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Notice on the Issuance of Sustainability Bonds (47th Unsecured Corporate Bonds)

Kajima Corporation (the “Company”) hereby announces that it has submitted today the revised shelf registration statement for its corporate bonds to the Director-General of the Kanto Local Finance Bureau ahead of the scheduled issuance (“the Issuance”) in March 2022 of sustainability bonds (Kajima Sustainability Bonds). The purpose of the issuance is to fund construction of the self-elevating platform (SEP) multipurpose crane vessel (“SEP Vessel”) and The GEAR which is underway at Changi Business Park in the Republic of Singapore as well as to fund investments for facilities and equipment for research and development (R&D) implemented at The GEAR.

■ Purpose and Background of the Issuance

The Kajima Group has identified seven material issues for both solving social issues and achieving sustainable growth, and our initiatives through business activities toward solving those issues has been contributing to the Sustainable Development Goals.

For one of the material issues, “Contributing actively to society’s transition to a carbon-free footprint,” we established the “Kajima Environmental Vision: Triple Zero 2050” in 2013 as the basis for our environmental initiatives and proactively pursues initiatives to achieve “Zero Carbon, Zero Waste, and Zero Impact.”

In May 2021, we revised the Kajima Environmental Vision: Triple Zero 2050 and set new CO₂ emission targets of a 50% decrease by fiscal 2030 and a 100% decrease (carbon neutrality) by fiscal 2050, both compared to fiscal 2013. Under our CO₂ emissions reduction plan, we aim to achieve carbon neutrality by fiscal 2050 while still expanding the scale of our business through two initiatives: reducing CO₂ emissions from our sites (Scope 1 and 2) and carbon offsetting. We also aim to obtain target validation from the Science Based Targets Initiative (SBT, an international validation protocol for greenhouse gas reduction targets) by the end of fiscal 2023.

In the supply chain (Scope 3), which encompasses the upstream phase of manufacturing building materials and the downstream phase of building operation after delivery, we will work actively to reduce CO₂ emissions through the development and use of low (zero)-carbon materials and the design and construction of energy-saving buildings, including zero energy buildings (ZEB).

With regard to material issues of “Creating functional urban, regional, and industrial infrastructure capable of meeting new needs” and “Providing technologies and services for disaster preparedness that support safety and security”, in the field of R&D, we are carrying out the research for construction of smart buildings with creating new values such as wellness space.

Furthermore, we think it is important not only to conduct multi-hazard assessments but also to develop countermeasures and technologies based on such assessments. To this end, we are promoting development that will utilize vast amounts of data and advanced simulation technologies to lead to the provision of disaster prevention technologies and services that support safety and security.

Moreover, as for “Focusing on unwavering technological innovation and Kajima quality” and “Construction that emphasizes people and partnerships”, we are developing many fundamental technologies centered on remote control and digitalization such as the automated construction technology for process optimization, the simulation and AI for enhancement of autonomous functions, and the robotization for smart construction. Since we would like a wide range of stakeholders to recognize our advanced initiative for environmental and R&D activities, we have reached decision to issue sustainability bonds.

The proceeds of these sustainability bonds will be used for construction of the SEP Vessel which contributes to renewable energy aligned with the Kajima Environmental Vision, for construction of the green building, and also for installation and procurement of facilities and equipment toward implementation of R&D which contributes to sustainability. Through this issuance, we hope to make proactive contribution to solve social issues including society’s transition to a carbon-free footprint.

Please also refer to the following URL for details of the story and framework leading up to this publication. (Japanese version only)

<https://www.kajima.co.jp/ir/grading/sustainabilitybond/index.html>

■ Overview of the Issuance

Name	Kajima Corporation 47th Unsecured Corporate Bonds (with a special pari passu condition applied to corporate bonds only) (sustainability bonds)
Another name	Kajima Sustainability Bonds
Total issue amount	¥10 billion (scheduled)
Maturity	5 years (scheduled)
Date of issuance	Around March 2022 (scheduled)
Use of proceeds	(1) SEP Vessel: Allocation of ¥5.5 billion for new investments and to refinance construction costs (scheduled) (2) The GEAR: Allocation of ¥3.7 billion to refinance construction costs (scheduled) (3) R&D: Allocation of ¥0.8 billion to refinance costs for installation and procurement of facilities and equipment for R&D at The GEAR (scheduled)
Lead managing underwriters	SMBC Nikko Securities Inc., Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd.

■ Eligibility as Sustainability Bonds

For the issuance of sustainability bonds, the Company established a sustainability bond framework in line with Green Bond Principles 2021, Social Bond Principles 2021, and Sustainability Bond Guidelines of the International Capital Market Association (ICMA), the Japanese Green Bond Guidelines 2020 of the Ministry of the Environment of Japan, and the Social Bond Guidelines of Japan's Financial Services Agency.

As a third-party evaluation of sustainability bonds, the Company has obtained a second-party opinion from Rating and Investment Information, Inc. ("R&I") which states that the framework complies with the Green Bond Principles 2021, Social Bond Principles 2021, and Sustainability Bond Guidelines 2021, Japanese Green Bond Guidelines 2020, and Social Bond Guidelines.

Furthermore, in preparation for obtaining a third-party evaluation upon issuance, R&I, acting as an issuance supporter, had received a notice of decision from the Green Finance Organisation about subsidies to be granted under the FY2021 Financial Support Programme for Green Bond Issuance by the Ministry of the Environment of Japan.

■ Overview of the First Sustainability Project Funded by Bond Issuance

Name	Self-elevating platform (SEP) multi-purpose crane vessel
Investment amount	About ¥18.5 billion (Kajima Corporation’s interest: about ¥5.5 billion)
Construction completes in	September 2022 (Start of operation: April 2023) (scheduled)
Design/Construction	Basic design: Gusto MSC B.V. (Netherlands) Construction: PaxOcean Engineering PTE. LTD. (Singapore) Main crane: Huisman Equipment B.V. (Netherlands)
Scheduled period of operation	12 years
Scheduled place of operation	Within Japan
Features	(1) By jacking up the hull, the vessel ensures safe, efficient and highly precise crane operation even in the sea areas with severe metocean conditions, especially in deep waters (up to 50m). (2) The fully revolving crane with a 1,600t lifting capacity enables installation of 10-14 MW wind turbines and various foundations including monopiles and jackets, etc. (3) Equipped with a spacious deck and sufficient jack-up capacity, the SEP vessel can carry multiple 10-14 MW class wind turbines for efficient installation works. (4) The Dynamic Positioning System (DPS) keeps the hull position with high precision, and reduces the positioning time required during jacking up of the SEP vessel.

* The information above is as of the date of the release and may change in the future.



SEP Vessel illustration

■ Overview of the Second Sustainability Project Funded by Bond Issuance

Name of building	The GEAR (Kajima Lab for Global Engineering, Architecture & Real Estate)
Scheduled site	Changi Business Park, the Republic of Singapore
Main intended usage	Offices and research facilities
Site area	5,235 square meters
Total floor area	13,087 square meters
Structure	Reinforced concrete structure
Floors	One basement floor and six aboveground floors
Designed by	Kajima Corporation
Built by	Kajima Overseas Asia (Singapore) Pte. Ltd.
Construction began in	December 2020
Construction completes in	2023 (scheduled)
Main environmental issues addressed	<ul style="list-style-type: none"> (1) Reduction of environmental impact with district cooling system (2) Introduction of an energy-saving, high-comfort air conditioning system using a hybrid radiant panel and ductless air-conditioning, and adoption of a high-efficiency fan (3) Achievement of efficient air conditioning and lighting control with human flow analysis using AI (4) Reduction of building heat load with façade design that provides solar shielding (5) Contribution to energy saving and heat island control by merging solar power generation system with rooftop greening (6) Reduction of water resource usage with rooftop greening using rainwater and automatic irrigation system (7) Contribution to urban flood mitigation using temporary stormwater storage facility (8) Contribution to reducing road surface temperature and mitigating heat islands with water-retaining pavements (9) Provision of diverse workspaces using semi-outdoor spaces and helping to save energy (10) Provision of comfortable spaces with a biophilic design centered on the greening of indoor and semi-outdoor spaces (11) Achievement of the visualization of the building environment, energy consumption, maintenance, and efficiency of building management through smart BM, which accumulates and analyzes building management information, and the digital twin center

<p>Main environmental certifications</p>	<ul style="list-style-type: none"> • Green Mark: Platinum (targeted certification) • Green Mark: Super-Low Energy Building (SLE) targeted certification) • WELL: Platinum (targeted certification) • Green Mark for Healthier Workplaces (targeted certification) <p>*Green Mark: Building rating system designed to evaluate a building’s environmental impact and performance in the Republic of Singapore, which equivalent to CASBEE in Japan and LEED in the United States</p>
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The GEAR (exterior view illustration)



The GEAR (east side view illustration)

■ Overview of the Third Sustainability Project Funded by Bond Issuance

At The GEAR, the Company plans to conduct R&D activities to solve global social issues while promoting open innovation with local government agencies, universities, and outside companies. Specifically, it seeks to develop not only advanced digital robotization construction technology but also sustainability technology and smart wellness technology based on the concept of achieving both energy saving and comfortability by utilizing IT.

Disclaimer: This document is an English translation of the announcement titled “Notice on the Issuance of Sustainability Bonds (47th Unsecured Corporate Bonds)” which is filed with Stock Exchanges in Japan on February 10, 2022. The Company 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.