

FY2023 Financial Results

May 14, 2024



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1. Financial Results and Forecast

FY2023 Financial Results

- **Revenues and income increased for the third consecutive year**
 - Full-year consolidated net income was 115.0 billion yen, up 2.9% from FY2022; ROE was 10.2% (achieving the medium-term business plan's final fiscal year target).
 - Non-consolidated revenues and income increased due to steady project progress in the construction business, and the sale of properties in the development business.
 - Revenues and income increased in domestic subsidiaries and affiliates due to the scheduled sale of the properties held by real estate development-related subsidiaries and affiliates.
- **Consolidated construction contract awards increased both in domestic and overseas, reaching a record high of 2,927.2 billion yen**
- **Annual dividend revised upward to 90 yen (dividends increased for four consecutive years since FY2020; FY2022 annual dividend was 70 yen)**

FY2024 Forecast

- **Consolidated revenues expected to increase mainly due to steady construction progress domestically and overseas, and net income forecasted to reach 105.0 billion yen**
 - Non-consolidated net income of 80.0 billion yen is forecasted due to stable profits in the construction business and property sales in the development business.
 - Overseas subsidiaries and affiliates are expecting higher revenues and income due to steady construction progress mainly in the U.S. and performance improvement in Southeast Asia.
- **Decided to acquire 30.0 billion yen of own shares (for 6th consecutive fiscal year)**

Both consolidated and non-consolidated revenues and income increased; ROE was 10.2%

FY2023 Results Financial Highlights

Billions of yen

	Consolidated		
	FY2022 Result	FY2023 Result	YoY Change
Revenues	2,391.5	2,665.1	+273.5
Operating Income	123.5	136.2	+12.6
Ordinary Income	156.7	150.1	-6.6
Net Income Attributable to Owners of the Parent	111.7	115.0	+3.2
Construction Contract Awards	2,196.9	2,927.2	+730.3
Exchange rates : US\$1=	¥132.70	¥141.83	
ROE	11.2%	10.2%	

	Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
	FY2022 Result	FY2023 Result	YoY Change	FY2022 Result	FY2023 Result	YoY Change	FY2022 Result	FY2023 Result	YoY Change
	1,432.7	1,552.9	+120.1	345.6	368.9	+23.3	739.4	859.7	+120.3
	83.1	95.0	+11.8	17.3	24.0	+6.7	23.2	17.3	-5.9
	103.3	114.9	+11.6	22.1	29.2	+7.0	44.4	21.0	-23.3
	78.4	90.1	+11.7	16.2	22.7	+6.5	30.9	16.4	-14.4
	1,489.3	1,807.0	+317.6	204.0	207.7	+3.7	589.0	990.5	+401.4
							¥132.70	¥141.83	

- Full-year consolidated net income was 115.0 billion yen, up 2.9% from FY2022.
- Non-consolidated revenues and income increased due to steady project progress in the construction business, and the sale of properties in the development business.
- Revenues and income increased in the domestic subsidiaries and affiliates due to the scheduled sale of properties held by real estate development-related subsidiaries and affiliates.
- Net income of overseas subsidiaries and affiliates fell short of the high reached in FY2022, despite the steady gain on sale of properties in the U.S. development business.
- Construction contract awards reached a record high, driven by orders for multiple large-scale domestic and overseas construction projects.

Consolidated Revenues Expected to Increase, Net Income Forecasted at 105.0 Billion Yen

FY2024 Forecast Financial Highlights

Billions of yen

	Consolidated		
	FY2023 Result	FY2024 Forecast	YoY Change
Revenues	2,665.1	2,780.0	+114.8
Operating Income	136.2	132.0	-4.2
Ordinary Income	150.1	137.0	-13.1
Net Income Attributable to Owners of the Parent	115.0	105.0	-10.0
Construction Contract Awards	2,927.2	2,340.0	-587.2

Exchange rates : US\$1=

¥141.83

¥141.83

Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
FY2023 Result	FY2024 Forecast	YoY Change	FY2023 Result	FY2024 Forecast	YoY Change	FY2023 Result	FY2024 Forecast	YoY Change
1,552.9	1,470.0	-82.9	368.9	360.0	-8.9	859.7	1,080.0	+220.2
95.0	90.0	-5.0	24.0	17.0	-7.0	17.3	26.0	+8.6
114.9	101.0	-13.9	29.2	21.0	-8.2	21.0	25.0	+3.9
90.1	80.0	-10.1	22.7	15.0	-7.7	16.4	20.0	+3.5
1,807.0	1,360.0	-447.0	207.7	200.0	-7.7	990.5	860.0	-130.5

¥141.83

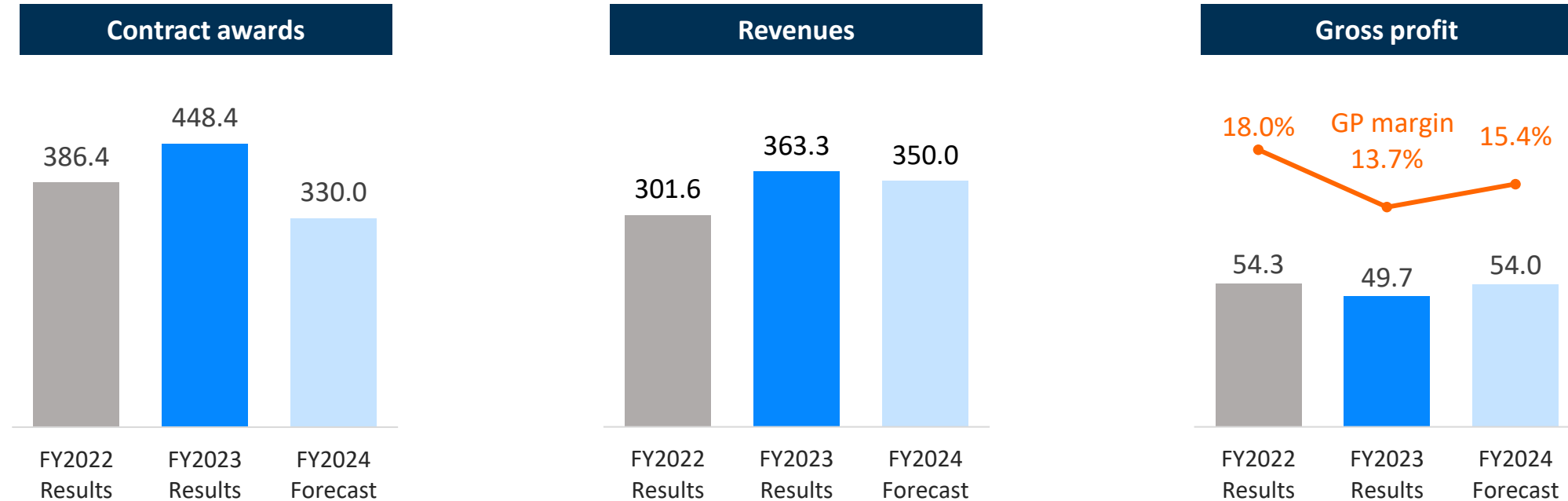
¥141.83

- Consolidated net income is forecasted to reach 105.0 billion yen and is expected to remain above 100.0 billion yen level going forward.
- Non-consolidated net income is forecasted at 80.0 billion yen due to stable profits in the construction business and property sales in the real estate development business.
- Domestic subsidiaries and affiliates are expected to maintain stable earnings, although profits are expected to fall below those of FY2023, when the real-estate development business sold off properties.
- Overseas subsidiaries and affiliates are expecting higher revenues and income due to steady construction progress mainly in the U.S. and performance improvement in Southeast Asia.
- Construction contract awards are expected to remain high and forecasted to reach 2,340.0 billion yen.

Segment Performance Civil Engineering (Kajima Corp)

1. Financial Results and Forecast

Billions of Yen



FY2023 Financial Results

- Contract awards exceeded those of FY2022 due to orders for multiple large-scale construction projects and the acquisition of design change contracts.
- Revenues increased due to steady progress in large-scale construction projects.
- Gross profit margin fell below that of FY2022 mainly due to lower profit of some construction projects.

FY2024 Forecast

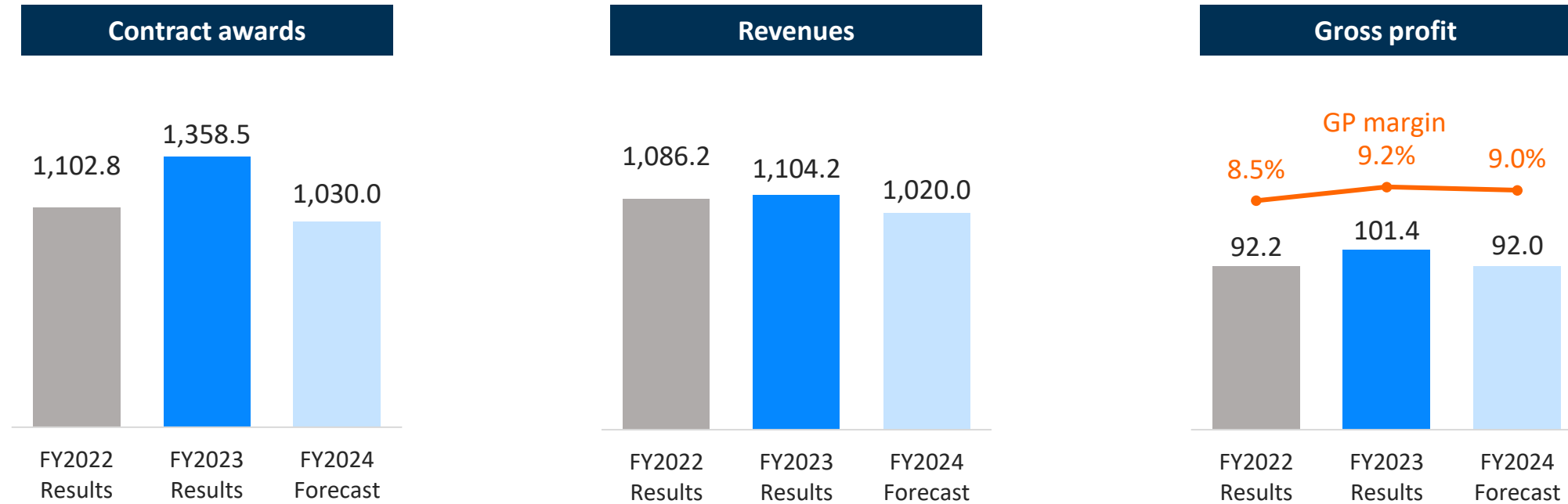
- Contract awards totaling 330.0 billion yen are expected due to solid construction demand anticipated from public work projects.
- Revenues of 350.0 billion yen, the same level as FY2023, are expected.
- Gross profit margin is expected to recover to 15.4% based on construction projects in progress.

Segment Performance

Building Construction (Kajima Corp)

1. Financial Results and Forecast

Billions of Yen



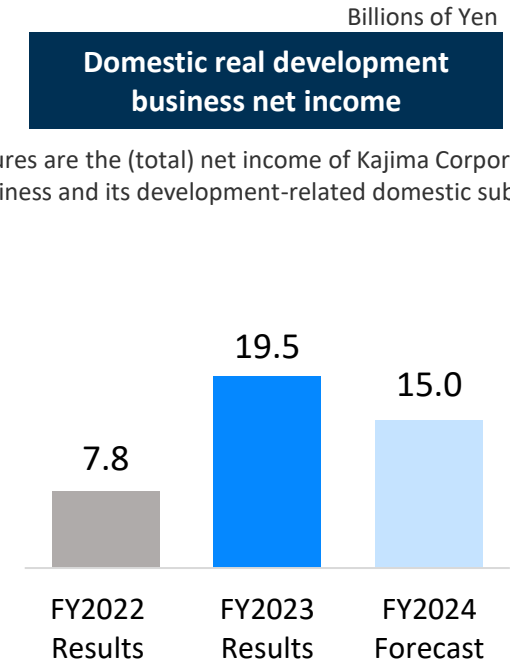
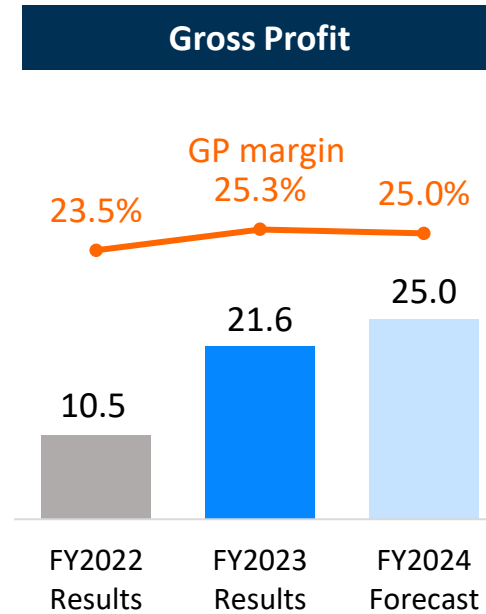
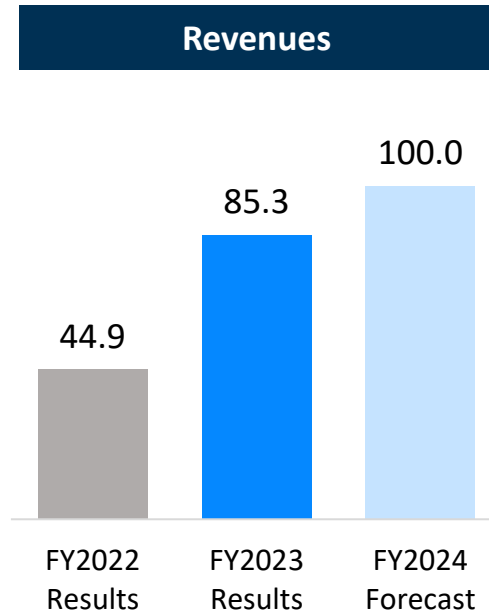
FY2023 Financial Results

- Contract awards increased significantly over FY2022 due to orders for multiple large-scale projects including production facilities and redevelopment projects.
- Revenues exceeded those of FY2022 mainly due to steady progress on large-scale construction projects.
- Gross profit margin was 9.2%, higher than in FY2022, due to profit improvement, mainly from completed construction projects.

FY2024 Forecast

- Contract awards are forecasted to reach 1,030.0 billion yen based on strong construction demand.
- Revenues will continue to exceed 1 trillion yen due to steady progress on construction projects.
- A gross profit margin of 9.0% is forecasted, considering there are fewer completed construction projects than in FY2023.

Segment Performance Real Estate and Other (Kajima Corp)



FY2023 Financial Results

- Revenues and gross profit increased from FY2022 mainly due to the sale of properties in the real estate sales business.
- Net income in the domestic real estate development business exceeded that of FY2022 due to property sales at Kajima Corp. and real estate development-related subsidiaries and affiliates.

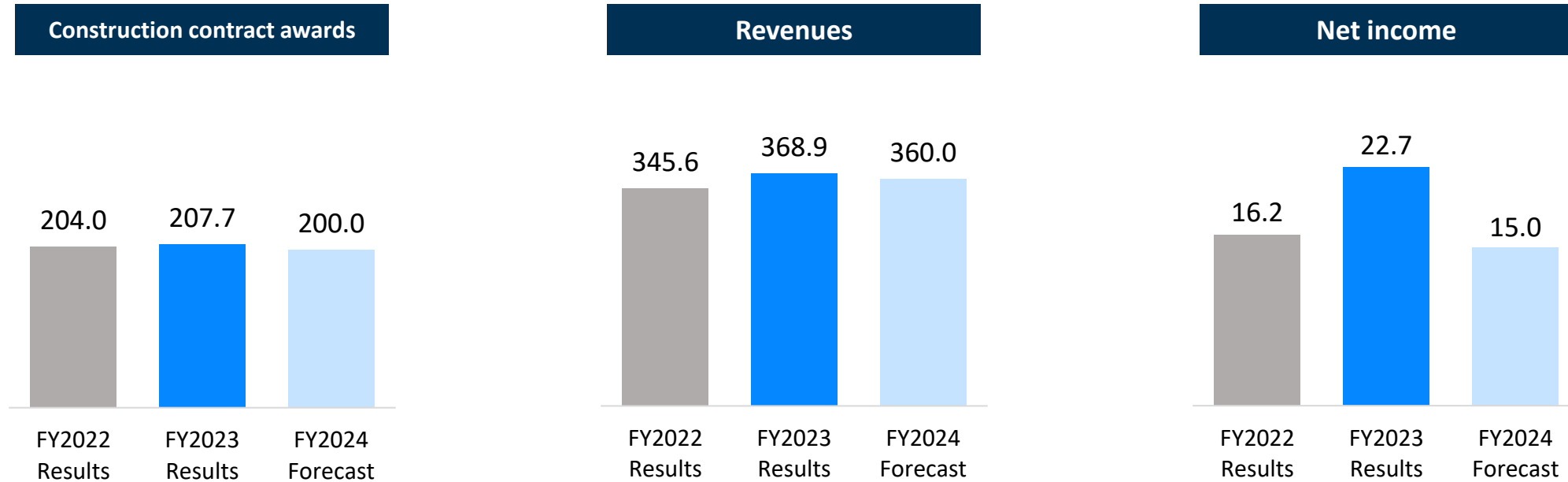
FY2024 Forecast

- Revenues and gross profit are expected to increase from FY2022 mainly due to the sale of properties in the real estate sales business.
- Net income in the domestic real estate development business is expected to be 15.0 billion yen driven by property sales at Kajima Corp.

Segment Performance

Domestic Subsidiaries and Affiliates

Billions of Yen



FY2023 Financial Results

- Construction contract awards increased from FY2022 due to solid construction demand.
- Revenues and net income increased from FY2022 due to the sale of properties held by real estate development-related subsidiaries and affiliates and steady progress in the construction business.

FY2024 Forecast

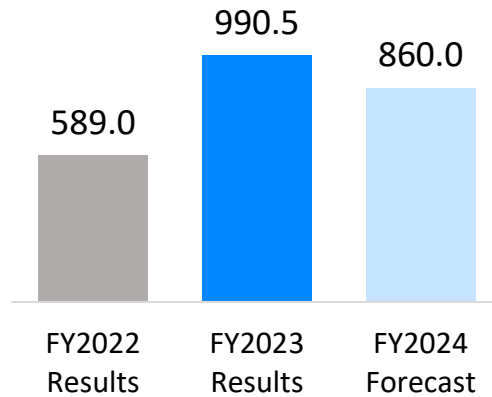
- Construction contract awards are expected to remain at the same level as FY2023.
- Revenues are forecasted to reach 360.0 billion yen, expecting increase in the construction business revenue.
- Net income is forecasted at 15.0 billion yen, down from FY2023, when real estate development-related subsidiaries and affiliates recorded high gains on sale of property.

Segment Performance Overseas Subsidiaries and Affiliates

1. Financial Results and Forecast

Billions of Yen

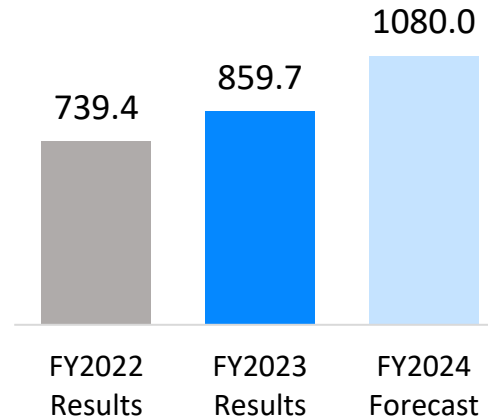
Construction contract awards



Exchange rates : US\$=

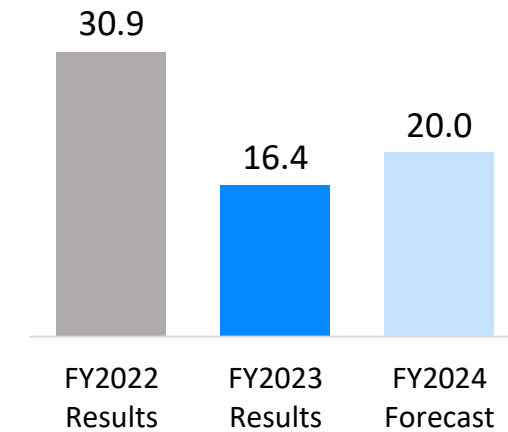
¥132.70 ¥141.83 ¥141.83

Revenues



¥132.70 ¥141.83 ¥141.83

Net income



¥132.70 ¥141.83 ¥141.83

FY2023 Financial Results

- Construction contract awards significantly exceeded those of FY2022 due to several orders for large-scale construction projects mainly in the U.S.
- Revenues increased mainly due to steady progress in construction projects in the U.S. and Oceania.
- Net income was below that of FY2022 due to a lower gain on sales in the real estate development business.

FY2024 Forecast

- Construction contract awards are forecasted to remain high at 860.0 billion yen due to solid construction demand.
- Revenues are forecasted to reach the 1 trillion yen level due to steady progress on construction projects underway in each region and the sale of properties in the real estate development business.
- Net income is expected to increase due to steady construction progress mainly in the U.S. and performance improvement in Southeast Asia.

Segment Performance Overseas Subsidiaries and Affiliates

(breakdown by construction and real estate development segments)

1. Financial Results and Forecast

*Figures for each business segment are before inter-segment transaction adjustments

Results Highlights — Overseas Subsidiaries and Affiliates (breakdown by construction and real estate development segments)

Billions of yen

	Construction and Other					Real Estate				
	FY2022	FY2023		FY2024		FY2022	FY2023		FY2024	
	Result	Result	YoY Change	Forecast	YoY Change	Result	YoY Change	Forecast	YoY Change	
Revenues	636.9	748.7	+111.7	931.9	+183.2	118.5	121.9	+3.3	171.6	+49.7
Gross Profit	28.2	33.1	+4.8	44.0	+10.9	40.9	37.1	-3.8	39.0	+1.9
	4.4%	4.4%	+0.0pp	4.7%	+0.3pp	34.5%	30.4%	-4.1pp	22.7%	-7.7pp
Operating Income	2.2	1.4	-0.8	7.4	+5.9	22.6	18.6	-3.9	21.2	+2.5
Nonoperating Income	2.2	3.0	+0.7	0.4	-2.5	19.5	3.9	-15.6	2.2	-1.6
Equity in Earnings of Partnership	0.0	0.0	—	0.0	—	17.1	5.5	-11.5	5.4	-0.0
Ordinary Income	4.5	4.4	-0.0	7.8	+3.3	42.2	22.6	-19.6	23.4	+0.8
Extraordinary Income	0.0	0.1	+0.0	0.0	-0.0	1.9	5.3	+3.4	4.2	-1.1
Net Income Attributable to Noncontrolling Interests	2.1	1.8	-0.2	5.1	+3.3	30.9	19.6	-11.2	19.2	-0.4
Exchange rates: US\$=	¥132.70	¥141.83		¥141.83		¥132.70	¥141.83		¥141.83	

- Results in the construction and other segment in FY2023 showed a decline in profit compared to FY2022 mainly due to the loss recorded in Southeast Asia in the second quarter. In FY2024, operating income, ordinary income, and net income are expected to increase mainly due to performance improvement in Southeast Asia.
- Profits in the real estate development segment in FY2023 declined from the high results in FY2022, despite the sale of 12 properties in the U.S. distribution warehouse development business. In FY2024, we cautiously forecast profit levels on the sale of properties and anticipate net income to remain unchanged from FY2023.

2. Financial Strategies

Evaluation and Analysis of the Current Situation

Because we have made investments to drive our sustainable growth under the medium-term business plan (FY2021-2023), profits exceeded our targets, and we also exceeded our ROE target of 10%. We also believe that our market valuation is growing due to improved information disclosure and better dialogue with investors and the market. We recognize the Group’s cost of equity to be approximately 7-8%.

Our Initiatives

We will implement the growth strategies contained in our new medium-term business plan (FY2024-2026), with the aim of contributing to society and customers through business activities of the Group, in addition to sustainable growth of our group. At the same time, we will work to further raise our corporate value and market valuation by executing our financial strategy that balances growth investments with stockholder returns.

Financial Strategy of the Medium-Term Business Plan (FY2024–2026)

Growth Investments	<ul style="list-style-type: none"> Invest about 1.2 trillion yen over the next three years to promote growth strategies. Continue to meet the ROE target of over 10%.
Capital Structure	<ul style="list-style-type: none"> Aim for a D/E ratio of about 0.7x to maintain financial soundness. Sell at least 50 billion yen of strategic shareholdings with the goal of reducing them to less than 20% of consolidated net assets by the end of FY2026, and continue to reduce them after achieving this target.
Stockholder Returns and IR	<ul style="list-style-type: none"> Pay dividends with a target payout ratio of 40% and link dividends to profit growth. Continue to flexibly acquire own shares while maintaining an awareness of capital costs. Plan to acquire 30 billion yen of own shares in FY2024. Further strengthen information disclosure on management policies and engage in dialogue with investors and the market.

- Net investment for the Medium-Term Business Plan (FY2021-2023) exceeded the plan, mainly due to an increase in overseas real estate development projects, including the impact of foreign exchange (approx. 60 bil. yen)
- In the Medium-Term Business Plan (FY2024-2026), we plan to invest approx. 1.2 trillion yen over three years to promote growth strategies

	Medium-Term Business Plan (FY2021-2023)		Medium-Term Business Plan (FY2024-2026)
	Plan	Results	
R&D investment	R&D and Digital investment 55.0	52.0	60.0
Digital investment		41.0	50.0
Strategic investment framework	60.0	55.0	80.0
Other capex	45.0	61.0	60.0
Domestic real estate development	190.0	158.0	320.0
Recoup of investment	80.0	66.0	170.0
Net investment	110.0	92.0	150.0
Overseas real estate development	450.0	583.0	630.0
Recoup of investment	280.0	269.0	520.0
Net investment	170.0	314.0	110.0
Total	800.0	950.0	1,200.0
Net investment	440.0	615.0	510.0

Note: In the medium-term business plan (FY2021-2023) investment plan, digital-related R&D was included in “R&D and Digital Investment.” In the medium-term business plan (FY2021-2023) results and in the medium-term business plan (FY2024-2026), total digital-related expenses including R&D are listed as “Digital Investment.”

- The cumulative sales of 53.3 billion yen of strategic shareholdings over the three-year period exceeded the reduction target (sales of 30 billion yen or more) set in the previous medium-term plan.
- We intend to sell at least 50 billion yen of strategic shareholdings over the next three years, with the new target of reducing them to “less than 20% of consolidated net assets by the end of FY2026.”

Medium-Term Business Plan (FY2021-2023)

	FY2021	FY2022	FY2023	Three-year total	
				Target	Results
Amount of Sales	14.8 bil. yen	10.0 bil. yen	28.4 bil. yen	30.0 bil. yen or more	53.3 bil. yen
Number of Stocks Sold	17 stocks	17 stocks	27 stocks	—	54 stocks <small>*After adjusting for duplicate stocks for each fiscal year</small>

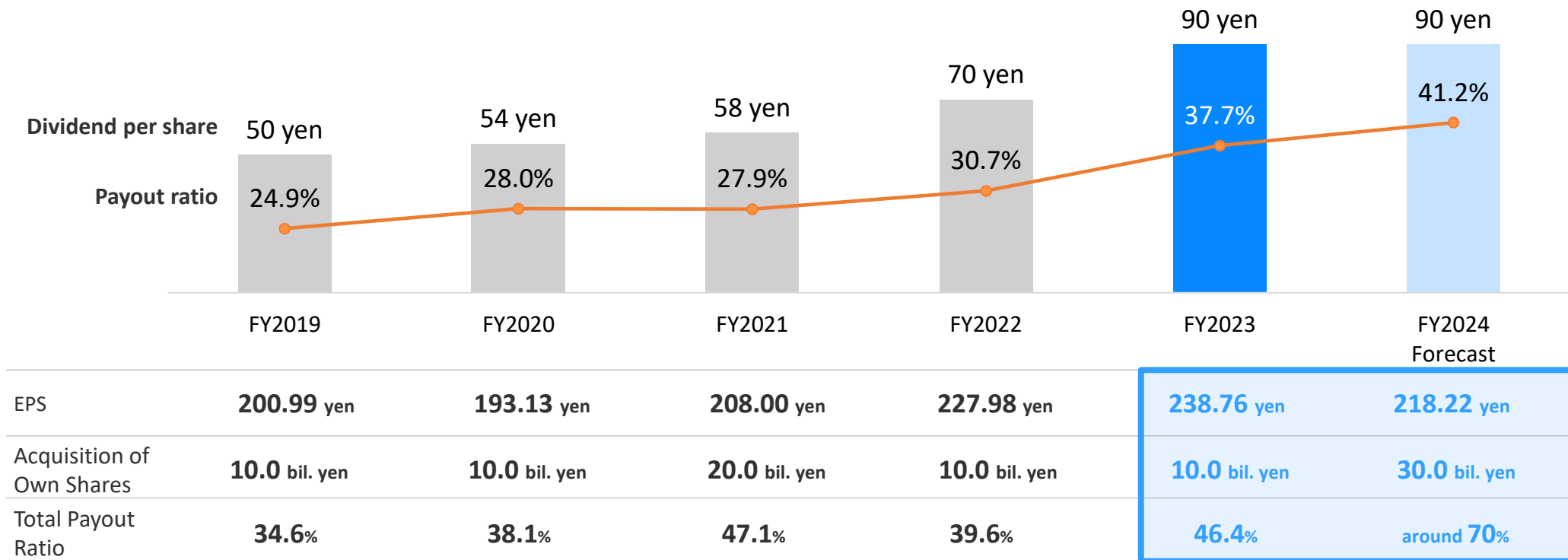
Medium-Term Business Plan (FY2024-2026)

Reduction Policy

Sell at least 50 billion yen of cross-shareholdings over three years to reduce the balance of strategic shareholdings to less than 20% of consolidated net assets by the end of FY2026, and continue to reduce the balance even after achieving the goal

	End of FY2023	End of FY2026
Balance Sheet Amount	316.1 bil. yen <small>(25.8% of consolidated net assets)</small>	Less than 20% of consolidated net assets
Number of Stocks (Listed Stocks)	291 stocks (113 stocks)	

- Our policy is to balance stockholder returns with growth investment.
- We have decided to raise the dividend payout ratio target to 40% and actually increased the dividend per share for FY2023 from 70 yen to 90 yen.
- We plan to acquire 30 billion yen of own shares in FY2024, and will continue to flexibly acquire own shares going forward.



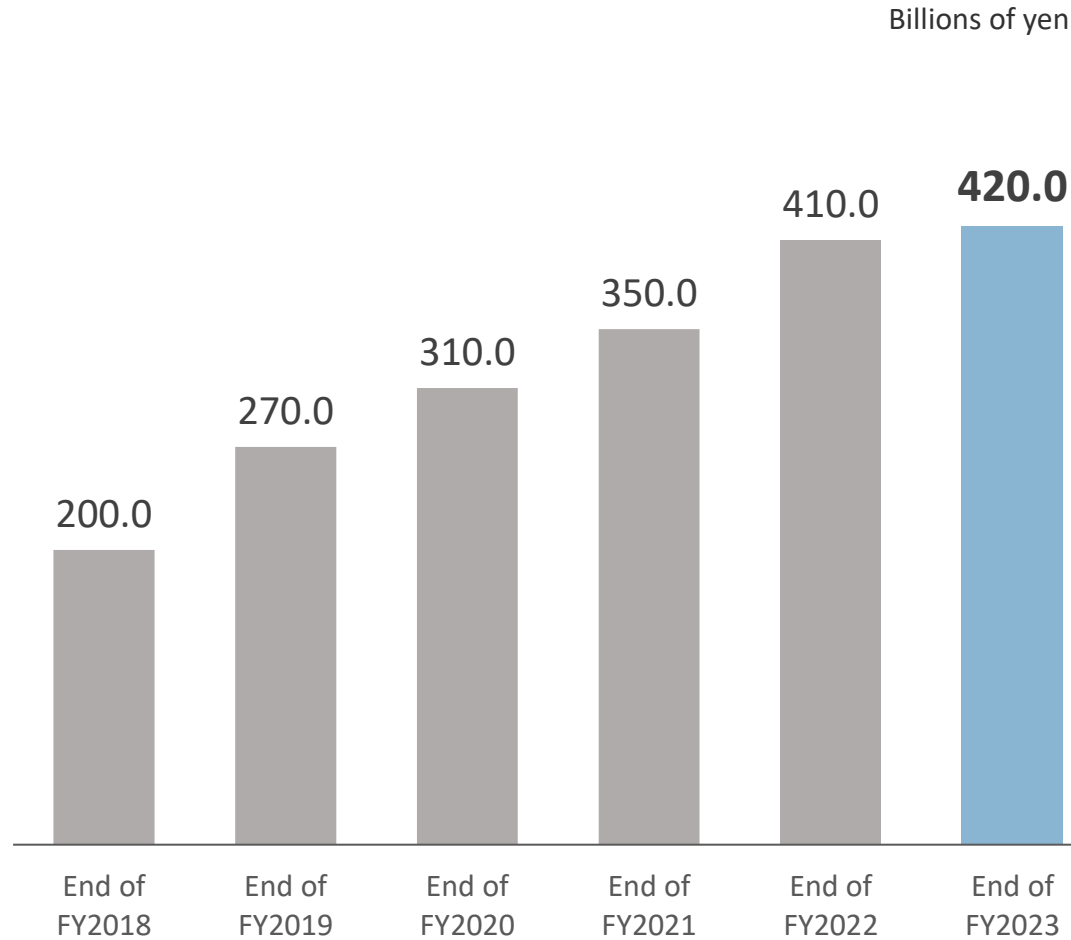
Policy on Stockholder Returns

The basic policy is to pay dividends with a target payout ratio of 40%, 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.

3. Supplementary Materials

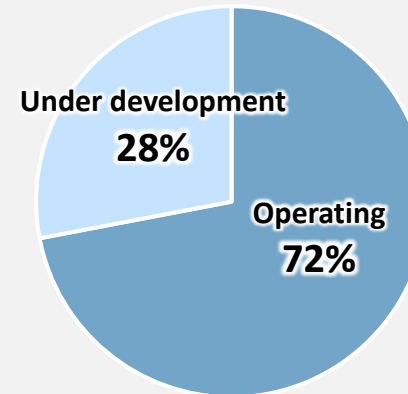
Domestic Real Estate Development Business Assets

Assets

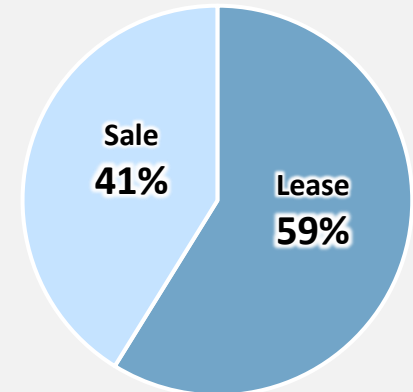


Breakdown of assets as of the end of FY2023

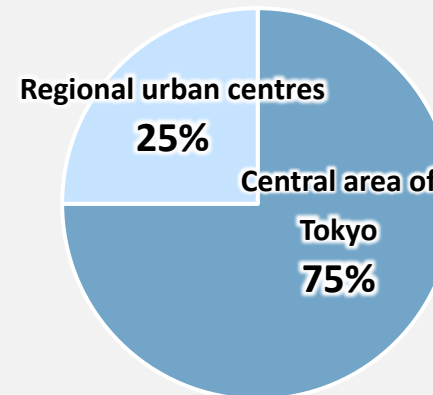
In-operation vs under development



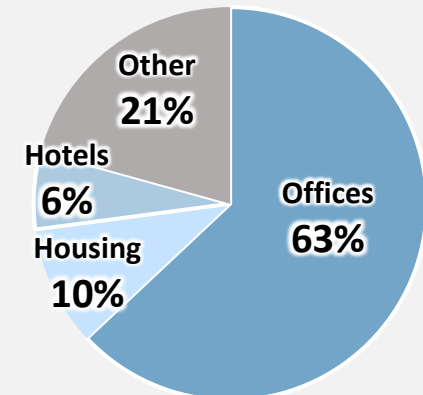
By sales and lease



By area

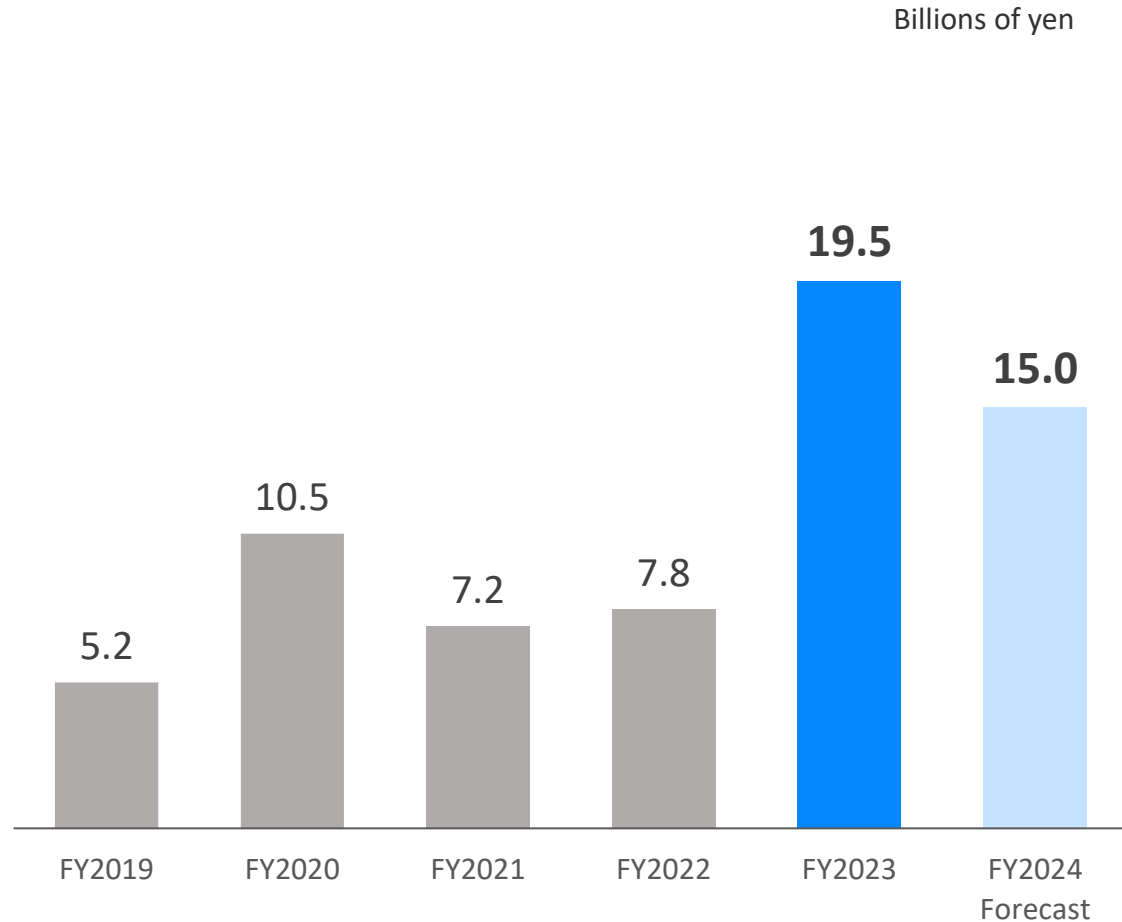


By use



Domestic Real Estate Development Business Net Income

Net Income

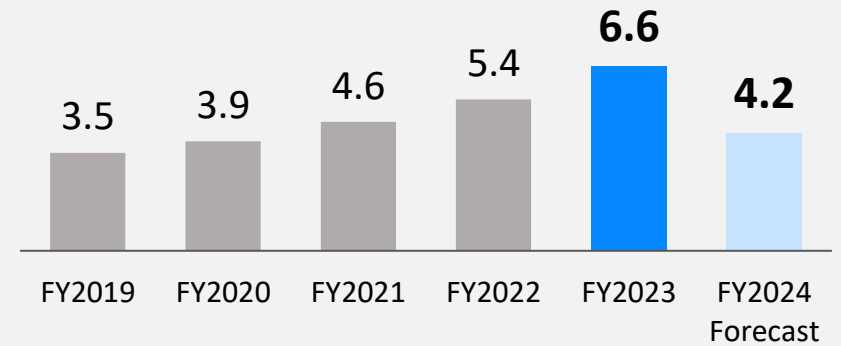


Figures are the (total) net income of Kajima Corporation's development business and its development-related domestic subsidiaries and affiliates.

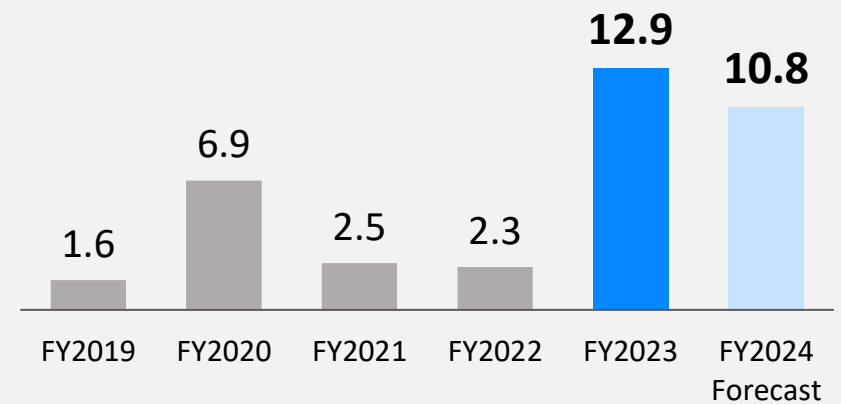
Breakdown by Business Segment

Billions of yen

Leasing Business

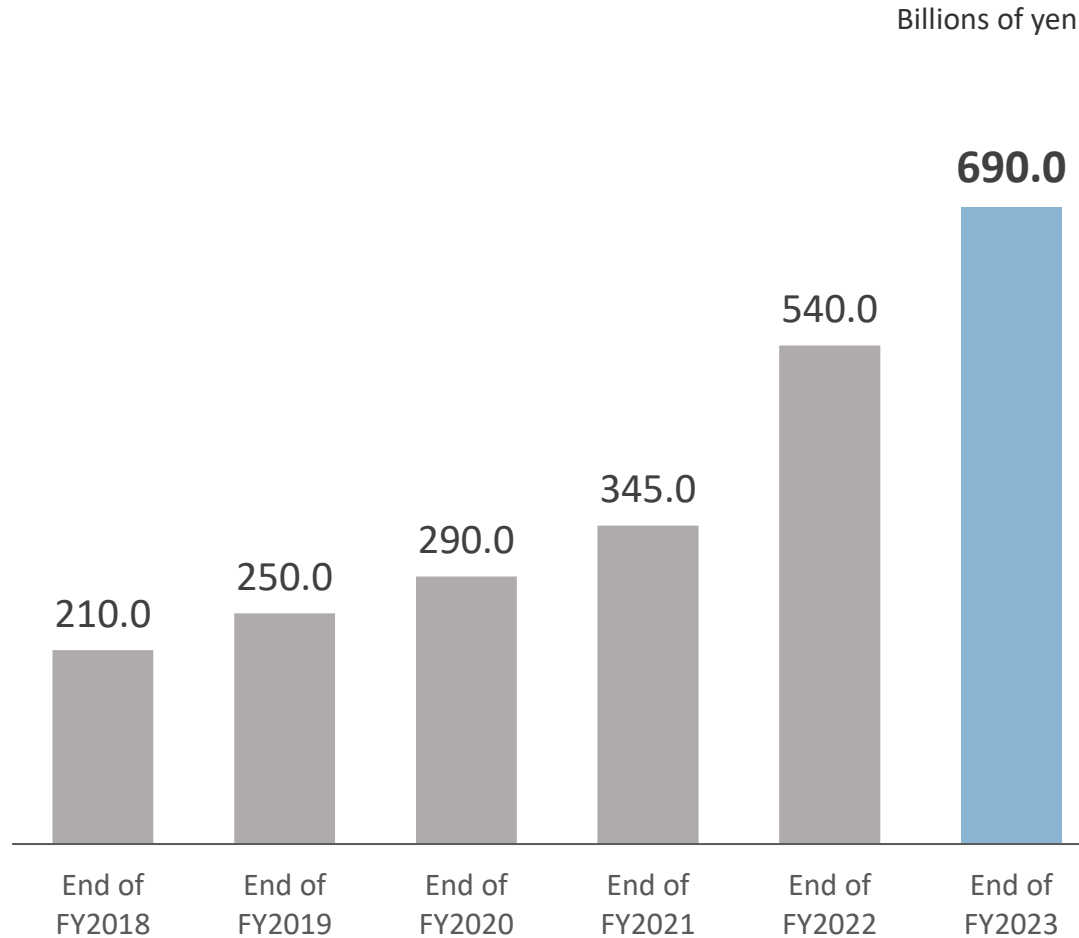


Sales Business



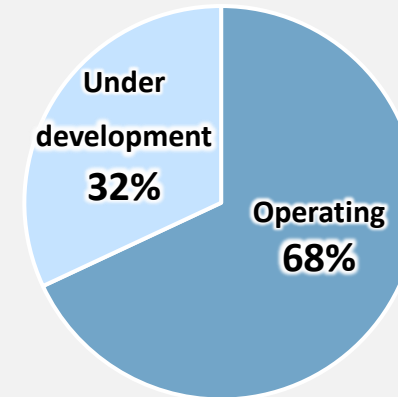
Overseas Real Estate Development Business Assets

Assets

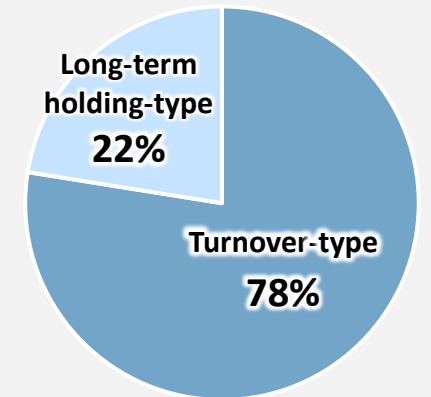


Breakdown of assets at the end of FY2023

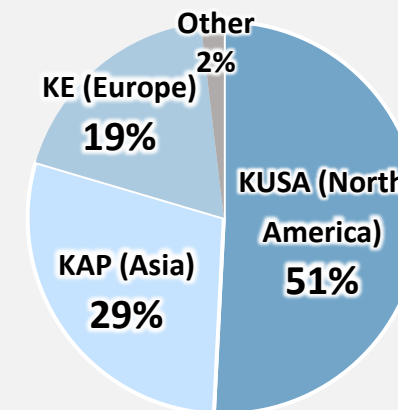
In-operation vs under development



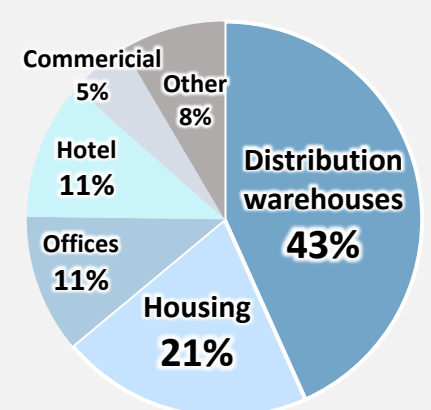
By holding period



By area

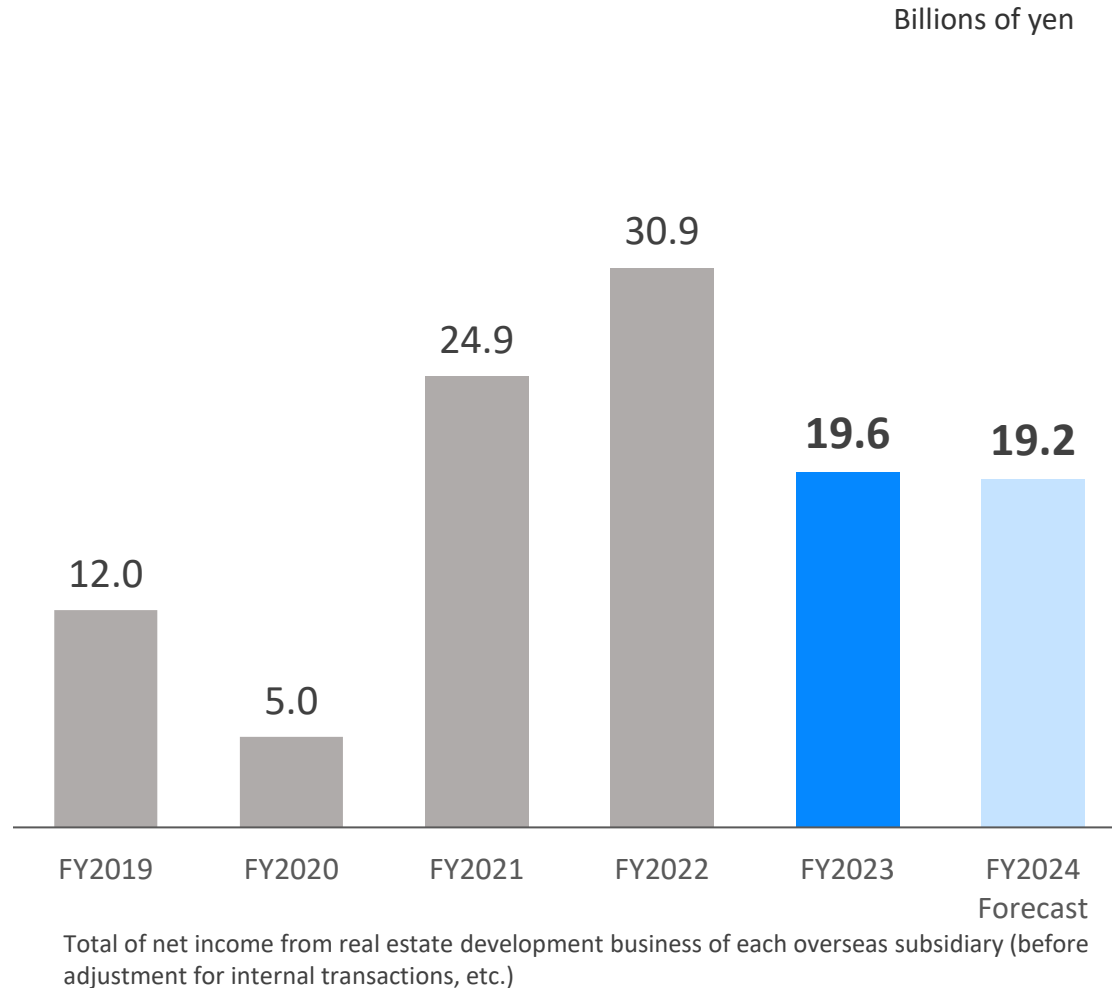


By use



Overseas Real Estate Development Business Net Income

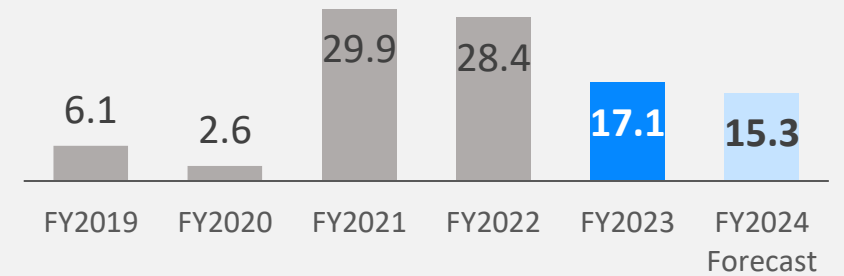
Net Income



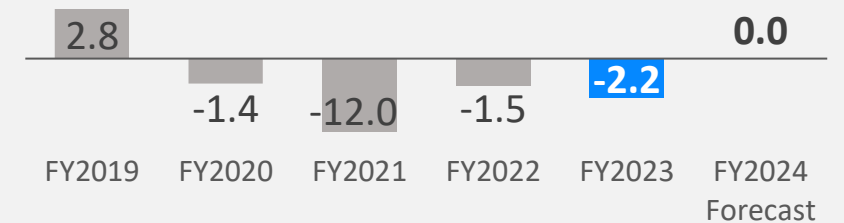
Breakdown by Major Overseas Subsidiaries

Billions of yen

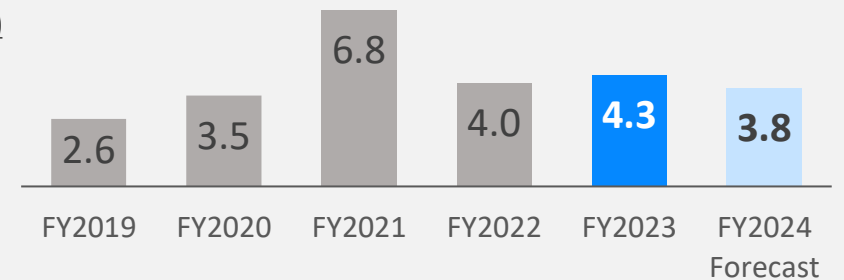
KUSA (North America)



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 14, 2024, and are subject to risks and uncertainties that may cause the actual results to vary.