KAJIMA 2013 CORPORATE REPORT

KAJIMA CORPORATION

No.1 brand

No.1 brand in Japan's construction business

Strong competitiveness

Boasting a high level of competitiveness in Japan's construction business

174 years

Through more than 174 years of company history, the Kajima Group has accumulated abundant experience and skills

$15,798 million

Consolidated revenues for fiscal 2012

$14,184 million

Consolidated construction contract awards for fiscal 2012

Advanced technology

Boasting advanced technology based on progressive innovation

Corporate Data

Company Name	Kajima Corporation
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Business Domain	Construction (Civil Engineering and Building Construction), Real Estate Development, Architectural Design, Civil Engineering Design, Engineering and Other

Forward-Looking Statements

This Corporate Report includes forward-looking statements that represent Kajima's assumptions and expectations in light of information available as of May 14, 2013. 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.

Editing Policy

Up until 2012, Kajima had published an annual report as its main financial report. Effective from this fiscal year, however, the Company has combined the annual report with its corporate brochure, and renamed it the Kajima Corporate Report. Accordingly, certain nonfinancial information deemed necessary to promote a broader understanding of Kajima Corporation among shareholders, investors, and stakeholders around the world has been included in this report.

Period Covered by This Report

This report covers fiscal 2012, the fiscal year ended March 31, 2013, except where otherwise stated.

Contents

Company Overview

Throughout the history, Kajima has espoused a "pioneering spirit"

Kajima Corporation, founded in 1840 by Iwakichi Kajima, a local carpenter in Edo (modern day Tokyo), has been in business for 174 years.

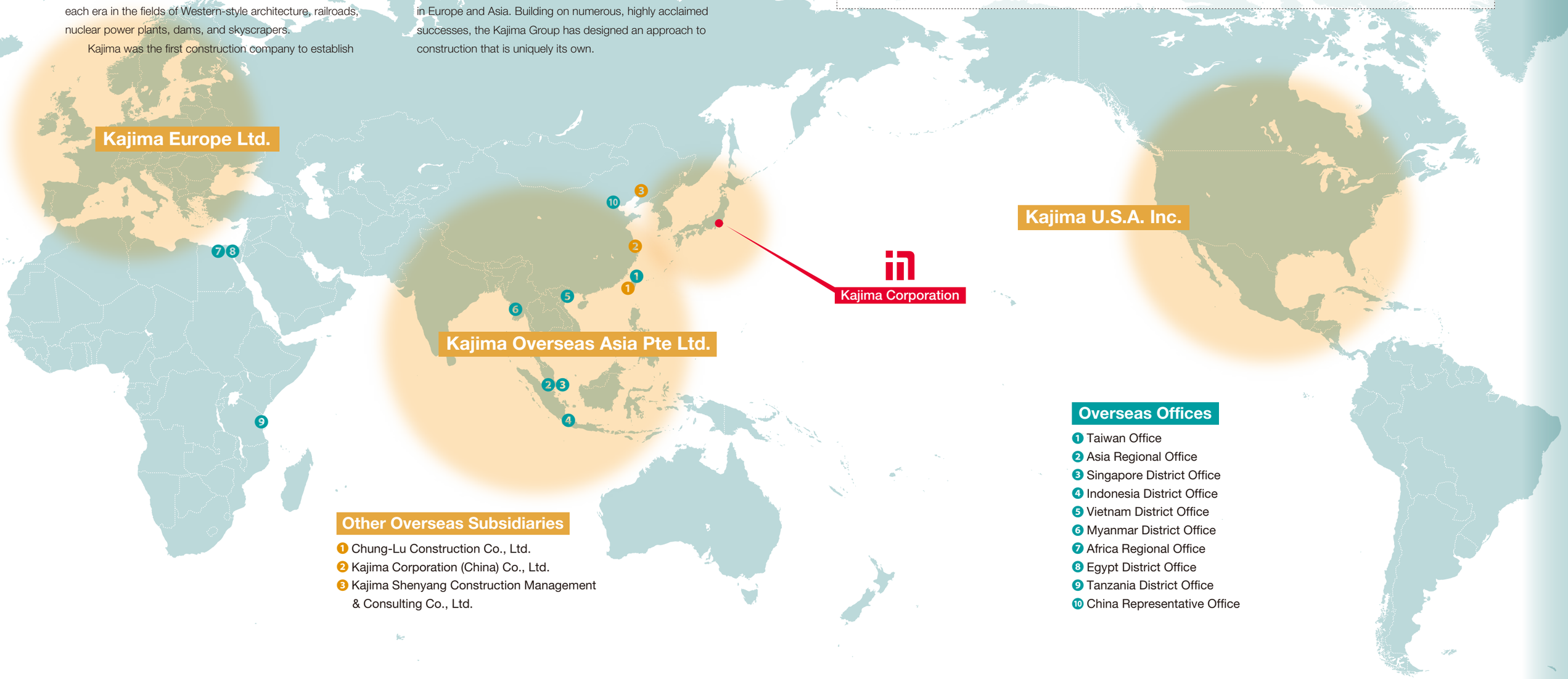
Throughout its history, Kajima has espoused a "pioneering spirit" that keeps the Company ahead of society's constantly changing needs. This commitment has earned the Company a proud heritage of accomplishments in the leading projects of each era in the fields of Western-style architecture, railroads, nuclear power plants, dams, and skyscrapers.

Kajima was the first construction company to establish its own research center, seeking to raise the technological standards of the Japanese construction industry. Its pursuit of technologies that protect lives and property in the event of earthquakes and other disasters led to its construction of Japan's first skyscraper and has enabled the Company to contribute to safer infrastructure for more secure communities.

Developing a network of overseas operations, Kajima established the Japanese construction industry's first subsidiary in the U.S. in the 1960s, moved into the field of urban development, and subsequently established subsidiaries in Europe and Asia. Building on numerous, highly acclaimed successes, the Kajima Group has designed an approach to construction that is uniquely its own.

Kajima's Corporate Philosophy

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



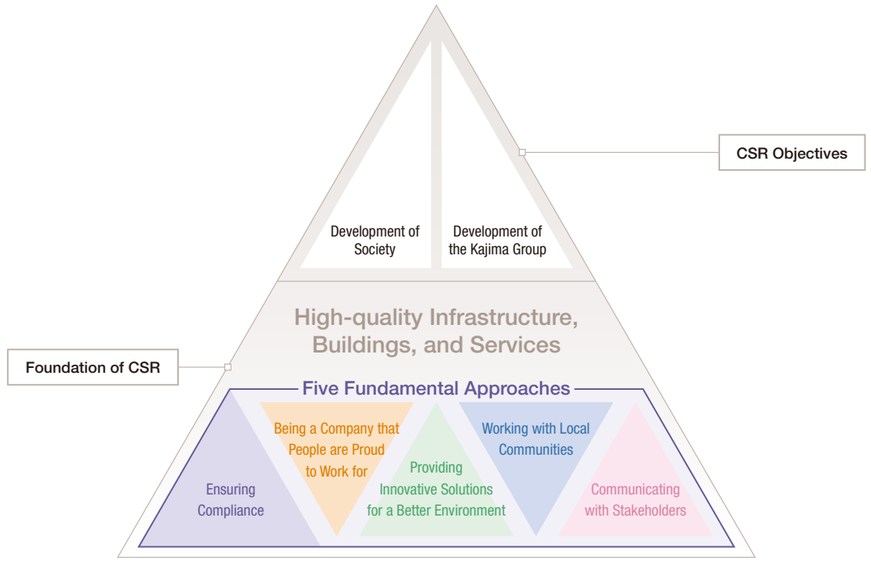
Other Overseas Subsidiaries

1. Chung-Lu Construction Co., Ltd.
2. Kajima Corporation (China) Co., Ltd.
3. Kajima Shenyang Construction Management & Consulting Co., Ltd.

Overseas Offices

1. Taiwan Office
2. Asia Regional Office
3. Singapore District Office
4. Indonesia District Office
5. Vietnam District Office
6. Myanmar District Office
7. Africa Regional Office
8. Egypt District Office
9. Tanzania District Office
10. China Representative Office

CSR Framework at the Kajima Group



The Kajima Group's Approach to Corporate Social Responsibility

Recognizing that progress for all of society and progress for the Kajima Group follow the same course, Kajima plays a role in helping society achieve sustainability by designing and building the structures needed for communities and individuals to function well. The progress and sustainability of society, and the sustainability of the Kajima Group, are inextricably linked.

The work of a construction firm directly supports the activities of society and individuals across generations. Kajima takes pride in the importance of its social mission, namely the scale of its projects and significance of the impact that the construction of its buildings has on society. The objective of the Kajima Group's CSR efforts is to achieve lasting recognition and attain new successes by addressing the needs of society and the times, contributing to society, and providing greater convenience, comfort, and peace of mind for the individuals in that society.

Delivering High-Quality Infrastructure, Buildings, and Services

A fundamental aspect of the Kajima approach to social responsibility is to deliver high-quality infrastructure, buildings, and services to help build communities that offer convenience, comfort, and peace of mind. As a member of the construction industry, the Kajima Group bears a responsibility to society to deliver reliable quality on every project the Company undertakes. High-quality and high-value-added structures are fundamental to earning the trust of society and customers, which in turn leads to new projects that further Kajima's sustainable growth.

Quality is not merely a matter of excellence in building construction, but encompasses the entire process involved. Starting with planning, design, and construction, it also includes follow-up maintenance on infrastructure and buildings, and services that generation upon generation are able to use. Kajima aspires to quality that is comprehensive and lasting.

Moreover, quality cannot be separated from safety and health, or from the environment. These elements are closely connected, and as such, are crucial issues for Kajima's construction-oriented business operations, relating as they do to the Company's very survival.

Quality Assurance, Safety and Health, and Environmental Policies

Basic Policy

Quality assurance, safety and health, and environmental management are prerequisites that support production activities and form the very basis of corporate survival. By establishing and continuously improving appropriate and effective management systems to ensure compliance with relevant laws, ordinances, and other societal requirements, Kajima works to efficiently engage in production activities while proving itself worthy of the trust of customers and society.

Quality Assurance Policy

Kajima will provide products and services that satisfy clients, from marketing to follow-up services, and that allow clients to place orders with a sense of reassurance and trust.

1. We will ensure product quality by paying serious attention to client requirements and responding appropriately, while thoroughly carrying out the plan-do-check-act (PDCA) cycle.
2. We will promote research and development improvement initiatives and plan ways to improve quality and increase operational efficiency.

Safety and Health Policy

Kajima firmly believes that safety is the barometer of a company's capabilities and ethics. On the basis of this belief, the Company works together with subcontractors that have strong management capabilities to eliminate construction-related casualties and accidents in order to maintain trust in the construction industry while aiming for the sustainable development of the Company.

1. Kajima works to prevent accidents and incidents caused by human error by focusing on the workplace, equipment, and actual conditions on site, as well as by using point-call-and-response practices as routine workplace procedure.
2. Kajima strives to create safe, comfortable working environments by facilitating close communication between Kajima and its partner companies and by ensuring that people, machinery, and equipment function in close coordination.

Environmental Policy

As a company "building another century," Kajima pursues a unique long-term environmental vision, doing its part in the broader social effort to preserve the environment and ensure economic sustainability.

1. Kajima works to reduce the environmental impact of its business activities and takes into consideration the entire lifecycle of the structures it constructs. In this way, the Company seeks to help build societies that have low-carbon, sound material cycles and exist in harmony with nature.
2. As a standard basis for supporting efforts to achieve these goals, Kajima:

- Seeks to develop technologies that contribute to environmental preservation and the sustainable use of resources
- Takes preventative measures in its construction management processes to prevent environmental damage caused by harmful substances used in construction projects
- Takes steps to cooperate with the general public, including the proactive disclosure of information.

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

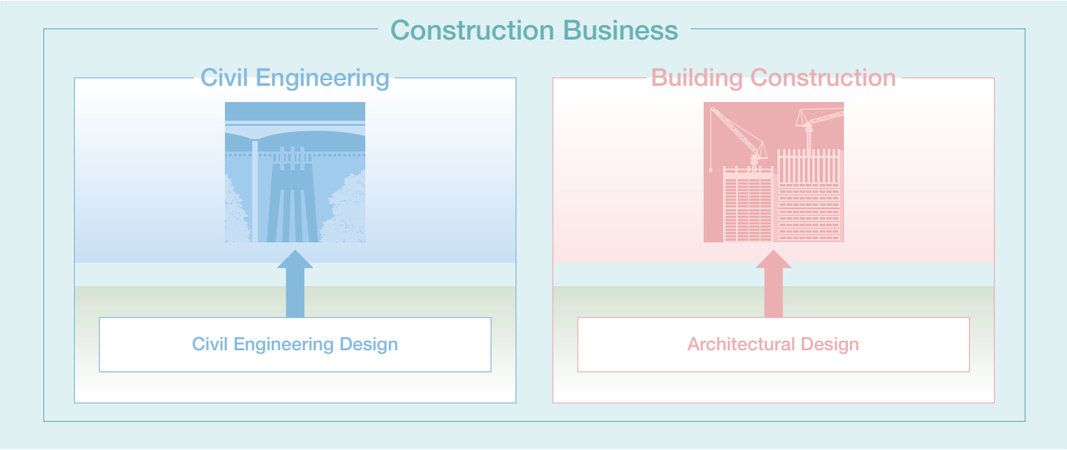
In April 2003, Kajima integrated the separate policies that had guided its activities in terms of quality, safety and health, and the environment, creating a single basic policy that covers all three aspects. With regard to quality, Kajima is ISO 9001 certified in the areas of engineering and construction, as well as ISO 14001 certified for environmental activities company-wide. Kajima's health and safety policy conforms to standards of the Construction Occupational Health and Safety Management System (COHSMS).

In line with this policy, Kajima has introduced a management system in its construction business that integrates those three aspects into both engineering and construction. Integrated management improves overall productivity at construction sites, which in turn boosts overall quality, and this enables the Company to better meet the needs of society and customers.

Business Profile

Construction Projects

A notable characteristic of Japanese general contractors is that these firms often handle both the design and construction of the buildings and structures they build. A major pillar of its operations, Kajima's construction business is broadly divided between the Company's civil engineering and building construction divisions. Under this system, Kajima's employees are responsible for the overall management of construction projects, while specialized work is handled by Kajima partners.



Civil Engineering Projects Create Social Infrastructure

Over its long history, Kajima has helped build societal infrastructure by constructing dams, tunnels, bridges and other civil engineering projects and maintaining railways and roads.

In 1872, the Company became known as "the Kajima of the railways," when it laid the rails for the first railroad in Japan. Continuing on to dams and other civil engineering projects for which it also became well known, Kajima has been integral to Japan's development and the growth of its society in safety and security.

As society advances, environmental awareness is increasing and the expectations placed on civil engineering are changing. Kajima continues to strive to improve the functionality of its civil engineering projects by taking advantage of the Company's achievements and technological capacities developed since the mid-19th century. The Company also focuses on providing solutions to such issues as: economy and safety; addressing society's needs, including disaster recovery; creating landscape designs that blend in with the natural environment; and maintaining and improving the value of its buildings and structures. Kajima continues to provide support for secure and comfortable lifestyles for all of society and to contribute to economic and industrial development by building and maintaining the social capital that will be the cornerstone for future generations.

Architectural Projects Create Living Space

Kajima constructs a wide range of structures, including offices, residences, factories, hospitals, and cultural facilities. Getting its start as a master carpenter's shop in 1840, Kajima was long ago contracted to build foreign commercial offices in Japan, including the Ei-Ichiban Kan, the first Western-style building in Yokohama. Earning a reputation for excellence in the area of Western architecture, the Company went on to construct the Supreme Court Building, the Tokyo Olympics Memorial Komazawa Gymnasium, and other major buildings. These successes, and the expertise garnered from these experiences, enabled the Company to build the first skyscraper in Japan, the Kasumigaseki Building, in 1968.

In undertaking both the design and the construction of buildings and structures, Kajima seeks to ensure that it earns the trust of clients and meets all of their needs. The Company also fully applies its overall strength, backed up with its technological capabilities, when constructing buildings designed by other firms. Kajima brings to all of its projects a unique combination of capabilities: multi-faceted collaboration between its architectural, construction, and equipment design divisions; the development of new technologies; and practical expertise gained from experience on construction sites. With this approach, the diverse concerns of clients and designers can all be addressed on projects as divergent as offices, residences, production facilities, museums, convention halls, sports facilities, hotels, hospitals, schools, or commercial facilities. In line with its philosophy that "architecture is culture," Kajima will continue to create new urban culture that addresses the issues of longevity, the conservation of energy and resources, and a host of other matters related to building a more sustainable society.

Corporate History

Year 1840 — 1900

1840 Iwakichi Kajima starts carpentry business in Edo (present-day, Tokyo)

1859 Japan's ports open with ending of national isolation

1860 Pioneers first Western-style building in Yokohama


Ei-Ichiban Kan

1880 Establishes Kajima Gumi


Aganogawa Bridge

1899 Participates in railway construction projects started in Korea and Taiwan

1909 Enters dam and electric power plant construction business

1918 Construction of Tanna Tunnel begins (17-year project)

1919 War ends, Paris Peace Conference held

1923 The Great Kanto Earthquake

1924 Ohmine Dam, Japan's first concrete dam completed

1929 Great Depression

1945 War ends, United Nations inaugurated

1947 Renamed Kajima Construction Co., Ltd.

1949 Founds Kajima Technical Research Institute, thus becoming Japan's first construction industry to have its own research center

Development Projects

Development is the third main pillar of Kajima's operations, next to civil engineering and construction. It is an area in which Kajima enjoys some unique advantages. The Company is able to deliver on all aspects of high-quality and high-value development by drawing on the expertise of the entire Group in areas such as planning, construction, tenant leasing, management, and operations. Kajima continues to refine its sophisticated business methods and world-class planning capabilities by combining a presence in development projects in and outside Japan as a developer that brings the strengths of a general contractor to its projects. In terms of development in Japan, Kajima began to realign its organizations in the 1970s in response to robust demand during the period of Japan's accelerated economic growth. The Company started to actively develop large-scale residential properties and condominium projects, followed by an aggressive expansion into office-building and commercial facility development projects.

Shiki New Town is one of the largest independent private-sector projects ever in Japan. Begun in 1971, all aspects of development and construction from land acquisition and reclamation through town planning, design, construction, and division and the sale of condominiums were undertaken by the private sector. In 1988, 17 years after the project was first begun, the new town with a total of 3,021 residences was completed.

Following this massive project, Kajima launched Tokyo East 21, an urban complex development utilizing property owned by the Company. Taking the initiative to develop an urban complex of hotel space, offices, and commercial facilities on its own was an entrepreneurial step that moved Kajima into the leasing business. Kajima continues to boost the value of Tokyo East 21 by integrating its newest technologies.

Tokyo East 21

Introduction of Diversified Financing Arrangements

The real estate development market has been influenced in recent years by the introduction of innovative financing arrangements. In response to these new financing possibilities, Kajima has created special-purpose companies and utilizes real-estate securitization as a method of improving return on investment. One such success story is the Akihabara UDX project (2006), Japan's first large-scale development project utilizing real estate securitization. Kajima also actively

Komaba Communication Plaza, the University of Tokyo (Komaba I Campus)

participates in private finance initiative (PFI) projects for the construction and operation of public facilities and social infrastructure using private-sector funds, management resources, and advanced technological capabilities. Kajima's development projects embody the Company's commitment to building value and creating an urban culture worthy of being passed on to future generations.

Developing Projects outside Japan

Kajima develops projects in the U.S., Europe, and Asia that are tailored to suit the unique characteristics of each specific region.

In Asia, the Company is especially involved in a numerous large-scale projects that contribute to the development of the region. In Singapore, for example, Kajima became involved in 1991 with the Millennia project, a development measuring some 80,000m^2 of land area and comprising four skyscrapers and a shopping mall. In Indonesia, Kajima Overseas Asia Pte Ltd. is currently at work on Senayan Square, one of Asia's largest development projects, begun in 1989. Inhabiting a massive 18.8ha site, the complex will contain specialty shops, two department stores, three office buildings, four apartment buildings, and a multi-use facility with hotel space. This is a build-operate-transfer (BOT) project, which will be transferred to the government after 40 years.

Having developed methods tailored to specific regions and different topographies, both in Japan and overseas, Kajima will continue to develop its diverse array of ventures. These include businesses utilizing construction management techniques that increase the value of existing buildings, comprehensive development with a firm foundation in the construction business, and new financing strategies.

Senayan Square

Year 1950 — 1960

1951 San Francisco Peace Treaty signed

1950 Pioneers Japan's first joint-venture with Morrison-Knudsen of the U.S.A.

1955 Completes Kamishiiba Dam, Japan's first arch dam

1957 Completes Japan's first nuclear reactor at Japan Atomic Energy Research Institute

1961 Listed on Tokyo Stock Exchange and Osaka Securities Exchange

1963 New Tanna Tunnel

1964 Tokyo Olympics

1964 Establishes Kajima International Inc. in Los Angeles, U.S.A

1968 Completes Japan's first skyscraper (Kasumigaseki Building)

1972 Sino-Japanese diplomatic relations normalized

1978 Completes International Trade Center, in Berlin

1974 Shinjuku Skyline

1982 Awarded Deming Application Prize for total quality control activities

1984 Kokugikan Sumo Arena

Technological Research and Development, Engineering

Kajima's construction and real estate development businesses are underpinned by diligent research and technical development. By constantly pursuing R&D one step ahead of the times, Kajima is striving to build a firm basis for responding to the needs of customers and society.

The Company's research and development activities began in 1949 when Morinosuke Kajima, the Company president at the time, established the Kajima Technical Research Institute based on his philosophy that "continual research and creation is what brings prosperity to society." This marked the first time in the world that a construction company had commenced R&D at a dedicated in-house facility. With a view to help Japan rebuild after World War II, Kajima conducted research on soil foundations and concrete materials at the institute. The Company persistently and tenaciously pursued basic research that would eventually play a vital role in building the country's infrastructure. The results of these endeavors were applied to construct numerous dams, and led to Kajima's expertise in high-rise building construction.

Simulations Conducted at Large-Scale Laboratories

The Kajima Technical Research Institute (KaTRI) consists of several research centers located in the greater Tokyo area. The Institute's headquarters feature a new laboratory completed in 2009, which provides space for joint multifunctional experimentation used particularly for environmental research. The Nishichofu Complex is equipped with facilities for a wide range of experimentation such as load testing of the strength and safety of large-scale structures, (architectural) environmental engineering tests, wind-tunnel tests to analyze the impact of wind on high-rise buildings, vibration testing for seismic disaster prevention and soil and foundation research including countermeasures to liquefaction. At the Kemigawa Revegetation Laboratory, environmental, slope revegetation, and other studies are conducted, while the Hayama Marine Science Laboratory undertakes research on marine and aquatic environments. These research centers respond to a broad variety of needs and conduct tests to verify new ideas and technologies with the aim to accelerate the commercial use of research results.

Creating Knowledge for Building a Better Tomorrow

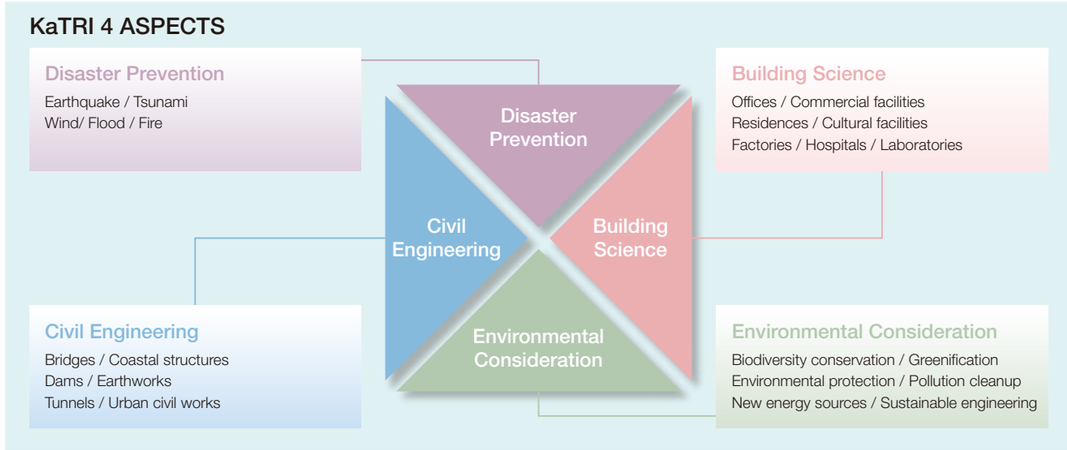
Kajima's R&D aims to realize a safe and secure society, to conduct research on the increasingly sophisticated and complex functions of structures, to cope with such environmental issues as global warming, and to respond to the needs of clients while contributing to the advancement of society. As a vital pillar of "Kajima: The technology leader," the Kajima Technical Research Institute functions as a center for the creation of knowledge and continues to pursue research in technologies that will serve as a source of pride for the Company in the future.

Introduction of research equipment

Reproduction test of the seismic response of a high-rise building

Evaluation of wind environment around tall building (using wind-tunnel laboratory)

Large-Size Wave Basic in Ocean and Hydraulic Laboratory



Year

1990

1985 Plaza Accord

1987 Establishes Kajima Europe B.V. in the Netherlands

1986 Suntory Hall

1988 Establishes Kajima Overseas Asia Pte Ltd. in Singapore

1988 Kamigoto Floating Oil Storage

1992 The Treaty on the European Union is signed in Maastricht by the foreign and finance ministers of the Member States

1994 Completes Kansai International Airport

1995 •The World Trade Organization (WTO) is officially commenced
•The Great Hanshin Earthquake

1995 Renovates Suez Canal Tunnel

1997 Tokyo Bay Aqua-Line (Trans-Tokyo Bay Highway)

2000

1998 Completes Akashi-Kaikyo Bridge (world's longest suspension bridge).

2002 FIFA World Cup held in Korea and Japan (the first World Cup finals to be held in Asia)

2007 Completes Kajima Head Office and Kajima Akasaka Annex

2009 Celebrates 170th anniversary of establishment

2010 D-Runway, Tokyo International Airport

2011 The Great East Japan Earthquake

Message from the President

Striving for Sustainable Operations While Helping to Create Sustainable Societies

In Japan, the main base of the Kajima Group's operations, business confidence has begun to improve since the change of government at the end of 2012. Going forward, the Kajima Group's operating environment is expected to remain challenging. While many companies in Japan's construction industry have benefited from market demand driven by ongoing efforts to rebuild and revitalize areas damaged by the Great East Japan Earthquake, rising costs for labor and materials are likely to constrain earnings of companies in the industry. To respond flexibly to the changes affecting Japan's construction industry, Kajima is pursuing a wide range of measures to ensure sustainable operations.

Ensuring Sustainable Societies with Buildings and Structures for Future Generations

Since the earthquake took place, the Japanese public has become much more aware of the need to upgrade the country's infrastructure. There is no question that the construction industry remains essential to ensure public safety and security in this regard. Given the maturation of Japanese society, however, as reflected in its aging population and declining birthrate, we have reached an era that requires extended use of high-quality social infrastructure.

For Kajima, this means reemphasizing the primary importance of constructing high-quality buildings and structures, and making sure that they are built well enough to last for a very long time. Accordingly, we are committed to this approach in our construction work and practices.

Building a Safer and More Secure Society

To prepare for potential large-scale disasters anticipated in the future, people are calling for upgrades to infrastructure and the promotion of community development, so that they can better withstand natural disasters such as earthquakes and typhoons. Building and structures constructed in Japan during the postwar period of rapid economic growth have been deteriorating over time. Therefore, existing facilities require maintenance and renovations, and social infrastructure needs to be rebuilt to ensure safety and reliability, especially in times of disaster.

By responding rapidly and cooperating with communities in the event of a natural disaster, as an industry that supports and coexists with society, Kajima will fulfill its responsibilities to meet public expectations and ensure reliability by further advancing research and technological development. In this way, it can help to create a safer and more secure society.

Maintaining Our Focus on Quickly Rebuilding Disaster Areas

Projects to process the debris in areas damaged by the earthquake are nearly completed, and the decontamination of radioactive materials has made steady progress. The next stage of work involves the reconstruction of the cities and towns.

Kajima participated in a project for the planning and reconstruction of Onagawa Town, Miyagi Prefecture, which was launched by the Urban Renaissance Agency in November 2012. The project has become a landmark of urban reconstruction using the construction management (CM) system. While work to reconstruct the town is expected to take a long time, we understand that local citizens are sharing hardships on a daily basis. Accordingly, we have become involved in the community and gained the understanding of its members through our construction work.

Kajima's Triple Zero 2050 Environmental Vision

The Kyoto Protocol provided an international framework for reducing greenhouse gases. With the conclusion of the commitment period at the end of 2012, Japan has set independent reduction targets for its measures to fight global warming. Concurrently, the movement to protect biodiversity has gained momentum at the 11th meeting on the Conference of the Parties (COP 11) Convention on Biological Diversity, held in India in 2012. The convention adopted a resolution urging a greater role for corporations.

Kajima recognized this role early on in its history, and has been pursuing the development of environment-related technologies ever since. More recently, we established an environmental vision for Kajima called Triple Zero 2050, which sets ultimate targets through to 2050. Guided by this vision, Kajima will undertake initiatives aimed at completely eliminating its CO_2 emissions, disposed waste, and impact on the ecosystem. While taking steps to improve our environmental management activities, we will carry out research and development on renewable energy to create a broad range of technologies that can help to realize low-carbon operations, resource recycling, and harmony with the environment.

Our Commitment to Strengthening Bonds with Communities

As Kajima contributes to improving social infrastructure for the future, we understand the Company's duty and responsibility to pass down buildings and structures that will remain valuable to the generations to come. Accordingly, while looking ahead toward the next century, Kajima is committed to responding earnestly to the expectations and requests of society as a company that can always be relied on. As society continually diversifies and transforms, we will work constantly to help maintain our sustainable business structure to build a sustainable society.

July 2013

Mitsuyoshi Nakamura
President, Representative Director

Kajima's Medium- to Long-Term Management Strategies

While taking into account the uncertain outlook of its business environment, the Kajima Group has formulated medium- to long-term management strategies designed to achieve sustainable growth, and will focus on implementing them under the direction of upper management. With these strategies, the Group will work to steadily expand all of its businesses and reinforce its financial position by increasing shareholders' equity and gradually reducing interest-bearing debt. The Group aims to establish a sound business foundation that can continuously generate more than ¥35 billion in consolidated recurring profit.

Domestic Construction Business

In its domestic construction business, the Kajima Group will continue to vie for profitable contracts by leveraging its technological advantages to offer buildings and structures with higher added value. In its efforts to improve earnings capabilities, the Group aims to raise the productivity of its construction work by optimally assigning personnel in construction projects that generate high profitability.

Overseas Construction Business

The Kajima Group is striving to expand its overseas construction business by boosting the profitability of its large-scale construction projects that are in progress, and by strategically deploying operating resources in Southeast Asian countries that are experiencing surging demand for high-rise buildings and civil engineering due to rapid economic growth. Accordingly, the Group is hiring and training local staff while maintaining its global networks, recognizing that this approach is essential to establish a foundation for business growth outside Japan.

Construction-Related Industries

To diversify the sources of its revenues and profits, the Kajima Group is aggressively pursuing new projects in construction-related industries, leveraging its highly advanced and comprehensive technological capabilities gained over its long history, as well as its extensive expertise acquired through experience in urban planning and public infrastructure projects. The Group is focusing particularly on strengthening its real estate development business, building on its expertise while securing and developing human resources to establish this business as a stable source of earnings generated evenly from Japan and other Asian countries, together with North America and Europe. Furthermore, in every region worldwide, the Group is expanding its extensive engineering services ranging from technological solutions to construction planning and facility management, particularly in industries where the Group has earned a strong track record, such as medical supplies, food, and distribution.

As it carries out all of these strategies, management will promote collaboration within the Kajima Group while enhancing the performance of each of member company. In this way, it will effectively make use of the operating resources of the entire Group and maximize mutual synergies.

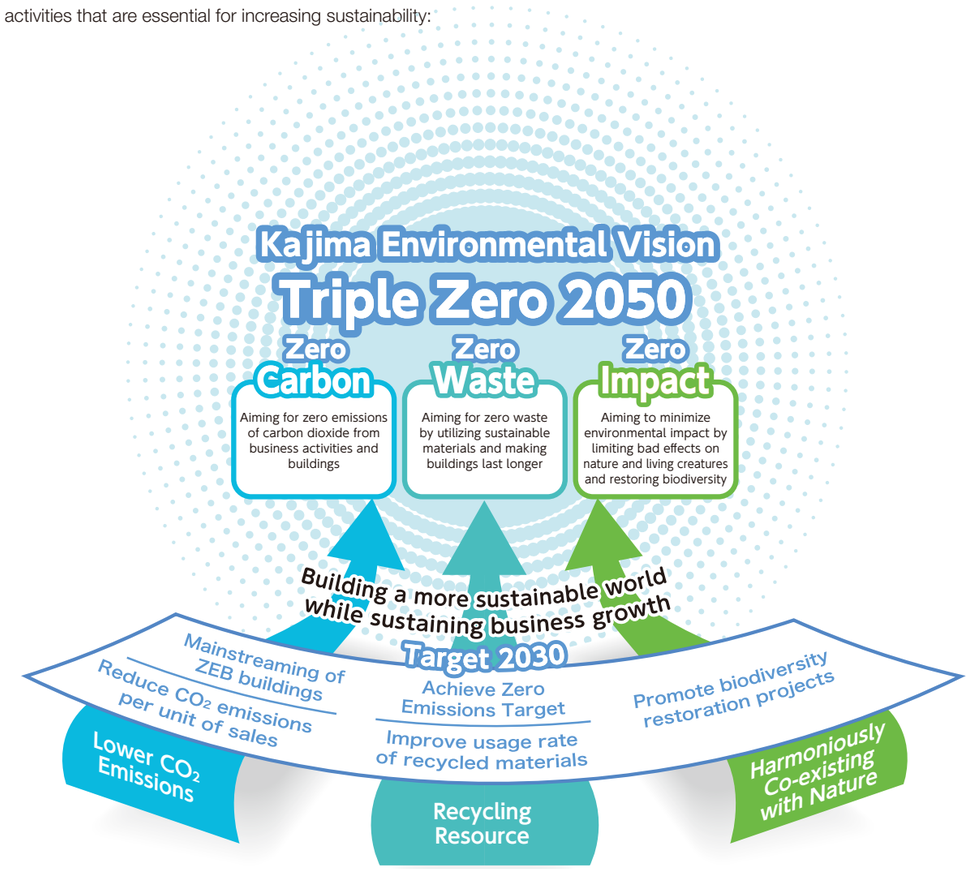
Kajima's Approach to Social Agenda

Establishing a New Environmental Vision—Triple Zero 2050

The construction industry consumes vast amounts of resources and is involved in altering the physical environment in many ways. As a member of the construction industry, Kajima recognizes that it can play a leading role in building a more sustainable society. This is why Kajima always works to reduce the impact its business activities have on the environment and seeks to contribute to society by constructing more environmentally friendly buildings and structures.

To deliver on this basic environmental commitment, Kajima has formulated Triple Zero 2050, a new environmental vision that sets out how Kajima will help build a more sustainable world. Spanning the years through 2050, the vision focuses on three activities that are essential for increasing sustainability: reducing carbon emissions, recycling resources, and co-existing harmoniously with nature—or in other words, the "zero carbon," "zero waste," and "zero impact" of Triple Zero 2050. Kajima has set interim targets for 2030 as a tactic for driving progress in each of these areas.

While establishing the new Environmental Vision, Kajima has also completely revised its Environmental Policy. In accordance with Triple Zero 2050, the new policy emphasizes technology development, management of hazardous materials, and collaboration with communities as the basis for Kajima's efforts to help build a world that pursues the ideals of "zero carbon," "zero waste," and "zero impact."



Moving from Four Priority Issues to a New Approach

Kajima had previously organized its environmental activities under four priority issues: combating global warming, resource recycling and effective use, preservation of biodiversity, and hazardous materials management. With the new Environmental Policy, the first three of these four issues are now addressed under the three broader social goals of reducing carbon emissions, recycling resources, and co-existing harmoniously with nature. As the basis for its initiatives to help achieve these social goals, Kajima intends to maintain its priority on ensuring proper management of hazardous materials, while also pursuing the new research and technical development needed to address environmental issues, and proactively disclosing relevant information both internally and publicly in order to cooperate with diverse stakeholders.

Building a More Sustainable World

Social goals	Triple Zero 2050	Targets 2030
Reducing CO_2 Emissions Balancing greenhouse gas emissions from human activities with the Earth's capacity for carbon dioxide absorption	**Zero Carbon** Aiming for zero emissions of carbon dioxide and other greenhouse gases, not only from the company's business activities, but also from the buildings it constructs	Design Operations Realize zero-energy buildings (ZEB) by 2020, standardize ZEB techniques by 2025, and promote the mainstreaming of these buildings by 2030 Construction operations Reduce CO_2 emissions per unit of sales to 35%* of 1990 level * Equivalent to a 65% reduction of total emissions
Recycling Resources Pursuing zero emissions by employing state-of-the-art infrastructure maintained and operated using sustainable resources	**Zero Waste** Aiming to eliminate waste from construction operations by ensuring zero landfill disposal of waste during construction, utilizing sustainable materials, and making buildings last longer	Completely Eliminate final landfill waste disposed from construction operations Achieve a usage rate of recycled materials of at least 60% for principal construction materials* * Principal construction materials are cement, concrete, asphalt, crushed stones, and steel
Harmoniously Co-existing with Nature Valuing the continuous benefits of ecosystem services by minimizing the impact of human activities on the environment and living creatures	**Zero Impact** Aiming to minimize the overall environmental impact of construction operations by limiting their effect on nature and living creatures while promoting the restoration of biodiversity and new ways to make use of its benefits	Promote biodiversity restoration projects Integrate effective projects into construction and share best practices with the public via biodiversity-related networks and organizations

10 Years Highlights

Kajima Corporation and Consolidated Subsidiaries
As of or years ended March 31

		2004 (Note 3)	2005 (Note 3)	2006 (Note 3)	2007 (Note 3)	2008 (Note 3)	2009	2010	2011	2012	2013	2013
		Millions of yen				Millions of yen						Thousands of U.S. Dollars (Note 1)
Results of Operations												
Construction Contract Awards	GRAPH 1	¥1,312,745	¥1,619,394	¥1,462,799	¥1,612,531	¥1,677,272	¥1,585,437	¥1,138,394	¥1,188,438	¥1,296,043	¥1,333,291	$14,183,947
Revenues	GRAPH 2	1,616,127	1,682,499	1,770,835	1,891,367	1,894,045	1,948,540	1,637,362	1,325,680	1,457,754	1,485,020	15,798,085
Operating Income (Loss)	GRAPH 3	46,300	47,008	55,633	55,416	18,097	19,696	(6,762)	17,272	29,499	18,469	196,479
Net Income (Loss)	GRAPH 4	(4,876)	13,111	22,108	41,311	40,709	(6,297)	13,226	25,844	3,833	23,430	249,255
Financial Position												
Total Assets	GRAPH 5	¥1,870,279	¥1,817,730	¥1,905,965	¥2,107,222	¥1,918,396	¥1,885,427	¥1,796,865	¥1,644,962	¥1,686,221	¥1,686,072	$17,936,936
Total Equity	GRAPH 6	216,107	219,231	297,012	350,969	305,449	239,046	262,165	253,300	256,706	318,126	3,384,319
Interest-bearing Debt		543,262	475,820	458,506	463,859	473,801	540,537	620,052	558,974	525,713	480,143	5,107,904
Cash Flows												
Cash Flows from Operating Activities		¥ 50,102	¥ 87,489	¥ 53,403	¥ (4,133)	¥ (52,541)	¥ 16,126	¥ (76,943)	¥ 64,050	¥ 81,730	¥ 58,460	$ 621,915
Cash Flows from Investing Activities		(34,651)	16,105	(14,845)	22,117	3,021	(30,572)	(5,742)	2,976	(38,724)	36,715	390,585
Cash Flows from Financing Activities		6,667	(71,359)	(35,999)	(4,845)	(7,679)	74,645	71,960	(50,580)	(37,753)	(58,629)	(623,713)
		Yen				Yen						U.S. Dollars (Note 1)
Per Share Data												
Basic Net Income (Loss) per Share (Note 2)	GRAPH 4	¥ (5.01)	¥ 12.18	¥ 20.81	¥ 39.29	¥ 39.13	¥ (6.20)	¥ 13.03	¥ 24.87	¥ 3.69	¥ 22.55	$ 0.240
Net Assets per Share		205.21	208.10	282.19	324.12	292.63	227.56	251.97	243.35	247.12	308.49	3.282
Cash Dividends per Share		5.0	6.0	6.0	7.0	7.0	6.0	6.0	6.0	5.0	5.0	0.053
		%				%						
Financial Indicator												
Return on Equity (ROE)		—	6.0	8.6	13.0	12.8	—	5.4	10.0	1.5	8.1	
Operating Margin	GRAPH 3	2.9	2.8	3.1	2.9	1.0	1.0	(0.4)	1.3	2.0	1.2	
Stockholders' Equity Ratio	GRAPH 6	11.6	12.1	15.6	16.2	15.5	12.3	14.6	15.4	15.2	19.0	
Debt Equity Ratio		2.51	2.17	1.54	1.36	1.59	2.34	2.37	2.21	2.05	1.50	
Number of Shares Issued (Excluding Treasury Stock) (Thousand Shares)		1,052,504	1,052,055	1,051,778	1,051,142	1,015,889	1,015,569	1,039,288	1,039,173	1,038,834	1,038,778	
Number of Employees		16,471	16,003	15,951	14,837	14,934	15,608	15,189	15,083	15,149	15,468	

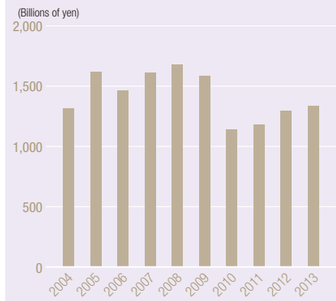
Notes: 1. The U.S. dollar amounts included herein are presented solely for the convenience of the reader. Such dollar amounts have been translated from yen at the approximate exchange rate in Tokyo on March 31, 2013 of ¥94=U.S.$1. The translations should not be construed as representations that Japanese 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. 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, 2007, 2006, 2005 and 2004 have been restated. Regarding the effects of these restatements, please refer to the announcement by the Company on October 21, 2008.

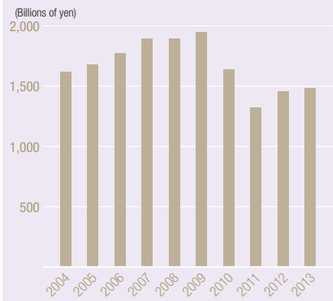
GRAPH 1

Construction Contract Awards



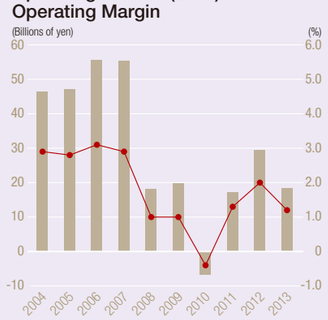
GRAPH 2

Revenues



GRAPH 3

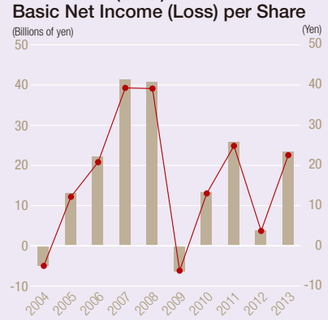
Operating Income (Loss) / Operating Margin



Operating Income (Loss) (Left Scale)
Operating Margin (Right Scale)

GRAPH 4

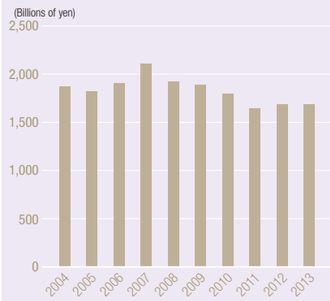
Net Income (Loss) / Basic Net Income (Loss) per Share



Net Income (Loss) (Left Scale)
Basic Net Income (Loss) per Share (Right Scale)

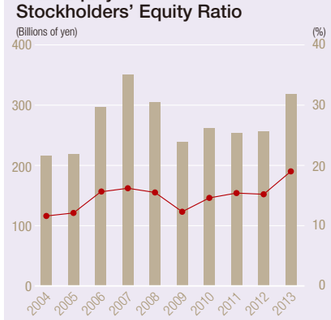
GRAPH 5

Total Assets



GRAPH 6

Total Equity / Stockholders' Equity Ratio

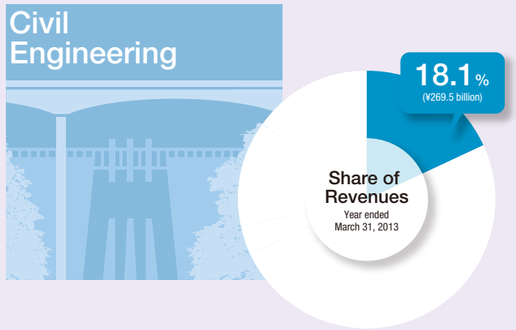


Total Equity (Left Scale)
Stockholders' Equity Ratio (Right Scale)

Overview of Business Segments

Business Review See Pages 24-29

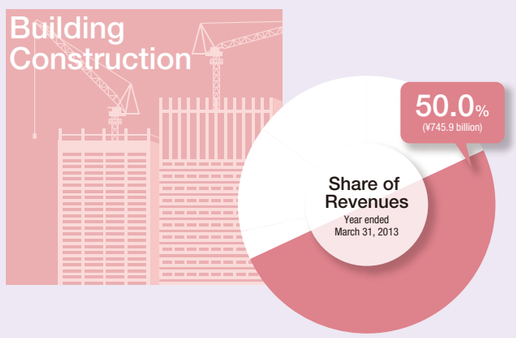
Civil Engineering



The Civil Engineering segment encompasses civil engineering design and construction operations in Kajima's construction business. Civil engineering projects performed by Kajima in Japan and worldwide are included in results on a non-consolidated basis. In the fiscal year ended March 31, 2013, segment revenues remained largely on par with the previous fiscal year, declining slightly by ¥14.5 billion, or 5.1%, to ¥269.5 billion. The segment recorded an operating loss of ¥8.1 billion, mainly as a result of deteriorating profits from certain construction projects outside Japan.

Business Review See Pages 30-35

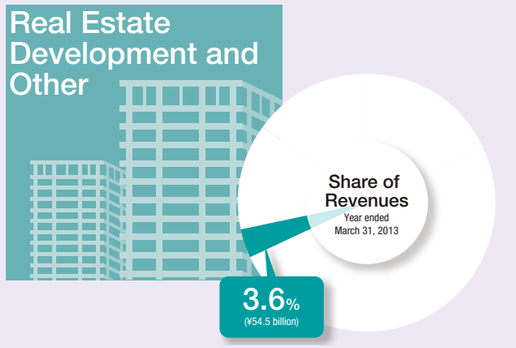
Building Construction



The Building Construction segment comprises building design and construction operations in Kajima's domestic construction business. In the fiscal year ended March 31, 2013, segment revenues remained flat year on year, edging down ¥2.6 billion, or 0.3%, to ¥745.9 billion. Operating income, however, decreased ¥3.5 billion year on year, or 26.1%, to ¥9.9 billion, mainly owing to worsening profits from some construction projects.

Business Review See Pages 36-39

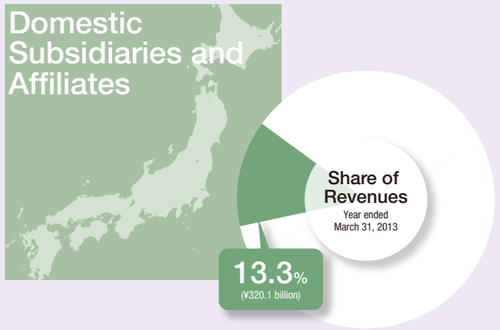
Real Estate Development and Other



This segment mainly incorporates results from Kajima's real estate and development projects in Japan. Other operations included are architectural design work and a wide range of general engineering businesses. In the fiscal year ended March 31, 2013, segment revenues decreased ¥13.4 billion, or 19.7%, to ¥54.5 billion compared to the previous fiscal year, primarily due to a protracted slump in Japan's real estate market. The segment also recorded an operating loss of ¥0.5 billion.

Business Review See Pages 40-43

Domestic Subsidiaries and Affiliates



In Japan, the Kajima Group comprises 89 subsidiaries and affiliates nationwide, including 11 consolidated subsidiaries. These companies handle a wide range of operations in Kajima's construction business, such as specialized construction work, sales and leasing of construction materials and equipment, building maintenance and administration, and building and hotel management. In the fiscal year ended March 31, 2013, revenues were ¥320.1 billion, unchanged from the previous fiscal year. Operating income, however, decreased ¥1.3 billion, or 12.7%, to ¥8.6 billion, mainly owing to declining gross profit at several consolidated subsidiaries.

Business Review See Pages 44-47

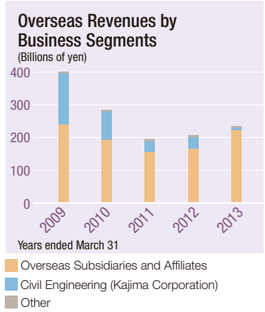
Overseas Subsidiaries and Affiliates

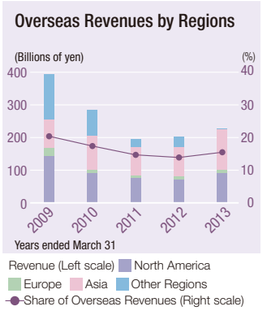
Through its overseas subsidiaries and affiliates, the Kajima Group is pursuing real estate development and construction projects worldwide with a focus on the three regions of North America, Europe, and Asia. In the fiscal year ended March 31, 2013, revenues amounted to ¥223.3 billion, up ¥58.3 billion, or 35.3%, compared to the previous fiscal year. This reflected an increase in completed construction projects in line with a growing number of construction awards. Operating income rose markedly year on year, jumping ¥6.0 billion, or 421.9%, to ¥7.4 billion, mainly as a result of expanded gross profit.

Overseas Activities of the Kajima Group

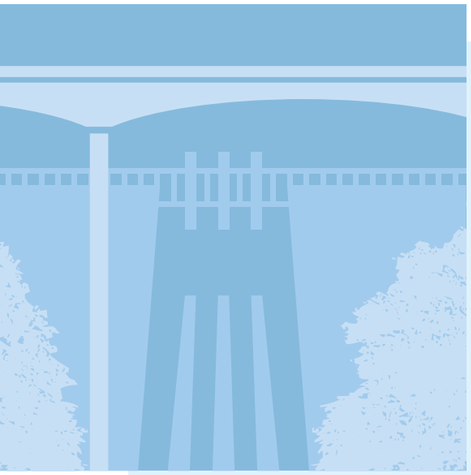
Our overseas activities consist of:

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





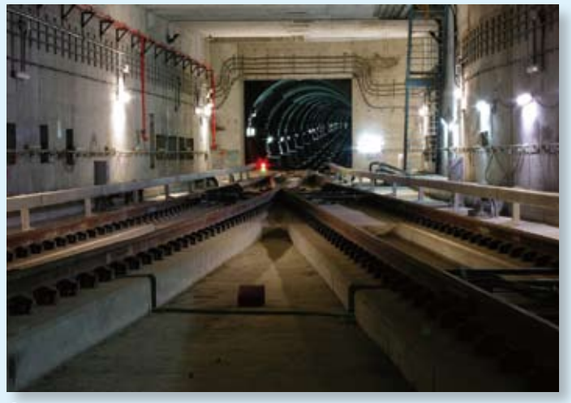
Civil Engineering



Revenues
¥269.5 billion

Operating Income
¥-8.1 billion

The Civil Engineering segment encompasses civil engineering design and construction operations in Kajima's construction business. Civil engineering projects performed by Kajima in Japan and worldwide are included in results on a non-consolidated basis. In the fiscal year ended March 31, 2013, segment revenues remained largely on par with the previous fiscal year, declining slightly by ¥14.5 billion, or 5.1%, to ¥269.5 billion. The segment recorded an operating loss of ¥8.1 billion, mainly as a result of deteriorating profits from certain construction projects outside Japan.



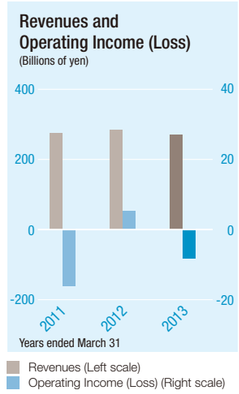
TRTS Hsinchuang Line CK670C

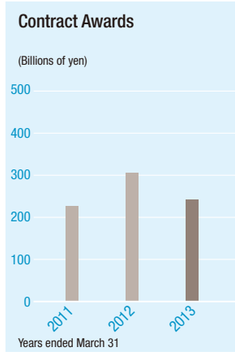
Tanjung Priok Access Road (Sec. E2)

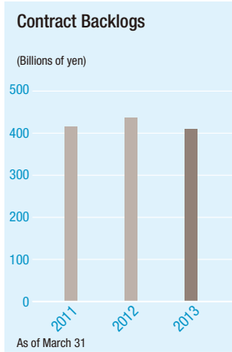
International LPG Underground Plant in Kurashiki, Okayama Prefecture

Japan's first Offshore Wind Turbine and Met-mast conducted in the Pacific Ocean off Choshi City (NEDO* & Tokyo Electric Company)

*NEDO: New Energy and Industrial Technology Development Organization







Kajima's Civil Engineering business is focusing on reconstructing areas damaged by the Great East Japan Earthquake. Examples of such work include projects to remove and process debris from the disaster, and measures to protect against large-scale earthquakes that are anticipated in years ahead, as well as the upgrading of buildings constructed during Japan's postwar period of economic growth, to enable their use for generations to come. The business also promotes construction of infrastructure and facilities in Asia and other regions around the world, drawing on our technological capabilities acquired over many years in Japan.

The overall evaluation bidding method has grown more common in the construction industry, especially in Japan in recent years, and projects open for bidding increasingly require expertise in both design and construction. In response, Kajima will pursue projects where it can maximize its technical advantages. Toward this end, we will concentrate our R&D on new technologies and bolster ongoing training programs for personnel.

Disposing Waste in Disaster Areas Brings the Region Closer to a Genuine Recovery

The Great East Japan Earthquake caused extensive damage in Iwate, Miyagi and Fukushima prefectures. The total amount of debris resulting from the earthquake and sediment caused by tsunamis in these three prefectures is estimated at over 26 million tons (as of March 31, 2013).

Kajima was contracted to undertake debris removal and processing work in three areas damaged by the disaster: the Ishinomaki area in Miyagi Prefecture, comprising the cities of Ishinomaki and Higashi-Matsushima and the town of Onagawa; the Eastern Miyagi area in the same prefecture, comprising the cities of Shiogama and Tagajo and the town of Shichigahama; and the Miyako area of Iwate Prefecture, comprising the village of Tanohata, the town of Iwaizumi, and the city of Miyako.

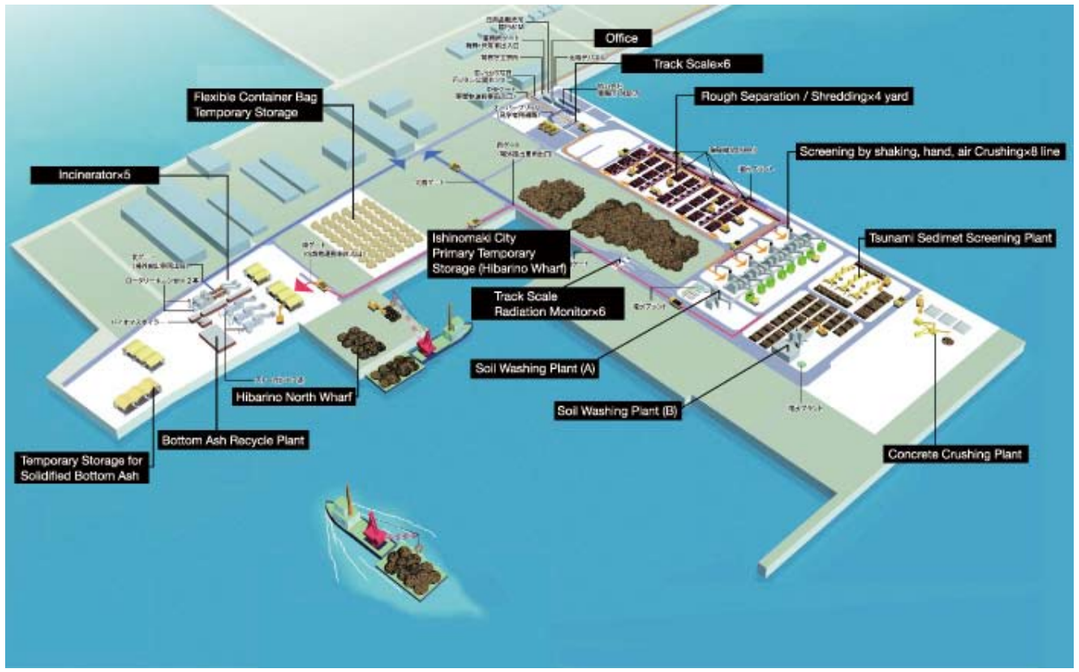
About half of Miyagi Prefecture's total amount of waste from the disaster is being processed at a single processing plant located in the Ishinomaki area, which is the largest such processing site. Work began in October 2011, and by September 2012 Japan's largest intermediate disposal facilities for processing the waste were in operation, including five incinerators on site. The facilities can incinerate up to 1,590 tons of waste per day, the highest capacity in Japan. Debris and sediment at temporary stockyards scattered

throughout the affected areas are transported to the processing site, and intermediate processing is handled on site; after processing or incineration, byproducts are transported outside the processing site. Maximizing our management capabilities and onsite operational capabilities, we are working around the clock, to complete the processing by March 31, 2014.

Kajima is employing several technologies for the first time in debris transport operations, including the Smart G-Safe® vehicle management system. The Company is using this system to help relieve traffic congestion and ensure the safety of local residents when transporting debris from temporary stockyards. Kajima is also employing Japan's first radiation gate monitoring system, which is capable of automatic high-speed measurement of radiation dose rates of all vehicles and containers that transport debris from the site.

Covering an area of 68 hectares, the site contains an office zone as well as separate yards for preliminary sorting, shredder sorting and processing, soil remediation, crushing of concrete and gravel, and incineration. The country's largest sorting facilities, incinerators, and heavy machinery, numbering in the hundreds, are in operation throughout the site. Together with these operations, the indispensable work of screening debris by hand is undertaken in sorting yards. This work is done by more than 700 people, of whom more than 400 are employed from the local area. Many of these workers lost their previous jobs as a result of the disaster.

The completion of this work to dispose of the debris will signal the start of the path toward a full-scale recovery in the disaster-affected areas. Kajima is harnessing the capabilities of the entire Company to finish this work on schedule, so that people in the affected regions can take the next step toward rebuilding their homes.



Disaster Waste Disposal Project (Ishinomaki Area), Overview of Intermediate Disposal Facilities

Screening by hands

Enabling Public Assets to Be Used Continually, Far into the Future

From early on, Kajima has understood the importance of maintaining, managing and upgrading buildings constructed during Japan's period of rapid economic growth. Accordingly, in 2002 the Company began studying asset management systems and developing techniques for building maintenance and management.

In 2005, Kajima was contracted to set up a bridge asset management system for the Aomori prefectural government, which sought to prepare for the large-scale maintenance of its bridges in the future. Kajima completed the system the following year, and the government used it to conduct simulations. In preliminary calculations, the system revealed that by shifting from a corrective maintenance approach used in the past to a strategic maintenance and management approach, the prefecture could cut maintenance and management costs by as much as ¥120 billion over a 50-year period.

Kajima's bridge asset management system was fully adopted and utilized to calculate maintenance schedules. According to these plans, proper maintenance at the most appropriate times was carried out on bridges inside the prefecture, improving their structural soundness. Aomori Prefecture conducted two rounds of routine inspections, and after calculating maintenance and management expenses again in the fiscal 2012, announced new plans for extending the service life of its bridges through repair work. Expenses were considerably lower than the original plan, demonstrating the effectiveness of Kajima's asset management system.

The system has been promoted since then as BMStar® by a bridge management system consortium made up of bridge engineers, program development firms, and operational support consultants, and about 20 municipalities in the country have adopted it to date. Bridge maintenance and management is an ongoing process rather than a temporary measure. In this light, integrating BMStar® in systems used by bridge administrators is leading to the most effective maintenance and management of bridges.

Maximizing its extensive construction techniques and advanced technologies such as structural deterioration diagnostic systems, Kajima intends to enhance BMStar® as a system developer in the future, with a view to contributing continuously to the safety and security of the country's bridges.

BM Star used during periodic inspections of this bridge

Nurturing Human Resources in the Civil Engineering Division

Kajima revamped its training programs for engineers in the Civil Engineering Division in 2008, in an effort to continue creating a corporate culture that encourages learning and self-improvement, with the goal of nurturing highly skilled engineers at construction sites. The division designates the first five years after employees join the Company as an essential period for acquiring fundamental skills, and the following five years as a time to gain basic expertise in specialized areas of construction, such as tunnels and bridges. Training is conducted in seminar and workshop formats, and from the sixth year instructors are recruited and employees are invited to attend training programs structured to encourage mutual learning between teachers and students.

In addition, the division provides training programs designed to enable its civil engineers to succeed worldwide. Employees are assigned to study or work at companies outside Japan as a way to systematically improve their abilities in risk management, contracts and management of overseas projects. The division also actively recruits non-Japanese college graduates for career-track positions.

Practical training in measurement

Employees gain hands-on experience working with concrete

External Evaluations and Awards

Kajima puts the utmost priority on quality, safety and the environment when undertaking construction work and conducting a broad spectrum of research and technical development. These efforts have been recognized with awards in numerous fields.

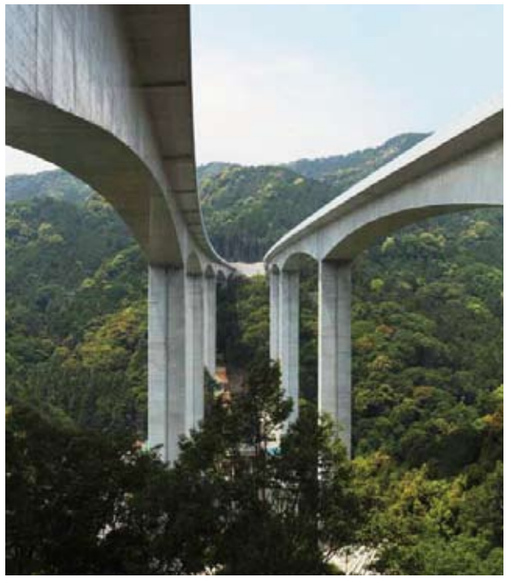
Awards from the Japan Society of Civil Engineers

Six years after its founding, the Japan Society of Civil Engineers established the Civil Engineering Award in 1920. It has since become a prestigious award in Japan with a tradition spanning more than 90 years.

In the fiscal 2012, the society presented Kajima with several awards, including Outstanding Civil Engineering Achievement (OCEA) Awards in the Group I category for the construction of the Tobetsu Dam in Hokkaido and the Tsugaru Yomogita Tunnel for the Hokkaido Shinkansen (bullet train) line. For the Tobetsu Dam, Kajima employed the Cemented Sand and Gravel (CSG) Method, marking the world's first construction of a dam with this method. To build the Tsugaru Yomogita Tunnel, Kajima used the high-speed excavation SENS method, which incorporates the Shield Tunneling, Extruded Concrete Lining, and New Austrian Tunneling methods into one system. The Company also received an OCEA Award in the Group II category for the Yunishigawa Dam. In this project, Kajima initiated a new method to improve social capital through streamlined construction that considers the area and environment.

Tsugaru Yomogita Tunnel for the Hokkaido Shinkansen

Yunishigawa Dam



The New Tomei Expressway Sanagawa Bridge

In addition, Kajima received the society's Tanaka Award in the Excellence in Bridge Design and Construction category for the Sanagawa Bridge. An Innovative Technique Award was also presented to Satoru Miura and four other employees from the Kajima Technical Research Institute for their development of an automated driving system for construction machinery operating under high-radiation conditions.

Engineering Merit Awards from the Engineering Advancement Association of Japan

The Engineering Advancement Association of Japan established the Engineering Merit Award in the fiscal year ended March 31, 1982 to recognize groups and individuals for their noteworthy achievements and contributions to promoting and developing the field of engineering.

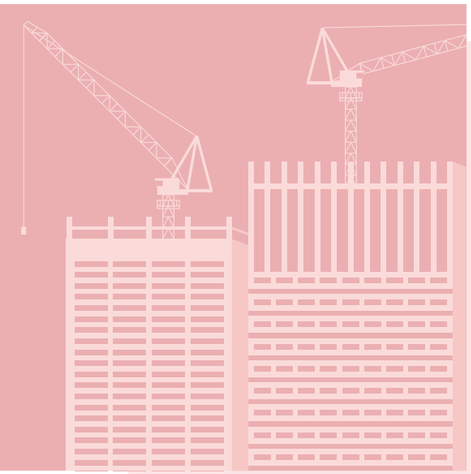
In the fiscal year ended March 31, 2013, Kajima's construction team that built Runway D at Tokyo International Airport (Haneda) was recognized for promoting engineering in the Group category, and the Company's project team handling construction of the CR4 section of the Kaohsiung Subway in Taiwan was recognized for its international collaboration in the same category. In the Individual category, Hisatoshi Matsukawa from Kajima's Shikoku Branch was presented with the award for his contributions to engineering.

A Number of Awards Received for the Application of CO_2-SUICOM® Concrete

Kajima is working actively to reduce CO_2 emissions with respect to building materials. Toward this end, the Company collaborated with Chugoku Electric Power Company, Inc. and Denki Kagaku Kogyo K.K. to jointly develop CO_2-SUICOM, an environmentally friendly concrete that generates zero emissions or less, made possible because it can solidify while absorbing CO_2 in exhaust fumes from thermal power plants or other facilities. The amount that CO_2-SUICOM can absorb is greater than the CO_2 emitted at the time of manufacturing cement, a raw material of concrete. Consequently, the concentration of CO_2 in the atmosphere can be reduced by manufacturing concrete products using CO_2-SUICOM cement. CO_2-SUICOM also facilitates resource recycling because coal ash, a byproduct generated at thermal power plants, can be used as an ingredient in the cement.

CO_2-SUICOM is being used in civil engineering as an outdoor building material for concrete blocks, fence bases, and other items, and has earned a strong reputation for its application in large-scale residential redevelopment projects. These achievements are reflected in the numerous awards CO_2-SUICOM has received, including the Environmental Award from the Japan Society of Civil Engineers, the Takahashi Award from the Japan Electric Power Civil Engineering Association, and the Chairman's Award from 3R Suishin Kyogikai, an organization promoting the reduce-reuse-recycle principle in Japan.

Building Construction



Revenues
¥745.9 billion

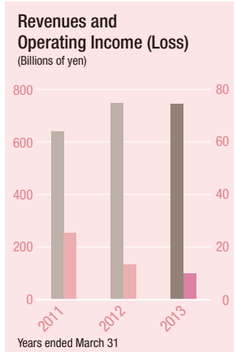
Operating Income
¥9.9 billion

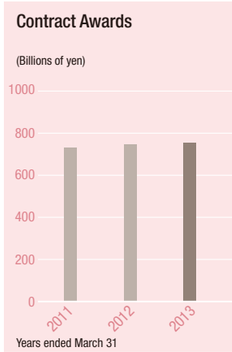
The Building Construction segment comprises building design and construction operations in Kajima's domestic construction business. In the fiscal year ended March 31, 2013, segment revenues remained flat year on year, edging down ¥2.6 billion, or 0.3%, to ¥745.9 billion. Operating income, however, decreased ¥3.5 billion year on year, or 26.1%, to ¥9.9 billion, mainly owing to worsening profits from some construction projects.

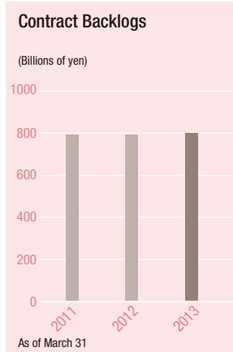
DiverCity Tokyo Office Tower

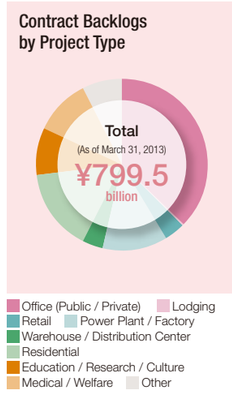
Tokyo Station Marunouchi Building

Shinjuku Eastside Square









Kajima's Building Construction business strives to construct safe and secure spaces that allow people to enjoy comfortable lifestyles and activities. Examples include renovation of buildings to make them more energy efficient, and work to help buildings withstand long-period ground motion caused by massive earthquakes, which are projected to occur in Japan in the future. Kajima oversees projects from the design stage onward, allowing it to consider a building's lifecycle and environment from the outset, as well as to plan a flexible arrangement of rooms in the building. The Company also pursues cutting-edge R&D on construction techniques, and combines a wide range of expertise to continually explore ways to create buildings and structures that meet user needs.

Based on its strong track record in the industry, Kajima has built up relations of trust with a broad network of customers, which in turn leads to new projects. In every project carried out, therefore, we recognize the importance of upholding the Company's reputation for ensuring sustainable operations in the years ahead.

We also understand the importance of close cooperation between Kajima's engineers and subcontractors to ensure quality at construction sites. Concurrently, we provide engineers with training programs covering a wide spectrum of topics while keeping abreast of trends in the construction industry as a whole.

Aiming to Make ZEB a Reality by 2020

Kajima is developing numerous technologies and promoting on-site verification at its facilities, with the goal of achieving zero-energy buildings (ZEB) by 2020. Kajima is examining how to incorporate these buildings in its concept of smart communities, which are designed to expand the use of district energy networks and urban management.

Kajima is also considering how to remodel existing office buildings into ZEB with the goal of conserving energy and reducing CO_2 emissions. In 2011, the Company conducted on-site verification after renovating a section of the Kajima KI Building. Test results showed that energy consumption was reduced by 50% compared to the period before renovation.

Kajima KI Building

Research Building at Kajima Technical Research Institute

For this project, Kajima carried out joint R&D with other leading companies in a number of fields including air conditioning and lighting. This resulted in unique developments such as visualization of energy consumption in real time and computer applications for optimizing office environments using ordinary tablet PCs, as well as a smart power control system that recharges lithium-ion batteries using solar panels to ensure a stable supply of electricity. In recognition of the importance of renovation for ZEB, Kajima received the Good Design Award 2012.

In addition, the Company dramatically improved the Kajima Technical Research Institute's energy consumption during operations after completing the institute's main research building in 2011. This resulted in a 62% reduction in annual CO_2 emissions during the fiscal 2012. Recognizing these results as among the best in the country, the Society of Heating, Air-Conditioning and Sanitary Engineers of Japan awarded a prize to Kajima at its 51st awards ceremony.

Preserving Historical Buildings for Generations to Come

Located in the city of Himeji in Hyogo Prefecture, Himeji Castle is registered as a World Heritage Site and designated as a national treasure in Japan. A full-scale restoration project is currently under way by Kajima joint-venture company to preserve the castle for future generations. While the castle has been restored many times since it was built more than 400 years ago, nearly 50 years have passed since the previous major restoration project completed in 1964, for which Kajima constructed the scaffolding and temporary roof around the building.

This restoration project calls for replacement of all roofing of the castle's main keep. The Castle's five levels of outer walls together with soffits, gables, roof tile joints and other structures will be replastered after the outer walls are stripped down. Structural tests are being conducted in addition to seismic retrofit work.

Construction began in October 2009. After the erection of protective scaffolding and a temporary gantry around the castle to enable renovation work to start, repair and restoration work was launched in April 2011. About 80,000 roof tiles were removed and then inspected, documented and selected for reuse or replacement, after which work was carried out to replaster the walls and replace the roof tiles. About 80% of the roof tiles were reused, and reinforcement and stabilization were achieved by fixing all plain tiles with nails. The preservation work for the roofs of the five-level castle's main keep has already been completed.

Restoration and repair work underway at Himeji Castle, a World Heritage Site

Going forward, most of the restoration work consists of replastering walls and is scheduled to finish in the spring of 2015. When the work is done, visitors will once again marvel at the stunning appearance of Himeji Castle, an extraordinary example of Japan's castle building techniques and design, of which the country can be very proud.

Restoring Tokyo's Historic Train Station to Its Original Appearance from a Century Ago, While Enabling Passengers to Keep Using It

The Tokyo Station Marunouchi Building was designed by architect Kingo Tatsuno and completed in 1914. Although its third (top) floor was destroyed by bombing during World War II, it was eventually designated as an important cultural property in Japan, in 2003. The station building was fully renovated in October 2012. For five and a half years from 2007, Kajima worked to restore the station to its original appearance, while installing seismic isolators to boost earthquake resistance.

To restore the station's copper-plated north and south domes, slated roof, cast stone walls, ornamental tiles, and reliefs inside the domes, Kajima researched the building materials and tools used a century ago, because they differed completely from materials employed today. Kajima also revived unique Japanese building techniques used in the past to restore the station, and will pass down these traditional methods to the next generation.

Kajima drew on its accumulated expertise and latest technologies for the underground construction work, building an underground frame to facilitate a parking garage and shifting the entire 335-meter long, 70,000-ton building from pine piles to a base isolation system.

Incredibly, Kajima performed all of this work while some 760,000 passengers used the station each day, since it is a major transportation hub in the city. Without disrupting Tokyo Station's role and operations, Kajima supervised a total of about 78,000 people involved in construction to complete the project, successfully restoring and preserving a cultural asset while improving its value and convenience.

Tokyo Station Marunouchi Building

Nurturing Human Resources in the Building Construction Division

Kajima's Building Construction Division works to ensure that its engineers receive training at an early stage so that they can respond precisely to requests from customers and other companies. Accordingly, the division steadily develops human resources by establishing a comprehensive training program with three levels and sharing a target profile at each level with program participants. The division designates the first five years after employees join the Company as an important training period, and the following five years as a time to acquire more advanced skills and construction site management abilities.

In addition, the Building Construction Division strives to expand its expertise in foreign construction practices by boosting the number of personnel with such experience throughout the Company. To this end, the division dispatches young employees overseas early on in their careers so that they can gain experience at construction sites outside Japan. Soon after finishing their first important training period, engineers work for three to five years at construction sites abroad. In this way, they learn business customs, gain work skills and develop their abilities to respond to customer needs.

Practical training on drafting a working drawing

Group exercise in introductory education

External Evaluations and Awards

Kajima puts the utmost priority on quality, safety and the environment when undertaking construction work and conducting a broad spectrum of research and technical development. These efforts have been recognized with awards in numerous fields.

BCS Award

Kajima was presented with 2012 BCS Awards for two buildings it constructed—the GC Corporate Center and the Yamaha Ginza Building—from the Building Contractors Society (BCS) at the 53rd awards ceremony. BCS Awards are given to recognize outstanding new buildings in Japan. They have been presented every year since their establishment in 1960, in line with the view that design as well as construction techniques are essential for constructing superior buildings, and that cooperation and understanding among building owners, designers and builders are vital. To date, the awards have commended 186 buildings.

GC Corporate Center

Good Design Award

Sponsored by the Japan Institute of Design Promotion, the Good Design Award recognizes outstanding overall design. Kajima was presented with a total of five Good Design Awards in 2012, including for the Akasaka K-Tower and the Komatsu Ltd. Osaka Technical Center in the Space, Architecture, Facility for Industry category. In the Service and System for Public category, Kajima received an award for grade-separated railroad crossings for the Keikyu Main and Airport train lines at Keikyu Kamata Station in Tokyo.

AKASAKA K-TOWER

A Building Constructed by Kajima 50 Years Ago, and Still in Use Today, Wins a High Rating

Kajima constructed the Riccar Kaikan in Tokyo's Ginza district in 1963. The building has since been renamed the Daiwa Ginza Building and is now owned by Daiwa Office Investment Corporation. In June 2012, as it approached its 50th anniversary, the building was given a Gold certification by the SMBC Sustainable Building Assessment Loan program for its highly sustainable operations, reflecting a history of proper building maintenance and management. A comprehensive range of factors are taken into account for this rating, including environmental performance, implementation of sustainable management policies, and risk management initiatives necessary to preserve the building, including seismic reinforcement, business continuity planning and business continuity management.

The building incorporated a number of building techniques when it was built, and won a prize from the Architectural Institute of Japan at the time. In 2002, then under the ownership of a real estate fund managed by K.K. daVinci Advisors, the building was completely renovated to increase the property value. Extensive seismic reinforcement work was undertaken, but the external design was not altered. As a result, in 2006 the building was recognized with a Building and Equipment Life Cycle Association (BELCA) Prize in the Long Life category for its contribution to excellent building stock. As the Daiwa Ginza Building continues in use, Kajima hopes to carry out renovation and construction of new buildings that can offer the same kind of high added value in the years ahead.

Daiwa Ginza Building

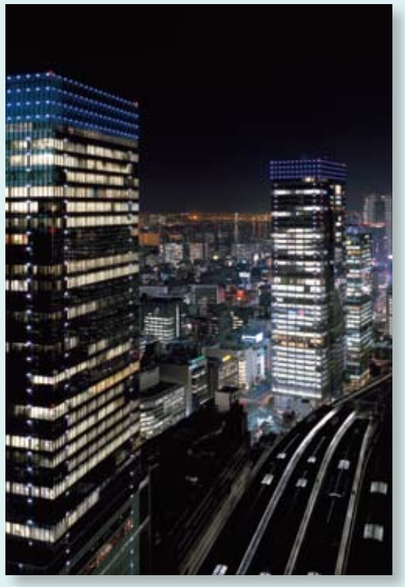
Real Estate Development and Other

Revenues
¥54.5 billion

Operating Income
¥-0.5 billion

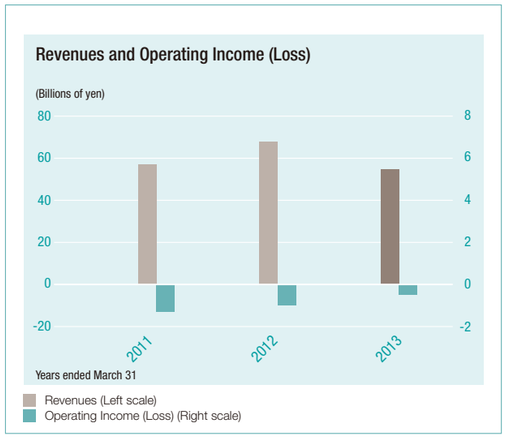
This segment mainly incorporates results from Kajima's real estate and development projects in Japan. Other operations included are architectural design work and a wide range of general engineering businesses. In the fiscal year ended March 31, 2013, segment revenues decreased ¥13.4 billion, or 19.7%, to ¥54.5 billion compared to the previous fiscal year, primarily due to a protracted slump in Japan's real estate market. The segment also recorded an operating loss of ¥0.5 billion.

Toranomon Towers office



Redevelopment project for the Yaesu side of Tokyo Station

The renewal project of the University of Tsukuba's affiliated hospital through facilities maintenance work



Taking on Numerous Large-Scale PFI Projects

In 2012, Kajima accepted two project orders for the construction and maintenance of university facilities funded through private finance initiatives (PFI) involving national university corporations: the University of Tokyo and Tokyo University of the Arts.

One order called for upgrading the University of Tokyo Clinical Research Center, situated on the school's main campus. Kajima, acting as the representative company, established a special-purpose company, Clinical Research Center PFI Corporation, for the project. We concluded a project contract with the university in September 2012, and then commenced the design and construction stage.

Employing the build-transfer-operate (BTO) method, Kajima will construct medical research facilities, a campus-

PFI to the University of Tokyo Clinical Research Center construction project

Project to upgrade the new office building of the House of Councillors of Japan

wide interdisciplinary research space, open laboratories and an adjacent hospital, as well as lodging facilities for university staff, and then maintain and manage the buildings over a period of about 18 years. As the representative company in the project, Kajima is responsible for the design and construction of the facilities as well as project management.

The second order involves a project to build and maintain student dormitories for Tokyo University of the Arts. Together with the project's representative company, Mainichi Comnet Co., Ltd., Kajima—which is in charge of construction—established a special-purpose company, TUA University Dormitory PFI Corporation. This special-purpose company concluded a project contract with the university in June 2012, and started construction in the following December. Through this financially independent BTO project, the new buildings will be maintained and managed for a 30-year period.

In addition, a project to construct a new office building for members of the House of Councillors of Japan was completed in December 2012. This project was started in 2006 by HOC Diet Member's Building PFI Corporation, with Kajima as the representative company. Kajima will maintain and manage the building until March 2020 under the BTO method.

Drawing on its extensive expertise gained in large-scale redevelopment projects, Kajima intends to explore new ways to create highly accessible, user-friendly public facilities such as schools and hospitals. At the same time, it will maximize efficient use of Japan's limited public financing by handling all aspects of development projects, from design to construction and building management.

Project to build student dormitories for the Tokyo University of the Arts

Maximizing Development Project Expertise to Rebuild Disaster-Affected Areas

In the town of Onagawa in Miyagi Prefecture, the Urban Renaissance Agency has begun a reconstruction project of an area covering 226 hectares, which had been destroyed by tidal waves during Japan's 2011 earthquake disaster. The project is conducted based on a contract on town reconstruction and community development agreement concluded with the agency and Onagawa in July 2012. The disaster reconstruction project is the first in Japan to adopt the construction management (CM) method.

Kajima is carrying out residential land development and building all necessary infrastructure including roads, water piping and sewage systems. The Company is not only performing construction work but also handling overall management duties, such as examining ways to shorten construction times and cut costs, coordinating with other companies involved in the project, and holding planning meetings. With the goal of rebuilding the area as soon as possible, Kajima has been maximizing its extensive construction-related experience and technologies from the planning stage onward to move the project forward.

To ensure full transparency of operations, Kajima is employing open-book accounting to disclose all expense items. Furthermore, the Company gives preference to local businesses when subcontracting for the reconstruction project. Following this basic policy, Kajima aims to help the local economy recover by hiring local people and utilizing area resources.

All of the town's functions and its disaster preparedness have been considered by zone in reconstruction planning. Accordingly, residential zones, which spread across low-lying land before the town was destroyed, are being moved to higher ground. The low-lying land is being elevated, after which basic facilities will be constructed, such as commercial, industrial and public facilities. Construction is starting in areas where work is possible, including a seafood processing area and a residential development in the center of town. From these areas, construction work will proceed sequentially to commercial districts surrounding Onagawa Station and residential areas on the peninsula, including an island, until the entire town is finally rebuilt. Through this project, Kajima is applying new methods and techniques to help Onagawa surmount the earthquake and tsunami disaster and start anew.

Domestic Subsidiaries and Affiliates

Revenues ¥320.1 billion

Operating Income ¥8.6 billion

In Japan, the Kajima Group comprises 89 subsidiaries and affiliates nationwide, including 11 consolidated subsidiaries. These companies handle a wide range of operations in Kajima's construction business, such as specialized construction work, sales and leasing of construction materials and equipment, building maintenance and administration, and building and hotel management. In the fiscal year ended March 31, 2013, revenues were ¥320.1 billion, unchanged from the previous fiscal year. Operating income, however, decreased ¥1.3 billion, or 12.7%, to ¥8.6 billion, mainly owing to declining gross profit at several consolidated subsidiaries.

Design & Consulting

Ilya Corporation
ARMO Co., Ltd.
ARTES Corporation
Engineering & Risk Services Corporation
RTC Inc.
LANDSCAPE DESIGN Inc.
EcoRoad Co., Ltd.
AVANT ASSOCIATES, Inc.

Sales & Services

Kajima Services Co., Ltd.
ACT TECHNICAL SUPPORT Inc.
Kajima Information Communication Technology Co., Ltd.
Toshi Kankyo Engineering Co., Ltd.
Kajima Tohoku Kousan Co., Ltd.
K-PROVISION Co., Ltd.
Kajima Accounting Inc.
Kajima Real Estate Investment Advisors Inc.

Finance & Insurance

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

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 Environment Engineering Corporation
Kajima Mechatro Engineering Co., Ltd.
Grout Trading Co., Ltd.
KRC Co., Ltd.
Clima-Teq 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.

Real Estate Development & Management

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

Culture

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

*Green indicates consolidated subsidiaries.

As of March 31

	2011	2012	**2013**
Number of Employees	3,760	3,785	**3,920**

Overview of Business Activities of Principal Subsidiaries and Affiliates

Taiko Trading Co., Ltd. — Procurement & Construction

Procurement business: Procurement and sales of construction equipment and machinery, facility instruments, and industrial machinery
Construction business: Management and contracting of design and construction work for civil engineering projects, equipment installation and general construction projects
Environment business: Provision of water treatment and soil decontamination services, and sales of various types of environment-related materials
International business: Import and export of construction equipment and machinery, and management of construction projects outside Japan
Leasing business: Leasing of a wide range of temporary building materials and construction machinery
Trading business: Sales of products that facilitate construction site management

Revenues decreased as a result of intensifying competition and declining demand for restoration and reconstruction work in disaster-affected areas. Nevertheless, profit increased owing to stringent cost management and reduced procurement costs.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	18.5	**19.3**	Total Assets	**42.1**
Revenues	95.8	**89.9**	Number of Employees	**268**
Operating Income	0.4	**0.6**		

Kajima Road Co., Ltd. — Procurement & Construction

1. Contracting and entrustment of pavement work for roads and airport runways, waterproofing work, construction of sports and leisure facilities, and other civil engineering and construction projects
2. Manufacturing and sales of building materials
3. Design, manufacturing, sales and rental of equipment and machinery used in construction work
4. Disposal of industrial waste and sales of recycled products
5. Reclamation of land, and sales, brokerage, leasing and management of real estate

Kajima Road maintained a high number of construction contracts and achieved strong sales of asphalt, resulting in increased revenues and profit.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	88.7	**89.6**	Total Assets	**79.0**
Revenues	105.7	**112.3**	Number of Employees	**986**
Operating Income	3.0	**3.6**		

Kajima Tatemono Sogo Kanri Co., Ltd — Real Estate Development & Management

1. Contracting and entrustment of overall building and site management
2. Contracting and entrustment of building equipment operations, maintenance and other management activities
3. Contracting of security services
4. Contracting of cleaning services
5. Contracting and entrustment of consulting, planning, design, supervision and construction work related to buildings, electrical systems, sanitation, air conditioning, and building equipment

Steady increases in fixed-term facility management contracts and expanding maintenance work contributed to record-high operating income.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	—	**—**	Total Assets	**15.8**
Revenues	39.7	**41.9**	Number of Employees	**1,365**
Operating Income	1.9	**2.5**		

Chemical Grouting Co., Ltd — Procurement & Construction

1. Surveying, design, construction and consulting related to foundation improvement work and ground stabilization work
2. Surveying, design, construction and consulting related to building foundation work
3. Surveying, design, construction and consulting related to building structural reinforcement work
4. Surveying, design, construction and consulting related to soil decontamination work
5. Sale and rental of various types of equipment, machinery, and materials, as well as related technical assistance

Construction contract awards increased, but revenues and profit decreased due to a decline in ongoing construction projects.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	24.2	**25.1**	Total Assets	**17.9**
Revenues	25.3	**18.0**	Number of Employees	**288**
Operating Income	1.0	**0.1**		

Kajima Leasing Corporation — Finance & Insurance

1. Leasing, renting, buying and selling of machine tools, electrical equipment, construction equipment, medical equipment, automobiles, transport equipment, and intangible property rights
2. Buying, selling, renting and brokerage of real estate and ancillary facility equipment
3. Financing of cash loans, credit purchases, and installment sales
4. Consulting related to business management, investment planning, and other matters
5. Construction project-related planning, design, management and contracting

Revenues and profit increased reflecting the sale of large-scale properties for which building lease contracts had expired.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	—	**—**	Total Assets	**33.7**
Revenues	7.3	**7.9**	Number of Employees	**40**
Operating Income	0.5	**0.7**		

Ilya Corporation — Design & Consulting

1. Interior design and graphic design
2. Consulting related to facility programming, procurement agents, and project management
3. Interior design-related work including interior renovations and provision of furniture

Amid expectations for an economic recovery, construction contract awards expanded and drove up revenues. Profit decreased, however, owing to intensified competition for construction contracts.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	7.0	**7.5**	Total Assets	**3.6**
Revenues	6.6	**7.7**	Number of Employees	**162**
Operating Income	0.0	**0.0**		

Kajima Mechatro Engineering Co., Ltd. — Procurement & Construction

1. Design, manufacturing, installation, sale and rental of machinery and equipment used for civil engineering and construction work as well as shipping
2. Servicing, upgrading, and maintenance of the machinery and equipment listed in 1. above
3. Consulting related to 1. and 2. above
4. Contracting and entrustment of civil engineering and construction projects
5. Contracting and entrustment of management and engineering work for construction project-related surveys, research, planning, design, supervision, procurement, technical assistance, maintenance, and other duties
6. Deployment of construction workers
7. All ancillary work related to the preceding items

Revenues rose as a result of increased construction contract awards during the fiscal 2011 related to reconstruction work in areas damaged by the earthquake disaster. Operating profit was achieved reflecting measures to reduce cost prices.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	13.8	**7.3**	Total Assets	**5.5**
Revenues	10.4	**13.5**	Number of Employees	**175**
Operating Income	(0.1)	**0.0**		

Clima-Teq Co., Ltd. — Procurement & Construction

1. Design, construction and after-sales service of facility systems related to air conditioning equipment, plumbing and sanitary equipment, electrical and communications equipment, and electronic devices
2. Design, construction and after-sales service related to building surveys and assessments, planning of long-term repair projects, seismic reinforcement work, equipment upgrades and building renovation work
3. Design, construction and after-sales service related to plumbing systems and the installation of manufacturing and laboratory equipment

Construction contract awards and revenues increased, but an operating loss was incurred as a result of deteriorating profits from construction projects.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	18.0	**21.3**	Total Assets	**12.2**
Revenues	19.3	**21.8**	Number of Employees	**373**
Operating Income	0.4	**(0.2)**		

Overseas Subsidiaries and Affiliates

Revenues ¥223.3 billion

Operating Income ¥7.4 billion

Through its overseas subsidiaries and affiliates, the Kajima Group is pursuing real estate development and construction projects worldwide with a focus on the three regions of North America, Europe, and Asia. In the fiscal year ended March 31, 2013, revenues amounted to ¥223.3 billion, up ¥58.3 billion, or 35.3%, compared to the previous fiscal year. This reflected an increase in completed construction projects in line with a growing number of construction awards. Operating income rose markedly year on year, jumping ¥6.0 billion, or 421.9%, to ¥7.4 billion, mainly as a result of expanded gross profit.

Kajima's construction and real estate development operations outside Japan are carried out by its subsidiaries and affiliates in the United States, Asia and Europe.

Kajima Overseas Asia Pte Ltd

Singapore
Kajima Design Asia Pte Ltd.
Indonesia
P.T. Kajima Indonesia
P.T. Senayan Trikarya Sempana
Thailand
Thai Kajima Co., Ltd.
Ramaland Development Co., Ltd.
Bang Tao Beach Ltd.
Malaysia
Kajima (Malaysia) Sdn. Bhd.
Vietnam
Kajima Overseas Asia Pte Ltd. Vietnam District Office
Philippines
Kajima Philippines Inc.
India
Kajima India Pvt Ltd.
Hong Kong
Kajima Overseas Asia Pte Ltd. Hong Kong District Office

Kajima U.S.A. Inc.

Kajima International Inc.
Kajima Real Estate Development Inc.
Kajima Associates, Inc.
Kajima Building and Design Group, Inc.
KCS West, Inc.
Hawaiian Dredging Construction Company, Inc.
The Austin Company
Batson-Cook Company
Industrial Developments International, Inc.
Commercial Developments International, Inc.
Kajima Development Corporation
KUD International LLC
Batson-Cook Development Company
Anglebrook Golf Club

Kajima Europe Ltd.

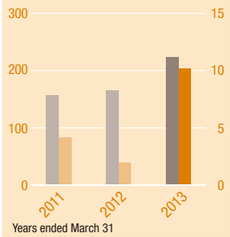
U.K.
Kajima Europe Design and Construction (Holding) Ltd.
Kajima Estates (Europe) Ltd.
Kajima Partnerships Ltd.
Kajima Properties (Europe) Ltd.
France
Kajima Europe S.A.S.
Kajima Europe Lou Roucas S.A.R.L., Saint Endreol Office
Poland
Kajima Poland Sp. z o.o.
Czech Republic
Kajima Czech Design and Construction s.r.o.

Taiwan
Chung-Lu Construction Co., Ltd.
China
Kajima Corporation (China) Co., Ltd.
Kajima Shenyang Construction Management & Consulting Co., Ltd.

As of March 31

	2011	2012	**2013**
Number of Employees	3,159	3,439	**3,811**

Revenues and Operating Income (Loss)
(Billions of yen)



Revenues (Left scale)
Operating Income (Loss) (Right scale)

Kajima U.S.A. Inc.

Kajima has a long history in the United States, beginning in 1964 with the establishment of Kajima International Inc. (KII), a subsidiary in Los Angeles. After acquiring the necessary licenses, KII became a general contractor in the 1970s, and is now engaged in construction projects nationwide. It managed the Kajima Building in Los Angeles in 1967, and participated in the redevelopment of the city's Little Tokyo district. A revitalization project in Little Tokyo was later carried out by East West Development Corporation, which Kajima established in 1973.

Kajima Subsidiaries of the States were reorganized under a holding company, Kajima U.S.A. Inc. in 1986. Based in Atlanta, the company now oversees five construction firms and six real estate and development companies in the United States, and is working to expand business by leveraging the competitive advantages of each of these companies.

In 1989, Kajima established Industrial Developments International, Inc. (IDI) as a specialized distribution and warehousing developer. It is now a leading nationwide company in the distribution and warehousing industry, providing expertise and handling project management ranging from project funding to construction work in the field of real estate development, which is growing in scale and complexity.

Other subsidiaries in the United States include KUD International, LLC, which handles a wide range of construction projects including sports facilities and aquariums. In construction works, KCS West, Inc., a construction firm affiliated with KII, carried out joint venture projects with U.S.-based general contractors.

Summary of Results in the Fiscal 2012

Kajima U.S.A. recorded operating profit primarily owing to an increase in construction contract awards, reflecting the gradual recovery of the U.S. economy, as well as a contribution from the sale of property in the distribution and warehousing development business.

Cancer Treatment Centers of America at Southeastern Regional Medical Center

Baptist Medical Center / Wolfson Children's Hospital

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	57.8	**93.1**	Total Assets	**113.6**
Revenues	72.2	**90.2**	Number of Employees	**889**
Operating Income	(2.4)	**0.1**		

2012: US$1=¥77.74, 2013: US$1=¥86.58

Kajima Overseas Asia Pte Ltd.

Kajima extend its business into Southeast Asia in the 1960s, constructing numerous kinds of buildings as countries in the region modernized. In 1988, Kajima set up Kajima Overseas Asia Pte Ltd. (KOA) in Singapore. This subsidiary actively developed locally based projects, handling construction of a range of being modernized including the Parkway Parade Building, the Overseas Union Bank Center (which was once Asia's tallest building at 280 meters), and the six-star St. Regis Hotel. Since 1991, KOA has been involved in the Millennia Singapore Development Project, constructing four high-rise buildings (2 hotels and 2 office towers) and a shopping mall covering a site of approximately 80,000 square meters.

In Indonesia, the company has been working on Senayan Square, one of the largest development projects in Asia, since 1989. On a vast site covering 18.8 hectares, a complex is under construction consisting of shopping streets, two department stores, three office buildings, four condominiums, and one hotel. Kajima holds the operating rights for this build-operate-transfer (BOT) project, and will return the rights to the government of Indonesia after 40 years.

In other Asian economies, including Thailand, Hong Kong, and the Philippines, KOA is engaged in development projects for office buildings and hotels, thereby contributing to the economic development of the region.

Summary of Results in the Fiscal 2012

Leveraging its competitive advantages in Southeast Asia, KOA acquired construction contracts for large-scale projects and secured revenues exceeding ¥100 billion. Steady results from development projects as well as reconstruction projects to repair flood damage in Thailand led to increases in revenues and profit.

Marina Bay Financial Center

The New ITE College Central and ITE Headquarters

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	63.4	**126.6**	Total Assets	**110.9**
Revenues	75.2	**106.6**	Number of Employees	**2,512**
Operating Income	4.4	**7.9**		

2012: S$1=¥59.76, 2013: S$1=¥70.78

Kajima Europe Ltd.

Kajima originally launched its operations in Europe in the former East Germany. Over eleven and one half years from 1975, Kajima constructed four major buildings, including the International Trade Center in Berlin, from full-turnkey services encompassing design and construction work to the procurement and supply of equipment and materials. While their occupants have been changed, the buildings are still in use today. Since then, through its London-based headquarters at Kajima Europe, Kajima went on to develop a full range of services ranging from surveying to construction in the United Kingdom, France, Holland, and Belgium. In the 2000s, Kajima expanded into Central Europe, setting up offices in Warsaw and Prague to handle construction projects in a wide spectrum of industries.

In London, Kajima began a project to develop the Piccadilly Buildings in 1986. Kajima remodeled all of the interiors of the buildings, which were built about 100 years ago, and completed construction in 1989. The buildings currently house the Embassy of Japan. Kajima started developing One London Wall in 2001, and has been involved in private finance initiative (PFI) projects in selected areas of the United Kingdom. Since 1991, Kajima has been developing the Les Domaines de Saint Endréol Resort in the Provence region of southern France. Kajima had also participated in real estate development projects in Germany, including the MesseTurm Frankfurt, once the tallest building in continental Europe, and the Sony Center, an urban complex at Berlin's Potsdamer Platz. In recent years, Kajima has been active in purchasing existing buildings while pursuing a business model designed to enhance value of the asset through renovation of the buildings matching to current market need.

Summary of Results in the Fiscal 2012

Although sluggish conditions continued in the construction industry, Kajima Europe recorded strong results supported by a number of development projects.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	5.5	**7.2**	Total Assets	**21.1**
Revenues	7.7	**10.7**	Number of Employees	**226**
Operating Income	(0.9)	**(1.1)**		

2012: £1=¥119.81, 2013: £1=¥139.52

Chung-Lu Construction Co., Ltd.

Kajima established Chung-Lu Construction Co., Ltd., in 1983 as a subsidiary in Taiwan. The company has earned a strong track record constructing numerous factories, office buildings, hotels and other buildings. In recent years, the company has expanded its client base beyond Japanese firms operating in Taiwan, constructing headquarters buildings for major Taiwanese firms including Taiwan Cement Corporation and Shihlin Electric and Engineering Corporation, as well as high-rise condominiums, hotels, banks and hospitals.

Summary of Results in the Fiscal 2012

Although construction contract awards declined overall, revenues increased as large-scale projects proceeded on track. The profit of the company was slightly decreased due to the worsening profitability of certain construction projects.

(Billions of yen)

	Years ended March 31		As of March 31	
	2012	**2013**	**2013**	
Construction Contract Awards	19.4	**13.2**	Total Assets	**8.4**
Revenues	9.9	**15.8**	Number of Employees	**184**
Operating Income	0.3	**0.1**		

2012: NT$1=¥2.5675, 2013: NT$1=¥2.9815

Fundamental Stance on Corporate Governance

Reliable Corporate Governance—Being a Trusted Corporate Group

In order to achieve its social mission through its business activities, Kajima considers it essential for each director and employee to act in accordance with the highest level of corporate ethics.

Corporate Governance

Kajima's basic stance on corporate governance is to conduct all business activities and transactions with fairness and transparency by proactively taking measures to enhance management supervision by auditors, directors and other bodies; strengthening internal controls for managing risks and ensuring accountability; and implementing measures designed to ensure strict compliance. The objective of this stance is to build on the value and trust that stakeholders have for the Company, based on Kajima's corporate philosophy of "contributing to society through the development of the Company's business operations."

Board of Directors and Management Systems

As of March 31, 2013, Kajima's Board of Directors was composed of ten members, who all have extensive experience in the Company's business. In principle, the Board of Directors meets once per month, or as necessary, to deliberate and decide on fundamental business policies and important matters, as well as to monitor the Company's performance and execution of business plans. In addition, Kajima has adopted an executive officer system to separate management and supervision functions, strengthen business execution functions, and raise the efficiency and speed of management. The Company has also established a committee system, which includes the Management Committee and the Joint Committee of Directors and Executive Officers, to increase the efficiency of management decision-making.

Audit System

Kajima has adopted a corporate audit system, by which Audit & Supervisory Board Members, which includes three external members as of March 2013, attend Board of Directors' meetings and other important meetings to audit the propriety and suitability of business execution carried out by directors. As independent third parties with no vested interest in the Company, the external Audit & Supervisory Board Members provide opinions based on their legal and accounting expertise to help ensure objectivity and neutrality in management decisions. The Audit & Supervisory Board cooperates closely with the Audit Department, which conducts independent internal audits, as well as accounting auditors to improve the effectiveness and efficiency of auditing.

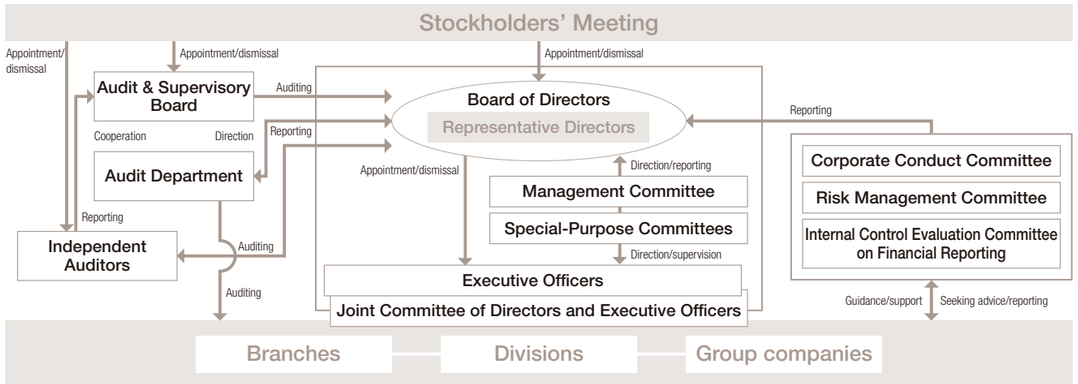
Remuneration for Directors

With the policy on deciding amounts of remuneration for directors established, Kajima pays to directors monthly wages as fixed payment and variable compensation in conjunction with business performance (bonus), which are decided in consideration of position (including position of operating officer in a case of concurrently serving as an operating officer) and tenure.

Strengthening Group Management

Kajima takes steps to strengthen group management by assigning its executives and employees as directors and auditors of group companies, and conducting audits and appropriate supervision as necessary. In accordance with internal management rules for subsidiaries and affiliates, group companies are required to report to and consult with Kajima prior to making decisions on important matters.

Corporate Governance System



Internal Control

On the basis of the Corporate Law of Japan, Kajima has established a basic policy for its internal control systems to ensure the accuracy and reliability of its financial reporting. Through the employment of this system, the Kajima Group strives to conduct its operations appropriately and effectively while carrying out thorough compliance and risk management.

Application of Internal Control over Financial Reporting

Kajima issued an internal control report on the validity of its financial reporting, in accordance with the requirement under Japan's Financial Instruments and Exchange Act for companies to implement an internal control reporting system. The report evaluated management activities and internal controls designed to ensure the accuracy of all reported information, and was given a favorable opinion by an independent auditing firm. Kajima intends to make continuous improvements to its internal control reporting system, in order to consistently guarantee highly credible financial reporting.

Risk Management

With appropriate and efficient risk management systems established, the Kajima Group has made its best efforts for exactly identifying risks in day-to-day operations and preventing them. We also aim for continuous improvement of corporate value by winning the trust of shareholders, clients, and others with efforts for timely information disclosure.

Company-Wide Risk Management System

Kajima carries out company-wide activities aimed at eliminating or reducing the occurrence of risks to its operations. Specifically, the Company's Management Committee and special-purpose committees deliberate on countermeasures that can accurately deal with risks related to its business, including new business and investment in development.

Kajima's Risk Management Committee, which meets annually in March and is chaired by the president, has identified major business risks that must be managed on a company-wide basis. Accordingly, the Company promoted awareness of these risks, and introduced risk management initiatives based on the PDCA (plan-do-check-act) cycle.

Kajima Group companies in and outside Japan have also adopted the Company's standardized systems and independently introduced risk management initiatives.

Note: Eight types of risk, including "laws and regulations," "production quality," "labor safety," "the environment," and "systems"

Board of Directors

(As of July 1, 2013)

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

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

Atsushi Hattori
Director,*
Executive Vice President,
General Manager,
Tokyo Architectural Construction Branch

Hiroshi Ishikawa
Director,*
Senior Executive Officer,
Responsible for sales and marketing

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

Nobuyuki Hiraizumi
Director

*These directors also serve as executive officers.

Stock Information

(As of March 31, 2013)

Basic Information

Stock Exchange Listings	Tokyo, Osaka, and Nagoya Stock Exchanges
Industry and Securities Code	Construction / 1812
Trading Unit	1,000
Number of Shares or Common Stock	Authorized 2,500,000,000
	Issued 1,057,312,022
Paid in Capital	¥81,447,203,834
Number of Shareholders	83,563

Stockholder Information

Fiscal Year-End	March 31
Ordinary Stockholders' Meeting	Late June every year in Tokyo
	(Within three months from the day following the fiscal year-end)
Date of Record	Ordinary Stockholders' Meeting March 31 every year
	Year-end dividend March 31 every year
	Interim dividend September 30 every year
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

Principal Shareholders

Shareholders	Number of shares (thousand shares)	Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	56,378	5.33%
Japan Trustee Services Bank, Ltd. (Trust Account)	43,904	4.15%
Shoichi Kajima	31,585	2.99%
Kajima Employee Stock Ownership	25,474	2.41%
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	22,373	2.12%
Sumitomo Mitsui Banking Corporation	20,442	1.93%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	19,947	1.89%
Yoshiko Ishikawa	15,042	1.42%
The Kajima Foundation	14,470	1.37%
Taisho Pharmaceutical Holdings Co., Ltd.	12,576	1.19%
Total	262,194	24.80%

Notes: 1. In addition to the above, Kajima Corporation has treasury stock of 16,928 thousand shares.
2. Shareholding was computed excluding total treasury stock.