management)

Raise productivity

Improve compensation for construction engineers
(Enhance recruitment and training, and promote retention)

Form a safe and secure workplace

Secure next-generation workforce

Human resource/organization development, workstyle reforms

- Create systems that rally human resources to take on challenges and continue to grow
 - Expand measures to develop human resources (Leverage talent management system, review training system, utilize new training facility)
- Pursue high productivity through flexible workstyles
 - Establish telework, remote work, promote increased work efficiency and labor saving

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- The third pillar of our medium-term business plan is to establish a strong management foundation and promote ESG measures for growth and transformation, and this one consists of four key measures.
- First, we will accelerate our Triple Zero 2050 activities. Under the Kajima Environmental Vision, we revised our CO₂ reduction target for Triple Zero 2050, setting the goal of achieving carbon neutrality in 2050. To achieve that goal, we will actively promote worksite CO₂ emission reduction activities and investment for carbon offsetting. (Refer to slides 33 and 34.)
- Second, we will secure next-generation workforce while maintaining and strengthening the supply chain. We will strongly promote measures to secure workforce including reform to our multi-layered subcontracting structure. (Refer to slide 35.) In addition, we will rigorously implement compliance and safety measures throughout our supply chain, including our partner companies.
- Third, we will develop people and systems to promote growth and transformation. Based on changes in people's values, we will secure diverse personnel, support diverse workstyles, and establish systems that encourage employees to take on challenges. We will also strengthen governance by improving the structure for managing the Group as a whole.
- Fourth, we will strategically promote R&D and digital transformation, or DX. R&D is extremely important for us as a technology company, and we will continue to pursue global open innovation with an even greater emphasis on communication and marketing. In addition, we will endeavor to spread DX and digitalization throughout the Group, which will lead to the renewal of business processes and the establishment of new business models.

3.

Medium-Term Business Plan (FY2021-2023) Forward-Looking Investment

- (1) Key measures
- (2) Financial targets and investment plan**
- (3) Stockholder returns and financial measures

- Now, let's review our financial targets and investment plans.

3 [2]-1.Financial Targets

- Although the medium-term business plan period will start amid a very challenging business environment, we have set an ambitious FY2023 target of consolidated net income of ¥95 billion or more, and we will aim for further profit growth in the medium to long term.

← Medium-Term Business Plan Period →						(¥billion)
	FY2021		FY2023		FY2024-2026	FY2030
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Consolidated
Revenues	2,010	1,250	around 2,250	around 1,370	—	—
Net Income	80	66	95 +	72.5 +	Reliably 100 +	130~ 150 +
ROE	Recover to a level above 10% as soon as possible					

Note: Consolidated net income is net income attributable to owners of the parent.

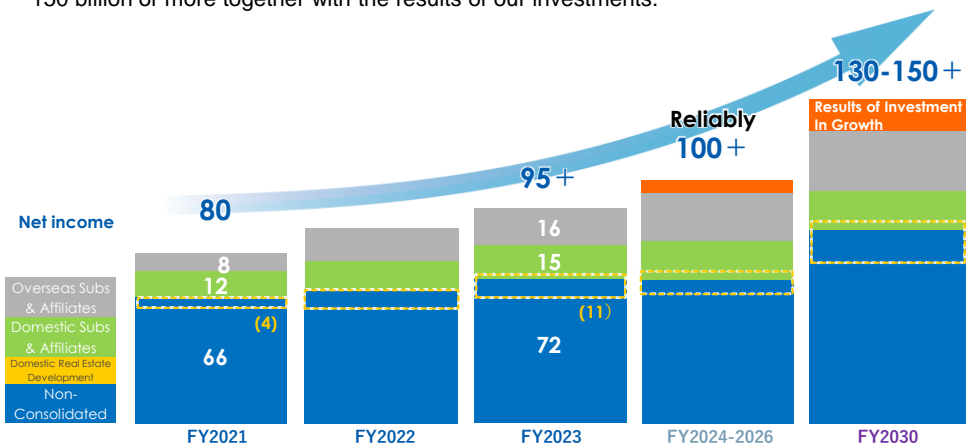
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- With the start of our medium-term business plan period in this severe business environment, we have set a target for consolidated net income of 80 billion yen in fiscal 2021, the first year of the plan, and 95 billion yen or more in fiscal 2023, the third year of the plan.
- During these three years, we will pursue forward-looking investments — which is to say, investment for expanding business areas and creating new value — while maintaining and improving our business performance.
- The results are gradually appearing, and together with the return on investment in our real estate development business, we will build a structure capable of recording consolidated net income of 100 billion yen or more in the next medium-term business plan period from fiscal 2024 to fiscal 2026. Furthermore, by 2030, we will aim to reach consolidated net income of 130 to 150 billion yen or more.
- ROE may decline for a short period, but we aim to recover it to a level above 10% as soon as possible.

3 [2]-2. Income by Segment

- We will strengthen our core business and invest in growth to expand our business areas and create new value. In the next medium-term business plan (FY2024-2026), we seek to stably achieve consolidated net income of ¥100 billion or more, and by around 2030, we aim for ¥130 to 150 billion or more together with the results of our investments.



Notes:

1. Consolidated net income is net income attributable to owners of the parent.
2. The breakdown of the bar graph shows net income of non-consolidated and affiliated companies before the consolidation adjustment, so it does not match total consolidated net income.
3. The figures in parentheses are business management figures that show Kajima's real estate development business + domestic subsidiaries and affiliates' real estate development businesses (these figures are included in "non-consolidated" or "domestic subsidiaries and affiliates" shown in the graph).

- This graph shows our projected profit growth by segment.
- During the period of our medium-term business plan (FY2021-2023), we will promote both investment and return on investment in our domestic and overseas real estate development businesses, while maintaining and improving the profit level of our domestic construction business.
- During the next medium-term business plan (FY2024-2026), our overseas business will recover from the effects of COVID-19, and the results of growth investment will gradually appear as illustrated in orange on the graph above, and consolidated net income will be stabilized at 100 billion yen or more. Also, we will aim for 130 to 150 billion yen or more around fiscal 2030.

3 [2]- 3. Investment Plan by Segment

- We plan to invest a total of 800 billion yen. With the recovery of real estate development investment, the amount of net investment is expected to be 440 billion yen. (¥billion)

	Medium-Term Business Plan (FY2018-2020)		Medium-Term Business Plan (FY2021~2023)
	Plan	Actual	
Real Estate Development (Recoup of Investment) (Net Investment)	400 175 225	400 160 240	640 360 280
R&D and Digital Investment	50	49	55
Strategic Investment Framework	-	-	60
Other *1	50	*2 69	45
Total (Net Investment)	500 325	518 358	800 440

*1. In the previous medium-term business plan (FY2018-2020), it was indicated as "investment for strengthening competitiveness and promoting sustainable growth."



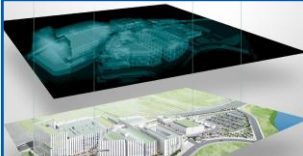
*2. Includes growth investment of about 29 billion yen.

- Next is our investment plan.
- In our previous medium-term business plan (FY2018-2020), the total investment amount was 518 billion yen, compared to the plan of 500 billion yen, but in our new medium-term business plan (FY2021-2023) the total investment plan is 800 billion yen, which is about 280 billion yen higher than the previous period.
- As in the previous period, the majority of investment will continue to be in our real estate development businesses, which have grown into our core business alongside the construction business. Meanwhile, we will continue to recoup investments we have made so far. The net investment amount of the real estate development business, which is the investment minus the amount recouped, we plan at 280 billion yen, which is 40 billion yen higher than the previous period.
- We plan to invest a total of 800 billion yen, including R&D and digital investment, strategic investment and other in addition to this real estate development investment. The net investment amount after deducting the amount recouped is 440 billion yen, which we plan to exceed the previous period by about 80 billion yen.
- Even if it would exceed the planned amount of 800 billion yen, we are prepared to remain flexible for any good investment opportunities that may present themselves.

3 [2]-4. Investment Plan (R&D/Digital)

R&D and digital investments (¥55 billion/3 years)

- Strategically promote R&D and DX to further advance the development of next-generation construction manufacturing systems
- Expand the open innovation network to promote co-creation with companies that possess the world's most advanced technologies

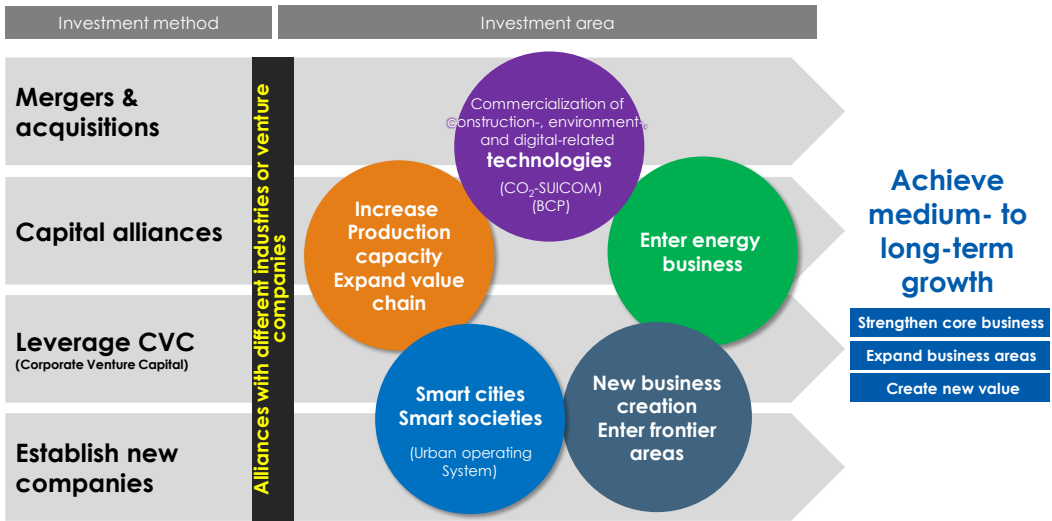
Next-generation construction manufacturing system	New field
 <p data-bbox="334 516 542 537">Kajima smart production</p> <ul data-bbox="301 562 564 726" style="list-style-type: none">• Promoting the development of technologies such as robotization and remote management, pursuing practical use, and accelerating introduction to construction sites	 <p data-bbox="605 516 865 537">Automated construction system</p> <ul data-bbox="596 562 849 726" style="list-style-type: none">• Deploying A⁴CSEL (quad axel), already used in dam construction, in tunnel construction and land reclamation works• Promote the development and introduction of AI  <p data-bbox="948 516 1142 537">Digital twins/Smart cities</p> <ul data-bbox="901 562 1186 701" style="list-style-type: none">• Developing urban operating system (OS)• Promoting digital twins (virtual construction/operation) for civil engineering/building construction

- Next, let's talk about our R&D and digital investment plans.
- Continuing from the previous medium-term business plan period, we plan to invest 55 billion yen, which is higher than the previous period, to drive the further advancement of next-generation construction manufacturing systems, fund the acquisition of advanced technology, and promote DX.

3 [2]-5. Investment Plan (Strategic Investment)

Strategic investment framework (¥60 billion/3 years)

- Explore investment opportunities in Japan and overseas to accelerate medium- to long-term growth, and make strategic investments



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- We will establish a new strategic investment framework of 60 billion yen.
- We will actively invest to improve production capacity and expand the value chain to strengthen core businesses, to expand into new business areas by entering businesses that help solve social issues, and to explore and create new businesses.

3.

Medium-Term Business Plan (FY2021-2023) Forward-Looking Investment

- (1) Key measures
- (2) Financial targets and investment plan
- (3) Stockholder returns and financial measures**

- Next, we will review stockholder returns and financial measures.

3 [3]. Financial Measures and Stockholder Returns

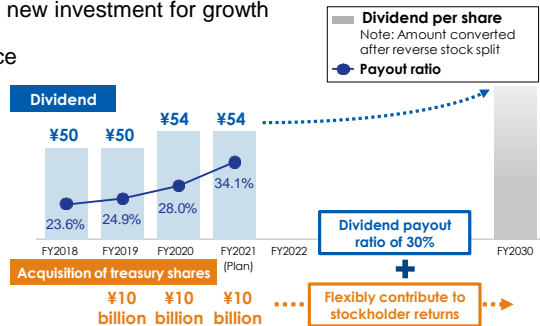
- Focusing on investments for medium- to long-term growth and striving to increase stockholder returns

Financial measures

- Optimize business portfolio and asset structure
 - Make focused investments in asset-efficient and growth businesses
 - Properly review businesses and assets under management, taking into account efficiency and risk
 - Monitor based on Return on Invested Capital (ROIC)
- Further reduce cross-shareholdings by selling shares worth ¥30 billion or more during the plan's period and utilize interest-bearing debt to fund new investment for growth
- Maintain financial soundness with risk tolerance

Stockholder returns

- The basic policy is to strive for a **dividend payout ratio of 30%**, as well as to **flexibly contribute to stockholder returns by acquiring own shares and other means** with consideration of business performance, financial condition and business environment.



- As a financial measure, we will optimize our business portfolio and asset structure as we implement the investment plan of 800 billion yen.
- In addition, as a source of funds for growth investment, we plan to sell more than 30 billion yen in cross-shareholdings over three years, and utilize interest-bearing debt to improve our investment efficiency while maintaining financial soundness.
- Regarding stockholder returns, we will endeavor to pay dividends with a payout ratio goal of 30%, and we may also pursue flexible means of enhancing stockholder returns such as share buybacks.

4.

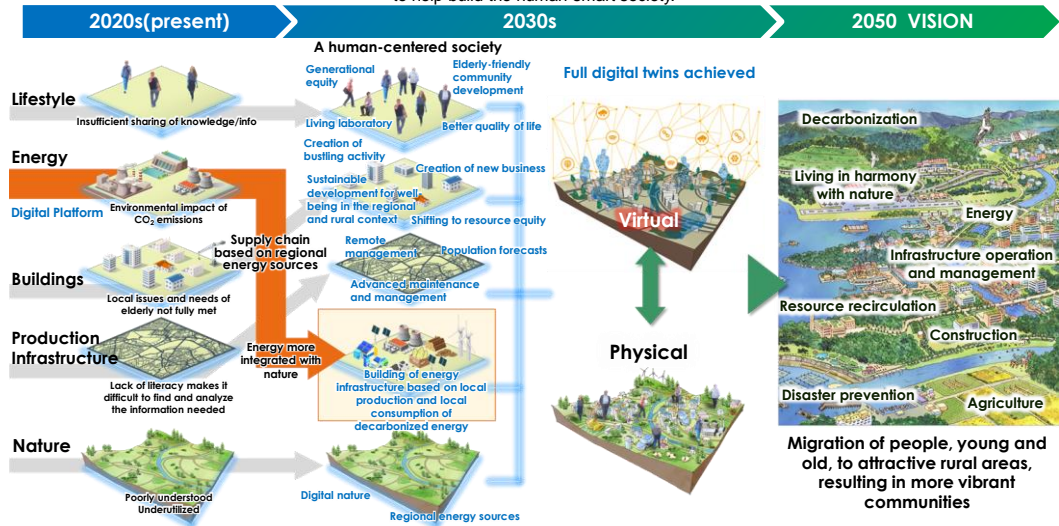
The Future We Envision

- Slides 24 and 25 offer an image of the future that we envision at the Kajima Group.

4-1. Human Smart Society

Building sustainable, human-centered cities

A human-centered society is composed of nature, production infrastructure, buildings, energy, and lifestyle. Digital twins are bringing new advancements in each of these areas, and we aim to make extensive use of digital twins to help build the human smart society.



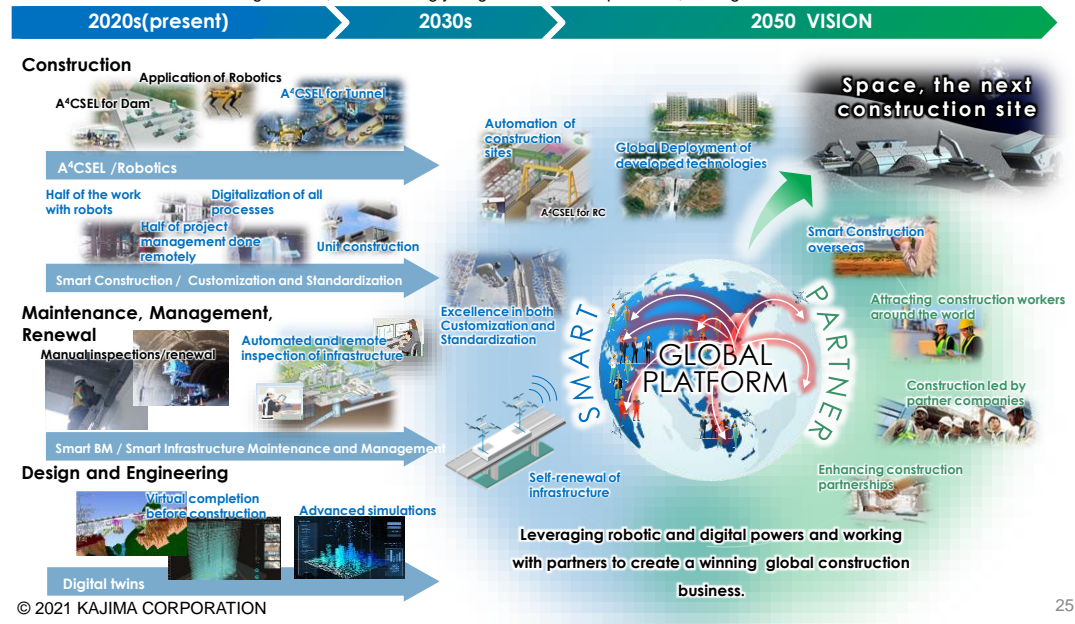
We are working on the smart society project using biogas in cooperation with the town of Shikaoui, Hokkaido. In Miyakonojo, Miyazaki Prefecture, we are working to build an eco-town for effective energy use.

- We call this the Human Smart Society, in which we will leverage digital twinning in various areas of society and life and seek to create regions that are sustainable in terms of energy as well as economy.

4-2. Smart Construction and Beyond

Working globally with our partners

We will continue to take on the challenges of creating and developing sustainable cities and infrastructure, working together with our partners, using robotics, and attracting young talent to develop smarter, more global solutions.



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- This is our image of the future of construction-related technologies, including construction production systems, both upstream and downstream. We will take advantages of the power of robotics and digital technology so that all people involved in the construction industry in Japan and overseas can embrace the challenge of building smart, sustainable cities and infrastructure.

5.

Supplementary Material

- Slide 26 and beyond are supplementary materials.

5-1. Strategy by Division (Civil Engineering Business)

KPI FY2023 target

Expand business scale by focusing on growth areas and venturing into new business areas

Growth areas

Pioneering next-generation infrastructure development

- Strengthen competitiveness by taking advantage of our track record and knowhow in offshore and onshore wind power construction, and operating a new SEP vessel
- Aggressively roll out Smart Deck Renewal (SDR) system for highways
- Establish specialized organizations in the fields of renewable energy and infrastructure upgrade, strengthen collaboration among Group companies

▶ Renewable energy field: Sales of ¥30 billion/year; Infrastructure upgrade field: Sales of ¥20 billion/year

New business areas

Promote businesses to solve social challenges

- Strengthen efforts directed at PPP infrastructure and investment and service businesses
- Promote societal implementation and commercialization of CO₂ absorbent concrete (CO₂-SUICOM)

Overseas civil engineering

Multifaceted strategic initiatives

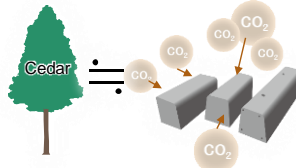
- Strengthen collaboration with local partners in the priority region of Asia
- Explore business opportunities utilizing M&A

New SEP vessel (1,600t lift)



CO₂-SUICOM

An eco-friendly concrete in which a large volume of CO₂ is absorbed during manufacturing, and therefore fixed and stored. It focuses on the carbonation reaction in which concrete reacts with CO₂



The same reduction effect as the amount of CO₂ absorbed by a cedar tree in one year can be expected in the manufacturing process of a 1m³ precast concrete block.

Promote development and application of advanced technologies including remote control and automation

- Apply A⁴CSEL to land reclamation and tunnel construction works and expand the method overseas
- Accelerate digitalization to raise productivity
- ▶ Onsite PH (cost of sales/total working hours) increased 15% compared with FY2016

Further strengthen Group management

- Build a cooperative system in the field of infrastructure upgrade and maintenance (cultivate specialized construction teams by Group companies, etc.)
- Increase construction capacity through direct hiring and multi-skilled worker development in collaboration with Group companies
- Strengthen competitiveness and create business opportunities through alliances with specialized construction companies and M&A

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- This slide covers the civil engineering business.
- During the medium-term business plan period, we will focus on growth areas such as the renewable energy field and infrastructure upgrade field, and new business areas such as PPP infrastructure and the commercialization of environment-friendly concrete.
- We will pursue the digitalization and development of advanced technologies such as remote control and automation to further improve productivity.
- We will expand the scale of our business by enhancing construction capabilities. We will achieve this by directly hiring and developing multi-skilled workers in collaboration with Group companies, by leveraging alliances with specialized construction companies, and by taking advantage of M&A opportunities.

5-2. Strategy by Division (Building Construction Business)

▶ KPI FY2023 target

Expand business scale by improving competitiveness and design-build capabilities

Strengthen efforts in priority areas

Logistics, production facilities, data centers, pharmaceutical/medical, renewable energy, etc.

Strengthen procurement capabilities

Improve cost competitiveness using various procurement methods (standardization, centralized purchasing, etc.)

Improve construction capabilities

Strengthen direct hiring/multi-skilled worker development, M&A, and Group company functions



One Team, Kajima's subsidiary specialized in onsite support

Stable expansion of the renovation business

- Incorporate energy saving, BCP, and digitalization needs
- ▶ Renovation business sales: ¥200 billion
(FY2014-18 average: Approx. ¥150 billion)

Strengthen integrated initiatives encompassing planning, design, construction, O&M including collaboration with Group companies

- Introduce Smart BM building management platform
- ▶ Number of buildings to be built: 20/year
- Expand building management business overseas
- Roll out q-NAVIGATOR, a system for monitoring structural safety during and after an earthquake

Achieve Kajima's smart production vision

- ▶ Model site productivity: up 20% vs FY2017¹
- ▶ Number of sites where smart production is installed: More than 50%²



1. Cumulative working hours/Total construction floor area
2. Sites with construction contract amount of ¥1 billion or more

- Promote technical development utilizing open innovation
- Establish digital twins at each stage of design, construction, and maintenance by fully leveraging BIM



Digital twinning illustration

- Now, the building construction business.
- We will strengthen priority areas such as logistics, production facilities, and data centers, as well as upgrade projects, and work to improve our procurement and construction capabilities.
- In addition, we will drive technological development by leveraging open innovation to achieve Kajima's smart production vision.
- We will establish digital twinning that leverages BIM, and pursue integrated efforts from planning, design, construction, operation, and maintenance in a Group-wide integrated manner.

5-3-1. Strategy by Division (Domestic Real Estate Development Business)

- Create quality assets that generate stable profits
- Improve profitability by acquiring new real estate for sale and promoting short-term development projects
- Conduct business planning and diversify portfolio to meet new societal and customer needs
- Expand profit opportunities tapping the growth of private REIT

Medium- to long-term investment/recovery plan

		Medium-term business plan	Medium- to long-term trend (¥billion)	
	2018-2020 3-year total	2021-2023 3-year total	2024-2026 3-year total	2027 and after
Investment	200	190	190	↗
Recoup through sale	60	80	160	↗
Net Investment	140	110	30	-
Asset balance (at end of each fiscal year)	310	420	450	↗

Medium- to long-term profit level (at end of each fiscal year)

Net income from domestic real estate development business ¹	10.5	11.0	↗	↗
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1. Business management figures that take into account Kajima's real estate development business + domestic subsidiaries and affiliates' real estate development businesses

- Here we have the domestic real estate development business.
- We plan to invest and recover at almost the same level as the actual results during the previous medium-term business plan period.
- We will continue to create excellent assets that generate stable profits, improve profitability in the sales business, and expand profit opportunities by diversifying our portfolio and leveraging the growth of private REITs.
- We plan to increase the amount recouped in fiscal 2024 and beyond, aiming to improve the profit level over the medium to long term.

5-3-2. Strategy by Division (Domestic Real Estate Development Business)

Completion scheduled for FY2021-23 (plan)



Hakata Ekimae 4-Chome Building



Yokohama Gate Tower



Haneda Innovation City (Phase 2)

Completion scheduled for FY2024-2026 (plan)



Hamamatsucho
2-Chome
Redevelopment
Project



Yokohama City Hall District
Redevelopment Project



Yaesu 2-Chome
Redevelopment Project



Tokyo Institute of Technology
Tamachi Campus Land Utilization
Project

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- Of the specific investments in the domestic real estate development business, these are the main projects that have already been officially or unofficially decided.

5-4-1. Strategy by Division (Overseas Real Estate Development Business)

- Expand and grow the investment-sale-reinvestment cycle to achieve high investment efficiency and continuous profits
- Steadily accumulate income producing properties and restore and improve profitability in Southeast Asia, which has declined due to the COVID-19 pandemic
- Secure new revenue sources by entering and developing new businesses

Medium- to long-term investment/recovery plan

	2018-2020 3-year total	Medium-term business plan 2021-2023 3-year total	Medium- to long-term trend 2024-2026 3-year total	2027 and after (¥billion)
Investment	200	450	460	↗
Recoup through sale	100	280	300	↗
Net Investment	100	170	160	-
Asset balance (at end of each fiscal year)	290	460	620	↗

Medium- to long-term profit level (at end of each fiscal year)







	2018-2020 3-year total	2021-2023 3-year total	2024-2026 3-year total	2027 and after (gradual increase)
Net income from overseas real estate development business	5.0	13.0	↗	↗
(Reference)				
Net income from overseas construction, etc.	4.3	6.0	↗	↗
Internal transactions, etc.	(2.1)	(3.0)	-	-
Net income from overseas affiliates and subsidiaries	7.2	16.0	↗	↗

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- Next, the overseas real estate development business.
- We plan to increase both investment and recovery compared to the previous medium-term business plan period.
- We will work to expand and grow the invest-sell-reinvest cycle, accumulate stable profitable assets, and recover profitability in the Southeast Asian region. We will also work to secure new revenue sources by entering and fostering new businesses, aiming for medium- to long-term profit growth.
- At the same time, we will strive for steady growth of the overseas construction business.

5-4-2. Strategy by Division (Overseas Real Estate Development Business)

North America	Southeast Asia	Europe/Oceania
Expand and grow the aggressive investment-sale-reinvestment cycle in the distribution warehouse development business. Foster the development of apartments.	Steadily promote projects under development and restore and improve profitability of operating businesses. Develop the Vietnam business which is in its startup phase.	<p>Europe: In addition to distribution warehouse development, diversify the portfolio to include student dormitories, apartments, etc.</p> <p>Oceania: Steadily promote projects under development and create business opportunities.</p>
 <p>Distribution warehouse Development (Core5 Industrial Partners)</p>	 <p>Woodleigh condominium residential and commercial development (Singapore)</p>	 <p>Distribution warehouse development (Poland, Germany, etc.)</p>
 <p>Apartment development (Flournoy Development Group)</p>	 <p>Hotel and offices/Distribution warehouse development (Vietnam)</p>	 <p>Office and residence development (Australia)</p>

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- This slide shows our regional policy for overseas real estate development projects along with images of specific investments.

5-5-1. Strive to Become Carbon Neutral by 2050

CO₂ emissions reduction targets

- KPI: Reduction rate of CO₂ emissions per unit of output compared to FY2013

Target to be reduced	FY2023 target	Triple Zero 2050	
		FY2030 target (Target 2030)	FY2050 target
Kajima's CO ₂ Emissions (Scope1 & 2)	26% decrease	50% decrease	100% decrease

Seek to acquire SBTs recognition in FY2023

Science Based Targets (SBTs):
An international certification for greenhouse gas reduction targets

Kajima Environmental Vision: Triple Zero 2050

(Revised in 2021)

- Viewing a sustainable society from the three perspectives of “**carbon neutrality**,” “resource recycling,” and “harmonious co-existence with nature,” the vision for the future that Kajima needs to achieve by 2050 is “Zero Carbon,” “Zero Waste,” and “Zero Impact.”



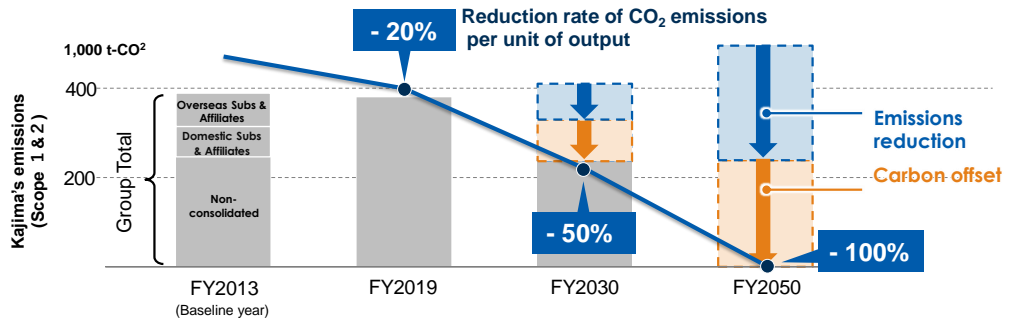
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- We revised the Kajima Environmental Vision: Triple Zero 2050 and set new CO₂ emission targets of a 50% decrease by fiscal 2030 and 100% decrease (carbon neutrality) by fiscal 2050, both compared to fiscal 2013.
- Our target for fiscal 2023 is to be 26% below fiscal 2013, and we will seek to acquire SBTs recognition during this medium-term business plan period.

5-5-2. Strive to Become Carbon Neutral by 2050

CO₂ emissions reduction plan



Main initiatives

1. Reduce CO ₂ emissions from our business	2. Carbon Offset	3. Reduce supply chain CO ₂ (Scope3)
<ul style="list-style-type: none"> (1) Rigorous energy saving (3R/Productivity improvement) (2) Hybrid heavy machinery, electrification, low or carbon-free fuel (3) Decarbonization of power consumption 	<ul style="list-style-type: none"> (1) Secure renewable energy power sources (2) Create and acquire carbon credits (3) Procure and use CO₂-free hydrogen 	<ul style="list-style-type: none"> (1) Develop and use low or carbon-free materials (2) Design and build energy-saving buildings such as ZEB (3) Promote energy service businesses

- This is our plan to reduce CO₂ emissions.
- We aim to achieve carbon neutrality in 2050 while still expanding the scale of our business by (1) reducing CO₂ emissions from our business and (2) carbon offsetting.
- We will also actively work to reduce supply chain CO₂ emissions (Scope 3) by developing and using low-carbon or carbon-free materials and by designing and constructing energy-saving buildings.

5-6. Secure a Next-Generation Workforce

▶ KPI FY2023 target

① Number of construction industry workers is declining

There are 3.27 million construction engineers, 70% below the peak level

② Construction workers are aging

Roughly 35% of them are 55 years or over, and about 12% are 29 years or under

③ Bias in the number of employees by occupation

Nationwide, there is a shortage of technicians for specific occupations such as welding and fireproof coating

Promote measures to secure a next-generation workforce

1. Create an environment that encourages reforms

- (1) Create a construction system limited to secondary subcontracting as a general rule

▶ Achieve by FY2023 (100%)

- (2) Promote and utilize CCUS in conjunction with a skilled workers evaluation system

2. Improve treatment of skilled workers

- (3) In private sector construction projects, bear 100% of premium of the Construction Industry Retirement Allowance Mutual Aid System

- (4) Enhancement of Kajima Meister System and new E Award (payment of cash reward)

▶ 800 new E Award recipients (doubled vs FY2020)

3. Develop and retain skilled workers

- (5) Conduct education and training using internal and external facilities

- (6) Develop foreign workers and work for the career advancement of women

- (7) Establish and operate Kajima Partner College

Objective 1: Greater cooperation with excellent partner companies

Objective 2: Systematically train and secure promising personnel (executives, engineers/skilled workers)

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4. Support recruitment of skilled workers

- (8) Hold onsite tours, technical skill experience sessions, and workshops taught by employees



- (9) Create and provide recruiting tools and visit schools together

5. Financial support for promotional activities

- (10) Implement reward system to achieve the target of closing construction sites 8 days every 4 weeks

- (11) Incentive system for activities to strengthen productivity

Kajima Partner College offers 2 courses

	Technical course	Management course
Target	 For Kajima Meister candidates	 For executive management candidates
Content	Site management, related occupations	General construction, company management
Term	1 – 3 years	2 years

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- In order to secure next-generation workforce, which is an urgent issue, we will promote the following measures: improving the environment including creating a construction system limited to secondary subcontracting as a general rule, improving treatment of skilled workers, and training and retaining them.
- The recently established Kajima Partner College will systematically develop and secure personnel who will become future executives and promising engineers, and strengthen cooperation with partner companies.
- Through these efforts, we aim to build and strengthen a sustainable supply chain.

【Materiality re-examined in March,2021】

Society	1	Creating functional urban, regional, and industrial infrastructure capable of meeting new needs	  
	2	Developing sustainable and long-lasting social infrastructure	  
	3	Providing technologies and services for disaster preparedness that support safety and security	 
Environment	4	Contributing actively to society's transition to a carbon-free footprint	    
Platform for Business Sustainability	5	Focusing on unwavering technological innovation and Kajima quality	 
	6	Construction that emphasizes people and partnerships	     
	7	Practicing corporate ethics	

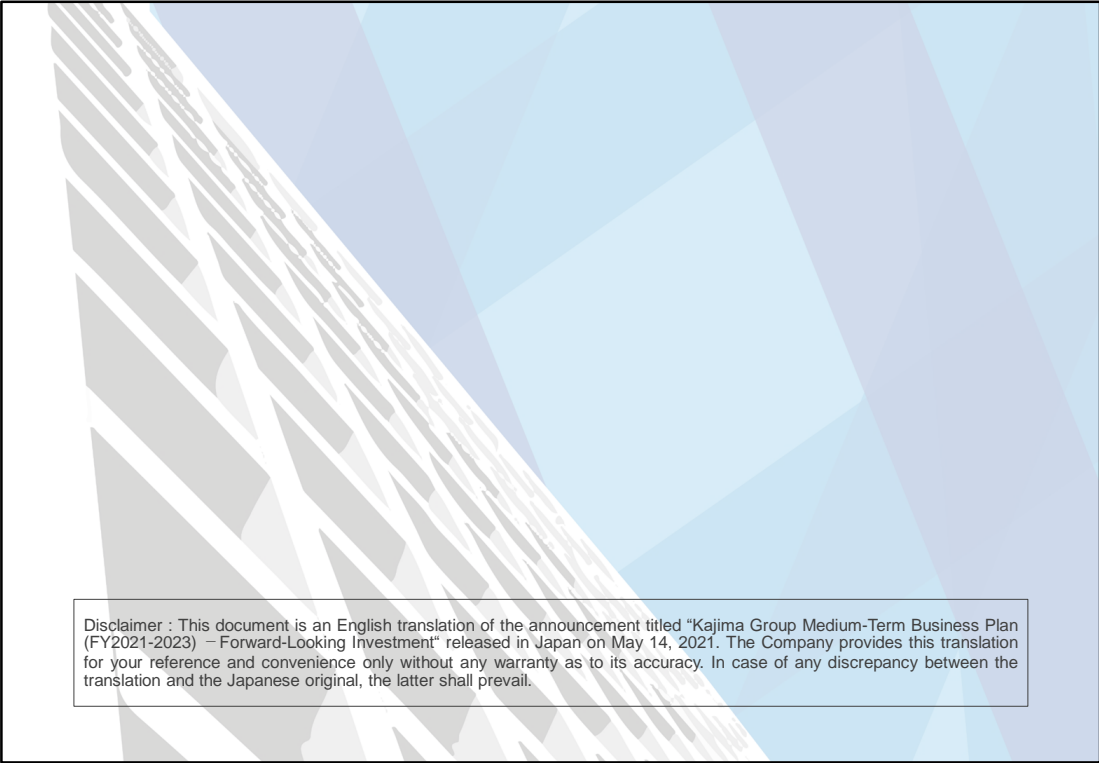
- Next is the Kajima Group's materiality.
- We have made some revisions out of consideration of the major changes in the social environment that have occurred in the last year.

Relationship between the Kajima Group's Materiality and the Key Measures of the Medium-Term Business Plan		Materiality						
Key Measures		① Creating functional urban, regional, and industrial infrastructure capable of meeting new needs	② Developing sustainable and long-lasting social infrastructure	③ Providing technologies and services that support disaster preparedness that support safety and security	④ Contributing actively to society's transition to a carbon-free footprint	⑤ Focusing on unwavering technological innovation and Kajima quality	⑥ Construction that emphasizes people and partnerships	⑦ Practicing corporate ethics
Further strengthen core businesses	① Strengthen proposal, design-build, and engineering capabilities with a focus on growth areas	●			●	●		
	② Further promote the development of next-generation construction manufacturing systems	●			●	●	●	
	③ Maximize customer value by expanding the business domain	●	●	●				
	④ Increase profits by proactive investment in the real estate development business	●						
	⑤ Build and enhance global platforms	●	●	●	●	●	●	●
Strive to create new value	① Proactively promote businesses in solving social challenges	●	●	●	●			
	② Explore and create new businesses by promoting open innovation					●	●	
	③ Enhance functions for envisioning future society	●			●	●	●	
Management foundation and ESG	① Accelerate Triple Zero 2050 activities				●			
	② Secure the next generation of workforce while maintaining and strengthening the supply chain					●	●	●
	③ Develop people and systems to promote growth and transformation						●	●
	④ Strategically promote R&D and DX	●	●	●	●	●	●	

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- Lastly, here is a matrix that shows the relationship between material issues and the key measures of our medium-term business plan.
- Items that are closely related are marked with a circle.
- Under the corporate philosophy and vision, the Kajima Group seeks to solve social issues and improve corporate value. We will do this by steadily advancing our medium-term business plan, which we formulated with consideration given to materiality.
- This concludes our review of the Kajima Group Medium-Term Business Plan (FY2021–2023).



Disclaimer : This document is an English translation of the announcement titled "Kajima Group Medium-Term Business Plan (FY2021-2023) – Forward-Looking Investment" released in Japan on May 14, 2021. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.