# 01 Ensuring Compliance

At Kajima, we are determined to achieve the social mission of our business activities, earn the trust of society, and continuously improve corporate value. We recognize that this will require every director and employee to act in accordance with the highest ethical standards, and that it will depend on implementing stringent risk management backed by the highest corporate ethics.

## Targets in fiscal 2012

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

## Achievements in fiscal 2012

- Raised compliance awareness among directors and employees group-wide through compliance training and other means
- Conducted management in accordance with fundamental policies on corporate governance

## Targets in fiscal 2013

- Continue implementing stringent compliance and risk management
- Continue to provide compliance training, focusing on raising compliance awareness among directors and employees, and ensuring adherence to corporate ethics throughout the Kajima Group
- Identify potential risks and act preemptively to prevent risks from materializing

## Initiatives in fiscal 2012

In fiscal 2011, the Risk Management Committee identified "involvement in bid-rigging and other forms of collusion," "occurrence of a major accident," and "information leaks" as some of the major risks the Company faces. The Committee reviewed company-wide measures taken to mitigate these risks, and instituted risk management systems.

With regard to compliance, Kajima continued to implement the initiatives in place through the prior fiscal year, while studying ways to build more effective systems and taking steps to raise compliance awareness among directors and employees. Specifically, we addressed the issue of information security with training to deal with the targeted attack emails that have become a threat in recent years and focused on insider trading by restructuring and strengthening our system for preventing improper transactions.
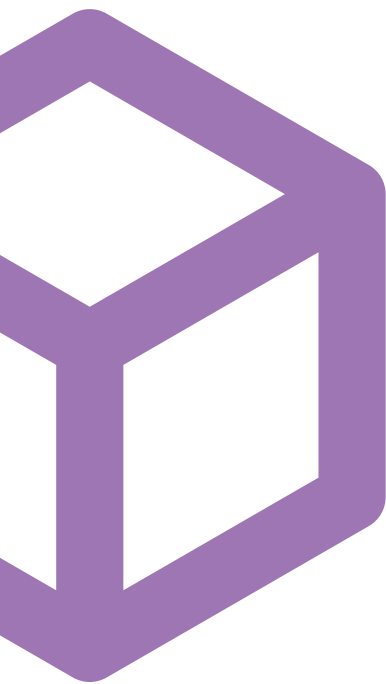
# Risk management that earns trust

With appropriate and efficient risk management systems established, the Kajima Group has made its best effort to identify risks accurately in day-to-day operations and prevent them from materializing. We also constantly aim to improve corporate value by winning the trust of shareholders, clients, and others through timely information disclosure.

## Company-wide risk management system

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

Kajima's Risk Management Committee, which meets annually in March and is chaired by the president, has identified major business risks that must be managed on a company-wide basis.* Accordingly, the Company has worked to raise awareness of these risks, and has 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.

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

### ■ Business Continuity Management at Kajima

In preparation for "natural disaster risk," one type of business risk, in 2006 Kajima established a Business Continuity Plan (BCP) precisely setting out the actions to be taken in the event of a major earthquake with an epicenter below the Tokyo metropolitan region. The following year, Kajima commenced operations of Business Continuity Management (BCM) practices.

Learning lessons from the Great East Japan Earthquake in March 2011, concrete improvements were added to these practices to make Kajima's BCM even more effective.

Following the Great East Japan Earthquake, Kajima diversified its means of communication and bolstered equipment, as well as strengthened corporate systems under the BCM Platform* by which various information regarding damage sustained and recovery measures is to be shared. In fiscal 2012, we standardized management systems for information regarding damage sustained by clients, recovery conditions, and orders placed in order to ensure that, in the



During BCP training, the civil engineering recovery team analyzes BCM platform information gathered from each construction office.

event of a disaster, we would be able to ascertain damage sustained to buildings under construction quickly and provide the immediate assistance needed by clients. To do this, we restructured our BCM Platform, which is designed to facilitate the sharing of information among Kajima sales, construction and other departments and ensure proper follow-up.

Kajima also conducts regular nationwide earthquake drills that simulate large-scale earthquake scenarios. Based on scenarios under which earthquakes strike during business hours, as well as on holidays or at night, these drills are designed to teach the wide range of overall first response tasks to employees involved in earthquake response and other matters. Training scenarios also address requests for assistance in repairing social infrastructure with a focus on the transport of heavy equipment to respond to Subcontractor Communications System instructions and on repairing nearby roads.

* "Integrated information infrastructure" to share information on damage and restoration measures immediately after occurrence of an earthquake