

Making construction an attractive industry for workers by promoting participation in social insurance programs

Japan's construction industry is made up of more than 480,000 companies and is said to account for some 10% of the entire workforce. A sense of stability as the foundation for a secure living is essential to ensuring that the construction industry is attractive to workers. In compliance with the *Guidelines on Subcontractor Instructions Regarding Participation in Social Insurance* issued by the Ministry of Land, Infrastructure, Transport and Tourism, Kajima added a new column for insurance participation to its construction account books in November 2012. In March 2013, the Company added the item "Including appropriate estimation of social insurance costs (legal welfare expenses), etc." to its list of terms and conditions for primary subcontractors. Based on our findings in interviews with major subcon-

tractors, we will continue to take the lead in efforts to improve labor conditions for construction workers in order to that construction is a truly appealing industry for workers.



Meeting with young members of the Kajima Business Cooperative, involving a lively exchange of opinions on the topics of the elimination of companies which do not participate in social insurance programs and the training and proper placement of engineers.



Being a vigorous company

Kajima regards employees as important stakeholders of the Company and "precious assets" supporting corporate activities. We strive to be a vigorous corporate group by creating a working environment in which each employee can be proud of working for Kajima, in accordance with the Kajima Group Code of Conduct.

Raising awareness of human rights

Kajima has established a Human Rights Awareness Committee chaired by the general manager of the Administration and Human Resource Department in order to prevent 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.

Employing a diverse group of people

The Kajima Group is not only active in Japan but also 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 his or her nationality.

■ Hiring at regular intervals and flexible placement

Believing employment is a corporate social responsibility, Kajima continuously employs a certain number of new

graduates according to its basic hiring policy. Kajima hires its employees based on job categories* such as civil engineering, building construction, and general administration, because the specialty needed for each business operation and the major of university graduates differ. In recent years, we have instituted flexible job placement and human resources development in order to respond to expanding overseas markets and the fluid Japanese market.

* Administration, civil engineering, building construction, building design, facilities, electrical machinery, mathematics, engineering and development

Employee data (As of March 31, 2013)

	2009	2010	2011	2012
Total employees	8,452	8,164	7,925	7,737
Re-employed personnel	882	1,002	968	945
Employees with disabilities	1.90%	1.75%	1.83%	1.88%
Turnover rate*¹	3.1%	2.7%	2.1%	4.3%
Employees taking childcare/nursing leaves	43	47	38	37
Employees taking paid leaves*²	37.2%	35.4%	37.6%	32.4%
Employees using volunteer leave system	17	8	26	8

*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 hires.

*² Including special paid leave, in addition to annual paid leave

(As of April 1, 2013)

	2009	2010	2011	2012
Total new hires*³	185	185	191	203
Female new hires from the total above	26	20	27	24

*³ Total new hires refers only to full-time employees



Employing senior citizens

Employees who have reached retirement age, meet certain standards, and wish to continue working at Kajima are, as a rule, rehired. These employees play an important role in Kajima's technical capacity, most especially in training the next generation of workers by passing on and teaching the techniques developed to date.

Promoting the hiring of individuals with disabilities

One aspect of a company's social responsibility is the hiring of persons with disabilities, and Kajima has long worked to promote the hiring of these individuals. With the legally mandated hiring rate for persons with disabilities set to rise in 2013, we will redouble our efforts in this area as we move forward.

Career development grounded in fair evaluation

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 putting the right people in 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.

Developing the human resources that drive Kajima growth

Employees are provided with training opportunities, starting with on-the-job training at each workplace, including complementary training to improve expertise and skill sets in each job category, and theme-based training, regardless of job category, covering subjects such as compliance and management skills. Kajima also sends employees to graduate schools, business schools and law schools in Japan and overseas in order to support improvement in their business skills and techniques.

Aiming at early improvement of management ability

Kajima offers management training designed to foster the next generation of managers who will lead the Company. This program has traditionally been divided into two stages: primary and intermediate training courses. However, we reviewed this approach in fiscal 2012 and made the decision to consolidate this program in order to advance the managerial skills of young employees early in their careers. This new approach is designed to promote young employees' awareness of their responsibility for the future of Kajima by fostering dialogue with management and group discussions on current management issues and recent topics.

In addition, we also offer seminars and meetings for candidates for managerial positions from outside of Kajima and provide opportunities for our employees to form personal relationships with those from different industries, reshape their values, broaden their perspectives and otherwise hone their skills.

System for dispatching employees overseas on building and facility construction projects

Overseas orders for building construction are robust, especially from other countries in Asia. We recognize that, for the architectural engineers who will drive future Kajima growth, overseas experience in the field is essential to career development.

International personnel training at Kajima has until now involved a six-month training program that included temporary starts in a new post each year in June and December, after which employees would be assigned to overseas subsidiaries. This system, however, was reviewed in light of the Company's policy to expand its overseas business.

Enacted in fiscal 2012, the new system makes it easier to transfer employees and enables the flexible dispatch of employees. With this new system, employees complete a two-week training period in Japan and are then assigned to positions at overseas subsidiaries for different periods of time. Kajima plans to use this new system to regularly dispatch around 20 employees each year from the building and facility construction departments to positions overseas.

■ Fostering excellent engineers

In the construction industry, conditions vary according to construction site, which means the skills and experience of those carrying out the work significantly impact the quality of the structures. In order to construct even higher quality structures, we continue to nurture engineering capabilities based on knowledge and experience, working to pass Kajima's spirit of craftsmanship on to future generations.

We offer category-specific training courses in civil engineering, building construction and building design to help our engineers with on-the-job training and category-specific courses dealing with ethics for engineers. At the same time, we also offer a combination of cross-category training such as educational programs on safety, health and environment.

Promoting work-life balance

Kajima wishes to boost the productivity of each employee and ensure that he or she enjoys both a full personal life and work life. We are therefore focused on reducing overtime hours and raising the rate of leave taken. In the interest of helping employees balance their personal and work lives, we promote support for work-life balance by improving and enhancing various systems that provide assistance for childcare and nursing to offer working styles suitable to each employee's specific family circumstances.

■ Reducing working hours

The construction industry is expected to ensure quality, safety, and timely project completion while still properly responding to each unexpected event, as well as the constraints of the natural environment. Consequently, the industry tends to have a problem with overtime. To respond to this issue, we carefully manage work hours, assign more employees to operational departments and worksites that are extremely busy, and strive to equally distribute work volume. These steps help to ensure that certain employees do not bear an excessive burden.

Establishing user-friendly leave systems and their framework

The work schedule and hours of employees who work at a construction site may be different from those of offices according to construction period and contents. Therefore, we have flexible leave systems in place, such as site-transfer leave, a system allowing employees who work at construction sites to take several days of paid leave when transferring between sites. In fiscal 2012, approximately 75% of eligible

employees took this leave, and approximately 71% of eligible employees took special incentive leave, a paid holiday leave system offering a fixed number of days corresponding to the length of employment.

In fiscal 2010, Kajima introduced an anniversary day leave system to allow employees to take one day off per year to celebrate a special anniversary. In fiscal 2012, the rate of taking this leave increased 5 percentage points from a year earlier to approximately 73%.

All of these leave programs also serve to focus employees on their work-life balance and working styles. Employees work with others to create a climate in which individuals work productively and can take time off by making plans in advance for days off and arranging for others to cover their workload.

■ Providing support for balancing work and home life

Kajima has in place a number of different systems and policies designed to help employees balance their work and personal lives. We also provide support that allows employees to practically and flexibly choose the working style that suits their particular circumstances. A guide to work-life balance is posted on the Kajima intranet, and these programs and their treatment are widely publicized. At the same time, we address this topic in management training for company managers and work to promote understanding among employees and in the workplace. As part of our next-generation support, we have incorporated the following targets into the third phase of our action plan from fiscal 2011.

Targets for third phase of action plan from fiscal 2011 to fiscal 2013

1. Five or more eligible male employees utilize childcare leave or flextime working system for child rearing
 2. Eighty percent or more of eligible female employees utilize childcare leave
 3. Provide internal education to correct a sense of giving priority to work and a traditional gender-role attitude
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■ Safety and health management for employees

Kajima provides support for employee health management, including industrial physicians and others who offer mental health care. When needed, these industrial physicians also provide one-on-one advice, specific health guidance, and general health consultations. The Company's Health Committee and Study Group on Reducing Working Hours are focused on improving employee work environments and health management.

Mental health care

Since fiscal 2011, Kajima's basic Plan for Promoting Mental Health has served as the basis for the Company's focus on employee mental health care. In fiscal 2012, we offered an e-learning training course on preventing harassment, which was taken by everyone for whom it was required. In addition, 1,059 persons took part in lectures on mental health and harassment in the workplace held at the Head Office and branch offices.

In fiscal 2013, Kajima will survey all employees on mental health in the workplace and focus on implementing a precise PDCA cycle on this issue.



02

Being a Company That People Are Proud to Work For