

FY2021 Financial Results

May 13, 2022





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Financial Results and Forecast

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2. FY2022 Forecast
3. Segment Performance

1. FY2021 Results | Financial Highlights

Achieved **higher revenues and income** mainly due to profits at overseas subsidiaries and affiliates

Billions of yen	Consolidated			Non-Consolidated		
	FY2020 Result	FY2021 Result	YoY Change	FY2021 Forecast	FY2021 Result	YoY Change
Revenues	1,907.1	2,079.6	172.5	1,189.5	1,244.9	55.3
Operating Income	127.2	123.3	(3.9)	105.1	81.0	(24.0)
Ordinary Income	139.7	152.1	12.3	114.2	92.4	(21.8)
Net Income	98.5	103.8	5.3	82.8	72.1	(10.6)
Construction Contract Awards	1,720.1	1,929.8	209.7	1,205.3	1,150.8	(54.5)

- Consolidated revenues exceeded 2 trillion yen due to steady progress on backlogged construction in the building construction business and the strong performance of overseas subsidiaries and affiliates
- Consolidated net income exceeded 100 billion yen due to **the profit contribution of overseas subsidiaries and affiliates from the distribution warehouse development business** in North America and Europe as well as **steady profits from the domestic construction business**
- In the domestic construction market, although companies are highly motivated to invest and public investment remains firm, fierce competition for orders continues

1. FY2021 Results | Financial Positions

Billions of yen	Consolidated			
	FY2020 Result	FY2021 Result	YoY Change	FY2021 Forecast
Total Assets	2,164.8	2,337.7	172.9	—
Interest-bearing Debt	317.0	359.9	42.8	430.0
Owners' Equity	874.8	945.7	70.8	—
Owners' Equity Ratio	40.4%	40.5%	+0.1pt	—
ROE	11.8%	11.4%	(0.4pt)	—

- Interest-bearing debt came in below expectations due to strong sales of overseas real estate development projects and progress in the recovery of invested capital which exceeded our expectations at the beginning of the fiscal year
- Owners' equity increased and our financial base has become sufficiently risk-resistant
- ROE was 11.4%

2. FY2022 Forecast

Maintain and improve performance by developing businesses that rigorously implement risk management

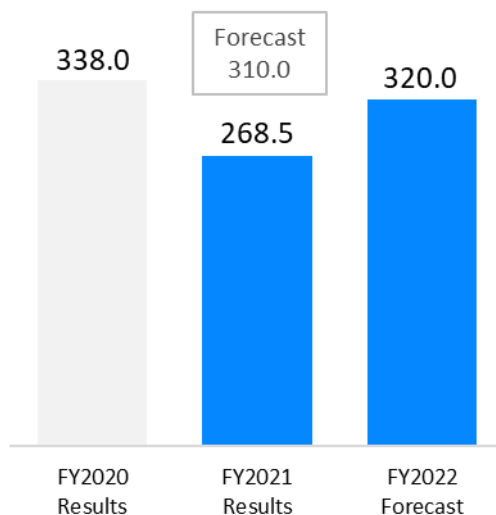
Billions of yen	Consolidated			Non-Consolidated		
	FY2021 Result	FY2022 Forecast	YoY Change	FY2021 Result	FY2022 Forecast	YoY Change
Revenues	2,079.6	2,270.0	190.3	1,244.9	1,320.0	75.0
Operating Income	123.3	108.0	(15.3)	81.0	69.0	(12.0)
Ordinary Income	152.1	122.0	(30.1)	92.4	82.0	(10.4)
Net Income	103.8	85.0	(18.8)	72.1	60.0	(12.1)
Construction Contract Awards	1,929.8	2,070.0	140.1	1,150.8	1,320.0	169.1

- Consolidated revenues in FY2022 are expected to increase mainly due to the **building construction business**, where large-scale projects are in full swing, and **strongly performing overseas subsidiaries and affiliates**
- The consolidated net income forecast is 85.0 billion yen, taking into account risk factors such as rising prices of materials and equipment, although **distribution warehouse development business of our overseas affiliates are expected to continue to perform well**
- Consolidated construction contract awards are expected to exceed the previous year's figure of 2.07 trillion yen, due to an expected increase in the non-consolidated construction business

3. Segment Performance | Civil Engineering (Kajima Corp)

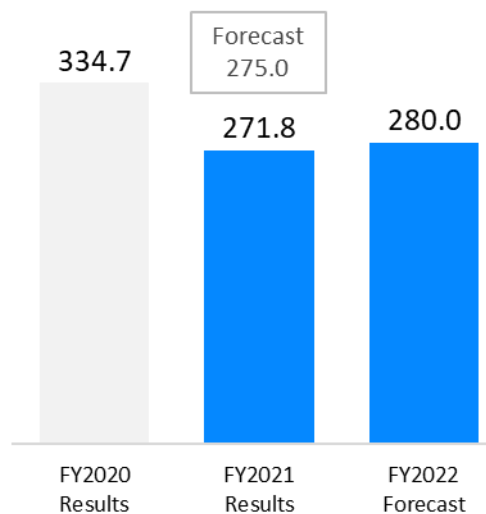
Contracts

JPY bil.



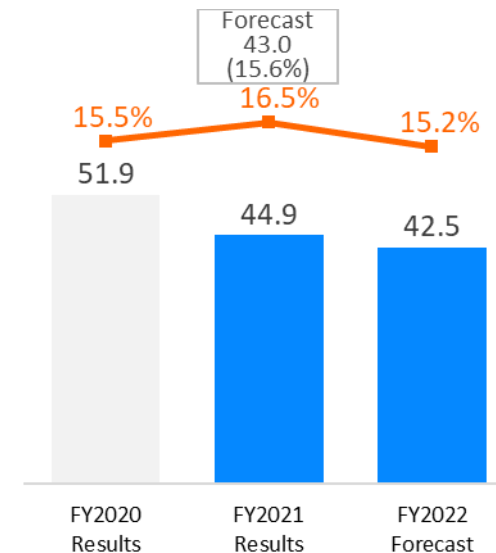
Revenues

JPY bil.



Gross Profit

JPY bil.



FY2021 Results

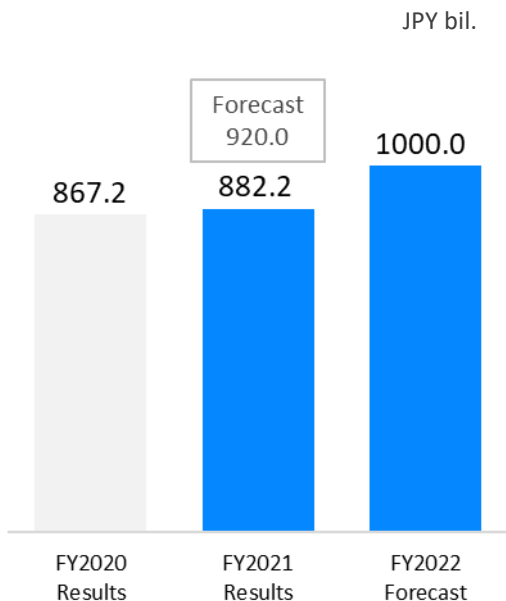
- Contract awards were below the level of FY2020, mainly due to a decline in private-sector work
- Revenues were largely as forecasted, despite declining revenues due to few large-scale projects that had made significant progress
- Gross profit exceeded the full-year forecast mainly due to improved profitability, especially of projects in the final stage of construction

FY2022 Forecast

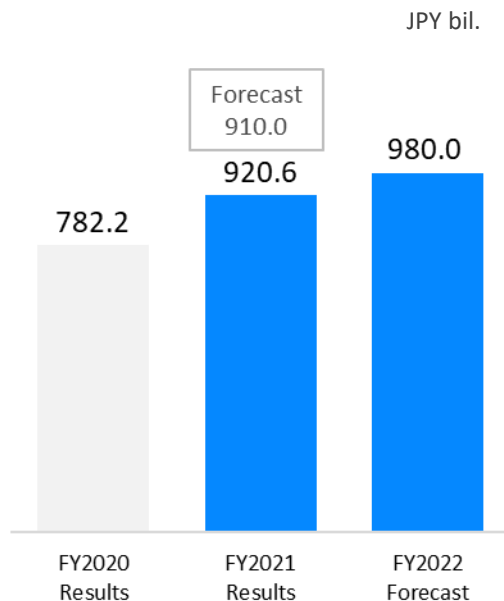
- Contract awards are forecasted to be 300 billion or higher
- Revenues for the fiscal year are expected to reflect a small amount of progressing work just as in FY2021, since many of the design and construction projects will be in a pre-ground breaking phase
- Gross profit is expected to maintain a profit margin of over 15%

3. Segment Performance | Building Construction (Kajima Corp)

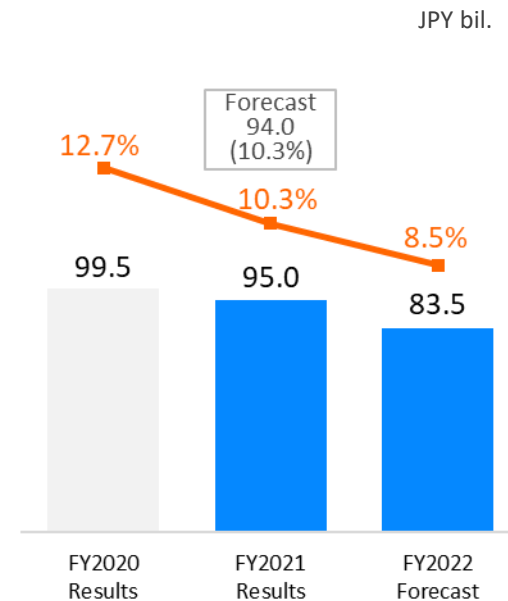
Contracts



Revenues



Gross Profit



FY2021 Results

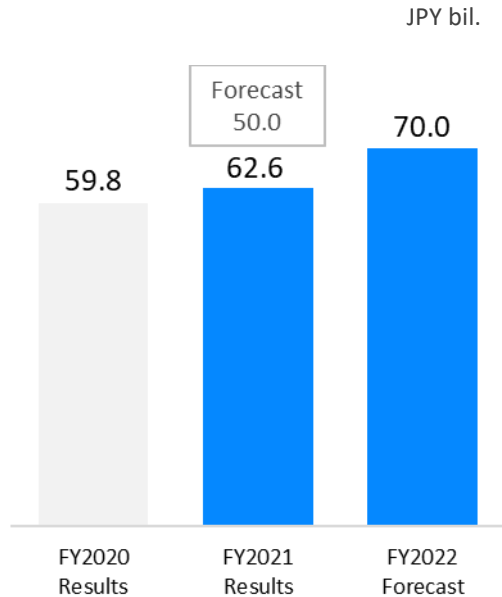
- Contract awards were lower than forecast due to postponement of secured projects and highly probable projects
- Revenues increased over FY2020 due to steady progress on large-scale backlog projects
- Gross profit decreased compared to FY2020, which had many completed construction projects, yet profit margin remained in the 10% range

FY2022 Forecast

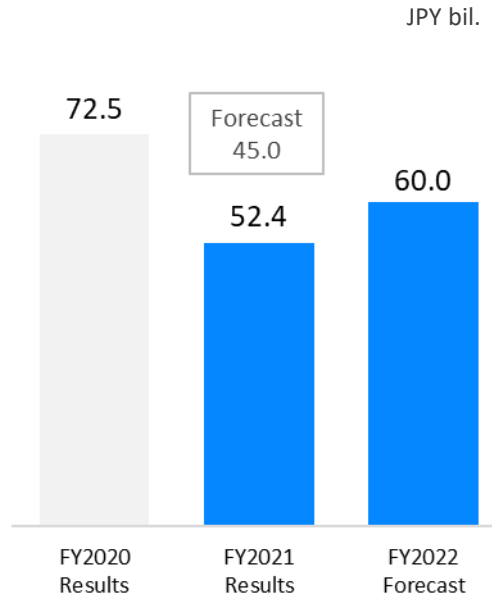
- Contract awards are expected to increase due to secured projects and highly probable projects
- Revenues are expected to increase due to construction of large-scale projects
- Gross profit is expected to decrease by about 2 points from FY2021 results considering risk factors such as rising prices of materials and equipment

3. Segment Performance | Real Estate and Other (Kajima Corp)

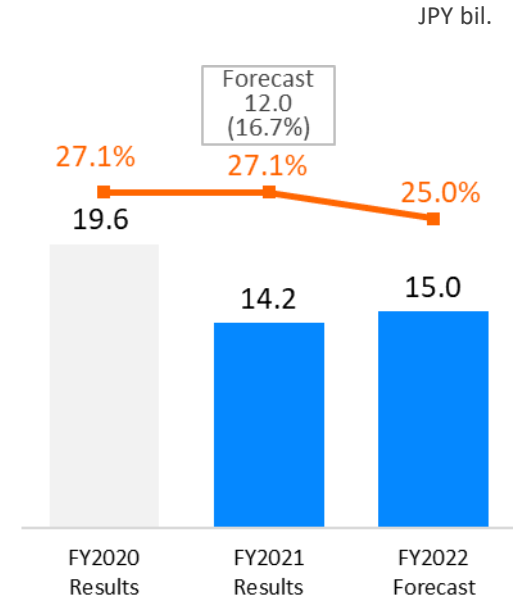
Contracts



Revenues



Gross Profit



FY2021 Results

- Although revenues and profits declined compared to FY2020, when large-scale projects were successfully sold, new rental properties began to contribute to business performance

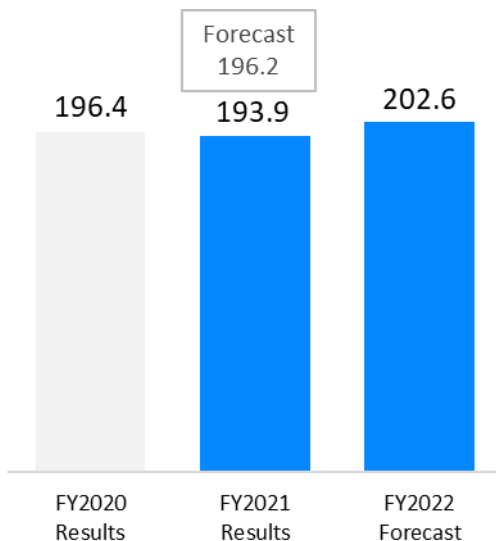
FY2022 Forecast

- Considering the projects scheduled to be sold in the property sales business, including the current state of the leasing business, the forecast is largely in line with FY2021 results

3. Segment Performance | Domestic Subsidiaries and Affiliates

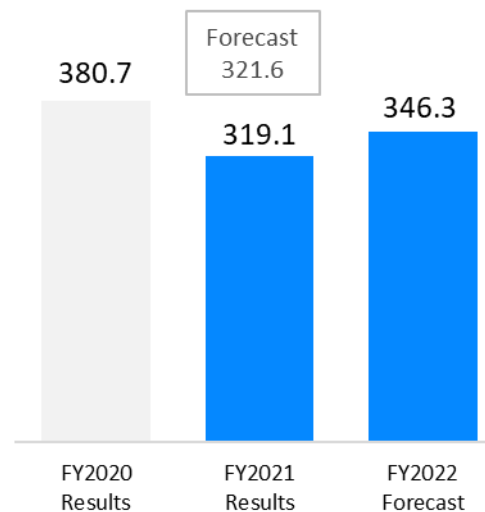
Contracts

JPY bil.



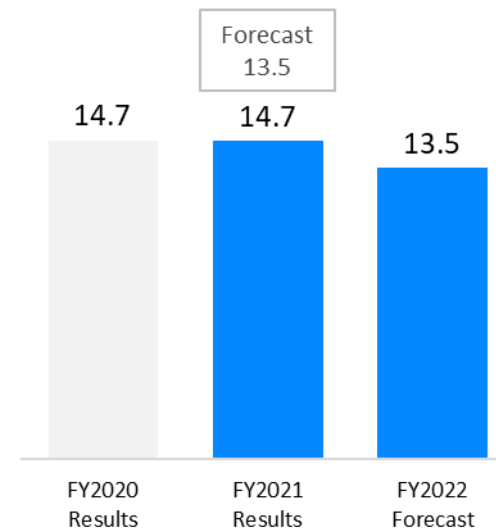
Revenues

JPY bil.



Net Income

JPY bil.



FY2021 Results

- Contract awards were on the same level as in FY2020
- Revenues decreased from FY2020 due to the adoption of the Accounting Standard for Revenue Recognition
- Net income exceeded the forecast, mainly due to improved equity in earnings of unconsolidated subsidiaries and affiliates

FY2022 Forecast

- Contract awards are expected to increase due to firm demand for road construction and building construction in the Tokyo metropolitan area
- Revenues are expected to increase mainly due to the steady progress of backlog projects at Kajima Road and other companies
- Net income is expected to be on the same level as in FY2021

3. Segment Performance | Overseas Subsidiaries and Affiliates

Contracts

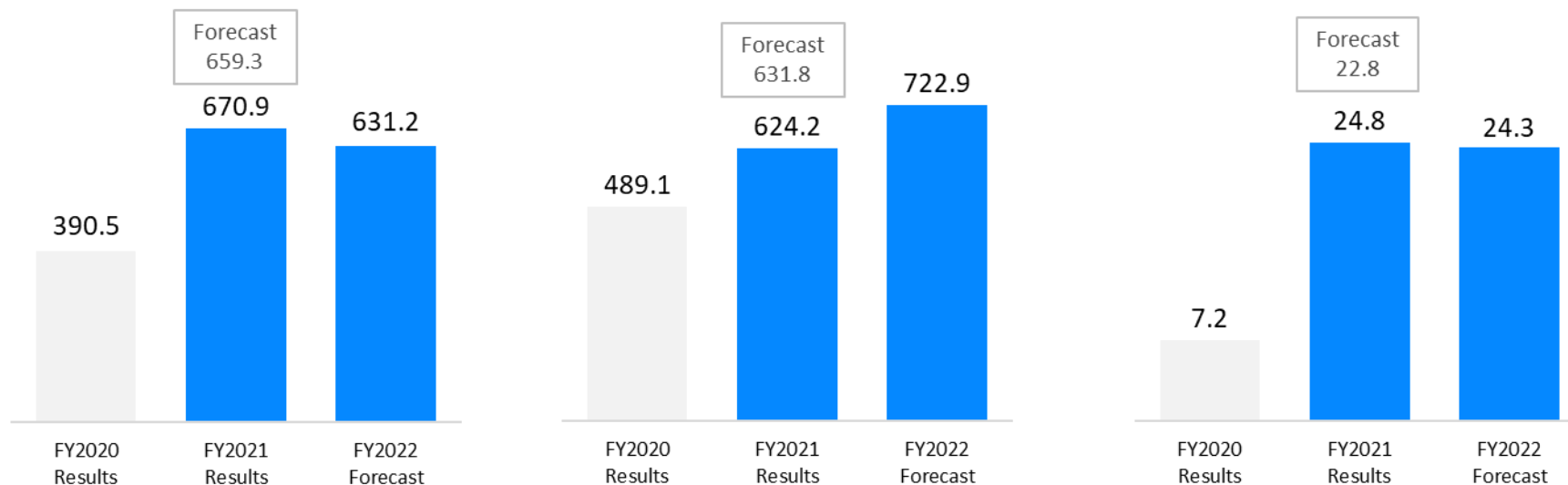
JPY bil.

Revenues

JPY bil.

Net Income

JPY bil.



FY2021 Results

- Contract awards increased in all regions and significantly exceeded FY2020 level
- Revenues increased compared to FY2020 due to increases in both the construction business and the real estate and other business, mainly in North America and Europe
- Net income increased significantly due to favorable sales of distribution warehouses, etc., thus compensating for the decline in business performance in Southeast Asia

FY2022 Forecast

- Contract awards are expected to remain at a high level
- Revenues are expected to increase due to steady progress in construction business in North America and Europe, as well as recovery in Southeast Asia
- Net income is expected to decrease due to a decrease of the gain on the sale of a distribution warehouse, while the performance in Southeast Asia is expected to gradually recover

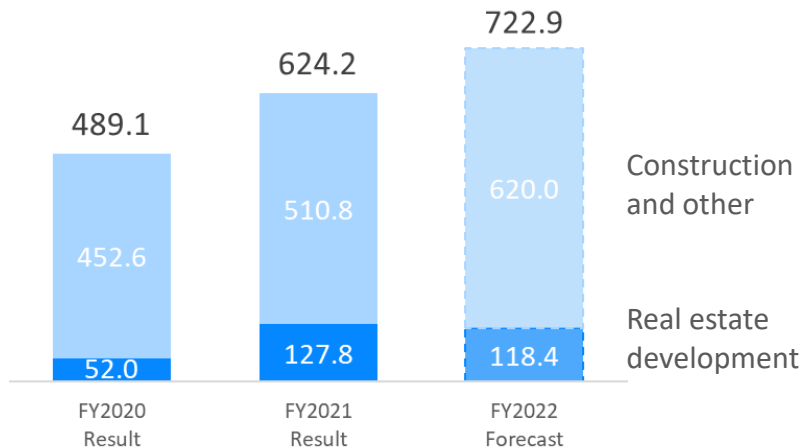
3. Segment Performance | Overseas Subsidiaries and Affiliates

(breakdown by construction and real estate development segments)

Overseas subsidiaries and affiliates significantly increased their **real estate development business profits**

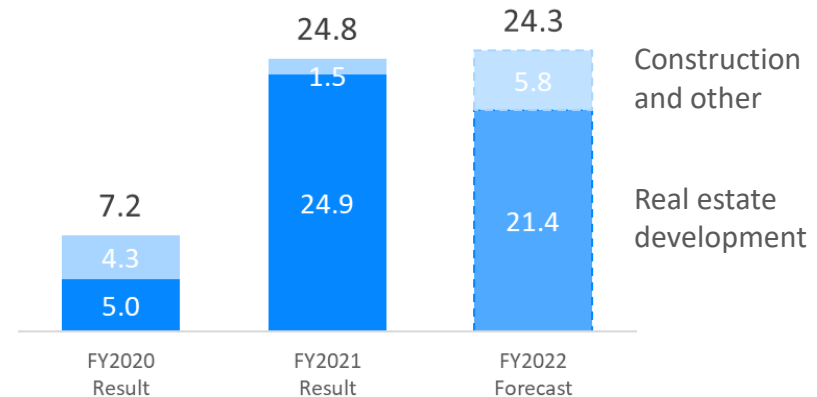
* Figures for each business segment are before internal transaction adjustments

Revenues from overseas subsidiaries and affiliates
(billion yen)



Net income of overseas subsidiaries and affiliates (billion yen)

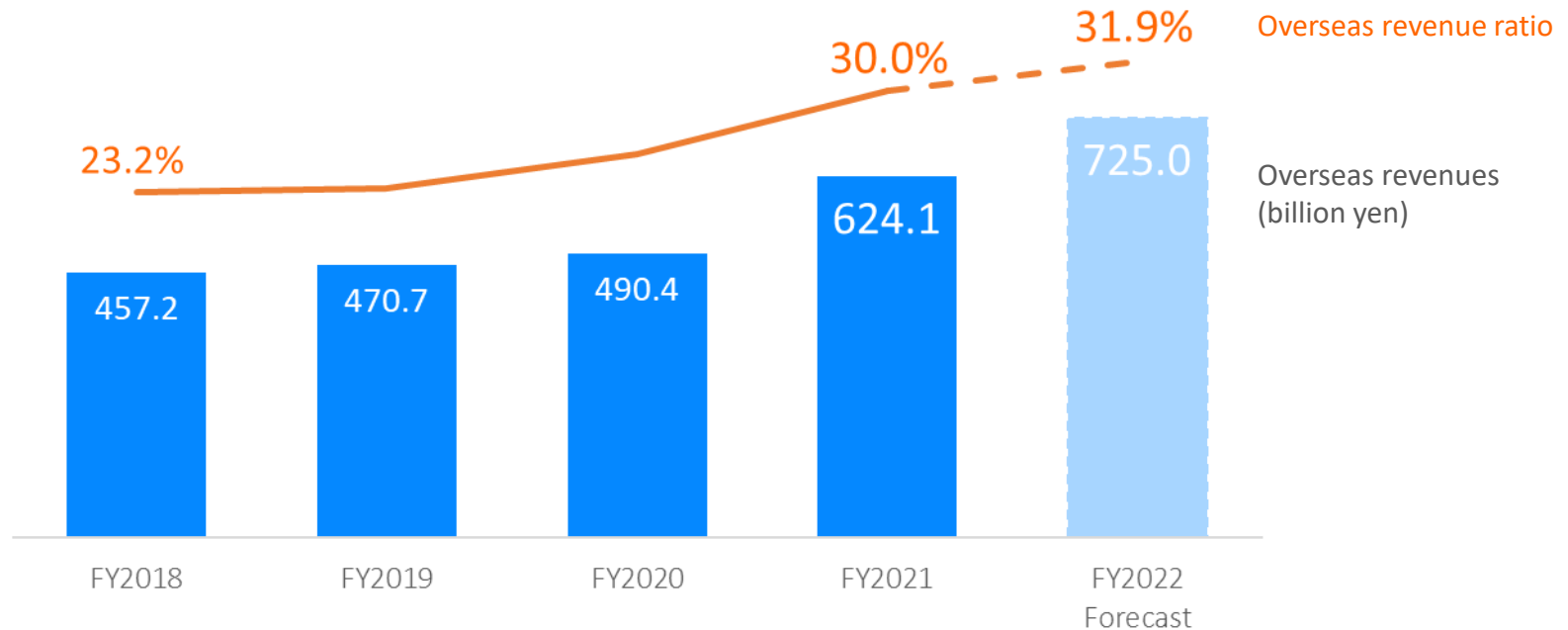
* Our real estate development business **manages its performance by net income** because it can be recorded as non-operating income or extraordinary income depending on the project



- In the construction and other business, revenues increased due to steady progress on backlogged projects mainly in North America and Europe.
In FY2022, we expect a gradual recovery in performance in Southeast Asia, resulting in higher sales and profits.
- In the real estate development business, **profits rose significantly due to the lucrative sale of distribution warehouses** in North America and Europe. As many projects are now under development/operation, **profits are expected to remain high in FY2022**

3. Segment Performance | Overseas Revenues

Total overseas revenue to consolidated revenue grows to 30%



- As a result of our efforts to build a business foundation and to invest strategically, the ratio of overseas revenue has grown to account for approximately 30% of total sales
- Due to an abundance of construction work carried over, overseas sales are expected to reach a record high in FY2022, following on from FY2021

2

Progress on Kajima Group Medium-Term Business Plan (FY2021-2023)

1. Progress on Key Measures
2. Progress on Financial Targets and Investment Plan
3. Financial Measures and Stockholder Returns

1. Progress on Key Measures

Kajima Group Medium-Term Business Plan (FY2021-2023) -Forward-Looking Investment

1

**Further strengthen
core businesses**



2

**Strive to create
new value**



3

**Establish a strong
management foundation and
promote ESG measures for
growth and transformation**



1. Progress on Key Measures

1 Further strengthen core businesses | Construction Business

Won contract awards for large-scale projects in priority areas

Large-scale mixed-use facilities



Contract awards for office and other

240.8 billion yen

Distribution facilities/Production facilities



Contract awards for distribution facilities

98.8 billion yen

Contract awards for production facilities

23.4 billion yen

Pursued M&A and capital alliances

- Strengthened construction business through M&A and capital alliances targeting domestic and overseas design and engineering companies, information system development companies, and companies with specialized skills

Promoted offshore wind power projects



Floating offshore wind power station

- Participated as a cooperative company in the construction of two offshore wind power projects off the coast of Akita Prefecture and one off the coast of Chiba Prefecture
- Participated in the NEDO Green Innovation Fund "Project to reduce the cost of floating offshore wind power generation"

Developed next-generation construction manufacturing systems

Civil engineering

Productivity improved with automated construction system "A⁴CSEL" and other technologies

Construction site PH (Cost of sales/Total working hours)
2021 results: **13.8%** improvement vs. FY2016

2023 target
15.0% improvement

Building Construction

"Kajima Smart Future Vision" expands the application of technologies such as robots and construction site management

Number of construction sites where smart construction has been introduced (contract value of 1 billion yen or more)
2021 results: **10.2%** (introduced at 17 sites)

2023 target
More than 50.0%

1. Progress on Key Measures

1 Further strengthen core businesses | Domestic Real Estate Business

The domestic real estate development business expanded investment in regional urban centers in addition to the Tokyo metropolitan area

2021 Investment and Capital Recovery

Invested **51.0** billion yen

Recovered **11.0** billion yen

- Multiple projects in progress mainly in central Tokyo and bayside areas
- Established a system to promote local redevelopment projects and expanded regional strategy

Results of real estate development projects in Fukuoka City in FY2021

Completed



Hakata Connecta

Commenced



Kyushu Kangyo Hakata Ekimae 3-Chome Project
(Tentative name)

Commenced



Kajima Nakasunakashimamachi Office Building
(Tentative name)

Major Development Projects

New leasing properties



Yokohama Gate Tower
Opened March 2022



Hotel Grand Bach Tokyo Ginza
Opened November 2021

Property sold



Nagoya Fushimi K Square

- Completed in 2019 and sold by FY 2021. **Secured the profit exceeding the original plan** by rent and sell.

1. Progress on Key Measures

1 Further strengthen core businesses | Overseas Real Estate Business

The overseas real estate development business contributes to Company-wide performance by promoting investment in the distribution warehouse development business and the subsequent lucrative sale of those warehouses

2021 Investment and Capital Recovery

Invested **142.0** billion yen

Recovered **96.0** billion yen

Distribution warehouse development business FY2021 Results

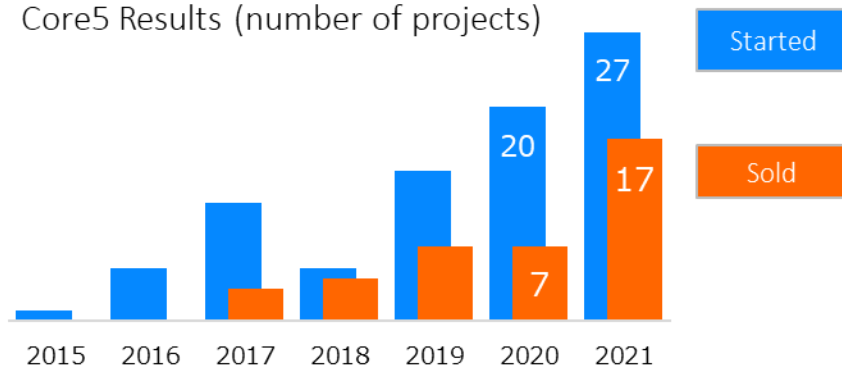
Core5 (USA)

17 projects sold
27 projects started
45 projects under
development/operation
(as of FY2021)

Europe

5 projects sold
10 projects started
18 projects under
development/operation
(as of FY2021)

Core5 Results (number of projects)



Major Development Projects

Newly started project



Wink Hotel Tuy Hoa
(Vietnam, Tuy Hoa)

- Develops lodging-specialized hotel brands in major cities in Vietnam. Actively invest in long-term holdings with a focus on post-COVID 19.
- Wink Hotel Saigon Center, has been in operation since March 2021. In addition to Tuy Hoa, two other hotels are under construction in Da Nang.

Properties sold

Batson-Cook Development Company (U.S.A.)



The Highland, Rental housing
(Georgia)



Regency Woods II,
North Carolina
(Office)

- Sold 15 rental homes and offices with partner companies. Recorded mainly as non-operating income. Expanded our repertoire to include other than distribution warehouses.

1. Progress on Key Measures

2 Strive to create new value

Proactively promoted businesses that solve social challenges

Developed smart society businesses that use hydrogen derived from carbon-neutral cattle manure

Shikaoi Hydrogen Farm Co.,Ltd.



Established a joint venture in Shikaoi-cho, Kato-gun, Hokkaido to manufacture and sell hydrogen produced from biogas derived from cattle manure

Other Initiatives

- Entered into businesses in Poland to develop power plant that use renewable energy
- Established Atami Infrastructure Management LLC and acquired a road management business (Atami Beach Line)



Atami Beach Line
(Shizuoka)

Promoted open innovation

Constructing a base for open innovation in Southeast Asia



- Construction of an office and laboratory in Singapore (The GEAR) is scheduled to be completed in 2023

Other Initiatives

- Utilized strategic investment framework to invest in multiple venture companies that possess advanced technologies including digital-related technologies, and promoted joint research and development
- Established the Construction RX Consortium to promote robot transformation in the development and use of construction robots and IoT applications, with the aim of improving the productivity and attractiveness of the entire domestic construction industry



73 member companies
As of April, 2022

1. Progress on Key Measures

3

Establish a strong management foundation and promote ESG measures for growth and transformation

Accelerated "Triple Zero2050" activities

Eco-friendly material CO₂-SUICOM



- Adopted the NEDO Green Innovation Fund project "Research and Development of Concrete with Effective Use of CO₂"
- Organized a specialized team to accelerate strategic initiatives

Other Initiatives

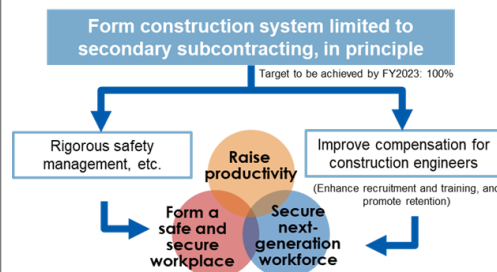
- 100% green electric power generation of the head office building and Nishi Chofu testing site
- Conducted CO₂ emissions study in 14 overseas countries with the aim of gaining SBT accreditation in 2023
- Achieved 100% operation for "edes" sites in Japan. Implemented reduction activities tailored to current conditions at each site based on monitored CO₂ emissions data



Environmental Data Evaluation System
(edes)

Secure next generation workforce Maintaining and strengthening the supply chain

Restructured multi-layered subcontracting



Our Efforts

- Planned orders to prioritized companies
- Direct contract with labor-oriented subcontractors

Cooperating Companies' Efforts

- Increase in the number of directly hired technicians
- Promotion of multi-skilled labor

Other Initiatives

- Opened Kajima Partner College. Commenced training of partner company executive candidates and construction engineers



FY2021 Results

Technical Courses

28 students attended

Management Courses

6 students attended

2. Progress on Financial Targets and Investment Plan

Made steady progress on management targets outlined in the medium-term business plan

Billions of yen	Consolidated		Financial Target of Medium-Term Business Plan		
	Consolidated		Consolidated		
	FY2021 Result	FY2022 Forecast	FY2023 Target	FY2024-26 Target	FY2030 Target
Revenues	279.6	227.0	around 2,250	—	—
Net Income	103.8	85.0	95 +	Reliably 100 +	130 ~ 150 +
ROE	11.4%	—	Over 10%		

- In the medium-term business plan, in addition to our target of “consolidated net income of 95 billion yen or more” in 2023, our aim is to record “100 billion yen or more on a stable basis” in 2024-2026, “130-150 billion yen or more” in 2030, and continue to **promote measures and investments for medium- to long-term profit growth**

2. Progress on Financial Targets and Investment Plan

Progressed steadily and achieved about 30% of investment plan

Billions of yen	FY2021 Result		Medium-Term Business Plan (FY2021-2023)	
Domestic / Overseas Real Estate Development (Recoup of Investment)	193.0	107.0	640.0	360.0
Domestic (Recoup of Investment)	51.0	11.0	190.0	80.0
Overseas (Recoup of Investment)	142.0	96.0	450.0	280.0
R&D and Digital Investment	18.0		55.0	
Strategic Investment Framework	21.0		60.0	
Other	20.0		45.0	
Total	252.0		800.0	
Net Investment	145.0		440.0	

3. Financial Measures and Stockholder Returns

Cross-Shareholdings

In order to sell more than 30 billion yen in three years, as stated in the mid-term management plan, we have been selecting stocks to sell, and in FY2021, the first year of the plan, we sold 16 stocks with a value of 14.8 billion yen.

Reduction status	FY2020 Result	FY2030 Target	Holding status	End of FY2020	End of FY2021
Number of stocks sold	16 stocks	-	Number of stocks (listed stocks)	320 stocks (144 stocks)	316 stocks (135 stocks)
Amount of sales	14.8 bil. Yen	At least 30.0 bil. Yen over 3 years	Balance sheet amount	266.5 bil. Yen	258.7 bil. Yen

Stockholder Returns

Our basic policy is to strive for a dividend payout ratio of 30%, as well as to flexibly contribute to shareholder returns by acquiring own shares and other means in consideration of business performance, financial condition, and business environment. According to this policy, we decided to increase dividend.

	FY2020 Result	FY2021 Result	FY2022 Forecast
Dividend per Share	¥54	¥58	¥58
Basic Net Income per Share	¥193.13	¥208.00	¥172.61
Payout Ratio	28.0%	27.9%	33.6%
Own share acquisition	¥10 bil.	¥20 bil.	-



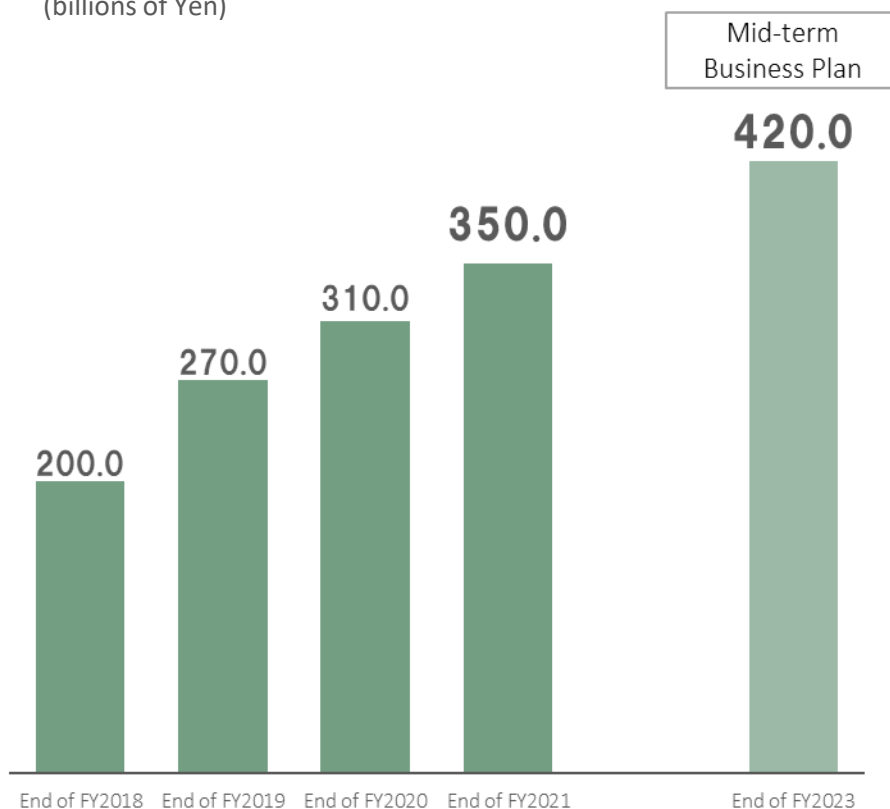
Supplementary Materials

1. Current Situation and Changes in the Domestic Real Estate Development Businesses
2. Current Situation and Changes in the Overseas Development Business
3. Main Projects Under Development

1. Current Situation and Changes in the Domestic Real Estate Development Business

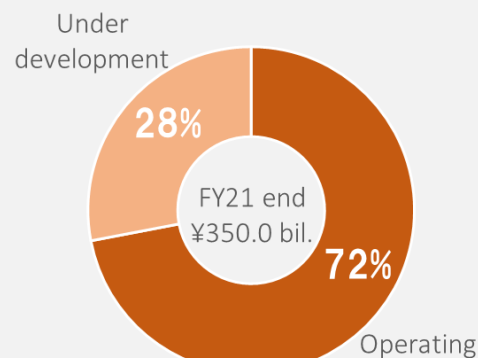
Changes in domestic real estate development assets

(billions of Yen)

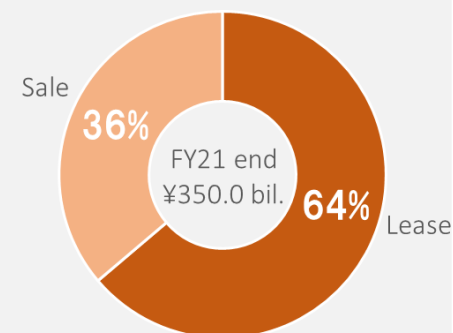


(Current situation of domestic real estate development assets)

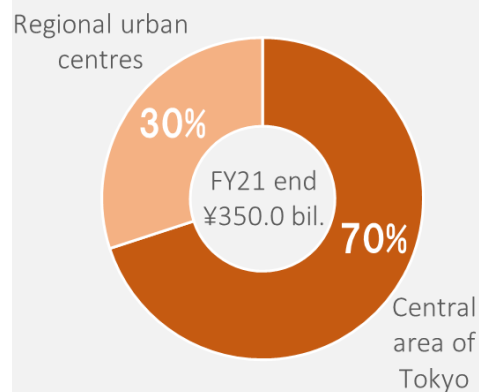
In-operation vs under development



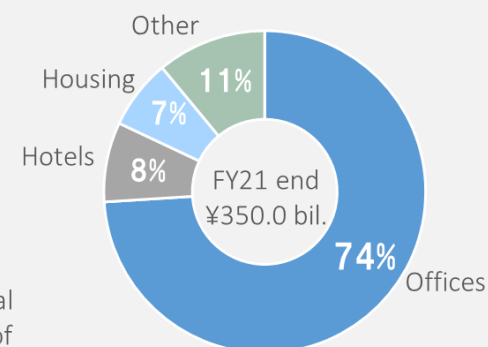
By sales and lease



By area

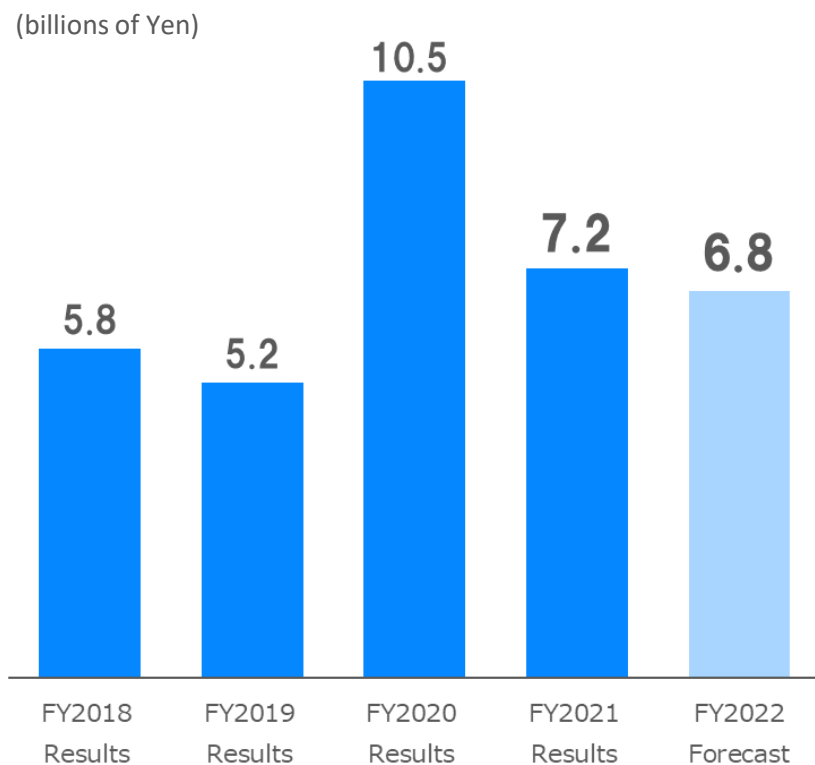


By use



1. Current Situation and Changes in the Domestic Real Estate Development Business

Domestic real estate development business net income

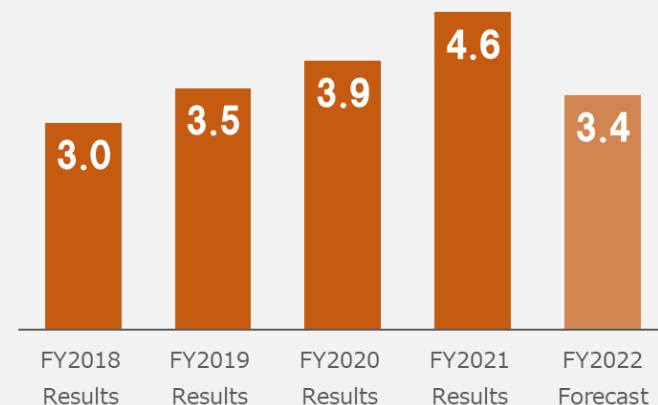


Figures are the sum of Kajima Corporation's development business and the net income of its development-related domestic affiliates.

(Breakdown by Business Segment)

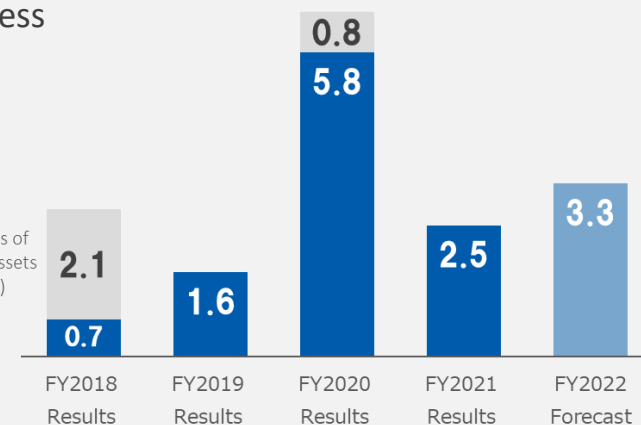
Leasing Business

(billions of Yen)



Sales Business

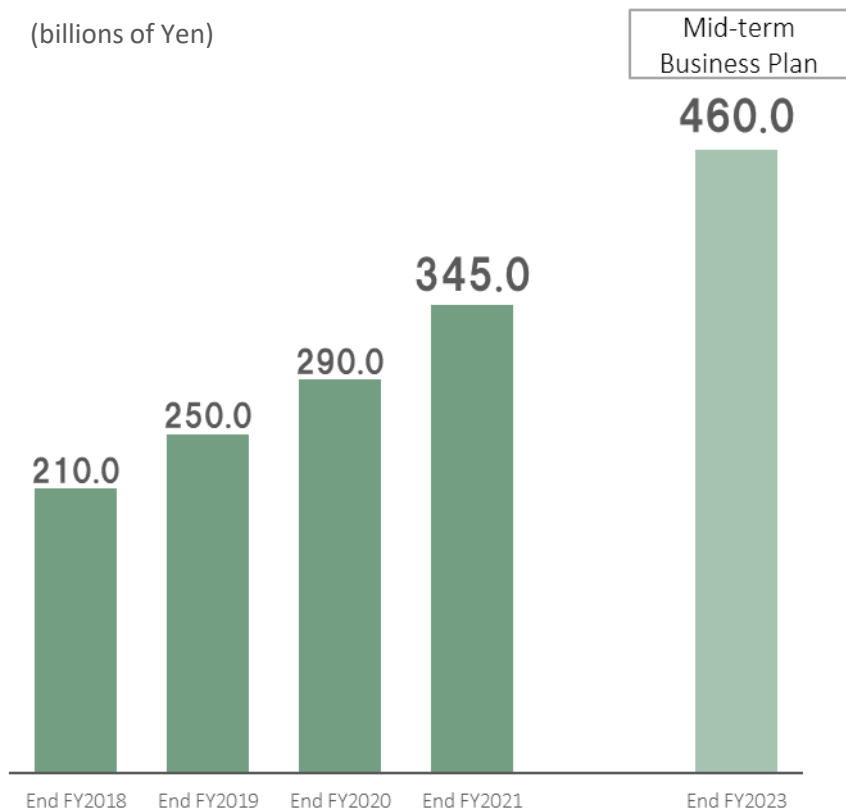
Gain on sales of noncurrent assets (after tax)



2. Current Situation and Changes in the Overseas Real Estate Development Business

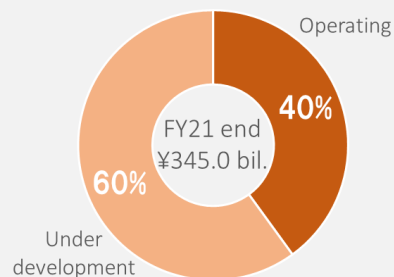
Changes in overseas real estate development assets

(billions of Yen)

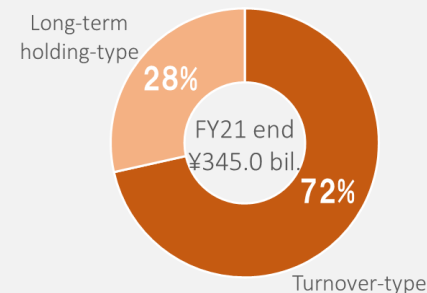


(Current situation of overseas real estate development assets)

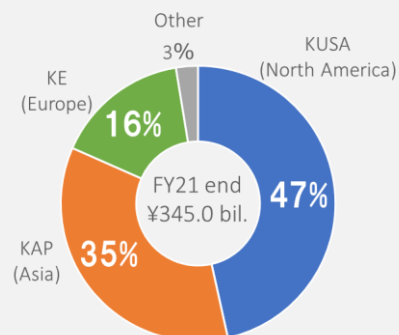
In-operation vs under development



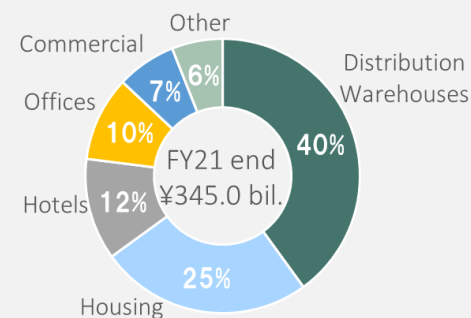
By holding period



By area

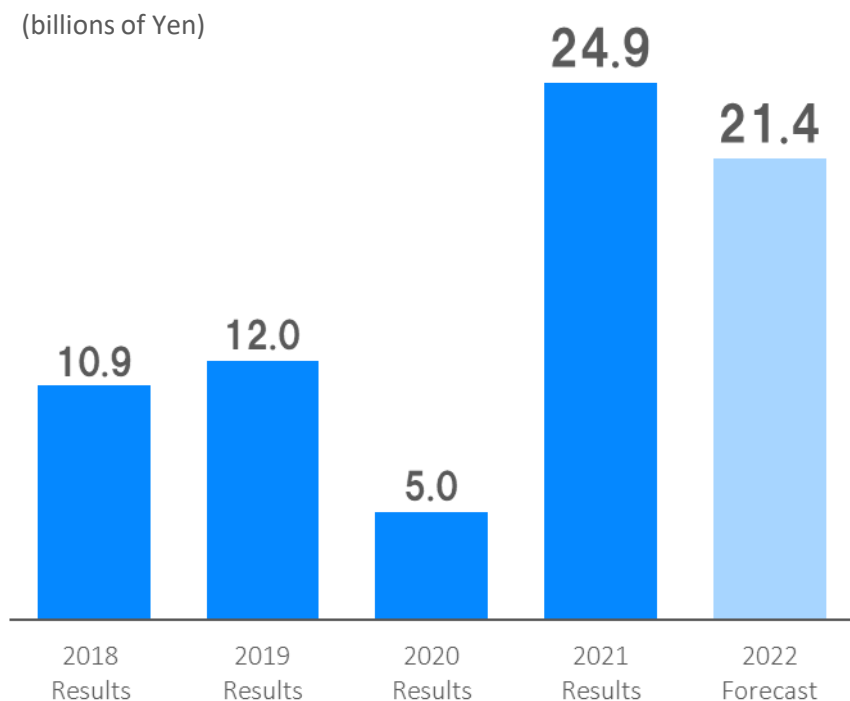


By use



2. Current Situation and Changes in the Overseas Real Estate Development Business

Overseas real estate development business net income

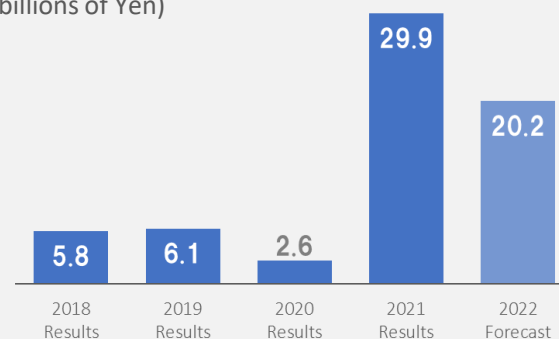


Total of net income from real estate development business of each overseas subsidiary (before adjustment for internal transactions, etc.)

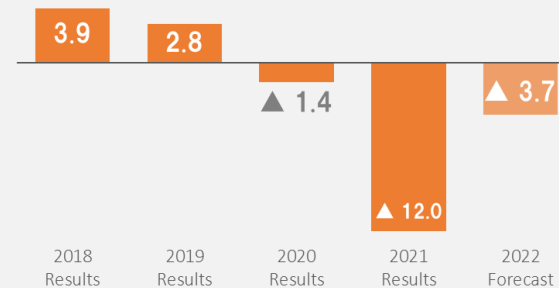
(Breakdown by Major Overseas Subsidiaries)

(billions of Yen)

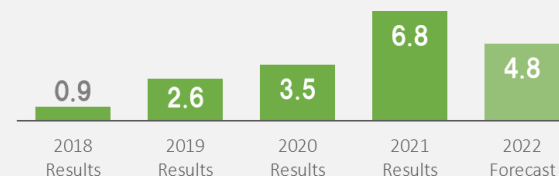
KUSA (North America)



KAP (Asia)



KE (Europe)



3. Main Projects Under Development

Major domestic development projects

Project Name	Primary Use	Location	Business Type	Total floor area	Completion
KUDAN-KAIKAN TERRACE	Office	Chiyoda-ku, Tokyo	Joint project	Approx. 68,000m ²	Jul-2022
MM37 Tower (tentative name)	Office and hotel	Kanagawa prefecture	Joint project	Approx. 121,700m ²	Jan-2023
Hilton Okinawa Miyakojima Resort	Hotel	Okinawa prefecture	Joint project	Approx. 28,500m ²	Feb-2023
Sakuragicho Office Project, Omiya-ku	Office	Saitama prefecture	Joint project	Approx. 20,700m ²	May-2023
Haneda Innovation City (Phase II)	Office	Ota-ku, Tokyo	Joint project	Approx. 131,000m ²	Jun-2023
Park Tower Kachidoki South	Residential	Chuo-ku, Tokyo	Joint project	Approx. 182,000m ²	Aug-2023
Yokohama City Hall District Redevelopment Project	Office	Kanagawa prefecture	Joint project	Approx. 125,000m ²	FY2025
Hamamatsucho 2-Chome District Type 1 Urban Area Redevelopment Project	Residential, office and commercial	Minato-ku, Tokyo	Joint project	Approx. 74,000m ²	Dec-2026
Yaesu 2-chome Central Area Type 1 Urban Redevelopment Project	Office and Commercial	Chuo-ku, Tokyo	Joint project	Approx. 388,300m ²	FY2028
Tokyo Institute of Technology Tamachi Campus Redevelopment Project	Office, hotel and commercial	Minato-ku, Tokyo	Joint project	Approx. 250,200m ²	FY2030

Major overseas development projects

Project Name	Primary Use	Location	Business Type	Total floor area (number of projects)	Completion
Distribution warehouse development business in the U.S.	Logistics Facilities	United States	Partly joint projects	Approx. 1.70 mil. m ² (45)	2017-2024
Woodleigh Development Project	Residential	Singapore	Joint project	Approx. 95,400m ²	2023
Distribution warehouse development business in Europe	Logistics Facilities	Europe	Joint projects	Approx. 1.08 mil. m ² (19)	2017-2023
Development and operation of student dormitories in Poland	Student dormitory	Poland	Joint projects	Approx. 80,000 m ² (10)	2014-2023

The total floor space is the figure for the entire project.



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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 13, 2022, and are subject to risks and uncertainties that may cause the actual results to vary.