

Dialogue between the Chairman and an Outside Director

Kiyomi Saito, a Kajima outside director since 2015, and Chairman Yoshikazu Oshimi discussed a variety of topics ranging from the Kajima Group Medium-Term Business Plan (FY2021–2023) announced in May 2021 to ideal corporate governance for the future.



Yoshikazu Oshimi

Chairman,
Representative Director

Kiyomi Saito

Outside Director

Review of the Previous Discussion

Oshimi: The last time you and I had a discussion like this was in 2018, when Kajima announced the previous medium-term business plan. I reviewed the opinions you expressed then, and concluded that I had made some progress during my tenure as president. There are many matters that I would like President Amano, my successor, to continue promoting and enhancing.

What is your take on the six years since you were appointed as an outside director?

Saito: My colleagues Koji Furukawa and Masahiro Sakane and I were all appointed as outside directors in 2015. Being

corporate managers with similar backgrounds gives us the confidence to express our opinions frankly at Board of Directors and committee meetings.

Oshimi: I distinctly remember you pointing out the importance of the business portfolio in promoting proactive investment overseas under the previous medium-term business plan. Based on this opinion, and guided by our investment plans, we have used a variety of investment approaches over the past three years to diversify the scope and configuration of our businesses by region. We have seen some results of these efforts.

Saito: I think it is a welcome change, because when it comes to trying new things, the hurdles tend to be higher for companies such as Kajima that are highly regarded for their technology and quality. Self-reliance may have been the norm until now, but when expanding into new areas and businesses overseas, I think that one of the keys to success is to cooperate with local companies and make good use of the capabilities of others. This is clearly reflected in the new Medium-Term Business Plan. I am happy to see that Kajima is trying to grow by incorporating external capabilities in ways such as exploring new technologies in Silicon Valley and collaborating with startup ventures.

Oshimi: I am grateful for the ongoing advice of our outside directors on management from an external perspective.

Saito: The outside directors of the company for which I am president give me many suggestions that I consider valid but difficult to implement. These outside directors do not accept the excuses I may make, and when we do as they suggest, I sometimes find, contrary to my expectations, that our efforts are successful. In other words, one of the roles of an outside director is to doggedly pursue management improvements that should be implemented but may not seem feasible to the company. In fact, Director Furukawa has consistently championed themes such as Group management and circumspect compliance, and Director Sakane has done the same for eliminating the multi-layered subcontracting structure.

Oshimi: Our outside directors continuously tell us what we need to do, which indicates that we may not be doing enough. We will continue relevant initiatives to address the issues our outside directors raise.

Corporate Governance

Oshimi: Partly as a result of suggestions about corporate governance from outside directors, we have enhanced discussion of medium- to long-term management issues at Board of Directors meetings, and raised the ratio of outside directors to one-third in 2019. Other reforms have included establishing the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee in 2020.

Saito: Stock markets and society in general are demanding enhanced governance, and Kajima has been making steady progress in this area over the past six years. Kajima has a

wonderful corporate culture that values people, but it needs to structure systems that do not rely too heavily on the thoughts and actions of individuals. Given the compliance violations of recent years, the same holds true for structuring and operating business execution systems. Kajima needs to make its systems more objective and transparent, operate them rigorously, inculcate them within the Company, and show society where it stands. I appreciate that Kajima has done much to ensure thorough compliance. However, all companies face challenges in eliminating every compliance violation as they expand, so I believe compliance is an issue that must be addressed continuously.

Oshimi: We will make the most of Kajima's good corporate culture as we further enhance systems, monitoring, and education to prevent the recurrence of non-compliance. This is a critical priority for the management team, so we appreciate your continuing guidance.

Saito: The Nomination Advisory Committee discussed candidates for the new president four times. I am proud of the committee's objective evaluation and selection process, which included interviews with candidates. In the future, the committee would like to further deepen discussions about improving planning and transparency by considering succession plans.

Oshimi: As chairman, I see the operation of the Board of Directors as a means to help outside directors understand the organization of the Kajima Group, and would like to provide more such opportunities for them to see how each section of the Group operates.

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

Oshimi: In formulating the Medium-Term Business Plan, the Board of Directors and other parties had several lively discussions about our image of the future and the Group's Vision.

Saito: Having mid-career and young employees offer their opinions in creating the Vision was an excellent idea. But creating the Vision is not the be-all and end-all of the matter. Kajima needs to share the Vision internally and externally. Senior management must draw on the Vision at every opportunity when communicating.



Oshimi: The main feature of the Medium-Term Business Plan is forward-looking investment, and we will align our investments with the different situations of each of the countries we serve. Our investments must be premised on establishing businesses that are deeply rooted in each region and culture.

Saito: The term “global” connotes a broad network and many offices, but I do not consider those to be absolutely necessary. A key for the construction business is narrowing down targets and areas. A good understanding of each region is required in this business, so Kajima should delve deeply into its chosen areas rather than simply increasing the number of local offices.

Oshimi: Exactly. We do not intend to haphazardly increase the number of offices. When we begin operating in a new country, we take in the local situation directly and focus on how we can help the people of that nation. Human resources are limited, so this is the approach we will take with investments in the Medium-Term Business Plan.

Saito: What is localization? It is not just putting local people in charge. A bilateral relationship is important, so that Kajima can benefit from absorbing local expertise and ideas while providing its expertise to the local areas it serves. In my company, where half of the employees are of Chinese nationality, bilateral thinking is very helpful. Different approaches may make getting the message across challenging, but good things come from competition among ideas. Diverse points of view are valuable.

Oshimi: Suddenly investing in a new place does not usually go well. We need to proceed methodically while identifying opportunities. We also need to add local talent to our teams and be open to change. We have increased overseas investment in the new Medium-Term Business Plan by about ¥100 billion compared to our previous plan, so we expect positive outcomes.

Saito: The common wisdom is that the Japanese market is saturated and companies must therefore expand overseas. Yet operating overseas is not limited to developing a market and generating sales in a new place. It also involves bringing new ideas back to Japan from overseas to expand domestic business. In other words, you will come to see different operating approaches if you view overseas markets as an opportunity to learn rather than just as places to sell your services.

Expectations for Kajima

Saito: ESG investment has become commonplace in recent years. Investors do not want to be party to negative impacts on society, and they praise and support companies that have a positive impact. Therefore, companies are now being evaluated from the three perspectives of risk, return, and impact. Some people may believe that doing good for society is associated with being unprofitable, but that is not valid. It is all a matter of how one approaches the business. Many companies that do it right have profited. That is exactly what social impact investing is all about—many companies impact society by resolving social issues with innovative approaches while also generating financial returns. Working to achieve the SDGs drives innovation.

Oshimi: So to grow sustainably, companies must address social issues and invest accordingly. Considering that our corporate philosophy states that we will strive to continually advance our business operations and contribute to society, I would say that our initiatives since Kajima was founded have been aligned with the mindset of international society and investors.

Saito: In real estate development, for example, projects should be a good fit with the topography and geology, not random. Or take concrete. It used to be made from a finite range of materials, but changing those materials can transform concrete into a means to conserve the Earth's

resources. These are just some of the many ways to contribute. Nowadays, companies that do not communicate the good they are doing for the world do not earn the respect of society. Thus, looking at the world and thinking about its workings from different perspectives have become even more important.

Many of today's younger generation want to work at a company that is doing good. According to one report, many people think that their pay does not have to be all that high if their job benefits society. To attract good people, Kajima must therefore communicate the good it does for society. Society may no longer appreciate Kajima if it does not have this mentality.

In particular, addressing climate change will become increasingly important in the future.



Oshimi: We have identified the relevance of social issues such as the SDGs to our business and determined seven material issues. We focused on these issues in formulating the new Medium-Term Business Plan. The issues include reducing CO₂ emissions with the aim of being carbon neutral, investing in power generation facilities that use renewable energy, and smart society initiatives such as a community development project in Shikaoi-cho, Hokkaido that locally produces energy for local consumption. In the Medium-Term Business Plan, we have established a Strategic Investment Budget of ¥60 billion in businesses that resolve social issues. I believe this is in line with the concept of impact investing. It is a bold initiative, and

while not all investments will generate profits, some will certainly support future growth.

Saito: Please continue to come up with strategies for success in the future.

Oshimi: I will. The Board of Directors and other bodies will also continue to report on the progress of such initiatives. I look forward to having opportunities for further discussion. Thank you for your time and your insights.

Main Comments by Outside Director Kiyomi Saito during the Dialogue in 2018 and Actions Taken

| Summary of main comments | Key actions |
|--|---|
| Research and Development, and Investment <ul style="list-style-type: none"> Make further use of external resources such as collaboration with startup ventures. Keep the business portfolio in mind when investing in construction-related businesses, the real estate development business, and overseas businesses. | <ul style="list-style-type: none"> Stationed employees in Silicon Valley to promote open innovation with startup ventures. Began construction of The GEAR, an open innovation center in Singapore, in August 2020. Participated in a project led by RIKEN to use the Fugaku supercomputer to counter COVID-19. Deployed comprehensive Kajima Group capabilities to promote the Haneda Innovation City smart city model project. Promoted the rental housing development business through Flournoy, an acquisition in the United States. Acquired Student Depot of Poland, which develops and operates student dormitories, in May 2019. |
| Work-Style Reform <ul style="list-style-type: none"> Mechanize further to maintain and increase the wages of workers and meet construction deadlines. A comfortable working environment and an atmosphere that accommodates individual circumstances are requisites for promoting diversity. | <ul style="list-style-type: none"> Formulated the Kajima Smart Future Vision in November 2018 with the goals of addressing the shortage of construction workers and innovating construction processes to achieve work-style reform; on-site demonstrations and implementation have begun. Applied the A⁴CSEL automated construction machinery system for Naruse Dam embankment construction. Enhanced various systems, including expansion of the flex-time work hours system for childcare and implementation of family support leave. Implemented postnatal training also attended by supervisors. The number of people taking nursing care leave increased significantly. |
| Technological Appeal <ul style="list-style-type: none"> Kajima should do more to publicize its outstanding technology. | <ul style="list-style-type: none"> Announced results of joint research with JAXA and the Space Exploration Innovation Hub Center (TansaX). Kajima Smart Future Vision model site at the Yokohama Gate Tower Project opened to the media. KAJIMA DX LABO, where visitors can experience the future of civil engineering, opened in October 2020. |

Corporate Governance

Kajima's fundamental commitment on corporate governance is to ensure fair and transparent corporate activities using enhanced management supervision by the Board of Directors and Audit & Supervisory Board. This is combined with risk management and accountability achieved via internal controls and systematic steps to secure compliance. Kajima will continue to strengthen its corporate governance based on the Corporate Governance Code outlined by the Tokyo Stock Exchange.

Overview of Corporate Governance Structure

Kajima has elected to use a Company with an Audit & Supervisory Board structure, with a Board of Directors to make key business decisions and monitor business execution and an Audit & Supervisory Board to audit the execution of duties by directors.

The Nomination Advisory Committee and the Governance

and Remuneration Advisory Committee have been established as advisory organs to the Board of Directors to strengthen the management supervisory function. Furthermore, an executive officer system has been introduced to separate and bolster supervisory and operational execution functions, as well as to increase the efficiency and speed of management. In addition, a Management Committee and a Joint Committee of Directors and Executive Officers have been established to improve the efficiency of operational execution.

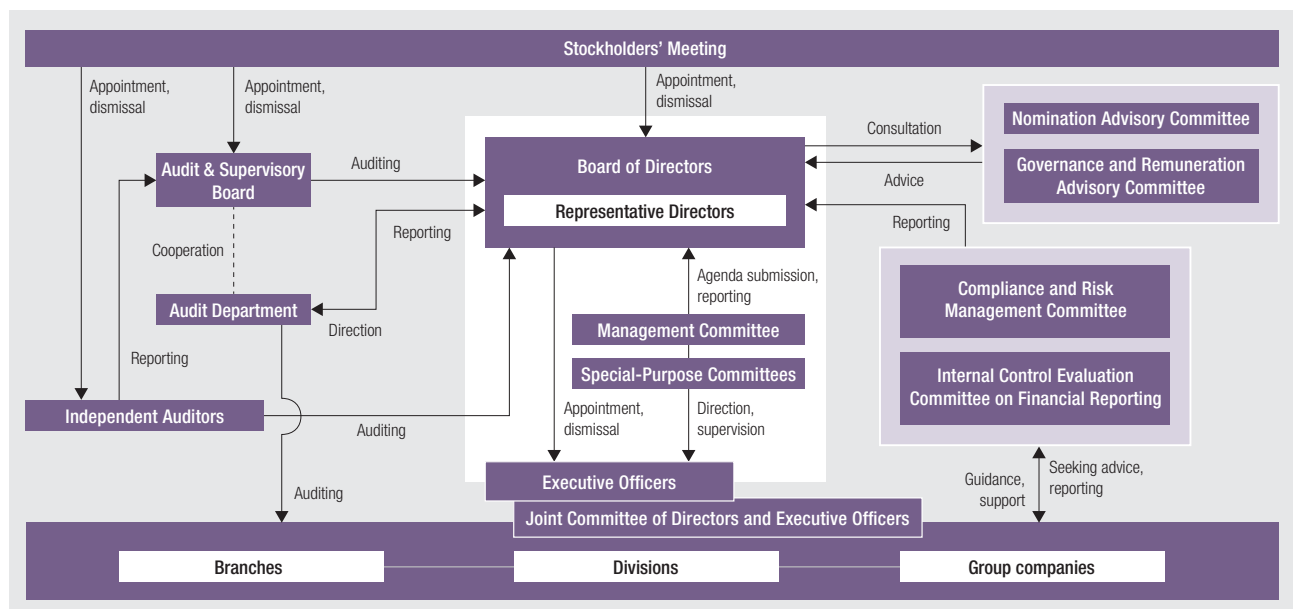
Governance Structure: Company with an Audit & Supervisory Board

| | |
|---|--|
| Directors | 12 persons (including 4 outside directors) |
| Term | 1 year |
| Number of Board of Directors meetings (FY2020) | 14 meetings, once a month in principle |
| Audit & Supervisory Board members | 5 persons (including 3 outside members) |
| Number of Audit & Supervisory Board meetings (FY2020) | 15 meetings, once a month in principle |
| Executive officer system | Yes |
| Independent directors | 7 persons |

Progress in Strengthening Corporate Governance

| | To FY2006 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | |
|---|-----------|---------------|--------------------------------------|--------|----------------------------------|--|---|--------|---------|
| Remuneration for officers | | | | | | Enhanced remuneration system by introducing a system for allotting shares with restriction on transfer | Bonus KPIs | | |
| Improving objectivity and transparency of nomination and remuneration decision-making processes | | | | | Established Governance Committee | | Nomination Advisory Committee, Governance and Remuneration Advisory Committee | | |
| Improving effectiveness of Board of Directors | | | Implemented effectiveness evaluation | | | | | | |
| Number of outside directors (%) | | | 3 | | | 4 | 4 | 3 | 4 (33%) |
| Term of office of directors | | Up to 2 years | | | | | Up to 1 year | | |

Diagram of Corporate Governance Structure



Nomination Advisory Committee and Governance and Remuneration Advisory Committee

The Nomination Advisory Committee and the Governance and Remuneration Advisory Committee were newly established in December 2020 as advisory organs to the Board of Directors, by reorganizing and expanding the Governance Committee, which had played a key role in Kajima's corporate governance system. Its functions included deliberating on important matters related to corporate governance in general, including officer personnel and remuneration-related matters, and giving advice to the Board

of Directors. The Governance Committee met a total of eight times following its establishment in December 2018.



| | Nomination Advisory Committee | Governance and Remuneration Advisory Committee |
|-------------------------------------|---|---|
| Roles | The Nomination Advisory Committee was established as a meeting body that deliberates on personnel-related matters for directors and other officers, and provides recommendations to the Board of Directors with the aim of ensuring objectivity and transparency. | The Governance and Remuneration Advisory Committee was established as a body that deliberates on important matters related to corporate governance, including remuneration of directors and other officers, and provides recommendations to the Board of Directors with the aim of ensuring objectivity and transparency. |
| Main themes for discussion | <ul style="list-style-type: none"> Composition of Board of Directors, executives on management team, requirements, and nomination guidelines | <ul style="list-style-type: none"> Officer remuneration system (including composition, standards, guidelines for determining remuneration) Operational enhancements and other measures to improve effectiveness of the Board of Directors |
| Meeting administration | The Executive Office functions as secretariat and is responsible for providing support. | The Executive Office functions as secretariat and is responsible for providing support. Depending on the content of the Board of Directors meeting agenda, persons including the President and other executives on the management team may also be invited to attend Executive Office meetings in order to provide briefings. |
| Meeting frequency | One regular meeting per year; additional meetings as needed | One regular meeting per year; additional meetings as needed |
| Number of meetings in FY2020 | 4 meetings | 2 meetings (Held as the Governance Committee meeting) The first meeting of the Governance and Remuneration and Advisory Committee was held in April 2021. |
| Chairperson | Outside director | Outside director |
| Members | President 3 outside directors | 4 outside directors 3 outside Audit & Supervisory Board members |

Appointment of Outside Directors and Outside Audit & Supervisory Board Members

Kajima has appointed four outside directors and three outside Audit & Supervisory Board members, with an emphasis on securing a high degree of independence. Appointees must satisfy certain requirements for independent directors as defined by stock exchanges, and all are registered with the Tokyo Stock Exchange and Nagoya Stock Exchange as independent officers.

Outside Director and Outside Audit & Supervisory Board Member Support System

The Executive Office is responsible for providing support to outside directors, and the Office of Audit & Supervisory Board

Members is responsible for providing support to outside Audit & Supervisory Board members. In addition to providing orientations prior to Board of Directors meetings, these offices also supply outside officers with the information they need to serve in their positions.

Outside directors meet regularly with Kajima management. In addition, they receive tours of branch offices and construction sites. This enhances management supervision by ensuring that the outside directors have an accurate understanding of Kajima's business.



Tour of a construction site (Yokohama Gate Tower Project)

Skills Matrix

Appointees to the Board of Directors must have the ability to apply the knowledge they have cultivated in their respective fields, such as business, finance, and technology. Candidate selection takes into consideration the diversity and appropriate size of the Board of Directors, while pursuing a

balance of knowledge, experience and abilities as a whole. To ensure objectivity and transparency in selecting candidates for Director, the Nomination Advisory Committee deliberates on the basic approach to the nomination and the composition of the Board of Directors, among others, and provides advice and recommendations, based on which the Board of Directors deliberates and makes final decisions.

| Name | Positions and assignments at the Company | Number of Board of Directors meetings attended (Rate of attendance) | Main areas of expertise and experience | | | | | | | |
|---|---|---|--|--------------------|---------------|-----------------|-----------------------|------------|-----------------|--------------------|
| | | | Corporate management | Finance/Accounting | Technology/IT | Sales/Marketing | Legal/Risk management | Government | Global business | Industry knowledge |
| Yoshikazu Oshimi | Chairman, Representative Director | 14/14 (100%) | ○ | | ○ | ○ | | | | ○ |
| Hiromasa Amano | President, Representative Director | — | ○ | | ○ | ○ | | | | ○ |
| Masayasu Kayano | Representative Director, Executive Vice President, General Manager, Civil Engineering Management Division, Responsible for International Civil Engineering Operations | 14/14 (100%) | ○ | | ○ | ○ | | | ○ | ○ |
| Keisuke Koshijima | Representative Director, Executive Vice President, General Manager, Overseas Operations Division | — | ○ | | | ○ | ○ | | ○ | ○ |
| Hiroshi Ishikawa | Director, Executive Vice President, General Manager, Sales and Marketing Division | 13/14 (93%) | ○ | | | ○ | | | | ○ |
| Takeshi Katsumi | Director, Senior Executive Officer, General Manager, Administration Division | — | ○ | ○ | | | ○ | | | ○ |
| Ken Uchida | Director, Senior Executive Officer, General Manager, Treasury Division | 14/14 (100%) | ○ | ○ | | | | | ○ | ○ |
| Nobuyuki Hiraizumi | Director | 14/14 (100%) | ○ | | | ○ | | ○ | | ○ |
| Koji Furukawa <small>Outside Director Independent Director</small> | Director | 14/14 (100%) | ○ | ○ | | | ○ | | ○ | |
| Masahiro Sakane <small>Outside Director Independent Director</small> | Director | 14/14 (100%) | ○ | | ○ | | | | ○ | |
| Kiyomi Saito <small>Outside Director Independent Director</small> | Director | 14/14 (100%) | ○ | ○ | | | | | ○ | |
| Yoichi Suzuki <small>Outside Director Independent Director</small> | Director | — | | | | | ○ | ○ | ○ | |

Evaluating the Effectiveness of the Board of Directors

Kajima evaluates the effectiveness of its Board of Directors once a year in order to enhance the Board's function. The method for analysis and evaluation of the effectiveness of the

Board as a whole and the results for the period from June 2020 to May 2021 are described below. The Nomination Advisory Committee and the Governance and Remuneration Advisory Committee have been newly added to the scope of evaluation from the evaluation for this period.

Analysis and evaluation method

- 1) Quantitative and qualitative analysis of matters such as the content of agenda items submitted to Board of Directors meetings and the deliberation time, and discussion by all members of the Board of Directors on actions taken in response to the recommendations and issues raised in the evaluation of the effectiveness conducted in past fiscal years, activities of the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee, as well as future issues and other topics
- 2) Review by external experts to ensure objectivity of the evaluation of the effectiveness of the Board of Directors

Evaluation results for the current period

The Board of Directors determined that the Board's functions are appropriately fulfilled and effectiveness is ensured.

- Efforts for improving the administration of Board meetings increased the time for deliberation and question-and-answer sessions compared to the previous fiscal year, enhancing discussions.
- The system in place is effective, enabling the Board to take into consideration recommendations and issues raised in order to bring about improvements.
- The Board has sufficient opportunity for deliberation on actions to address sustainability issues including social and environmental problems.
- The Nomination Advisory Committee and the Governance and Remuneration Advisory Committee are contributing to ensuring the objectivity and transparency of the Board.

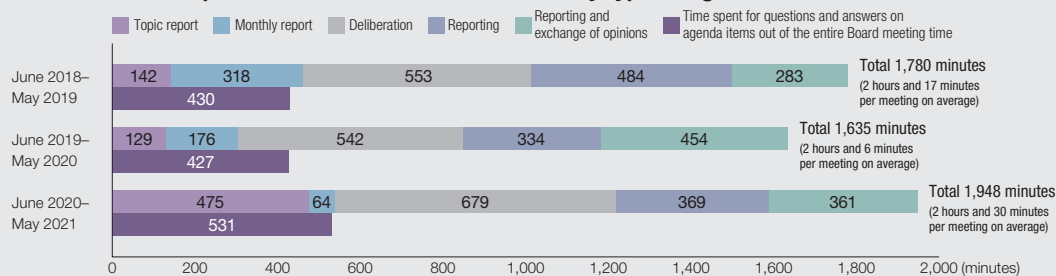
Main Initiatives Implemented during the Evaluation Period (June 2020–May 2021)

(1) Efforts for Improving Administration of Board Meetings

- It was confirmed that, as a result of efforts to improve the administration of Board meetings and enhance discussions, that business execution-related agenda items are submitted to the Board after sufficient discussions at committees managed by executive divisions, that outside directors attend Board meetings after appropriately receiving pre-meeting briefings, and that the time for deliberation and question-and-answer sessions increased compared to the previous fiscal year.

- It was confirmed that the Medium-Term Business Plan (FY2021–2023) was formulated after sufficient Board meeting phase-by-phase discussions on the direction of the plan and other relevant issues, and that an opportunity for providing compliance and risk management-related information to the Board in a timely manner is secured.

Deliberation and question-and-answer session time by type of agenda



(Note) Analyzed all 13 Board meetings held between June and May of the following year, except the Board meeting held on the day of the stockholders' meeting

(2) Actions Taken in Response to the Recommendations and Issues Raised in the Previous Fiscal Year

Enhancing discussions on long-term issues

- Multiple discussions were held in the process of formulating the Medium-Term Business Plan. Sufficient time was secured to create the Vision and review material issues.
- Agenda items including the long-term management policy and business policies to deal with changes in the business environment were taken up and deliberated on.

Principal Matters Discussed

Deliberation on the future Group vision, review of the Group's past 30 years, changes in the contract award environment and its future outlook, digital strategies, and the Kajima Group Anti-Bribery Policy

Greater opportunities to engage in dialogue other than at Board of Directors meetings

Greater opportunities were created for communication among directors as well as between outside directors and executive officers through off-site meetings and on-site tours.

(3) Initiatives for Sustainability Issues

- Securing a next-generation workforce
 - The Board of Directors discussed issues related to securing a next-generation workforce, such as improving employment conditions for skilled workers and nurturing human resources.
 - Outside directors and the President visited a pilot site of the Kajima Smart Future Vision and exchanged opinions with employees regarding digital transformation in construction and differentiation of business models.
- Dealing with environmental issues such as climate change
 - Discussions were held to review the CO₂ emissions reduction target set out in the Kajima Environmental Vision: Triple Zero 2050.
 - The Board of Directors pointed out the necessity for further enhancing the

disclosure of information based on the TCFD framework inside and outside of the Company.

3) Securing diversity of human resources

- The Governance and Remuneration Advisory Committee took up the topic of promoting active roles for female employees, and exchanged opinions with officers responsible for personnel-related matters with respect to increasing the number of female employees in managerial positions.
- In addition to training sessions that featured lectures by outside directors, social gatherings were held to enable the exchange of opinions with employees regarding various themes such as organizational management and career planning.

(4) Nomination Advisory Committee and Governance and Remuneration Advisory Committee

- The Governance Committee was reorganized into the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee in December 2020 to clarify the roles and responsibilities of advisory organs to the Board of Directors.
- The Nomination Advisory Committee met four times and the Governance and Remuneration Advisory Committee once, and all committee members, mainly outside directors, expressed their opinions and engaged actively in discussions.

- When deliberating on officer personnel-related matters and remuneration at the Board of Directors meeting, the outside director serving as chairperson of each committee explained the discussion results and made recommendations. The Board of Directors deliberated further and made decisions based on the explanations and recommendations. It was determined that both committees contributed to ensuring objectivity and transparency of the Board of Directors meetings and the effectiveness of the Board of Directors was secured.

Future Issues

| | Issues raised |
|---|--|
| 1 | Continuation of discussion on important sustainability-related issues in the construction industry, such as safety measures, reform of the multi-layer subcontracting structure, and addressing environmental issues |
| 2 | Enhancement of reporting of issues requiring stronger measures, such as management of risks of increasing assets related to real estate development projects, and security measures against increasingly sophisticated cyber-attacks |
| 3 | Greater opportunities to engage in dialogue other than at Board of Directors meetings |

Officer Remuneration

Kajima has formulated a policy for determining officer remuneration. The content and methods of this policy are as indicated below.

Director Remuneration System

Basic Policy on Officer Remuneration

- Remuneration standards are to be sufficient to secure and retain outstanding management personnel.
- Remuneration is structured to provide remuneration commensurate with the roles and responsibilities of each position.
- Remuneration linked to achievement of management targets and remuneration linked to Kajima stock price are to be introduced to increase medium- to long-term corporate value and align officer values with those of stockholders.
- Remuneration decision-making processes must be objective and transparent.

To ensure objectivity and transparency in determining director remuneration, the Governance and Remuneration Advisory Committee, comprising outside directors and outside Audit & Supervisory Board members and chaired by an outside director, discusses matters including the Basic Policy on Officer Remuneration, remuneration systems, and remuneration standards. The Board of Directors deliberates and decides on such matters based on the advice and recommendations of the committee.

Kajima provides fixed remuneration to directors in the form of monthly remuneration, performance-linked remuneration in the form of bonuses, and stock remuneration, determined by position (including position as an executive officer for directors concurrently serving in that role).

The composition of respective forms of remuneration as percentages of total remuneration is as indicated below (assuming bonuses equal to standard amounts).

| | Fixed remuneration (monthly remuneration) | Performance-linked remuneration (bonus) | Stock remuneration |
|------------------------|--|--|--------------------|
| President | 60% | 25% | 15% |
| Other directors | 70% | 15% | 15% |

Details of Officer Remuneration

| | Total remuneration | Directors | Outside directors | Audit & Supervisory Board members |
|--|--|-----------|-------------------|-----------------------------------|
| Monthly remuneration | Directors: Up to ¥60 million/month Audit & Supervisory Board members: Up to ¥15 million/month | ● | ● | ● |
| Performance-linked remuneration (bonus) | Up to ¥300 million/year | ● | — | — |
| Remuneration in shares with restriction on transfer | Up to ¥300 million/year | ● | — | — |

FY2020 Remuneration for Directors

and Audit & Supervisory Board Members (¥ million)

| Position | Total remuneration | Monthly remuneration | Bonus | Stock remuneration | Recipients |
|---|--------------------|----------------------|-------|--------------------|------------|
| Directors (excluding outside directors) | 567 | 346 | 158 | 63 | 9 |
| Audit & Supervisory Board members (excluding outside members) | 56 | 56 | — | — | 3 |
| Outside directors and outside Audit & Supervisory Board members | 107 | 107 | — | — | 8 |

- Notes 1. Performance-linked remuneration (bonus) above shows the amount expensed in FY2020 for the officers' bonuses paid to the seven directors.
2. Stock remuneration above shows the amount expensed in FY2020 for the remuneration in shares with restriction on transfer allotted to the seven directors.

Fixed Remuneration

Fixed remuneration (monthly remuneration) is handled as indicated below.

- (1) The total amount of monthly remuneration shall not exceed ¥60 million per month. (Decided at the 108th Ordinary Stockholders' Meeting held on June 29, 2005; number of directors at the time: 14)

- (2) Revisions to monthly remuneration amounts due to the appointment of new directors or the resignation of current directors shall be applied from the month following the appointment of the director at the Stockholders' Meeting.

- (3) The monthly remuneration of directors who have received promotions shall, in principle, be revised effective the day of said promotion.

Performance-Linked Remuneration

Performance-linked remuneration (bonus) is handled as indicated below.

- (1) The total amount of bonuses shall not exceed ¥300 million per year. (Decided at the 120th Ordinary Stockholders' Meeting held on June 29, 2017; number of directors (excluding outside directors) at the time: 11)
- (2) Bonuses for the fiscal year (April 1–March 31) shall be based on officers' positions at the end of March, and paid upon resolution by the Board of Directors in a lump sum at the end of June the following year.
- (3) In principle, bonuses shall be calculated by multiplying the standard bonus amount established for each position by an evaluation coefficient. The evaluation coefficient shall be the average of performance-linked coefficients based on (a) net income attributable to owners of the parent for the current fiscal year and (b) average net income attributable to owners of the parent for the previous three fiscal years, and adjusted up

or down by up to 20% in consideration of target achievement levels and ESG components. The maximum for each performance-linked coefficient is set at 200%, and if net income attributable to owners of the parent is below a certain level, the performance-linked coefficient shall be 0%.

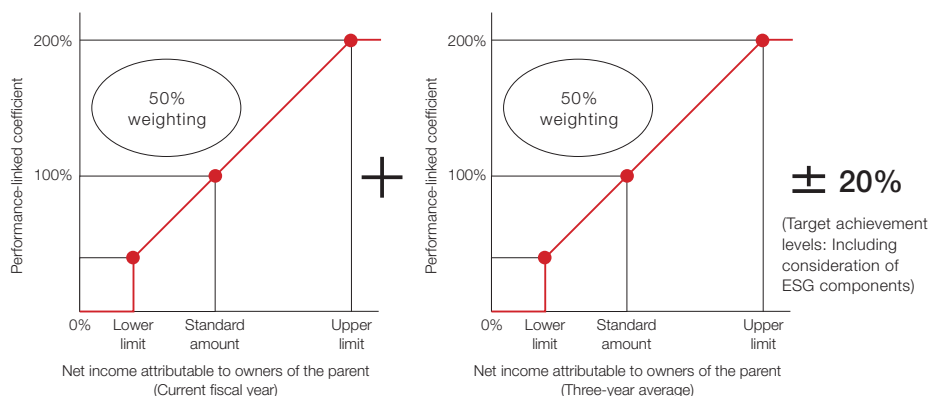
- (4) In the event of an incident such as a major compliance infraction, the Company may withhold or reduce bonuses.
- (5) In the event of an officer being newly appointed or resigning during the course of the fiscal year, in principle, the full calculation amount is to be paid if the officer is in office for nine months or longer, half of the calculation amount is to be paid if the officer is in office for six to nine months, and no bonus is to be paid if the officer is in office for less than six months.

The evaluation coefficient is the index for bonuses paid as performance-linked remuneration. The following evaluation coefficient was selected because, by combining consolidated performance for the current fiscal year and the average for the previous three fiscal years, (1) it provides an incentive for management based on a medium-term perspective, (2) it is in sync with the nature of the construction industry, where projects generally take two to three years, and (3) it does not interfere with the appropriate and timely recording of losses.

Formula

Bonus amount
= Standard bonus amount
× evaluation coefficient*

* (Performance-linked coefficient based on net income attributable to owners of the parent for the current fiscal year × 50%) + (Performance-linked coefficient based on average net income attributable to owners of the parent for the last three fiscal years × 50%) ± 20%



For the current fiscal year, the Board of Directors deliberated on and decided, after discussions at the Governance and Remuneration and Advisory Committee and based on the committee's advice and recommendations, to pay bonuses based on an evaluation coefficient of 188.5%, which is multiplied by the standard bonus amount established for each position.

As the calculation formula is linked to net income attributable to owners of the parent and adjusted based on target achievement levels, the Company does not set a target for the evaluation coefficient.

Stock Remuneration

Stock remuneration is handled as indicated below.

- (1) The total amount of stock remuneration shall not exceed ¥300 million per year. (Decided at the 122nd Ordinary Stockholders' Meeting held on June 25, 2019; number of directors (excluding outside directors) at the time: 9)
- (2) The allotment of remuneration in shares with restriction on transfer shall

be based on standard amounts established for each position, decided on by the Board of Directors each year, and allotted to eligible directors.

- (3) The transfer restriction period shall extend from the day the shares are allotted through the day the recipient resigns from his/her position as director and/or executive officer.
- (4) The total number of shares with restriction on transfer to be allotted to eligible directors shall not exceed 600,000 per fiscal year.

Audit & Supervisory Board Member Remuneration System

Audit & Supervisory Board members are paid fixed remuneration in the form of monthly remuneration. The monthly remuneration amount paid to individual Audit & Supervisory Board members is decided through deliberation

among Audit & Supervisory Board members according to working conditions and other considerations. The total amount of monthly remuneration shall not exceed ¥15 million per month. (Decided at the 97th Ordinary Stockholders' Meeting held on June 29, 1994; number of Audit & Supervisory Board members at the time: 5)

Risk Management

Based on effective and efficient risk management systems, the Kajima Group makes best efforts to identify risks in its businesses and operations and to prevent them from materializing. The Group also strives to keep improving corporate value by winning the trust of stockholders, customers, and others with timely information disclosure.

Group-Wide Risk Management System

The Kajima Group conducts Group-wide activities to eliminate or reduce risks in corporate activities. The Management Committee and special-purpose committees ascertain business risks and deliberate on countermeasures, including for new businesses and real estate development investments. With respect to operational risks such as those related to legal or regulatory compliance violations, the Compliance and Risk Management Committee (chaired by the President) ascertains and evaluates the operational status of the Group's risk management system, deliberates on risk management policies and responses to major risks, and reports as necessary to the Board of Directors.

The Risk Management Liaison Committee, which comprises the persons in charge at the Head Office department responsible for risk management, meets regularly to report and share information pertinent to the Group on risks that have materialized, revisions to laws and regulations, social trends, circumstances at other companies, and risk management and communication methodologies, and reports important information to the Compliance and Risk Management Committee as appropriate. The Administration Division, which serves as the secretariat for the Compliance and Risk Management Committee, centrally manages information on risks that have materialized and continually follows up on measures addressing these risks.

An effective approach to improving the effectiveness of risk

management is to conduct activities according to importance based on a comprehensive review of all risks. At the beginning of each fiscal year, Kajima analyzes risks based on the frequency of their materialization, impact of their materialization, and progress of countermeasures, selects operational risk aspects of corporate activities requiring priority management as “priority risk management issues” for application across the Group, and implements risk management from the perspective of prevention. For risks that have materialized, effective risk management is ensured through the PDCA cycle and includes mandatory early reporting and organization-level measures to contain risks and prevent materialization from recurring. Domestic and overseas Group companies adopt standardized systems in line with those of Kajima, and independently introduce risk management initiatives in collaboration with Kajima.

Risk Management Framework



Special-Purpose Committees to Ascertain Business Risks and Deliberate on Measures

| Committee name | Chairperson | Purpose |
|--|--|--|
| Overseas Business Steering Committee | General Manager, Overseas Operations Division | Deliberates and reports on important matters concerning overseas business (overseas subsidiaries and overseas operations directly controlled by Head Office) |
| Overseas Development Project Steering Committee | General Manager, Overseas Operations Division | Deliberates and reports on plan content and profitability, etc., related to investment in major real estate development projects of overseas subsidiaries and of the Overseas Operations Division, as well as major plan changes, and any transfer of a relevant development project |
| Overseas Civil Engineering Project Review Committee Overseas Building Construction Project Review Committee | General Manager, Civil Engineering Management Division General Manager, Building Construction Management Division | Investigates and reports on technical, construction, and contractual risks at the time of order receiving for major overseas construction projects; also investigates and reports on measures to address any serious problems that may occur during construction |
| Development Steering Committee | General Manager, Administration Division | Deliberates and reports on investments in Japanese real estate development projects, and on the commercialization or sale of important real estate properties and other ongoing projects |
| Important Construction Project Review Committees | General Manager, Civil Engineering Management Division General Manager, Building Construction Management Division | Confirms the technical, construction and contractual risks prior to estimate submission for important construction projects in Japan, and articulates policy on estimate submission |
| PFI Civil Engineering Committee PFI Building Committee | General Manager, Civil Engineering Management Division General Manager, Building Construction Management Division | Deliberates and reports on Group-wide response policies and frameworks related to PFI and other projects, individual projects involving business risks such as investment, and response policies concerning the formation of consortia of companies |
| Business Investment Review Committee | General Manager, Administration Division | Identifies and deliberates on risks and issues regarding alliances, M&A, company establishment and new investment projects, other than the above; also provides support for the promotion of such projects |

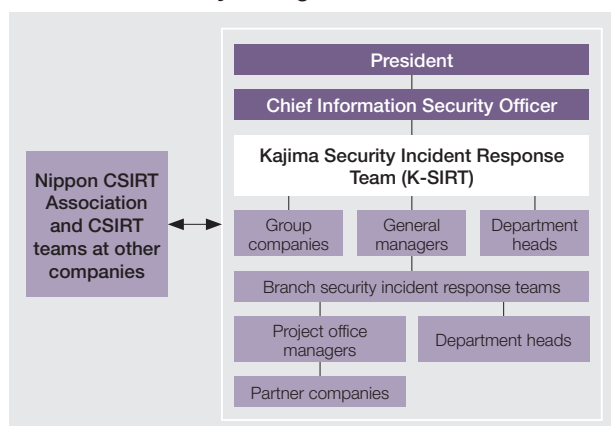
Information Security

The Kajima Group handles a wide range of information, including that relating to buildings, customers, management, technology, intellectual property and personal information, in the course of providing various services, including design and construction. The Group adheres to an information security policy and conducts thorough risk management in order to protect such information, including from external attacks or leakage due to negligence. Employees throughout the Group take an annual online course in information security, and education and training topics include risks associated with the use of cloud services and new threats such as targeted cyber-attacks, which have increased in recent years.

In the construction industry, project offices are often housed in temporary structures, and there is frequent communication with customers and partner companies during the construction process. Thorough information management is therefore required. Accordingly, Kajima conducts regular inspections and audits to verify that physical, personal and technical measures are in place, while continuing to enhance such measures. For partner companies, Kajima also distributes standard check sheets, awareness posters, and educational materials provided by the Japan Federation of Construction Contractors. The Company is working to improve the level of information security at its partners.

Kajima is addressing today's increasingly diverse and sophisticated cybersecurity threats in accordance with the Cybersecurity Management Guidelines from Japan's Ministry of Economy, Trade and Industry. The Company has set up the Kajima Security Incident Response Team (K-SIRT), a member of the Nippon CSIRT Association. The team stays on top of the latest trends in computer security and cyber-attacks, cooperating on a regular basis with other organizations and CSIRT teams. Kajima is also strengthening its protection and detection measures, as well as systems for monitoring for unauthorized access, computer viruses and other events, and quickly addressing all potential threats to minimize potential damage. In addition, it has developed protection, detection and monitoring systems to deal with the teleworking environment and other new work styles.

Information Security Management Framework



Multi-Hazard Business Continuity Plan (Natural Disasters, Pandemics, etc.)

When a major earthquake, wind or flood damage, or other natural disaster occurs, the construction industry must quickly mobilize to ensure business continuity and the rapid recovery of vital social infrastructure, including the reopening of roads and the repair of bridges. As a member of the Japan Federation of Construction Contractors that receives requests from the Government of Japan, Kajima operates and updates a BCP and conducts regular drills to prepare for contingencies. The Company has earned the Business Continuity and Disaster Recovery Certification for Construction Companies¹ and Resilience Certification.²

Kajima is enhancing its cooperation with local governments and public infrastructure operators via disaster preparedness agreements to support recovery after a disaster, as well as preparing Group-wide frameworks capable of rapidly responding to foreseeable disasters such as wind and flood damage.

Furthermore, Kajima continues to enhance its supply chain and business continuity capabilities by formulating and providing BCP manuals to partner companies.

In response to the COVID-19 pandemic, the Group positioned preventing the spread of infection as a top priority, and was quick to establish a Crisis Response Headquarters. In order to ensure business continuity and minimize damage to the greatest extent possible, the Group is gathering information, assessing risk scenarios, instructing employees in Japan and overseas on actions to take, providing guidance to partner companies, and implementing other necessary measures.

1. A program offered by the Kanto Regional Development Bureau under the Ministry of Land, Infrastructure, Transport and Tourism to evaluate and certify the basic business continuity capabilities of construction companies.
2. With the aim of enhancing disaster preparedness in Japan, this program provides certification to entities that are actively engaged in business continuity efforts. They are certified as organizations that contribute to national resilience by being prepared for large-scale natural disasters.

Addressing Risks Outside of Japan

Kajima has established an International Emergency Response Committee to oversee the Group's response and ensure the safety of employees and their families when emergencies arise outside of Japan. In the event of a terrorist attack, major earthquake or other disaster outside of Japan, Kajima focuses first on gathering information to verify the safety of employees and their families and next on providing aid to the affected area.

Kajima has compiled a manual on preparedness measures and emergency response in areas where it operates and is currently educating employees on assignment outside of Japan on these topics, as well as providing information and alerts on security, epidemics and other concerns to employees traveling internationally.

Business and Other Risks

| Risk factors | Risks and opportunities | Response |
|---|---|--|
| Risks of changes in the business environment | <ul style="list-style-type: none"> • If there are significant changes in construction, real estate development or other business environments, such as a significant decrease in construction demand or a rapid contraction of the real estate market due to factors such as an economic downturn, there could be a decline in construction contract awards and a decrease in real estate sales and lease income. • If competition with other general construction companies intensifies and the Group is unable to maintain its competitiveness in aspects such as quality, cost or service content, there could be a deterioration in the Group's business performance. | <ul style="list-style-type: none"> • While accurately responding to changing conditions and market trends, the Group will continue to actively advance the measures set forth in the newly formulated Kajima Group Medium-Term Business Plan (FY2021–2023) and address material issues as it works to achieve management targets and increase corporate value. |
| Risks of fluctuation in construction costs | <ul style="list-style-type: none"> • Construction projects are subject to fluctuations in construction costs because they require the procurement of materials, equipment and labor over a long period of time. If a rapid rise in main material prices and labor costs results in unexpected increases in construction costs that the Group is unable to reflect in the contracted amount, there could be a deterioration in the profitability of construction work. | <ul style="list-style-type: none"> • The Group implements measures such as early procurement, securing diverse suppliers and including price adjustment clauses in contracts with clients, in order to minimize the impact of construction cost fluctuations. |
| Risks of fluctuation in prices and profitability of assets held | <ul style="list-style-type: none"> • In the event of a decline in the profitability of real estate for sale (consolidated balance sheet balance of ¥78.2 billion as of March 31, 2021), or a significant decline in the market value of assets such as real estate for lease (¥226.3 billion) and investments in securities (¥350.3 billion), the Group could be required to register a valuation loss or impairment loss. | <ul style="list-style-type: none"> • The Group manages real estate development business assets by ascertaining impairment risk for each project and maintaining total impairment risk below a defined level in proportion to consolidated equity capital. • For consolidated equity capital, the Group maintains a financial foundation that can sufficiently accommodate future growth in domestic and overseas real estate development business assets during the period of the Medium-Term Business Plan. • When investing in individual projects, Head Office special-purpose committees (Development Steering Committee and Overseas Development Project Steering Committee) and others ascertain risks and deliberate on countermeasures. The Board of Directors and the Management Committee then deliberate on these investments in accordance with defined standards. • Each fiscal year, the Board of Directors deliberates on listed stocks held for strategic purposes, based on an assessment of the rationality of continuing to hold them and asset efficiency from a medium- to long-term perspective, and sells off, in principle, stocks that no longer satisfy the relevant criteria. |
| Risks related to changes in political and economic conditions in other countries | <ul style="list-style-type: none"> • As the Group develops its construction and real estate development businesses overseas in regions including North America, Europe, Asia and Oceania, the Group's policy is to further localize human resources and enhance business platforms worldwide by forming business and capital alliances in accordance with the Medium-Term Business Plan. If there are significant changes in political and economic conditions, legal systems or foreign exchange rates in the countries in which the Group operates, there could be an impact on the Group's business performance. | <ul style="list-style-type: none"> • When conducting M&A and entering into new markets overseas, a Head Office special-purpose committee (Overseas Business Steering Committee) ascertains risks and deliberates on countermeasures. The Board of Directors and the Management Committee then deliberate on these matters in accordance with defined standards. • Kajima has established an International Emergency Response Committee to ensure the safety of employees and their families and provide local support in the event of incidents such as a terrorist attack or civil disturbance. |
| Risks associated with the shortage of workers in the construction industry | <ul style="list-style-type: none"> • In Japan, the number of skilled construction workers in the construction industry is on the decline, and unless sufficient measures are taken, it will be difficult to maintain the construction system. This could lead to effects including a decline in revenues or a decrease in the profit margin on construction projects due to higher labor procurement costs. | <ul style="list-style-type: none"> • The Group is promoting operational efficiency through greater productivity and improving working conditions through measures such as closing construction sites for a total of eight days out of every four weeks, while ensuring adherence to construction schedules. The Group is also implementing various measures to establish an environment that facilitates the creation of construction systems that limit the scope of contracts to secondary subcontracting, in principle, and that have other benefits in terms of improving employment conditions for skilled workers, stabilizing their income and making the profession more attractive to work in. • The Group is implementing measures to support partner companies in improving employment conditions for skilled workers. The Group is also systematically developing automation, labor-saving and robotic technologies to compensate for the shortage of construction workers. |

| Risk factors | Risks and opportunities | Response |
|---|---|--|
| Legal and regulatory risks | <ul style="list-style-type: none"> The Group's business activities are subject to a variety of laws and regulations, including the Construction Business Act, the Building Standards Act, occupational health and safety laws, environmental laws and the Anti-Monopoly Act. Therefore, in the event of revision of laws and regulations, the enactment of new laws and regulations, or changes in applicable standards, there could be an impact on the Group's business performance due to the effect on the contract award environment and costs, depending on the content of these changes. In the event of the violation of a law or regulation by the Group, there could be losses due to criminal or administrative penalties, business restrictions, or damage to the Group's reputation, which could have an impact on the Group's business performance. | <ul style="list-style-type: none"> In response to the enactment or revision of relevant laws and regulations, the content and necessary compliance measures are disseminated by the departments in charge. As a compliance manual, the Group issues the <i>Handbook for Practical Application of the Kajima Group Code of Conduct</i>, which is updated as necessary to reflect revisions to laws and regulations and changes in social conditions. It is disseminated to all officers and employees. In order to further improve and instill an awareness of compliance, the Group conducts ongoing training on the Kajima Group Code of Conduct for its officers and employees via online courses. In addition, departments responsible for each field formulate rules and guidelines, and conduct training and audits to further ensure appropriate business activities. For example, in regard to the Anti-Monopoly Act, the Head Office Legal Department formulates and revises the <i>Manual for Compliance with the Anti-Monopoly Act</i>, holds training sessions by lawyers using case studies and audits compliance with the bid-rigging prevention framework at the Head Office and branches. |
| Safety and health, quality, and environmental risks | <ul style="list-style-type: none"> In the event of a serious personal injury, quality accident, or environmental accident in the course of providing our services, including design and construction, there could be an impact on the Group's business performance due to damage to reputation, compensation for damages, delays in construction, and re-working costs. | <ul style="list-style-type: none"> Safety and health, quality assurance, and environmental management are fundamental to production and corporate survival. Therefore, the Group has established a basic policy, Safety and Health Policy, Quality Assurance Policy, and Environmental Policy, and carries out production activities based on appropriate and effective management systems that comply with relevant laws, regulations and other social requirements. To ensure safety, Kajima has been implementing safety and health management in conformance with the Construction Occupational Health and Safety Management System (COHSMS). In regard to quality, Kajima has received ISO 9001 certification in both its civil engineering and building construction operations. Individual overseas subsidiaries and affiliates have also obtained relevant certifications. In terms of the environment, Kajima operates environmental management systems that are compliant with ISO 14001. |
| Information security risks | <ul style="list-style-type: none"> The Group handles a wide range of information, including that relating to buildings, customers, management, technology and intellectual property, as well as personal information, in the course of providing various services, including design and construction. If such information is leaked or lost due to an external attack or the negligence of an employee, there could be an impact on the Group's business performance due to reputational harm, compensation for damages, restoration costs, etc. | <ul style="list-style-type: none"> The Group has established an information security policy, and conducts education and training using online courses, as well as inspections and audits. |
| Business partner credit risks | <ul style="list-style-type: none"> In the event of credit uncertainty regarding business partners such as clients and partner companies, there could be an impact on the Group's business performance due to the inability to collect payment for construction work, delays in construction, etc. The impact could be particularly significant if the payment for a large construction contract becomes uncollectible. | <ul style="list-style-type: none"> Whenever the Group enters into a new project agreement, it reviews the creditworthiness, financial planning, and payment terms of the customer to avoid the risk of a payment becoming uncollectible. In the event of new forms of contract or unfavorable payment terms where payments for construction work would still need to be collected after the completion of construction, the Head Office ascertains the risks and takes countermeasures. The Management Committee also deliberates on these matters in accordance with defined standards. Whenever the Group enters into a new transaction with a partner company, in principle, it examines the financial position and other characteristics of the partner company before entering into a basic construction subcontracting agreement. In addition, the Group conducts regular visits to major partner companies to confirm management conditions including their financial position. |
| Hazard risks (natural disasters, pandemics, etc.) | <ul style="list-style-type: none"> In the event of a large-scale natural disaster such as a major earthquake or wind or flood damage, there could be an impact on the Group's business performance due to damage to construction in progress, delays in construction, or damage to Company-owned buildings. In the event of a pandemic, there could be an impact on the Group's business performance, including a decline in construction contract awards due to an economic downturn or a decrease in revenues due to the suspension of construction work. | <ul style="list-style-type: none"> The Group is working to further improve its disaster preparedness and business continuity capabilities through means such as the formulation of a BCP in case of a disaster and conducting practical BCP drills assuming an earthquake directly under the Tokyo metropolitan area, torrential rains and other scenarios. In response to the COVID-19 pandemic, the Group positioned preventing the spread of infection as a top priority issue, and established a Crisis Response Headquarters to ensure business continuity and minimize damage to the greatest extent possible. The Group is gathering information, assessing risk scenarios, instructing employees in Japan and overseas on actions to take, providing guidance to partner companies, and implementing other necessary measures. |

Compliance

Kajima recognizes that compliance is the foundation of all corporate activities. To articulate this stance, it has established the Kajima Group Code of Conduct, under which the entire Kajima Group works to promote compliance.

Compliance Framework and Implementation

Kajima has established the Compliance and Risk Management Committee, which is chaired by the President. The Committee receives reports on the status of compliance throughout the Group as appropriate, as well as reports on important matters as they arise, and promptly gives instructions on necessary responses and improvement measures.

The Legal Department, which is part of the Administration Division, is the department in charge of compliance. It has formulated and regularly reviews a compliance manual and conducts training through online courses, while the departments responsible for each business field formulate rules and guidelines and conduct training as necessary.

In addition, the Audit Department, an internal audit division independent of operational divisions, conducts internal audits as part of its business audits.

Each Group company has also established and implements a compliance framework in line with that of Kajima.

Major Initiatives in FY2020

- Revision of compliance manuals (6th edition)
- Code of Conduct online course
Participants: 22,652 employees, including 9,210 employees from 38 Group companies
Participation rate: 100%

Anti-Corruption Initiatives

Kajima signed the United Nations Global Compact in March 2019 and supports the principle that “Businesses should work against corruption in all its forms, including extortion and bribery.” In April 2021, we established the Kajima Group Anti-Bribery Policy to further clarify our stance on anti-corruption initiatives.

Maintaining Fair Relationships with Partner Companies

The Kajima Group’s Corporate Code of Conduct states that we shall maintain healthy and fair relationships with subcontractors. However, in fiscal 2019 and fiscal 2020, several cases were uncovered in which employees received entertainment from partner companies that deviated significantly from social norms.

Based on this, in April 2020, we established and began enforcing strict Company-wide rules on socializing with partner

companies, including prohibiting eating, drinking, golfing, and traveling with representatives of partner companies.

We strive to ensure even greater fairness and appropriateness in the selection of partner companies and contracts, by reviewing the overall ordering process and more strictly examining and assessing the details of individual transactions.

Maintaining Appropriate Relationships with Public Officials in Japan

When making payments to or bearing expenses for public officials in Japan, we make sure that all employees are aware that they must act in accordance with the National Public Service Ethics Code. In addition, we require all employees to submit applications for entertainment expenses in advance, and also conduct strict checks regarding the legality and appropriateness of expenditures during subsequent expense processing.

Maintaining Appropriate Relationships with Public Officials Overseas

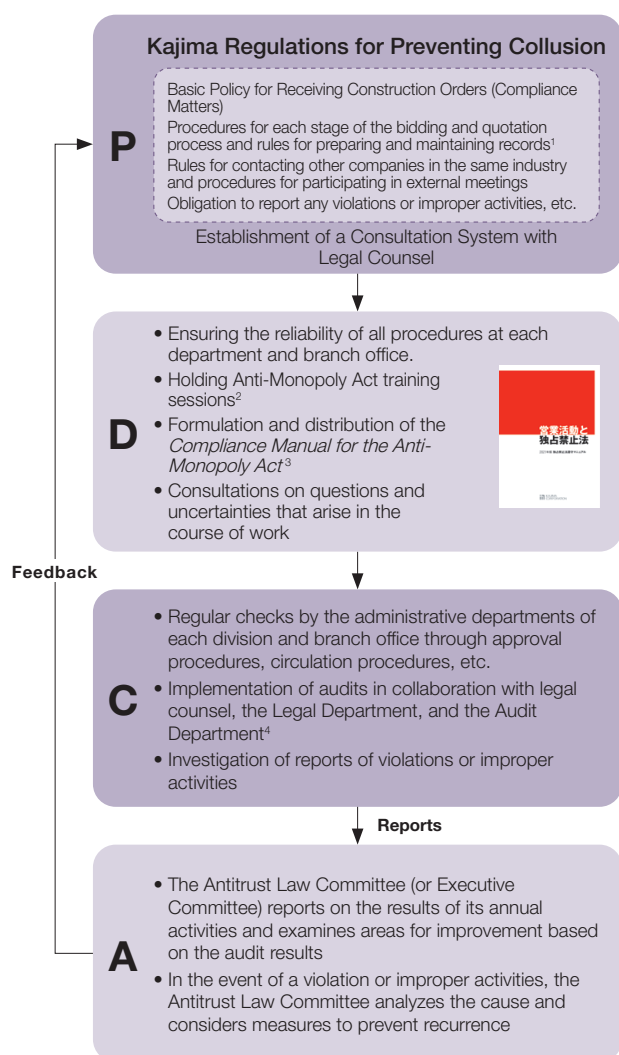
In April 2021, Kajima established the Kajima Corporation Anti-Bribery Policy for Foreign Public Officials, etc., because our relationship with foreign public officials is considered to be highly exposed to bribery risks.

Group companies in Japan and overseas are also working to formulate anti-bribery regulations similar to those described above, and are implementing activities to prevent bribery risks in the Kajima Group.

Ensuring Strict Compliance with the Anti-Monopoly Act

Kajima has established an Antitrust Law Committee under the Compliance and Risk Management Committee. The Legal Department, which serves as the Head Office secretariat, and the Administration Departments of each branch office, which serve as branch office secretariats, play a central role in ongoing initiatives to establish a bid-rigging prevention framework.

Group companies that are engaged in activities to receive orders related to public procurement have also established and are abiding by regulations in accordance with the Kajima Regulations for Preventing Collusion, and we are actively involved in confirming the implementation status of each company by assisting them in their anti-bid-rigging audits and checking their audit reports.



1. For public works and selected construction works ordered by private companies (such as subsidized construction work and construction work for clients acting in the public interest)
2. Participants in FY2020: 2,068 employees, including 586 employees from 22 Group companies
3. In April 2021, a revised version was prepared and distributed to all officers and employees, reflecting the December 2020 revisions to the Anti-Monopoly Act, as well as other laws. It was also distributed to Group companies.
4. Implemented for all 12 branches and two relevant Head Office departments in fiscal 2020

Current Status of Trial Proceedings

- Kajima appealed to the Tokyo High Court against the guilty judgement rendered by the Tokyo District Court in March 2021 in the case involving violations of the Anti-Monopoly Act in connection with the construction of the Linear Chuo Shinkansen.
 In addition, in June 2021, Kajima filed a lawsuit with the Tokyo District Court to revoke the cease-and-desist order it received from the Japan Fair Trade Commission in December 2020.
- A lawsuit to revoke the cease-and-desist order issued by the Japan Fair Trade Commission in connection with a violation of the Anti-Monopoly Act in relation to the manufacture and sale of asphalt mixture by our subsidiary Kajima Road Co., Ltd. is ongoing in the Tokyo District Court.

Whistleblower System

A whistleblower system (a corporate ethics hotline) has been established through which employees of Kajima, Group companies, partner companies, and others are able to report facts or suspicions concerning wrongdoing in the Group. Anyone can report, anonymously if desired, misconduct or legal violations, including corruption such as bribery involving officers or employees. In order to ensure the ease-of-use and effectiveness of the system, multiple contact offices have also been established outside the Company.

Through online courses and distribution of information leaflets throughout the Group, Kajima ensures that all employees are thoroughly aware of relevant rules and use the system when needed. Another contact office has also been established for general inquiries and consultations from external stakeholders. On July 2, 2021, the Company's whistle-blowing system was certified as a Whistle-Blowing Compliance Management System by the Consumer Affairs Agency.

FY2020 Whistleblowing Reports: 23 reports

Corporate Ethics Whistleblower System Framework

