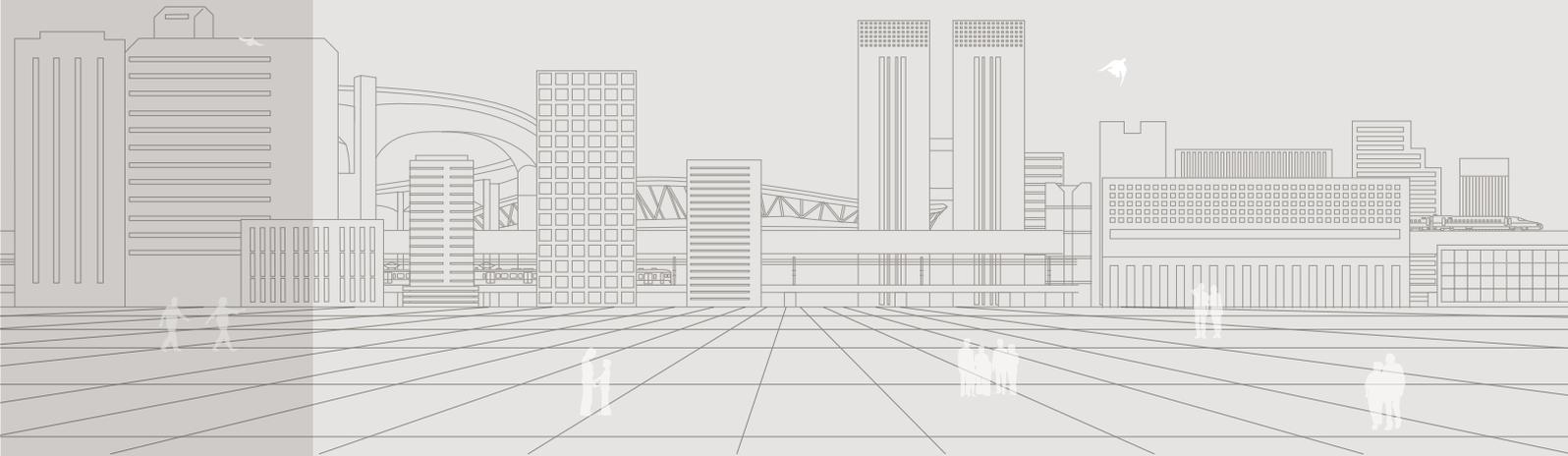
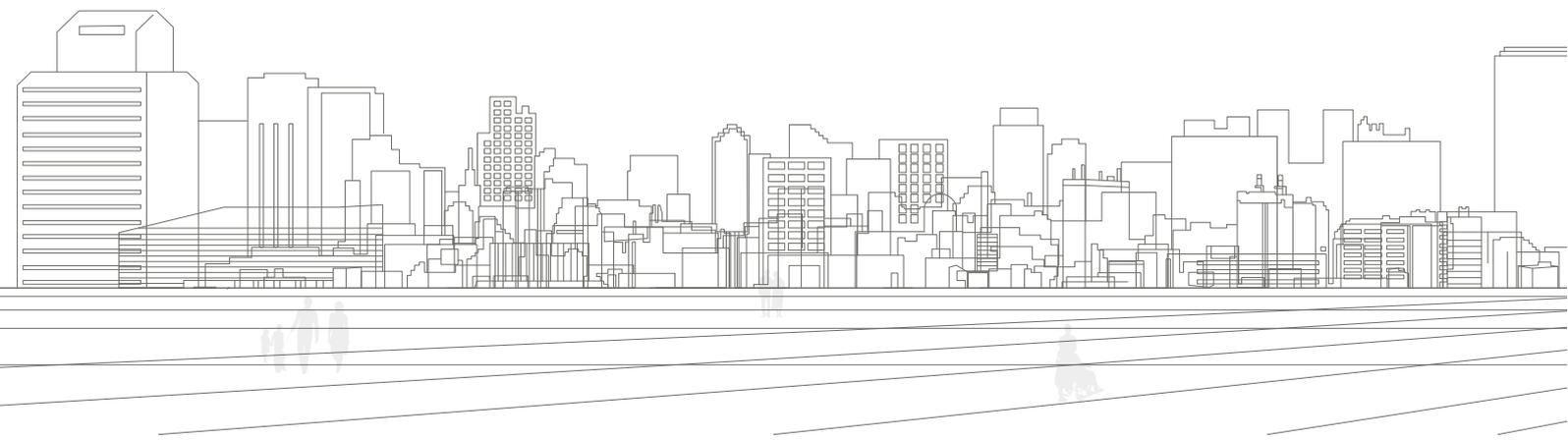


KAJIMA
2011
CSR REPORT





Corporate Philosophy

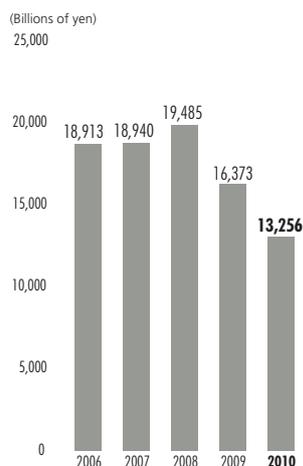
As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.

Corporate Data

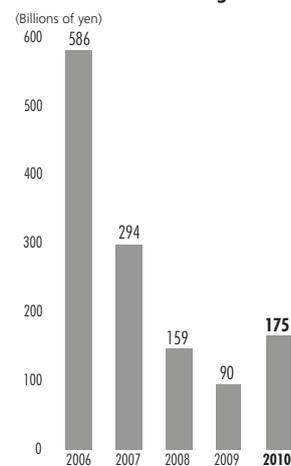
Company Name	Kajima Corporation
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Paid-in Capital	Over ¥81,400 million
Number of Employees	8,164 (As of March 31, 2011)
Business Domain	Construction (Civil Engineering and Building Construction), Real Estate Development, Architectural Design, Civil Engineering Design, Engineering, and Other
Chairman, Representative Director	Sadao Umeda
President, Representative Director	Mitsuyoshi Nakamura

Financial Results

Consolidated Revenues

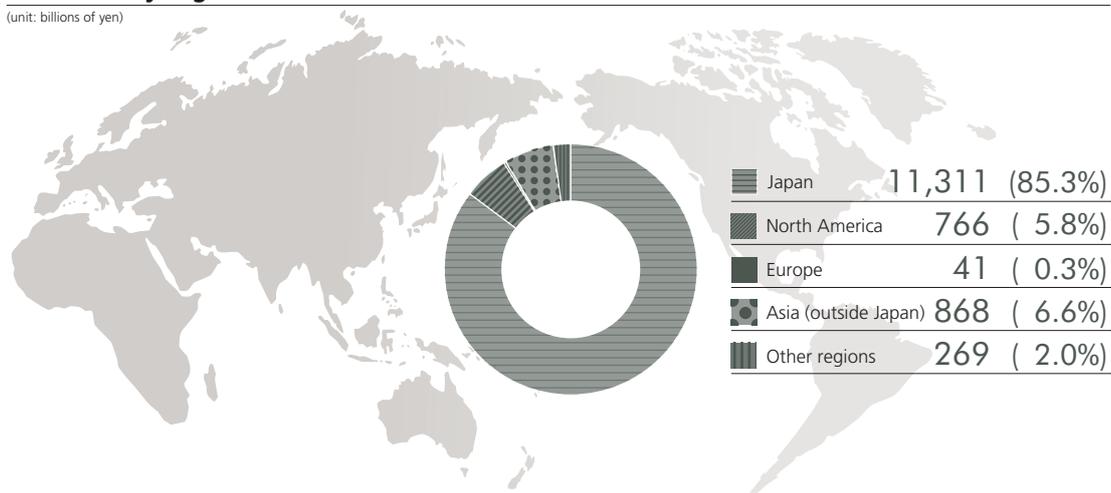


Consolidated Recurring Profit



Revenues by region

(unit: billions of yen)





Editorial policy

The Kajima CSR Report editorial policy is to create a communications tool that provides stakeholders with information on the Company's CSR initiatives taken through its main business activities. Continuing the format of the previous year's report, this report presents information according to the five fundamental approaches of the Kajima Group's CSR framework. The editors made efforts to provide a clear picture of Kajima's activities, especially for readers who have no direct involvement with the construction industry or Kajima's business.

The content of the report was determined by an editorial team made up of 13 employees from 10 sections, mainly in the Public Relations Department, that produced the report in cooperation with the Head Office, branch offices, and other worksites.

Period covered by this report

This report covers fiscal 2010, the fiscal year ended March 31, 2011, except where otherwise stated.

Scope of this report

In principle, this report covers all divisions and departments of Kajima Corporation in Japan and overseas, as well as initiatives undertaken by some Kajima Group companies. Quantitative data, however, has been compiled from Kajima Corporation's domestic operations only.

Issuance of the report

July 2011; the previous report was issued in July 2010 and the next report is planned for July 2012

Guidelines used for this report

Environmental Reporting Guidelines issued in 2007 by Japan's Ministry of the Environment
G3 version of the *Sustainability Reporting Guidelines* issued by the Global Reporting Initiative

English information available online

Kajima website: www.kajima.co.jp/english/
Kajima's CSR initiatives: www.kajima.co.jp/english/csr/
Kajima CSR Report Library: www.kajima.co.jp/english/csr/report/

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The Social Responsibility and Mission of Our Core Business

On behalf of Kajima Corporation, I would like to extend our deepest condolences to the victims and our sympathies to those affected by the Great East Japan Earthquake. We sincerely hope for everyone's continued well being as well as a quick recovery from this tragic disaster.

Better Safeguarding Human Life and Livelihoods

Floods of Japan, published by Toyo Keizai, Inc. in 1954 and available at the Civil Engineering Library of the Japan Society of Civil Engineers in the Yotsuya district of Tokyo, includes the following statement. "Should we not look back on our approach to battling floods with some regret? Have we not ignored the logic of nature? Were we not deceived by what constitutes a natural disaster? Did we not wield the saying 'courageous but doomed resistance' in the face of geological phenomena for which the miniscule power of humankind has no effect?"

This is actually a book donated by Akira Aoyama, a noted civil engineer who took part in the construction of the Panama Canal. Aoyama wrote a note in the margin of this same page that read, "Remembering nature's will in the world is the key to fortune." That is, those that can discover the reason and essence of nature in all events relating to humankind are blessed and fortunate. Perhaps this is because they are able to better safeguard human life and livelihoods?

The Happiness of Spending Every Day in Peace

In Japan, one of the few countries in the world to be predisposed to multiple types of natural disasters, civil engineering, in particular, has been undertaken together in concord between people and nature. This encompasses "understanding the logic of nature" and "preserving the safety and security of people's livelihoods." Amid this, Japan has amassed a wide range of advanced technical capabilities, and

has received recognition as a country that possesses an advanced ability to effectively mitigate the impact of and damage from disasters.

The massive earthquake and resulting tsunami that struck Japan in March 2011, however, brought about devastation on a level unimaginable to us before. Even with Japan's broad disaster-related wisdom, it would still have been impossible to prevent such unparalleled destruction. Although we were again made aware of the fact that human wisdom is no match for the extraordinary power of natural energy, we cannot let ourselves feel powerless in the face of nature. The construction industry is a basic industry that supports the local infrastructure of people and society. As such, we retain a mission and responsibility to society to hand down a safe and secure livelihood to future generations.

An interview with a little girl who was forced to evacuate from her home in the aftermath of the earthquake remains imprinted in the back of my mind. "My dad has yet to be found. I understand how affluent I have been until now. I had a house, I had food and I had a family. I understand quite well how happy I was." This little girl spoke in front of the television camera without shedding a tear.

We need to leverage our collective strengths and quickly create a place for this little girl and her family to come together and return to their previous life of laughter and peace. I have prayed for this in my heart.

Overcoming a National Crisis

Countries around the world are watching Japan's response to this unprecedented earthquake and national crisis with great interest. Kajima Corporation's technologies that ensure people's safety and security have also been demonstrated in the recovery effort immediately after the earthquake and tsunami. The construction industry must fulfill its responsibility to society and the nation to every extent possible through the recovery and reconstruction effort.



On April 1, 2011, the three main industry organizations in the construction industry merged to form the Japan Federation of Construction Contractors (JFCC). Right after its inception, the social responsibility and meaning of existence of this new organization were powerfully called into question. Kajima Corporation has worked closely with the JFCC to dispatch engineers and support staff from its Head Office and branch offices, including the Tohoku Branch, to disaster-affected areas to assist in the recovery and reconstruction effort.

The reconstruction effort will likely continue for many years. As we share the challenges and triumphs of those in the disaster-affected areas, the efforts and contributions only possible by the construction industry will serve to produce a shared empathy in society. I believe Kajima Corporation's social contributions will also take place in this manner.

Delivering Assets to the Earth and Future

"We should not be reluctant to spend money today for the disasters of tomorrow. The loss of life and impact on the local economy will in the end only increase the costs." I recall these words spoken by a top official from the Los Angeles city government at the time of the 1994 Northridge Earthquake. The same holds true not only for governments, but also for families, companies and local communities. Our determination and effort today to mitigate the impact of disasters promises a brighter tomorrow for future generations, and also represents a means to recognizing the sacrifices made by those who lost their lives in previous disasters.

The JFCC recently developed the catch phrase, "Delivering Assets to the Earth and Future." As a manufacturing industry, the construction industry should use its technical prowess to create buildings and structures that will form the foundation for the future on a global scale.

This catch phrase articulates the industry's hope and determination for achieving this.

Moving forward, Kajima Corporation will focus on infrastructure development as part of its core business and will aspire to be a company and industry that is always conscious of the Earth's environment. While facing off with the power of nature, we will use our collective wisdom and best efforts to conserve biodiversity, seek harmony and coexistence with the natural environment, and fulfill our responsibility to help realize a sustainable society.

Responding to the Needs of Society

Geologist and author of the aforementioned *Floods of Japan*, Hiroshi Koide, states in his prologue:

"In the mountains of my homeland, forests grow lush, while rivers flow purely. I pray that the people of Japan can live in peace and prosperity."

How should we confront nature in order to protect the beautiful land of Japan? What should we do to build an environment that is safe and secure? We will continue to think earnestly about the answers to these questions and more as we move forward. More importantly, we will continue to assertively practice the CSR initiatives and activities outlined in this report, including safety and quality, thorough compliance, coexistence with local communities and appropriate information dissemination, in order to respond to the needs and expectations of society and deepen the bond of trust with our stakeholders.

As we move forward, we humbly request the continuing understanding and support of all the Company's stakeholders.

A handwritten signature in black ink that reads "Mitsuyoshi Nakamura". The signature is written in a cursive, flowing style.

Mitsuyoshi Nakamura
President and Representative Director
Kajima Corporation

Responding to the Needs of Society with Our Technologies

We have striven to enhance the benefits for society as a whole through devoting our efforts to construct buildings and structures utilizing various technologies. In other words, we have helped deliver value and quality through our work to improve safety, comfort, and convenience in modern society. We believe that an environment can be changed by making an ordinary building into a landmark which serves as a hub for the daily activities of the surrounding communities. By creating buildings conscious of the environment and ecosystem, local surroundings can also be further enriched. Moreover, by building infrastructure, such as bridges and roads, we create revolutionary change in the transportation system that enables travel at even faster speeds and in safer manners than before. Buildings, once they are occupied and utilized, may be taken for granted, but their existence, which improves peoples' daily surroundings and convenience, helps enhance the quality of life of society as a whole.



Start with Today

Efficient Use of Our Limited Energy Resources —From Energy Saving to Energy Efficiency—

While an important theme, combating global warming may have been perceived as an issue that lacks a sense of tangible results or achievements. In 2010, the Law Concerning the Rational Use of Energy was revised, while the Tokyo Metropolitan Government also enacted an ordinance aimed at reducing the total amount of greenhouse gas emissions by large business locations and announced its plan to institute even tighter regulations in 2015. All building owners will inevitably need to act to address impending changes in laws, ordinances, and regulations with an approach that embodies comprehensive technologies suited to the entire lifecycle of a building. Amid this, the Great East Japan Earthquake struck, causing a significant change in the circumstances surrounding the supply of energy, most notably electricity. Kajima is committed to reducing and rationalizing its use of energy and helping achieve energy efficiency while maintaining a comfortable lifestyle and work environment through its next generation technologies.

Realizing ZEB by 2020

Kajima participates in zero-energy building (ZEB) research and development, which aims to reduce the annual primary net energy consumption of a building to zero or near zero by 2020, and has established a roadmap for incorporating technologies that reflect the ZEB concept in 80% of its projects, including the design and

construction stages, by 2025. In order to meet this target, around 10 specific sub-themes have been identified to address a broad range of challenges, from design and construction to engineering, which will be tackled to help make ZEB a reality as early as possible.

» ZEB

Response to the Great East Japan Earthquake

Immediately following the Great East Japan Earthquake, Kajima established a disaster response headquarters at its Head Office and Tohoku Branch. This organization confirmed the safety and whereabouts of employees and ascertained conditions at factories in operation. In addition, it began damage-related surveys on production facilities and structures based on client requests. In response to a request for assistance from the Tohoku Branch, we organized the shipment of relief supplies including water, food, and blankets from both the Tokyo Head Office as well as each branch office throughout Japan. By the end of March 2011, approximately 250 truck loads of relief supplies had been shipped to disaster-affected areas. With almost 2,800 requests for damage-related surveys by the end of April, some 5,000 engineers from the Tokyo Head Office and branch offices were dispatched to the disaster zone to assess the extent of damage and restore production facilities and infrastructure, such as the Tohoku Shinkansen (bullet train) line and highways. Furthermore, the General Manager of the Tohoku Branch also spearheaded the recovery and reconstruction efforts by leading the industry as the director of the Japan Civil Engineering Contractors Association's* Tohoku branch. Kajima is firmly committed to building a platform for the recovery effort in order to help restart operations at manufacturing facilities that supply parts to major manufacturers and avoid a prolonged downturn in the Japanese economy.

*The Japan Civil Engineering Contractors Association was renamed the Japan Federation of Construction Contracts on April 1, 2011.



The Path to Achieving Our ZEB Vision

Kajima has categorized the four concepts of "eco design," "eco work styles," "energy management" and "renewable energy" as key areas that must be tackled in order to achieve its ZEB vision. As indicated by the roadmap noted below, today we are pushing forward with initiatives to examine and apply these concepts primarily in our company-owned buildings.

Specifically, we are attempting to reduce CO₂ emissions from offices in the Kajima Head Office Building and the Kajima Akasaka Annex completed in 2007, and today we continue to monitor the amount of energy used in these buildings. In addition, we have conducted reviews of eco work styles that foster the creative talents of our researchers, the primary users, in the new laboratory at the Kajima Technical Research Institute that opened in 2009. This building also employs a heat pump system that utilizes renewable energies, such as a heating and cooling system that uses ground water and geothermal heat as well as PV solar air



Kajima Akasaka Annex



The new laboratory at the Kajima Technical Research Institute

panels, a hybrid system incorporating both solar power and heat. As of May 2011, Kajima is currently proceeding with construction on the Kajima Technical Research Institute's Main Building and the AKASAKA K-TOWER, and is incorporating new technologies in their design based on each of the aforementioned concepts. In order to examine not only new buildings but also the remodeling of existing buildings using eco-friendly and energy saving designs, we plan to use a section of the KI Building in fiscal 2011 to verify actual technologies.

After completion and once in use, typically 50% and 25% of a building's energy consumption is accounted for by its air conditioning system and lighting, respectively. Today, Kajima is working under the belief that additional technical prowess and reviews of eco work styles and energy management are required to effectively utilize and reduce a building's energy usage, as well as maintain the daily comfort of the people that work there. Under these initiatives, we will continue to verify and undertake technological research and development aimed at achieving our targets set out for 2020.

-35%

-40%

-50%

-50

Kajima's ZEB Concept



Kajima Technical Research Institute's main building

-100

2007

2008

2009

2010

AKASAKA K-TOWER — Aiming to Reduce CO₂ Emissions by 40%

The AKASAKA K-TOWER is currently under construction on the site of Kajima's former Head Office building in the Minato Ward of Tokyo. Kajima has positioned this as a model project for future large-scale tenanted buildings to be constructed in a low-carbon society. By combining generally accepted eco-friendly technologies with cutting edge energy conservation technologies, we expect to reduce CO₂ emissions from this building by 40%.

From the perspective of eco design, we have integrated the structure and building frame in the design, and plan to employ a newly developed window blind control system. This system, which incorporates controls for the effective use of natural energy, will maintain brightness during the daytime with natural sunlight, and balance the load of air conditioning equipment using solar heat. In addition, using human detection sensors developed based on sensors employed at the Kajima Head Office Building, we will create a lighting environment that reduces lost light. Moreover,



AKASAKA K-TOWER



Kajima KI Building

External Evaluation — CASBEE

The Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a widely utilized assessment tool in Japan. This system provides a comprehensive evaluation of each building's environmental quality and performance, including the capacity to reduce environmental stress and consideration placed on the interior comfort and overall appearance of the building, and is comprised of a five tier ranking, ranging from class S (excellent), A (very good), B+ (good), B- (somewhat poor), to C (poor). At Kajima, major projects need to meet the requirements of class A or higher. In fiscal 2010, 13 projects received a class S ranking.

In terms of the BEE value, which indicates a building's environmental efficiency, AKASAKA K-TOWER received its highest office building environmental performance assessment result to date at 4.4, while the main building of the Kajima Technical Research Institute was certified with a score of 8.3, the highest in Japan.

we are developing and employing a multi-advanced system that varies between four different operating modes based on the overall load of the air conditioning system. Each of these solutions illustrates our commitment to create offices that are both comfortable and eco-friendly.

By reviewing these solutions from the design phase, we expect to be able to further raise the efficiency of energy used in buildings. We also plan to create new eco work style-related solutions based on the results of monitoring programs. Furthermore, we are committed to undertaking eco-friendly solutions involving photovoltaic panels in the construction phase based on our wide ranging experience and track record.

Reducing CO₂ Emissions by 50% through Eco Remodeling

Kajima plans to remodel a section of its KI Building completed in 1989 in August 2011 in order to reduce the building's CO₂ emissions by 50%. Leveraging our experience in new building construction, this will become a model project for realizing our ZEB vision through the remodeling and upgrading of existing buildings. Plans call for half of one floor to be remodeled in this eco-friendly manner, which will enable us to easily draw comparisons and create expectations in the verification process after the remodeling is completed.

Specifically, this project seeks to shift the building to a new eco design that employs an LED-based task ambient lighting system, foster new eco work styles based on behavioral analysis, implement renewable energy solutions using a photovoltaic generating system and achieve energy management using a system that optimizes the control of electricity. We plan to verify the effectiveness of each during all phases of the project and apply the results in efforts to further rationalize our use of energy.

Working toward the Goal of Zero

Through its technologies, a zero energy building, or ZEB, is capable of controlling energy needs as well as contributing to energy security. The key to addressing the needs of society lies in these efforts and innovative developments ahead of their time. Through technological development conducted at Kajima as well as working together and collaboratively with leading manufacturers and energy companies, our aim is to combine expertise from across a wide spectrum and address challenges faced by society.

Connecting the Road of Life

10 Years of Working against Water

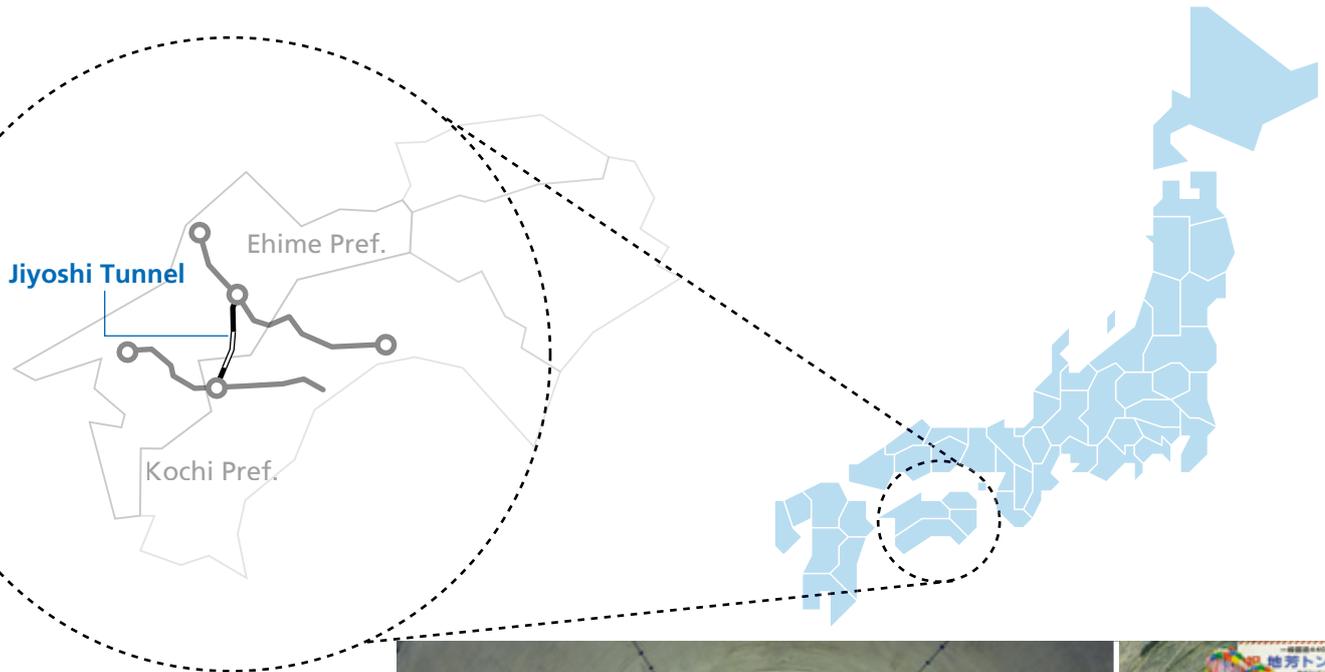
On the island of Shikoku, a steep mountain region separated two districts of Ehime and Kochi Prefectures. A Kajima joint venture was in charge of construction team 1 on the Ehime side, building a 2.9-kilometer tunnel which was completed in 2010. This tunnel, an essential infrastructure development, forms part of the 8.9-kilometer Jiyoshi Road connecting the two districts along National Route 440.

A Much-Awaited Opening after 10 Long Years

When the project began in 2000, it was expected to be completed within three years. The construction zone, however, not only overlaps with the Shikoku Karst Plateau as well as large, high volume natural springs, but also a vulnerable fault zone, making the project extremely challenging. Nonetheless, given that local residents had long awaited a tunnel to serve their transportation needs, Kajima employed the most cutting-edge construction methods and technologies to overcome these hurdles. The Jiyoshi Road development project was first launched in 1992, but was temporarily suspended in 2009 due to concerns about cost effectiveness. In light of disaster prevention and medical emergency considerations, construction was

eventually restarted due to the compelling needs of local residents and authorities in the area of the project, which overrode cost effectiveness concerns. From start to finish, the overall construction spanned a period of 10 years. Thanks to the long-awaited opening of the road, a trip that used to require 45 minutes now only takes 11 minutes, significantly improving transportation convenience and road safety. This being a region where a large number of elderly people reside, the completion of the road was much appreciated, and for some it has even garnered the name "Road of Life." Civil engineers who took part in this project under a longstanding mission also felt a strong sense of pride with the road's final completion.





Today and Looking Ahead to Tomorrow

The Great East Japan Earthquake struck on March 11, 2011. Coming face to face with this unprecedented natural disaster has once again made us aware of just how difficult it is to defy the will of natural disasters with human technology. Yet, Kajima has gained a deeper conviction that it can use even higher standards in its mission as a construction company to provide people with a safe, secure and comfortable lifestyle through its technologies. Under the "enterprising spirit" that forms the backbone of its 170-year history, Kajima is committed to taking up immediate challenges as well as exploring solutions in environmental symbiosis with a long-term perspective.



CSR Framework at Kajima

Kajima's Corporate Philosophy is to "contribute to society through the development of the Company's business operations." The Company's CSR framework was adopted on the basis of this philosophy, and guides the CSR activities of the entire Kajima Group.



Kajima Group Code of Conduct	
<p>1 Fair and Honest Corporate Conduct</p> <ul style="list-style-type: none"> 1 Observing the Law and Social Norms 2 Emphasizing the Needs of Society and Clients 3 Fair, Transparent and Free Competition, and Appropriate Trade 4 Protection of Intellectual Property, Rights and Assets 5 Transparent Relations with Government 6 Eradication of Antisocial Activity 7 Maintaining Adequate Accounting <p>2 Harmony with Society</p> <ul style="list-style-type: none"> 1 Building Solid Community Relations 2 Respecting Cultures and Customs of All Nations and People 3 Timely and Appropriate Disclosures and Communications of Information 	<p>3 Respect for All People Connected to the Kajima Group</p> <ul style="list-style-type: none"> 1 Prohibiting Discrimination and Unfair Treatment 2 Providing a Safe and Secure Workplace Environment 3 Respect Employees' Unique Characteristics and Promote Individual Development 4 No Child Labor or Forced Labor <p>4 Responsibility to the Environment</p> <ul style="list-style-type: none"> 1 Approach to Environmental Issues <p>5 Implementation of Corporate Code of Conduct</p> <ul style="list-style-type: none"> 1 Education and Awareness 2 Establishment of an Effective Internal Monitoring Structure <p>6 Occurrence of Code Violations</p> <ul style="list-style-type: none"> 1 Accountability and Preventive Measures 2 Disciplinary Action

The Kajima Group Code of Conduct is available at www.kajima.co.jp/english/prof/governance/pdf/kihan_e.pdf

CSR Objectives

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

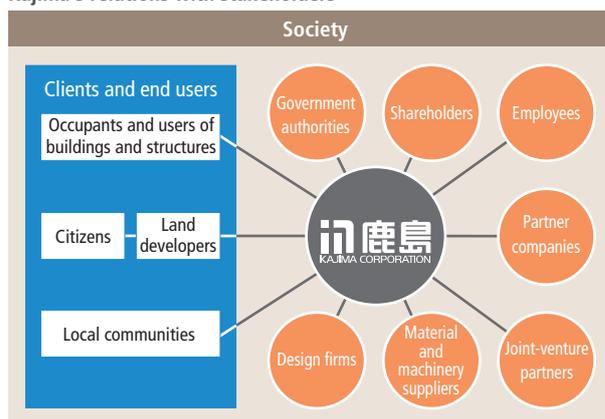
Foundation of CSR

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

Kajima's Stakeholders

Stakeholders comprise a diverse range of people who have an interest in the effects of a company's business activities. For construction companies, they cover a broad spectrum of groups, including shareholders, investors, clients, land developers, employees, companies working at sites, such as design firms and subcontractors, government offices, the media, and industry associations. But far from being limited to parties within the industry itself, stakeholders extend to the tenants and citizens that occupy buildings after construction, and everyday people who use public infrastructure like tunnels and roads. With such a broad array of interested parties, the obligations and responsibilities of companies in the construction industry are immense.

Kajima's relations with stakeholders



Five Fundamental CSR Approaches

Ensuring compliance

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

Providing innovative solutions for a better environment

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

Working with local communities

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

Being a company that people are proud to work for

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

Communicating with stakeholders

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



2010 Achievements and 2011 Targets

Kajima believes that its corporate officers and employees should practice CSR activities in each department as a part of the work process. The Company will continue to promote CSR activities in order to manage ongoing initiatives and tackle current challenges.

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, that allow clients to place orders with a sense of reassurance and trust.

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.

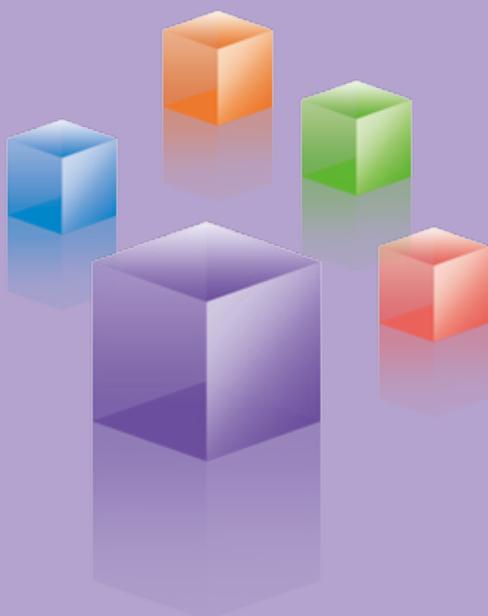
Environmental Management Policy

As a member of the construction industry—an industry entrusted with the responsibility for development of public infrastructure—Kajima considers environmental issues from both a regional and global perspective. The Company contributes by reducing the adverse environmental impact of its business activities, and working to realize a sustainable society in which economic activities and environmental conservation are consistently pursued. Moreover, we engage in broad-based environmental communication within the Company and with the public, including information disclosure.

High-quality infrastructure, buildings, and services		Kajima endeavors to meet the expectations and challenges of today's society by leveraging all its resources, in design, construction, and technical research and development, for creating high-quality, value-added buildings and structures, in accordance with the Company's quality assurance, safety and health, and environmental policies.			
		2010 targets	2010 main achievements	2011 targets	Pages
	Ensuring compliance	<ul style="list-style-type: none"> Enforce corporate governance group-wide Implement thorough compliance and risk management 	<ul style="list-style-type: none"> Pursued management in line with fundamental policies on corporate governance Conducted compliance training to raise employees' awareness of their actions 	<ul style="list-style-type: none"> Enforce corporate governance group-wide Implement thorough compliance and risk management 	P.16-19
	Being a company that people are proud to work for	<ul style="list-style-type: none"> Completely eliminate fatalities, serious injuries, and major disasters at worksites Continue the training of engineers Promote work-life balance 	<ul style="list-style-type: none"> The number of worksite disasters stood at 64 (no fatalities), with a frequency rate of 0.66 and a severity rate of 0.02 Continued to provide employee training encompassing both on-the-job and off-the-job training, for each job category and across the board Introduced an anniversary day leave system with more flexible leave options in mind 	<ul style="list-style-type: none"> Completely eliminate fatalities, serious injuries, and major disasters at worksites Continue the training of employees, especially engineers Promote work-life balance 	P.20-29
	Providing innovative solutions for a better environment	<ul style="list-style-type: none"> Achieve the second-year medium-term goals for the four priority issues 	<ul style="list-style-type: none"> Implemented activities in line with medium-term goals for each priority issue Implemented energy management policies for all offices and worksite, in accordance with the Revised Law Concerning the Rational Use of Energy 	<ul style="list-style-type: none"> Take steps to achieve goals in the final year of our medium-term environmental goals plan 	P.30-39
	Working with local communities	<ul style="list-style-type: none"> Build stronger ties with stakeholders Promote the merits of the construction industry to young people 	<ul style="list-style-type: none"> Worked to build positive relationships as members of the community, at the Head Office and at each worksite Allowed construction site visits and internships 	<ul style="list-style-type: none"> Build stronger ties with stakeholders Promote the merits of the construction industry to young people 	P.40-45
	Communicating with stakeholders	<ul style="list-style-type: none"> Frequently update information disclosure to all types of stakeholders Continue carrying out employee surveys and conducting in-house meetings to exchange views on CSR 	<ul style="list-style-type: none"> In addition to the CSR Report and Annual report, published periodicals and technical brochures, and disclosed other forms of information on the website. Conducted two in-house meetings to exchange views on CSR but did not carry out surveys of employees 	<ul style="list-style-type: none"> Actively communicate with and disclose information appropriate to each stakeholder Conduct in-house meetings to exchange views on CSR, and promote CSR activities through company-wide employee surveys 	P.46-49

Ensuring Compliance

While the construction industry receives fair recognition of its contribution to society from the public, the industry's image in the eyes of the public is not always positive. Nevertheless, when it considers the industry's long-term responsibility in supporting the activities of society and individuals, the public can gain a renewed appreciation of and place trust in construction companies.



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Continuing to Be a Corporate Group that Can Be Trusted

As a fundamental social responsibility of any corporation, compliance is paramount for a company to continue carrying out its business. Kajima has implemented corporate governance and internal control systems to ensure that compliance is put into practice, and conducts management with a high degree of transparency. By practicing thorough compliance in all operations, the Company aims to meet the demands of its stakeholders and maintain their trust.

Corporate Governance

Basic stance

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."

Corporate governance system

Board of Directors and management systems

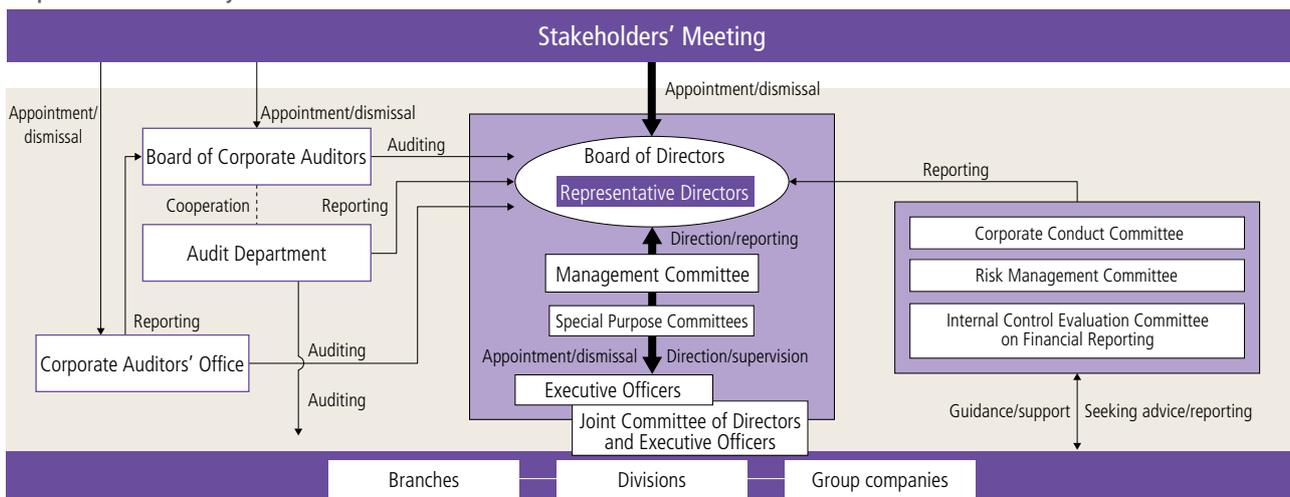
As of March 31, 2011, Kajima's Board of Directors was composed of 9 members, who all have extensive experience in the Company's business. In principle, the Board of Directors meets once per month, or as necessary, to deliberate and decide on fundamental business policies and important matters, as well 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, as well as to 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 members of the Board of Auditors, which includes external auditors, 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 auditors provide opinions based on their legal and accounting expertise to help ensure objectivity and neutrality in management decisions. The Board of Corporate Auditors cooperates closely with the Audit Department, which conducts independent internal audits, as well as accounting auditors to improve the effectiveness and efficiency of auditing.



Corporate Governance System



Internal Controls

Basic policy for internal control systems

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 controls over financial reporting

In 2010, 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

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 8 major business risks that must be managed on a company-wide basis. Among them are risks associated with violations of laws and regulations, production quality, labor safety, the environment, and systems. 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.

Business Continuity Management at Kajima

One form of business risk would be the risk of natural disasters. Kajima is prepared for natural disasters such as earthquakes, wind and flood damage, as well as outbreaks of new strains of influenza. In 2006, Kajima established its Business Continuity Plan (BCP) to deal with the occurrence of a major earthquake with an epicenter below the Tokyo metropolitan region. The following year, Kajima commenced operations of Business Continuity Management (BCM) practices. Thereafter, the Company has conducted regular BCP training in preparation for earthquake occurrences.

In February 2011, Kajima carried out training for early morning disasters. Approximately 500 of the total number of participating employees walked to the nearest of six meeting locations, which included the Head Office, branch offices, company dorms and company housing. They participated in the initial training, which included the setting up of activity sites, checking on damage in neighboring areas, and establishing communication between the task force headquarters and other sites.

Also, during the Great East Japan Earthquake on March 11, when ongoing communication networks were disrupted due to power outages and telephone line crowding, major business sites equipped with MCA wireless devices and located throughout Japan played an important role in the communication of disaster updates and information to help victims. In addition, thanks to such efforts, the safety of all employees was confirmed within two and half days of the earthquake occurrence.

Under the guidance of the Head Office, a disaster recovery system was set in place to help the Tohoku Branch. The Company is searching for ways to incorporate feedback from what was learned from this experience in BCM practices.



Conducting training for the posting of local area damage update information

Compliance

The Kajima Group Code of Conduct provides the basis for corporate ethics practiced by each and every member of the Company in all of its business activities. Kajima has distributed the code to every employee, manager, and corporate officer with the aim to raise awareness of various aspects of compliance, and reduce the risk of violations to laws and regulations.

Ensuring Kajima's Code of Conduct

The Company has designated the Kajima Group Code of Conduct as the foundation of its compliance program. Kajima has taken every step necessary to ensure that all employees managers, and directors comply with the Code of Conduct, and commit themselves to the highest standard of corporate ethics.

Guidelines for putting the Kajima Group Code of Conduct into practice

Kajima distributes its *Handbook for the Practical Application of the Code of Conduct* to all directors and employees in an effort to raise awareness of the importance of the Kajima Group Code of Conduct. Also, the Company undertakes periodic revisions of the code based on the latest law and regulation provisions. Furthermore, Kajima Group companies have also created their own editions of the handbook that are adapted to their respective businesses and circumstances. This has increased awareness of compliance issues across the entire Group.

Instilling the Code of Conduct through e-learning

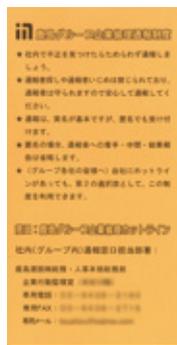
Since 2008, Kajima has conducted an e-learning training course covering the Kajima Group Code of Conduct for all employees. The course is designed to increase employees' understanding of the Code of Conduct so it can become established in the corporate culture. In 2010, approximately 9,600 employees of the targeted total received training. Combined with all the corporate officers and employees Group-wide who received training, the total number of participants is approximately 16,000.

Group-wide whistleblower system

The Kajima Group has a corporate ethics whistleblower system that provides a hotline for employees to call and report on legal violations, or unethical conduct that they know of or suspect.

Furthermore, the Company has expanded the hotline services, both internally (Head Office and all branch offices) and externally (law firm offices), to ensure the convenience and effectiveness of the system.

The Company strictly prohibits retaliation against or harassment of whistleblowers. To ensure awareness of the system and encourage its use if necessary, instructional cards have been distributed to all Group employees.



Distributing easy to carry, portable handbooks

Strengthening efforts against bid-rigging

In an effort to eliminate the possibility of bid-rigging activities in the bidding process for government construction projects, Kajima has established a system to record and store all details of negotiations at every stage of the process, and to prevent employees from meeting with other companies participating in the bidding to discuss matters

related to proposed bids. The efficacy of this system is monitored by the Audit Department and the Legal Department at the Head Office, which cooperate closely with lawyers to conduct audits aimed at confirming whether bidding activities are in violation of laws or regulations.

In addition, Kajima conducts annual training workshops, led by lawyers, on Japan's Anti-Monopoly Law for relevant employees and managers from Head Office and each branch office around the country. The workshops distributed manuals that discuss compliance with the Anti-Monopoly Law, covered possible case study scenarios that could arise in everyday business activities, and provided concrete instructions on how to deal with important compliance issues.

In 2010, nearly 1,400 employees from the Head Office, branch offices and all Group companies participated in the workshops.



Japan Anti-Monopoly Law compliance manual



Anti-Monopoly workshop at Chubu Branch

Eliminate transactions with organized crime syndicates

The Company has included the item, "Eradication of Antisocial Activity," in the Kajima Group Code of Conduct, and prepared a manual with specific guidelines to eliminate transactions with organized crime syndicates. This reflects the strong determination of Kajima's management to stand behind all employees in resisting any influence of organized crime on the Company's business.

Specifically, Kajima has sought to clarify its internal channels aimed at the elimination of transactions with organized crime syndicates and the establishment of links with external expert groups such as the police authority.

Specific guidelines to eliminate transactions with organized crime include the following:

1. The Company shall include in all of its contracts stipulations against the participation of organized crime syndicates, and confirm that transactions are not conducted with parties affiliated with such groups.
2. In the case a contracted party is identified as a member or affiliate of an organized crime syndicate, the Company shall work in cooperation with all companies involved to quickly annul the contract.
3. The Company shall work to strengthen cooperation between Head Office and branch offices on a daily basis, and hold meetings at Head Office for relevant managers from branch offices, as well as conduct training at branch offices in cooperation with local law authorities to share information and increase awareness.



Notices calling for the elimination of organized crime syndicates, posted at all Company sites (in Japan only) starting in 2010



Fair trade with subcontractors

The Kajima Head Office, branch offices, and construction sites are united in their commitment to perform construction work under each specialized construction system, based on fair contractual obligations. Kajima believes that the achievement of fair contractual relationships with its subcontractors and the maintenance of a fair construction system is linked directly to the building and reinforcement of trust and strong bonds between Kajima and its construction partners, which will ultimately ensure construction quality and enhance construction capacity.

The Company has set up an intranet for information sharing, which would make available subcontractor checklists, as well as all-encompassing legal information, beginning with the Construction Business Act. In addition, Kajima also plans to offer training at all branch offices in 2011, as a channel to reinforce its educational program on legal matters related to the Construction Business Act.

Initiatives to strengthen information security

The Act on the Protection of Personal Information requires that businesses undertake adequate measures to ensure the privacy of personal information, and has thereby heightened our obligation to preserve the integrity of work-related information entrusted to us by valued clients under strict confidentiality. In such situations, it is absolutely necessary to prevent the loss or theft of documents containing work information, personal notebooks or USB memory devices, and to eliminate the risk of electronic information leakage over the internet.

Since August 2001, when Kajima first implemented its information security policy, the Company has made risk management a high priority. Every year, Kajima designates the month of May as "Information Security Improvement Month" and conducts educational activities for all company officers and employees using e-learning tools. In November 2010, Kajima incorporated a new policy through a revision of its Code of Conduct for information security measures. In March 2011, it revised its supplemental reader *Handbook for Strengthening Information Security*.

Efforts to work with Group companies and subcontractors

Group companies in Japan are taking steps to raise their level of information security to that of Kajima's by implementation of the same training in line with the code of conduct for information security measures adopted by Kajima.

In addition, Kajima uses security patrols at factory and office locations as an opportunity to inspect information security measures undertaken by subcontractors. Appropriate training is provided through our commitment to improve the level of supervision at subcontractor locations.



Handbook for Strengthening Information Security revised in March 2011.

Managing intellectual property (IP)

In an increasingly competitive environment, the construction industry is directly faced with the need for technological differentiation, which has raised the awareness and significance of the creation, protection and utilization of intellectual property. As a result, it is now necessary to promote an IP stance that takes into account both business strategy focusing on the specific nature of the construction industry, and research and development (R&D) strategy. Every year Kajima announces its intellectual property management policy. The following five items have been identified as key priorities for 2011.

1. Enhance intellectual property practices in R&D and business strategy
2. Uncover blue chip intellectual property in business divisions
3. Strengthen risk management regarding intellectual property
4. Value assessment and effective utilization of patents
5. Review of overseas intellectual property strategy

Educating employees about intellectual property

Kajima carries out intellectual property training for each division, job description, and branch office, and as appropriate, conducts courses on selected intellectual property topics and patent search, which heightens proficiency in the knowledge, rules and regulations of intellectual property. In particular, the course on selected intellectual property topics covers two days, focusing on employees who have been with the company for 10-20 years and are involved in research and technological development. To date, over 400 employees have participated in the course.

Company internal policies regarding intellectual property

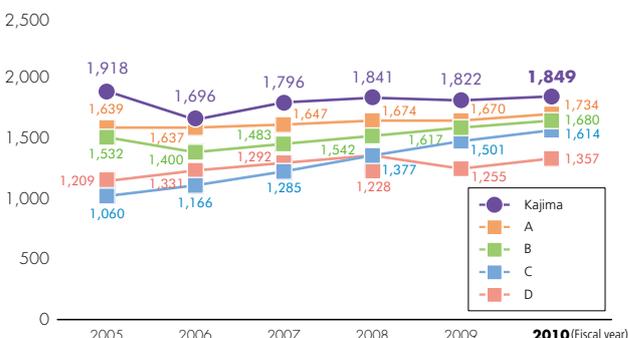
In an effort to incentivize and utilize inventions, as well as raise the profile of inventions of others, Kajima has established three internal policies for intellectual property as follows:

- (i) handling of inventions, which specify the handling of inventions created by company employees;
- (ii) providing compensation or rewards for patents, which specify employee remuneration for corporate inventions; and
- (iii) preventing infringement of intellectual property rights, stipulating how to exercise caution, exclusion, or avoid infringement of the intellectual property held by others.

Group companies

Kajima is exploring measures that will encourage cooperation among Group companies based on intellectual property, so that Group companies can capitalize on their shared strengths.

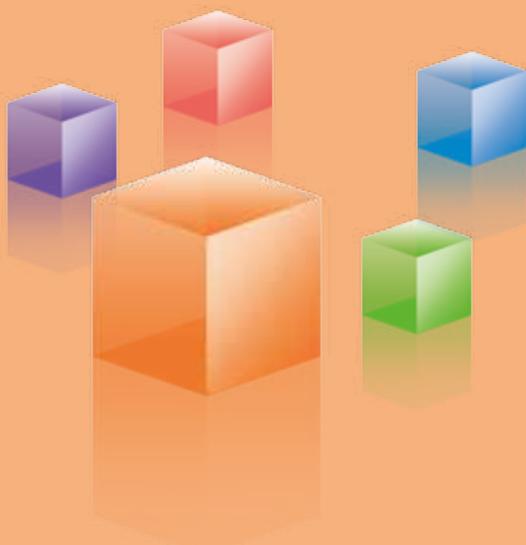
Yearly trends in patent ownership
(comparison among different companies in the same industry)



Note: Number of patents owned by each company as of March 31
Source: PATOLIS Database

Being a Company that People Are Proud to Work For

In the construction industry, companies work together with the aim to complete construction projects that involve personnel and subcontractors from many occupations and workplaces. As many people working at construction sites depend on each other for their safety, one of Kajima's responsibilities is to build morale and create an environment where everyone can take pride in their work, in line with the Company's mission to contribute to society.



Taking Initiatives with Our Subcontractors

Work on our construction projects is undertaken with Kajima, the main contractor, planning, coordinating, operating and managing the entire worksite, in tandem with subcontractors, which are responsible for specialized construction work. In this manner, buildings and structures are only able to be erected through joint efforts made by everyone on the worksite toward the shared goal of project completion.

Labor Safety and Health Management System

Kajima implements its safety and health activities based on guidelines specified in the Construction Occupational Health and Safety Management System issued by Japan's Ministry of Health, Labour and Welfare. Both the Civil Engineering Division and Building Construction Division also stipulate and manage safety and health operations and mechanisms as part of Kajima's integrated safety and health, quality and environmental management system.

Based on the results and conditions from the previous fiscal year, Kajima conducts an annual review of its safety and health policy and sets necessary targets for the new fiscal year. In turn, we draw up a safety and health plan in order to implement changes in this policy and achieve the new targets. Each of Kajima's branch offices and construction sites formulate plans tailored to each worksite in line with company-wide policy. These plans are in turn shared between Kajima and its subcontractors during each project. We also use the plan-do-check-act (PDCA) approach to continually improve our safety standards. This process entails carefully planning both daily and mid-to long-term risk assessments, as well as constant inspections and patrols, to eliminate factors that may lead to a worksite accident or disaster before one happens.

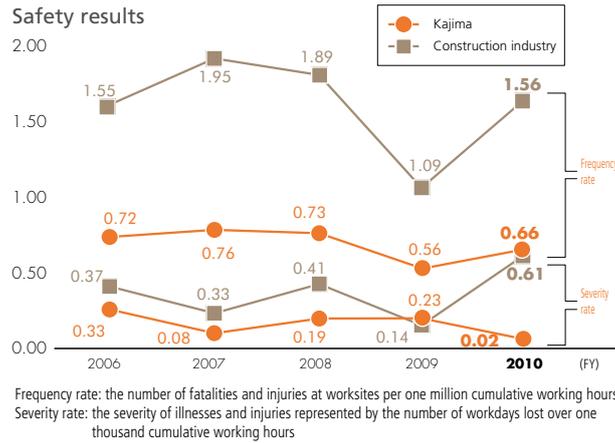
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General Overview of Safety and Health Management in Fiscal 2010

In 2010, there were a total of 64 accidents at Kajima's worksites, of which zero fatalities occurred. The frequency rate stood at 0.66, while the severity rate was 0.02 (see definitions below). In fiscal 2011, the Head Office, branch offices and construction sites will continue to work together under the ultimate goal of zero disasters, serious accidents or fatalities. In addition, we will also step up initiatives aimed at further optimizing our construction system and the work of our subcontractors.



VOICE

Practicing safety first as an organization and as individuals

I have spent the last 30 some years working primarily on dam construction sites. I believe that a dynamic worksite that acts as a single organization helps us achieve higher quality work and discover better construction methods. For example, this entails not only moving forward with the construction process by following the plan made by Kajima employees, but also leveraging the knowledge and experience of our subcontractors to eliminate potential dangers and find more efficient ways of doing things. This worksite organization also heightens worker awareness toward safety by ensuring each and every worker practices safe behaviors. I also believe it is equally important for the Head Office and branch offices to work seamlessly to manage individual construction sites. I believe this will better ensure the day-to-day safety of everyone that works on Kajima construction projects.

Naoki Tajima
General Manager
Safety and Environmental Affairs Department





Safety and Health Management at Construction Sites

Day-to-day work is performed according to mid- and long-term construction plans, as well as more refined weekly and daily plans, each based on a comprehensive review of the entire project. Construction site safety management entails a detailed examination into the movements of people, heavy machinery and materials that provides for the greatest efficiency, safety and quality.

Risk assessment

From construction planning to the start of actual work, risk assessment should estimate the risks of a disaster or accident occurring by identifying dangers or hazards, at multiple stages, in a variety of work processes.

Risk assessment requires prioritizing methods to mitigate risks found after evaluating inherent dangers and hazards, then executing measures and keeping detailed records. Following new project review committee meetings, Kajima performs risk assessments during the formulation of the construction plan and at the construction preparation committee and pre-construction review committee, particularly before any heavy structural beam construction begins. In addition, safety patrols undertaken by the Head Office and branch offices are also part of this risk assessment process. By using the knowledge and experience of many different people, as well as having the maximum number of people perform visual checks of the worksite, we are able to enhance the validity of our safety management at multiple stages before, during and after construction.

Response to emergencies

In the event of an accident, incident or fire, an immediate response is required that first involves notifying related organizations and cooperating with them internally and externally. In order to ensure a prompt response, an emergency contact list is made accessible onsite from the start of construction.

A typical day on a Kajima construction site

Each day on a Kajima construction site begins with a morning meeting, involving all workers, in which the day's schedule is outlined and safety notices issued. After the meeting, workers head to their area of assignment. The subcontractor foremen and employees form teams and perform the work according to the relevant plan and schedule, while Kajima employees inspect and oversee the worksite to ensure quality and safety. As the day progresses, plans and preparations are carefully made for the next stages of construction.

Shared safety-first planning and mentality

Realistic safety-first approaches are essential in construction planning. We share detailed work procedures with subcontractors as well as plan and execute with greater accuracy using our combined knowledge and experience.



A construction workflow meeting

Recognition of excellent engineers and technicians

Starting in April 2000, Kajima instituted a special benefit and incentive system for excellent engineers and technicians known as the E Award. This award is presented to foremen or exceptional engineers or technicians that have been involved in a Kajima construction project for more than six months, have shown particularly noteworthy results, and have set a strong example for others. In 2010, 628 employees received this award in 12 branches in Japan, of which 160 have received the award for three consecutive years.



A Day at the Work Site

Kansai Branch: Ryofu Elementary and Junior High School New Campus Building Project

8:00 Morning assembly

9:00

10:00 AM break

11:00

12:00 Lunch break

13:00

14:00

15:00 PM break

16:00

17:00

Morning Assemblies

All personnel gather at a morning assembly, which is followed by "tool box meetings." Work groups then spread out to their job assignments where further micro safety briefings are held. Altogether, these morning meetings are important for ensuring safety and quality on our worksites.



Communication and Coordination between Teams

Job duties are coordinated between personnel of different roles regarding work to be completed in the afternoon and the next day. Also, announcements on important items concerning safety and the surrounding environment are made as part of on-site patrols, a key responsibility of the foremen and managers' team.



Clean-up and De-briefing

At the end of the work day, the site is cleared and organized for the next day's shift.



Tool Box Meetings (TBM)

Led by subcontractor foremen, TBMs allow for the assignment of workers to different teams as well as coordination and communication with workers of different roles.



On-site micro safety briefings

Potential risks are predicted on the spot while surveying the actual worksite.

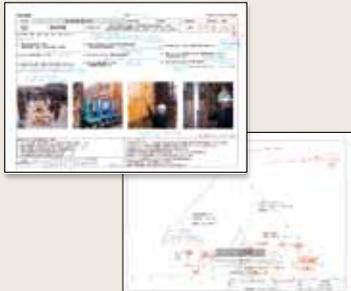


Pre-construction Review — Lifting Operations —



Heavy construction requires heavy machinery that must be lifted and put in place safely and efficiently. Coordinating when and where each machine is moved, and what potential hazards that entails, is our first priority. Then, those same machines—cranes for example—lift materials in a process that is first carefully detailed on paper, then re-examined in on-site assessment meetings on the day of work so that each worker is fully briefed on safety concerns.





Implementation of Patrols

It is important to have as many people as possible verify on site whether construction work is implemented according to plan. In addition to construction site workers, patrols are regularly conducted by Kajima's Head Office and branch offices as well as the supervisors of subcontractors involved in various specialized work onsite. This patrol system not only enables the evaluation of worksite safety, but also allows discussions on the improvement of quality and the construction process, which is information we readily share with other worksites.



Overall view

Construction following the execution scheme



Consistent Activities to Ensure Safety

Regular effort is made to raise awareness of safety. A meeting on construction site and occupational safety is held once a month together with subcontractors in order to reflect back on work undertaken in the previous month, notify all members about construction and job tasks for the next month, and prevent worksite accidents. In addition, on the first of each month, a "safety assembly" is held targeting all construction workers to raise awareness of safety and examine the flow of the month's construction work. Specific examples of prior accidents are used as teaching tools. People who have made significant contributions to the work of the foremen and managers' team are also recognized during this assembly.

Lastly, workshops are held to encourage zero emission activities. We also strive to make improvements in the surrounding environment.





Training the Employees of Tomorrow

Kajima believes human resources are an extremely important asset. Our more than 170-year history is proof positive that our employees from various fields have continually engaged in the research and development of new technologies and consistently handed down a spirit of ambition to their successors. We are fully committed to developing the employees of tomorrow who retain a sense of pride in our business and who seek out future growth opportunities.

What Kajima Looks for in its Employees

Kajima believes that its greatest mission and source of pride can be found in making contributions to society through the creation of buildings and structures. We understand that the latest in advanced technologies and human resources capable of leading our organization are needed to accommodate the demands of an increasingly diverse society.

An overview of Kajima's employee training programs

Kajima's operating portfolio revolves around two main pillars: the construction business, which designs and undertakes construction for civil engineering and building projects, and the development business, which engages in real estate development. Kajima hires its employees based on job categories* such as civil engineering, building construction and general administration, because the human resources needed for its business operations and the majors of university graduates differ. After joining the Company, new employees are provided with two types of training programs. First, on-the-job-training at each workplace to infuse new hires with the needed expertise and skill set for each job category, and second, theme-based training for all employees, regardless of job category, covering subjects such as compliance, that are required of all Kajima employees. On-the-job-training develops engineers in each field by providing training programs that ensure they acquire the advanced expertise and skills needed at each career milestone for each job category. Theme-based training programs seek to enhance the organizational management skills of employees under the goal of training the future leaders of Kajima. Touching upon current topics, such as management challenges, mental health, and work-life balance, these programs also work to share the future vision of the Company through networking opportunities with our executive management team as well as foster the capabilities of Kajima

*More specifically: Administration, civil engineering, building construction, building design, facilities, electrical machinery, mathematics and development.

Fostering Excellent Worksite Engineers

The construction industry does not involve manufacturing multiple products at a single factory, but rather produces only a single product outdoors, and as such, skills and awareness during construction significantly impact the quality of the building or structure. Recent problems in the industry, including the fabrication of structural calculation sheets, construction work that cuts corners and labor accident cover ups, are indicative of ethical problems rather than call into question the skills of the engineers involved. Therefore, a strong determination as well as the skill set and expertise that attest to this are absolutely essential to create a high quality structure used in society. We foster both determination and the necessary skill sets in our engineers as part of our corporate culture to build the best possible structure under a strong sense of responsibility.

Civil Engineering Division

The first five years of employment with the Civil Engineering Division is considered a period of particular importance for the training of employees. During these first five years, engineers take part in training programs to master basic civil engineering skills and techniques required to succeed. Between the fifth and tenth year of employment, engineers receive further training for each construction type, including dams, tunnels and bridges. Following the tenth year of employment, Civil Engineering Division employees acquire the skill set, project management practices and operating expertise to become a specialist in their respective area which enables them to move their career forward as part of the exclusive family of Kajima civil engineers. Training curriculum clarifies the knowledge that must be acquired for each year of employment and clearly outlines in a glance the path employees must follow to acquire and place this knowledge into practice.

Specialized training for concrete engineers

In recent years, the Civil Engineering Division has stepped up its training programs on concrete quality control, which consists of a training course followed by certification. This is because concrete directly relates to the quality of a structure since it forms the skeleton of any civil engineering project. In addition to basic concrete training in the third year and civil engineering training in the fifth year held to date, starting in fiscal 2010 a new intermediate concrete training course was added for mid-career employees that is dedicated to concrete materials and compounds. The addition of this new training course has served to broaden curriculum on concrete and offers hands-on learning experiences through test mixing and factory visits that enable participants to acquire actual concrete techniques. As part of the program, we also encourage employees to acquire certification as a concrete engineer or concrete chief engineer. At present, 60% of participants have acquired the required certification as a concrete engineer. In fiscal 2011, we will aim to raise this percentage and focus attention on encouraging employees to acquire certification as a concrete chief engineer, with the target of having 30 employees certified.



Test mixing at the Kajima Technical Research Institute



Factory site visit



Building Construction Division

The Building Construction Division offers training curricula for each job category including building construction, building design and facilities. For engineers involved in building construction, the first five years after hiring is designated as an important training period, and group training programs are held annually together with onsite work, which enables engineers to master the basic skills of construction techniques and site management. The goal of training at the end of the first five years of employment is to cultivate the ability to manage a small construction site alone, while at the end of ten years the goal is for the engineer to operate and manage an entire mid-sized construction project, from planning to construction work management, as the ultimate person in charge.

Basic training for new employees

First year training focuses on on-the-job-training, but is also complemented by various off-the-job-training programs, such as introductory education and night school, in order for new hires to master the basic skills of construction techniques and site management. As a culmination of this training, the month of March has been set aside for the basic training of all new employees. This training period focuses on enabling participants to acquire the ability to read design drawings through practice drafting model design drawings and working drawings,* as well as practice calculating the amount of materials used in skeleton drawings, since the ability to read a design drawing is an essential skill for managing a construction site. In this manner, participants acquire the basics of site management skills through developing their ability to read design drawings* and honing their skills relating to administration, civil engineering, building construction, building design, facilities, electrical machinery, mathematics and development. The ultimate goal is for participants to be able to quickly become a contributing member of our construction work sites.



Practical training on drafting a working drawing

* Design drawing: A blueprint of a building's basic information drafted by an architect. Generally, this term includes architectural drawings, structural drawings and building services drawings.

Working drawing: A collective term used to describe a detailed blueprint, drafted based on the design drawing, used to construct an actual building. This includes skeleton plans, reinforcement drawings and elevator drawings, etc.

Management training for project managers

Kajima offers management training for project managers as a culmination for engineers that have acquired the necessary experience and skills to manage a project. This training program is offered for an employee that is newly appointed as project manager or for an employee that will soon become a project manager, and focuses on the themes of laws and ordinances, accounting, contracts, labor affairs and human resource training needed to operate a construction site. The goal of this training program is to deepen the awareness of a project manager regarding their responsibilities.



Management training for project managers

Theme-Based Training Programs for All Employees

Kajima regularly offers theme-based training programs for all employees to draw attention to and spread awareness of key issues through group training at its Head Office and branch offices and e-learning programs over the Internet. In addition to these, other programs are provided by the relevant Head Office division in charge, selecting participants based on their experience or year of employment, regardless of job category. These programs cover management training or the necessary safety, health and environmental management practices to manage an actual construction site.

Safety and health training

Safety and health training for employees consists of four levels: first, basic training, which infuses knowledge on laws, ordinances and internal rules, second, management training, which provides a practical approach through case studies, third, comprehensive safety and health training for managers, which incorporates a risk management perspective, and fourth, project manager training, which infuses the correct frame of mind in an employee after becoming part of the Company's management. Each respective course was held a total of 17 times in fiscal 2010, with 560 employees participating. These courses represent an effective opportunity for employees to re-examine their daily work habits and reaffirm their understanding of Kajima's safety and health management system.



Presenting group work findings

Ensuring Compliance

Being a Company that People Are Proud to Work For

Providing Innovative Solutions for a Better Environment

Working Together with Local Communities

Communicating with Stakeholders



Creating a Corporate Culture with Optimum Working Conditions

Kajima is committed to fostering a corporate culture that enables its employees to demonstrate their skills to the fullest, work and thrive in a fulfilling environment, as well as live a healthy and enriching life.

Personnel Systems that Value Employees

In accordance with the Kajima Group Code of Conduct, the Company strictly prohibits discrimination on the basis of gender, family origin, ethnicity, nationality, or religion. To ensure fair and equal treatment in the workplace, Kajima has taken a number of initiatives in order to allow its employees of diverse talents to demonstrate their full capabilities and express their individuality.

Raising awareness of human rights

Kajima established a Human Rights Awareness Committee to handle such issues as discrimination against minorities and sexual harassment. The Company conducts training sessions for newly hired employees and holds workshops on a regular basis to raise human rights awareness at every branch office in Japan. In 2010, 525 employees participated in these workshops.

Career development grounded in fair evaluations

To create optimum working conditions for employees, Kajima has implemented an employee evaluation system designed to be fair and impartial, so that all employees can demonstrate the best of their abilities. Every six months, the performance of each employee is evaluated in relation to set goals, and the employee is interviewed by a supervisor to discuss the progress of his or her overall career development.

In addition, Kajima carries out a survey to identify changes that employees would like to see in their workplace and job responsibilities. The survey results are useful for aligning the right people with the right jobs, and assisting employees on their career path. Likewise, Kajima implements a job rotation system for certain positions, in which employees are transferred to different workplaces and given new job responsibilities for fixed periods of time.

Employee data

(As of March 31)

	2007	2008	2009	2010
Total employees	8,817	8,705	8,452	8,164
Re-employed personnel	514	703	882	1,002
Ratio of disabled employees (%)	1.78	1.82	1.90	1.75
Turnover rate ^{*1} (%)	3.8	2.3	3.1	2.7

*1 The turnover rate is defined as the proportion of employees who leave within their first three years of work from the total number of full-time new hires.

(As of April 1)

	2008	2009	2010	2011
Total new hires ^{*2}	187	189	185	185
Female new hires from the total above	27	25	26	20

*2 Total new hires refers only to career-track employees

Respecting the diversity of employees

Kajima is not only a company in Japan but one that is active in the global arena, hiring staff of various nationalities both in Japan and at its overseas subsidiaries. Whether in Japan or overseas, each Kajima employee plays an active role regardless of their nationality. In addition, we continue to promote the hiring of people with disabilities. As of March 31, 2011, disabled employees comprised 1.75% of our total workforce, which we are striving to raise above the target of 1.8% set by the government.

Women in the workplace

Kajima does not determine career tracks on the basis of gender. In fact, in recent years, it has increased its hiring of women for careers as managers in the Company's core operations, and broadened areas where women are employed beyond traditional administrative work, from research and design as well as administrative departments, to onsite construction supervision and business management.

Re-employment system for retired employees

In principle, Kajima re-employs its workers who reach retirement age if they meet the Company's standard requirements and express a desire to continue working. The re-hired employees are active in educating and passing down techniques to the next generation of workers. As of March 31, 2011, 1,002 workers were re-employed by the Company.



Promoting work-life balance

Since 2008, Kajima has participated in the Program for Model Businesses Promoting Work-Life Balance, organized by Japan's Ministry of Health, Labour, and Welfare. It has developed a system which allows employees working at construction sites to take paid vacation more easily.

Holiday and paid leave systems

In 2010, approximately 70% of eligible employees took site-transfer leave, a system allowing employees who work at construction sites to take several days of paid leave when transferring between sites. Also in 2010, 70% of eligible workers took special incentive leave, a paid holiday leave system offering a fixed number of days corresponding to the length of employment.

Introduction of an anniversary day leave system

Starting in April 2010, Kajima implemented the anniversary day leave system to allow employees to take one day off per year to celebrate a special anniversary, such as a birthday, wedding anniversary, or other day of special significance. In the first year of the system's inception, the rate of leave utilization by employees was 65.3%. Different from general company holidays, this system allows employees to think about taking leave and reflect on their work routine. It is a system that allows workers at construction sites in particular to take time off more easily. Going forward, we aim to further solidify the system and work with the Employees' Association in launching campaigns to encourage employees to take leave.

Providing support for balancing work and home life

In support of striking a balance between work and family life, Kajima has created a guide to work-life balance, and made it available to employees over our intranet. In addition, Kajima is working toward the targets set in March 2011 for the third phase of its action plan, in response to the Law for Measures to Support the Development of the Next Generation.

Support for employees' healthcare

Kajima holds a health committee meeting once a month in aiming to improve the workplace environment and health management of its employees. To help employees manage their health, industrial physicians are available to discuss physical and mental health needs, and to provide personal health consultations and specific advice whenever needed. We also offer a workers rehabilitation system to assist employees who have had to take long-term leave, due to unavoidable reasons such as injuries, in making a smooth transition back to the workplace. The system sets up back-to-work programs tailored for each individual to minimize the burden on both the employee and his or her workplace, and to provide support for a comfortable return to work.

Health consultations for employees in the aftermath of the Great East Japan Earthquake

In order to manage the health of employees working in the recovery efforts following the Great East Japan Earthquake, Mikio Nagata, Director of the Health Management Center at the Kajima Head Office, visited the Tohoku Branch on March 23, two weeks after the earthquake struck. Nagata addressed employees who had questions regarding their discomfort and concerns of their health with attentiveness and provided necessary treatment. With aftershocks and tremors persisting, employees who continue to work in a state of tension often do not realize the level of their fatigue on their own. As such, we aim to provide continuous care for the physical and mental wellness of all employees following the earthquake.



Nagata carefully tending to employees

Relationship with the Employees' Association

Kajima conducts wage negotiations and negotiations on the revision of any type of personnel system with the Employees' Association. In addition, we set up opportunities for the exchange of opinions on a regular basis every year to discuss themes including employees' working attitudes, in order to promote a healthy labor-management relationship in realizing a positive work environment.

VOICE

Childcare leave for male employees — an invaluable experience

I spent the month of October in 2010 away from work on childcare leave. I applied for this leave because my son was about to turn one and my wife was ready to go back to work after her childcare leave and I thought I could help reduce the burden on my family. Using the time between my request and the start of my leave, I was able to fully coordinate with my supervisor and co-workers on my upcoming absence. Everything went smoothly thanks to the understanding and assistance of my colleagues around me at work. Personally, the one month I spent dedicated to raising my child was a precious experience. Not only did I get to interact with my growing son every day and appreciate the hard work that goes into childrearing, but it also allowed me to share the same perspective with my wife on a

number of issues. For the three of us in the family this experience became a valuable moment in our lives.

Childcare leave tends to come across as a foreign concept for male employees in Japan, but when your child is growing up I recommend anyone who is interested to give it a try with due consideration of timing, even if it is just for a short period.



Hideaki Fukushi

Deputy Manager, Administration and Accounting Group
Technical Research Institute



PASSION FOR KAJIMA

Kajima's overseas construction and development businesses are run by six locally incorporated subsidiaries located in five regions around the world including the United States, while the Company's International Division is in charge of its overseas civil engineering business. Today, nearly 3,500 people are employed at our overseas branch offices and subsidiaries, while overseas sales account for between 15% and 20% of Group-wide sales.

Much like other Japanese companies that expanded operations overseas in the latter half of the 1990s, Kajima was impacted by the collapse of the global real estate asset bubble and faced an extremely challenging operating environment. As a result of our steady efforts at business development rooted in local communities, however, we have been able to build up an overseas presence second to none among Japan's major general contractors. The following section will take a closer look at our dynamic employees working at our business locations around the world.

VOICE

I'm Leia Wolfe, and I was hired by Kajima U.S.A. in September 2010 as Executive Secretary. Some of you may know the old saying "When you're through changing, your through". In my professional life, I was not through.

Prior to my employment at KUSA, I worked for an excellent general contractor, Batson-Cook Company, (now a Kajima owned company) for over 23 years. I was employed in many capacities from Field Administrator to Office Manager; and when the economy changed and our office became smaller, the role of Marketing Coordinator was added to my "bucket" of duties. With each job assignment came a wealth of knowledge about the construction industry as well as a thorough understanding of ethical behavior and relationships. I have had the privilege of working with some of the most intelligent, hard working builders in this country. So why did I leave?.....Change. I was ready for the next chapter of my professional life. Fortunately for me, KUSA was relocating from Rochelle Park, New Jersey to Atlanta, Georgia at the exact time I was ready to being that chapter.

My move to KUSA has been a positive one from both a personal and professional standpoint. From a personal standpoint, my husband and I now have something to talk about at night. You see, he works for Batson-Cook; and now that we work for different companies, we have much more to discuss when we get home each day. From a

professional standpoint, I'm being educated on the complete other side of the business by the best in the business. I'm eager to work with and learn from all the HR managers from the other Kajima companies, communicating, sharing and creating new ideas for the future. I want to be an essential part of this company.

Outside of work, I enjoy volunteering and community service and am very active in my church. I will continue to be an active member and volunteer of Batson-Cook's Clays for a Cause, a Sporting Clays event that I've been a part of since its inception (2006) and proud that we've been able raised more than a half a million dollars for our charities.

I'm looking forward to what the future holds for me at KUSA and to becoming an essential part of this great organization.



Leia Wolfe
Kajima U.S.A. Executive Secretary



Kajima U.S.A. Inc.

Kajima's oldest locally incorporated subsidiary, Kajima U.S.A has grown into a group of companies that also includes three locally acquired firms. Most of these Group companies consist entirely of locally hired employees, including Industrial Developments International, Inc. (IDI), our warehouse development business. This group of companies is in turn managed by seconded employees from Kajima's Head Office in Japan.



Kajima Europe Ltd.

Kajima Europe engages in construction on the European continent and real estate development in the United Kingdom and the South of France. Similar to Kajima U.S.A., employees are predominantly local hires, as only 6% of the staff is seconded from Japan.



Kajima Shenyang Construction Management & Consulting Co., Ltd.

Kajima Shenyang was established just six months ago. Kajima's technical prowess has received tremendous recognition from the City of Shenyang, which enables Kajima Shenyang to engage in construction management and basic construction planning locally. A large number of Kajima's engineers have been seconded to the Company from Japan.

Kajima (Shanghai) Construction Co., Ltd.

Established over 10 years ago, Kajima (Shanghai) has begun to produce solid results and carries with it high expectations for the future.



Chung-Lu Construction Co., Ltd.

Chung-Lu Construction has built up a long-storied history and is well integrated in the local community. With Kajima's quality having been strongly recognized, in recent years the Company has built up a strong track record in the construction of luxury condominium residences. About 300 are employed here, and turnover of local staff remains low.



Kajima Overseas Asia Pte Ltd.

Kajima Overseas Asia, which continues to see robust growth underpinned by the strong economies of the Asia region, features a large number of seconded employees from Japan.



VOICE

Leaving Our Mark on Maps and History Around the World

2011 marks the 10th year I have been with Kajima. Over the past 10 years I have been involved in the estimate process for overseas construction projects, including international airports, highways and tunnels. Working amid these diverse natural environments, and moving the construction process forward with respect for each party's unique culture, language, religion and values has made this job more rewarding than I could have ever imagined. Many of the projects I have been involved in are major national projects that have garnered attention from newspapers and television, with one such site even receiving the visit of a standing president. While this is a

job that carries with it truly high level of responsibility, as an employee of Kajima and as a Japanese civil engineer, I feel proud of my work which has left a mark on the map and history of each of these countries. Moving forward, I hope to help expand Kajima's overseas business by enhancing our construction project track record outside of Japan and by developing the future leaders of the Company.



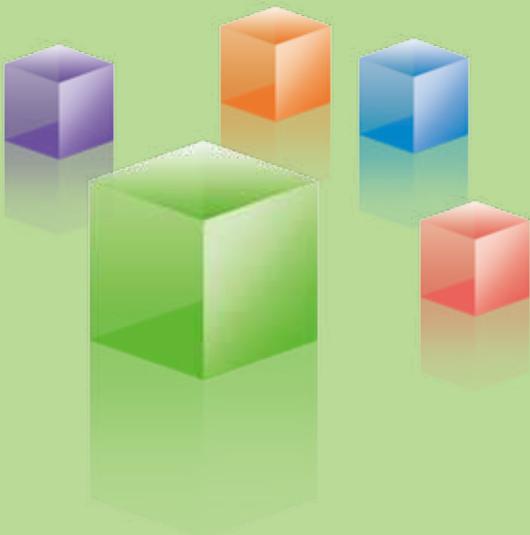
Takuya Watanabe
Philippines Cebu South Coastal Road Tunnel Project
Satellite Office
International Division



Establishing Companies
Being a Company that People Are Proud to Work For
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Providing Innovative Solutions for a Better Environment

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



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From Protecting the Environment to Creating a Better Environment

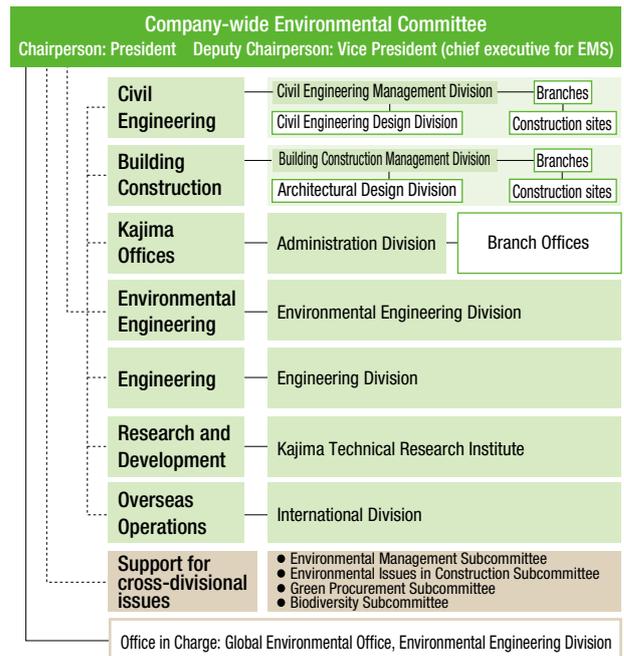
As a company with "a vision for all eras," Kajima aims to create a sustainable society through its construction projects. From a long-term perspective that looks beyond the present to users in the next generation, we will pursue sustainability through the three facets of low carbon, resource recycling, and co-existence with nature.

Environmental Management

The construction industry is unique for its consumption of resources on a vast scale, for the long-term usage of the buildings and structures it creates, and for its very transformative impact on the natural environment. Based on these characteristics, Kajima has established four priority issues in its environmental management activities: combating global warming, resource recycling and effective use, hazardous substance management, and conservation of biodiversity.

Kajima established an environmental management system based on ISO 14001 in 1997, and expanded its scope in 2003 by integrating it with company-wide systems involving all employees. Under a Company-wide Environmental Committee chaired by the president, the promotional structure for environmental management establishes seven sections: civil engineering, building construction, offices, environmental engineering, general engineering, R&D, and overseas businesses. These sections act according to environmental targets set by the Company-wide Environmental Committee, conducting activities in accordance with each section's characteristics. Cross-sectional issues are addressed by four subcommittees: Environmental Management, Environmental Issues in Construction, Green Procurement, and Biodiversity.

Environmental Management System (EMS) Structure





Summary of Fiscal 2010

Fiscal 2010 marked the second year of the medium-term environmental goals we launched in fiscal 2009. Also in 2010, Nagoya hosted the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) in October, which drew attention from within and outside Japan to the issues of biodiversity in addition to the long-standing issue of combating global warming.

Priority Issue 1
Global Warming Prevention
 Kajima has set a medium-term target of a 30% reduction in CO₂ emissions over the entire life cycle of buildings (from construction to demolition) compared to the fiscal 1990 level. However, our 25% reduction for fiscal 2010 did not meet the 28% target for that year. In CO₂ emissions from construction, Kajima did achieve a 17% reduction in emissions per unit compared to 1990 levels, beating the target of 15% and showing a steady progress in emission cuts.

Priority Issue 3
Hazardous Substance Management
 To address the revised Soil Contamination Countermeasures Act that took effect in April 2010, we held briefings at the Head Office and all branch offices prior to enforcement to raise employees' knowledge about points of revision and related requirements. Moreover, we update our KARISMA-NET intranet as appropriate with information related to soil contamination and hazardous substance management.

Priority Issue 2
Resource Recycling and Effective use
 In resource recycling, Kajima's shift to zero emission of construction waste is steadily yielding results, and we have already lowered our final disposal rate below the medium-term target of 5% to achieve a 2.4% rate. In green procurement for materials, our adoption rate has risen for some items such as carpet tiles, through proposals from our own construction sites. However, for priority items overall, the rate has remained flat from the previous year.

Priority Issue 4
Conservation of Biodiversity
 Kajima is working to strengthen urban biodiversity through projects that it proposes based on its concept of conserving biodiversity in urban areas, and the Company is steadily increasing the number of biodiversity proposals it includes in projects. We also set up our own booth at the COP10 Interactive Fair for Biodiversity, showcasing Kajima initiatives over the course of three weeks as the only representative of the construction industry at the exhibit.



Four Priority Issues	1 Global Warming Prevention	2 Resource Recycling and Effective use	3 Hazardous Substance Management	4 Conservation of Biodiversity
Medium-term goals	Reduce carbon over the life cycle of buildings <ul style="list-style-type: none"> Reduce CO₂ emissions over the life cycle of buildings by 30% compared to the fiscal 1990 level Reduce CO₂ emissions per unit from construction by 16% compared to the fiscal 1990 level 	Advancing zero emissions activities <ul style="list-style-type: none"> Final disposal rate (excluding sludge) of less than 5% 	Completely eliminate accidents involving hazardous substances	Conserve biodiversity in urban areas
Fiscal 2010 goals	28% reduction / 15% reduction	Less than 5%	No serious accidents or problems	Expanding biodiversity proposals in branch projects
Fiscal 2010 results	25% reduction / 17% reduction	2.4%	No serious accidents or problems	15 projects
Degree of achievement	🌿🌿	🌿🌿🌿	🌿🌿🌿	🌿🌿🌿
Fiscal 2011 goals	30% reduction / 16% reduction	Less than 5%	No serious accidents or problems	Make use of proposals for biodiversity in projects and prepare standardized documentation

Ensuring Compliance

Being a Company that People Are Proud to Work For

Providing Innovative Solutions for a Better Environment

Working Together with Local Communities

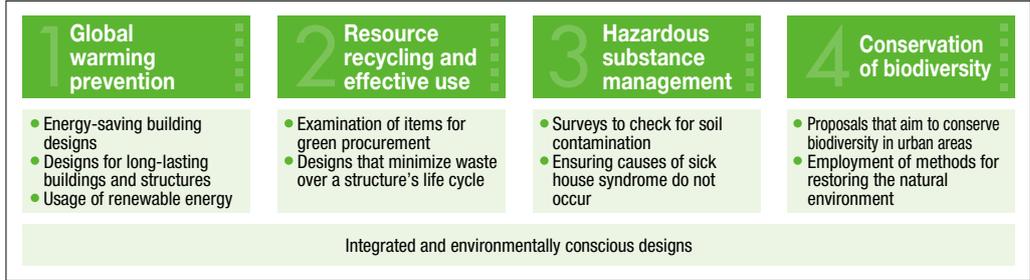
Communicating with Stakeholders





Bringing Protection and Creation to Every Project Stage

For Kajima, the life cycle of a building or structure covers project stages beyond construction, and encompasses project planning and architectural design to occupancy and usage. Kajima works to conserve the environment by decreasing its environmental impact at each stage of a building or structure's life cycle, with the ultimate goal of realizing a sustainable society.



Construction planning and design is concerned with the environmental impact of all stages of a building's life cycle. The impact from procurement-related activity includes resource extraction, energy consumption through the manufacture and transport of materials, waste emissions, impacts on ecosystems, and pollution of air, water, and soil.

Aiming to Improve Added Value in the Project Planning Stage

In a construction project, the project owner and Kajima share concepts during the project planning stage. From the early stage, Kajima puts forth proposals and support for both the technical and non-technical aspects to raise the value added to each project. In particular, Kajima offers a combination of value-maximizing technologies suited to customers' needs, built on a foundation of pioneering initiatives in areas including biodiversity.

Moreover, as a part of the risk management that Kajima undertakes together with project owners, our Head Office, branch offices and all concerned parties act as one to conduct proper treatment and management of hazardous materials, including surveys of buried objects or soil contamination.



Environmentally Conscious Design with an Eye on the life cycle

At the design stage, we look beyond the structure and form of the building to also consider the materials and construction methods to be used. By doing so, we raise quality and efficiency.

Throughout the life cycle of a building, the greatest amount of energy consumption takes place during occupancy. To minimize energy consumption during this stage, Kajima approaches architecture and equipment from the design stage, incorporating improved performance of insulation and solar radiation, shading of windows and outer walls, the use of natural ventilation and lighting, and the adoption of efficient air conditioning and lighting equipment.

By contrast, the majority of energy consumption during the life cycle of civil engineering structures such as dams and bridges takes place during the construction stage. Our considerations here focus on three perspectives: 1) reducing the thickness of components and amounts of materials used; 2) changing the selection of materials and how they are used; and 3) adopting building methods that shorten the construction period. Kajima takes care to use alternate materials that consume less energy per unit and reduce the amount of materials used in order to ensure that its structures can be used efficiently over a long service life.





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Toward the Realization of Biodiversity in Urban Areas

4 Conservation of biodiversity

Under the Kajima Biodiversity Guidelines established in 2009, we are creating a network of projects that take into account conservation of the natural environment. Through the networking of these projects, we are raising the environmental conditions of the community as a whole. In fiscal 2010, we put forth proposals based on the concept of conserving biodiversity in urban areas, including proposals for shops and educational facilities utilizing Japanese honeybees, rooftop greenery to attract nightingales from neighboring woods, and office buildings holding events linked to rooftop gardens. Five such projects are currently moving toward realization.



Through such efforts, Kajima's "Design of City and Biodiversity" (a series of projects

utilizing eco-minded services) received the 2010 Good Design Frontier Design Award.

2010 was the International Year of Biodiversity, with the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) taking place in October in Nagoya, Aichi Prefecture. At the time of the Conference, Kajima participated in seven events to introduce technologies for conservation of biodiversity. At the panel discussion entitled "Harmonizing Development with Conservation of Biodiversity," organized by the Ministry of Land, Infrastructure and Transport, Kajima employees were in attendance as the only panelists representing the construction industry.



Yoriyuki Yamada (left), Deputy Director of the Office of Global Environment, attending as a panelist

Energy-Saving Design for School Facilities

Global warming prevention

Kajima is making use of energy-saving design methods for school facilities based on facilities management and energy-conserving technologies that have brought real results. Over the course of seven years following the completion of Seinan Gakuin Middle and High School, we collected data on facilities, operating conditions, and energy consumption into our Building Energy Management System (BEMS). To address the energy conservation goals set by the school, we confirmed energy conservation efficacy through on-site measurements, while making monthly reports and offering proposals for operational improvements. Kajima used those years of operational and empirical data in the design and construction of the Seinan Gakuin Elementary School that opened in April 2010 to achieve a precise energy-saving design and reduce energy consumption to less than half that of a typical school.



Atrium

CO₂ Reductions through Material Transport Methods

Global warming prevention

Tokyo Civil Engineering Branch: Construction of a 1500 mm water main tunnel, and tunnel pipe laying, between Kunugida Town and Midori-cho, Hachioji City

In this project, we compared two methods for transporting the water pipes to be used in construction: land transport from Amagasaki City, Hyogo Prefecture, per initial plans; and waterborne transport from the Port of Osaka to the Port of Shinagawa or Port of Chiba, using ships with lower CO₂ emissions than trucks, followed by land transport to the construction site. To calculate CO₂ emissions, we used the Guidelines for CO₂ Emission Conversion Methods in Logistics issued by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism. The result indicates waterborne transport achieved a reduction in CO₂ emissions of about 46%, or 18 tons. This eco-minded approach considered not only emissions from within construction sites, but also CO₂ emissions from the transport of materials.



Truck carrying water pipes leaves ferry for overland routes



Construction Stage

<p>1 Global warming prevention</p> <ul style="list-style-type: none"> Streamlined construction operations Utilization of highly efficient machinery Activities to save energy Usage of natural energy 	<p>2 Resource recycling and effective use</p> <ul style="list-style-type: none"> Green procurement Zero emission measures Restrictions on generation of waste volume Reduction of the final disposal rate 	<p>3 Hazardous substance management</p> <ul style="list-style-type: none"> Surveys to check for soil contamination Ensuring causes of sick house syndrome do not occur 	<p>4 Conservation of biodiversity</p> <ul style="list-style-type: none"> Procurement that considers biodiversity Reducing the burden on local ecosystems
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The construction industry is resource-intensive, with processes that consume great amounts of materials in the construction stage and generate considerable waste. Terrain modification, turbid water, noise, construction waste, contaminated soil, and CO₂ emissions from heavy machinery and vehicles can all be considered as having direct impacts on the global and local environments.

Pursuing the Shift to Low-Carbon

We believe that rationalizing and streamlining work, increasing productivity, reducing the use of materials, promoting greater use of recycled materials, and deploying high-performance equipment all contribute to reducing environmental impacts. As such, we strive to selectively combine these to match construction site conditions.

Construction Site Environmental Management Initiatives

Kajima creates an environmental management plan for each site prior to the start of construction, and works to prevent environmental incidents through checks by branch offices. Our construction site environmental management guidebook, which offers concrete measures for dealing with issues, is regularly revised and distributed to employees at sites. We also work toward prompt disclosure of information by updating our intranet with information on regulatory revisions, best practices, and risk scenarios. With respect to contaminated soil countermeasures and hazardous substances emitted during demolition, we undertake thorough prior checks followed by proper hazardous substance management.

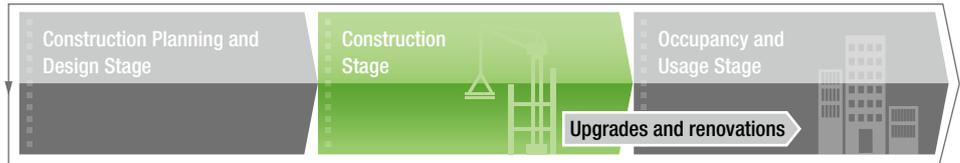
Waste Disposal and Other Initiatives

The revised Waste Management and Public Cleansing Law went into effect in April 2011. The revision strengthens regulations related to proper waste disposal by treating all businesses generating waste in construction work as prime contractors.

As a business generating mixed waste, waste asbestos, etc. Kajima ensures proper disposal of construction waste through a designated contractor system for selecting waste disposal contractors. Under this system, the environmental manager of the branch administrative division creates a list of applicable disposal firms based upon a review of their facilities, after which the construction site selects firms from the list. In addition, disposal contracts for the above three wastes are not formed on a per-site basis; rather, the head of each branch forms contracts, checks the content of contracts, and thoroughly implements the designated contractor system, all under the oversight of the branch administrative division. In order to bear appropriate costs as a waste-generating business, Kajima enforces direct payment to waste haulers and disposal firms.

Fiscal 2010 Performance by the Numbers

Kajima has set a goal of reducing the CO₂ (per unit of construction value) generated from construction in fiscal 2020 to 30% below the fiscal 1990 level. From this we extrapolated a goal of a 16% reduction for the fiscal 2009-2011 period, and in fiscal 2010 we achieved a 17% reduction versus a goal for the year of 15%. In addition, we are developing zero emissions activities aimed at minimizing the amount of final disposal of construction wastes. In fiscal 2010 we achieved a final disposal rate of 2.4%, or an amount of 36,000 tons (excluding sludge).



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Reducing CO₂ from Heavy machinery and Vehicles

Global warming prevention

As revealed by Kajima's performance over three years from fiscal 2006, 50% of the CO₂ emitted during construction is attributable to the use of construction site heavy machinery and 23% to vehicles, for a total of 73% stemming from the use of diesel fuel. As cranes and excavators account for half of diesel fuel consumption, addressing the efficiency of heavy machinery is an environmental challenge.

Recent years have seen increasing use of biodiesel fuel and adoption of environmentally conscious construction machinery, including hybrid heavy machinery. Kajima promotes lean, efficient machine operation, and at each site conducts fuel-efficiency training. In fiscal 2010, about 400 persons attended a total of 17 such training sessions held at 12 locations within the Tokyo Civil Engineering Branch and Tokyo Architectural Construction Branch. From fiscal 2011 we are expanding this activity, with Group companies as well making use of Kajima's materials to conduct training.



Fuel-efficient operation training

Onsite Solar Project

Global warming prevention

In fiscal 2010 Kajima launched its Onsite Solar Project, installing photovoltaic (PV) panels on the roofs of construction site offices to generate a portion of the power used by the offices. The project will aid in reducing CO₂ emissions, and as of May 2011 has been introduced at 15 sites.

From fiscal 2011, we will launch the project full-scale across the nation under the slogan "Onsite Mega Solar!" with the goal of 50 or more sites generating over 150,000kWh of electricity annually within 3 years.

In March 2011, we made the amount of power generated visible on our website.



Installation at the Hokkaido Branch's Kitanomine Tunnel joint venture construction office

Zero Emissions in Road Tunnel Construction Receives

Award for Achievement in Promoting 3R Activities by the Ministry of Land, Infrastructure and Transport

2 Resource recycling and effective use

Chugoku Branch's southern construction office at the Onomichi-Matsue Expressway Norotani Tunnel No. 1

In this construction project, we undertook a variety of 3R (Reduce, Reuse, Recycle) activities aimed at the full implementation of zero emissions in road tunnel construction. Our adoption of construction methods that avoid the generation of hard-to-recycle mixed wastes was instrumental in our receiving the award.

Under the conventional All Ground Fasten (AGF) auxiliary method of tunnel construction, when removing steel pipes from the ground, separating the removed pipe, the ground reinforcement grout, and the grout injection tube is difficult, resulting in the waste being disposed of as mixed waste. In our construction project, we developed and adopted the Eco Remove method that allows separation and sorting of the steel pipe and the grout. As a result, all of the removed material is recyclable, and we were able to reduce the generation of mixed wastes from the relevant processes to zero.

The wide range of initiatives we undertake also includes selecting material transport methods that do away with packaging,

and injecting the tires of dump trucks in tunnels with urethane to prevent punctures and the generation of waste tires.



Removed tubes (old construction method)



Removed tubes (new construction method)



Occupancy and Usage Stage

<p>1 Global warming prevention</p>	<p>2 Resource recycling and effective use</p>	<p>3 Hazardous substance management*</p>	<p>4 Conservation of biodiversity</p>
<ul style="list-style-type: none"> • Appropriate inspections based on monitoring and consulting • Adoption of Building Energy Management Systems (BEMS) 	<ul style="list-style-type: none"> • Increasing longevity of buildings and structures <ul style="list-style-type: none"> -Reinforcements for earthquake resistance -Strengthening of dam re-grading functions 	<ul style="list-style-type: none"> • Proper handling and disposal of asbestos • Proper handling of devices containing PCB and fluorescent tubes during disposal <p>*during renovation work or demolition</p>	<ul style="list-style-type: none"> • Monitoring of surrounding ecosystems • Environmental education with applied projects

Among a variety of structures, buildings in particular are stages for people's lives and activities. After the completion of construction, energy consumption continues for long years during the use (or occupancy) stage. In addition, during periods of renovation, the construction stage and use stage are repeated. Moreover, dismantling at the end of a building's life cycle marks a period in which much waste is generated, and noise and vibration impact the surrounding area. As buildings and structures have long lifetimes, their environmental impact must also be considered over the whole life cycle.

Support in Non-Technical Areas

Interest in energy conservation at the usage stage is rising rapidly; part of this is the need to comply with the revised Law Concerning the Rational Use of Energy and the Tokyo Metropolitan Ordinance on Environmental Preservation. Through support activities such as monitoring and verification, operational guidance, and proposals for reform and renewal of facilities, Kajima is contributing to the creation of a low-carbon society.

We will make use of our Building Energy Management System (BEMS), aimed at optimal conditions for the use of equipment, and EneMASTER, which supports energy saving planning in maintenance while making building energy usage visible, as we work to reduce environmental stress during the usage stage.



Fiscal 2010 Performance by the Numbers

At Kajima, we also manage the "indirect" reduction of CO₂ emissions that we believe is achieved through our in-house green procurement and our energy-conserving design that covers all stages before and after construction. The reduction in CO₂ achieved through energy-conserving design amounted to 19,000 tons in fiscal 2010. In addition, the reduction accompanying green procurement, such as that for blast furnace cement and concrete, was 48,000 tons.

Inclusion among the 100 Corporate Greening Projects for Conservation of Biodiversity

The 100 Corporate Greening Projects for Conservation of Biodiversity represent outstanding examples of the preservation, creation, and use of greenery in corporate initiatives, and are selected by the Organization for Landscape and Urban Green Infrastructure under special recognition by the Social and Environmental Green Evaluation System (SEGES). Kajima has received recognition for several of its locations, including Kajima Technical Research Institute, corporate housing in Tokyo's Toshima Ward, and Yazaki Corporation Y-TOWN Gotemba, Shizuoka Prefecture, where Kajima was responsible for design, construction, and activities to restore eelgrass beds.



Our Kajima Terrahouse Minami Nagasaki corporate housing, aiming for further greening after receipt of the award



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Initiatives by Our Offices: Fostering an Environmentally-Sensitive Corporate Culture

With the entire Company now a specified business operator under the revised Law Concerning the Rational Use of Energy, Kajima has undertaken a revision of its data collection system and the scope thereof. From fiscal 2010, we expanded the collection of performance data on energy and tap water usage to target not only the Head Office and branch office buildings but also all workplaces, including sales offices (see table below). Regarding energy, we will undertake activities aimed at an annual 1% reduction in usage across the expanded range of all workplaces.

Fiscal 2010 results	
Electricity	34,720,000 kWh
Fossil fuels (Kerosene)	19.66 kl
Fossil fuels (Heavy oil)	21.37 kl
Town gas	189,600 m ³
Water	184,800 m ³
CO ₂ emissions	14,410 t-CO ₂

In addition, Kajima office divisions are setting targets for electricity use, amount of waste generated, recycling rate, copier paper usage, and office supply green procurement rate in the Head Office and branch offices. Our goals for fiscal 2010 were 1% reductions from the previous year in electricity use, paper use, and waste generation, as well as a recycling rate of 70% and an office supply green procurement rate of 90%. However, we were not able to achieve the targets for electricity use and green procurement.

Fiscal 2011 Summer Energy Conservation Measures

Due to the impact of the Great East Japan Earthquake, the government has issued an Electricity Supply-Demand Measure in Summer to reduce maximum power usage between July and September, on business days from 9:00 a.m. to 8:00 p.m., to 15% below the peak usage of summer 2010. Kajima established plans that mandate a target of a 15% or greater reduction at all workplaces within the area served by the Tokyo Electric Power Company, including at construction sites, the Head Office, and branch offices. Moreover, we are calling for the conservation of electricity at home in our Tokyo-area company housing, cooperating with the Tokyo Wards' energy conservation awareness programs aimed at households.

Targets for Fiscal 2011

In fiscal 2011, the final year of our medium-term plan, we will strive to ensure that we achieve our medium-term goals. We have also begun consideration of our next medium-term targets for fiscal 2012 onward. With great changes taking place throughout society, including a rethinking of long-term energy supply and demand planning after the recent disaster, and new international cooperative frameworks to combat global warming, we will make Kajima's role and its aims clear and straightforward.

Priority Issue 1: Global Warming Prevention

Our targets are to reduce CO₂ emissions over the life cycle of structures (from construction to dismantling) to 30% below fiscal 1990 levels, and CO₂ emissions from construction (per unit of value) to 16% below fiscal 1990 levels, by means of design. We will continue to enhance ZEB and other new initiatives aimed at achieving a low carbon society.

Priority Issue 2: Resource Recycling and Effective use

Although we achieved our medium-term target of a 5% final disposal rate, we will make efforts to further achieve zero emissions. We will also promote green procurement with a focus on five priority items (cement, concrete, molds, OA flooring, and carpet tiles), making efforts toward more effective resource recycling through manufacturer recycling programs.

Priority Issue 3: Hazardous Substance Management

We will undertake proactive and voluntary initiatives to strengthen our management of soil contamination and other construction-related environmental issues. In dealing with new issues, we will introduce our own standards as needed regardless of whether regulations are in place, and will work toward prevention of environmental incidents.

Priority Issue 4: Conservation of Biodiversity

We will move ahead with our plan for conserving biodiversity in urban areas through increasing our number of construction projects that consider biodiversity.



Material Flow

Progressing with green procurement at construction sites

Up to fiscal 2008, Kajima had established targets for improving its green procurement rates by weight for five materials: asphalt, aggregate, cement, ready-mixed concrete, and steel. From fiscal 2009, the Company revised its medium-term goals, expanding the number of targeted materials to 10 items, and indexing their use at all construction sites. Once the data for the usage rates, and their stated reasons, was collected from each site, the Company focused in 2010 on 5 (see chart, middle row) of the 10 targeted materials, which showed relatively high use, and incorporated procurement proposals from the worksites themselves. The data, however, also indicated an average 30% or higher of sites did not use the 5 due to incomplete green procurement implementation. The Company intends to improve the usage rates in fiscal 2011 by effecting a more complete understanding of green procurement.

Green procurement

Targeted material	Fiscal 2010 survey results and fiscal 2011 actions
Earth from other sites	80–90% of sites used these materials. → Kajima will continue these activities.
Recycled aggregate	
Recycled ascon	
Blast furnace cement	<ul style="list-style-type: none"> Average of 31% of sites used the 5 targeted materials (contributing factors: specifications directions, 18%; construction site proposals, 13%) → Aim to improve usage rates through more construction site proposals In 2010, usage rates showed a slight increase due to proposals of OA flooring and recycled carpet. However, the total rate remained unchanged. → Set a goal of 18% usage rate via proposals.
Blast furnace concrete	
Recycled materials for framework assembly	
OA floors made from recycled materials	
Carpets made from recycled materials	
Recycled concrete	Usage rate: 5% for recycled concrete, 17% for fertilizer made from sludge. → Only a few construction sites are applicable regarding these materials. We will continue to collect results and data.
Organic fertilizer made from sludge	

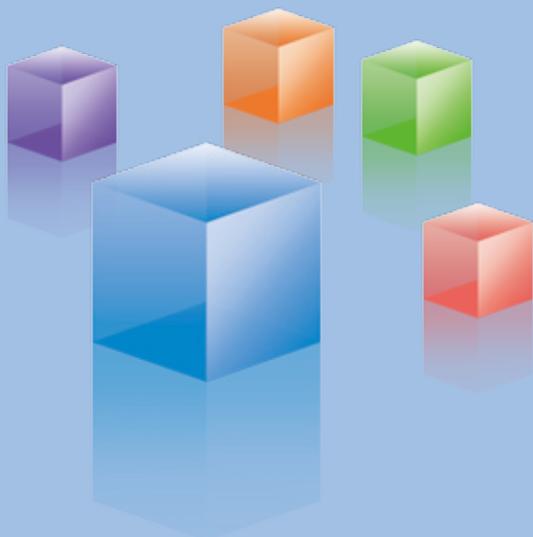
INPUT			
Principal energy usage volumes		Construction	
Fossil fuels	Diesel oil	48,431 kl	
	Kerosene	2,099 kl	
Electricity		174,310,000 kWh	
Principal materials	Total usage	Green Procurement volume	Green Procurement rate
Steel products	428,000 t	329,000 t	77%
Cement	303,000 t	97,000 t	32%
Ready-mixed concrete*	864,000 t (5,680,000 t)	157,000 t (1,031,000 t)	18%
Aggregate	805,000 t	458,000 t	57%
Asphalt	40,000 t	27,000 t	66%
Total	2,441,000 t (7,256,000 t)	1,067,000 t (1,942,000 t)	44%

* The figures for ready-mixed concrete only include the cement portion. Figures in parentheses represent the total amount of concrete.

OUTPUT		
CO ₂ emission volume		
195,000 t		
Construction surplus soil (hauled off site)		
1,478,000 t		
Construction waste		
Volume	Final disposal volume	
2,061,000 t	296,997 t	
Volume of hazardous materials generated		
Material containing asbestos	CFCs and halon recovered	Florescent tubes
6,344.7 t	6.4 t	42.0 t

Working Together with Local Communities

The construction industry cannot operate effectively without the acceptance and cooperation of local communities, especially in neighborhoods where construction is undertaken. Moreover, in a country prone to earthquakes and other natural disasters, Japanese construction companies are expected, as part of their corporate social responsibility, to take proactive measures in preparation for a serious natural disaster.



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As a Member of the Local Community

Kajima has some 1,700 business locations nationwide in Japan. In most cases, the Head Office, branch offices, and sales offices have existed at the same location for many years, while the construction site office for each project exists temporarily until the completion of a building or structure. While these temporary offices exist only during a very short period of time in comparison to the buildings or structures that will continue to last upon their completion, Kajima is striving for these offices to blend in with the local community within the time frame they are used.

Preserving the Safety and Security of the Local Community

Work at construction sites takes place among neighboring residences, offices and schools. As part of the local community, each of our construction sites makes efforts to ensure the safety and security of the surrounding environment.

Cleaning up areas surrounding construction sites
Although most construction worksites are not known for comfortable working conditions, at Kajima sites, offices and rest areas for employees are standard. And our effort does not stop at improving worksite environments. Conservation and improvement activities extend to the local surroundings as well.



Monthly cleanup activities including all construction team members



Decorating worksites with flowerbeds in front of transparent safety fences



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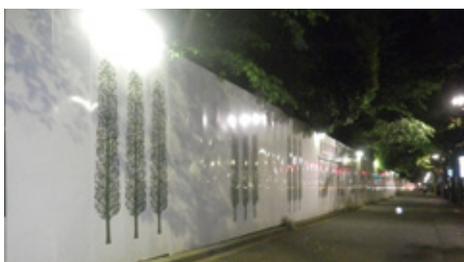
Safety of those in the community

Kajima strives to minimize the impact of construction work on the surrounding community. A construction project is implemented with guidance from the local police and fire department, while coordination also takes place with local authorities.

A construction site is frequented by many large vehicles, such as heavy machinery and trucks, especially during the time right before and after the day's work. This time frame usually overlaps with the morning rush hour for local residents commuting to school and work. As such, we have signed agreements based on prior discussions with the local community in which we promise to abide by predetermined access routes, coordinate the time of our work schedule and direct vehicle as well as pedestrian traffic in the surrounding area. By displaying safety and disaster prevention slogans using our safety fences, we stand fully committed to the safety of the local community as well as working with local authorities and organizations.



Ensuring a safe commute for elementary students through safety patrols every morning from the start of construction



Providing peace of mind to the surrounding community with safety fence and construction zone lighting

Landscaping that blends in with the local community

Safety fence enclosures mark the premises of a construction site. But rather than letting these be a boundary between the work zone and the surrounding community, Kajima prefers to use the fence as a means for forming connections with the local community by posting site information and decorating it with artwork.



Art created by local artists displayed on the safety fence enclosure contributes to uniformity between the worksite and the surrounding community (during the Christmas holiday season, decorative lights are displayed to add to the holiday flair)

Providing updates on the construction schedule and progress

A number of efforts are made to convey updates on the current progress and schedule in order for the construction site to be considered a part of the local community. In addition to posting the weekly schedule on the safety fence enclosure, we have launched a microsite for some worksites to provide real time information, or sent out newsletters to provide updates on their work on a regular basis. Related information: p. 46



Regular newsletter shares information on the progress of construction at the Hakodate Rail Yard Site with local residents, authorities and government organizations (the same contents are displayed on an enlarged billboard along roads in the vicinity)



Making Construction Sites Feel Closer to Home

When a building or structure is completed, its very existence is taken for granted. Kajima has offered opportunities throughout Japan for local residents to acquire a firsthand knowledge of the building construction process before completion, which not only instills a sense of familiarity with these buildings but also allows more users to better understand the construction industry to which they otherwise have little exposure.



2 Akita University Hospital Building Improvement Project (Akita Prefecture)

Four students from the Department of Civil and Environmental Engineering, Akita National College of Technology, worked at the construction site for five days in late August 2010 as part of an internship. This work experience provided interns with an insight into the basics of the construction industry and construction sites. At the same time, interns gained practical hands-on experience with construction planning, as well as on-site quality control and safety management.



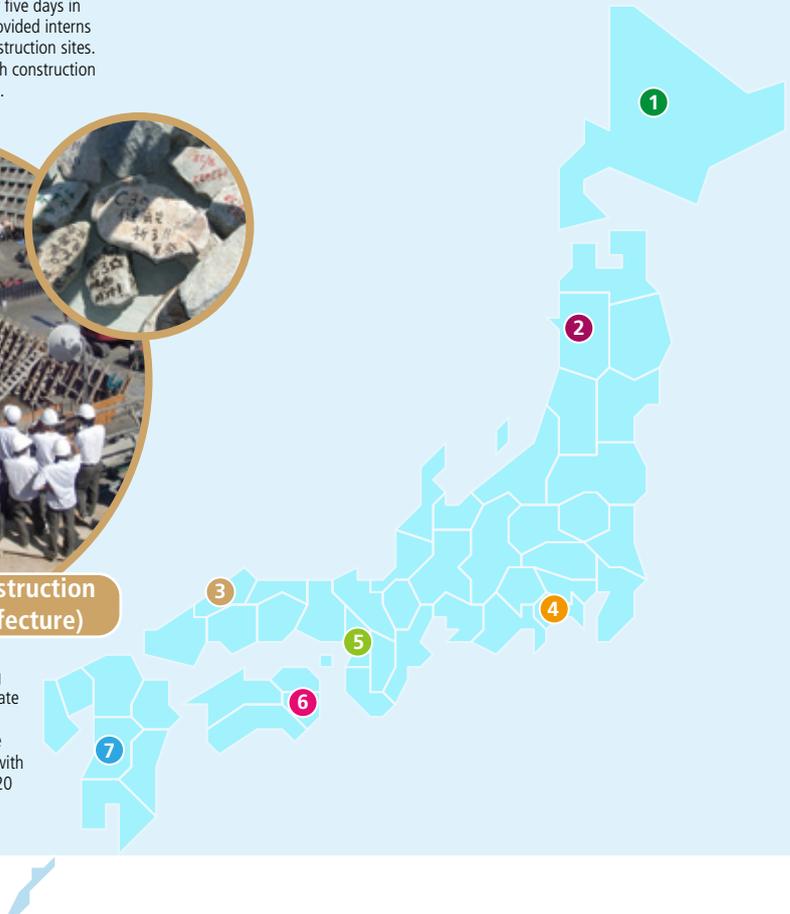
1 Tobetsu Dam Main Unit Joint Venture (Hokkaido Prefecture)

In July 2010, Kajima held a family dam tour targeting local elementary school students which attracted 44 participants. Since the start of the construction project, the site has hosted over 2,600 visitors on tours of the area.



3 Dai-ni Hamada Dam Main Unit Construction Joint Venture Project (Shimane Prefecture)

In September 2010, 45 students from the local Matsue College of Technology visited the construction site. During their visit, students wrote messages on a concrete aggregate which was made into a memorial stone, and observed firsthand the dam under construction. After the end of the tour, the students asked a number of different questions with genuine curiosity. This construction site hosted a total of 20 visits and 368 visitors in fiscal 2010.





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4 Construction of the New Machida City Hall Joint Venture (Tokyo Prefecture)

A family open house was held for elementary school students during the summer holidays in July 2010. After making paper models of the new city hall building, the families toured the actual site of construction, which also showcased eco initiatives taken on-site, and had a chance to touch and feel machinery, including cranes. Open house participants showed a strong interest in the project and expressed their intention to visit again when the construction had progressed to the next stage.



5 Osaka Kita Common Utility Duct Kadoma Construction Zone (Osaka Prefecture)

A 4-day long open house was hosted in November 2010 in conjunction with the Civil Engineering Day (*Doboku no Hi*) where a total of 240 fifth and sixth grade students from the local Neyagawa Municipal East Elementary School visited. After an introductory presentation on the construction project, the role of the duct and the structure of the shield machine, students were given a rare opportunity to see the actual work site, including a visit to the control room of the shield machine as well as a walk in the duct.



6 Tatsue Tunnel Construction Project (Tokushima Prefecture)

In July 2010, 31 seventh grade students from the local Tatsue Junior High School visited the construction site. Students were given a presentation on the purpose of the Shikoku Odan Expressway development project and work being done on the tunnel excavation project. Following this, students visited the actual construction zone and saw firsthand special heavy machinery and equipment. Impressed with the scale of the entire project, students soon found themselves visualizing the day of the tunnel's completion.



7 Mannichiyama Tunnel Joint Venture (Kumamoto Prefecture)

In May 2010, a total of 254 students ranging from the second to sixth grade from the local Kumamoto Municipal Ikegami Elementary School visited the construction site, which is part of the arterial road along the west side of Kumamoto station. The students walked around the construction site on a guided tour. After listening to the tour given by Kajima staff, students showed their interest in the construction site, to which they otherwise had no access, by expressing the following comments. "I want to go on this road in my family's car after it is completed," and "Although it takes no time at all to drive the road, now I understand the process from start to finish is really difficult."



Supporting Education and Academic Research through Community Service Foundations

Over many years, Kajima has contributed to scholarly pursuits and cultural endeavors through its community service foundations. The Company intends to continue supporting these foundations with the goal of making even greater contributions to society.

Kajima Ikueikai Foundation

The Kajima Ikueikai Foundation was established in 1956 by former company president Morinosuke Kajima to provide scholarships and financial assistance to university students in Japan, including students from abroad. In fiscal 2010, it awarded scholarships worth over ¥29 million in total to 65 undergraduate and graduate students, comprised of 57 students from Japan and eight foreign students studying in Japan. Since its establishment, the foundation has donated a total of over ¥1,336 million in scholarships to 7,627 students.

Kajima Institute of International Peace

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

The Kajima Foundation

The Kajima Foundation was established in 1976 to advance academic studies in Japan and facilitate international academic exchange, under the theme of improving the lives of Japanese citizens through the development of urban and residential environments, and effective use of land and resources. In 2010, the foundation provided a total of ¥59 million in grant and aid to 50 different projects, including research studies projects; projects by scholars who actively promoted exchange; and international academic conferences held in Japan. To date, over ¥2,673 million has been provided to 1,782 research projects.

The Kajima Foundation for the Arts

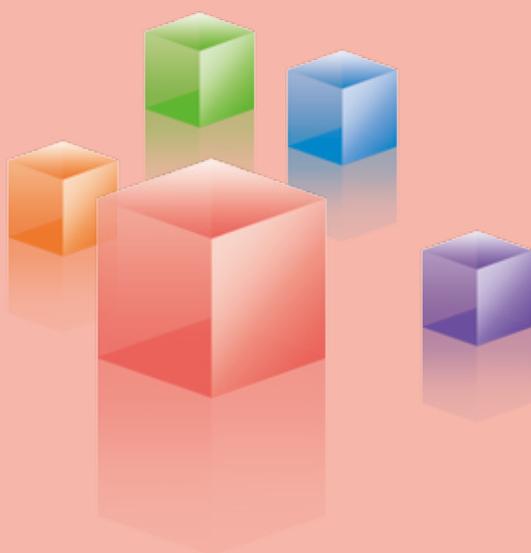
The Kajima Foundation for the Arts was set up in 1982 to provide support for research in the arts, related publications, and international exchange, with the goal of promoting the arts and helping enrich Japanese culture. In fiscal 2010, ¥30 million was designated to 51 research projects, including two foundation awards; ¥4.9 million was provided to six publications; and another ¥2.7 million was provided to five international exchange projects. Since its establishment, the foundation has offered assistance of over ¥1,304 million to about 1,760 projects.

Atsumi International Foundation

Established in 1994, the foundation was officially recognized by the Cabinet Office as a public interest incorporated foundation, or the Atsumi International Scholarship Foundation, beginning in April 2011. The work of the foundation is two-fold: one, to provide traditional scholarship assistance, and two, to develop international exchange programs for international students participating in the Sekiguchi Global Research Association (SGRA) run primarily by former scholarship students. Since its inception, the scholarship fund has provided assistance to 204 individuals, including 12 in 2011, from 36 different countries and regions across the world. Other international exchange programs include forums and seminars held in Japan and overseas (China, Korea, the Philippines, Mongolia, and Taiwan), and opportunities for foreign scholars interested in Japan to share their ideas in reports, web magazines and e-mail newsletters.

Communicating with Stakeholders

Full and transparent disclosure of information to society has become a necessary part of corporate duties and regular business of companies in the construction industry. Kajima proactively and earnestly provides information in its communications with a broad range of stakeholders, to fulfill its responsibility to society and gain trust.



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Self-Assessment through Stakeholder Dialogue

Communication with stakeholders represents a valuable opportunity to understand how the Company's initiatives and stance are understood and evaluated. By identifying problems and challenges and making continual improvement based on such dialogue, we are striving to respond more aptly to the needs of society.

Disclosing Information Externally

Since the frequency and extent of information required for each stakeholder varies, we select appropriate media based on the type and nature of the information in order to take a more targeted approach to deepening stakeholder understanding of Kajima's business activities.

Corporate disclosures

Kajima proactively releases investor relations information, notifications and press releases. Similarly, our construction sites also disclose information as necessary.

Disclosures for shareholders and investors

Management and financial information is released to shareholders and investors through Kajima's corporate website and publications.



Disclosures for clients

Kajima publishes *KAJIMA Monthly*, which takes the dual role of covering in-house information and promoting public relations. The publication is distributed monthly to a wide audience, including clients, employees and our corporate officers. In addition, we create DVDs and pamphlets to showcase our latest as well as specialized proprietary technologies.



Disclosures for subcontractors

Kajima publishes a quarterly newsletter *Ishizue* through its Business Cooperative as an information sharing tool for its subcontractors, indispensable partners in the construction industry. We have also launched a website for our subcontractors, while certain branches and regions issue an email newsletter regularly to share information.





Initiatives at our construction sites

We provide local communities with information on each construction site by hosting orientations prior to beginning work and displaying weekly work schedules on message boards posted on safety fences. Some of our construction sites develop microsites or use targeted newsletters to regularly release information.

Releasing information regularly through construction site microsites

Chubu Branch — Chukyo Keiba Racecourse Seating Area Renovation Project

A special microsite on this particular construction site has been set up since work began in March 2010. The microsite includes a variety of unique features including computer graphics that convey the image of the completed project, pictures of staff members belonging to the construction office and information on the project itself. A camera was also set up at a fixed location onsite that takes and posts a picture each day at the same time to clearly illustrate how construction work is actually undertaken. We plan to release additional information as needed after completion in order for the new seating area to win the praise of users and the local community alike.

Communications with Other Organizations

In order to continuously maintain open lines of external communication, Kajima has established platforms for information exchange and discussions with other organizations, such as at exhibitions and seminars on high-interest themes. These represent valuable opportunities to explain the Company's construction initiatives. At exhibitions introducing our environmental or engineering initiatives, we communicate our services and proprietary technologies to visitors through panels and displays. In addition, each year we host a social gathering for media organizations with our corporate officers to share information and network.



Explaining the latest technologies at an exhibition

Communications related to CSR reporting

Kajima issues its CSR Report annually to provide information on its CSR activities undertaken during the previous fiscal year. We make the report accessible on our website and through the enclosed questionnaire we receive a wide range of feedback from readers. The Company also features an English version of the report on its website for overseas stakeholders. In addition, Kajima is regularly invited to information-exchange sessions by CSR managers at companies in various other industries to discuss CSR initiatives. In 2010, we visited four companies to exchange opinions on methods to confirm the level of CSR implementation, responses to ISO26000 and initiatives in CSR procurement that pays due consideration to the environment. We will continue to share feedback internally as a means to accurately grasp the needs of society.

Extensively conveying Kajima's initiatives

Kajima strives to seek broader understanding of its CSR activities not only through the Company's CSR report, but also through participating in external workshops and other events. In 2010, we participated in a CSR Report Reading Session as a member of the Minato Eco-Conscious Consortium (MECC) sponsored by Tokyo's Minato Ward. Dialogue with other members and the general public during the session focused on environmental initiatives, such as whether efforts are being made to use locally-sourced wood products. Kajima also held dialogue with students who are researching corporate CSR initiatives.



Answering students' questions while on a construction site tour

In-house CSR Communications

In 2009, Kajima initiated the CSR Information-Exchange Session for employees. In 2010, sessions were held at the Company's Kanto Branch and Ibaraki District Office. Sessions encourage employees to openly exchange their opinions on the Company's daily CSR activities, ways of utilizing the CSR report and their general thoughts toward CSR. About 30 staff from the Ibaraki District Office attended, including sales representatives and the project manager. During the session a range of feedback was provided from employees that regularly interact with external stakeholders such as facility owners, clients and local residents. With the level of society's interest in CSR growing over the last several years, employee awareness toward CSR has also increased. As such, we will continue to promote and spread awareness of our CSR activities internally.



Information-exchange session at the Kanto Branch's Ibaraki District Office.

Kajima's framework for promoting CSR

The promotion and advancement of CSR at the Kajima Group does not come from a single specific source, but rather through a process where the executive management team and employees from every division and across all operations work to put the fundamental principles of CSR into practice. Based on this approach, the CSR Group in the Public Relations Office currently acts as the communications hub to further enhance the Company's efforts in this arena.

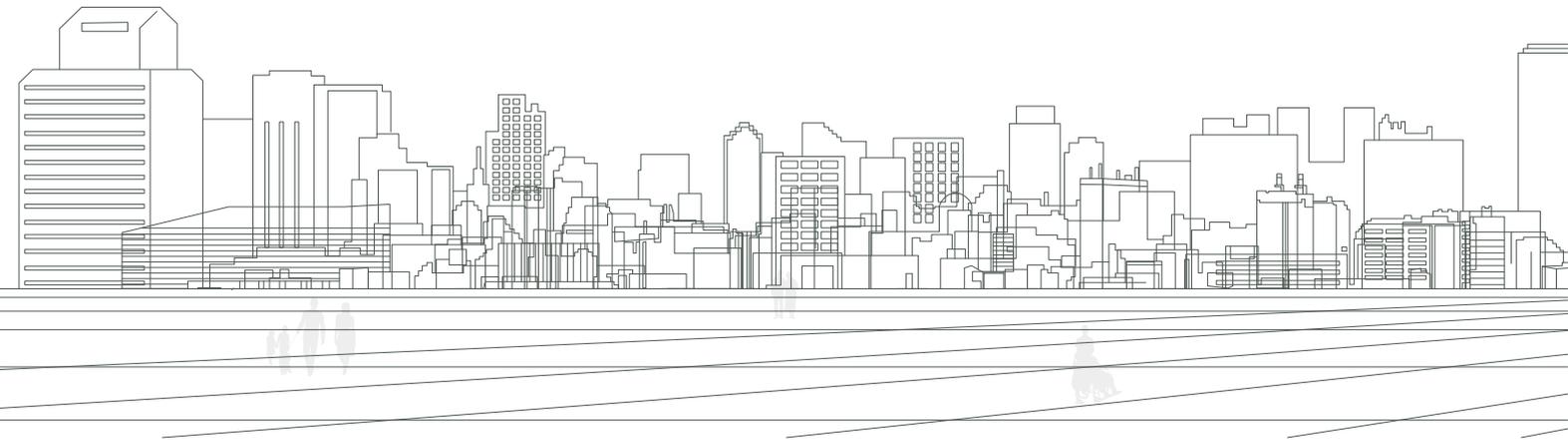
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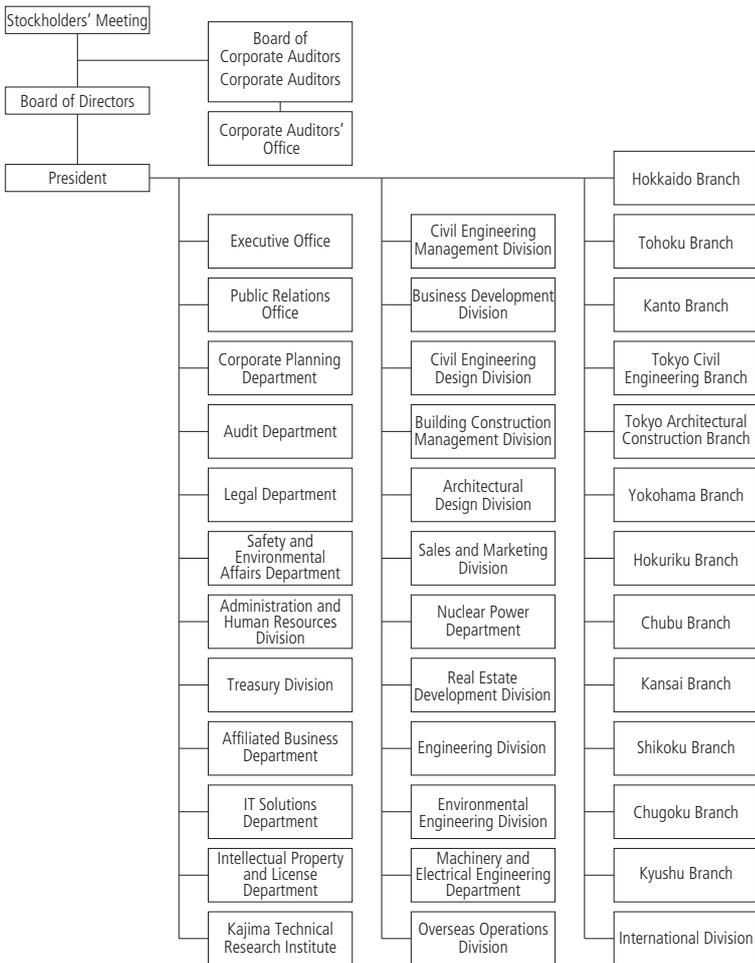
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Corporate Organization



Principal Subsidiaries and Affiliates in Japan

Design and Consulting	Finance, Insurance and Services
Ilya Corporation	Katabami Kogyo Co., Ltd.
ARMO Co., Ltd.	Kajima Leasing Corporation
ARTES Corporation	Kajima Services Co., Ltd.
RTC Inc.	Kajima Information Communication Technology Co., Ltd.
Procurement and Construction	Culture
Taiko Trading Co., Ltd.	Kajima Institute Publishing Co., Ltd.
Chemical Grouting Co., Ltd.	Kajimavision Productions Co., Ltd.
Kajima Road Co., Ltd.	Yaesu Book Center Co., Ltd.
Kajima Mechatro Engineering Co., Ltd.	Hotel and Leisure
Clima-Teq Co., Ltd.	Shinrinkohen Golf Club Co., Ltd.
Japan Sea Works Co., Ltd.	Kajima Resort Corporation
Kajima Aquatech Corporation	Kajima Karuzawa Resort, Inc.
Kajima Renovate	
Real Estate Development and Management	
Kajima Tatemono Sogo Kanri Co., Ltd.	
Kajima Tokyo Development Corporation	
East Real Estate Co., Ltd.	



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