

## Summary of Q&A Session

May 14, 2026

**Q:** Is the building construction profit margin being affected by the situation in the Middle East?

**A:** At present, no projects have been canceled or postponed due to the situation in the Middle East. On the other hand, some impact on procurement is beginning to emerge, mainly for petroleum-derived products (paints, adhesives, sealants, insulation, etc.). The risk of higher costs has been incorporated into the earnings forecast to some extent.

**Q:** What is the status of contract awards and the business environment for data centers and nuclear power-related projects?

**A:** For data centers, contract awards in recent years have run at around ¥50.0 billion annually, and orders for fiscal 2025 totaled approximately ¥60.0 billion. Because this is a project type with a high proportion of facility construction work — an area where demand remains tight — we are focusing on orders for projects where a robust construction system can be secured and on projects from customers with whom we have existing relationships.

Revenues from nuclear power-related projects had been at around ¥70.0 billion per year on a combined civil engineering and building construction basis through fiscal 2024. In fiscal 2025 they reached approximately ¥100.0 billion, driven primarily by safety-enhancement work for the restart of nuclear power plants. Annual revenues of around ¥100.0 billion are expected to continue through approximately 2030.

# FY2025 Analyst and Investor Briefing (Web Conference)

## Summary of Q&A Session

May 14, 2026

Q: Will the high profit margin in the non-consolidated civil engineering business be sustained going forward?

A: The margin will come down from the record-high 24.6% recorded in fiscal 2025, but the fiscal 2026 forecast of 20.4% also represents a high level. Sustaining this level over the long term will not be easy, but we will continue to target margin improvement on each project, particularly on large-scale projects.

Q: What is your approach to offshore wind projects going forward?

A: Amid growing awareness of the risks of dependence on fossil fuels, including concerns over crude oil supply, our view that offshore wind is a promising field over the medium-to-long term remains unchanged. We will continue pursuing profitable contract awards in this area.

Q: What is the growth strategy for the domestic real estate development business going forward?

A: Our focus is not only on expanding the asset portfolio, but also on improving capital efficiency through joint ventures and other arrangements, and on expanding fee-based businesses. Our policy is to steadily build a portfolio of high-quality rental assets while pursuing rent increases and securing stable rental income. We will also further strengthen earning capacity by realizing capital gains with well-timed asset sales.

## Summary of Q&A Session

May 14, 2026

**Q:** Which regions and properties will drive earnings growth in the overseas real estate development business, and what is the current business environment?

**A:** In fiscal 2026, we expect each of the U.S., Asia, and Europe regions to be profitable. In the U.S., although interest rates remain elevated, investment in the real estate market is on a recovery trend. In distribution warehouses, the oversupply has eased, and supply-demand conditions and leasing activity are both improving. In Asia, occupancy rates for rental factories in Vietnam are high, and we are considering selling equity interests in those properties. We are also moving forward with the sale of multiple properties — including offices, commercial facilities, and residential properties — primarily in Singapore. In Europe, the environment is improving as interest rates decline, and we expect an increase in the number of asset sales, including distribution warehouses and renewable energy facilities.

**Q:** What is the outlook for the number of U.S. distribution warehouse sales?

**A:** We make flexible decisions on sales of U.S. distribution warehouse properties, taking into account the scale of individual properties and market conditions. In fiscal 2026, we plan to sell from 10 to 15 properties, aiming to exceed the nine sales recorded in fiscal 2025. Three sales have already closed from January to March 2026 — the first quarter of fiscal 2026 for overseas subsidiaries and affiliates.

## Summary of Q&A Session

May 14, 2026

Q: What will be the growth drivers under the next medium-term business plan?

A: In the domestic construction business, favorable market conditions are expected to continue, and we will work to raise productivity and improve profitability. In the real estate development business, the accumulation of high-quality assets is progressing both in Japan and overseas. The overseas business, in particular, has entered the investment harvest phase, and we expect its contribution to profits to accelerate.

Q: ROE improved to 13.3% in fiscal 2025. Can this level be sustained going forward?

A: The Kajima Group is at a stage of building up high-quality assets, focused on the domestic real estate development business. This requires us to maintain a solid equity base, so sustaining a level above 13% will not be easy. That said, our policy is to consistently secure an ROE above 10% and to raise it steadily over time, including by securing improved earnings in overseas businesses.

Q: Will the ¥100.0 billion to be invested in strengthening the supply chain have an impact on earnings?

A: We are moving payments forward, for example, by increasing the proportion of cash payments for construction costs. Although this will create temporary funding needs, there will be no direct impact on earnings. A certain level of increase in interest expenses due to rising interest rates has been already incorporated into the earnings forecast, as well.