

FY2022 Financial Results

May 15, 2023



1. Financial Results and Forecast

2. Progress on Kajima Group Medium-Term Business Plan (FY2021-2023)

3. Supplementary Materials

1. Financial Results and Forecast

FY2022 Results

- **Revenues and Income Increased for the Second Consecutive Year**
 - Full-year consolidated net income was 111.7 billion yen, up 7.6% from FY2021; ROE was 11.2%
 - Non-consolidated revenues and income increased due to steady construction progress in the domestic construction business, and contract awards were also at a high level
 - Net income of overseas subsidiaries and affiliates reached a record high of 30.9 billion yen, driven by the real estate development business
- **Annual Dividend Revised Upward to 70 Yen (Third Consecutive Year of Dividend Increase; FY2021 Annual Dividend Was 58 Yen)**

FY2023 Forecast

- **Revenues and Operating Income Are Expected to Increase**
 - Non-consolidated revenues and income are expected to increase mainly due to recovery of profit margin in the building construction business
 - Net income for overseas subsidiaries and affiliates is expected to be 20.0 billion yen, which is a cautious forecast
 - **The forecast for consolidated net income is 105.0 billion yen, meeting the medium-term business plan target (95.0 billion yen or more)**
- **Decided to Acquire Own Shares (10.0 Billion Yen) for the Fifth Consecutive Year**

FY2022 Financial Results

Both Consolidated and Non-Consolidated Revenues and Income Increased; ROE Was 11.2%

FY2022 Results Financial Highlights

Billions of yen

	Consolidated		
	FY2021 Result	FY2022 Result	YoY Change
Revenues	2,079.6	2,391.5	311.8
Operating Income	123.3	123.5	0.1
Ordinary Income	152.1	156.7	4.6
Net Income Attributable to Owners of the Parent	103.8	111.7	7.9
Construction Contract Awards	1,929.8	2,196.9	267.0
ROE	11.4%	11.2%	

Non-Consolidated		Domestic Subsidiaries and Affiliates		Overseas Subsidiaries and Affiliates	
FY2022 Result	YoY Change	FY2022 Result	YoY Change	FY2022 Result	YoY Change
1,432.7	187.8	345.6	26.5	739.4	115.1
83.1	2.0	17.3	1.1	23.2	(4.2)
103.3	10.9	22.1	1.9	44.4	(3.2)
78.4	6.2	16.2	1.4	30.9	6.1
1,489.3	338.5	204.0	10.1	589.0	(81.8)

Note : FY2022 results are based on the exchange rate at the end of December 2022 (JPY132.720/USD1.00)

- Full-year consolidated net income was 111.7 billion yen, up 7.6% from FY2021. Consolidated revenues and construction contract awards achieved record highs
- Non-consolidated revenues and income increased mainly due to steady construction progress and improved profit margins in the civil engineering business
- Net income for overseas subsidiaries and affiliates reached a record high of 30.9 billion yen, driven by the development business, mainly in the U.S.
- Non-consolidated construction contract awards were high in both the civil engineering and building construction businesses

Consolidated Revenues and Operating Income Are Expected to Increase, Reflecting the Increase in Non-Consolidated Revenues and Income

FY2023 Forecast Financial Highlights

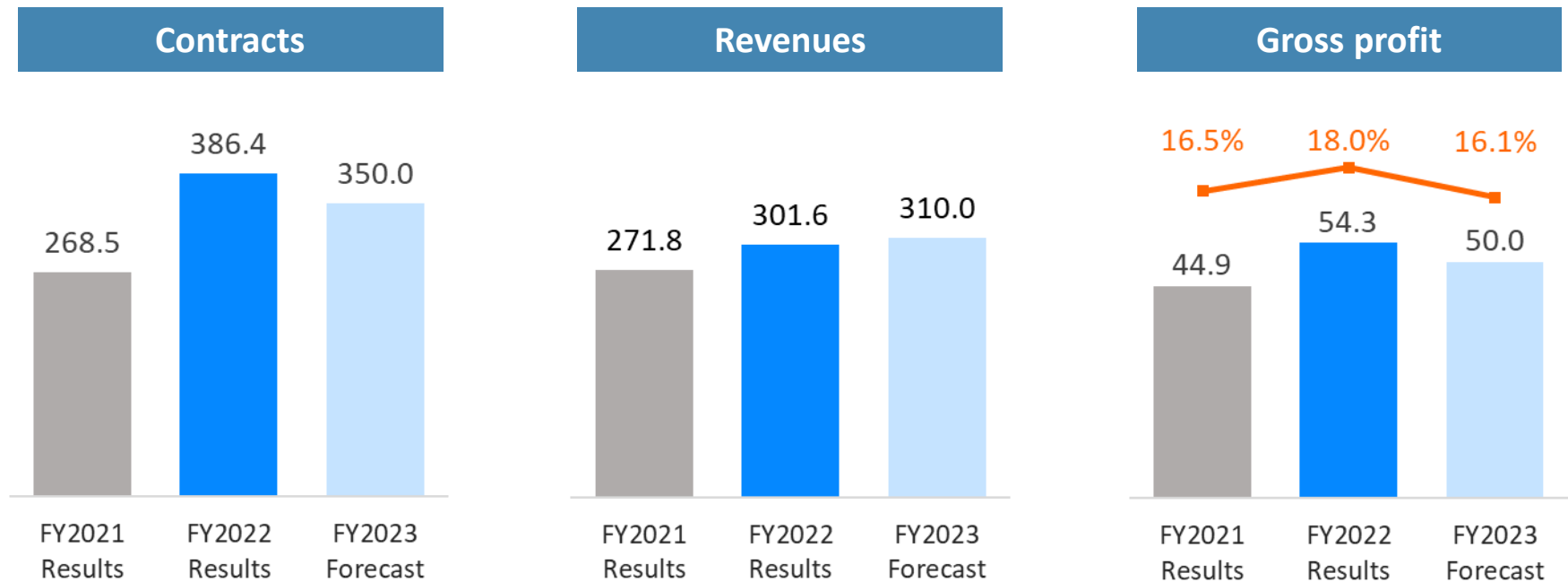
Billions of yen

	Consolidated			Non-Consolidated		Domestic Subsidiaries and Affiliates		Overseas Subsidiaries and Affiliates	
	FY2022 Result	FY2023 Forecast	YoY Change	FY2023 Forecast	YoY Change	FY2022 Forecast	YoY Change	FY2022 Forecast	YoY Change
Revenues	2,391.5	2,480.0	88.4	1,440.0	7.2	350.0	4.3	820.0	80.5
Operating Income	123.5	142.0	18.4	98.0	14.8	19.5	2.1	26.0	2.7
Ordinary Income	156.7	150.0	(6.7)	115.0	11.6	22.5	0.3	28.0	(16.4)
Net Income Attributable to Owners of the Parent	111.7	105.0	(6.7)	83.0	4.5	17.0	0.7	20.0	(10.9)
Construction Contract Awards	2,196.9	2,250.0	53.0	1,500.0	10.6	200.0	(4.0)	650.0	60.9

Note : FY2023 forecast is based on the exchange rate at the end of December 2022 (JPY132.70/USD1.00)

- The forecast for consolidated net income is 105.0 billion yen, meeting the medium-term business plan target (95.0 billion yen or more)
- Non-consolidated revenues and income are expected to increase due to recovery of profit margin in the building construction business and increase in sales of properties in the real estate development business
- Net income for overseas subsidiaries and affiliates is expected cautiously considering economic uncertainties in the U.S. and Europe
- Construction contract awards are expected to increase on both a consolidated and non-consolidated basis, as strong construction demand is expected, especially in the manufacturing sector

Billions of yen



FY2022 Results

- Contracts increased significantly due to orders for multiple large-scale construction projects and the acquisition of additional changes
- The gross profit margin was high at 18.0% due to profit improvement, mainly in completed construction projects, and additional revenues from multiple projects

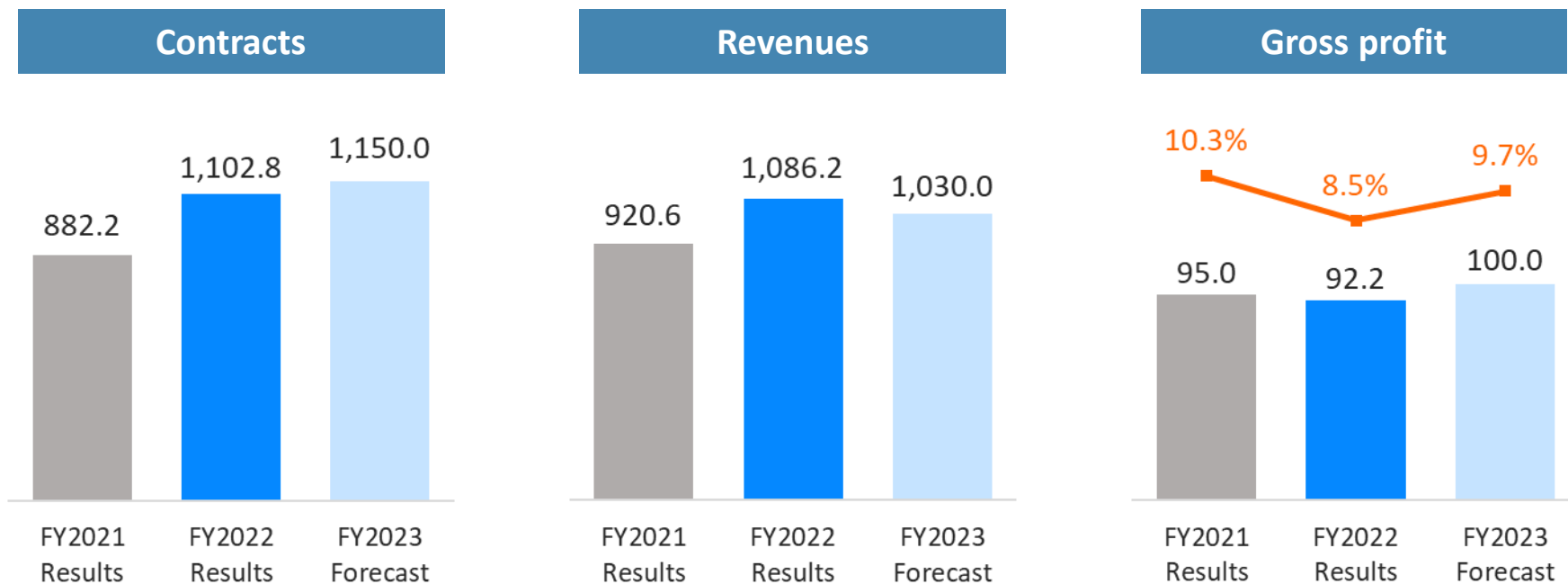
FY2023 Forecast

- Contracts totaling 350.0 billion yen are expected, with solid construction demand from public sector work projects anticipated
- A gross profit margin of 16.1% is expected based on construction projects in progress

Segment Performance Building Construction (Kajima Corp)

1. Financial Results and Forecast

Billions of yen



FY2022 Results

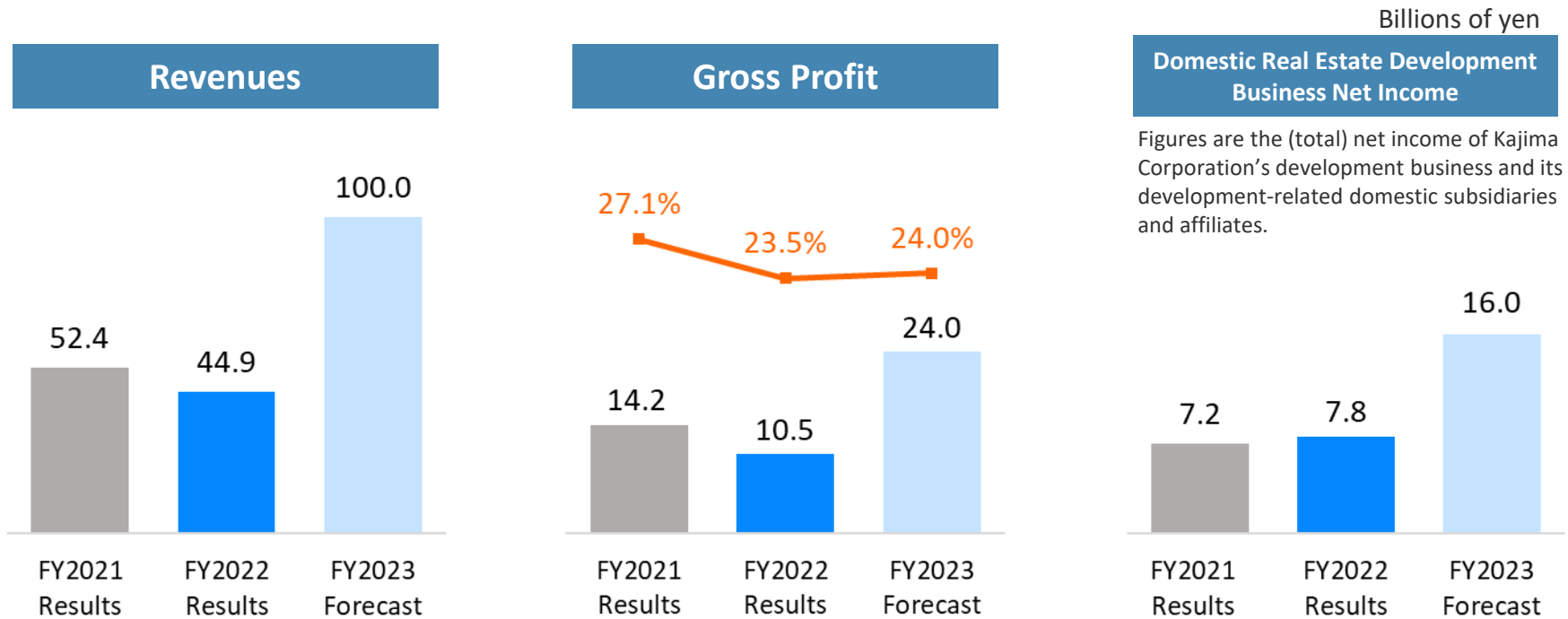
- Contracts and revenues increased significantly due to orders for large-scale production facility projects and steady construction progress
- The gross profit margin was 8.5%, as the impact of higher material and equipment prices remained within the range expected at the beginning of the fiscal year due to early procurement and productivity improvement efforts

FY2023 Forecast

- Contracts are expected to reach 1,115.0 billion yen, exceeding FY2022 due to strong construction demand, especially from the manufacturing sector
- A gross profit margin of 9.7% is expected in anticipation of profit improvement, mainly due to multiple large construction projects scheduled for completion

Segment Performance Real Estate and Other (Kajima Corp)

1. Financial Results and Forecast



Domestic Real Estate Development Business Net Income

Figures are the (total) net income of Kajima Corporation's development business and its development-related domestic subsidiaries and affiliates.

FY2022 Results

- Stable profits were secured in the leasing business
- Sales business sold noncurrent assets (real estate for rent, etc.) and recorded extraordinary income (4.9 billion yen)
- Domestic real estate development business net income exceeded FY2021 results

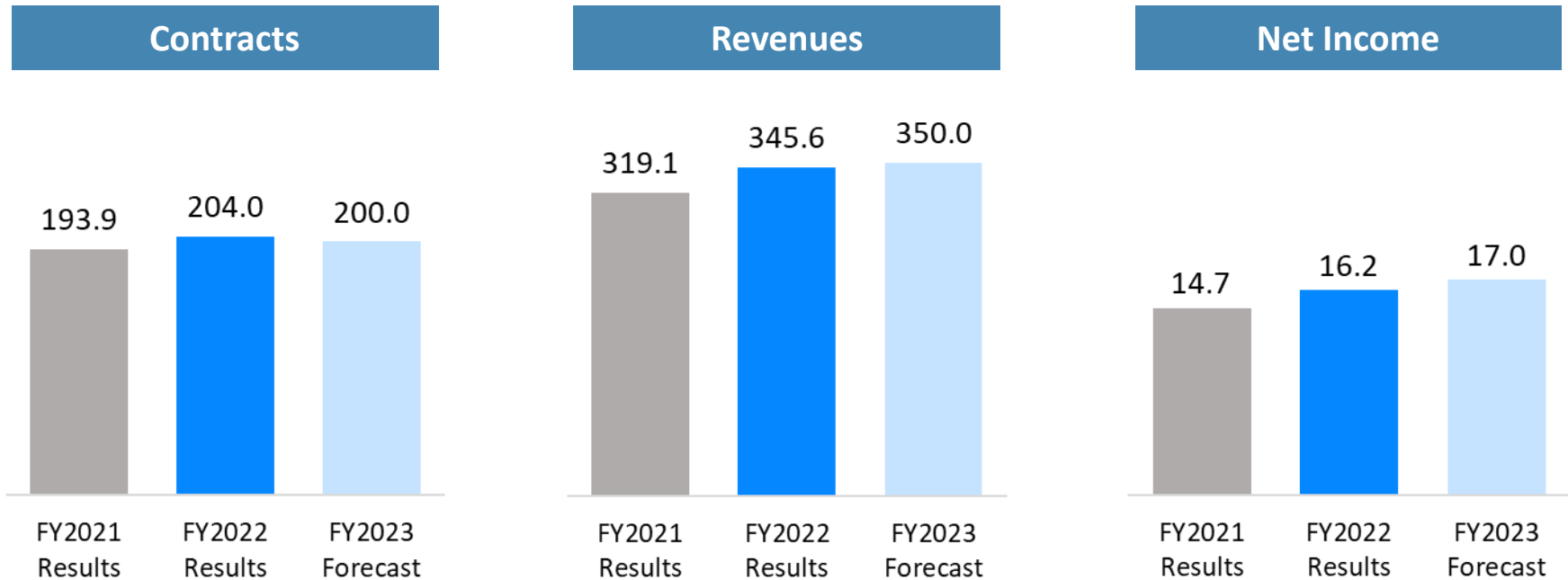
FY2023 Forecast

- With the planned sale of multiple properties, both revenues and income are expected to exceed FY2022
- Domestic real estate development business net income is expected to increase significantly, partly due to the sale of a property by domestic development-related subsidiaries and affiliates

Segment Performance Domestic Subsidiaries and Affiliates

1. Financial Results and Forecast

Billions of yen



FY2022 Results

- Revenues increased mainly due to steady progress of large construction projects
- Net income increased due to profit improvement from the completion of large construction projects and the sale of leased properties

FY2023 Forecast

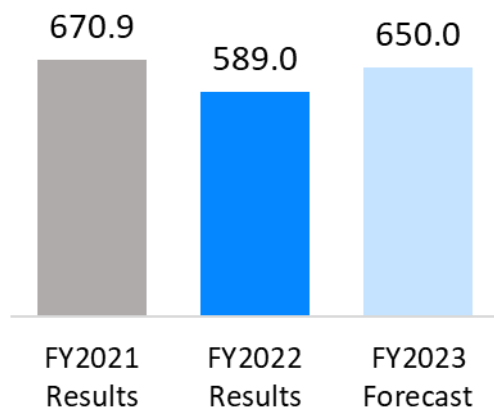
- Both the construction and real estate development business are expected to remain strong and revenues and net income are expected to exceed FY2022

Segment Performance Overseas Subsidiaries and Affiliates

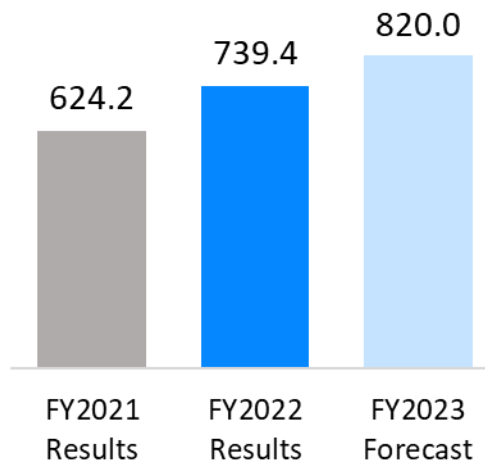
1. Financial Results and Forecast

Billions of yen

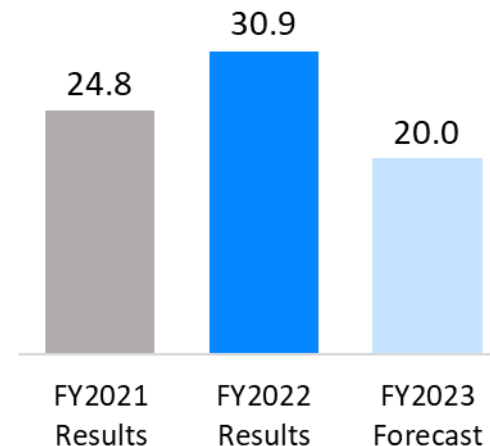
Contracts



Revenues



Net Income



FY2021 Results FY2022 Results FY2023 Forecast

FY2021 Results FY2022 Results FY2023 Forecast

FY2021 Results FY2022 Results FY2023 Forecast

Exchange rates
US\$= ¥115.02 ¥132.70 ¥132.70

¥115.02 ¥132.70 ¥132.70

¥115.02 ¥132.70 ¥132.70

FY2022 Results

- Revenues increased in each business region
- Net income reached a record high of 30.9 billion yen, mainly due to the sales of distribution warehouses and apartment complexes in the U.S. real estate development business

FY2023 Forecast

- Revenues are expected to increase mainly due to steady construction progress in the U.S. and Southeast Asia
- Cautious net income forecast of 20.0 billion yen considering economic uncertainties in the U.S. and Europe

Segment Performance Overseas Subsidiaries and Affiliates

(breakdown by construction and real estate development segments)

1. Financial Results and Forecast

The Real Estate Development Business Remained Strong, Mainly in the U.S., and Contributed to Earnings

Results Highlights — Overseas Subsidiaries and Affiliates

(Breakdown by construction and real estate development segments)

*Figures for each business segment are before internal transaction adjustments

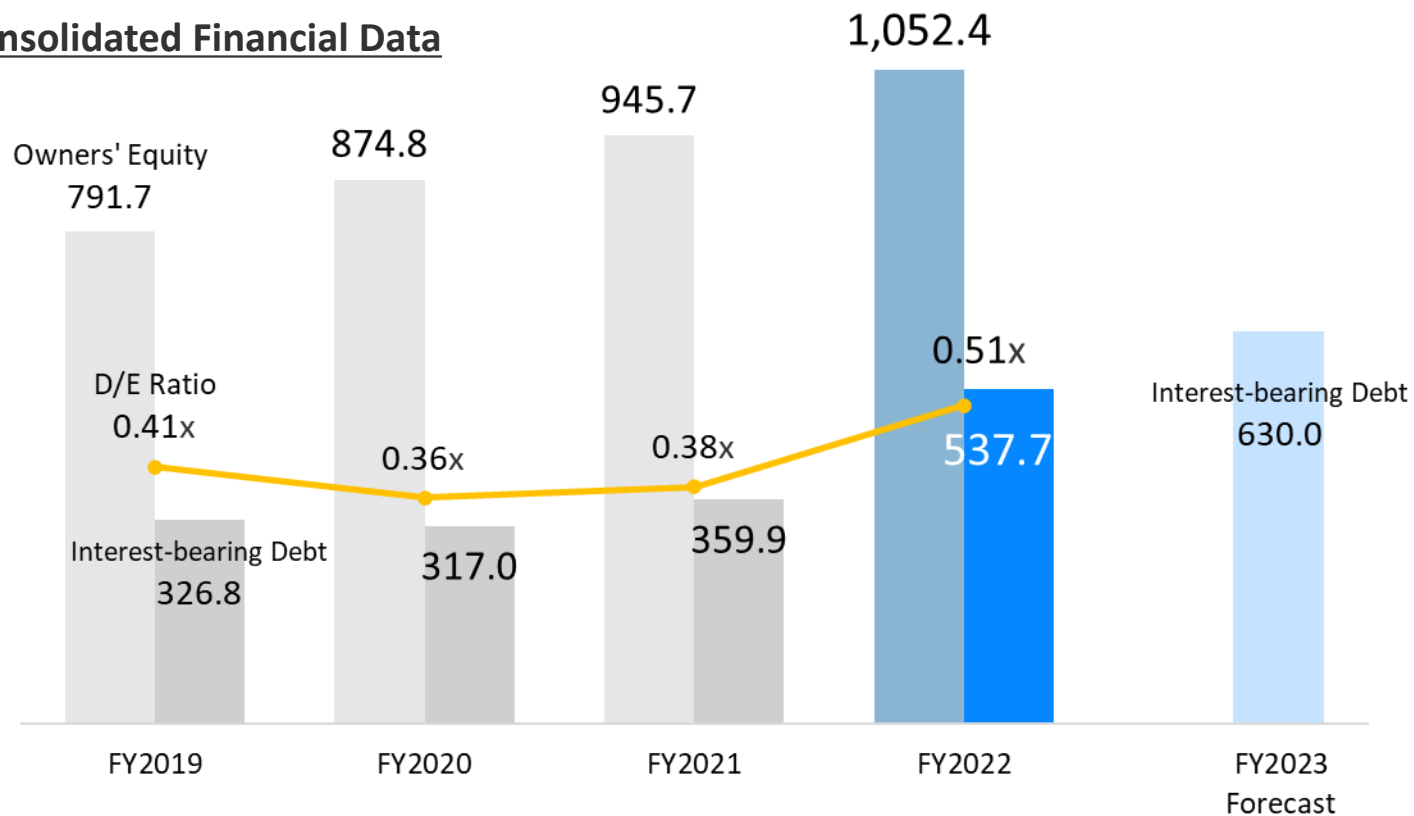
	Construction and Other				Real Estate			
	FY2021 Result	FY2022 Result	YoY Change	FY2023 Forecast	FY2021 Result	FY2022 Result	YoY Change	FY2023 Forecast
Revenues	510.8	636.9	126.0	696.7	127.8	118.5	(9.2)	170.3
Gross Profit	23.0	28.2	5.2	31.8	41.9	40.9	(0.9)	42.5
	4.5%	4.4%	(0.1pt)	4.6%	32.8%	34.5%	1.7pt	25.0%
Operating Income	2.5	2.2	(0.3)	4.7	26.0	22.6	(3.4)	24.0
Nonoperating Income	1.6	2.2	0.5	0.8	18.3	19.5	1.2	3.4
<i>Equity in Earnings of Partnership</i>	0.0	0.0	—	0.0	11.9	17.1	5.2	6.6
Ordinary Income	4.2	4.5	0.2	5.5	44.4	42.2	(2.2)	27.5
Extraordinary Income	0.4	0.0	(0.3)	0.0	(12.2)	1.9	14.2	1.8
Net Income Attributable to Noncontrolling Interests	1.5	2.1	0.5	3.4	24.9	30.9	5.9	20.6
Exchange rates: US\$=	¥115.02	¥132.70		¥132.70	¥115.02	¥132.70		¥132.70

Billions of yen

- In the construction and other segment, revenues remained high, and we will strive to further improve profits
- The real estate development segment maintained high profits mainly due to distribution warehouse development business and the apartment development business in the U.S.

Our Policy is to Increase Financial Efficiency While Maintaining Financial Soundness

Consolidated Financial Data

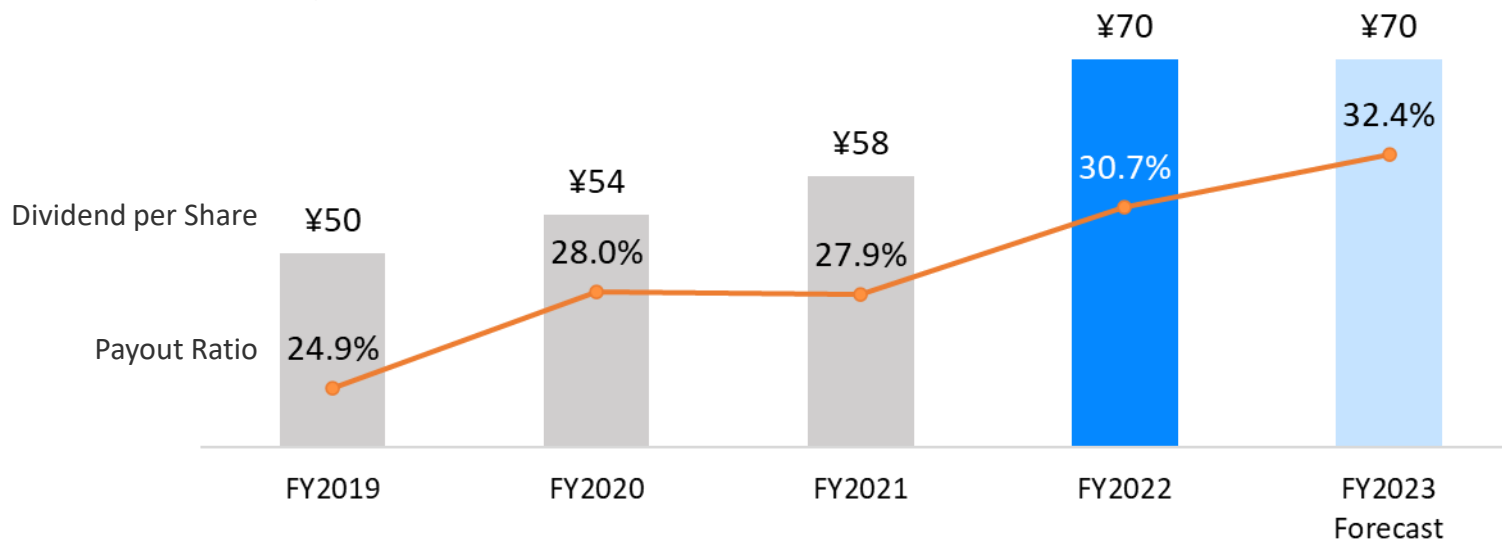


- Owners' equity has grown with net income continuously reaching the 100.0 billion yen level, and financial soundness has improved
- We utilize interest-bearing debt for growth investments such as real estate investments to improve investment efficiency, which has resulted in a D/E ratio of 0.51x at the end of FY2022

Stockholder Returns

Dividend per Share Increased to 70 Yen Based on the Stockholder Return Policy (Third Consecutive Year of Dividend Increase)

Decided to Acquire Own Shares for the Fifth Consecutive Year



Basic Net Income per Share	¥200.99	¥193.13	¥208.00	¥227.98	¥216.01
Acquisition of Own Shares	10.0 bil. Yen	10.0 bil. Yen	20.0 bil. Yen	10.0 bil. Yen	10.0 bil. Yen
Total Payout Ratio	34.6%	38.1%	47.1%	39.6%	around 42%

Policy on Stockholder Returns

The basic policy is to strive for a dividend payout ratio of 30%, as well as to flexibly contribute to stockholder returns by acquiring own shares and other means with consideration of business performance, financial condition and business environment

Reduction of Cross-Shareholdings

In Accordance with the Policies of the Medium-Term Business Plan, a Total of 24.9 Billion Yen in Cross-Shareholdings Have Been Sold over the Last Two Years

Reduction Status

	FY2022 Result	FY2022 Result	FY2023 Target
Number of Stocks Sold	17 stocks	17 stocks	-
Amount of Sales	14.8 bil. Yen	10.0 bil. Yen	At least 30.0 bil. yen over 3 years

Holding Status

	End of FY2020	End of FY2021	End of FY2022
Number of Stocks (Listed Stocks)	320 stocks (144 stocks)	316 stocks (135 stocks)	306 stocks (125 stocks)
Balance Sheet Amount	266.5 bil. Yen	258.7 bil. Yen	251.0 bil. Yen

Issues Concerning Market Valuation

Current Valuation and Issues:

The Board of Directors analyzes and evaluates the Kajima Group's current return on capital and market valuation.

In recent years, the Group has continuously achieved a ROE of 10% or more, and has secured a return on capital greater than the cost of capital, but this has not been adequately appraised by the stock market. We recognize that our issue is to properly communicate the Group's growth potential to the stock market and improve its market valuation.

Future Initiatives:

The Group has been pursuing measures and investments to drive sustainable growth based on its medium-term business plan, and will continue to strengthen these efforts. In addition to clarifying our growth strategies in each business, we will enhance the disclosure of information about how we address environmental issues and human capital, and we will proactively engage in dialogue with investors and other stakeholders in order to improve our market valuation. We will consider further enhancement of shareholder returns while maintaining a balance with growth investments.

2. Progress on Kajima Group Medium-Term Business Plan (FY2021-2023)

Exceeded the Financial Targets Set in the Medium-Term Business Plan

Consolidated Financial Highlights in the Medium-Term Business Plan Period

Billions of yen

	FY2021 Results	FY2022 Results	FY2023	
			Target of Medium- Term Business Plan	Forecast
Revenues	2,079.6	2,391.5	around 2,250.0	2,480.0
Net Income	103.8	111.7	95.0 +	105.0

- Consolidated revenues and net income for FY2023 are expected to achieve the Medium-term business plan targets thanks to the contributions from the strong domestic construction business and overseas real estate development business performance, mainly in the U.S.

Progress on Investment Plan

2. Progress on Medium-Term Business Plan

Steady Progress in Accordance with the Three-year Investment Plan Set in the Medium-Term Business Plan

Billions of yen

	FY2021 Result		FY2022 Result		Medium-Term Business Plan (FY2021-2023)	
Domestic / Overseas Real Estate Development (Recoup of Investment)	191.0	105.0	302.0	101.0	640.0	360.0
Domestic (Recoup of Investment)	51.0	11.0	58.0	17.0	190.0	80.0
Overseas (Recoup of Investment)	140.0	94.0	244.0	84.0	450.0	280.0
R&D and Digital Investment	18.0		18.0		55.0	
Strategic Investment Framework	21.0		22.0		60.0	
Other	20.0		31.0		45.0	
Total	250.0		373.0		800.0	
Net Investment	145.0		272.0		440.0	

Progress on Investment Plan

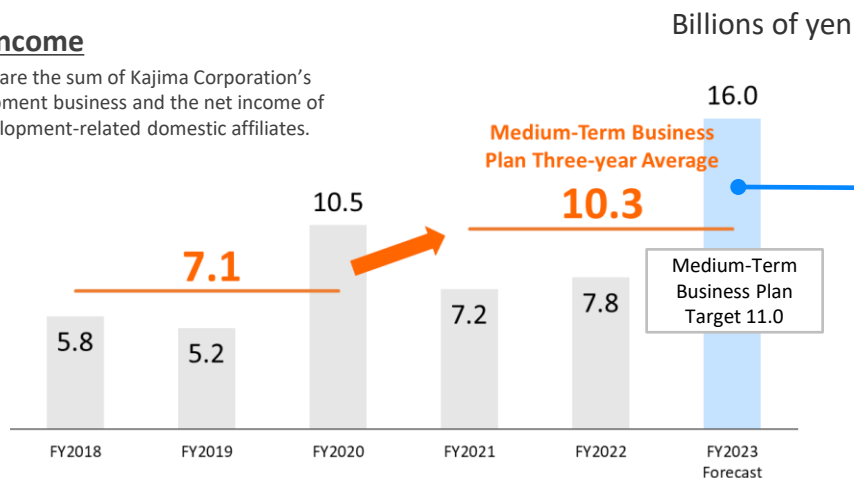
2. Progress on Medium-Term Business Plan

Profits Surpassed Those for the Period Under the Previous Medium-Term Business Plan as a Result of Growth Investments in Domestic and Overseas development businesses

Domestic Real Estate Development Businesses

Net Income

Figures are the sum of Kajima Corporation's development business and the net income of its development-related domestic affiliates.



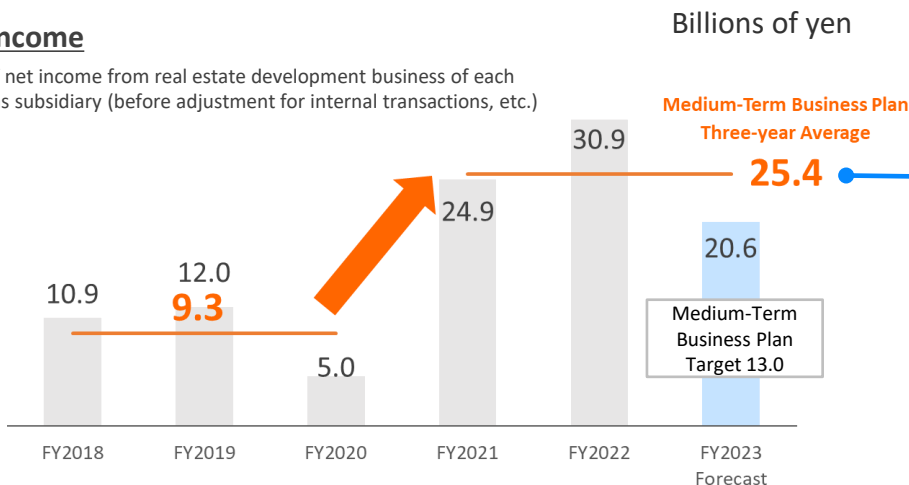
Profits are expected to increase with the planned sale of multiple properties

Continue to invest in quality assets that contribute to future performance

Overseas Real Estate Development Business

Net Income

Total of net income from real estate development business of each overseas subsidiary (before adjustment for internal transactions, etc.)



Achieved high profits from the sale of profitable projects including distribution warehouses in the U.S.

Continue to invest in highly profitable projects

Kajima Group Medium-Term Business Plan (FY2021-2023) -Forward-Looking Investment

1

**Further Strengthen
Core Businesses**



2

**Strive to Create
New Value**



3

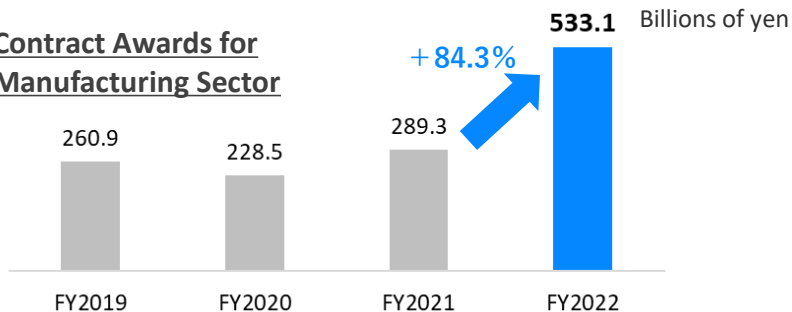
**Establish a Strong
Management Foundation and
Promote ESG Measures for
Growth and Transformation**



1 Further Strengthen Core Businesses | Construction Business

Contract Awards for Production Facilities Increased

Contract Awards for Manufacturing Sector



FY2023

We were selected by Rapidus Corporation to design and build a new state-of-the-art semiconductor plant in Chitose City, Hokkaido

Strengthening Our Readiness to Respond in the Renewable Energy Sector



Offshore Wind Farms at Akita Port and Noshiro Port (Akita Prefecture)

Construction of large-scale offshore wind farm completed. Acquired knowhow is utilized in subsequent projects

Response to Overtime Work Restrictions

In response to the overtime work restrictions that will apply to the construction industry starting in FY2024, Kajima is promoting the use of One Team, one of its Group companies, as well as making efforts to digitalize and streamline its business



One Team (established in 2019)

Specializes in construction site support services including inspection services at construction sites and support for the introduction of ICT tools

Productivity Improved with Automated Construction System



Naruse Dam Construction Project (Akita Prefecture)

Achieved a record in Japan for the amount of concrete poured in a month for dam construction (October 2022) with the automated construction technology A⁴CSEL (pronounced “quad-accel”)

1 Further Strengthen Core Businesses | Domestic Real Estate Business

Multiple Projects Completed That Will Become Future Revenue Sources



Kudan Kaikan Terrace (Tokyo)



Yokohama Connect Square
(Kanagawa Prefecture)



Hilton Okinawa Miyakojima Resort
(Okinawa Prefecture)

Diversification of Assets Through New Investments in Luxury Real Estate in Addition to Office Projects



Yokohama City Hall District Redevelopment Project
(Kanagawa Prefecture)



(Tentative name) S2 Plan
(Aichi Prefecture)

Properties owned by Eaton Real Estate Co., Ltd.



Namikikan Ginza [Commercial]



CURA Ginza [Office and Commercial]

1 Further Strengthen Core Businesses | Overseas Real Estate Business

Investments in New Development in Anticipation of Social and Economic Normalization in Southeast Asia



Core5 Hai-phong [distribution warehouse]
(Vietnam)



Wink Hotel Hai-phong [Hotel]
(Vietnam)



55 Market Street [Offices]
(Singapore)

U.S. Real Estate Development Business Centered on Distribution Warehouses and Apartment Complexes

Distribution warehouse development business of Core5 (USA)



I-65 South at Franklin (Indiana, USA)

FY2022 Result

- 13 projects started
- 10 projects sold
- 48 projects under development/operation
(As of Dec 31, 2022)

Apartment development business in the U.S.



Magnolia Apartments (Texas, USA)

FY2022 Result

- 13 projects construction started
- 6 projects sold
- 38 projects under development/operation
(As of Dec 31, 2022)

2 Strive to Create New Value

Completed Construction of “The Gear,” a New Center for Open Innovation and Technology Development in Southeast Asia



Set up laboratories to research and develop advanced technologies and promote open innovation with outside companies, government agencies and universities (Singapore)

Acquired Patent for Road Deck Renewal Work

Smart Deck Renewal (SDR) System



Construction time for deck replacement has been significantly reduced compared to conventional methods. Acquisition of patents enables the system to be widely deployed by other companies

Renewable Energy Power Plant Development Projects in Europe are Progressing Well



Genowefa Photovoltaic (Poland)

PAD | RES

(Poland)

Projects on hand by type as of the end of FY2022

Solar power **10** projects

Onshore wind power **2** projects

Pioneering developer of power plants that use renewable energy
Kajima acquired approx. 70% equity in 2021

 **Hymon**

Acquired 70% equity interest in Hymon, a company that installs renewable energy facilities in Poland

3

Establish a Strong Management Foundation and Promote ESG Measures for Growth and Transformation

Revised CO₂ Emissions Reduction Target

Plan to obtain the Science Based Targets Initiative (SBTi, international validation of greenhouse gas emission reduction targets)

	Baseline year	Target 2030	Triple Zero 2050 (Target for FY2050)
Kajima's emissions (Scope 1 and 2)	FY2021	-40%	-100% Carbon neutrality
Supply chain emissions (Scope 3)		-25%	-100% Carbon neutrality

Set new Scope 3 reduction target to achieve carbon neutrality by 2050

Progress of Various Initiatives for Securing Workforce

Opened practical training facility for human resource development

Restructured multi layered subcontracting



Kajima Technical Center
(Kanagawa Prefecture)

FY2023 target

Achieved a construction system that is limited, in principle, to secondary subcontractors

Progress (as of January 2023)

Total 74.1%
(Civil engineering: 94.3%;
construction: 67.5%)

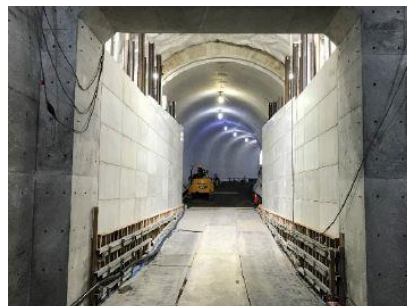
Examples of CO₂-SUICOM applications increased

CO₂-SUICOM is used as the foundation block for solar power generation facilities



Yokohama Elementary School
(Kanagawa Prefecture)

“CUCO-SUICOM formwork” applied in actual construction work



New Kusakagawa River discharge tunnel
(Kochi Prefecture)

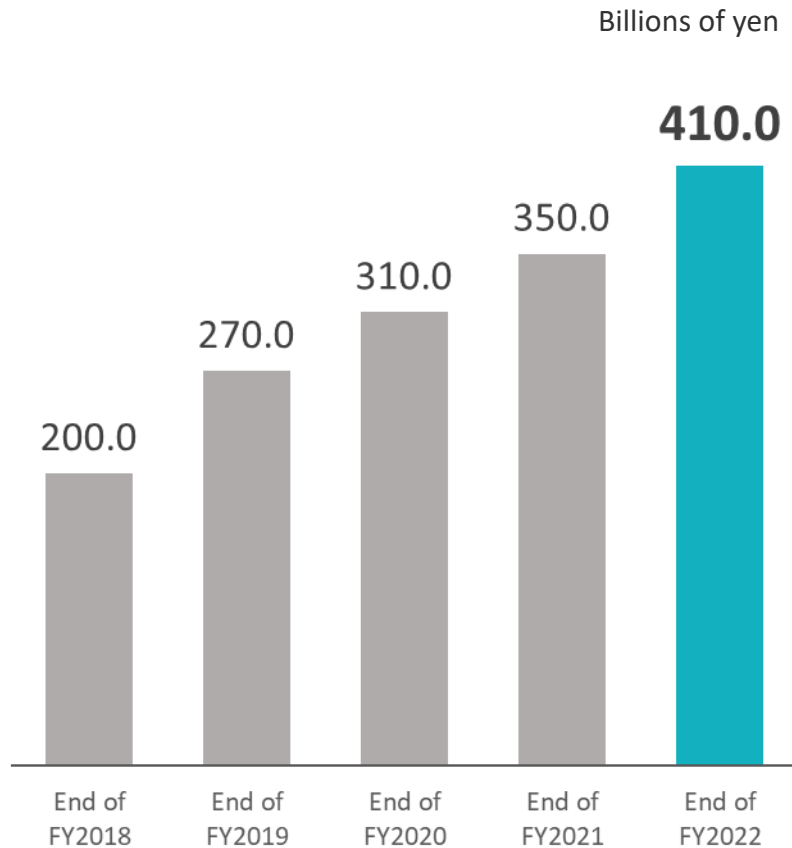
Other Initiatives

- Established “Sustainability Committee”
In FY2022, Kajima reviewed and determined policies for initiatives related to the environment, diversity in human resources, and securing the next generation of leaders.
- As in FY2022, Kajima decided to raise employee wages again in FY2023
- Began to consider the introduction of an employee stock incentive plan

3. Supplementary Materials

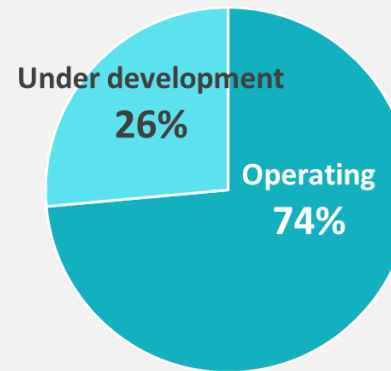
Domestic Real Estate Development Business Assets

Changes in Assets



Breakdown of assets as of the end of FY2022

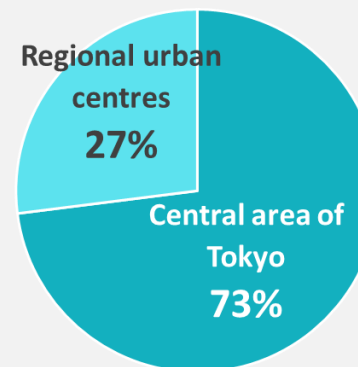
In-operation vs under development



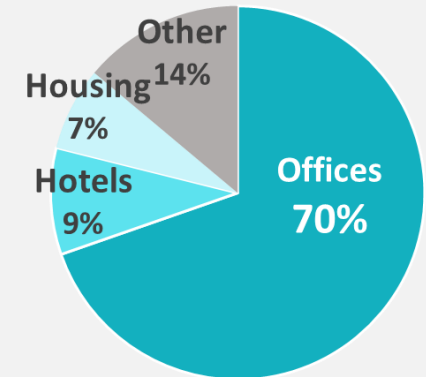
By sales and lease



By area

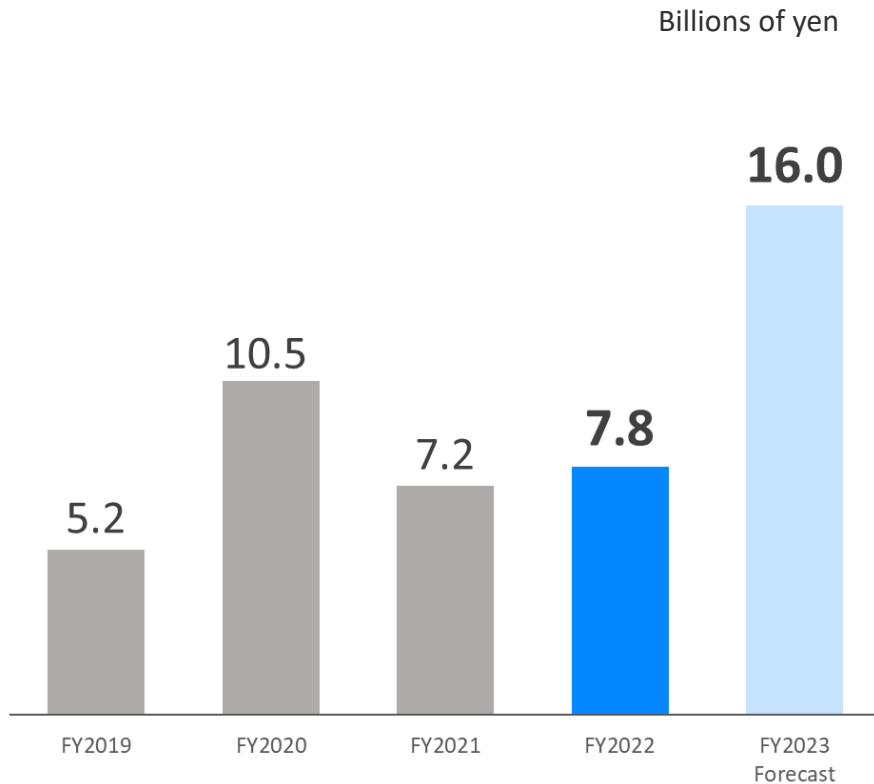


By use



Net Income from Domestic Development Business

Changes in Net Income

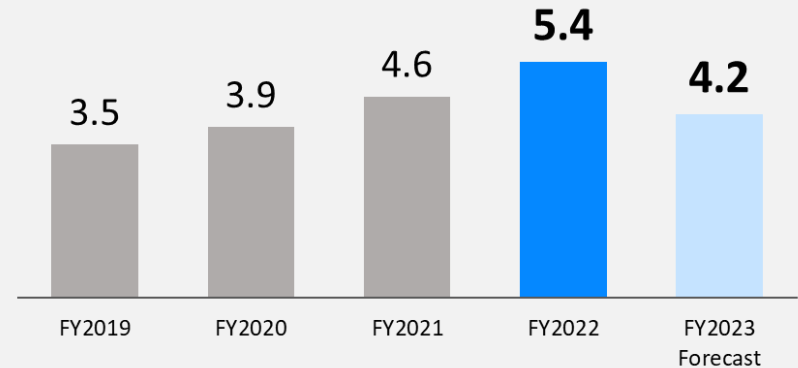


Figures are the (total) net income of Kajima Corporation's development business and its development-related domestic subsidiaries and affiliates.

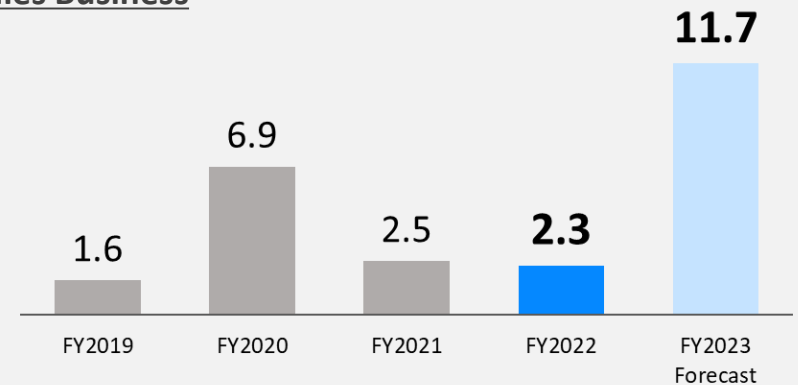
Changes by Business Segment

Billions of yen

Leasing Business

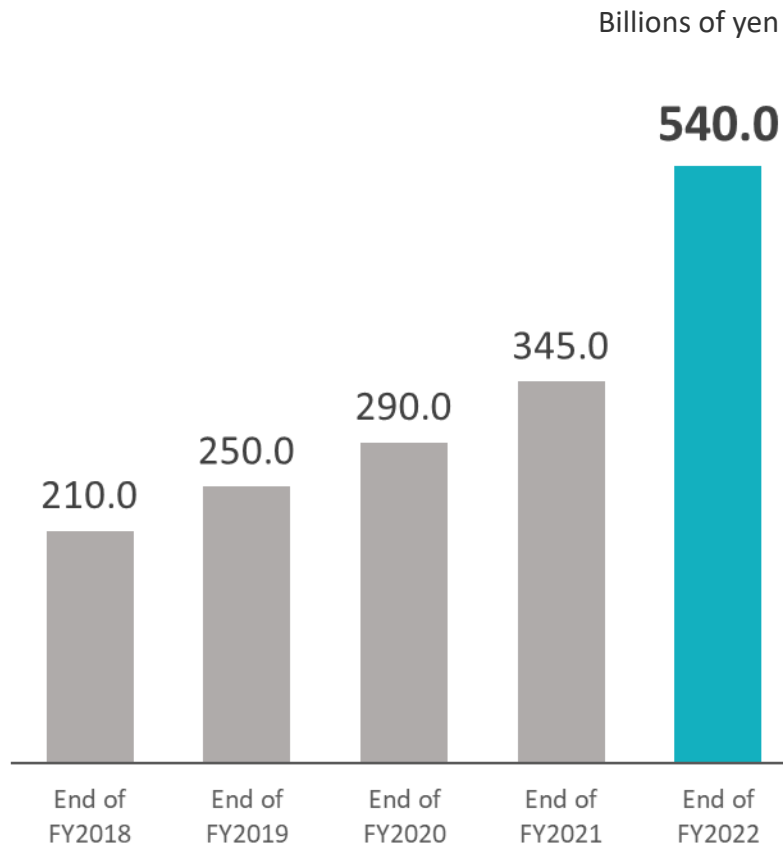


Sales Business



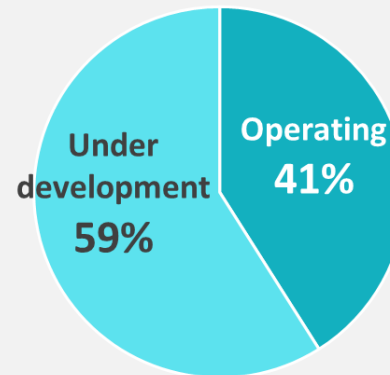
Overseas Real Estate Development Business Assets

Changes in Assets

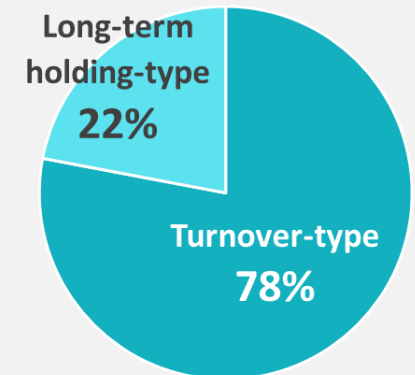


Breakdown of assets as of the end of FY2022

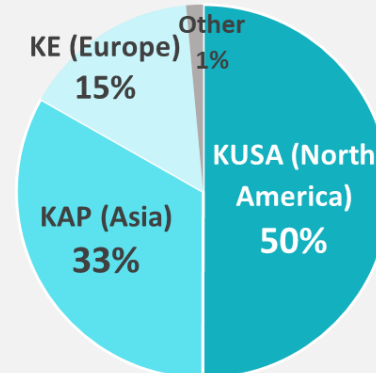
In-operation vs under development



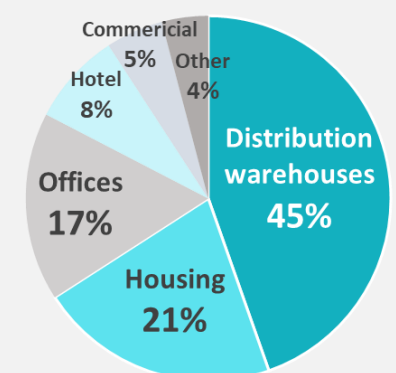
By holding period



By area

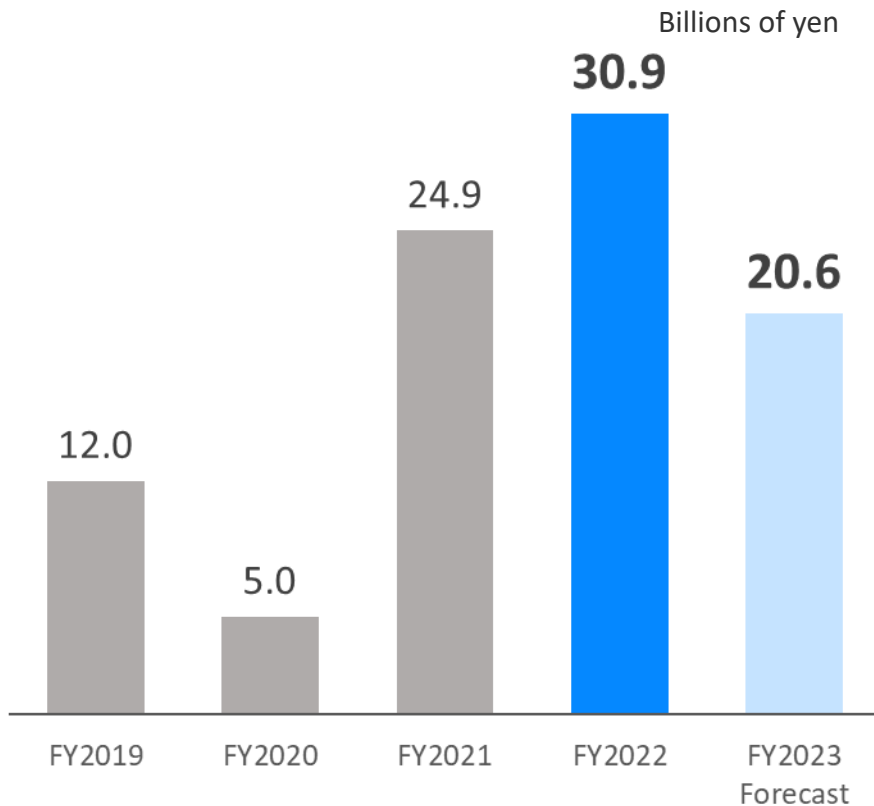


By use



Net Income from Overseas Development Business

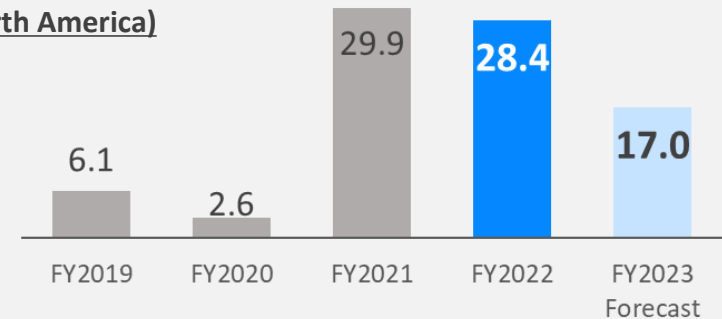
Changes in Net Income



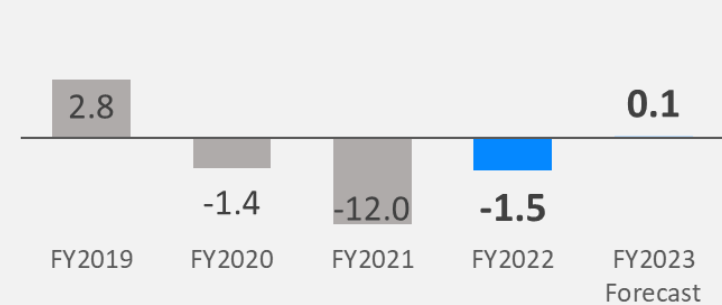
Total of net income from real estate development business of each overseas subsidiary (before adjustment for internal transactions, etc.)

Changes by Major Overseas Subsidiaries Billions of yen

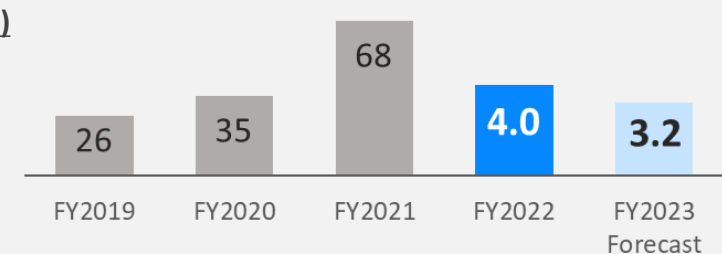
KUSA (North America)



KAP (Asia)



KE (Europe)





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Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. While every attempt has been made to ensure the accuracy of information, forecasts contained in this slides are based on the judgments made with information available as at May 15, 2023, and are subject to risks and uncertainties that may cause the actual results to vary.