



Corporate ethics and compliance with laws and regulations



Kajima's corporate activities are regulated by an extremely diverse set of Japanese laws, including the Construction Business Act, the Building Standards Act, the Industrial Safety and Health Act, and the Waste Management and Public Cleansing Act.

Every director and employee is expected to comply with and respect the letter and spirit of all laws and regulations that govern our corporate activities. To foster this, we have established the Kajima Group Code of Conduct, a set of standards that requires all group employees to uphold social norms and morals and to act in accordance with the highest level of ethics.

Systems to ensure compliance

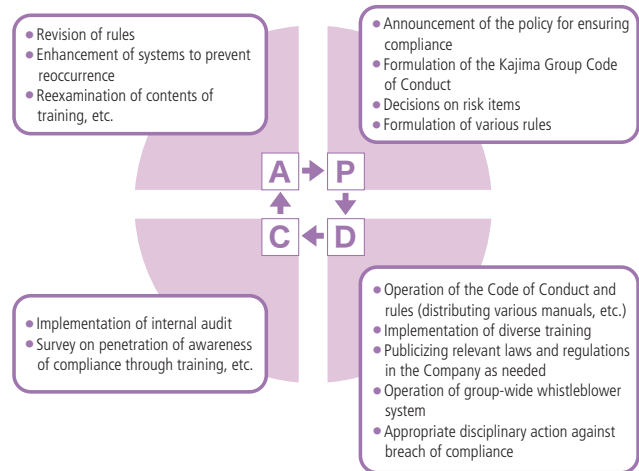
Kajima has established systems to ensure compliance based on the Kajima Group Code of Conduct, as shown in the figure above right. We ensure the proper functioning of internal compliance systems, based on the PDCA cycle. We also work to continuously improve the compliance awareness of every director and employee by offering a variety of training sessions and distributing the Handbook for the Practical Application of the Code of Conduct, which outlines the fundamental points of the Kajima Group Code of Conduct.

Kajima has a corporate ethics whistleblower system in place with internal (Head Office and all branch offices) and external (law firms) hotlines to make the anonymous reporting of information possible. We promote awareness of the system and encourage its use as necessary by distributing instruction cards to all employees.

■ Revised Handbook for the Practical Application of the Code of Conduct

In fiscal 2012, the Company revised the Handbook for the Practical Application of the Code of Conduct to reflect changes in the laws and regulations made since the previous revision in 2009. The revised Handbook was distributed to all of the Kajima Group's directors and employees.

PDCA Cycle Chart for Ensuring Compliance



Group companies have also compiled their own compliance manuals to address their specific field of business and type of transactions. The content of these manuals has been reviewed and revised as needed to reflect the revisions made to the Handbook for the Practical Application of the Code of Conduct.

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>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 Respecting employees' unique characteristics and promoting individual development 4 Avoiding child labor and forced labor
<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>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

More information about the Kajima Group Code of Conduct can be viewed on the company website.



■ Kajima Group Code of Conduct training

Kajima conducts an annual e-learning training course for employees company-wide covering the Kajima Group Code of Conduct. In fiscal 2012, some 16,000 persons from Kajima and group companies, 100% of the employees for which the sessions were designed, including those at group companies, participated in this training.

Initiatives to strengthen information security

At Kajima, we recognize that stringent and appropriate management of third-party information, such as personal data and client information, is essential to the integrity of our corporate activities. Since establishing our information security policy in 2001, we have concentrated on specific aspects of risk management. The majority of construction offices are set up in temporary buildings, and this work requires that information related to buildings under construction be discussed not only with the client and the party placing the order, but also with the subcontractors carrying out the construction. Kajima works continuously to raise awareness of the importance of information security among all Kajima employees, as well as affiliates, subcontractors, and all involved parties outside of the Company.

■ Revised Handbook for Strengthening Information Security

Kajima has compiled the Handbook for Strengthening Information Security, which outlines vital information security measures based on our information security policy. This handbook is distributed to all directors and employees, including those at group companies.

In April 2013, this handbook was revised to reflect changes in the information security environment and address information security-related incidents occurring at the Company.

■ Information security courses and training

Kajima conducts an annual e-learning training course on information security. In fiscal 2012, some 20,000 persons from Kajima and group companies, 100% of the employees for which the sessions were designed, participated in this course.

In recent years, damage has been caused by the theft of information from government offices and corporations via targeted attack emails. In fiscal 2012, Kajima added a course covering targeted attack emails to the existing information security training program.

■ Internal information security inspections

Information security patrols of construction offices are conducted to verify whether information security measures are being properly implemented at the worksite. In fiscal 2012, inspections were conducted at 21 locations, including construction worksites, and eight issues were identified. Follow-up was done to confirm that those issues were remedied, and information was shared within the Company as warranted. These patrols also inspect measures undertaken by the subcontractors who are Kajima's partners in construction work, and they include educational courses. When a patrol reveals improprieties, warnings are issued to prevent recurrence in the future.

Ensuring fair contractual relationships with subcontractors and construction systems

Kajima recognizes that achieving fairness in transactions with subcontractors and a fair construction system not only builds and strengthens relations of trust with the subcontractors that are partners in construction work, but also ensures construction quality and enhances construction capacity.

■ Ensuring fair contractual relationships with subcontractors and construction systems

Kajima complies with relevant laws and regulations such as Japan's Construction Business Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and appropriately responds to policies, guidelines, and instructions issued by regulatory agencies and clients. Furthermore, aiming to ensure harmonious co-existence and co-prosperity for Kajima and its subcontractors, the Head Office, branch offices, and construction sites work closely together to form fair contractual relationships with subcontractors and maintain a fair construction system.

In fiscal 2012, Kajima conducted seminars at branch offices and at subcontractors to raise awareness of the Ministry of Land, Infrastructure, Transport and Tourism's regulation urging total participation by the construction industry in Japanese social insurance programs.

We also operate an intranet system for information sharing, which makes available subcontractor checklists, as well as comprehensive legal information, in order to help ensure fair contractual relationships with subcontractors.



Managing intellectual property (IP)

Kajima maintains a deep respect for intellectual property rights. We have compiled and instituted a number of in-house guidelines, including the Kajima Rules for Preventing Infringement of Intellectual Property Rights. We also offer periodic training sessions on the topic of intellectual property, conduct regular checks of patents acquired by other companies, and work to raise awareness and evaluate performance in this regard.

■ Strengthening intellectual property training

In fiscal 2012, Kajima conducted two sets of specialized classes covering intellectual property: Beginner/Intermediate Intellectual Property Training and Beginner/Intermediate Patent Search Training. In addition, we work to increase company-wide awareness of intellectual property issues by adding new classes on the subject to the regular training sessions held for the engineering, architectural design, construction, mechanical and electrical, administrative and other departments. (Approximately 700 employees take part in these training sessions each year.) Workshops on copyright were conducted at 27 affiliate companies for 44 people. In fiscal 2013, Kajima will study ways to further expand this approach to group companies.

The Intellectual Property and License Department has received a growing number of inquiries from employees at the Company and affiliates in recent years, which indicates a greater awareness of intellectual property issues among employees. As part of risk management efforts, Kajima will continue to develop effective means of educating employees in the future.



Beginner Intellectual Property Training

Conscientious application of systems to avoid any involvement with organized crime syndicates

Reflecting the strong determination and guidance of the president, all directors and employees at Kajima work together to avoid any involvement with organized crime syndicates.

Based on the Company's rules for dealing with antisocial forces and the Guideline for Dealing with Organized Crime Syndicates compiled in fiscal 2011, Kajima focused in fiscal 2012 on the conscientious application of systems to avoid any involvement with organized crime syndicates. To ensure that these systems are conscientiously applied, we have introduced a variety of procedures such as preliminary checks of potential contractors and provisions to avoid involvement with organized crime syndicates, developed affiliations with outside expert organizations, and instituted audits of in-house systems designed for this purpose.

Conscientious application of systems to prevent collusion

Kajima focuses on ensuring the conscientious application of systems to prevent collusion by distributing the Manual for Compliance with the Antimonopoly Act, conducting regular audits of the bidding process and other transactions, and conducting workshops on Japan's Antimonopoly Act.

In fiscal 2012, 1,342 persons from Kajima and group companies (primarily sales managers) took part in workshops on the Antimonopoly Act held at the Head Office and branch offices.



Restructuring and strengthening systems to prevent insider trading

Kajima has developed and instituted systems to prevent insider trading based on its Rules for Controlling Insider Trading established in September 1998.

In fiscal 2012, we revised our Rules for Controlling Insider Trading and our Rules on Management at Affiliates in order to strengthen our system for managing transactions

to reflect the fact that in recent years laws related to insider trading have become more stringent and society has higher expectations. To strengthen and restructure our systems for preventing insider trading, we developed a framework for managing practical scenarios that arise at Kajima and group companies and introduced a system of preliminary applications for transactions, particularly those involving Kajima stock.

Restructuring ethics training for engineers

Kajima has put together a new educational program on ethics for engineers in the Company's engineering, architectural design, and construction divisions. Kajima's business is governed by a variety of laws and regulations, and the restructured program is designed to teach new employees the spirit of compliance, which is so important to engineers and is the cornerstone of our operations.

In fiscal 2012, we conducted training sessions for new employees, sales training and potential executive training for mid-level management in the engineering division. In the architectural design and construction divisions, we introduced new management training sessions for mid-level managers, as well as management training for candidates for management positions. These sessions cover topics designed to raise awareness, examining case studies related to quality issues and industrial accidents.