

# FY2024 3rd Quarter Financial Results

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February 12, 2025



<b>1</b>	<b>Financial Overview</b>	<b>P3</b>
<b>2</b>	<b>Financial Highlights</b>	<b>P4</b>
<b>3</b>	<b>Segment Performance</b>	<b>P7</b>
<b>4</b>	<b>Stockholder Returns / Strategic Shareholdings</b>	<b>P14</b>

The full-year consolidated net income forecast was revised upward to **120.0 billion yen**; revenues and income are expected to **increase for the fourth consecutive year**.

The full-year dividend forecast was **raised** by 14 yen **to 104 yen**.

## FY2024 1Q–3Q Financial Results

- Although operating, ordinary, and net income declined YoY, the gross profit margins for the civil engineering and building construction businesses improved over the 1H in the domestic construction business, as it has addressed issues such as rising construction costs and overtime caps.
- Sales of distribution warehouses in the U.S. real estate development business progressed in the second half, turning overseas subsidiaries and affiliates profitable YoY.

## FY2024 Forecast

- With continued strong domestic construction demand and signs of recovery in overseas real estate markets, consolidated revenues and income are expected to further increase over the previous forecast, with growing certainty of the prospect for improved gross profit margins in the non-consolidated building construction business and increased gains on sales of properties in the overseas real estate development business.
- Consolidated revenues and net income forecasts were revised upward by 70.0 billion yen to **2,870.0 billion yen** and by 4.0 billion yen to **120.0 billion yen**, respectively.
- The dividend forecast was revised upward, with the full-year dividend per share raised by 14 yen to 104 yen, marking the **fifth consecutive year of dividend increase**. A **dividend payout ratio of 40.9%**, and a **total return ratio of 65.9%**, including the already conducted 30.0 billion yen share buyback, are expected.

# FY2024 1Q–3Q Financial Results

Despite a YoY decline, operating, ordinary, and net income made steady progress against the full-year forecast.

Billions of yen

	Consolidated		
	FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	YoY Change
Revenues	1,994.6	2,026.3	+31.7
Operating Income	102.1	94.6	-7.5
Ordinary Income	112.8	101.2	-11.6
Net Income Attributable to Owners of the Parent	76.6	74.5	-2.0
Construction Contract Awards	2,092.3	1,930.9	-161.3

Exchange rate per US\$=      ¥149.58      ¥142.73  
Rate as of :                              September 30, 2023      September 30, 2024

Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	YoY Change	FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	YoY Change	FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	YoY Change
1,172.3	1,082.0	-90.2	271.5	256.4	-15.0	636.3	771.2	+134.8
74.0	65.3	-8.6	19.4	11.5	-7.8	8.6	18.3	+9.6
93.1	77.8	-15.2	23.4	15.0	-8.3	10.6	18.1	+7.5
69.3	61.4	-7.8	18.1	11.1	-7.0	3.5	11.8	+8.3
1,257.5	1,247.6	-9.8	164.9	161.3	-3.5	731.5	585.9	-145.6

Exchange rate per US\$=      ¥149.58      ¥142.73  
Rate as of :                              September 30, 2023      September 30, 2024

- Consolidated revenues increased YoY on higher revenues from overseas subsidiaries and affiliates. Despite lower operating, ordinary, and net income YoY, profits have steadily increased and net income rose 39.3 billion yen over 2Q.
- Non-consolidated revenues and income declined YoY, mainly due to lower revenues in the building construction business and fewer property sales in the real estate development business.
- Revenues and income of domestic subsidiaries and affiliates declined from the same period of the previous fiscal year, a time when properties held by real estate development-related subsidiaries and affiliates were sold.
- Overseas subsidiaries and affiliates reported higher revenues and income YoY, mainly due to improved performance in Southeast Asia and the United States.
- Although contract awards declined YoY, they remained high due to multiple orders for large-scale construction projects in Japan and overseas.

# FY2024 Forecast

The forecast for consolidated net income was revised upward to 120.0 billion yen due to improved gross profit margin in the non-consolidated building construction business and higher gain on property sales in the overseas real estate development business.

Billions of yen

	Consolidated		
	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast
Revenues	2,665.1	2,870.0	+70.0
Operating Income	136.2	144.0	+4.0
Ordinary Income	150.1	147.0	+3.0
Net Income Attributable to Owners of the Parent	115.0	120.0	+4.0
Construction Contract Awards	2,927.2	2,490.0	+20.0

Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast
1,552.9	1,520.0	+0.0	368.9	360.0	+0.0	859.7	1,110.0	+70.0
95.0	103.0	+1.0	24.0	17.0	-1.0	17.3	25.5	+4.5
114.9	114.0	+1.0	29.2	21.0	-1.5	21.0	22.5	+4.5
90.1	97.0	+2.0	22.7	15.0	-1.0	16.4	18.0	+3.0
1,807.0	1,650.0	+0.0	207.7	200.0	+0.0	990.5	720.0	+20.0

Exchange rate per US\$ =      ¥141.83      ¥158.18  
Rate as of :      December 31, 2023      December 31, 2024

¥141.83      ¥158.18  
December 31, 2023      December 31, 2024

- Consolidated revenues and income are expected to exceed the previous forecast due to the upward revision of non-consolidated earnings and improved performance of overseas subsidiaries and affiliates.
- Non-consolidated income was revised upward, mainly thanks to gross profit margin improvement in the building construction business.
- Revenues and income of overseas subsidiaries and affiliates are expected to exceed the previous forecast due to higher gain on property sales in the U.S. distribution warehouse development business, as well as foreign currency translation effects.
- Domestic subsidiaries and affiliates are expected to report a slight decline in profits due to performance trends in each company.
- The Company revised its full-year construction contract awards forecast upward due to increased orders at overseas subsidiaries and affiliates.

# FY2024 Forecast (comparison with FY2023 result)

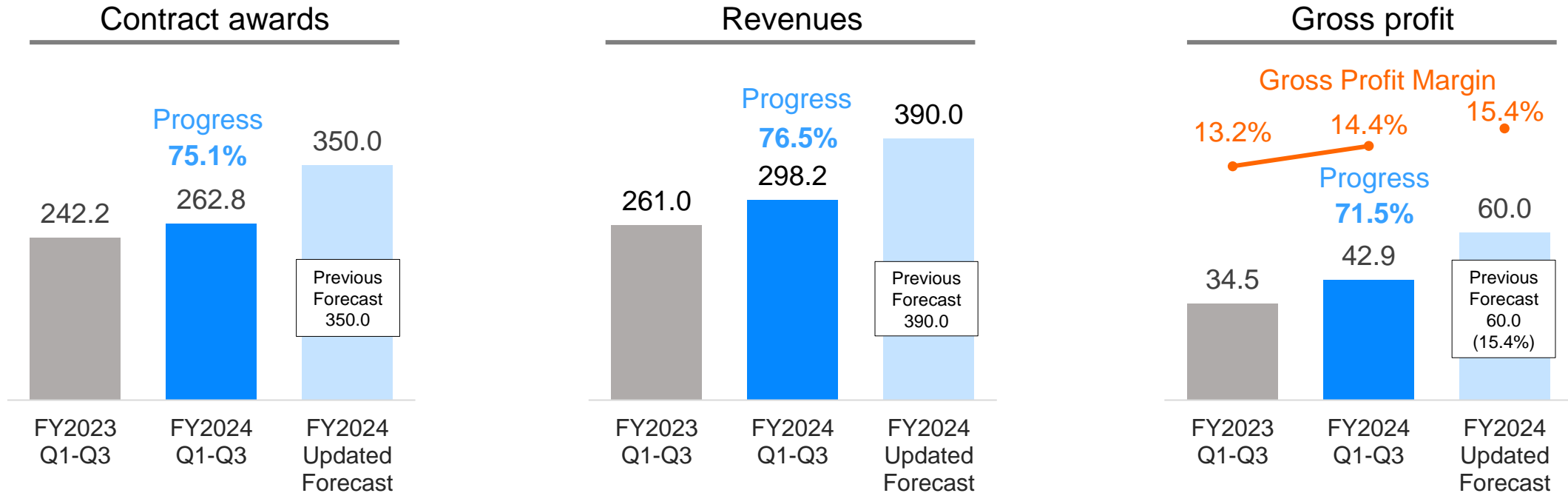
Billions of yen

Consolidated	FY2023 Result		FY2024 Updated Forecast		Change	%
Revenues	2,665.1		2,870.0		204.8	7.7%
Construction	2,322.2		2,480.0		157.7	6.8%
Real estate and other	342.8		390.0		47.1	13.7%
Gross profit	291.5	10.9%	315.0	11.0%	23.4	8.1%
Construction	206.5	8.9%	225.0	9.1%	18.4	8.9%
Real estate and other	84.9	24.8%	90.0	23.1%	5.0	5.9%
Operating Income	136.2	5.1%	144.0	5.0%	7.7	5.7%
Ordinary Income	150.1	5.6%	147.0	5.1%	-3.1	-2.1%
Net Income Attributable to Owners of the Parent	115.0	4.3%	120.0	4.2%	4.9	4.3%

Construction Contract Awards	2,927.2	2,490.0	-437.2	-14.9%
Japan	1,935.7	1,740.0	-195.7	-10.1%
Overseas	991.4	750.0	-241.4	-24.4%

Nonconsolidated	FY2023 Result		FY2024 Updated Forecast		Change	%
Revenues	1,552.9		1,520.0		-32.9	-2.1%
Construction	1,467.5		1,420.0		-47.5	-3.2%
Civil Engineering	363.3		390.0		26.6	7.3%
Building Construction	1,104.2		1,030.0		-74.2	-6.7%
Real Estate and other	85.3		100.0		14.6	17.1%
Gross profit	172.7	11.1%	184.0	12.1%	11.2	6.5%
Construction	151.1	10.3%	155.0	10.9%	3.8	2.5%
Civil Engineering	49.7	13.7%	60.0	15.4%	10.2	20.6%
Building Construction	101.4	9.2%	95.0	9.2%	-6.4	-6.3%
Real Estate and other	21.6	25.3%	29.0	29.0%	7.3	34.0%
Operating Income	95.0	6.1%	103.0	6.8%	7.9	8.4%
Ordinary Income	114.9	7.4%	114.0	7.5%	-0.9	-0.8%
Net Income Attributable to Owners of the Parent	90.1	5.8%	97.0	6.4%	6.8	7.6%
Construction Contract Awards	1,807.0		1,650.0		-157.0	-8.7%
Civil Engineering	448.4		350.0		-98.4	-22.0%
Building Construction	1,358.5		1,300.0		-58.5	-4.3%

Billions of yen



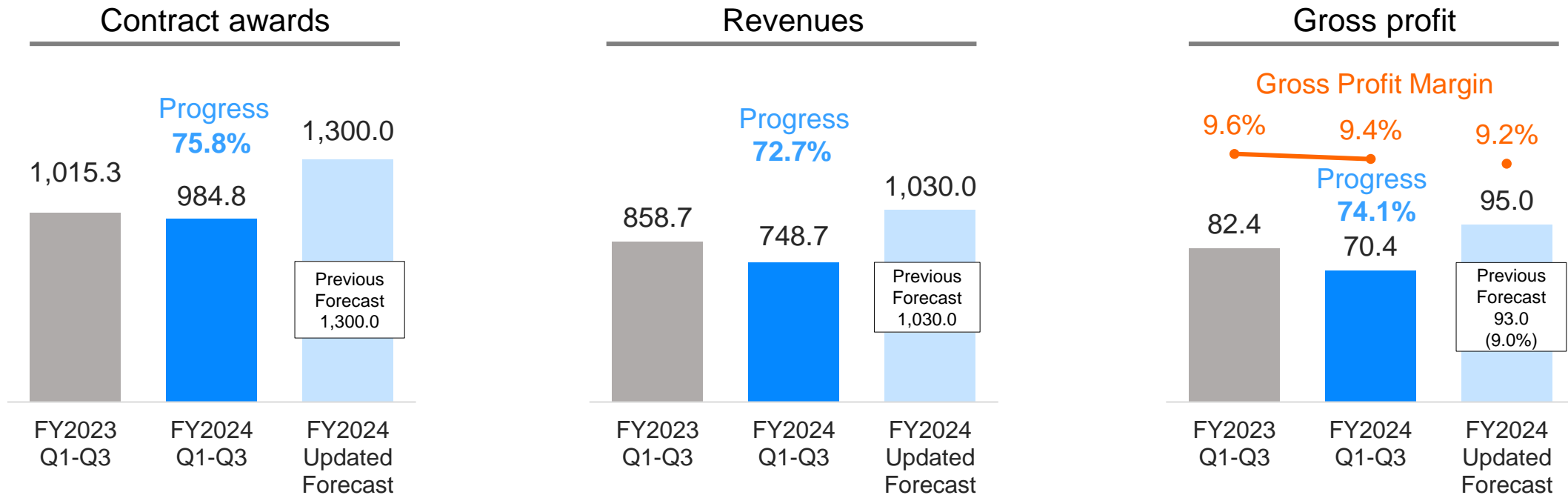
## FY2024 1Q–3Q Results

- Contract awards and revenues increased YoY due to continued securement of additional contracts and design changes as well as ongoing progress made on large-scale construction projects.
- Gross profit was higher YoY due to higher revenues and an improved gross profit margin, especially on large-scale construction projects.

## FY2024 Updated Forecast

- Award contracts and revenues progressed favorably through 3Q and the previous forecast remained unchanged.
- Gross profit is expected to achieve the full-year forecast thanks to further profit margin improvement in 4Q.

Billions of yen



## FY2024 1Q–3Q Results

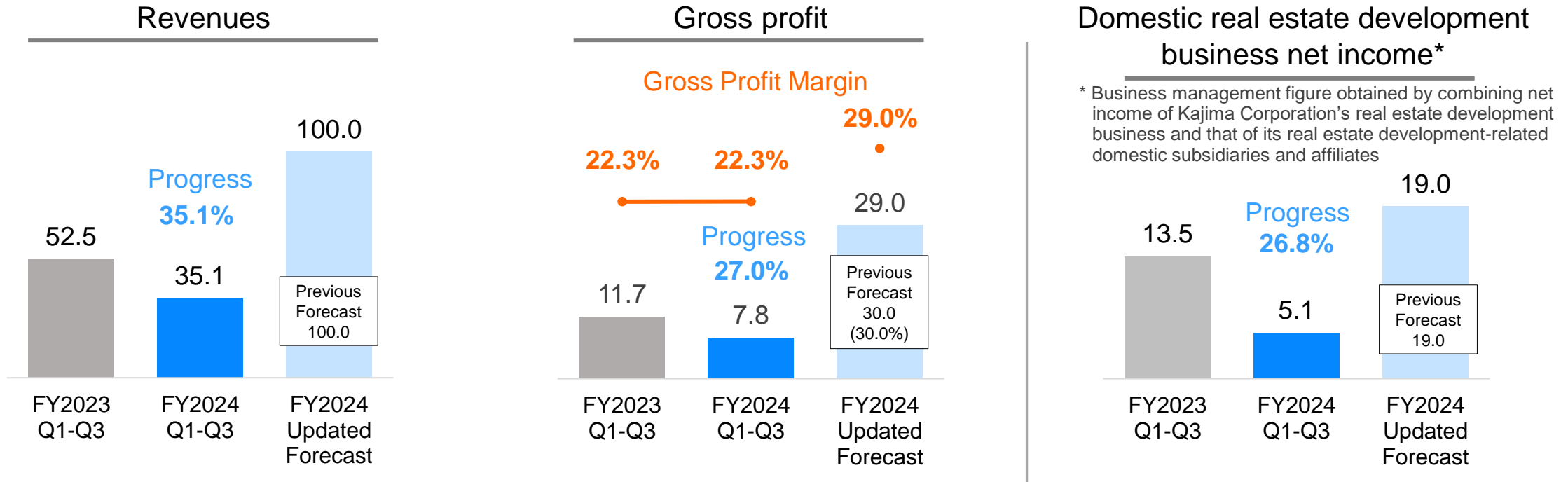
- Contract awards are progressing favorably against the full-year forecast, with multiple orders for large-scale redevelopment projects and production facilities.
- Despite lower revenues YoY mainly due to the large number of construction projects in the early stages, construction is moving steadily forward, especially for large-scale semiconductor projects.
- Gross profit declined YoY mainly due to lower revenues, but the gross profit margin reached the same level YoY.

## FY2024 Updated Forecast

- Contract awards and revenues are progressing according to plan and remain unchanged from the previous forecast.
- The gross profit margin is expected to improve from 9.0% to 9.2% based on profit trends through 3Q. Gross profit is expected to increase by 2.0 billion yen compared to the previous forecast.



Billions of yen



## FY2024 1Q–3Q Results

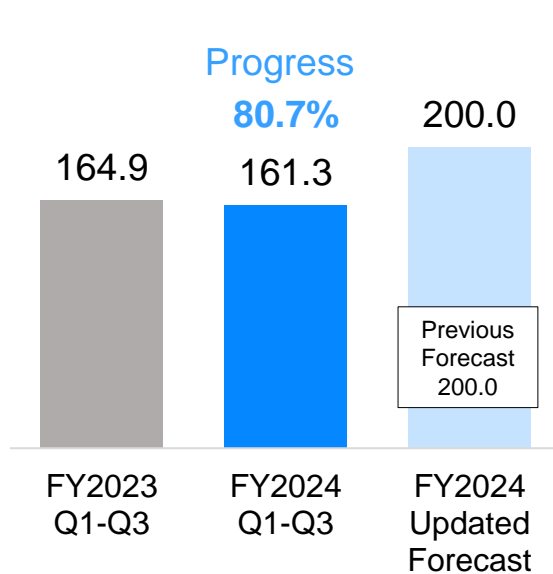
- Revenues and gross profit margin decreased YoY, mainly due to a decrease in the real estate sales business. Despite slow progress against the full-year forecast, the Company expects to deliver large-scale condominiums and sell office projects in 4Q.

## FY2024 Updated Forecast

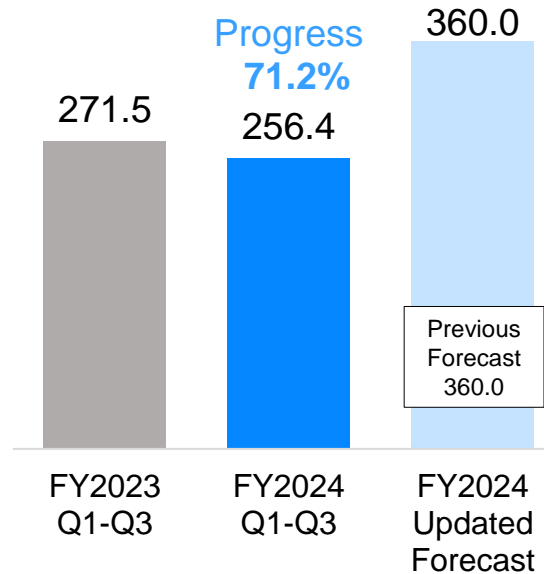
- Net income from the domestic real estate development business is expected to be 19.0 billion yen, equaling the previous forecast, due to gains on sales of large condominiums and office projects in 4Q. (The slight decrease in gross profit from the previous forecast is due to a decrease in contract design work included in the real estate development other businesses.)

Billions of yen

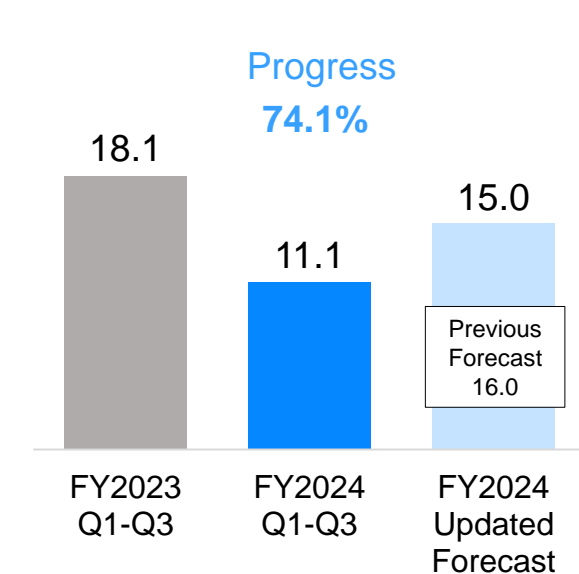
## Construction contract awards



## Revenues



## Net income



### FY2024 1Q–3Q Results

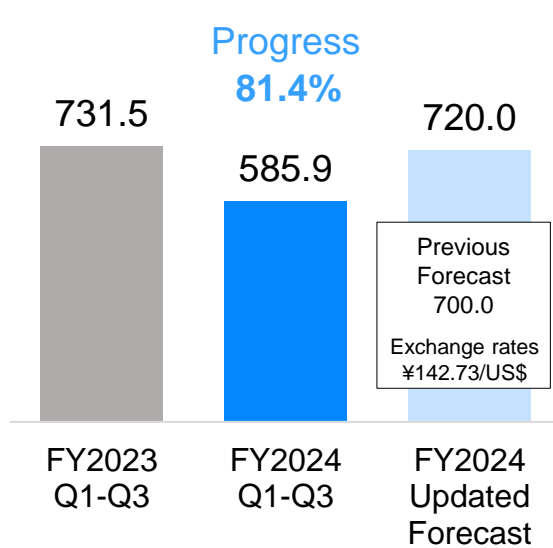
- Construction contract awards were largely in line with those of the same period of the previous fiscal year.
- Revenues and net income were lower than in the same period of the previous fiscal year when properties held by real estate development-related subsidiaries and affiliates were sold.

### FY2024 Updated Forecast

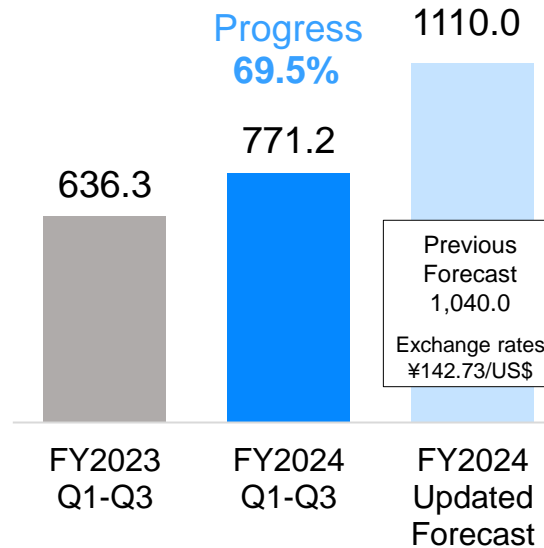
- Construction contract awards and revenues remained unchanged from the previous forecast.
- As a result of the latest performance trends in each company, net income is expected to decline by 1.0 billion yen from the previous forecast.

Billions of yen

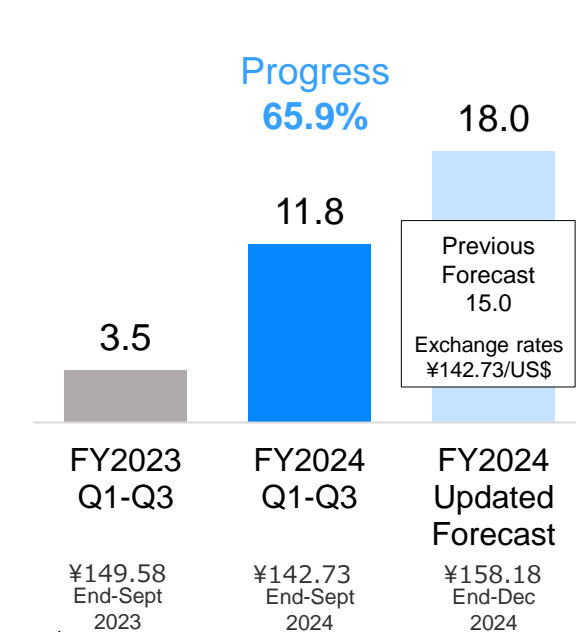
## Construction contract awards



## Revenues



## Net income



Exch. rate per US\$1:    ¥149.58            ¥142.73            ¥158.18

### FY2024 1Q–3Q Results

- Contract awards fell short of the high recorded in the same period of the previous fiscal year.
- Revenues increased YoY with the acquisition of a construction company in the U.S. and the sale of 14 distribution warehouses (with 9 of them sold in 3Q).
- Net income was 11.8 billion yen, a significant YoY increase, due to a recovery in the construction business in Southeast Asia and an increased gain on sales in the real estate development business in the U.S.

### FY2024 Updated Forecast

- Forecasts for contract awards, revenues, and net income were revised upward due to a higher gain on sales in the distribution warehouse development business in the U.S. and foreign currency translation effects due to fluctuating exchange rates from the previous forecast.

Note: Foreign currency translation effects caused by fluctuating exchange rates  
 construction award contracts: +40.0 billion yen (approx.);  
 revenues: +70.0 billion yen (approx.); net income: +1.5 billion yen (approx.)  
 (Previous forecast: ¥142.73 : US\$1 → Latest forecast: ¥158.18 : US\$1)

## Results Highlights — Breakdown by construction and real estate development segments

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

	Construction and Other				
	FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	FY2023 Result	FY2024 Updated Forecast	Change from Previous Forecast
Revenues	553.8	655.4	748.7	950.6	45.2
Gross Profit	21.0	26.7	33.1	42.7	1.7
	3.8%	4.1%	4.4%	4.5%	+0.0pp
Operating Income	(2.2)	1.5	1.4	5.3	1.4
Nonoperating Income	2.1	2.9	3.0	3.5	0.9
<i>Equity in Earnings of Partnership</i>	0.0	0.0	0.0	0.0	0.0
Ordinary Income	(0.1)	4.5	4.4	8.8	2.3
Extraordinary Income	0.0	0.1	0.1	0.1	0.0
Net Income Attributable to Noncontrolling Interests	(1.4)	3.2	1.8	7.4	1.8
Exchange rate per US\$=	¥149.58	¥142.73	¥141.83	¥158.18	
Rate as of :	September 30, 2023	September 30, 2024	December 31, 2023	December 31, 2024	

Billions of yen

	Real Estate				
	FY2023 Q1-Q3 Result	FY2024 Q1-Q3 Result	FY2023 Result	FY2024 Updated Forecast	Change from Previous Forecast
	90.9	121.4	121.9	171.0	18.2
	27.3	32.7	37.1	45.1	5.2
	30.1%	26.9%	30.4%	26.4%	+0.3pp
	13.6	17.7	18.6	22.5	3.0
	1.9	(2.1)	3.9	(1.1)	0.3
	4.5	4.1	5.5	6.6	2.2
	15.6	15.6	22.6	21.4	3.4
	(0.0)	1.3	5.3	5.0	0.1
	9.3	10.2	19.6	15.9	1.6
	¥149.58	¥142.73	¥141.83	¥158.18	
	September 30, 2023	September 30, 2024	December 31, 2023	December 31, 2024	

- In the construction and other businesses, revenues and income increased YoY in 3Q due to contribution from a construction company acquired in the U.S. in 1Q and a recovery in gross profit in Southeast Asia. The Company seeks to further raise its profit margins in 4Q and achieve the full-year forecast.
- The 3Q performance in the real estate development business improved significantly compared to 2Q, mainly due to the sale of nine properties in the distribution warehouse development business in the U.S. from 3Q onwards. To achieve the full-year forecast, the Company expects to also sell several properties in 4Q.

## Real Estate Development Business Overview by Region

Region	Characteristics of business	Core business (operating company, property name, etc.)	Type of business*	Items recorded as profit*	Current status
United States	Mainly short-term turnover sales business	Distribution warehouse (Core5)	Sales business On-balance sheet	Gross profit Operating income	<ul style="list-style-type: none"> <li>14 properties were sold by the end of 3Q FY2024. The equity IRR average was over 20%.</li> <li>42 projects under development/operation. Leasing was temporarily stagnant but recovery is expected.</li> </ul>
		Apartment development (Flournoy, BCDC)	Sales business Off-balance sheet	Non-operating income (Equity in earnings of ownership)	<ul style="list-style-type: none"> <li>3 properties sold by the end of 3Q FY2024</li> <li>45 projects under development/operation. The sale of certain projects has been rescheduled to next fiscal year or later. Leasing is steady.</li> </ul>
Europe	Mainly short-term turnover sales business	Distribution warehouse (KPE)	Sales business Off-balance sheet	Extraordinary income (Gain on sales of investment securities)	<ul style="list-style-type: none"> <li>1 project sold by the end of 3Q FY2024</li> <li>Operates in 7 European countries. 16 projects under development/operation. With the decline in interest rates, revitalization of the market activity is expected.</li> </ul>
		Poland: Renewable energy generation facility (PAD-RES)	Sales business Off-balance sheet	Non-operating income (Equity in earnings of unconsolidated subsidiaries and affiliates)	<ul style="list-style-type: none"> <li>18 projects under development/planning, mainly solar power generation facilities</li> <li>Expect the number of sales to increase in the next fiscal year onwards</li> </ul>
Asia	Mainly long-term holdings in the leasing business Strengthening sales business	Indonesia: Complex facility management and operation (Senayan Square, Jakarta)	Leasing business On-balance sheet	Gross profit Operating income	<ul style="list-style-type: none"> <li>The operational status of hotel is on track to recovery since the pandemic</li> <li>Further improvement is expected in the next fiscal year onwards</li> </ul>
		Vietnam: Hotels, warehouses, etc. (Indochina Kajima Development)	Sales business On-balance sheet	Gross profit Operating income	<ul style="list-style-type: none"> <li>15 projects under development/operation/planning. Strengthening the development of industrial real estate such as warehouses and rental factories.</li> <li>Planning to sell multiple holdings in FY2024. The number of properties sold is expected to increase from the next fiscal year onwards.</li> </ul>

\*Type of business varies depending on the project, and profits may be recorded under different accounts.

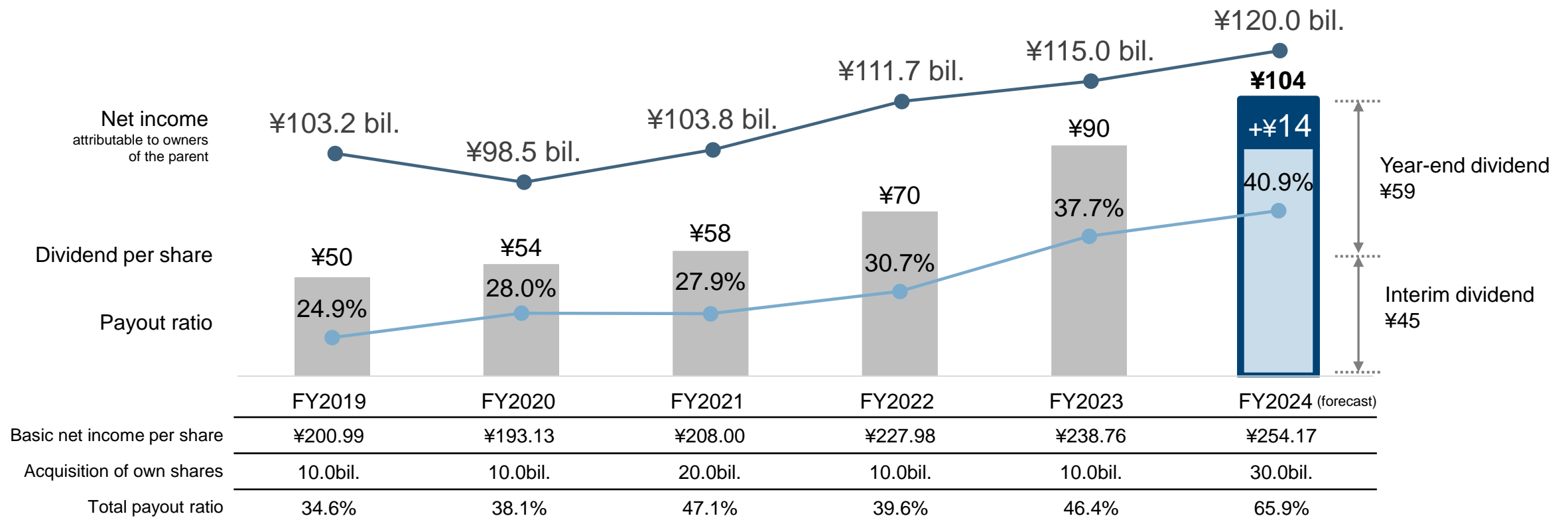
# Stockholder Returns

Revised dividend forecast after upward earning forecast revision and expect a dividend increase for the fifth consecutive year

- Based on the shareholder return policy, the year-end dividend forecast was **raised by 14 yen** from the previous forecast to 59 yen, bringing the full-year dividend per share to **104 yen**.
- A consolidated dividend payout ratio of **40.9%**, and a total return ratio of **65.9%**, including the already conducted 30.0 billion yen share buyback, are expected.

## Policy on Stockholder Returns

The basic policy is to strive for **a dividend 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.



# Reduction of Strategic Shareholdings

Continue to promote the sell-off of strategic shareholdings to **achieve the reduction target as soon as possible.**

## Medium-Term Business Plan (FY2024–2026) Reduction Policy

Reduce the balance of strategic shareholdings to **less than 20% of consolidated net assets by the end of FY2026** by **selling at least 50 billion yen over the next three years**, and continue to reduce the balance even after reaching the goal.

Sales Result	FY2024 Q1-Q3 Result
Amount of sales	<b>11.2</b> bil. yen
Number of stocks sold (including partial sales)	<b>29</b> stocks

Holding Status	FY2023 End
Balance sheet value (ratio to consolidated net assets)	<b>316.1</b> bil. yen (25.8%)
Number of stocks (listed stocks)	<b>291</b> stocks (113 stocks)



FY2024 Q3 END
<b>265.0</b> bil. yen (22.1%)
<b>281</b> stocks (102 stocks)

Ref: Sales during the previous medium-term business plan period (2021–2023)

	FY2021 Result	FY2022 Result	FY2023 Result
Amount of Sales	<b>14.8</b> bil. yen	<b>10.0</b> bil. yen	<b>28.4</b> bil. yen
Number of Stocks Sold	<b>17</b> stocks	<b>17</b> stocks	<b>27</b> stocks



## Inquiries

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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 on February 12, 2025, and are subject to risks and uncertainties that may cause the actual results to vary.