

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.



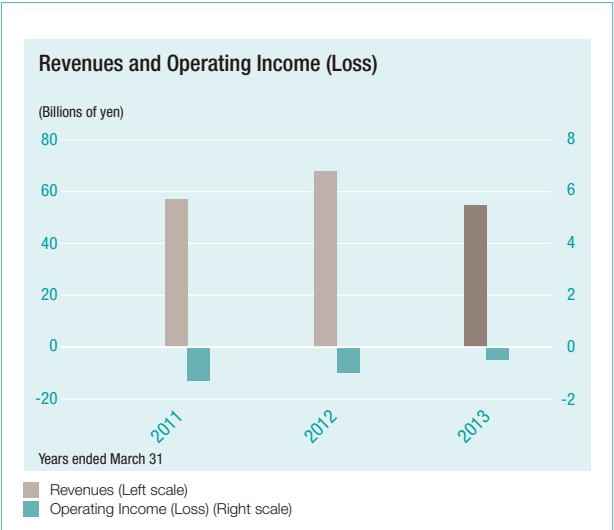
Toranomon Towers office



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.

