

KAJIMA CORPORATION FY2025 1st Quarter Financial Results

August 6, 2025



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Both consolidated and non-consolidated **revenues and income grew YoY** in 1Q, driven by an improved gross profit margin in the domestic construction business; Steady progress was made toward achieving record consolidated net income of 130 billion yen for the full year

FY2025 1Q Results

* Consolidated revenues and gross profit margin reached record highs in Q1.

- In Japan, **both civil engineering and building construction reported improved gross profit margins**, contributing significantly to **YoY revenue and income growth** on a consolidated and non-consolidated basis.
- In non-consolidated construction, profitability on new contracts remained **stable in civil engineering**, and continued on an **upward trend in building construction**.
- Overseas, while property sales in the real estate development business decreased YoY, **profitability in the construction business improved steadily**.
- Construction demand in Japan remained robust. Overseas, large-scale projects were also secured in the United States and Europe.

FY2025 Forecast

- In the domestic construction business, we will focus on **improving gross profit margin** while addressing rising construction costs adequately.
- Property sales in the domestic and overseas real estate development business are expected to **rise in the second half**.
- We are **aiming for further profit growth**, although full-year forecasts remain unchanged at this moment.
- We anticipate no major impact from U.S. trade policies on the overseas business or domestic construction demand.

Profit increased in all segments of the consolidated business, resulting in higher revenues and income on both a consolidated and a non-consolidated basis

Billions of yen

FY2025 1Q Results Highlights	Consolidated			Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
	FY2024 Q1 Result	FY2025 Q1 Result	YoY Change	FY2024 Q1 Result	FY2025 Q1 Result	YoY Change	FY2024 Q1 Result	FY2025 Q1 Result	YoY Change	FY2024 Q1 Result	FY2025 Q1 Result	YoY Change
Revenues	613.2	649.6	+36.3	330.7	369.5	+38.7	76.3	81.1	+4.7	231.0	228.8	-2.2
Operating Income	25.2	37.5	+12.2	18.8	26.7	+7.8	2.5	5.4	+2.8	4.1	5.8	+1.6
Ordinary Income	25.9	38.8	+12.9	26.0	35.2	+9.2	3.5	6.4	+2.9	1.7	3.6	+1.8
Net Income Attributable to Ow ners of the Parent	17.4	26.5	+9.0	19.5	26.3	+6.7	2.6	4.5	+1.8	0.6	2.0	+1.4
Construction Contract Awards	554.8	520.6	-34.1	340.9	331.0	-9.8	55.1	48.9	-6.2	179.3	164.4	-14.9
Exchange rate per US\$= Rate as of :	¥151.41 March 31, 2024	¥149.52 March 31, 2025		GP Margin	FY2024 Q1 Result	FY2025 Q1 Result				¥151.41 March 31, 2024	¥149.52 March 31, 2025	
				Civil Engineering	12.9%	17.0%						
				Building Construction	9.7%	10.5%						
				Construction total	10.7%	12.2%						

Aiming for further profit growth, although full-year forecasts remain unchanged

Billions of yen													
FY2025 Forecasts Highlights	Consolidated			Non-Consolidated			Domestic Subsidiariesand Affiliates			Overseas Subsidiaries and Affiliates			
	FY2025 Q1 Result	FY2025 Forecast	Progress	FY2025 Q1 Result	FY2025 Forecast	Progress	FY2025 Q1 Result	FY2025 Forecast	Progress	FY2025 Q1 Result	FY2025 Forecast	Progress	
	Revenues	649.6	2,950.0	22.0%	369.5	1,570.0	23.5%	81.1	390.0	20.8%	228.8	1,100.0	20.8%
	Operating Income	37.5	159.0	23.6%	26.7	111.0	24.1%	5.4	24.3	22.4%	5.8	25.0	23.3%
	Ordinary Income	38.8	166.0	23.4%	35.2	120.0	29.4%	6.4	28.0	23.1%	3.6	29.0	12.4%
	Net Income Attributable to Ow ners of the Parent	26.5	130.0	20.4%	26.3	98.0	26.9%	4.5	20.0	22.8%	2.0	22.0	9.4%
	Construction Contract Awards	520.6	2,330.0	22.3%	331.0	1,430.0	23.1%	48.9	200.0	24.5%	164.4	800.0	20.6%
	Exchange rate per US\$= ¥149.52									¥149.52			
	Rate as of : March 31, 2025									March 31, 2025			

- In the construction business, we aim to surpass projected income levels while appropriately managing construction cost inflation risks in both the Japanese and international markets.
- In the real estate development business, we plan to sell properties including office buildings in the Tokyo metropolitan area, distribution warehouses in the U.S. and renewable energy facilities in Europe. We expect revenues and income to increase in the second half.

FY2025 Forecast (comparison with FY2024 result)

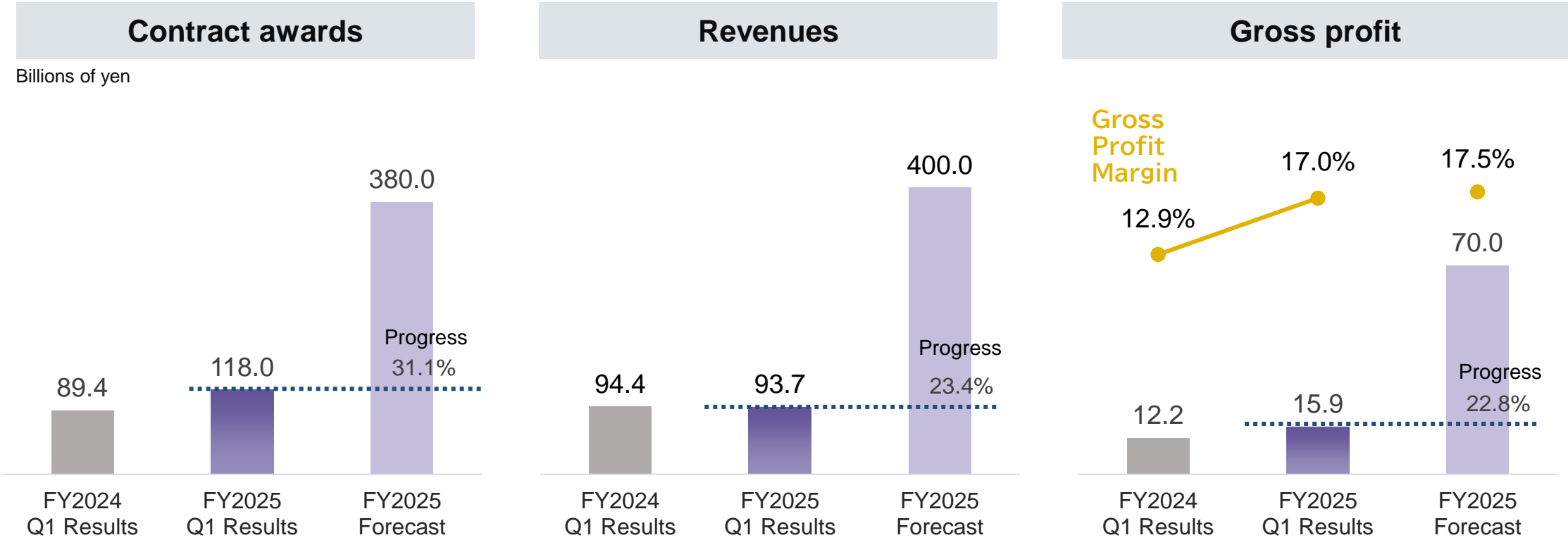
FY2025 1Q Results

2 Financial Highlights

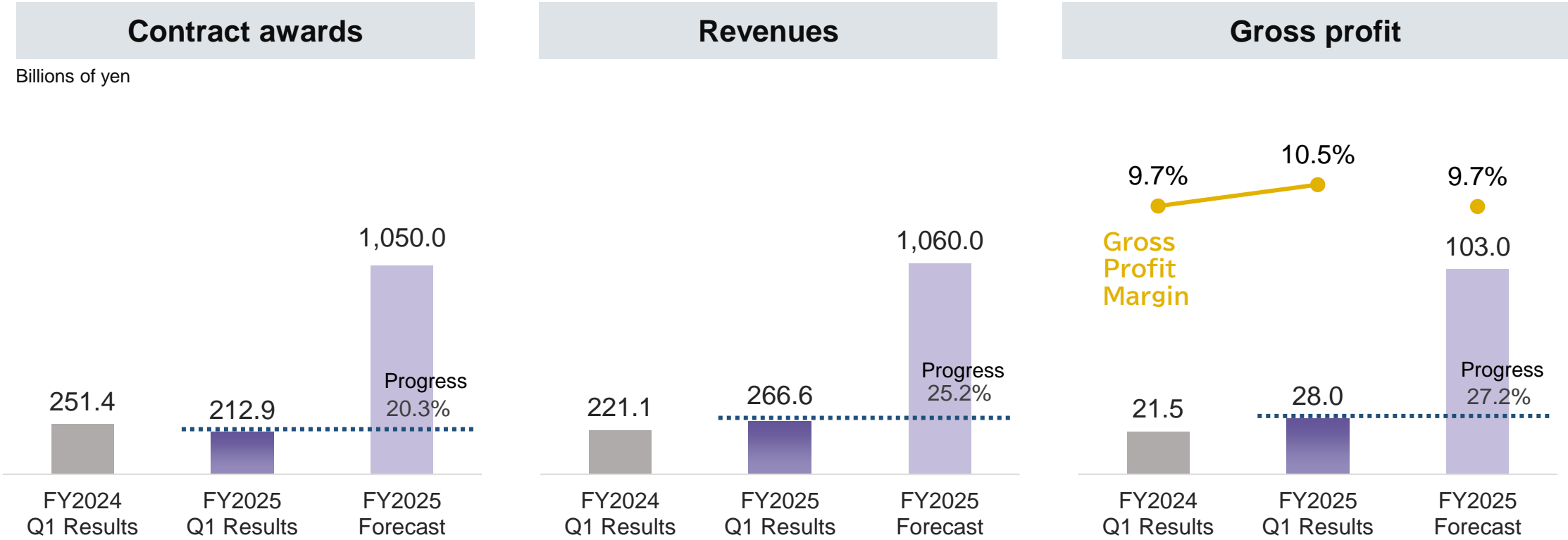
	Consolidated					
	FY2024 Result		FY2025 Forecast		Change	%
Revenues	2,911.8		2,950.0		38.1	1.3%
Construction	2,511.0		2,480.0		-31.0	-1.2%
Real estate and other	400.8		470.0		69.1	17.3%
Gross profit	323.1	11.1%	331.0	11.2%	7.8	2.4%
Construction	229.2	9.1%	245.0	9.9%	15.7	6.9%
Real estate and other	93.9	23.4%	86.0	18.3%	-7.9	-8.4%
Operating Income	151.8	5.2%	159.0	5.4%	7.1	4.7%
Ordinary Income	160.6	5.5%	166.0	5.6%	5.3	3.3%
Net Income Attributable to Owners of the Parent	125.8	4.3%	130.0	4.4%	4.1	3.3%
Domestic Subsidiaries and Affiliates	16.2	4.6%	20.0	5.1%	3.7	22.7%
Overseas Subsidiaries and Affiliates	15.7	1.4%	22.0	2.0%	6.2	40.0%
Exchange rates : US\$=	¥158.18		¥145.00			
Construction Contract Awards	2,624.5		2,330.0		-294.5	-11.2%
Japan	1,860.8		1,520.0		-340.8	-18.3%
Overseas	763.7		810.0		46.2	6.1%

	Nonconsolidated					
	FY2024 Result		FY2025 Forecast		Change	%
Revenues	1,560.0		1,570.0		9.9	0.6%
Construction	1,457.6		1,460.0		2.3	0.2%
Civil Engineering	404.1		400.0		-4.1	-1.0%
Building Construction	1,053.4		1,060.0		6.5	0.6%
Real Estate and other	102.3		110.0		7.6	7.4%
Gross profit	194.9	12.5%	196.0	12.5%	1.0	0.5%
Construction	163.3	11.2%	173.0	11.8%	9.6	5.9%
Civil Engineering	62.0	15.4%	70.0	17.5%	7.9	12.8%
Building Construction	101.3	9.6%	103.0	9.7%	1.6	1.7%
Real Estate and other	31.5	30.8%	23.0	20.9%	-8.5	-27.1%
Operating Income	114.7	7.4%	111.0	7.1%	-3.7	-3.3%
Ordinary Income	126.9	8.1%	120.0	7.6%	-6.9	-5.5%
Net Income Attributable to Owners of the Parent	104.7	6.7%	98.0	6.2%	-6.7	-6.4%
Construction Contract Awards	1,773.5		1,430.0		-343.5	-19.4%
Civil Engineering	438.8		380.0		-58.8	-13.4%
Building Construction	1,334.6		1,050.0		-284.6	-21.3%

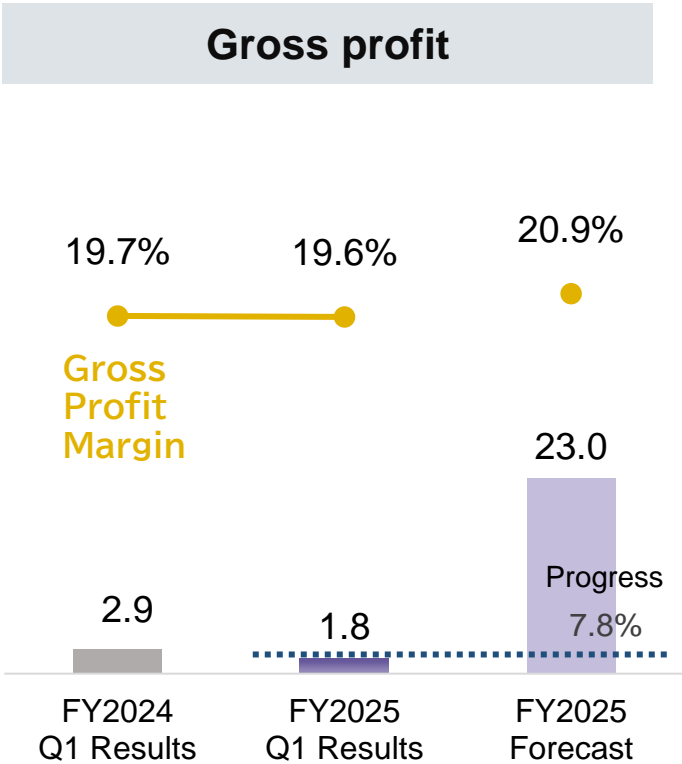
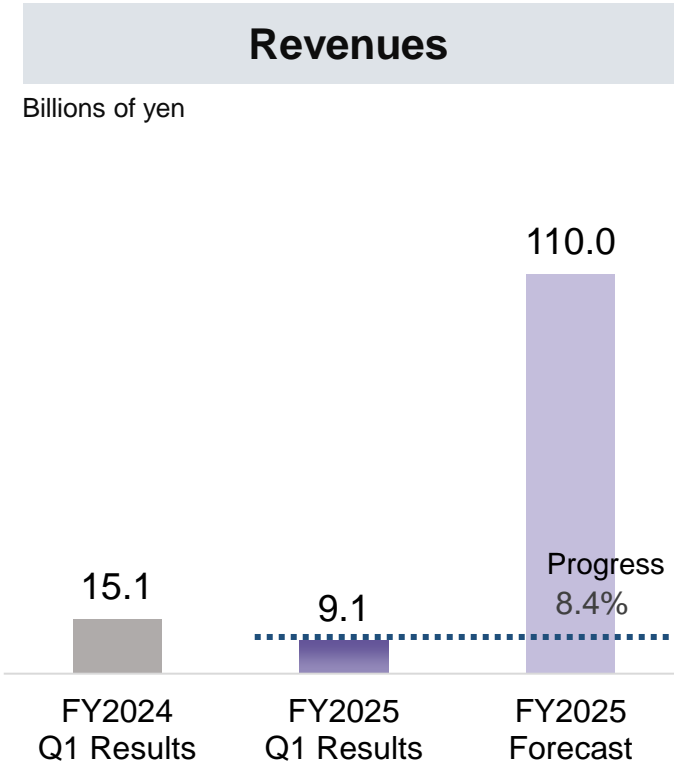
* No changes have been made to FY2025 Forecast released on May 14, 2025.



- Contract awards were up YoY, with large-scale road and railway projects secured in 1Q. Progress toward full-year forecasts is on track. Profitability on new contracts remains stable.
- Large-scale projects reached peak construction phase, contributing significantly to revenues and income. Revenues remained roughly flat YoY. Gross margin improved 4.1 percentage points YoY, resulting in higher gross profit.
- We will continue to make steady progress on large-scale projects while pursuing additional amended contracts on ongoing projects, targeting the achievement of full-year forecasts as a baseline.

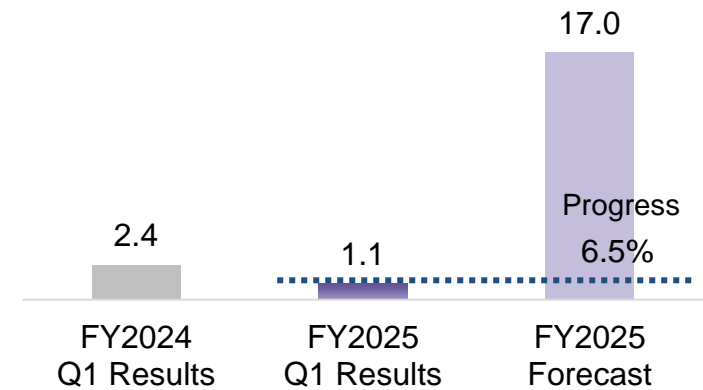


- Although contract awards were lower than those of the previous year, large-scale projects were secured in growth sectors, including data centers and rental laboratory. Profitability on new contracts remains on an improvement trend.
- Revenues and gross profit increased YoY, driven by steady progress and improved margins on large-scale projects scheduled for completion this fiscal year. Gross profit margin reached 10.5%, marking a strong start that exceeds recent 1Q performance.
- While construction cost inflation risks persist, profitability on new contracts continues to improve. Through rigorous risk management, we aim to exceed full-year revenue and gross profit forecasts.



Domestic real estate development business net income

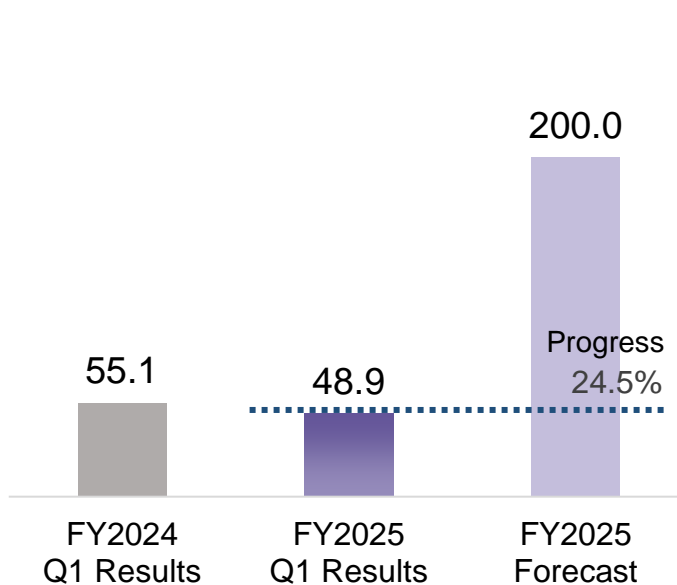
* Business management figure obtained by combining net income of Kajima Corporation's real estate development business and that of its real estate development-related domestic subsidiaries and affiliates



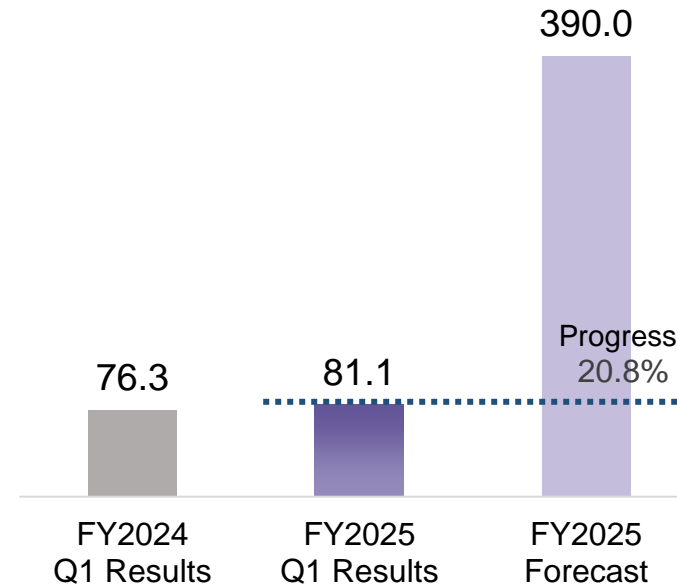
- With no property sales in the real estate development business, revenues and gross profit were lower than in the previous year. The real estate leasing business continues to perform steadily.
- Non-consolidated operations and real estate development subsidiaries and affiliates plan to sell multiple properties in the second half, including office buildings in the Tokyo metropolitan area. The full-year domestic real estate development business net income forecast of 17 billion yen is expected to be met.

Construction contract awards

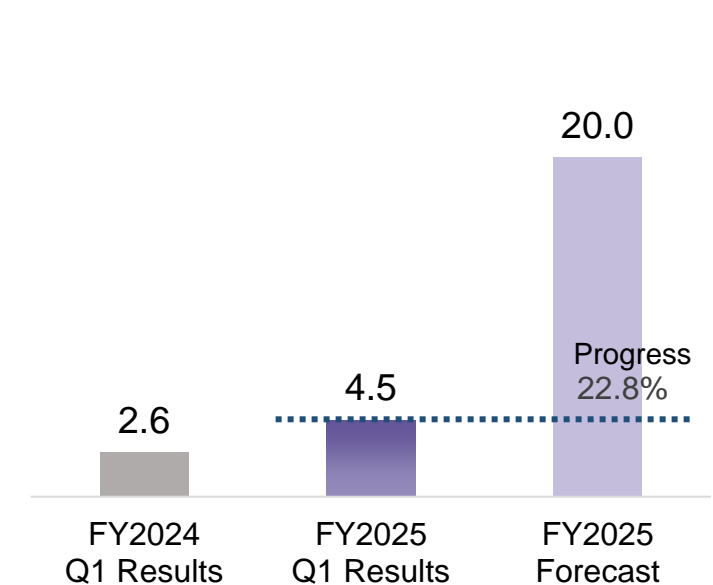
Billions of yen



Revenues



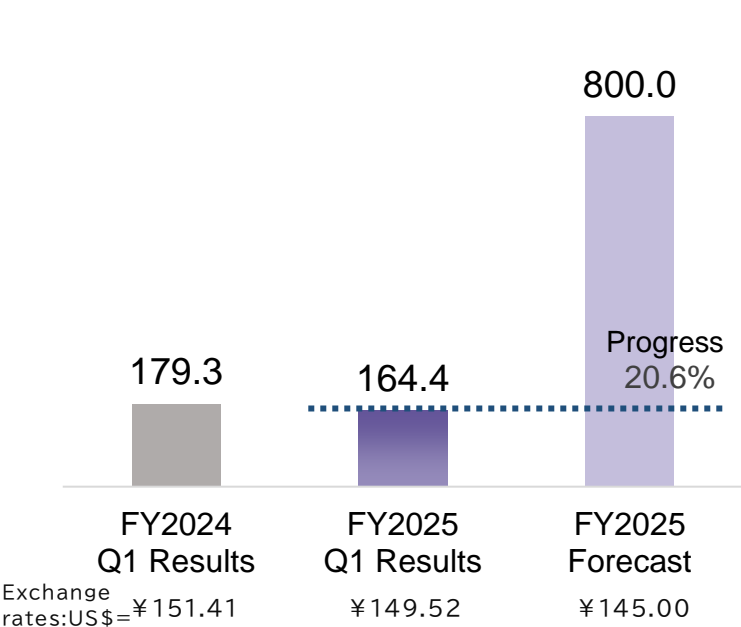
Net income



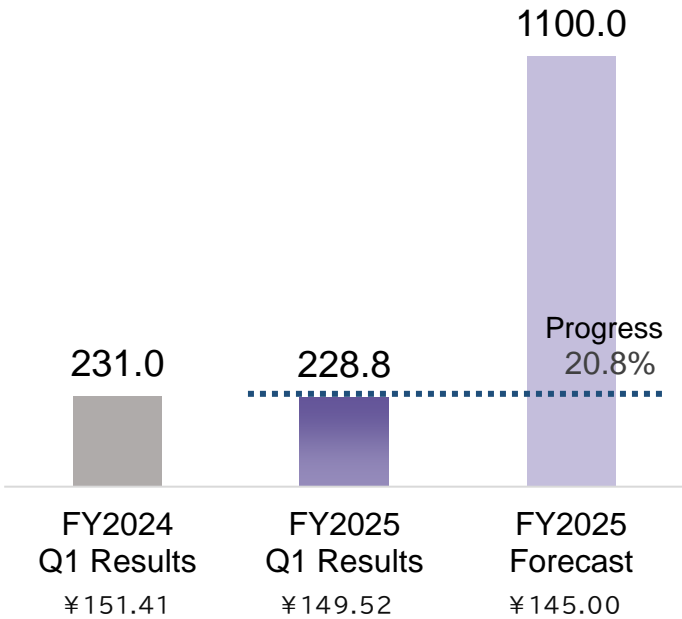
- Although construction contract awards were lower than in the previous year, progress toward full-year forecasts remains generally on track.
- Revenues and net income increased YoY as construction subsidiaries and affiliates made steady progress on projects in hand.
- With construction subsidiaries and affiliates maintaining solid performance and real estate development subsidiaries and affiliates executing planned property sales in the second half, full-year revenue and net income forecasts are expected to be met.

Construction contract awards

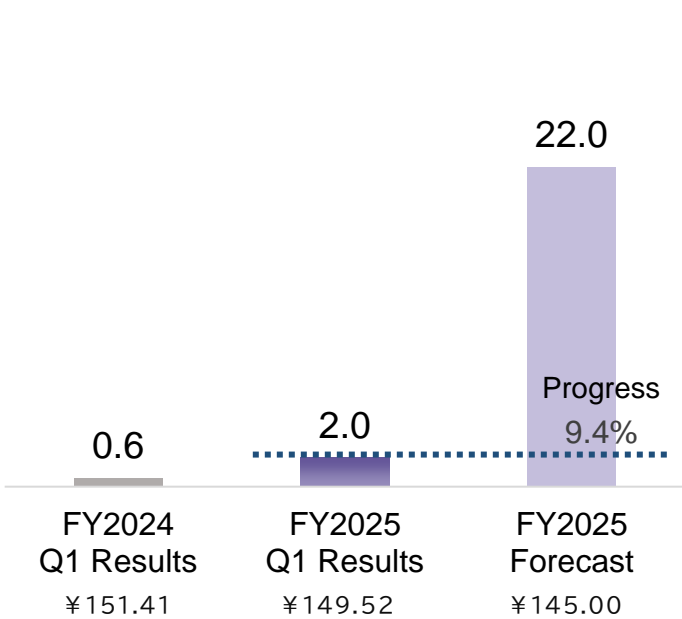
Billions of yen



Revenues



Net income



- Although construction contract awards decreased YoY, large scale projects were secured in the United States and Europe.
- Revenues remained roughly flat YoY, as projects in hand progressed steadily, particularly in Southeast Asia.
- Net income increased YoY, driven by increased construction income from additional revenue secured in Southeast Asia and Europe.
- With property sales across regions, including U.S. distribution warehouses and European renewable energy facilities, expected to increase in the second half, the full-year net income forecast of 22 billion yen is expected to be achieved through ongoing efforts.

Results Highlights — Breakdown by construction and real estate development segments

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

Billions of yen

	Construction and Other					Real Estate				
	FY2024	FY2025		FY2025		FY2024	FY2025		FY2025	
	Q1 Result	Q1 Result	YoY change	Forecast	YoY change	Q1 Result	Q1 Result	YoY change	Forecast	YoY change
Revenues	204.2	216.8	12.5	879.9	(69.2)	29.0	12.1	(16.8)	223.9	51.7
Gross Profit	7.5	14.2	6.6	42.6	2.4	8.5	3.8	(4.7)	41.7	(2.6)
	3.7%	6.6%	+2.9pp	4.8%	+0.6pp	29.4%	31.3%	+1.9pp	18.7%	-7.1pp
Operating Income	(0.0)	6.4	6.4	7.1	4.7	4.3	(0.3)	(4.6)	20.7	(1.4)
Nonoperating Income	0.8	1.1	0.2	1.2	(3.4)	(2.2)	(2.6)	(0.4)	7.5	6.6
Ordinary Income	0.8	7.5	6.6	8.3	1.2	2.0	(3.0)	(5.0)	28.3	5.2
Extraordinary Income	0.1	0.0	(0.1)	0.0	(0.1)	0.2	0.0	(0.2)	3.8	0.6
Net Income Attributable to Noncontrolling Interests	0.7	5.7	4.9	5.8	(0.3)	0.8	(2.9)	(3.8)	21.8	7.0
Exchange rate per US\$=	¥151.41	¥149.52		¥145.00		¥151.41	¥149.52		¥145.00	
Rate as of :	March 31, 2024	March 31, 2025				March 31, 2024	March 31, 2025			

- Construction and other businesses achieved YoY revenue and income growth, primarily due to improved profitability from additional revenue secured in Southeast Asia and Europe. While maintaining the current full-year forecasts, we aim to sustain solid performance in 2Q and beyond to achieve target income levels that exceed forecasts.
- The real estate development business recorded YoY revenue and income declines due to reduced property sales in the United States. It aims to achieve full-year revenue and income forecasts through sales of distribution warehouses and renewable energy facilities planned in 2H.

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*	Overview
United States	Focused on short-term rotation sales business	Distribution warehouse (Core5)	Sales business On-balance sheet	Gross profit Operating income	<ul style="list-style-type: none"> 44 projects under development or operation; plans call for approximately 15 properties to be sold in FY2025. No sales were recorded in 1Q; one new project commenced. Most sales are scheduled for 2H, with sales procedures already progressing on multiple properties.
		Multifamily housing (Flournoy, BCDC)	Sales business Off-balance sheet	Non-operating income (Equity in earnings of partnership)	<ul style="list-style-type: none"> 49 projects under development or operation; plans call for approximately 10 properties to be sold in FY2025. Leasing for operating properties remains robust; on operation with an occupancy rate of approximately 90%.
Europe	Focused on short-term rotation sales business	Distribution warehouse (KPE)	Sales business Off-balance sheet	Non-operating income (Equity in earnings of unconsolidated subsidiaries and affiliates)	<ul style="list-style-type: none"> Operations across six European countries. 14 projects under development or operation. With some properties having reached stabilization, multiple properties will likely be sold in FY2025.
		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"> 18 projects under development or planning, primarily solar power facilities (total capacity approximately 1,300 MW). Planning property sales and partial stake sales in FY2025.
Asia	Centered on long-term holding 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"> Hotel operations have bounced back from the lows of the COVID-19 pandemic. Rental residential buildings with completed renovations are showing steady improvement in occupancy rates.
	Also strengthening sales business	Vietnam: Hotels, rental factories, etc. (Indochina Kajima Development)	Sales business On-balance sheet	Gross profit Operating income	<ul style="list-style-type: none"> 17 projects under development, operation, or planning. Strengthening the development of industrial properties, including Core5 brand rental factories. Planning property sales and partial stake sales in FY2025.

* Type of business and Items recorded as profit may differ depending on the project.

* No changes have been made since the materials released on May 14, 2025.

Consolidated net income

FY2025 **¥130.0 bil.**
setting new record high, five consecutive years of revenue and income growth

FY2026: **At least ¥130.0 bil.**
further income growth over FY2025

- Consolidated net income for the three years of the medium-term business plan is expected to **increase by approx. ¥40.0 bil.**

ROE

Consistently maintain
a level above **10%**

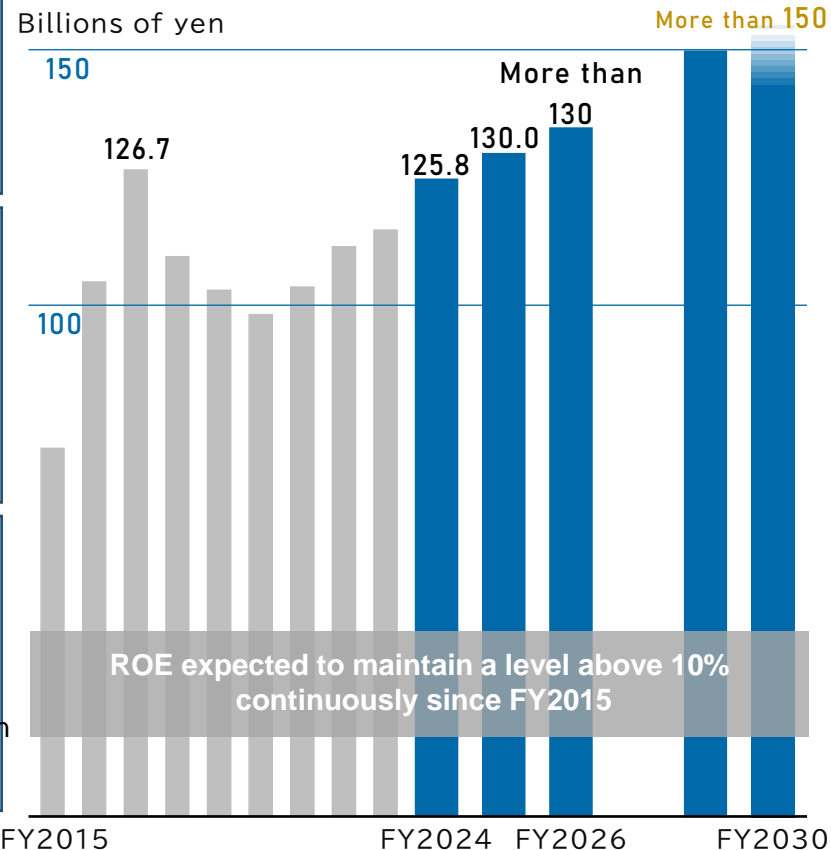
FY2024 result:
10.2%

Governance/IR

- ROE adopted as an evaluation criterion for executive compensation
- Continue to strengthen information disclosure and dialogue with investors and markets

Consolidated net income

Aim for early achievement of the consolidated net income target of at least ¥150.0 billion by FY2030



Cash allocation

Cumulative total for FY2024-2026



Growth investment

Approx. **¥1.27 trillion**

- Expand human capital investment
- Increase by approx. **¥70.0 billion** over the original plan, utilizing funds from profit growth.

Stockholder returns

- Maintain target dividend payout ratio of **40%**
- Continue share buybacks to enhance capital efficiency and shareholder returns (FY2025 result: **¥20.0 bil.**)
- Returns during the three-year medium-term business plan period expected to increase by approx. **¥30.0 bil.**

Strategic shareholdings reduction

- Achieved the reduction target (less than **20%** of consolidated equity) ahead of schedule at the end of FY2024
- Three-year sales: **Approx. ¥70.0 bil.** (approx. **¥20.0 bil.** increase over the original plan)

Notes: Exchange rate for FY2024 was ¥158.18 : US\$1. FY2025 and beyond assume approx. ¥145 : US\$1.
The highest consolidated net income through fiscal 2024 was 126.7 billion yen in fiscal 2017.

Policy on Stockholders Returns

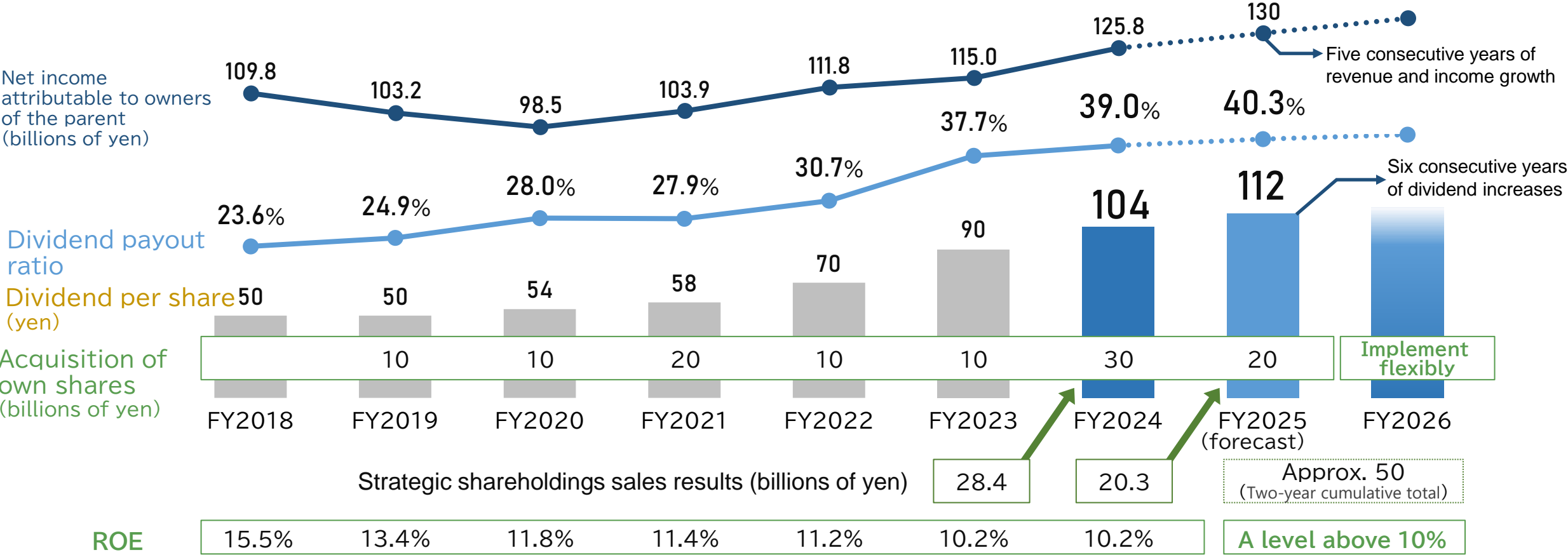
The basic policy is to pay dividends with a target payout ratio of 40%, as well as to flexibly contribute to stockholder returns by acquiring own shares with consideration of business performance, financial condition and business environment.

Dividends

In line with the stockholder return policy, increase dividends linked to profit growth.

Acquisition of own shares

Continue share buybacks with awareness of improving capital efficiency and enhancing shareholder returns. For the time being, flexibly implement share buybacks based on the results of strategic shareholdings sales.





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