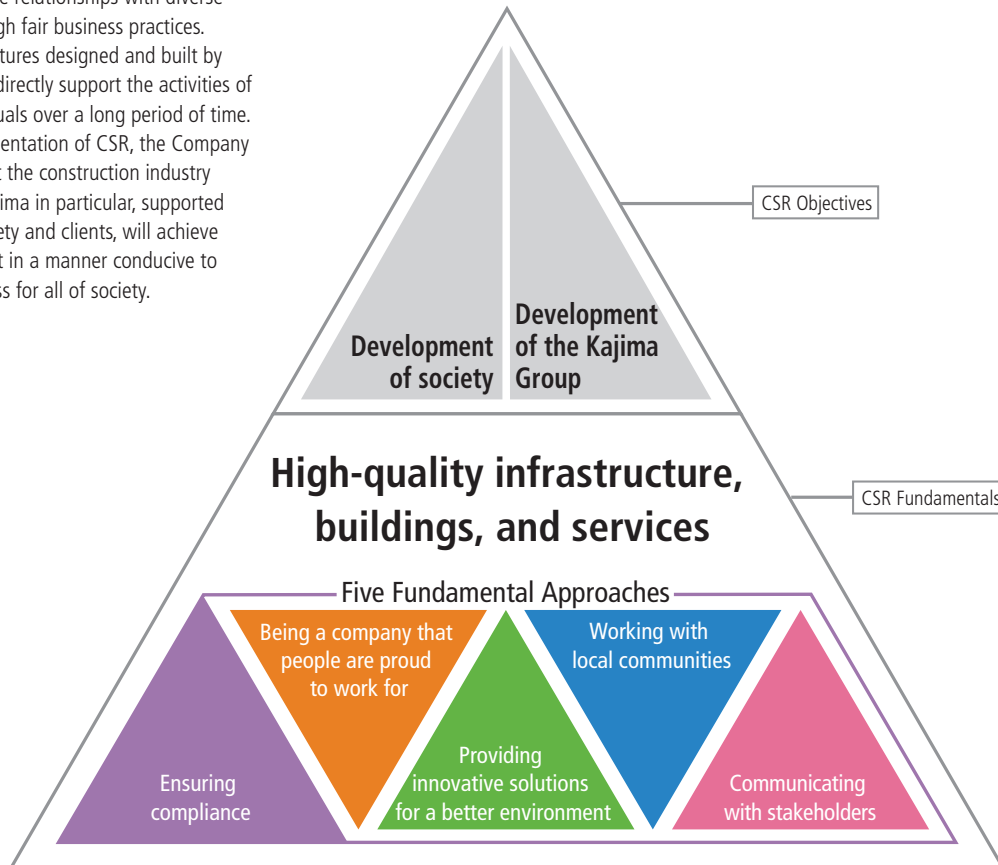


# CSR Framework at Kajima

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.

## 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.



## 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.



# Providing High-quality Infrastructure, Buildings, and Services



At Kajima, we understand that quality is the basis for earning the trust of customers and society at large. Therefore, with a view to fostering this trust, we provide high-quality infrastructure, buildings, and services that contribute to society and are valued by users for their convenience, comfort, and safety over many years. This is the foundation of CSR at Kajima.

## 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.

Ensuring the quality of buildings, structures, and services is essential for creating a safe, secure, and comfortable society. At Kajima, quality does not only apply to the construction of buildings and structures; we take a comprehensive approach to quality encompassing planning, design, construction, and maintenance after completion so that infrastructure and buildings—and the services they offer—can be used and passed down through the generations.

Quality assurance, safety and health, and the environment are highly interrelated, and cannot be isolated from one another. Recognizing this, Kajima carries out business activities with these three perspectives

at the core of its construction operations, recognizing their essential importance for the sustainability of the Company's business. Kajima's business is guided by its quality assurance, safety and health, and environmental policies, which all underscore its mission to contribute to society as a leading member of the construction industry.

## Comprehensive Management System for Quality Assurance, Safety and Health, and the Environment

In April 2003, Kajima integrated its individual policies concerning quality assurance, safety and health, and the environment, respectively, under an umbrella policy shared by the entire Group. Accordingly, the Company's construction divisions and departments have developed a management system that integrates the management of these three areas in civil engineering and building construction operations. As a result, productivity has improved across the board at all worksites, leading to higher overall quality and improved capabilities for responding to the needs of clients and society as a whole.

### 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.

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

#### Safety and Health Policy

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

1. We will work to prevent accidents and disasters resulting from human error by strictly enforcing the safety practice of pointing and calling out inspection procedures at worksites, and stringently applying the three principles of going to the original site, checking relevant items, and confirming actual conditions before carrying out any work.
2. We will strive to improve communication between the Company and subcontractors, and set up safe and comfortable worksite environments in which machinery and equipment are arranged optimally for workers.

#### 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.

1. Applying a lifecycle perspective to structures, we will work to effectively use and recycle resources, properly manage harmful substances, curb global warming, protect ecosystems, and prevent pollution in our business activities.
2. We will promote the development of technologies that can contribute to protecting the environment, and carry out projects that sustain new natural environments.

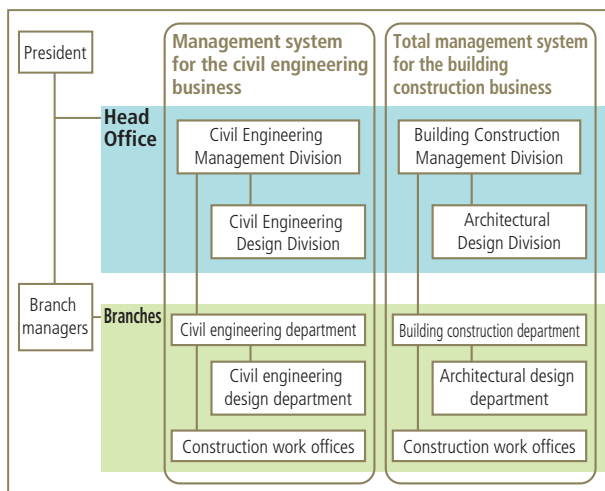
## Kajima's Quality Assurance Management System

Kajima focuses on the three areas of quality assurance, safety and health, and the environment at its construction sites, where the starting point for managing overall quality is the three principles of going to the original site, checking relevant items, and confirming actual conditions before carrying out any work.

In each work process, Kajima's employees are responsible for checking all required items, while subcontractors are tasked with carrying out the work itself. Employees conduct inspections and checks using Kajima's own standards, which exceed related laws and regulations, and keep records when necessary. These inspections and checks are not only carried out onsite, based on the three principles described above, but also confirmed repeatedly by related departments at the Company's Head Office and branches to better ensure that quality can be guaranteed.

In addition, Kajima maintains a company-wide framework for implementing management systems in both its civil engineering business and its building construction business.

### Comprehensive Management System for Quality Assurance, Safety and Health, and the Environment



## Initiatives in the Civil Engineering Business

To strengthen quality control functions in its civil engineering business, Kajima specifies quality control issues as priority tasks, examining cases in which quality assurance might have been problematic, and it works meticulously to make thorough improvements on a company-wide basis. In fiscal 2011, for instance, Kajima experienced minor problems involving concrete and posts. Accordingly, in fiscal 2012 Kajima designated the ongoing quality control of forming concrete as well as measures to avoid problems involving posts as important management tasks for the entire Company.

For the work of installing posts, Kajima's civil engineering team is making thoroughgoing efforts to ensure that no mistakes occur, preparing a supplementary explanatory section for inclusion in its in-house manuals in the future, holding consecutive meetings to review construction work, and conducting routine inspections.

### Measures to Raise the Quality of Concrete Work

In the civil engineering business, Kajima has produced an in-house manual and DVD covering important points for eliminating problems in work involving concrete. These materials are considered as the final word on the topic among all employees from various departments who use them in training.

Forming concrete in the summertime is more likely to result in major problems, so Kajima's civil engineering business takes special care in mid-summer months to improve the quality of concrete. Kajima also produces posters every year to promote proper techniques, and dispatches inspection teams to check work and provide instructions at construction sites. Kajima has set up a system of workshops specializing in concrete to present both problematic and successful cases to the entire Company, thereby enabling each branch and workplace to work together toward improving the quality of concrete.

As a technical measure, Kajima will introduce a concrete surface quality assessment method as a means of focusing attention on the quality of the surface layer of concrete, which has a major effect on overall quality. Furthermore, the Company is designing a total concrete management system covering topics ranging from the materials used and mixtures to pouring and formwork.

#### Measures to enhance technical capabilities

Civil engineering employees gain hands-on knowledge of concrete applications at construction sites through training courses, including a course focused on forming concrete from their third year of employment, technical training centered on problematic cases from their fifth year, and an intermediate-level course on concrete work specializing in materials and mixtures for mid-career employees. From fiscal 2012, Kajima intends to raise the overall capabilities of employees by holding these courses twice per year, while giving priority to employees working at construction sites.

Kajima encourages all employees working in civil engineering to acquire certification as concrete engineers. The number of employees up until the age of 50 who have acquired this certification is around 1,300, or 73% of the total, establishing a basis across the civil engineering business for supervising all concrete construction work by qualified personnel. To develop employees with even higher levels of specialized knowledge, Kajima is assisting employees in acquiring certification as chief engineers who can serve as key personnel for concrete quality control. Twenty-five employees were certified in fiscal 2011, and Kajima is targeting 30 employees in the current fiscal year.



Employees gain hands-on experience working with concrete



This poster calls for ensuring the quality of concrete in the summer



# The Kajima Group's Five Fundamental Approaches for Supporting CSR Activities



The Kajima Group's CSR Fundamentals have been designed to help it provide high-quality infrastructure, buildings, and services. Toward this end, the Company pursues CSR activities while emphasizing five fundamental approaches that consider a broad range of stakeholders.

These five fundamental approaches are: ensuring compliance, being a company that people are proud to work for, providing innovative solutions for a better environment, working with local communities, and communicating with stakeholders. By applying these approaches in its construction business, Kajima is strengthening its relations with a wide variety of stakeholders.

For each of these approaches, this report presents an overview of Kajima's targets and results for fiscal 2011, as well as targets for fiscal 2012 and the specific measures being taken to attain them.

## Kajima's Organization for Promoting CSR

The promotion and development of CSR in the Kajima Group is performed by employees and executives in every department and in each operational process rather than through a specific department. Based on this approach, the CSR Group of the Public Relations Office is responsible for group-wide communications related to CSR activities. In the future, Kajima plans to re-examine its CSR activities from the perspective of ISO 26000 management standards.

### Five Fundamental Approaches

### Details of the approach

#### Ensuring compliance

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

#### Being a company that people are proud to work for

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

#### Providing innovative solutions for a better environment

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

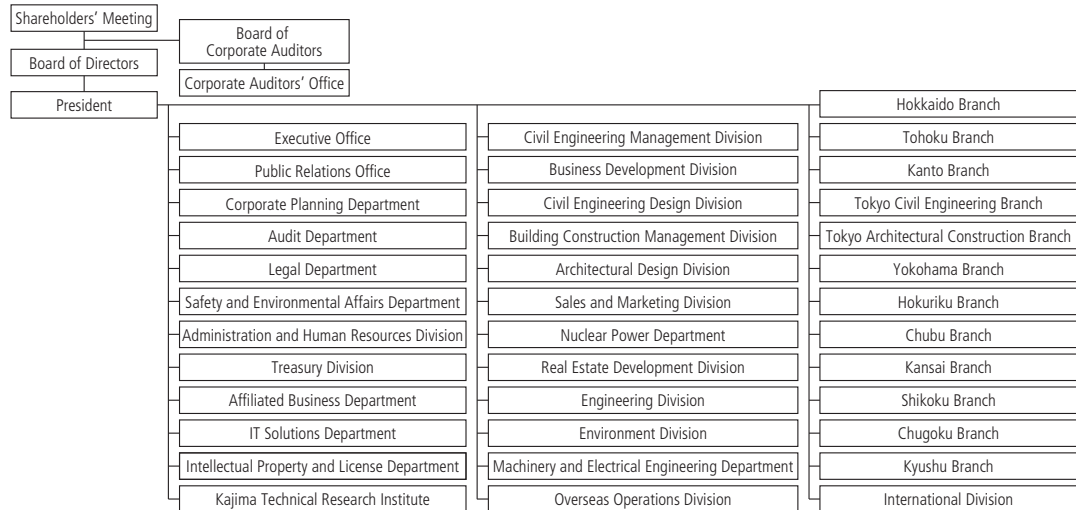
#### Working with local communities

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

#### Communicating with stakeholders

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

Corporate Organization



2011 targets

2011 achievements

2012 targets

Ensuring compliance

- Enforce corporate governance group-wide
- Implement thorough compliance and risk management

- Conducted management in accordance with fundamental policies on corporate governance
- Improved compliance training in necessary areas and raised awareness of compliance among relevant employees

- Continue ensuring effective corporate governance group-wide
- Continue implementing stringent compliance and risk management

P18

Being a company that people are proud to work for

- Completely eliminate fatalities, serious injuries, and major disasters at worksites
- Continue the training of employees, especially engineers
- Promote work-life balance

- Accidents at worksites totaled 89 including 8 involving fatalities, for a frequency rate of 0.82 and a severity rate of 0.58; needing to enhance its safety and health management systems
- Provided training for engineers while making numerous improvements to training programs
- Promoted work-life balance while improving and expanding various related programs

- Carry out safety-first activities once again from the beginning with the aim to completely eliminate fatalities, serious injuries, and major disasters at worksites
- Continue training employees, especially engineers
- Continue promoting work-life balance

P22

Providing innovative solutions for a better environment

- Take steps to achieve goals in the final year of our medium-term environmental goals plan

- Most goals were achieved but some items remained unaccomplished in the final year of the medium-term environmental goals plan
- Drafted a new medium-term plan with responses to requests from society
- Conserved electricity in the summer period, reducing energy in excess of government targets

- Work toward achieving environment-related targets in consideration of business expansion in the first year of the medium-term environmental plan
- Consider the objectives of Kajima's targets with a medium- to long-term perspective after examining national and social trends

P28

Working with local communities

- Build stronger ties with stakeholders
- Promote the merits of the construction industry to young people

- Met with every type of stakeholder to foster better relations
- Held tours and visits to construction sites for young people around the country to promote the benefits of construction work and the industry

- Continue fostering stronger ties with stakeholders
- Attract young people to the construction industry by promoting its benefits

P37

Communicating with stakeholders

- 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

- Issued this CSR report, published the monthly magazine *KAJIMA*, and disclosed information on the Company website in an effort to communicate with all types of stakeholders
- Conducted an in-house meeting to exchange views on CSR among three sections at one branch, and encouraged responses to a survey employing the CSR report to develop CSR activities

- Continue communicating with stakeholders and disclose information suitable to their interests
- Promote CSR activities through in-house meetings to exchange views on CSR and related surveys of employees

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