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## **Our Subsidiary KAJIMA ROAD CO., LTD. Receives Cease and Desist Order and Surcharge Payment Order from Japan Fair Trade Commission**

On February 28, 2017, our subsidiary KAJIMA ROAD CO., LTD. (the “Company”) had an on-the-spot inspection by the Japan Fair Trade Commission (the “JFTC”) for a suspected violation of the Antimonopoly Act in relation to determination of the sales price of asphalt mixture materials sold in Japan. While the Company has been fully cooperating with investigations conducted by the JFTC since the on-the-spot inspection, the Company has received a cease and desist order and a surcharge payment order from the JFTC in accordance with the Antimonopoly Act today.

It is very regrettable that this incident has caused the great concern to all of our stakeholders.

We will continue to further strengthen and enhance our system for compliance throughout the Kajima Group.

### 1. Summary of the cease and desist order

The Company, having been found to have acted in violation of Article 3 of the Antimonopoly Act (prohibition of unreasonable restraint of trade) in relation to determination of the sales price of asphalt mixture materials sold in Japan, has been ordered to verify that the violating conduct has ceased to exist and to take necessary measures to prevent similar violations from recurring.

### 2. Summary of the surcharge payment order

Surcharge imposed : JPY 5,801,570,000

Payment deadline : March 2, 2020

### 3. Measures to be taken

As the JFTC and the Company have some different views on the cease and desist order and the surcharge payment order in terms of the factual findings and the legal interpretations, the Company will review the details of the orders, and carefully consider options available, including a lawsuit requesting the revocation of the orders.

#### 4. Impact on consolidated financial performance

In order to reserve for the surcharge payment, a provision for loss on Antimonopoly Act of JPY 8.7 billion was recorded in the consolidated balance sheet of Kajima Corporation as of March 31, 2019, based on the surcharge payment order (draft) received by the Company on March 6, 2019. However, considering that the surcharge imposed is the figure shown above in section 2, Kajima Corporation intends to post JPY 2.9 billion as a reversal of provision for loss on Antimonopoly Act as an extraordinary income in the consolidated statement of income for the first quarter of the fiscal year ending March 31, 2020. There occurs no change at this moment to the forecast of consolidated financial results for the fiscal year ending March 31, 2020 announced on May 15, 2019.

Disclaimer: This document is an English translation of the announcement titled “Our Subsidiary KAJIMA ROAD CO., LTD. Receives Cease and Desist Order and Surcharge Payment Order from Japan Fair Trade Commission” which is filed with Stock Exchanges in Japan on July 30, 2019. Kajima Corporation provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.