

FY2018 First Half Financial Results

November 13, 2018



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FY2018 First Half Results

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FY2018 Forecast

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FY2018 First Half Results

(April 1 - September 30, 2018)

1. Business Environment
2. Financial Highlights
3. Segment Performance

1. Business Environment

Domestic market trends

- Stable construction demand mainly due to high level capital investments in private sector
- Limited increase in construction costs

Progress of our measures

- Go on pursuing rationalization of construction and improvement of productivity
- Proceed with expansion of business fields to capitalize on our group's strength and reinforcement of our management platform

2. Financial Highlights

Lower profit than FY17 1H. Good progress toward the initial full-year forecast

Billions of yen	FY17 1H Result	FY18 1H Result	YoY Change	Progress	FY18 Initial forecast
Revenues	822.7	897.7	+75.0	44.9%	2,000.0
Operating Income	76.8	60.6	(16.1)	56.1%	108.0
Ordinary Income	84.3	72.1	(12.2)	61.6%	117.0
* ₁ Net Income	64.3	54.5	(9.8)	66.5%	82.0
Construction Contract Awards	759.3	752.0	(7.2)	43.2%	1,740.0
Interest-bearing Debt	※ ₂ 344.8	275.8	※ ₃ (68.9)	-	340.0

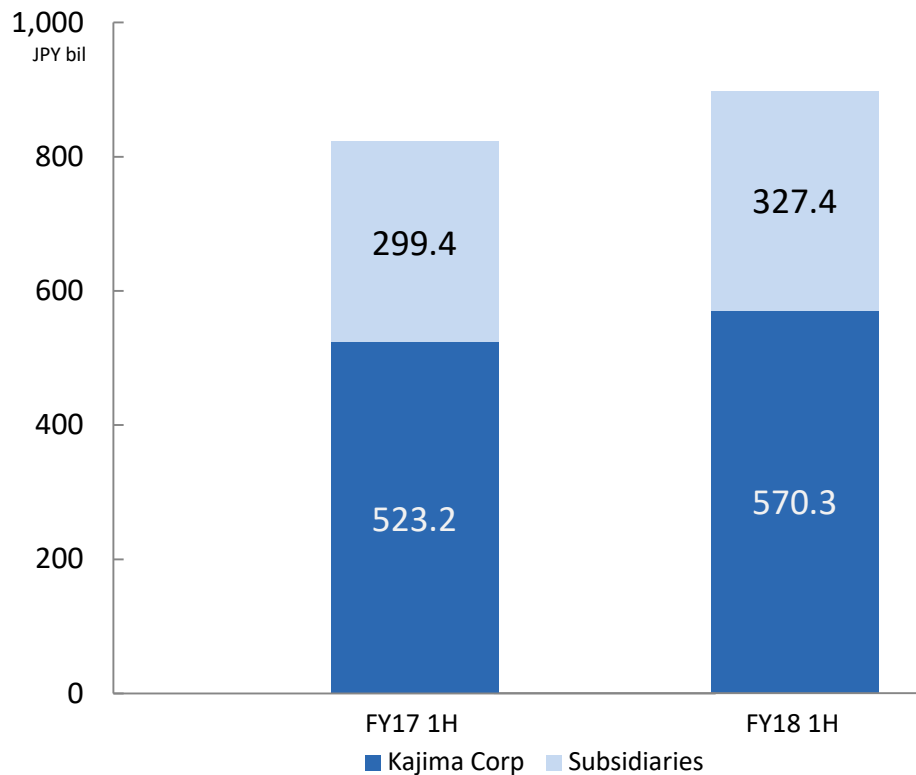
*₁ Net Income Attributable to Owners of the Parent

*₂ As of Mar 31, 2018

*₃ Change from Mar 31, 2018

2. Revenues

Billions of yen	FY17 1H Result	FY18 1H Result	YoY Change
Revenues	822.7	897.7	+75.0

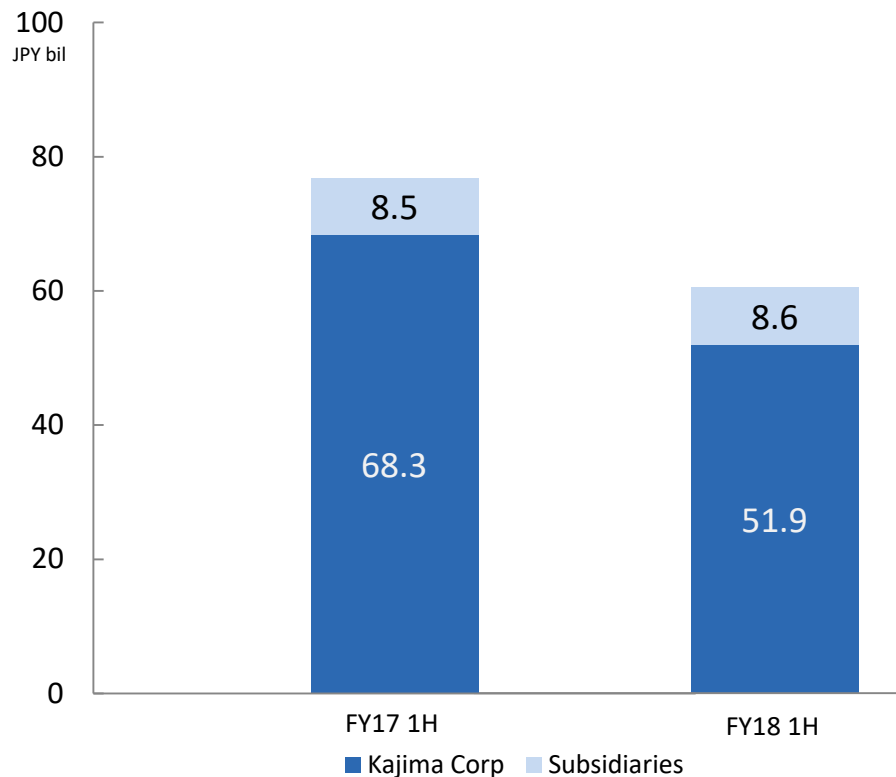


YoY Change Factors

- Building Construction (Kajima Corp) +62.4
- Overseas +24.9

2. Operating Income

Billions of yen	FY17 1H Result	FY18 1H Result	YoY Change
Operating Income	76.8	60.6	(16.1)

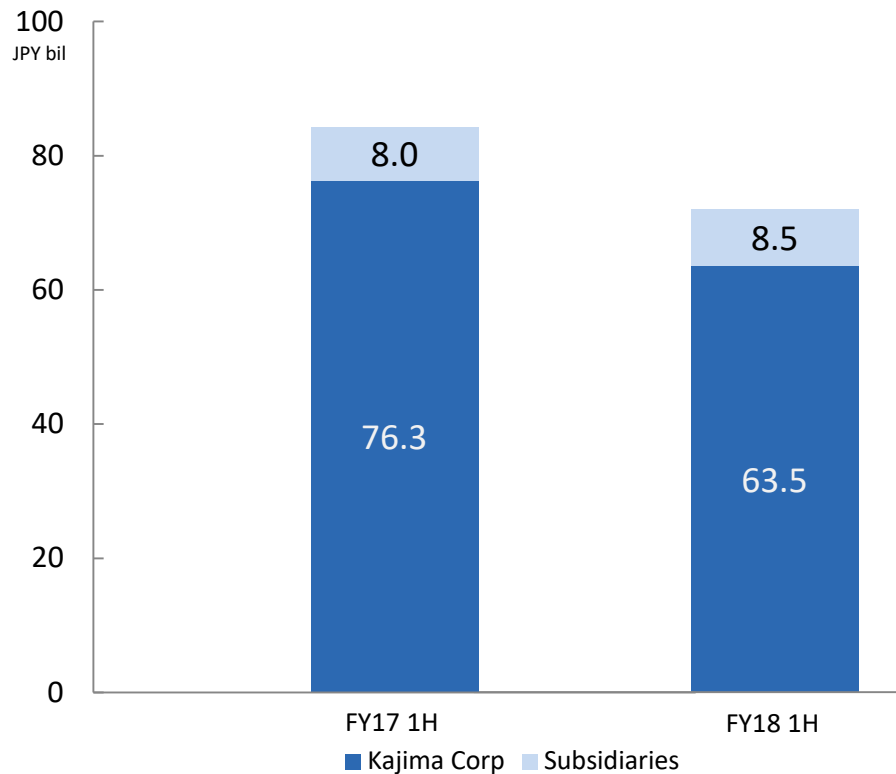


YoY Change Factors

- Gross Profit (Construction) (13.1)
- Gross Profit (Real Estate and other) +1.2
- Increase in SG&A (4.2)

2. Ordinary Income

Billions of yen	FY17 1H Result	FY18 1H Result	YoY Change
Ordinary Income	84.3	72.1	(12.2)



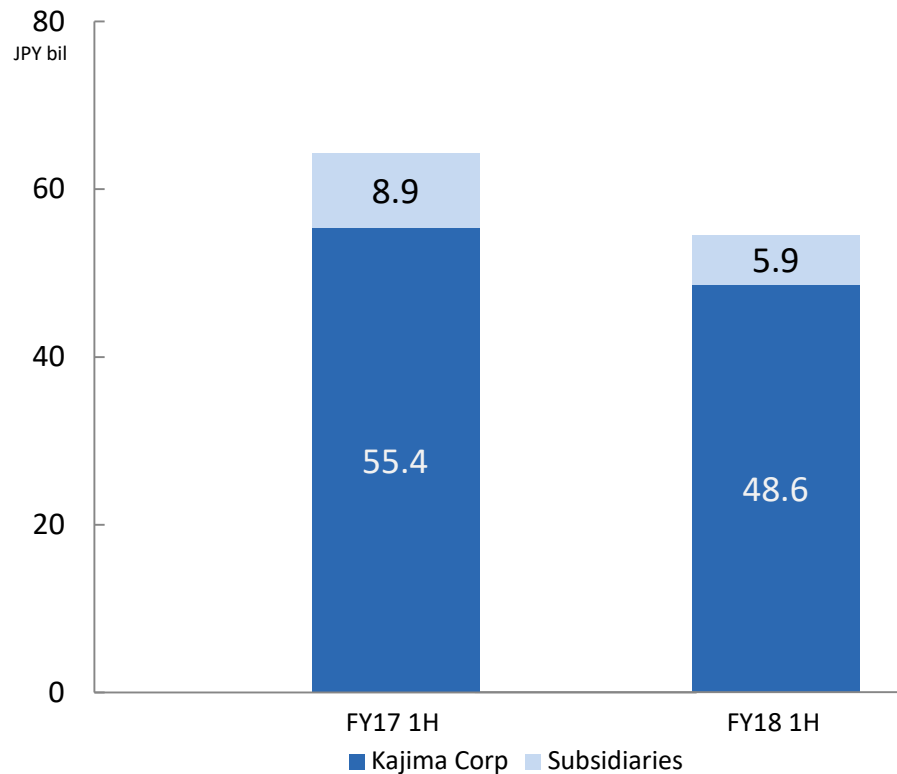
YoY Change Factors

➤ Operating Income	(16.1)
➤ Non-operating Income – net	+3.9
<ul style="list-style-type: none"> Reversal of allowance for doubtful accounts +2.2 Equity in Earnings of Partnership +1.6 	

2. Net Income Attributable to Owners of the Parent

Billions of yen	FY17 1H Result	FY18 1H Result	YoY Change
Net Income	64.3	54.5	(9.8)

* Net Income Attributable to Owners of the Parent



YoY Change Factors

➤ Ordinary Income	(12.2)
➤ Extraordinary Income - net	(1.2)
➤ Decrease in Income Taxes	+3.8
➤ Noncontrolling Interests	(0.2)

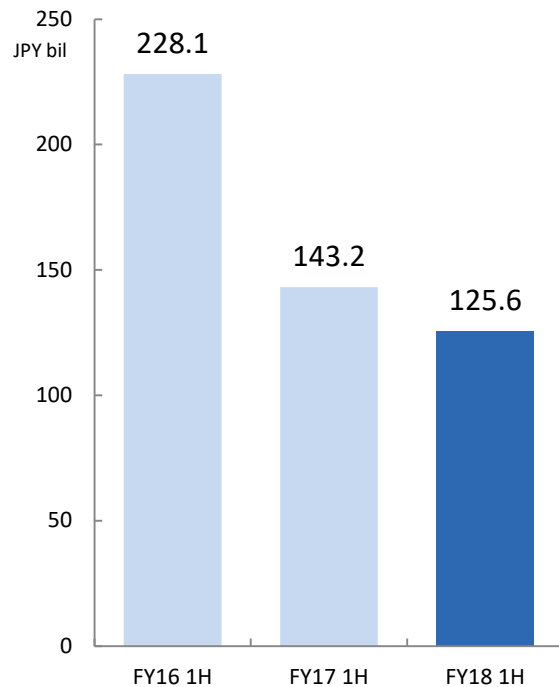
3. Civil Engineering (Kajima Corp)

Contracts ➤ Decrease due to fewer contract awards of large-scale projects

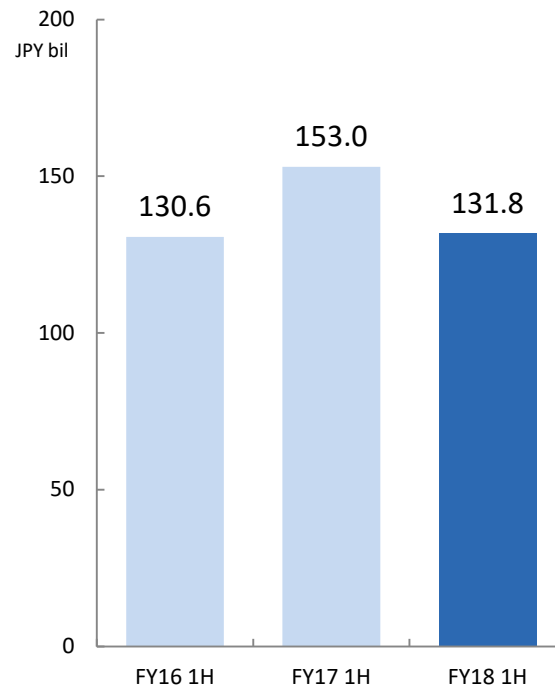
Revenues ➤ Decrease due to decline in overseas projects

Gross Profit ➤ Higher margin than FY18 initial forecast

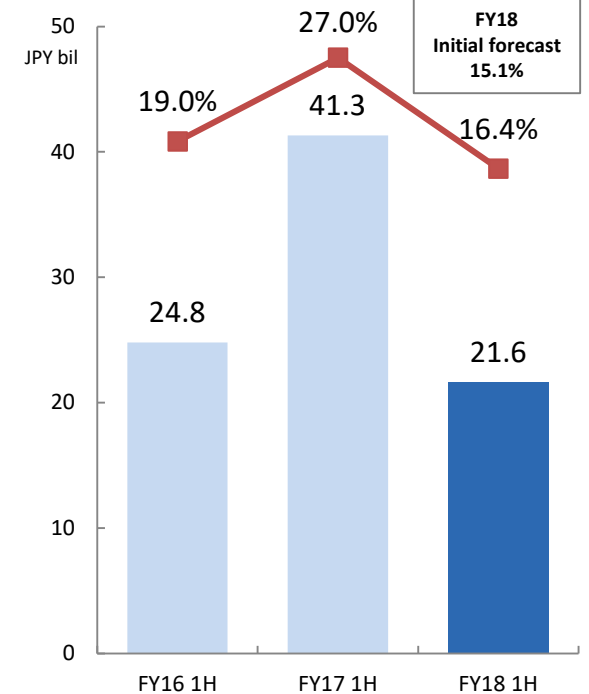
■ Contract Awards



■ Revenues



■ Gross Profit



3. Building Construction (Kajima Corp)

Contracts

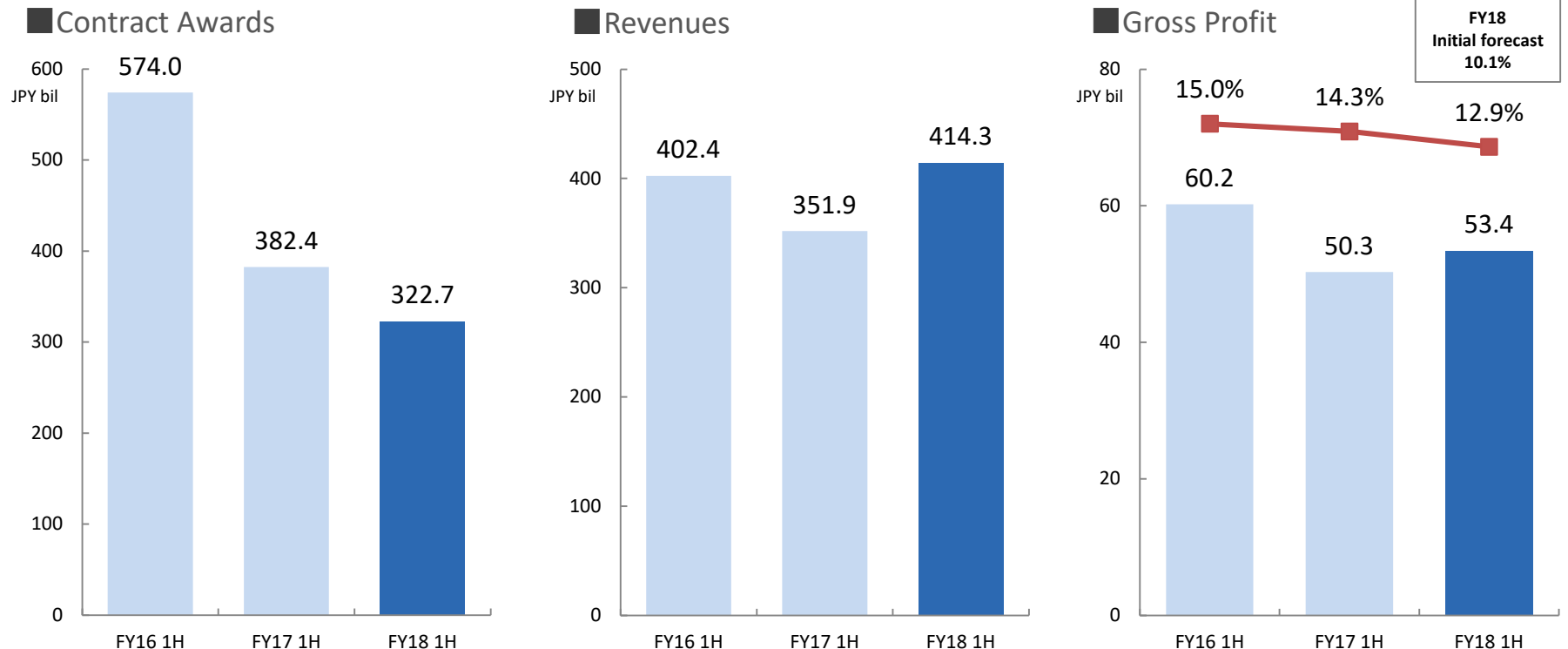
➤ Decrease due to fewer contract awards of large-scale projects

Revenues

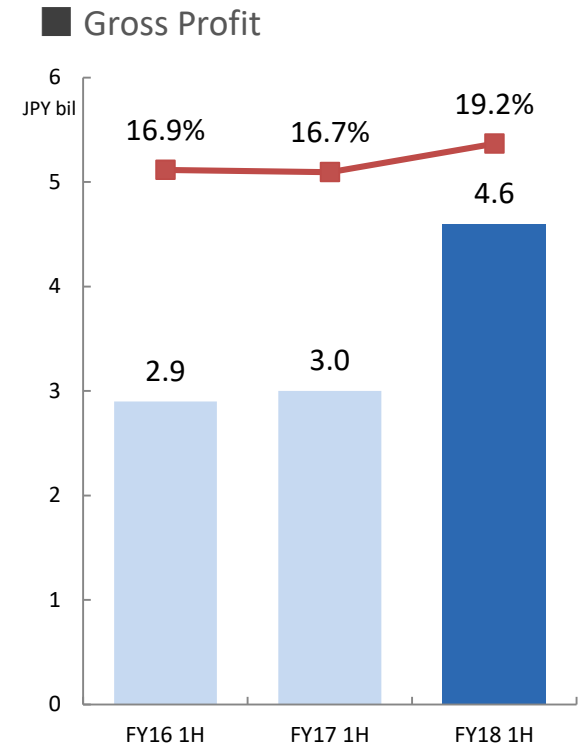
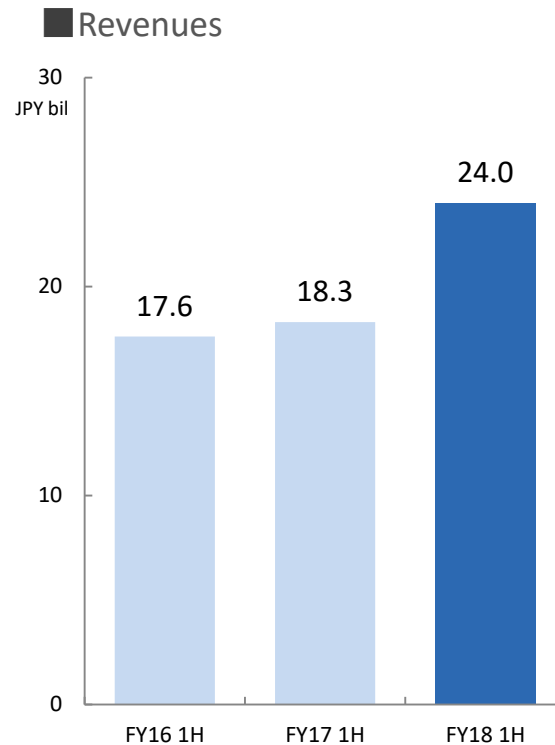
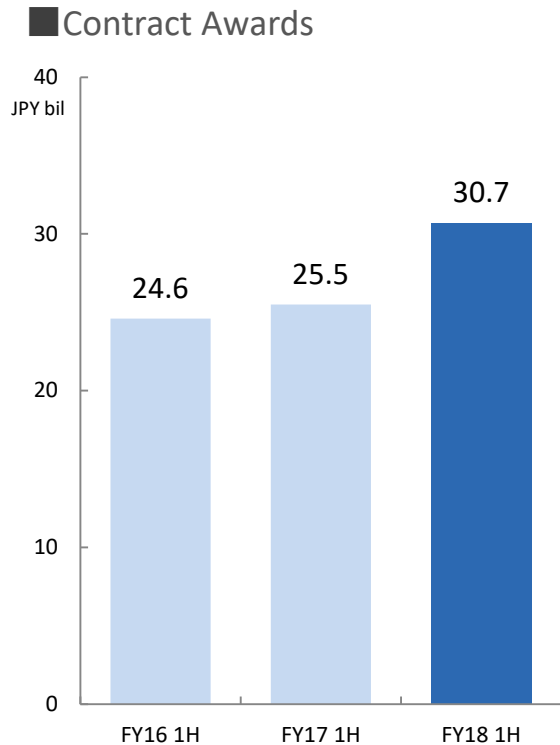
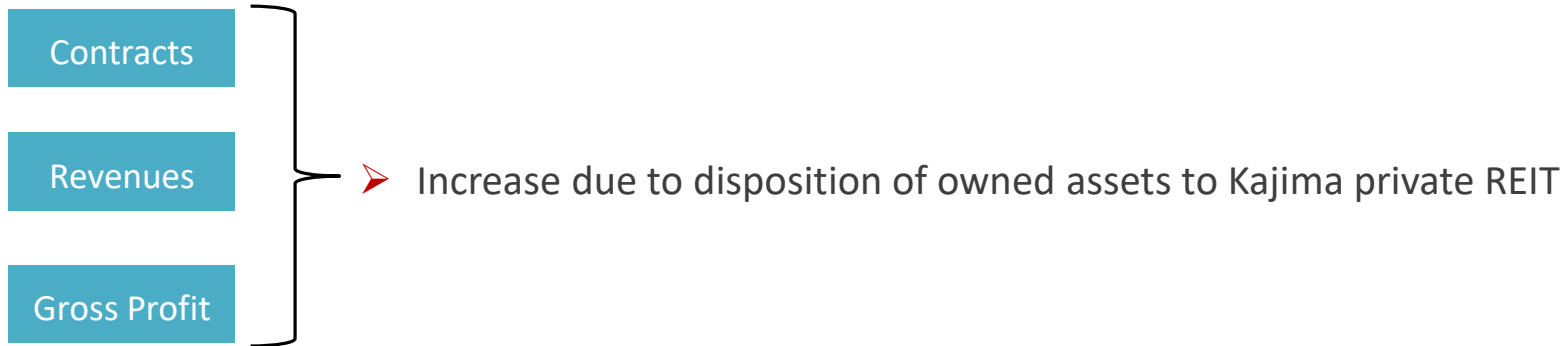
➤ Contribution from large-scale projects

Gross Profit

➤ Higher-than-expected margin by pursuing improvement of productivity and cost reduction as well as limited increase in construction costs



3. Real Estate and Other (Kajima Corp)



3. Domestic Subsidiaries and Affiliates

Contracts

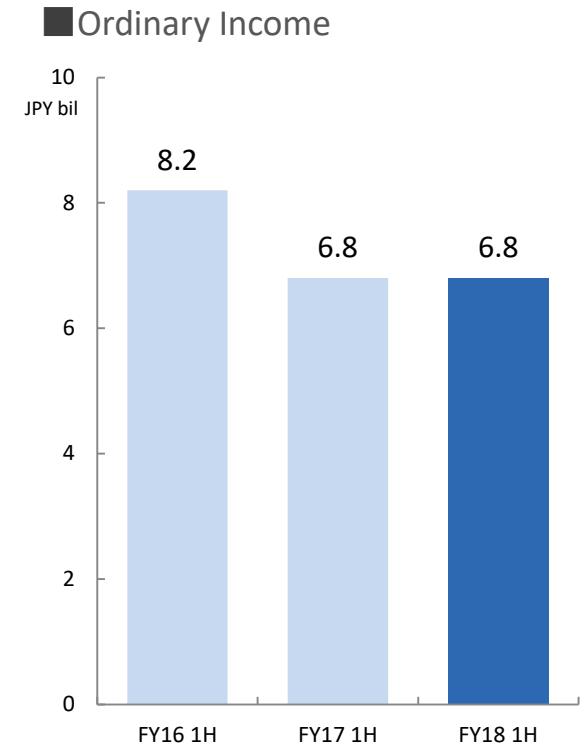
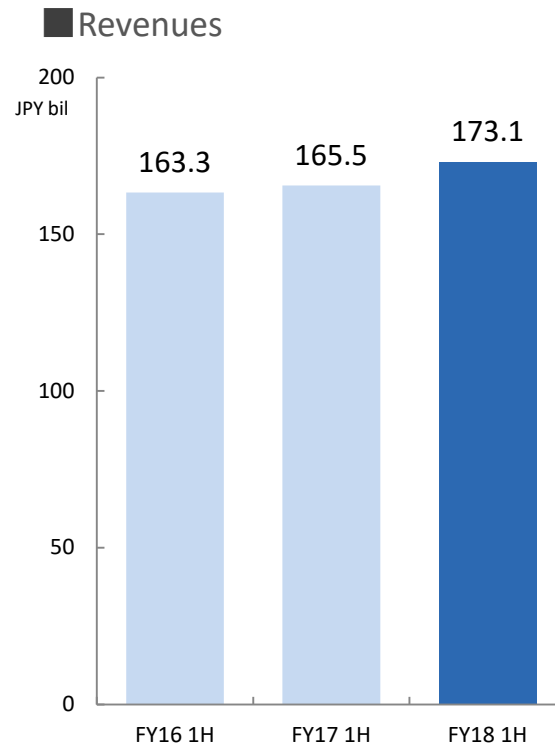
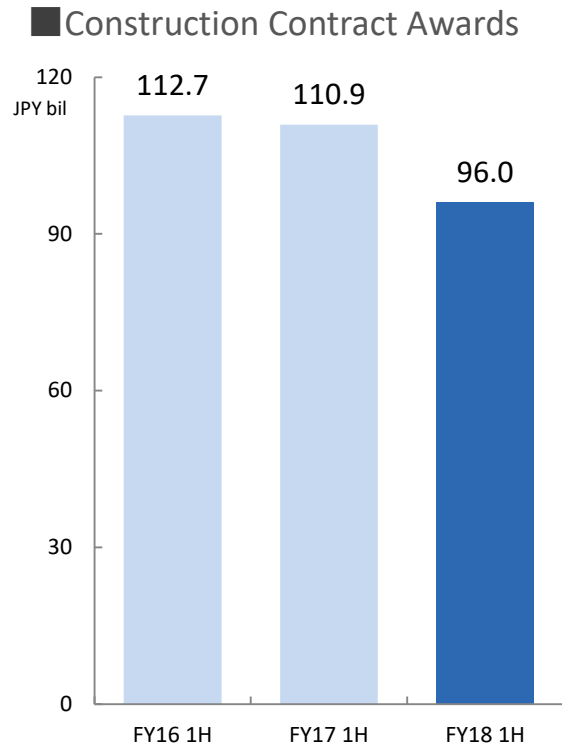
➤ Decrease due to fewer contract awards of large-scale projects

Revenues

➤ Increase mainly due to sell of materials and equipment in Metro-Tokyo area

Ordinary Income

➤ Equivalent level to FY17 1H



3. Overseas Subsidiaries and Affiliates

Contracts

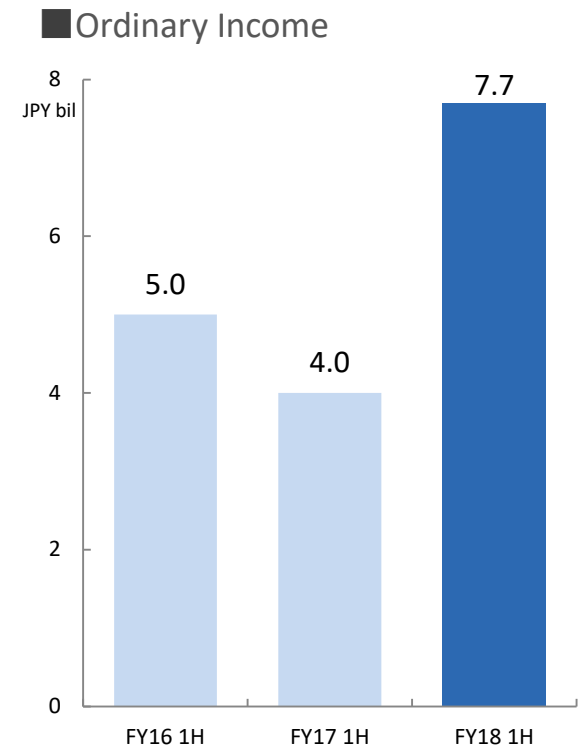
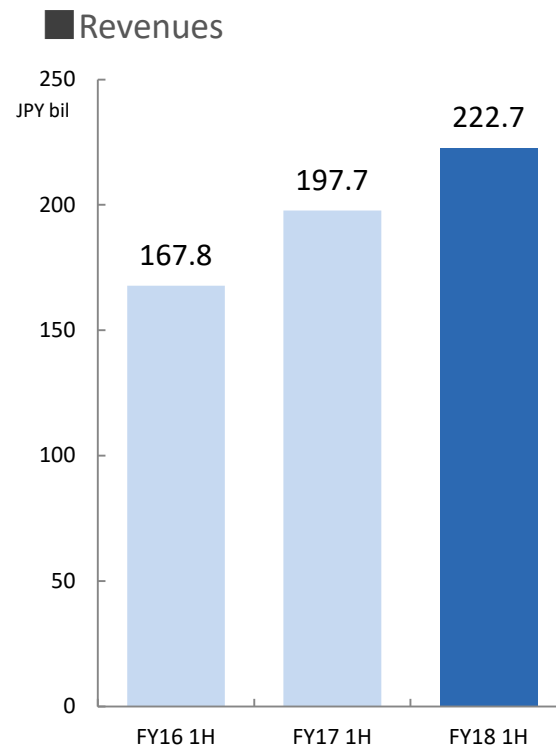
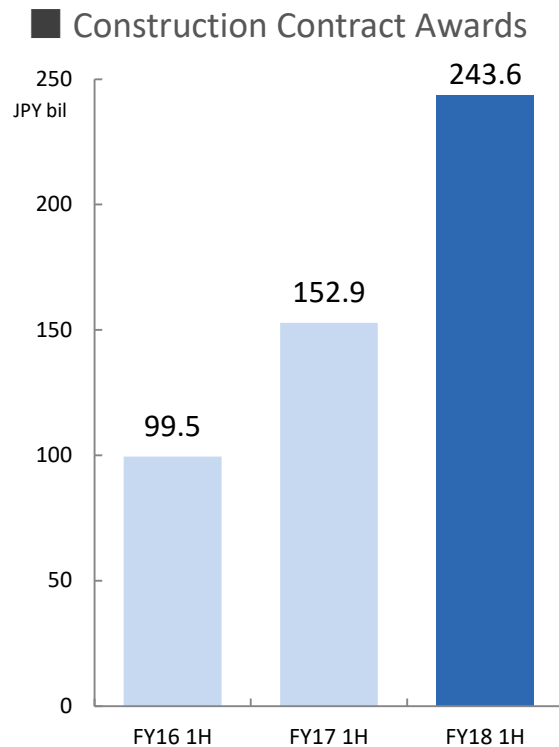
➤ Increase due to the effect of M&A and contract awards of large-scale projects

Revenues

➤ Increase mainly due to the effect of M&A

Ordinary Income

➤ Jump due to increase in revenues, improvement of margin and disposition of assets





FY2018 Forecast

(April 1, 2018 - March 31, 2019)

1. Business Environment
2. Financial Highlights
3. Segment Performance
4. Dividend

1. Business Environment

Domestic market outlook

- Stable construction demand mainly supported by capital investments in private sector
- Concern of cost escalation along with progress of large-scale projects mainly in Metro-Tokyo area

Corporate strategies

- Reinforce creation of next-generation construction system
- Promote the Kajima Group's work-style reform aiming to acquire future construction workers
- Steady implementation of investment plan in accordance with Kajima Group Medium-Term Business Plan

2. Financial Highlights

Updated based on 1H result and business condition

Billions of yen	FY17 Result	FY18 Initial Forecast	FY18 Updated Forecast	YoY Change	Change from Initial Forecast
Revenues	1,830.6	2,000.0	1,960.0	+129.3	(40.0)
Operating Income	158.3	108.0	120.0	(38.3)	+12.0
Ordinary Income	179.7	117.0	134.0	(45.7)	+17.0
* Net Income	126.7	82.0	97.0	(29.7)	+15.0
Construction Contract Awards	1,685.9	1,740.0	1,780.0	+94.0	+40.0
Interest-bearing Debt	344.8	340.0	340.0	(4.8)	0.0

* Net Income Attributable to Owners of the Parent

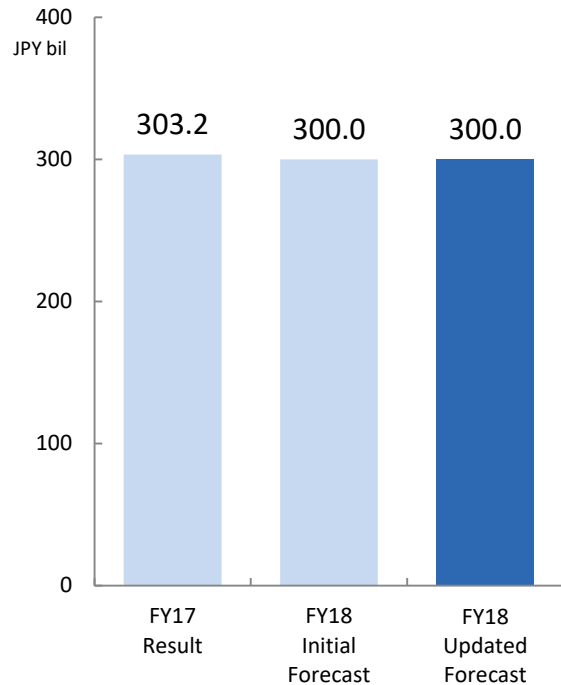
3. Civil Engineering (Kajima Corp)

Contracts ➤ Same as initial forecast

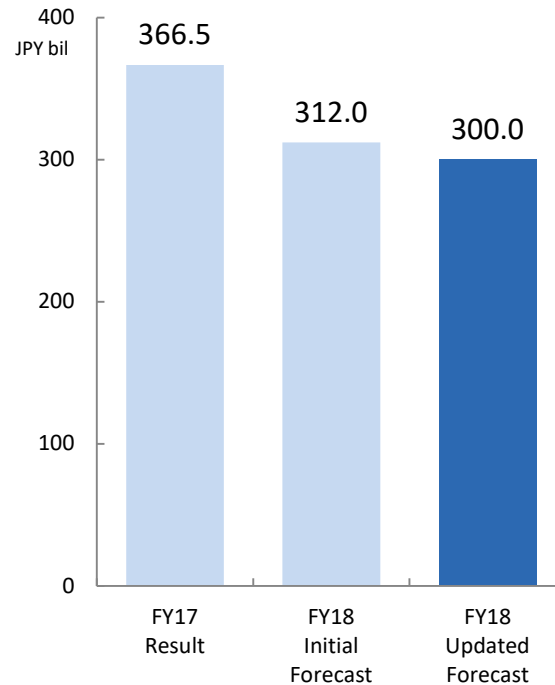
Revenues ➤ Equivalent to initial forecast

Gross Profit ➤ Unchanged from initial forecast based on the first half result

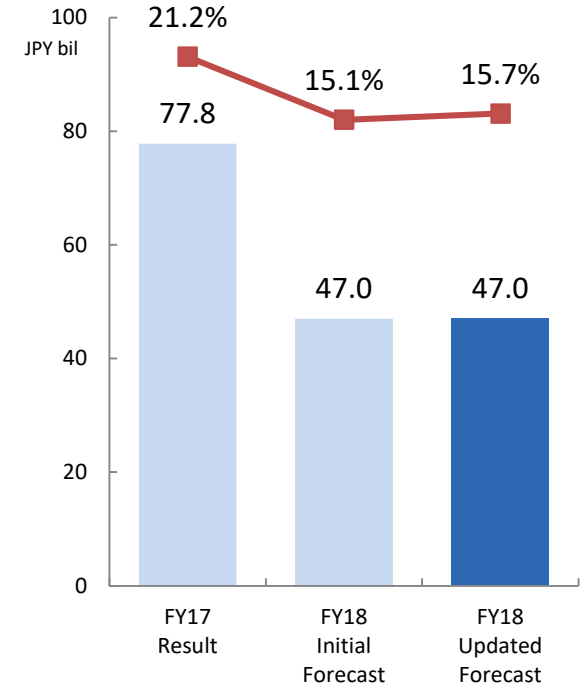
■ Contract Awards



■ Revenues



■ Gross Profit



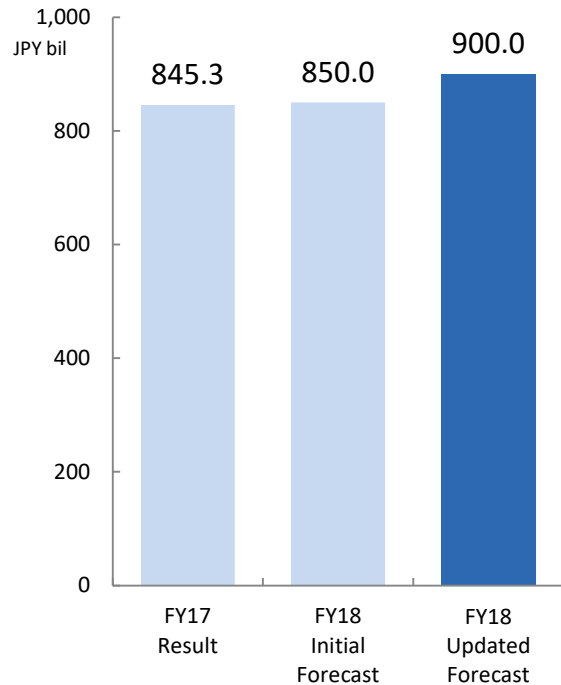
3. Building Construction (Kajima Corp)

Contracts ➤ Upward based on business condition

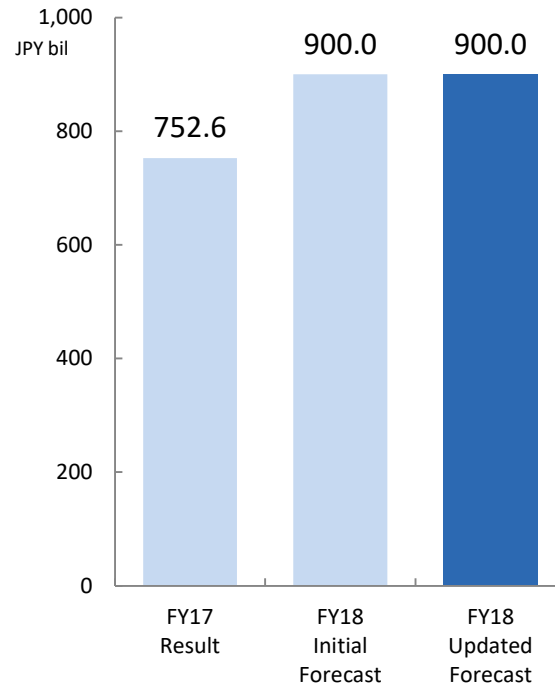
Revenues ➤ Same as initial forecast

Gross Profit ➤ Upward based on first half result and condition of backlog
 ➤ Equivalent to FY17

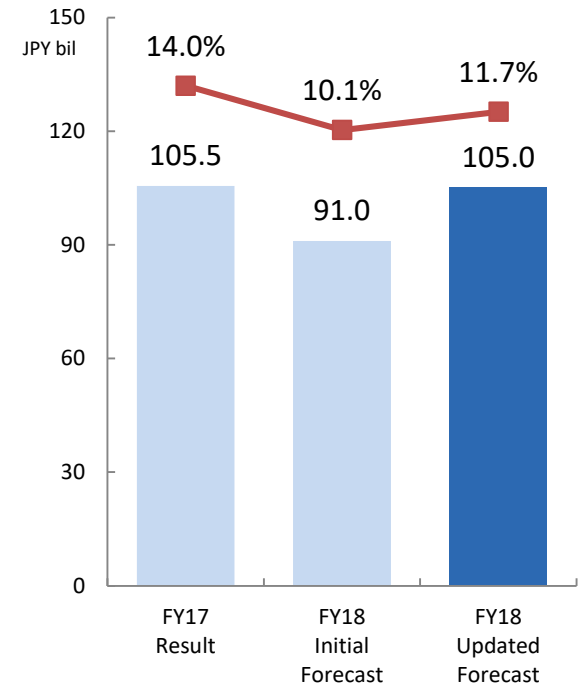
■ Contract Awards



■ Revenues



■ Gross Profit



3. Real Estate and Other (Kajima Corp)

Contracts

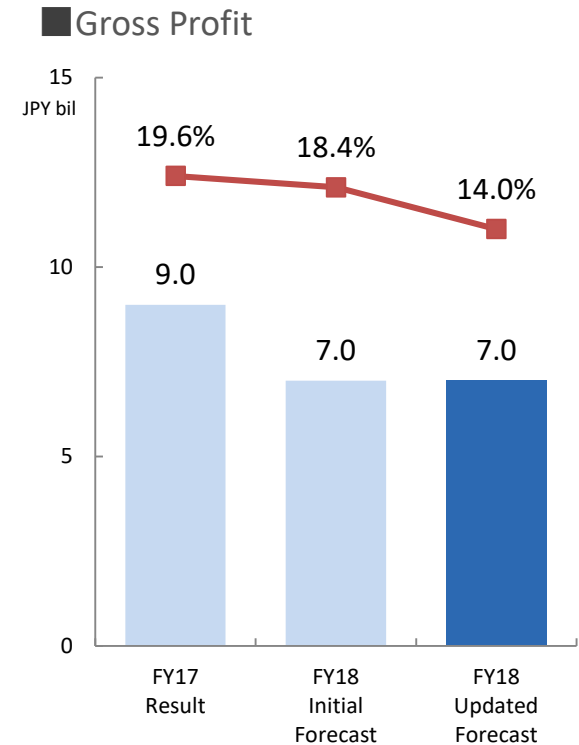
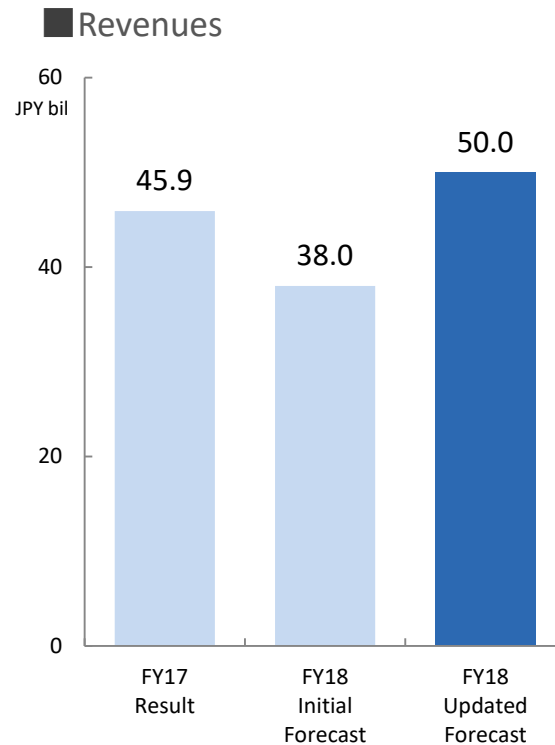
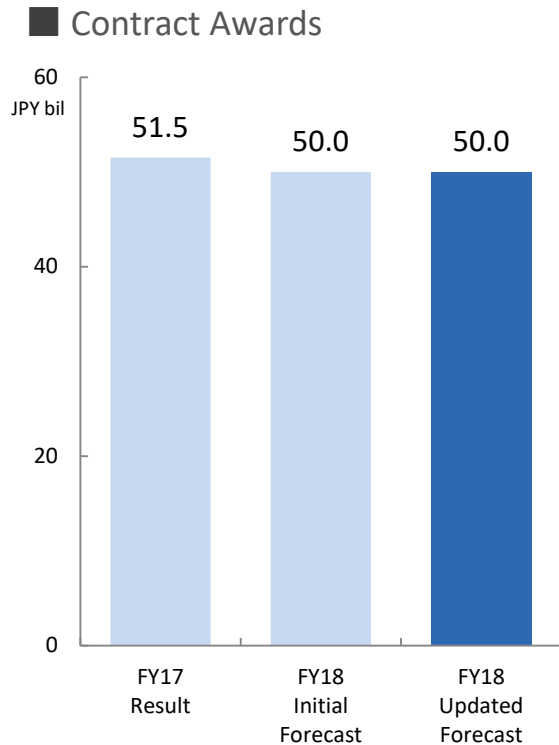
➤ Same as initial forecast

Revenues

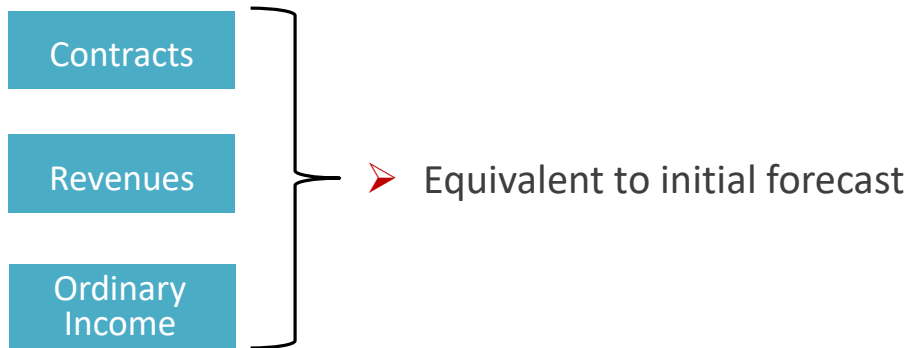
➤ Upward based on first half result

Gross Profit

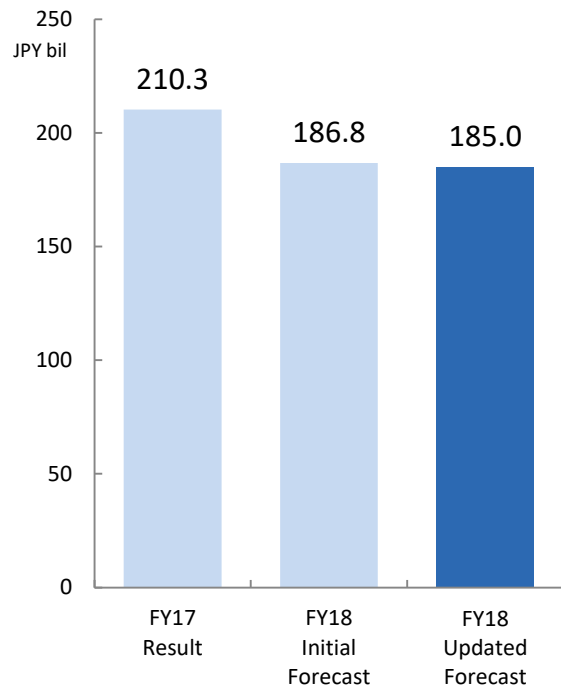
➤ Unchanged from initial forecast



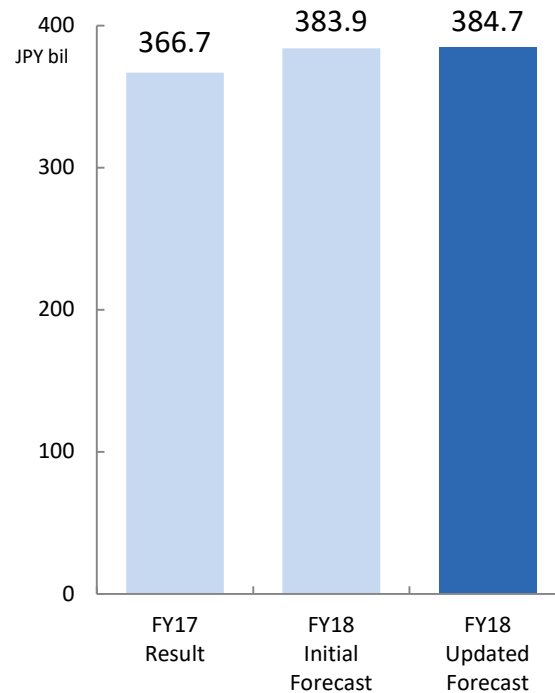
3. Domestic Subsidiaries and Affiliates



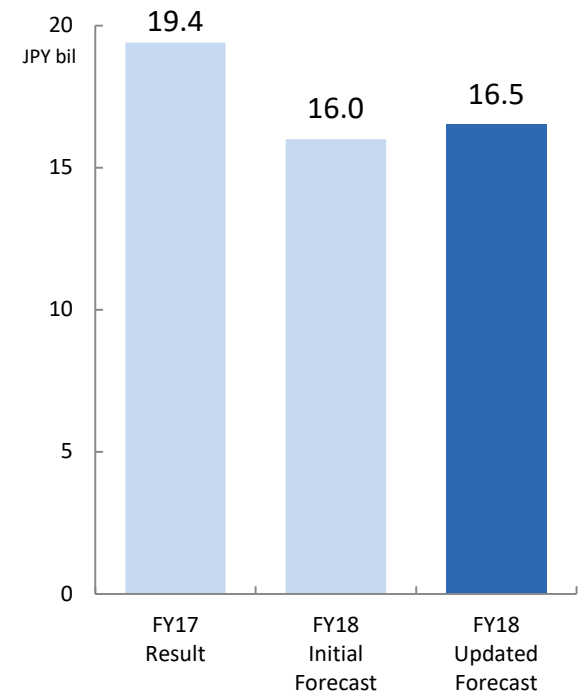
■ Construction Contract Awards



■ Revenues



■ Ordinary Income

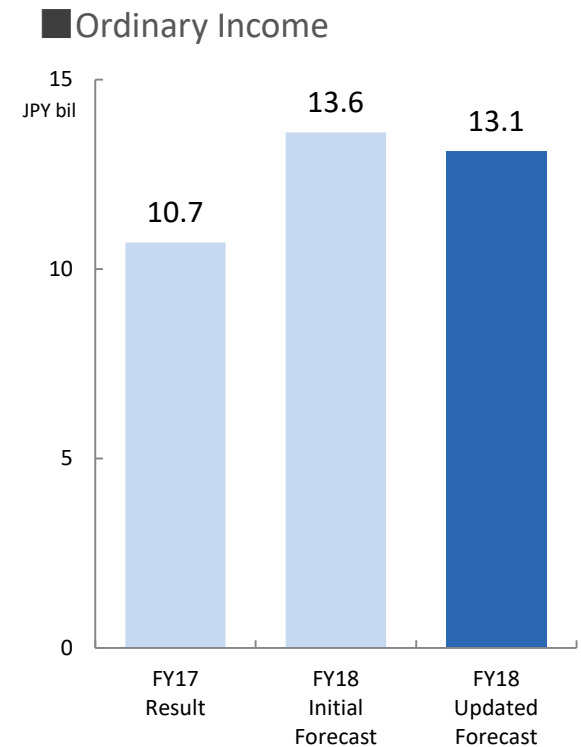
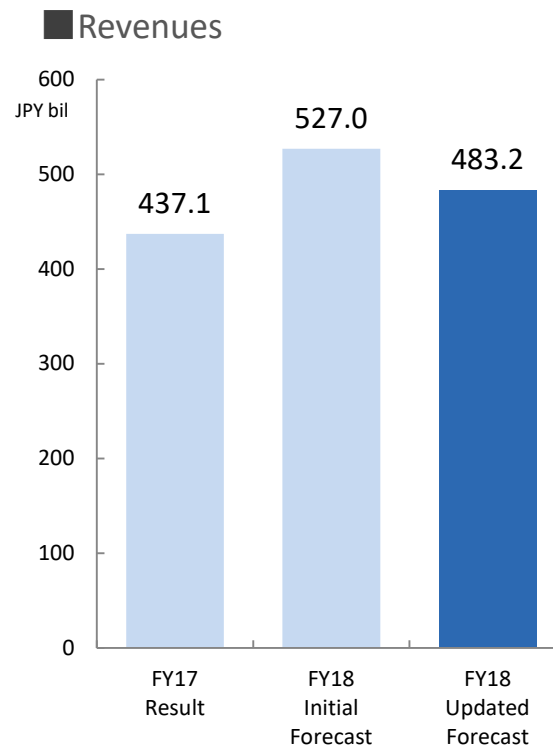
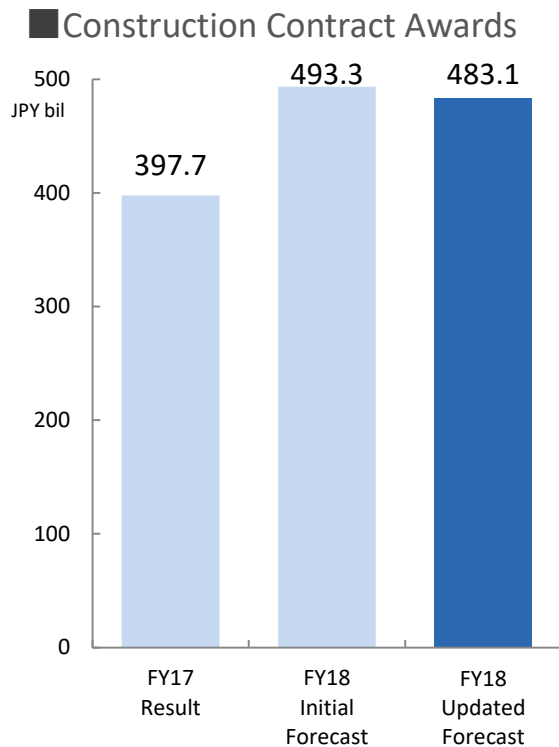


3. Overseas Subsidiaries and Affiliates

Contracts ➤ Equivalent to initial forecast

Revenues ➤ Downward due to delay of construction starts and unfavorable exchange rates

Ordinary Income ➤ Equivalent to initial forecast



4. Dividend

Unchanged from initial forecast

Yen	FY16 Result	FY17 Result	FY18 Initial Forecast	FY18 Updated Forecast
Dividend per Share	20.00	24.00	24.00	24.00
Basic Net Income per Share	101.01	122.14	79.00	93.46
Payout Ratio	19.8%	19.6%	30.4%	25.7%

The Company consolidated its shares at a rate of one share for every two shares, effective October 1, 2018. For comparison purposes, the figures of FY2018 do not reflect the outcome of the consolidation of shares.

- Dividend Policy -

We aim to distribute stable amounts of dividend with a target range of a 20 to 30% payout ratio, while securing adequate consolidated equity capital. Meanwhile, maintaining the financial health, we intend to utilize internal reserves for investments to realize sustainable growth.



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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 November 13, 2018, and are subject to risks and uncertainties that may cause the actual results to vary.