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KAJIMA

Integrated Report

2025



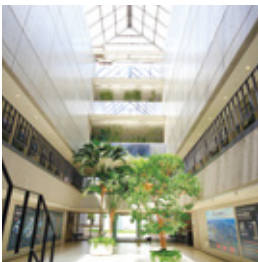
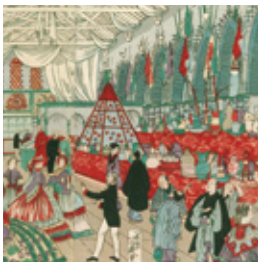
Kajima’s Corporate Philosophy

As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.

Ever since its establishment in 1840, Kajima has continued to contribute to the development of industry and the economy through its construction business, working to build a society where people can live safely, securely and comfortably. We have met challenges, evolved and developed throughout our history.

The cornerstone of Kajima’s success is the aggressive, enterprising spirit embodied in its management and employees, who continue to take on challenges in new business fields as industry frontrunners. Kajima is committed to progress and development, and has always been keenly aware of contemporary trends.

We will continue to pass along this fine tradition while drawing on our corporate philosophy. On this basis we seek to fully address social needs as a leader in creating truly comfortable environments and as a company that contributes to society.



Kajima Group Vision

Vision Statement

Willingness to take on new challenges leveraging the power of ideas and technology to make imagination and amazement a reality

Values

Openness

Having the ability to adapt to changes by seeking external resources and stimuli necessary for business creation and research and development

Diversity

Placing importance on diverse human resources and work styles, and having the receptiveness to recognize sharp ideas and different values

Initiative

Being able to take the initiative and having the creativity to put together mechanisms for new value areas

Corporate Culture

- Integrity
- Unwavering Technological Innovation
- Commitment to Kajima Quality

The Vision Statement incorporates two values: respecting the past and embracing challenges for the future.

We will pass on to the next generation our dedication to employees, customers, society, and craftspeople—together with the trust we have built and the traditional expertise cultivated as a technology-based company—as enduring sources of new value creation.

The Vision Statement expresses our resolve to achieve sustainable growth through continuous self-improvement and fresh ideas. It also conveys our commitment to sharing with society the sense of wonder and anticipation of turning imagination and inspiration into reality.

To realize the Kajima Group Vision, we have identified the core values that embody the qualities we seek. Guided by these principles, we strive to enhance long-term corporate value through talent development and the strengthening of organizational capabilities.



At a glance

Established

1840

Consolidated revenues

¥2,911.8 billion ^{UP}
(Up ¥246.6 billion from FY2023)

Consolidated operating income

¥151.8 billion ^{UP}
(Up ¥15.6 billion from FY2023)

Net income attributable to owners of the parent

¥125.8 billion ^{UP}
(Up ¥10.7 billion from FY2023)

Owners' equity

¥1,258.1 billion ^{UP}
(Up ¥47.9 billion from FY2023)

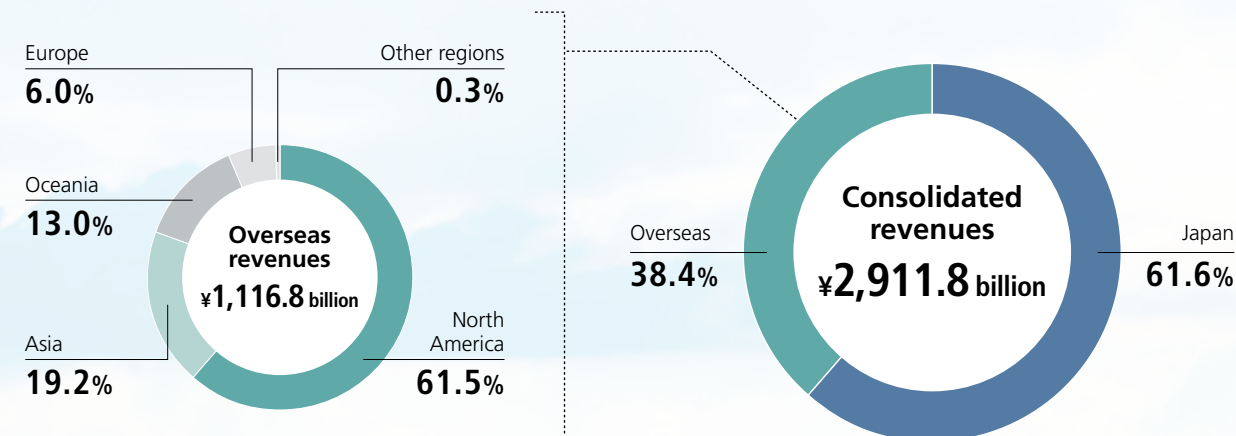
ROE

10.2% →
(10.2% in FY2023)

Annual dividend per share

¥104 ^{UP}
(¥90 in FY2023)

Revenue ratio by region



Group companies

322 (as of March 31, 2025)

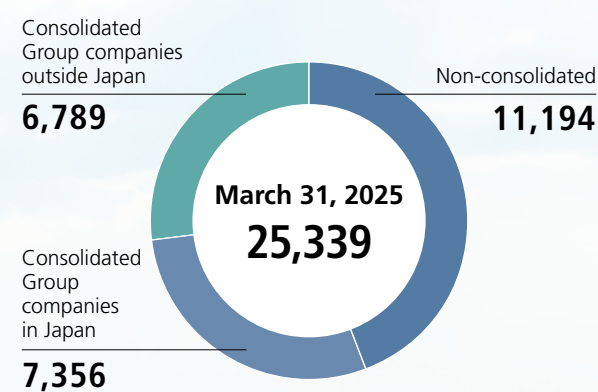
Consolidated subsidiaries

181 18 in Japan 163 outside Japan

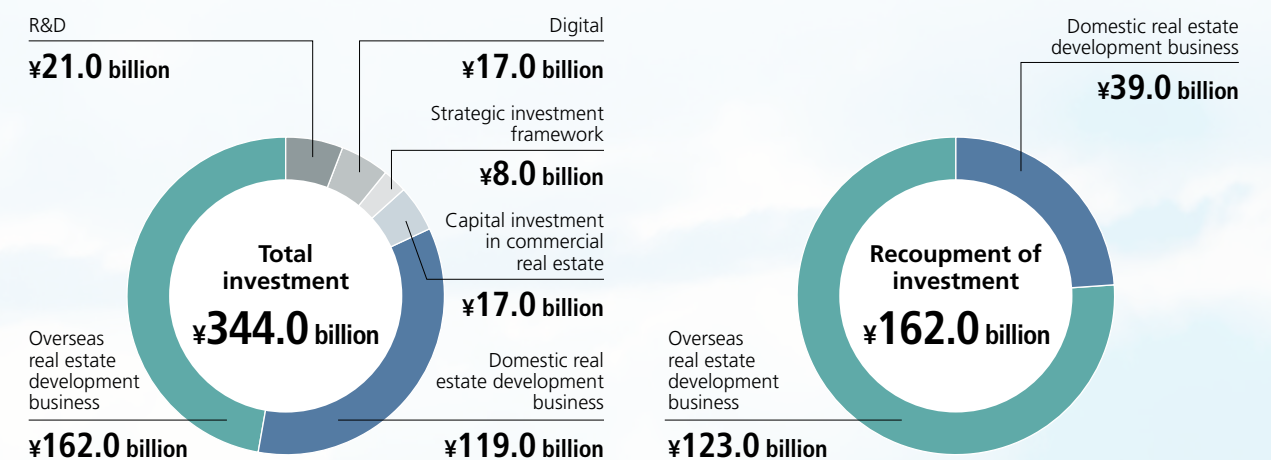
Equity-method affiliates

141 90 in Japan 51 outside Japan

Number of employees



Investment plan FY2024 results



Main business areas



Kajima aims to remain the company of choice by continuing to build trust through our people and technology.

Hiromasa Amano
President,
Representative Director



Kajima’s corporate philosophy is: “As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.” Since our founding in 1840, Kajima has been a “technology-based company,” earning the trust of society and clients by emphasizing the development of technology and talent, while continuously delivering advanced construction technologies that meet the evolving needs of the times. Through our ongoing commitment to earning greater trust from society and our customers, we have cultivated advanced expertise in construction technology, value-creating real estate development, and globally integrated operations—enabling us to expand our business domains and geographic footprint. Going forward, we will continue to deliver solutions and new value that meet the demands of society and the times, with a focus on sustainable growth.

Carrying forward the Kajima DNA

I recently revisited the original text of the *20 Rules for Succeeding in Business*, written by the late Chairman Morinosuke Kajima. Serving as President from 1938 to 1957, he is revered as the “re-founder” of Kajima for his pivotal role in revitalizing the Company. First published in 1936 in our internal newsletter *Kajima Gumi Monthly Report*, the text clearly conveys the historical context and intent behind his thinking at the time.

I found its message deeply resonant, offering timeless insight into the values that continue to guide our corporate philosophy today. Although written over 80 years ago, its contents were ahead of their time and still feel universal rather than outdated. The *20 Rules for Succeeding in Business* include articles such as “Abandon the idea time-honored methods are the best” and “Pay high salaries.” Underpinning it all is the philosophy of “devotion to progress and improvement” and the management principle that “Kajima’s path lies in ‘dynamic stability’—finding stability in the midst of constant expansion and development.” These guiding principles continue to serve us well even in today’s complex world.

Last December, we held a commemorative event marking 50 years since the passing of Chairman Morinosuke Kajima, honoring his enduring legacy. The occasion provided a meaningful opportunity to reflect on his contributions and renew our dedication to advancing the Company’s mission. The history of Kajima, including Chairman Morinosuke’s philosophy and achievements, is widely passed down to officers and employees through videos, publications, and internal training. By understanding the history and management philosophy behind our founding, we can cultivate a mindset that is focused on growing Kajima and paving the way for a new chapter in our story. I consider it one of my duties to pass

on the enduring Kajima DNA—which has been part of our identity since our foundation—to the employees who will lead us into the next generation.

▶ Page 15 Morinosuke Kajima, the Re-founder of Kajima

The Kajima Group’s Vision

As a reflection of this Kajima DNA, we have articulated our Group’s vision for the company in the form of our Goals. Formulated in conjunction with the Medium-Term Business Plan (FY2024–2026), these Goals were developed based on input from officers and employees and discussed by the Board of Directors. They embody our commitment to making a more positive impact on our customers and the broader society by merging “people” and “technology”—the driving forces behind our value creation. The Kajima DNA can be described as the way of life practiced by our many predecessors, and we intend to continue and build upon it.

To achieve our Goals, we will enhance our domestic construction business, where our Group’s greatest strengths lie. We will also expand our real estate development and overseas businesses, which have become new areas of strength, and broaden our value chain, thereby contributing to the development of our business and society. As a global corporate group dedicated to construction and covering diverse functions across the value chain, we aim to be a company recognized worldwide by developing socially beneficial technologies and providing outstanding services.

Our company’s foundation is built on “people,” “technology,” and “trust”—together defining what we call Kajima Quality, or the Kajima Brand. These values have been cultivated by consistently earning the trust and exceeding the expectations of society, our customers, and our partners, through close collaboration and long-term commitment. At all times, we stay true to our fundamentals, act with integrity, and build trust through the excellence and reliability of our technology. We believe that maintaining this stance is fundamental to upholding Kajima Quality and the Kajima Brand.

▶ Page 10 Kajima Group Goals

Awareness of the business environment

The economic outlook has become increasingly uncertain in recent years, shaped by evolving trade and monetary policies across nations as well as rising geopolitical risks. Furthermore, societal expectations and customer needs are expected to continue evolving, with growing emphasis on human capital and stronger calls for a circular economy on the environmental front. We recognize that our role is to accurately grasp these evolving changes and the challenges they present, and to deliver solutions and new value grounded in our robust technological expertise.

In the construction market, stable demand is projected to continue for the time being, both in domestic and international

Message from the President

sectors. In Japan, we expect medium- to long-term growth in investment related to energy supply issues, infrastructure renewal, and digital transformation. However, rising construction costs must be carefully considered, and building a delivery framework capable of meeting strong demand amid labor shortages remains a key challenge. While thoroughly managing costs, we must improve compensation and working conditions for skilled workers, enhance productivity, and reinforce our construction capabilities, including across the supply chain.

I believe our customers understand the recent sharp rise in construction costs, but they are also facing unprecedented challenges, such as extended construction periods, delayed start dates, and difficulties securing a construction team. Given the current environment, it is vital to foster and maintain relationships where, even if we cannot fully meet a customer's request, we can explore solutions together and always remain available for consultation.

Review of FY2024

Despite significant changes in the external environment, our Group has continued to increase both revenue and profit, while steadily strengthening the management foundation for sustainable growth, as evidenced by gains in owners' equity and market capitalization.

FY2024, the first year of our new Medium-Term Business Plan, has gotten off to a solid start. We are making steady progress in securing quality-focused construction orders, ensuring reliable project execution, and establishing a sound investment-recovery cycle in our real estate development business. This is due to our improved ability to handle individual projects and the establishment of management methods for each business unit, which have led to stable profit-generating capabilities and robust risk management.

Based on this assessment and our goal of realizing future growth scenarios for each business, we have committed to reaching our FY2030 management target of consolidated net income of ¥150 billion or more ahead of schedule.

▶ Page 35 ▶ Page 41 ▶ Page 43 Medium-Term Business Plan

Enhancing the profitability of our value chain centered on construction to achieve our goals

(1) Domestic construction business

For the domestic construction business, where strong demand is expected to continue, we will aim for profit growth centered on improving the gross profit margin. This will be accomplished through thorough risk control and by gaining a competitive advantage in priority areas, including semiconductor production facilities and infrastructure-related projects.

In particular, when accepting construction orders, we remain mindful of strategically allocating our valuable

management resources amid strong market demand. We are committed to securing profits through accurate cost estimation grounded in procurement data and market trends, while ensuring robust construction frameworks—including supply chain coordination and appropriate project timelines. We will also transform the new insights and expertise gained from our experience in constructing the latest semiconductor facilities and data centers into even greater strengths.

(2) Domestic real estate development business and overseas business

Over the next few years, our domestic real estate development business will focus on building a portfolio of prime assets, with investment taking the lead. At the same time, asset sales from previous investments are gradually increasing, steadily boosting our earning capacity. To continue improving profitability, the key lies in meticulously completing the large-scale urban projects currently in progress and raising their profitability to the next level.

Our Group's overseas business aims to achieve higher profitability by responding effectively to regional economic conditions—particularly through our core U.S. logistics warehouse operations and our Asia business, which has entered a phase of renewed growth following the pandemic—while leveraging our integrated platforms in construction and development. Our overseas business has grown to account for one-third of our consolidated revenues, thanks to many years of consistent, locally rooted efforts and the trust built along the way. However, solidifying our current business foundation is also important for further growth.

(3) Expansion of value chain

Centered on our strengths in the construction and real estate development businesses, we intend to deepen our involvement in peripheral businesses and further expand our Group's business domains.

With the exception of long-term civil engineering projects such as dams, most construction periods take less than three years. However, every project has phases before and after the construction period that offer revenue opportunities for our Group. In particular, after the handover project, buildings and infrastructure are typically operated or used for extended periods. Kajima is a company building for the next 100 years. With construction at the core of our business, we provide end-to-end services—from upstream development, design, and engineering to downstream operation, maintenance, and renewal—enabling us to deliver long-term value to our customers and maintain enduring relationships. We are currently conducting demonstrations at our own facilities—including our R&D hub, The GEAR, in Singapore—and are now able to collect a wide range of data during the operational phase of building projects. By merging data from the design and construction phases with data acquired during operation, we can utilize this data to optimize the physical building itself for more efficient and comfortable operation. This is a domain where our Group can most effectively leverage its competitive



advantages. Our policy is to expand revenue opportunities by providing ongoing support throughout the lifecycle of the buildings and infrastructure we deliver—updating their functions and maintaining or enhancing their value.

Given the nature of our business, our Group's growth strategy is not a flashy one that generates enormous profits in a short period by developing and selling epoch-making technologies or new products. One of our core principles is the pursuit of long-term value by relentlessly refining our strengths and aligning with the evolving needs of society and our customers—both current and potential. To realize this, we believe it is essential to make substantial upfront investments—not only in talent and expertise, but also across a broad spectrum of strategic capabilities—even before securing a construction contract. Once a project is in our hands, our focus is on maximizing its value throughout its lifecycle. For example, our company has established a system called "Follow-up Meetings." These are meetings where the leaders of the head office and branch administration departments regularly check in with the project manager regarding each project's SEQDC (Safety, Environment, Quality, Delivery, and Cost). This system functions effectively to nip potential operational problems in the bud. Beyond construction, the administration departments support development projects and related businesses with an appropriate level of involvement, offering insights into external developments and potential risks while collaborating with on-site teams to enhance value creation. The thorough implementation of each of these risk management measures will form the foundation for future growth.

▶ Page 31 The GEAR ▶ Page 49 Business strategy

Maintaining the strength of our core business foundation

Digital and knowledge

Fortunately, our company has continued to perform well, but it is precisely at times like these that it is essential to take

additional measures to maintain a strong foundation for our core businesses. Since I became president four years ago, my main focus has been on developing our knowledge base.

The construction process involves a great deal of experiential knowledge. By harnessing digital technology to visualize, organize, and share this knowledge, we are improving the efficiency and quality of our work and increasing the productivity of the entire organization.

Developing our knowledge base also promotes constructive dialogue among employees and contributes to greater psychological safety. An environment where supervisors and subordinates can have rational discussions based on specific data and examples helps enhance work quality and leads to higher productivity. It also contributes to creating an attractive workplace where diverse human resources can thrive in a variety of work styles.

Furthermore, I believe that providing employees with examples of valuable insights, ingenuity, and past failures helps hone their intuition for their work, inspiring new ideas. We will elevate the Kajima Group's organizational intelligence by creating a system in which many employees engage with valuable knowledge and contribute to improving its quality, thereby creating a self-sustaining cycle of improvement.

▶ Page 88 Quality

Our people and technology

While our business is centered on construction, unlike typical manufacturers, we do not operate production facilities or plants. Our true sources of value creation lie in our people and technology. I believe that we can nurture the Kajima Group's ingenuity by strengthening the connection between our human resources and technologies across our sites, departments, and Group companies.

(1) Our People

I believe that by cultivating a corporate culture that encourages employees to take on diverse challenges while ensuring their initiatives are recognized, appreciated, and supported, each person can work proactively and lead a fulfilling life. The foundation of our human capital management is to create an environment where everyone—including the skilled construction workers of our partner companies who support our sites—can work with a sense of purpose and fulfillment, fully leveraging their skills and capabilities.

With the work style reform laws having come into full effect in the construction industry as of April 2024, the entire sector is undergoing a major transition. We view this as a strategic opportunity for transformation and have been actively promoting operational efficiency and the adoption of smarter ways of working.

Now that the evolution of AI and digitalization is fundamentally transforming the nature of manufacturing, we must return to our roots as a technology-based company and strive to efficiently pass on the wisdom and experience—grounded in our technological expertise—to the next generation of engineers and professionals. In line with these

Message from the President

changes, we are also reviewing our employees’ work styles and development systems.

In the growing field of inbound projects commissioned by foreign-affiliated companies, our global footprint and proven expertise in overseas project management serve as key strengths. Building on these capabilities, we are enhancing our overseas assignment programs for technical employees to prepare for the future.

We are also focusing on creating an environment where diverse human resources can thrive. Specifically, to support women’s careers, we have set a new target to increase the proportion of female managers. We are designing systems that allow employees to continue working with peace of mind, even as they go through life events. We are also promoting initiatives that provide early work experience, such as assigning employees with a certain level of expertise to handle core tasks and critical challenges essential for their future careers in a planned and timely way.

For the skilled construction workers at our partner companies, who are vital to our business, we are working with industry organizations such as the Japan Federation of Construction Contractors to improve their benefits and promote the introduction of the Construction Career Up System. We are also continuing our own unique initiatives, such as the Kajima Partner College and the establishment of a construction system that, in principle, limits subcontracting to the secondary level.

(2) Technology

Our basic R&D policy is to strengthen our construction business and tackle themes that help solve social issues, while actively promoting collaboration and cooperation with external parties.

We have been a leader in construction technology for many years, including the establishment of the industry’s first technical research institute in 1949. For example, our seismic damping and isolation technology originated in the construction of Japan’s first skyscraper, the Kasumigaseki Building, in 1968. Through continuous improvement and evolution—including the construction of the world’s first building with an active control system—our technology remains at the global forefront today. Our people and technology have been highly evaluated externally. In recognition of our contributions to the advancement of science and technology and industrial development in Japan, we received the prestigious National Commendation for Invention. We will continue to strive for further excellence.

In recent years, we have focused on disseminating and deploying technologies in the infrastructure renewal field, such as the Smart Deck Renewal (SDR) System and our automated construction technology (A⁴CSEL).

We also have extensive knowledge and a proven track record in the increasingly important fields of energy and the environment, particularly in nuclear and renewable energy. In the nuclear power field, we built Japan’s first nuclear reactor in 1957 based on our seismic technology. Since then, we have continuously been involved in constructing nuclear

facilities across the country and currently have a Nuclear Power Department with over 150 specialists and construction teams with a proven track record nationwide. In the offshore wind power field, we were responsible for the construction of the Akita Port and Noshiro Port Offshore Wind Farms (completed in 2023), Japan’s first commercial offshore wind power project. In other areas, we are focusing on implementation and commercialization. In wood-frame construction, for instance, our Tohoku Branch building is being reconstructed as a flagship wooden structure incorporating various elemental technologies. In the environmental field, we constructed a dome with our eco-friendly concrete, CUCO-SUICOM, at the Expo 2025 Osaka, Kansai, Japan.

In addition to company-wide R&D, I place great value on the innovations driven by the insights, intellectual curiosity, and spirit of inquiry of each individual employee on the front lines. These continuous challenges are the source of the Kajima Group’s competitiveness and enhance our sustainability as a technology-based company.

Therefore, we create opportunities for employees working hard on the front lines to leverage their intuition, explore new ideas, and experiment within the scope of the site manager’s supervision, even with the prospect of failure. We have established systems and allocated budgets to support employees’ initiatives while also providing opportunities for presentations and recognition, thereby helping successful outcomes spread throughout the organization. Through ongoing dialogue with employees, I have seen encouraging signs that this mindset is gradually taking root.

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- ▶ Page 65 Research & Technology Development
- ▶ Page 69 Human Resources Strategy
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Supply chain

According to data from the Japan Federation of Construction Contractors, the number of skilled construction workers in Japan peaked at 4.64 million in FY1997 and has been gradually decreasing, reaching 3.03 million in FY2024. Based on the average rate of decline over the last 10 years (-1.26% per year), the number is projected to fall to 2.80 million by FY2030 and 2.64 million by FY2035.

The construction industry is a highly social and public-facing industry that aims to provide high-quality social capital. It is also one of the oldest industries in history. I also believe it is a stable and enduring industry, supported by countless past experiences and wisdom. Whereas general manufacturing industries generate revenue through researching, developing, producing, and selling products, the construction industry estimates costs based on design drawings, sets a price for a final product that does not yet exist, and delivers it while receiving payment. A distinctive feature is that, even for the same building, there are multiple construction methods, and the production process itself is carefully evaluated. This tests the wisdom and abilities of the engineers and offers the joy of creating something unique. In this profession, one can grow over a long period,

gradually accumulating experience and acquiring necessary skills and knowledge, all while experiencing the true pleasure of manufacturing—the sense of scale of the structures themselves and, at times, the challenge of confronting nature.

However, if we do not enhance the appeal of the construction industry in line with the changing times and encourage young people to join, the sustainability of the industry will be lost. We are currently working together with our partner companies to improve the benefits of skilled construction workers and to recruit and train human resources. Our outside directors also advised us that, in conjunction with the new long-term vision recently announced by the Japan Federation of Construction Contractors, I have a duty to promote these internal aspects of our construction industry more broadly to society.

▶ Page 79 Secure the future workforce

In closing

As a company that provides safety and security to society, we are expected to realize fair and appropriate management with the values and ethics required of being a member of society. While performance figures are, of course, important, what is truly important for a company is its employees’ sense of accomplishment and satisfaction with the quality of their work and their constant desire for these things. This healthy desire is the source of the Kajima Group’s strength, supporting the Company from its foundations and preventing quality defects

and compliance issues. My goal is to build a corporate group with this same high level of engagement.

To achieve sustainable growth, our policy is to consider all stakeholders and provide appropriate returns. In addition to rewarding our employees with wages, we are steadily advancing human capital investment in areas such as improving the work environment, maintaining dormitories and company housing, and providing education and training. I believe that enhancing the added value of our services through technology development and human resource training leads to returns for society, our customers, and our shareholders.

Furthermore, we need to take a more proactive role in providing returns that strengthen the construction industry’s foundation as a whole. This includes enhancing benefits for skilled workers and supporting our partner companies, which face the urgent challenge of securing a future workforce. For our stockholders, we have outlined our policy on stockholder returns. We aim to expand returns through dividend increases linked to profit growth and share buybacks, balanced with investments that strengthen our management foundation, including our earning power.

Even as times change, we will continuously update the way our company operates to remain the company of choice for customers, society, partner companies, shareholders, investors, and potential employees, both in Japan and overseas. I sincerely ask for your continued and unwavering support of the Kajima Group.

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Cover Overview

The K /SHAFT atrium at The GEAR (Singapore)

This open space, designed to filter direct sunlight while embracing natural light, lies at the heart of The GEAR, which integrates three functions: Kajima's Asia Headquarters, its research and development hub, and an open innovation platform. At its center is K /SHAFT, a venue that fosters interaction among people from diverse backgrounds and embodies the Kajima Group's commitment to transcending regional and business boundaries while steadily advancing on its path to growth.



Editorial Policy

Kajima publishes the *KAJIMA Integrated Report* as a communication tool to deepen understanding of the Kajima Group’s value creation and growth strategies and to facilitate constructive dialogue with its stakeholders.

The FY2025 edition highlights “People and Technology,” the key sources of our value creation. It showcases the Kajima Group’s strengths and unique features through case studies involving engineers at the forefront of construction, our overseas real estate development businesses, and our research and technology development activities. Alongside our business model and strategies, which focus on construction and real estate development businesses, this report provides a comprehensive overview of key topics to our stakeholders, including financial information, sustainability, and corporate governance. We hope this report will serve as a catalyst for future dialogue.

In assembling this report, the editorial team used the following documents as references: The International Integrated Reporting Framework, GRI Standards, Guidance for Collaborative Value Creation by Japan’s Ministry of Economy, Trade and Industry, and Environmental Reporting Guidelines by Japan’s Ministry of the Environment.



Scope of Report

Period FY2024

April 1, 2024 to March 31, 2025 in Japan

January 1, 2024 to December 31, 2024 overseas

Note: Target periods may differ from those indicated above.

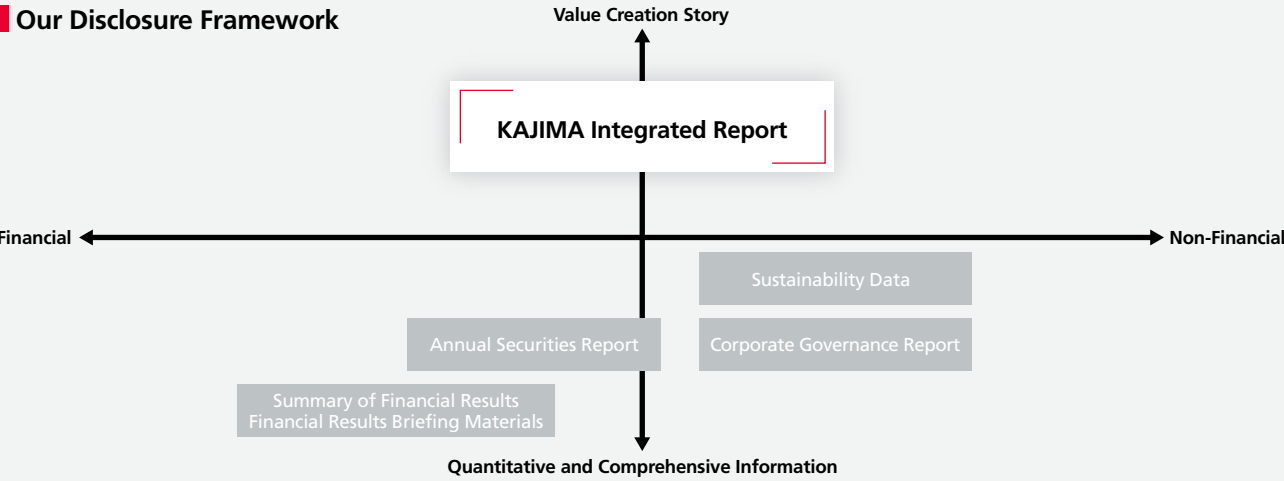
Note: Some activities conducted in a different period may be included.

Organization Kajima Group

Publication November 2025

Online Information

- Corporate Website
- <https://www.kajima.co.jp/english/>
- Investor Relations
- <https://www.kajima.co.jp/english/ir/>
- Sustainability Initiatives
- <https://www.kajima.co.jp/english/sustainability/>



Forward-Looking Statements

This integrated report includes forward-looking statements that are based on various assumptions. Actual performance figures and the achievement of strategies could differ in reality.



1: The GEAR (Singapore); 2: Kajima Technical Research Institute, Nishichofu Complex (Tokyo); 3: Kajima Head Office Buildings (Tokyo)

Part 1

How Kajima Creates Value

Kajima continues to create value through construction and real estate development, focusing on the sustainability and growth of a prosperous industry, economy, and society.

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History of Kajima

The history of Kajima extends back more than 180 years since its founding. We have pursued trailblazing initiatives that anticipated the needs of the times and have met the needs of society, thereby contributing to the development of Japan’s industry and economy. This enterprising spirit is still passed down as our corporate culture as we continue to take on new challenges.



Color print showing the prosperity of the Ei-Ichiban Kan

1880-

Leadership in railways and dams

Iwazo Kajima, second-generation leader, established Kajima Gumi in 1880 and started a railway subcontracting business, taking the opportunity of the Tsuruga Line construction. He built a substantial reputation in the railway field and expanded into dam construction to meet the rapidly growing demand for electricity, including Japan’s first concrete high dam, the Ohmine Dam, which contributed to Japan’s development.



Tanna Tunnel (completed in 1934, Shizuoka)

1938-1957 (Tenure as President)

Morinosuke Kajima, the Re-founder of Kajima

Morinosuke Kajima, the company’s fourth-generation leader, initiated reforms such as modernizing and rationalizing its management. He also founded the industry’s first Kajima Technical Research Institute, laying the groundwork for Kajima’s evolution into a technology-based company. His management philosophy, known as the *20 Rules for Succeeding in Business*, is still considered one of the universal values upheld by the Kajima Group.



20 Rules for Succeeding in Business

Outlined below are the main principles.

- Article 1** Abandon the idea that time-honored methods are the best.
- Article 2** Always try to make an improvement. Don’t say “It can’t be done”, but make an effort.
- Article 3** Train capable leaders.
- Article 4** A company which fails to develop human resources will court ruin.
[. . .]
- Article 7** Pay high salaries.
[. . .]
- Article 10** Use machines as much as possible.
[. . .]
- Article 14** Don’t neglect the adoption of new ideas and new methods.
[. . .]

1840-

Leadership in Western-style buildings

Kajima was founded in 1840 by Iwakichi Kajima, a skilled carpenter who frequented daimyo residences in Edo. He expanded to Yokohama, where construction flourished as an open port under the Treaty of Amity and Commerce with the United States. After building Ei-Ichiban Kan, Yokohama’s first foreign trading house, Kajima became widely recognized as a pioneer for Western-style buildings.



Kasumigaseki Building (completed in 1968, Tokyo)

1980-

Promoting overseas business

Kajima participated in the redevelopment of Little Tokyo in the city of Los Angeles in 1964 and entered the U.S. market. We established Kajima U.S.A. Inc. in the U.S., Kajima Europe Ltd. in the U.K., and Kajima Overseas Asia Pte. Ltd.* in Singapore in the 1980s. With the addition of Kajima Corporation (China) Co., Ltd., Chung-Lu Construction Co., Ltd., and Kajima Australia Pty Ltd, we are developing businesses that are rooted in local communities at our six regional bases.

* Now Kajima Asia Pacific Holdings Pte. Ltd.



Little Tokyo (development completed in 2007, Los Angeles, U.S.)

2000-

Branching out into real estate development

The impetus for Kajima’s full-scale entry into the development of large-scale mixed-use facilities was the development of Shiki New Town, a large housing project that began in 1971. In the 2000s, we began participating in urban renewal projects, including the Akihabara Crossfield and the Toranomon Towers Office & Residence. Since then, we have leveraged our technological skills and comprehensive capabilities as a general contractor-developer with design-build capabilities to develop attractive urban communities.



Haneda Innovation City (completed in 2023, Tokyo)

2020-

Opening up the future together with society and customers

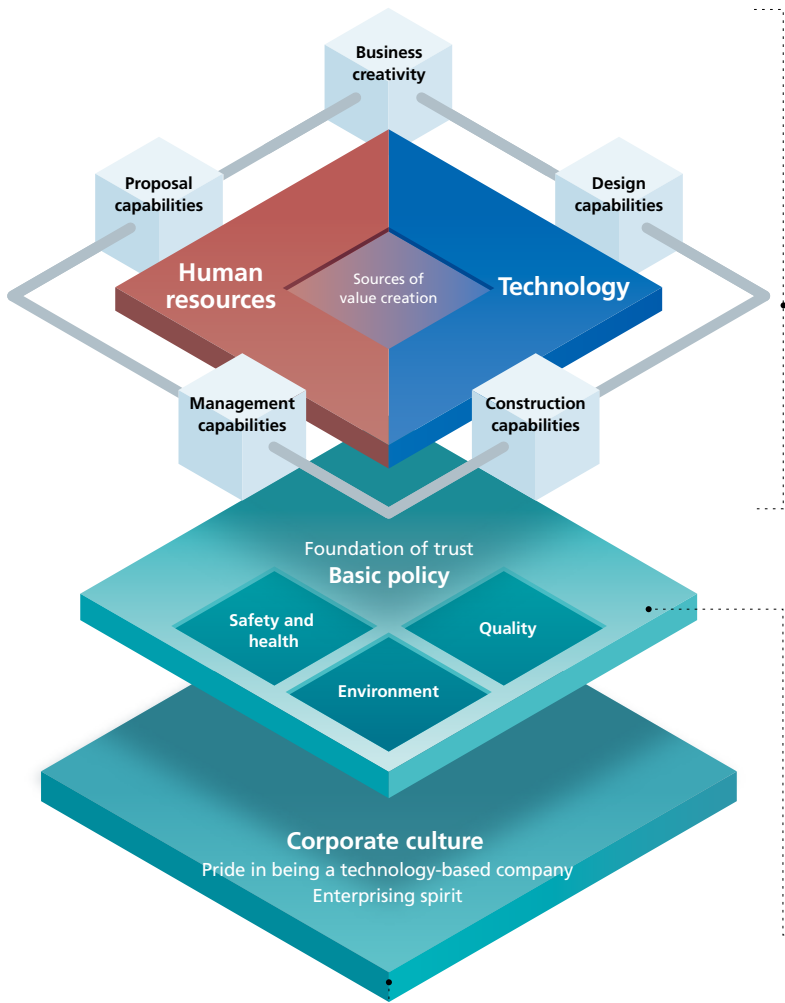
As societal and customer needs become more diverse, including environmental challenges and digitalization, we are actively constructing renewable energy and production facilities and developing eco-friendly materials. We are developing our technology and expertise in the construction and real estate development businesses to continue strengthening our core operations. At the same time, we are creating new value by expanding our value chain, investing in R&D, and promoting innovation, all with the goal of achieving a sustainable society.



The GEAR (completed in 2023, Singapore)

Sources of Value Creation

Since our founding, we have nurtured our human resources and technology—the sources of our value creation—by embracing a corporate culture that takes pride in being a technology-based company and embodies an enterprising spirit. By leveraging capital accumulated throughout our history of value creation, we will earn greater trust from our customers and society. We will achieve this by enhancing safety and health, the environment, and quality, which are the cornerstones of our corporate activities, and by creating new value.



Our Five Strengths, Driven by Human Resources and Technology

Business creativity

Our ability to create business by leveraging our construction technologies, our expertise in real estate development, and our network of customers and partners.

Design capabilities

Our ability to provide advanced design and engineering technologies in fields including design, structure, and equipment.

Construction capabilities

Our ability to build high-quality structures using our professional expertise, cutting-edge technologies, and supply chain.

Proposal capabilities

Our ability to make optimal proposals by utilizing our understanding of true needs, internal and external technology and knowledge, and our networks.

Management capabilities

Our ability to coordinate many stakeholders including society, customers, and partner companies, and ensure success in our businesses.

Foundation of Trust: Our Basic Policies

Safety and Health Policy

Based on the philosophy that safety and health are barometers of a company's competence and conscience, we will collaborate with partner companies on proactive initiatives to prevent disasters and accidents in construction work. We also aim to improve the workplace safety and health environment while promoting well-being.

Environmental Policy

Our goal is to promote a long-term environmental vision throughout the entire company and work toward a sustainable society that balances environmental conservation and economic activities.

Quality Policy

We offer products and services that meet our customers' needs, from sales to after-sales support, so that they can order from us with confidence and peace of mind.

The Corporate Culture Rooted in Kajima

Pride in being a technology-based company

Building on our role in contributing to the development of industry and the economy through construction technology, we have adopted the motto "Kajima, the Technology Company." We have a deep-rooted culture of delivering advanced technologies that earn the trust of society.

Enterprising spirit

The 20 Rules for Succeeding in Business from our refounder, Morinosuke Kajima, have become a core principle for every employee. This has cultivated a mindset that recognizes and encourages new ideas and the value of taking on challenges, with key phrases like "Abandon the idea that time-honored methods are the best" and "Don't neglect the adoption of new ideas and new methods."

Forms of Capital Accumulated Throughout Our History of Value Creation



Human capital

In every phase of the construction value chain, our diverse human resources with advanced expertise meet the expectations of our stakeholders, particularly our customers and society. Diverse human resources operate worldwide, with locally-rooted locations in the U.S., Europe, Southeast Asia, and Oceania.

Group employees	25,339
Qualified personnel (Kajima Corporation only)	
First-class architects	2,470
First-class civil engineering works execution managing engineers	1,892
Overseas subsidiaries and affiliates	
Number of employees (including secondees)	6,789



Intellectual capital

As a technology-based company, Kajima develops and verifies new technologies and advanced construction methods. Our numerous experienced engineers apply the Kajima Group's technical expertise on-site. Rather than solely depending on our own resources, we also adopt superior technologies from outside Kajima by promoting the search for cutting-edge technologies, collaboration through open innovation, and technology development in Japan and overseas.

Number of patents registered / published	264 / 217
Medium-Term Business Plan R&D and digital investment	¥120.0 billion for three years
Research and development centers	Kajima Technical Research Institute The GEAR (Singapore) Silicon Valley Office (U.S.)



Financial capital

By operating construction and real estate development as two core businesses with different earnings structures, we bring stability to our Group management and secure a sound financial foundation. Grounded on our sound financial foundation, our cash-generating capabilities of both businesses and creditworthiness enable us to invest in sustainable growth and deliver returns to stakeholders.

Total assets	¥3,454.5 billion
Owners' equity	¥1,258.1 billion
Issuer credit rating	A+(R&I)



Manufactured capital / Social and relationship capital

We actively invest in building trusted relationships with stakeholders, including customers, local communities, and partner companies, in our business domains and regions. These strong relationships ultimately create new business opportunities, driving the continued growth of the Kajima Group.

Partnerships with partner companies	
Kajima Business Partners' Association member companies	Approx. 950
Rokueikai member companies	Approx. 4,400
Key business regions	23 countries and regions



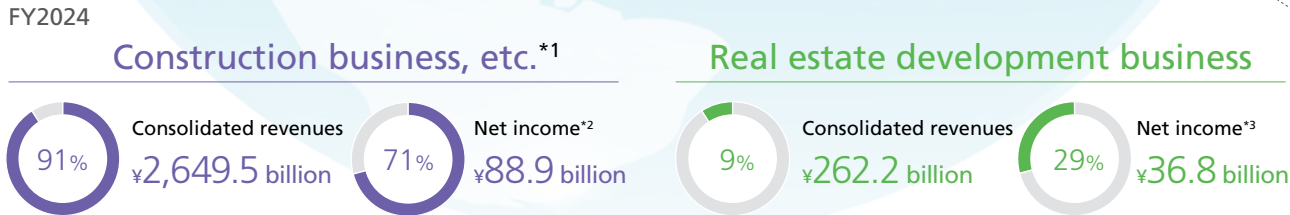
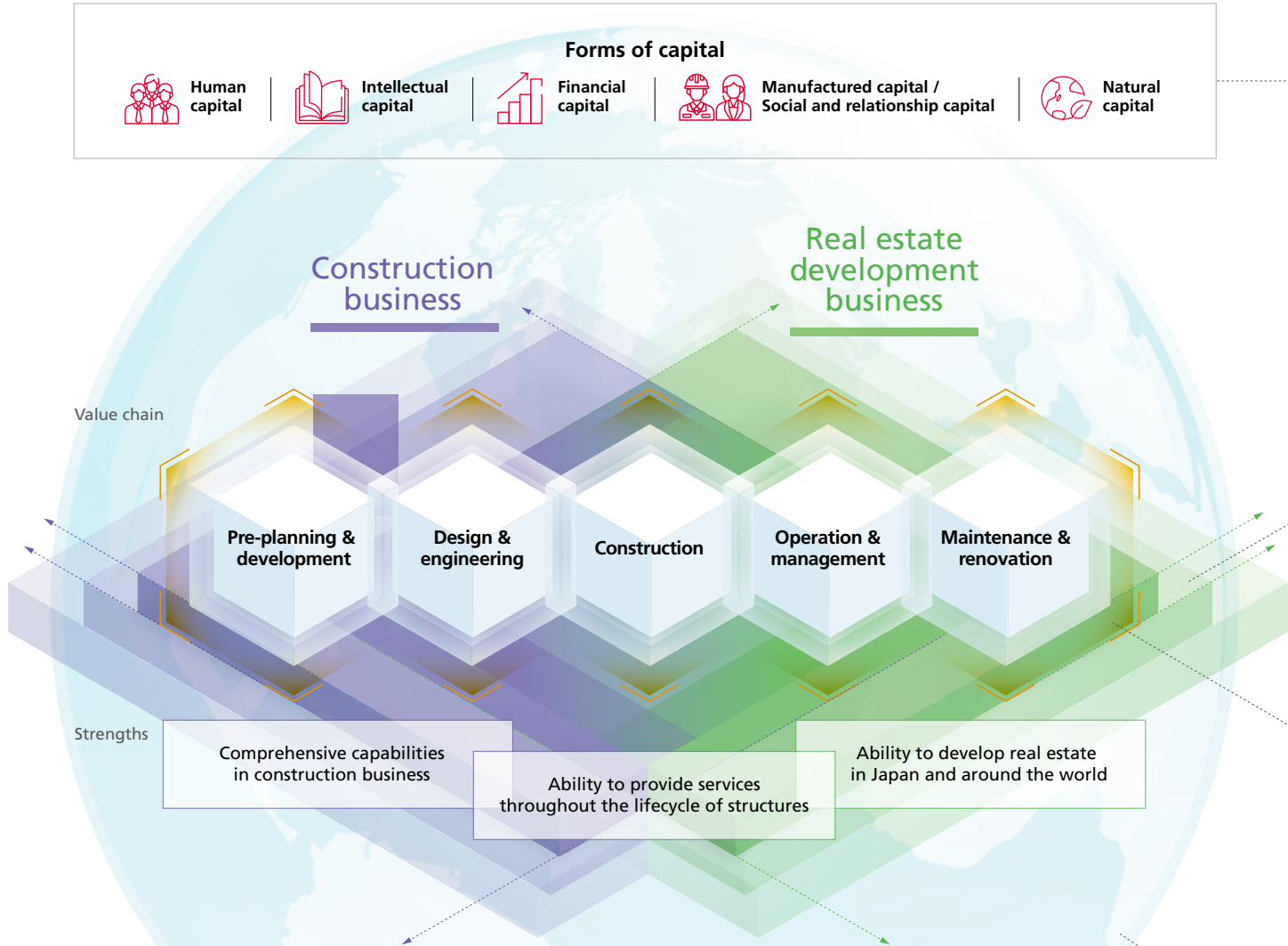
Natural capital

We are committed to conducting our business activities in a manner that protects and restores natural capital, a finite resource. To achieve this, we quantitatively assess our environmental footprint and take proactive measures to mitigate its impact. Recognizing the interconnectedness and trade-offs among the three areas of carbon neutrality, resource circularity, and nature positivity, we strive for a balanced approach.

Group-owned forests	5,500 ha
Conserving resources through the development and use of eco-friendly materials	
Countermeasures against global warming through the use of renewable energy	
Improving aquatic biodiversity through the development and application of seaplant and coral reef restoration technologies	
Soil remediation through countermeasures against soil contamination	

Business Model

We are developing a global construction value chain while utilizing and expanding our diverse forms of capital. In Japan and overseas, we have established a revenue base for our construction and real estate development businesses. By combining their respective strengths, we provide high-value-added services to our customers and the broader community.



*1 Values for the construction business and other businesses
*2 Figure of the consolidated net income excluding the net income of real estate development business
*3 The net income is a control value before adjusting internal transactions, etc.

Pre-planning & development	Design & engineering	Construction	Operation & management	Maintenance & renovation
- Survey - Marketing - Project development - Business planning - Finance - Master planning	- Schematic design - Design development - Contract documentation	- Construction planning - Procurement - Construction management - Construction supervision	- Building management - Asset management - Facilities management - Property management - Energy services - Real estate liquidation and securitization	- Maintenance - Renewal/Renovation

Establishing a revenue base in each business region

- Building revenue bases by creating construction and real estate development businesses that cater to regional needs.
- Providing high-quality structures and implementing high-value-added development projects in response to the needs of customers and society.

Construction business

Japan As a general contractor, we promote the construction business nationwide.

Over-seas We promote a community-focused construction business, serving both Japanese and foreign-affiliated companies as our customers.

Real estate development business

Japan We operate sales and rental businesses mainly throughout major cities.

Over-seas We develop our real estate development business in line with market characteristics.

Synergies through the integration of construction and real estate development

- Coordinating two businesses with different traits generates diverse business and financial synergies.
- Enhancing the value provided to customers and society while achieving sustainable growth for the Kajima Group.

Construction business

Built-to-order/ labor-intensive business

- Construction technology
- Construction capabilities
- Network
- Kajima brand (creditworthiness)

Contributions to society and customers

- Accelerating and bringing higher added value to businesses
- Providing quality and environmental technologies that meet needs
- Realizing functional town planning
- Optimizing the entire lifecycle of buildings

Sustainable growth of the Kajima Group

- Strengthening profitability and competitiveness
- Creating and nurturing business opportunities
- Diversifying and developing human resources
- Demonstrating and deploying new technologies

Real estate development business

Capital-intensive investment business (short-term turnover-type/ long-term holding-type)

- Real estate development expertise
- Real estate information
- Network
- Proactive business promotion

Strengthening technical capabilities and creating new value through collaboration with partners

- Collaborating with partners who have advanced technology and expertise leads to the development of new technologies and businesses.
- Adding higher value to our services for customers and society while strengthening the Kajima Group's management foundations.

Technology development

- Automated construction technology
- Cutting-edge digital technology
- Technologies that help solve environmental and social issues
- Joint research on optimal construction methods

Business creation

- Redevelopment projects
- Smart cities
- Development of renewable energy generation facilities
- Logistics warehouse development

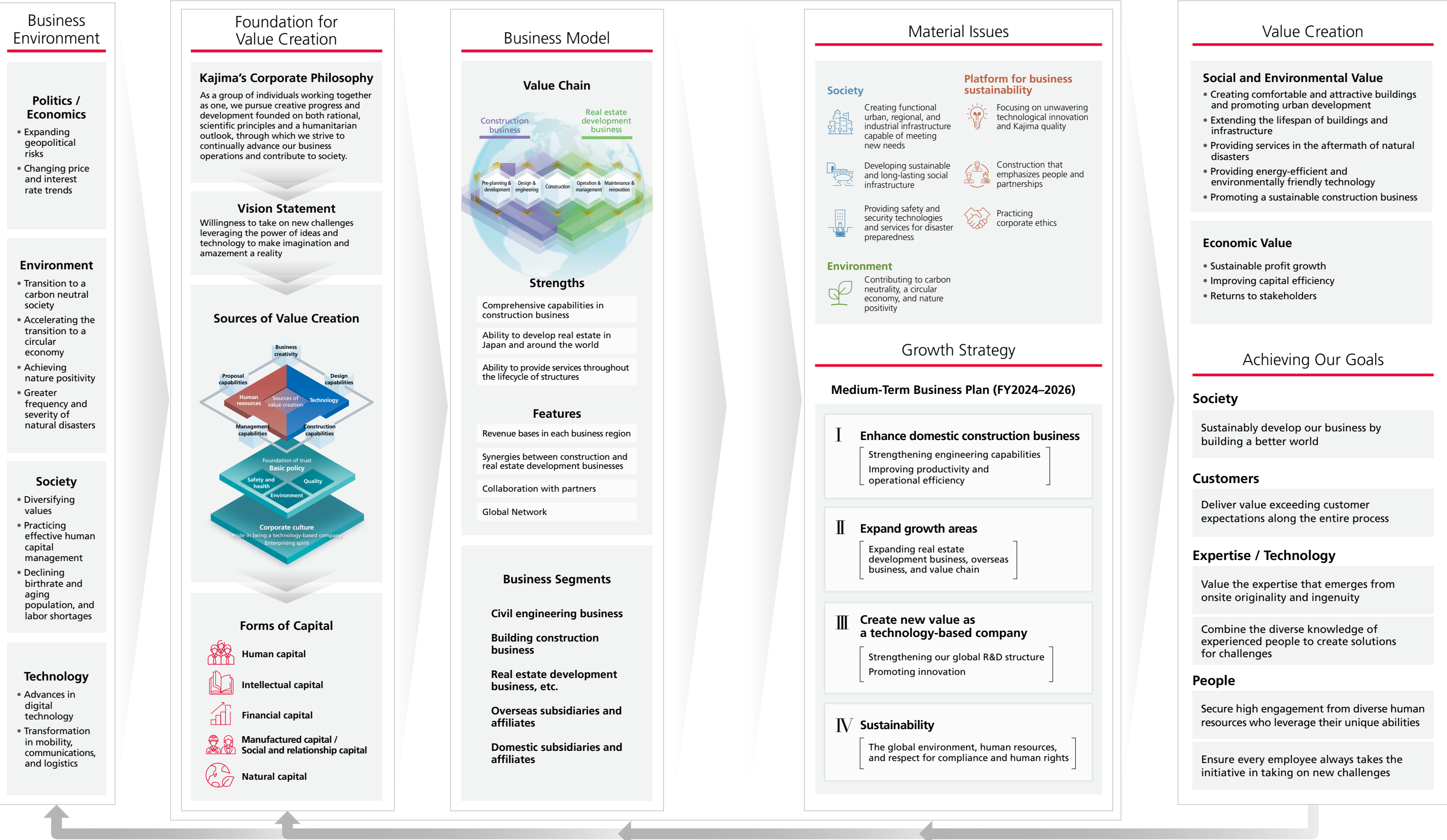
Business development leveraging our global network

- Group companies with their own revenue bases collaborate and develop businesses by leveraging their networks.
- Providing services required by global customers and partners while expanding business opportunities for the Kajima Group.



Value Creation Process

Building on over 180 years of history, we strengthen our foundation for value creation while advancing business development in construction and real estate. By addressing material issues in response to the business environment and implementing our growth strategies, we create social, environmental, and economic value, achieve the Kajima Group Goals, and contribute to societal development and the Kajima Group’s sustainable growth.





Part 2

Feature— Kajima’s People and Technology

By developing our people, refining our technologies, and organically connecting our internal and external knowledge, we are strengthening our sources for value creation and providing attractive services.

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Feature 1

Kajima’s engineers: forged in the field

As its business domains and scale expand, Kajima is focusing on human resource development. Centered on on-site work, we provide training tailored to the motivation and skill acquisition of young and mid-career employees, showing them a path to becoming project managers who can oversee specialized teams. This feature explores how Kajima engineers inherit skills and ideals through their work on two large-scale projects: the tunnel for the new Haneda Airport Access Line connecting central Tokyo to its main airport, and the construction of Rapidus’ cutting-edge IIM-1 production facility (Hokkaido), which aims to revive Japan’s domestic semiconductor industry.

Young, mid-career and veteran engineers gather for shield tunnel construction

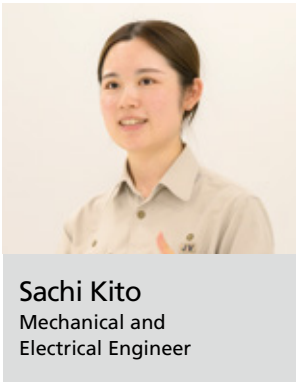
Haneda Airport Access Line

Kajima sets its human resource development policies according to job type. For mechanical and electrical engineers, after developing foundational skills up to their 3rd year and applied skills up to their 7th year, they develop management skills by their 13th year. For civil engineers, the first six years after joining the Company are a key development period for learning the fundamentals of construction management and design. This is followed by a growth promotion period up to their 13th year, during which they deepen their expertise and acquire the knowledge needed for the project manager.

The start of a career

For Sachi Kito, who joined the Company in 2023, her career started when she attended a Kajima information session while studying mechanical engineering at university. “I visited the construction site for the Kuden-Kasama Tunnel on the Yokohama Ring Expressway South Line and saw the magnificent scale of the tunnel boring machine and the precision of the central control room systems. It completely changed my impression of dusty construction sites. I decided to join the Company when I learned that mechanical and electrical engineers handle the operations and that I could be directly involved in the construction work even with a mechanical engineering background.”

After six months of training at the Tokyo Civil Engineering Branch, she learned the basics of site management at the Koto Pumping Station construction project office. She then worked in the Mechatronics Solutions Department, visiting sites while helping to create construction management guidelines. In April 2024,



Sachi Kito
Mechanical and
Electrical Engineer

she was assigned to her long-desired post at the Haneda Airport Access Line shield tunnel project. “Right now, I’m in charge of planning the on-site assembly of the shield machine, which has an 11.8-meter-diameter circular cutter, inside the launch base, with excavation set to start in 2026. With my limited experience, I’m finding it difficult to anticipate necessary maintenance, foresee potential problems and organize all the information.” While receiving advice from senior colleagues, she also participated in defining the specifications for a device that is key to operating the tunnel boring machine. “I learned so much, including about the process of technological development and machine structures. My first goal is to complete this project with zero accidents. I want to become a trusted engineer by fully understanding the machinery and tenaciously engaging with the work on-site.”

Gaining a holistic perspective from construction and design

In addition to daily on-site training, we offer group training for specialized fields such as design and IT, as well as a job rotation system that provides a wide range of experience. Hatsutaro Kajikawa, Assistant Project Manager of the Haneda Access Line project, gained experience in construction management at shield tunnel sites for sewers and city gas pipelines after joining Kajima. From his 13th year, he spent nine years in the Civil Engineering Design Division, where he was responsible for making technical proposals to clients. “A turning point for me was being involved in the development of the segments (the structures lining the tunnel walls) for the Shinagawa Line of the Metropolitan Expressway’s Central Circular Route,” he recalls. “I applied my on-site experience to reduce the workload from the design stage and to consider profitability.”

Since April 2024, he has served as the Managing Engineer for the Haneda Access Line project, responsible for external negotiations and coordinating schedules with the client and surrounding facilities. “My experience in both construction and design deepened my technical knowledge and cultivated my ability to see the project as a whole, which greatly benefits my



Project details

Project name	Tokyo International Airport Access Railway Shield Tunnel and Other Construction Work
Client	Tokyo Airport Development and Maintenance Office, Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
Design	Pacific Consultants
Construction	Kajima-Toa-Aomi Special Construction Joint Venture
Construction period	January 2024 to January 2028

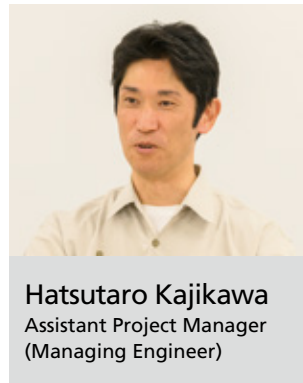
current work,” he explains. “I aim not just to provide construction skills, but to build trusting relationships with all stakeholders and respond with integrity to achieve the required performance.”

Assistant Project Manager Kajikawa learned this approach from Yoshihiko Shibata, the project manager for the Haneda Access Line. He recalls Shibata’s impressive way of building trusting relationships with stakeholders, while they worked together on the Shinagawa Line site. Project manager Shibata said, “Although equipment contractors for things like ventilation and fire suppression are also involved in tunnel construction, it is Kajima that leads the project. We aim to earn the trust of society and our customers through safe, secure and stable construction.”

He has spent most of his construction career, which began in the 1990s, on shield tunnel sites, experiencing the evolution of technology and increasingly difficult construction conditions. “With the shield construction method, you can’t visually check the path ahead. This makes it crucial to visualize the ground conditions by leveraging all available monitoring technology and your own five senses,” he explains. As shield tunnel construction stagnated for a time, raising concerns about

technology succession, he has worked to teach these rules of thumb verbally while also developing manuals and systems.

“A key mission of this project is to develop personnel. I tell our young and mid-career staff that it’s important to be proactive in making proposals and taking on new challenges. I want them to overcome their fear of failure and quickly grasp both the difficulties and the joys of construction.”



Hatsutaro Kajikawa
Assistant Project Manager
(Managing Engineer)



Yoshihiko Shibata
Project Manager

Passing the baton: From semiconductor factory pioneers to the next generation

Rapidus IIM-1 Construction Project

For building construction engineers, the career path starts with a five-year development period, followed by position preparation (years 6–9) and appointment (years 10–13), leading to a project manager role from year 14. During the introductory period, new employees gain experience on foundational projects such as apartments and offices, learning various tasks including interior and exterior finishing.

Broadening perspectives on a large-scale project

Yuriko Komori, who majored in design at university, said that when she attended a Kajima site tour as a student, she “was

drawn to the work of construction management of building structures on-site together with the craftspeople, and decided to join the Company.” After joining Kajima in 2022 and working at the Kanto Branch, she was assigned in August 2023 to the IIM-1 construction project from its very start. She was in charge of the extra-high voltage substation building that supplies electricity to the main building, and gained experience in all work types from ground improvement to foundations, structure, finishing, and inspections in about 10 months. With the semiconductor industry facing fierce development competition that demands an extremely short construction period, she noted, “Since ours was the first building to be completed, it was difficult to proceed with the work without a role model to follow. I worked closely with the colleagues

including the managers of the other buildings to ensure there were no reworks.”

When initially assigned, she was anxious about working on such a large site, which had about 5,500 workers at its peak, but she has broadened her perspective by meeting many senior colleagues. “Even with the roles being so specialized, my experienced senior colleagues knew exactly who was doing what,” Komori stated. “I want to deepen my experience and knowledge to become someone people feel they can entrust with any task.”

Yuta Sato, an Assistant Manager who was assigned to the project in March 2024, is in his ninth year with the Company, marking his position appointment preparation period. Inspired by his grandfather, who was a carpenter, he longed to enter the world of craftsmanship and has experience working on hotel and pharmaceutical factory sites. “I wanted to be involved in large-scale building projects, and that’s why I chose Kajima,” he explains. At IIM-1, where his wish has been fulfilled, he has successively overseen steel frame, exterior, and interior work on the main building, in step with construction progress. “Through this experience, I was able to witness firsthand how an entire building takes shape. Looking ahead, I want to become a Deputy Manager and take on the challenge of managing the overall schedule of a project.”



Yuriko Komori
Extra-High Voltage
Substation Building Engineer



Yuta Sato
Assistant Manager

From LCD component factories to IIM-1

Following the successive completions of the Yokkaichi Plant Fab 7 for memory giant Kioxia in Mie Prefecture (2022) and the first JASM facility in Kumamoto Prefecture (2023) in which TSMC holds majority stake, Kajima secured the construct for IIM-1. The pilot line, which occupies about half of the building, began operation in April 2025 as planned, and construction is now underway toward the start of mass production in 2027.

Koichi Takano, the General Project Manager for the IIM-1 construction, emphasized, “Rapidus aims to have the people who were active in the era when Japan led the semiconductor industry pass on their skills to young and mid-career professionals. For Kajima as well, this is a crucial project for passing the baton to the next generation.”

Since joining the Company in 1987, Takano has worked on projects such as electronic component factories, primarily in the Chubu region. His career path was set in 2003 when he became project manager for an LCD component factory. “The manufacturing of electronic components and semiconductors, which requires precision processing, needs clean rooms capable of filtering even micron-level particles—one millionth of a meter. Performance requirements are clearly specified, and as an engineer, I found it appealing that the results are evaluated numerically,” he recalls.

After accumulating clean room expertise on sites for pharmaceutical and cutting-edge LCD factories, the last remaining challenge for him as a project manager was semiconductors. Although activity among Japanese manufacturers has gradually declined, demand for new production facilities has surged in recent years amid tightening supply and demand conditions. Kajima responded with a unified design-and-build approach, paving the way with its work



Koichi Takano
General Project Manager

on Kioxia’s Yokkaichi plant. General Project Manager Takano, who had never worked at a semiconductor factory site before, said, “I realized that the volume of work is overwhelmingly larger than for LCD factories. The proportion of equipment-related work—such as the water for cleaning substrates and the air conditioning to maintain cleanliness—is high, so we have to work as a team with the equipment contractors.”

At IIM-1, he is leveraging that experience to proactively pass on construction techniques specific to semiconductor factories, such as those for clean rooms and seismic resistance. To ensure a common understanding throughout this large-scale site, Takano entrusts this mission to mid-career project manager candidates during their term of appointment.

Developing core talents to project managers

Takaki Hibino, Deputy Manager responsible for equipment work in semiconductor factory construction, notes the challenges: “In addition to HVAC, plumbing, and electrical systems, this work requires expertise in special gases, chemical solutions, and water treatment—knowledge rarely needed on other projects.” After studying environmental engineering in graduate school, he joined Kajima in 2012 and gained over 10 years of experience on electronic component factory sites. At IIM-1, he is taking on a new role in equipment construction management (Equipment CM). Normally, when equipment installation is contracted separately, coordination among contractors is handled by the client. However, as Rapidus was newly established, it entrusted this responsibility to Kajima. With many contractors and frequent scheduling clashes, Hibino says, “I’ve developed interpersonal skills to draw on past knowledge, identify common ground, and proactively guide projects. I want to experience all kinds of roles and aim to become a project manager.”

Masanari Akamatsu, Deputy Manager working alongside General Project Manager Takano and formerly from the Kioxia Yokkaichi plant site, joined Kajima in 2014 to build landmark structures. He gained construction management experience at Tokyo Architectural Construction and Yokohama branches and managed overall project planning at the Chubu Branch. He currently coordinates the entire project plan, including the main IIM-1 building and other structures such as water treatment and extra-high voltage substations. Learning from Takano’s communication-focused approach and his belief that



Takaki Hibino
Deputy Manager,
Equipment



Masanari Akamatsu
Deputy Manager,
Construction

“a project site is all about the people,” Akamatsu remarked, “With so many parties involved, opinions can clash, but I maintain close communication so everyone stays aligned.”

Kajima has demonstrated its prowess in semiconductor factory construction by successfully building the large-scale IIM-1 pilot line on a fast-track schedule. General Project Manager Takano expresses his hopes: “This project demands expertise, so I want personnel like Akamatsu, who can form the project core, to be selected early and play a greater role.” Akamatsu shared his determination: “I want to become a project manager quickly and lead a project that succeeds because it was a Kajima project.”

Number of qualified personnel (Kajima Corporation only)	
Professional engineers	988
First-class architects	2,470
First-class civil engineering works execution managing engineers	1,892
First-class building operation and management engineers	2,702
(as of April 2025)	

Lessons from a Principal Architect

Kajima’s IIM-1 project builds on its design and construction strengths. A Principal Architect and a mid-career architect shared insights from their semiconductor factory experience.

Koji Motoyama
Principal Architect, Architectural Design Division

“The semiconductor industry has a lot of specialized terms and unique procedures for handling ultra-short construction periods that you can’t understand without experiencing them firsthand,” he notes. There are cases where we only have a few days to prepare a proposal, and it’s crucial to build trust by having repeated conversations with the client in a short time. That’s why I ask our young architects to handle presentations from their second or third year. At first, they struggle to answer technical questions, but I want them to feel the excitement of working alongside clients who are competing on the world stage.”

Daisuke Itonaga
Production Chief, Architectural Design Department

“I was assigned to Mr. Motoyama’s group right after joining the Company, and at first, I was constantly learning from the client and senior colleagues. However, seeing my senior colleagues bring everyone together to move projects forward taught me the importance of working as a team instead of struggling alone. At IIM-1, I’m in charge of the exterior design, and we’re collaborating with Chitose City to create a design that makes the most of the natural environment. I want to continue taking on the kind of large-scale projects that are unique to Kajima.”



Chief Itonaga (left) and Principal Architect Motoyama



Project details

Project name	Rapidus IIM-1 Construction Project
Client	Rapidus Corporation
Design	Kajima Corporation
Construction	Kajima Corporation
Construction period	September 2023 to March 2026

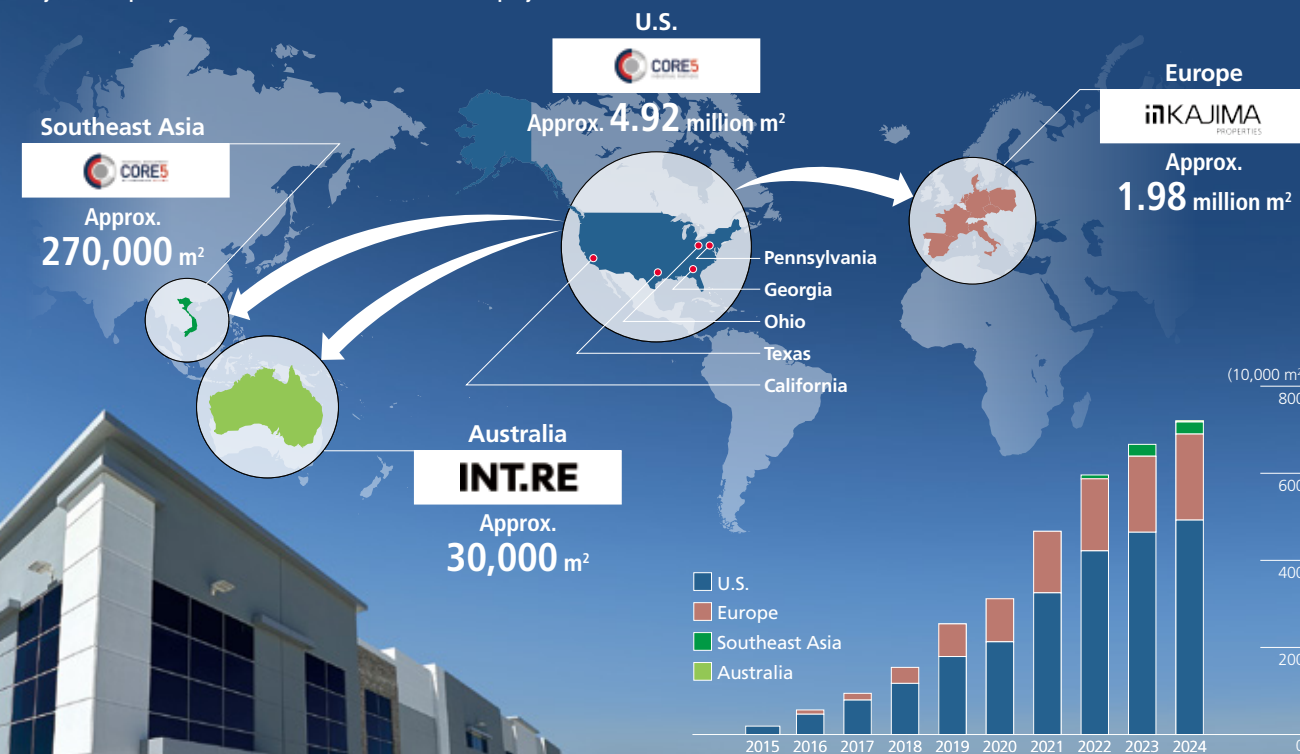
Feature 2

From the U.S. to Europe, Southeast Asia and Australia

The global expansion of industrial development

To expand its real estate development business, Kajima is promoting the global rollout of its industrial development. Since the 1980s, one of our U.S. subsidiaries has managed the complete development process from land acquisition and planning to tenant acquisition and operations, building a strong track record and deep expertise. As the importance of logistics warehouses grows with the spread of e-commerce and the deepening of supply chains, we are expanding our highly profitable and stable business model to Europe, Southeast Asia and Australia to achieve further growth.

Kajima Group's cumulative industrial floor area of new project starts



Regional platforms

The key driving force behind Kajima's industrial property development is Core5 Industrial Partners (Core5), headquartered in Atlanta, Georgia. Established in 2015 by those who had played major roles in industrial development business under Kajima U.S.A. (KUSA) for more than 20 years, Core5 has developed approximately 4.92 million m² of new space over the last 10 years.

One of the primary drivers of our growth so far has been our key regional directors, who have deep-rooted local networks. In addition to its Head Office, Core5 has four regional offices in key logistics hubs: California, Texas, Ohio and Pennsylvania. Supported by KUSA's solid balance sheet, Core5 has set a strong development track record in each region, where seasoned experts align with local needs to build a resilient and effective business platform. Thanks to the programmatic nature of its business, Core5 has earned the trust of local partners, including property agents and general contractors, granting access to valuable first-hand information on future development sites.

The resilient nature of the business is also explained by the careful timing of new starts in line with changes in the economic cycle. Having witnessed sharp declines in warehouse demand during events such as the dot-com bubble collapse and the 2008 financial crisis, Core5 takes a disciplined approach to underwriting each new project. It carefully analyzes supply-demand dynamics in individual submarkets and closely tracks the leasing and sales performance of its existing portfolio.



Middletown, Pennsylvania

A merchant development business model

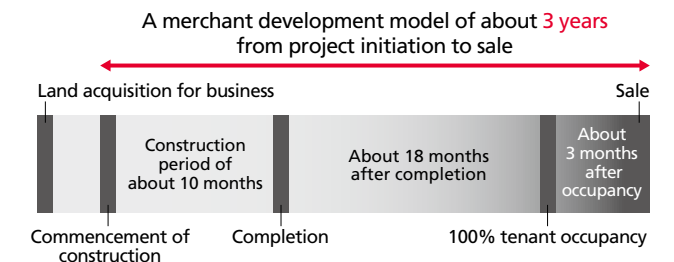
Industrial properties in the U.S. are typically single-story buildings, and their construction timelines are generally shorter than those of office buildings or multifamily residential complexes. Core5 has established a merchant development business model featuring a construction period of approximately 10 months from land acquisition to building delivery, with a full investment cycle of about three years to recycle capital for future projects. As a result, Core5 has established a strong presence in key industrial markets, exemplified by its top-three ranking as a commercial real estate developer in Atlanta during 2020–2021. For the three years starting from FY2022, Core5 has solidified a highly profitable structure with cumulative revenues of over ¥270 billion and net income of over ¥45 billion, leading the growth of Kajima's overseas real estate development business.

In Europe, we began a joint venture with Panattoni Europe in 2016. Panattoni, known as a repeated client of our construction division in Eastern European countries, has also become our partner in the development field. We are working on projects in seven countries: Poland, the Czech Republic, Germany, the Netherlands, France, Spain, and Italy. To date, we have undertaken 34 development projects and sold 20 of them (as of March 31, 2025), putting the business on a growth trajectory.

In Southeast Asia, a hub for manufacturing, we launched the industrial real estate brand Core5 Vietnam in 2022. Targeting the high-demand market for rental factories, we are leveraging the track record and creditworthiness of our U.S. industrial development to develop three properties in the northern port cities such as Haiphong and Quang Ninh. We also have a cold storage warehouse under development in Singapore, and in 2024, we started the development of our first project in Melbourne, Australia.

While market entry strategies vary across geographies, we

are advancing our merchant development in industrial properties through strategic partnerships with local professionals. Global expansion will remain a key focus, helping us boost profit and optimize investment returns.



Entering the domestic market with the KALOC brand

As demand for logistics warehouses grows in Japan, Kajima has entered the market under the "KALOC" brand to meet logistics needs in urban and suburban areas. The initial projects, "KALOC TOMIYA" in Tomiya City, Miyagi and "KALOC MINAMIROKUGO" in Ota City, Tokyo, were successively completed in October 2024 and January 2025, respectively. Leveraging our strength in handling the entire process from planning and development to design and construction, we propose facilities designed for tenant convenience, such as installing numerous freight elevators. Kajima plans to continue expanding the brand.

* KALOC: Kajima Logistics Center



KALOC MINAMIROKUGO

A message from the Core5 founders: A team with in-depth expertise in regional market trends is essential to success

Since our founding, we have narrowed our business model to focus solely on industrial development, increasing our concentration on the higher margin and most profitable portion of the business. Historically, our primary development targets were distribution facilities of about 25,000 m² for retailers. As e-commerce has now become the market driver, we also cater to diverse key demands in the supply chain, such as core logistics hubs over 100,000 m² and last-mile distribution facilities close to city centers. A major strength for Core5 is that we can leverage the creditworthiness of our parent company, KUSA. This means we do not need to rely on raising third-party equity for each transaction and can acquire land and begin development at the optimal time. Furthermore, in each region where we operate, we hire experienced and capable talent who understand Core5's operating principles. As a result, I am proud that our company and our employees share the same values and goals.

The current instability in the political and economic environment has slowed the industrial market's return to equilibrium and stability. However, I am confident that Core5 is well-suited to weather any storms, thanks to our experienced team members who are strategically located to understand the markets in which we operate.



Timothy J. Gunter
President and CEO

Linda Booker
Executive Vice President and CFO

Feature 3

The future of smart wellness as envisioned by The GEAR

Kajima is engaged in the R&D of smart buildings that use AI and IoT to conserve energy and create comfortable environments. At our Asian regional headquarters called The GEAR (Kajima Lab for Global Engineering, Architecture & Real Estate), which opened in Singapore in August 2023, we are positioning the entire building as a living laboratory. We have begun collecting, storing and analyzing vast amounts of data, from indoor temperature and lighting to occupant behavior and biometric information. We explored the future of smart buildings at the forefront of R&D, a future that goes beyond energy conservation, carbon neutrality, and efficient building management to promote the mental and physical wellness of every individual.



Kind to people, the environment and society

“How about going to the SKY GARDEN?” While an employee at The GEAR is busy working at their computer, a message arrives on one’s smartphone. The message was sent by an AI that analyzed data from in-house behavior-tracking cameras and ring-type vital sensors after determining that the employee’s stress level was increasing due to a long period of focused work and that one’s social indicator was declining. The message suggests moving to the open, green shared space, encouraging the employee to relax and interact with colleagues.

Combining the functions of Kajima’s Asia Head Office with an R&D center and an open innovation hub, we designed The GEAR to be a smart building that is kind to its occupants, the environment, and society, incorporating many advanced designs and initiatives. In addition to smartphone messages based on nudge theory, which guides behavior based on human characteristics and psychology, The GEAR strives to balance comfort and energy efficiency by considering even subconscious fatigue and discomfort. This is achieved through features such as an automated control system that analyzes foot traffic with AI to optimize HVAC and lighting, and an atrium space illuminated solely by natural light while blocking direct sunlight.

Furthermore, in Co.worXlab, an office space jointly established with Electric Works Company, Panasonic Corporation, we are demonstrating systems that enhance intellectual productivity. This includes a conference room that stimulates discussion by instantly analyzing video and audio data during meetings and controlling the HVAC, lighting, airflow, and aroma accordingly.

Storing over 9,000 types of data

These initiatives are supported by sensing devices. More than 2,700 devices—including facial recognition cameras that can read emotions and air quality sensors that detect airborne particles—have been installed throughout the building, which has six floors above ground and one below. Each device measures about three to four different items, meaning that over 9,000 types of data are visualized and stored daily.

The GEAR has obtained the highest rank in the international environmental performance standard for buildings and districts focused on human health: WELL Certification Platinum. In 2025, it also achieved the highest rank of smart buildings, SmartScore Platinum. This achievement is the result of not only its design specifications but also its operational initiatives, such as indoor environmental monitoring and data visualization.

Kajima decided to use The GEAR as a living laboratory because of Singapore’s proactive policies and culture of promoting innovation. Under the “Smart Nation” initiative announced by then-Prime Minister Lee Hsien Loong in 2014, digitalization has advanced in various fields, including government services, infrastructure management and payment systems. The government is promoting open data by sharing approved administrative data with the private sector and is launching successive support measures for startups and R&D centers.

Since establishing its Southeast Asia regional headquarters in Singapore in 1988, Kajima has built a solid track record in local construction and real estate development, and in 2013, it established the Kajima Technical Research Institute Singapore (KaTRIS). Since its integration into The GEAR, KaTRIS has been leveraging the local culture’s deep understanding of open data to build and analyze big data, including human behavior and biometric information.

The GEAR’s main sensing devices and measured items

Device	Wearable devices	Building management system	Location-tracking cameras	Air quality sensors
Measured Items	Heart rate, body temperature, activity level and stress level	HVAC/lighting control and facility usage status	Facial expression, location and number of people	Temperature, humidity, PM2.5 and noise level

Semi-outdoor office reduces energy consumption by 90%

As climate conditions, work environments and technology levels change moment by moment, the role of smart buildings is also constantly evolving. Based on the data it collects and stores, KaTRIS is exploring the next phase of wellness. At The GEAR, we simulated airflow to design a building shape that maximizes natural ventilation and created K/PARK, a semi-outdoor workspace in the atrium on the 5th and 6th floors. It can be opened and closed with movable partitions, allowing employees to work while feeling a pleasant breeze. In a user survey conducted under tropical conditions of 28°C, a

majority of users felt that the environment, with a combination of natural ventilation and ceiling fans, was “neutral,” meaning they were not conscious of it being hot or cold. This percentage was higher than for the combination of air conditioning and ceiling fans. We also confirmed that natural ventilation can reduce energy consumption by 86–94% compared to when air conditioning is running.

Based on these verification results, KaTRIS aims to expand the concept of semi-outdoor offices to other Southeast Asian countries and Japan. By understanding societal needs and incorporating cutting-edge technology, Kajima will continue to realize ever-evolving smart buildings.

A living lab that attracts diverse talent

The GEAR, which uses the entire building as a space for experimentation and implementation, attracts high-level talent in Singapore, gathering from all over the world. Nearly half of the approximately 30 people working at KaTRIS are locally hired research engineers with diverse backgrounds. Senior Researcher Olivia Quek from Singapore, who joined the KaTRIS smart building team in April 2024, said, “The GEAR enables meaningful research by integrating behavioral data with psychological insights. Drawing on my experience in social science research and as a data scientist, I am exploring how living and working environments affect well-being. The appeal of working at The GEAR lies in the freedom to bring ideas to life and see them make a meaningful difference.”

Senior Researcher Toby Cheung from Hong Kong, who specializes in indoor thermal environments, says that “it has a distinctive atmosphere that promotes both practical results and innovation.” He said, “I had built my career primarily in academic institutions, but I joined KaTRIS to tackle the challenges of day-to-day building management. Using K/PARK as a stage, I am researching environmental performance and well-being, and I hope to expand the possibilities for designing comfortable, naturally ventilated, and semi-outdoor spaces that don’t rely on air conditioning.”



Olivia Quek (left) and Toby Cheung (right), working at KaTRIS



CUCO-SUICOM Dome (Sustainability Dome)



Green World Construction Zone



Signature Pavilion "LIVE EARTH JOURNEY"



Signature Pavilion "DYNAMIC EQUILIBRIUM OF LIFE"

Facilities constructed by Kajima for the Expo 2025 Osaka, Kansai, Japan

Part 3

Medium- to Long-Term Strategy

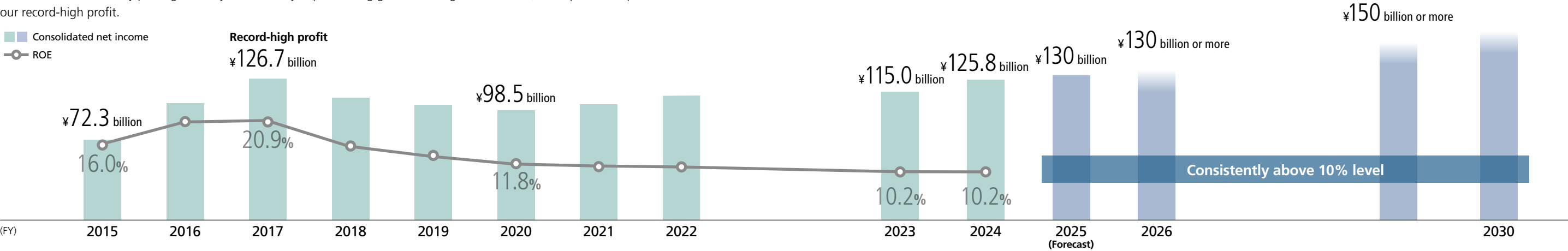
We pursue sustainable growth for the Kajima Group through a medium- to long-term strategy centered on construction and real estate development, advancing both profit growth and the reinforcement of our management foundation.

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Progress on the Medium-Term Business Plan

Accelerating profit growth

We have achieved steady profit growth by continuously implementing growth strategies. In FY2025, we expect to surpass our record-high profit.



Strategies for growth	1. Improve the profitability of the non-consolidated construction business 2. Provide leading-edge, valuable construction and services 3. Establish a Group-wide business platform for growth	1. Create next-generation construction production systems 2. Provide construction and services of high value to society and customers 3. Establish a Group-wide business platform for growth	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. Enhance domestic construction business 2. Expand growth areas 3. Create new value as a technology-based company 4. Sustainability
Domestic construction business	• Revitalize and strengthen operations	• Improve productivity and enhance efforts in promising fields	• Strengthen earning power and production capacity	• Enhance engineering capabilities and refine the production processes
Domestic real estate development business	• Acquire strategic assets	• Generate quality projects	• Generate quality assets and diversified portfolio	• Develop a real estate development business unique to Kajima
Overseas business	• Enter new markets and expand business areas in existing markets	• Develop business according to market characteristics	• Expand the investment cycle for growth	• Provide services that utilize our network
Value chain	• Strengthen initiatives in upstream and downstream areas	• Provide integrated services from upstream to downstream	• Maximize customer value by expanding the business domain	• Create new businesses and collaborate with partners

Financial targets

Consolidated net income

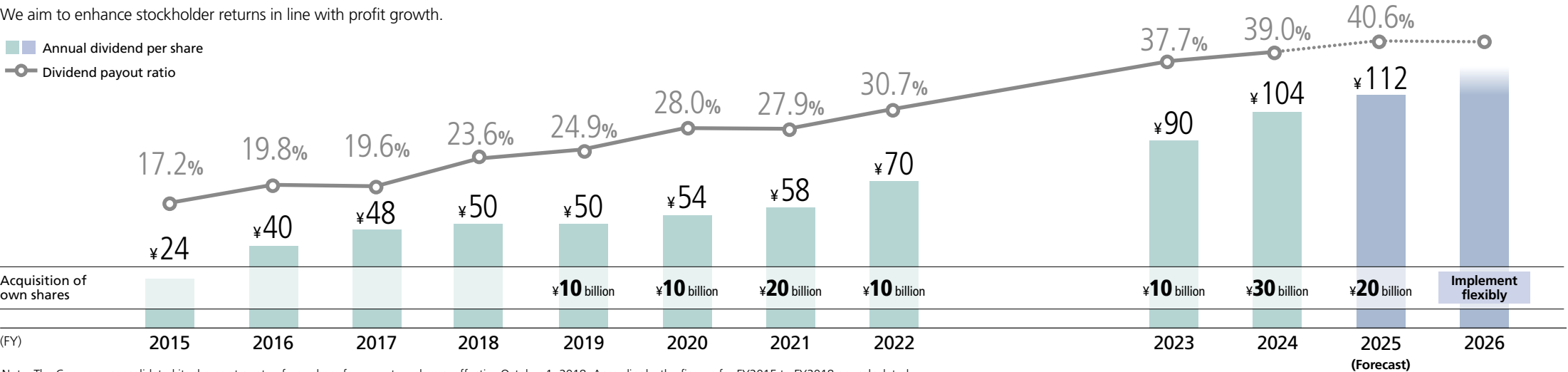
FY2025 ¥130 billion • Surpass record-high profit

FY2026 ¥130 billion or more • Further increase profit from FY2025

Aim to achieve the FY2030 target of ¥150 billion or more ahead of schedule

Enhancing stockholder returns

We have implemented phased dividend increases and continuous share buybacks. We aim to enhance stockholder returns in line with profit growth.



Note: The Company consolidated its shares at a rate of one share for every two shares, effective October 1, 2018. Accordingly, the figures for FY2015 to FY2018 are calculated as if the consolidation of shares had been conducted at the beginning of FY2015.

Ongoing issues

Domestic construction business	• Address the rising cost of construction • Strengthen procurement capabilities for equipment construction, etc. • Ensure appropriate construction periods • Improve safety performance
Growth areas and R&D	• Strengthen overseas business platform • Pursue results in investment and R&D • Create new businesses
Business platform	• Hire and develop human resources and secure the future workforce • Promote diversity, equity, and inclusion (DE&I) • Continue to ensure rigorous compliance • Strengthen initiatives to address environmental issues

Message from the General Manager of the Treasury Division



We are implementing a financial strategy aimed at further enhancing corporate value and market valuation.

Takashi Kumano
Director, Managing Executive Officer,
General Manager, Treasury Division

Review of FY2024 and our outlook for the future

In the first year of the Kajima Group Medium-Term Business Plan (2024–2026), we achieved our fourth consecutive year of increased revenue and profit, delivering record-high revenue of ¥2,911.8 billion and our second-highest net income of ¥125.8 billion. By maintaining an ROE above 10%, we assess that our Group continues to deliver the profit growth and capital efficiency we aim for. Furthermore, our earnings per share (EPS) and stock price have continued to show steady improvement.

Looking back at recent business trends, the domestic construction business faced several challenges, including rising construction costs and compliance with new overtime regulations. However, due to detailed pre-contract planning, contracts with appropriate terms, and ongoing efforts to improve productivity during construction, we achieved profits that exceeded our initial plan.

In our real estate development business, although both domestic and overseas markets experienced shifts in financial conditions, our domestic operations showed relatively stable progress. In overseas markets like the U.S., where policy trends remain uncertain, we determined that the environment required careful consideration of the timing for both investments and asset sales. Despite this challenging environment, our overseas business as a whole has recorded profits above a certain level, regardless of recent fluctuations, and has grown into a reliable pillar of earnings.

For FY2025, we are forecasting record highs for both consolidated revenue and net income, projected at ¥2,950

billion and ¥130 billion, respectively. This is based on factors such as the large number of domestic civil engineering projects reaching their peak, the enhancement of profitability within domestic building construction, and an anticipated recovery in overseas performance as markets rebound.

Domestic construction business

Domestic construction demand remains robust, with a steady pipeline of projects expected over the next four to five years. However, from a sustainability perspective in the construction business, numerous challenges remain to be addressed, such as securing a future workforce and improving productivity. This requires continuous investment and, crucially, a stable source of investment capital (i.e., gross construction profit).

One of our key priorities is investing in human capital, which focuses not only on wages, training, and working conditions for our Group employees but also on the skilled workers of our partner companies, who are the ones actually carrying out the construction. Enhancing conditions for skilled workers is essential for creating a sustainable construction industry—an urgent priority amid growing labor shortages. We expect these efforts to also help us maintain and strengthen our own construction capabilities over the medium- to long-term.

Furthermore, as a technology-based company, we believe ongoing investment in technology remains indispensable. In addition to R&D in advanced technologies, optimal construction methods, and eco-friendly materials, we are continuing to invest in measures that address labor shortages and the transfer of skills, such as reducing

labor requirements, increasing efficiency, and improving visualization in on-site operations.

As the pace of digitalization accelerates, we believe it is valuable to pursue technology development not only with internal resources but also by investing in startups and other companies to gain new, efficient perspectives. We are actively seeking collaboration partners both in Japan and overseas.

The costs associated with these initiatives are gradually increasing, with most recorded as selling, general and administrative (SG&A) expenses. To cover these costs and secure operating income, we recognize the importance of increasing both our revenue and construction gross profit margin.

To improve the margin, efforts can be made on both the price and cost sides. While we are, of course, working to improve production efficiency on the cost side, we must also focus on the price side. Given the anticipated labor shortage, supply-demand constraints, and increasing complexity of technologically advanced projects, we believe this value should be reflected in the price and recognized by our customers.

Along with the recent trend toward larger-scale construction projects and extended construction periods, the resurgence of interest rates in the domestic market has further highlighted the need to resolve issues such as the terms and timing of payment collection from our clients.

In many private-sector projects, payments from clients are heavily weighted toward project completion. In contrast, we pay our partner companies on a monthly basis in accordance with the work completed. This places a heavy financial burden on the prime contractor in the form of accounts receivable.

Strengthening the financial health of our partner companies is essential for a sustainable supply chain, and this fiscal year, we have further accelerated our payments. However, since our cash conversion cycle is getting longer, we continue to urge our clients to make payments according to construction progress.

This issue of payment collection is not unique to Kajima. Addressing issues like price negotiations over rising construction costs and ensuring appropriate construction periods is a significant challenge for the entire construction industry, so we are working toward an industry-wide response.

Real estate development business

For over six years, we have been actively investing in the real estate business as a core growth strategy. Our profit levels have improved compared to the initial period, and we have steadily expanded the scope of our business in terms of scale, geographic reach, and portfolio. We assess that this progress is in alignment with our growth strategy.

Throughout the Medium-Term Business Plan, our domestic real estate development business will accumulate quality assets while also preparing for upcoming portfolio turnover. In addition to rental and sales income derived from conventional office developments, we aim to generate sales revenue from assets including residential properties, hotels, and logistics facilities.

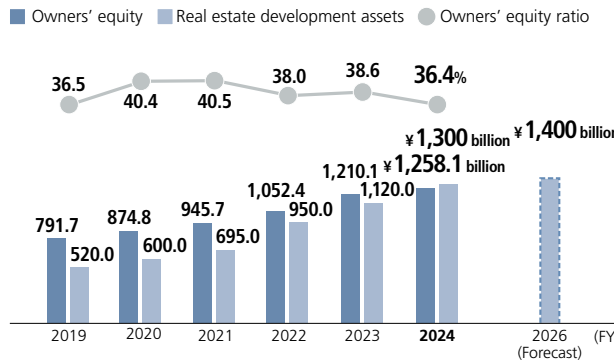
While gross investment in our overseas development business will increase relative to the last two Medium-Term Business Plans, we anticipate a decrease in net investment due to higher capital recoupment from asset sales. We believe we have entered a phase where the cycle of investment and recoupment is functioning effectively, generating profits.

Business strategies vary across countries and regions, influenced by differences in local business environments and the maturity of real estate sales markets. Our plan focuses on logistics warehouse development, which follows a short-term turnover model, in the U.S., Europe, and Southeast Asia. This is complemented by sales income from assets such as rental apartments (U.S.), renewable energy facilities (Europe), and hotels (Southeast Asia), along with stable rental income from long-term holdings like mixed-use facilities (Southeast Asia).

To account for varying profitability and cash turnover rates across countries, regions, asset types, and business models, we make project decisions using hurdle rates tailored to each project and key indicators like IRR and NOI yield. During internal committee meetings, we explicitly ask our business divisions to clarify their cash turnover rates and exit strategies for assets.

We also prepare a balance sheet for each business division and monitor their status and outlook from the perspectives of capital efficiency and financial soundness. While our domestic and overseas development businesses differ in market characteristics and business models, we share common standards. For capital efficiency, ROIC must exceed WACC (about 5–6%) and ROE must exceed the cost of equity (about 7–8%). For financial soundness, one of the key criteria is ensuring that the total risk amount of our projects remains below our owners’ equity. At times, we instruct our business divisions to consider measures such as managing portfolio turnover or moving assets off the balance sheet to reduce risk and improve capital efficiency. However, considering the possibility of temporary downturns in earnings, business decisions and assessments are conducted with a medium- to long-term perspective, rather than relying on annual results.

Owners’ equity / Owners’ equity ratio / Real estate development assets



Message from the General Manager of the Treasury Division

Update on our financial strategy

Since profit growth is accelerating faster than we anticipated when the Medium-Term Business Plan was formulated, we have adjusted our cash allocation for the three-year period. We now plan to allocate our cash inflow of ¥1,500 billion (up ¥100 billion from the initial plan) as follows: about ¥1,270 billion (up ¥70 billion) for growth investments and about ¥230 billion (up ¥30 billion) for stockholder returns.

Through ongoing dialogue with investors, we have heard expectations for an upward revision of our ROE target (above 10% level). In the present phase of accumulating development assets, we believe the current target is appropriate, as our priority is to maintain owners’ equity (the denominator of ROE) at a level commensurate with the risk volume of our development assets. Aiming for sustainable growth, we consider that it is more appropriate to increase ROE by continuing initiatives and investments that increase the absolute amount of net income (the numerator) rather than by reducing the risk buffer in our equity through excessive stockholder returns.

Growth investment

To steadily achieve sustainable profit growth, we are continuously formulating and implementing proactive investment plans.

Looking back at our consolidated net income levels, we noted that profits were around ¥20 billion prior to FY2015. They rose to about ¥70 billion due to improved profitability in the domestic construction business. Subsequently, growth in our real estate development and overseas businesses has allowed us to consistently achieve profits of over ¥100 billion. We are now well-positioned to deliver a record-high profit of ¥130 billion.

This profit growth over the past ten years is partly driven by external factors such as economic tailwinds and government policies. However, we believe that this mainly stems from our growth strategies, which include successful investments in our real estate development and overseas businesses while also strengthening our management foundation through investments in human capital, R&D, and digital technology.

Appropriate capital structure

Continuous reduction of strategic shareholdings

As a result of our ongoing reduction efforts, our balance of strategic shareholdings at the end of FY2024 accounted for 19.8% of consolidated net assets. We thus achieved our Medium-Term Business Plan target (less than 20% of consolidated net assets until the end of FY2026) two years ahead of schedule. We have recently revised our policy, increasing the three-year sales target (¥50 billion or more) in the Medium-Term Business Plan by ¥20 billion. Under this plan, we now aim to sell approximately ¥50 billion of these shares over the next two years (totaling approximately ¥70 billion during the plan’s period).

The Board of Directors quantifies the rationale for holding these shares and makes definitive decisions on whether to hold or sell each individual stock. Even for shares that satisfy our retention criteria, we are continuing to evaluate and recommend reductions in response to market demands and the business environment surrounding our clients.

Separately, for shareholdings other than pure investment, we are investing in startups and other companies to acquire advanced technologies and create new businesses. Although these mainly involve investments in unlisted companies, we will enhance our information disclosure regarding their purpose and status as part of our efforts to improve technological competitiveness and promote open innovation.

Utilization of interest-bearing debt

We are managing our finances with an eye on both increasing financial leverage and maintaining financial soundness, targeting a D/E ratio of 0.7x throughout the Medium-Term Business Plan period. In light of factors such as maintaining our credit rating and our active role in real estate development, we have set this target at a level higher than that of a typical construction company but lower than that of a real estate developer.

At the same time, given our current profit levels, we believe we can maintain sufficient financial soundness even if we increase our financial leverage and temporarily exceed the target D/E ratio within a certain range. Therefore, we intend to adopt a flexible approach.

Stockholder returns

Over the course of the three-year Medium-Term Business Plan, we expect to provide a total of approximately ¥230 billion in stockholder returns. Based on an estimated total consolidated net income of ¥390 billion over the three years, this equates to a total payout ratio of about 60%. We believe this approach maintains an appropriate balance between growth investments and stockholder returns at our current stage of investing to promote future cash-generating capabilities.

In our current Medium-Term Business Plan, we raised the target dividend payout ratio from 30% to 40%, and in line with this policy, we have now increased dividends for five consecutive fiscal years. The dividend per share has been gradually increased from ¥50 in FY2019 to its current level of ¥104, more than doubling over that period. We are planning a further dividend increase this fiscal year, in line with profit growth, and aim to continue raising dividends in conjunction with earnings expansion.

Acquisition of own shares is drawing attention in the stock market as a flexible means of stockholder returns, and we have been consistently acquiring our own shares since FY2019. Previously, we determined the amount and timing of acquisitions by considering our performance, financial condition, and the business environment. For now, however, we are considering acquiring our own shares based on the proceeds from the sale of strategic shareholdings.

Management conscious of capital cost and stock price

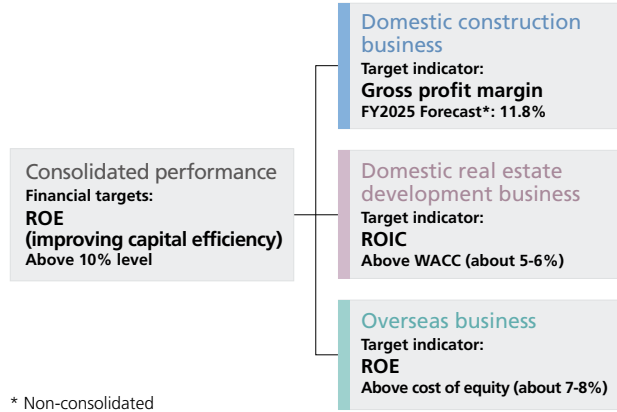
In conjunction with the release of the financial statements for FY2024, we published our “Action to Implement Management Conscious of Cost of Capital and Stock Price.” [▶ Page 44](#)

The Board of Directors periodically evaluates the return on capital and the growth potential of both the Group as a whole and each individual business. After receiving reports from the IR department on our market valuation, including details of dialogue with investors, the Board reviews financial strategies such as growth investments and stockholder returns. Our

outside directors share their opinions from both short-term and medium- to long-term perspectives, looking ahead to the next Medium-Term Business Plan. These opinions cover our balance sheet strategy, risk preparedness, and investment evaluation methods, which are reflected in our plans.

Starting in FY2025, we have added ROE to the performance indicators used for directors’ remuneration. Although we already had an indicator for the absolute amount of profit (i.e., net income), this addition demonstrates our management’s commitment to further awareness of capital efficiency, a KPI in our Medium-Term Business Plan.

In addition to monitoring the balance sheet of each business division, we have established a management system in which achieving divisional targets contributes to meeting the Group-wide ROE target. We have set ROIC as the target metric for our domestic real estate development business, ROE for the overseas business, and gross profit margin for the domestic construction business, which generally does not require significant amounts of capital.



Our PBR, a key stock market indicator, has remained consistently above 1x. We believe this reflects not only the steady progress of our Medium-Term Business Plan but also the market’s trust in our performance, supported by our solid track record and timely information disclosure.

However, we also see potential for improving our PER, which serves as an indicator of expectations for profit growth. Each year, we see more opportunities to engage in dialogue with institutional investors, both in Japan and overseas. We will focus on improving the quality of these dialogue and undertake activities that raise expectations for our Group’s future potential. Last fiscal year, we also participated in company information sessions for individual investors hosted by securities firms. We found these to be valuable opportunities to explain the Group’s strategies and direction while also receiving direct feedback and evaluations. We intend to continue these activities going forward.

We will continue to implement the strategies outlined in our Medium-Term Business Plan to improve profitability and deliver returns to stakeholders based on our performance. At the same time, we will enhance our information disclosure, including on sustainability, and expand dialogue with stakeholders, aiming to further enhance both our market valuation and societal value.

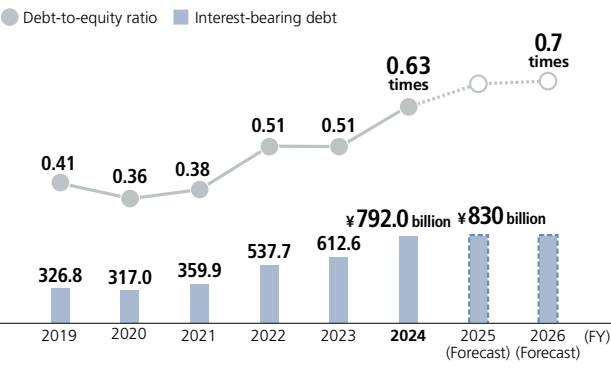
Reduction of strategic shareholdings and status of acquisition of own shares

FY	Stocks held (listed)	Carrying amount (market value)	Ratio to consolidated net assets	Stocks sold	Proceeds from sale	Acquisition price of own shares
2020	320 (144)	¥266.5 billion	30.1%	20	¥9.4 billion	¥10 billion
2021	316 (135)	¥258.7 billion	27.1%	17	¥14.8 billion	¥20 billion
2022	306 (125)	¥251.0 billion	23.7%	17	¥10.0 billion	¥10 billion
2023	291 (113)	¥316.1 billion	25.8%	27	¥28.4 billion	¥10 billion
2024	278 (100)	¥253.5 billion	19.8%	34	¥20.3 billion	¥30 billion
2025			Less than 20%	(Total for 2025–2026) Approx. ¥50 billion		¥20 billion
2026						

Note: Number of stocks sold and proceeds from sale include partial sales.

Planning acquisition of own shares based on the sale of strategic shareholdings from FY2024 onward

Interest-bearing debt / Debt-to-equity ratio



Medium-Term Business Plan (FY2024–2026):
Progress on Growth Strategy

I Enhance domestic construction business

- 1 Strengthen proposal, design-build, and engineering capabilities to provide added value to customers and society
- 2 Improve productivity and operational efficiency by promoting digital transformation
- 3 Create safe work sites that are desirable workplaces

Complex projects such as semiconductor production facilities are progressing smoothly, enhancing our technological capabilities and expanding our knowledge and expertise [▶ Page 26](#).



Rapidus IIM-1 project (Hokkaido)

Significant reduction in the construction period for an expressway renewal project by applying our patented Smart Deck Renewal (SDR) System.



Shortened the deck replacement period by approximately 67% on the Anogawa Bridge deck replacement project on the Kan-Etsu Expressway (Gunma Prefecture—Niigata Prefecture)

Received over ¥300 billion in annual orders for production facilities, which we have designated as a priority area.



Construction of a new KOSÉ Corporation factory in the Minami Alps (Yamanashi Prefecture)

Completed our automated construction system, which automates and enables remote control for mountain tunnel excavation work [▶ Page 67](#).



A-CSEL for Tunnel

II Expand growth areas

- 1 Increase profits and improve investment efficiency in the real estate development business
- 2 Enhance global platforms
- 3 Diversify revenue sources by expanding the value chain

Domestic real estate development business

Expanded profitability through the sale of developed properties such as large-scale condominiums and offices.



WORLD TOWER RESIDENCE (Tokyo)



Construction has begun on the Yaesu 2-Chome Central District Category-1 Urban Redevelopment Project (Tokyo), in which we are participating as both the project developer and the design-build contractor.

Overseas business

Continuously develop and sell multiple logistics warehouses in the U.S. and Europe. By developing the business globally, it has grown into a strong source of revenue [▶ Page 29](#).



Rotterdam (Netherlands)



FY2024 Order Record
UNC Health Nash - Inpatient Tower (JV)

Acquired Rodgers Builders, Inc., a U.S. construction company. Strengthened our business in areas such as the medical and educational fields.

III Create new value as a technology-based company

- 1 Strengthen the global R&D system
- 2 Create new value by promoting innovation
- 3 Create new businesses unique to Kajima

Began demonstration tests^{*2} of cooperative vehicle-infrastructure autonomous driving systems using optical fiber sensing technology in the Ebie Section of the Hanshin Expressway Yodogawa Left Bank Line (Phase 2)^{*1}, with the cooperation of the city of Osaka.



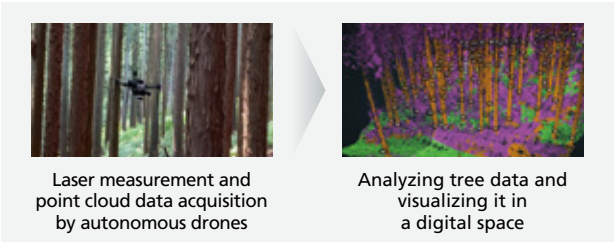
*1 Utilizing the Communication-based Joint Research Program of Hanshin Expressway
*2 Utilizing Kajima's optical fiber sensing technology and the cooperative autonomous driving technology developed by Subaru's Technical Research Center

Established The GEAR by Kajima Pte. Ltd. in Singapore to promote open innovation activities and technology marketing.



Exploring new revenue sources by identifying customers who require our Group's proprietary technologies

Launched Forest Asset, a forest management service utilizing autonomous drones and digital technology. Commissioned for 13 projects, including for Kajima Group-owned forests.



Laser measurement and point cloud data acquisition by autonomous drones
Analyzing tree data and visualizing it in a digital space

Developed a compact speaker featuring OPSODIS 3D sound technology, co-developed with the University of Southampton in the U.K., and sold it via crowdfunding.



3D audio speaker
OPSODIS 1

IV Sustainability

Global environment

- 1 Promote Kajima Environmental Vision 2050plus
- 2 Ensure social and corporate sustainability in the case of natural disasters

Applied environmentally friendly concrete technology^{*3} to facilities at the Expo 2025 Osaka, Kansai, Japan venue.



CUCO-SUICOM Dome (Sustainability Dome) completed
CO2-absorbing concrete used for venue paving (approx. 3,300 m²)

^{*3} This achievement utilized results from "Development of Technology for Producing Concrete and Cement Using CO₂" project (JPNP21023) commissioned by the New Energy and Industrial Technology Development Organization (NEDO)

Human resources, respect for compliance and human rights

- 1 Develop people and create systems that will promote growth and change
- 2 Maintain and strengthen the supply chain and secure future workforce
- 3 Thorough compliance and respect for human rights

Established new targets for DE&I^{*4} to foster a corporate culture where personnel from diverse backgrounds can demonstrate their abilities [▶ Page 69](#).

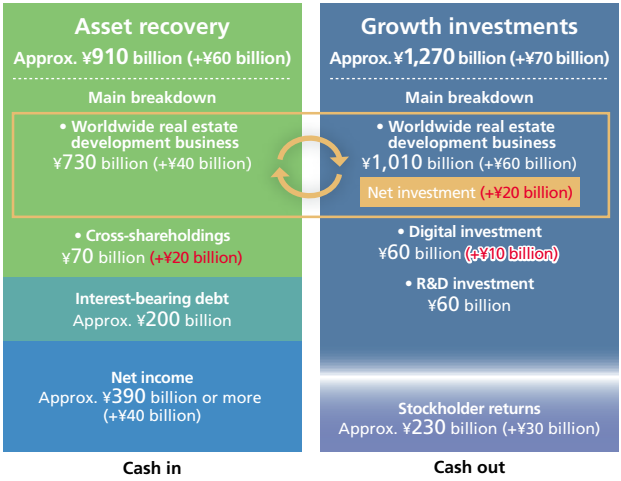
	Targets	FY2024 results
Hiring ratio of female employees in the managerial track	30% by FY2028	22.2% ^{*6}
Ratio of female employees in new managerial appointments ^{*5}	10% by FY2035	2.9% ^{*6}
Paternity leave uptake rate (of which, leave of 30 days or more)	100% 50% or more	91.2% 46.0%

^{*4} Diversity, equity & inclusion
^{*5} Manager level and above, based on the guidance standards of the Ministry of Health, Labour and Welfare
^{*6} As of April 1, 2025

Medium-Term Business Plan (FY2024–2026): Update on Financial Strategy

Cash allocation (FY2024–2026 cumulative)

Fund generation capacity has improved due to accelerated profit growth and the reduction of strategic shareholdings. Updated the cumulative cash allocation for the three years of the Medium-Term Business Plan.



- Accelerate the investment and recoupment cycle in the real estate development business to aim for further profit growth. (Net investment in worldwide real estate development: +¥20 billion)
 - Promote the advancement of automated construction technology utilizing AI, the development and implementation of IT tools streamlined on-site operations, and the cultivation of digital-tech personnel to improve productivity and to strengthen competitiveness. (Digital investment up ¥10 billion)
- Net income (+¥40 billion)**
- Growth investment (+¥30 billion)**
- Stockholder returns (+¥30 billion)**
- Increase dividends in line with profit growth, with a target dividend payout ratio of 40%. (Initial plan: approx. ¥140 billion → This update: approx. ¥155 billion; an increase of ¥15 billion)
 - Increase share buybacks based on accelerated reduction of strategic shareholdings. (Initial plan: approx. ¥60 billion → This update: approx. ¥75 billion; an increase of ¥15 billion)

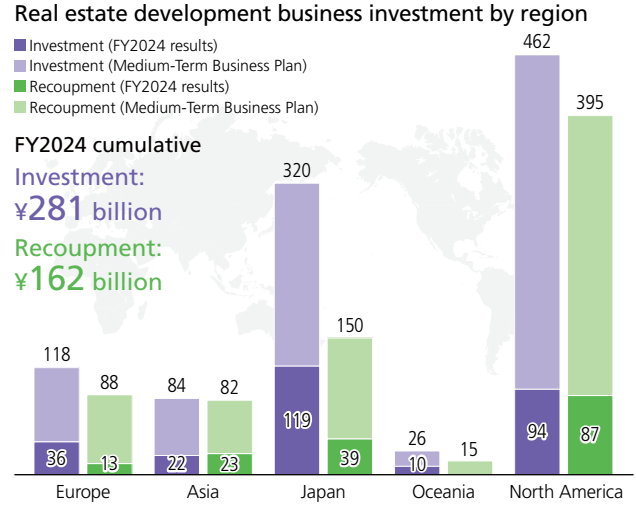
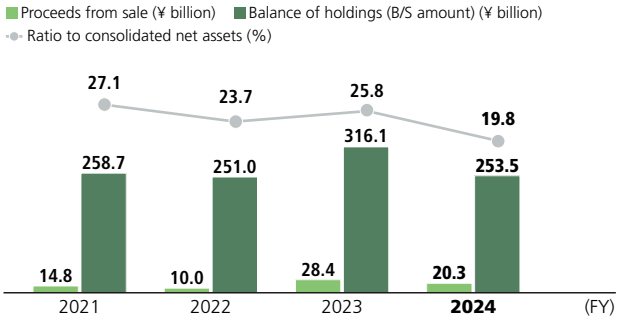
Growth investment

(¥ billion)	FY2024 (Results)	Medium-Term Business Plan (FY2024–2026)
R&D investment	21	60
Digital investment	17	60
Strategic investment framework	8	80
Capital investment in commercial real estate, etc.	17	60
Domestic real estate development business	119	320
(Recoupment of investment)	(39)	(150)
Overseas real estate development business	162	690
(Recoupment of investment)	(123)	(580)
Total investment	344	1270
Net investment	182	540

Note: Exchange rates: Approx. 158.18 JPY/USD for FY2024, and approx. 145 JPY/USD from FY2025 onward.

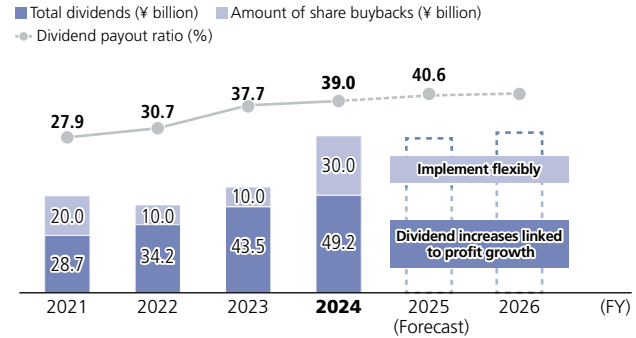
Reduction of strategic shareholdings

Balance of holdings: Less than 20% of consolidated net assets by the end of FY2026.
Proceeds from sale: Approx. ¥70 billion over three years, as we continue to reduce our holdings.



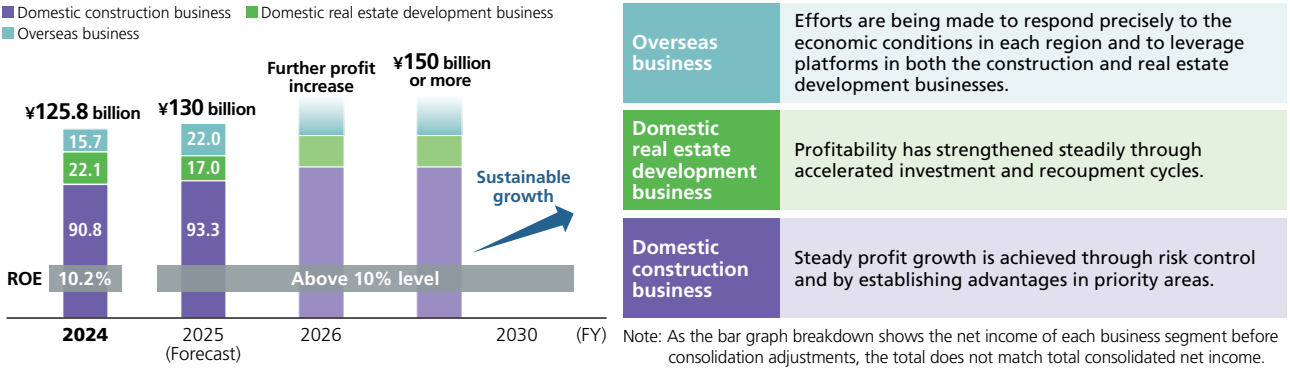
Stockholder returns

Dividends with a target payout ratio of 40%.
Implementing flexible share buybacks that take into account business performance, financial condition, and the business environment.



Net income

Cumulative profit for the three years of the Medium-Term Business Plan expands due to higher-than-planned profit in FY2024, early achievement of the FY2026 target of ¥130 billion, and continued profit growth in FY2026.



Action to Implement Management Conscious of Cost of Capital and Stock Price

1. Evaluation and analysis of the current situation

- In the Kajima Group Medium-Term Business Plan (2024–2026), we formulated a financial strategy designed to enhance corporate value and market valuation.
- The Board of Directors has confirmed and evaluated each business's capital profitability based on the cost of capital in multiple discussions. Additionally, financial strategies, including growth investments and shareholder returns, have been reviewed based on an understanding of market evaluations and the results of IR activities.

Category	Details
Performance trends	- FY2024: The improvement of profit margins in the domestic building construction business and expanded sales profits in the real estate development business contributed to consolidated net income of 125.8 billion yen, exceeding the forecast at the beginning of the period and achieving revenue and income growth for four consecutive years. - FY2025: Steady profit growth in the domestic civil engineering and building construction businesses, along with rising profits at domestic and overseas subsidiaries and affiliates, expected to yield a record-high consolidated net income of 130.0 billion yen. Fiscal 2026 medium-term business plan target expected to be achieved one year ahead of schedule, with revenues and income up for a fifth consecutive year. - In fiscal 2026 and beyond, we aim to achieve continued profit growth and meet our consolidated net income target of "at least 150.0 billion yen by fiscal 2030," as set forth in the medium-term business plan, ahead of schedule.
Capital profitability	- We recognize the Kajima Group's cost of shareholders' equity is approx. 7–8%. - ROE for fiscal 2024 was 10.2%, and we expect to maintain a level consistently above 10% beyond fiscal 2025. - We have confirmed that both fiscal 2024 results and fiscal 2025 management targets ensure capital profitability that significantly exceeds the cost of shareholders' equity.
Stock market evaluation	- Since February 2025, when we announced revisions to our fiscal 2024 performance forecasts and increased dividends, our stock price has risen, and PBR has exceeded 1. - We believe this is because financial markets have valued our timely disclosure of performance forecasts and flexible shareholder returns accompanying performance improvements.

2. Future initiatives

- In light of our accelerating profit growth, we have updated our financial strategy to further enhance corporate value and market valuation.
- While appropriately assessing the changing business environment, we will implement measures and investments to grow and enhance shareholder returns.
- Furthermore, to gain trust and positive valuation from financial markets, we will continue to strengthen timely disclosure and dialogue concerning management policies, including performance forecasts.

Category	Details
Growth investment	- Drive further profit growth with human capital investment, AI and digital-related technology development, and acceleration of investment and recoupment cycles in the domestic and overseas real estate development businesses. - Total investment for three years is planned for 70.0 billion yen over the plan. Recoupment through development asset sales will be up 40.0 billion yen. - ROE will be maintained at a level exceeding 10%.
Capital structure	- Strategic shareholdings achieved the target of "less than 20% of consolidated net assets by the end of fiscal 2026" as of the end of FY2024. We will continue reduction in fiscal 2025 and beyond, aiming to increase the sales amount over three years by approx. 20.0 billion yen over the plan. - The D/E ratio target will be maintained at approx. 0.7.
Stockholder returns	- With a target dividend payout ratio of 40%, we aim to increase dividends in line with profit growth. - Continue share buybacks with an awareness of improving capital efficiency and enhancing shareholder returns. For the time being, we will flexibly implement share buybacks based on the results of strategic shareholding sales. We plan to repurchase 20.0 billion yen of our own shares in fiscal 2025. (Strategic shareholding sales in fiscal 2024 amounted to 20.3 billion yen.) - The total amount of shareholder returns over three years has been expanded by approx. 30.0 billion yen over the plan.
Governance/IR	- ROE has been adopted as an evaluation criterion for executive compensation for fiscal 2025 and beyond. - Timely information disclosure and dialogue with investors and the market regarding management policies will continue to be strengthened.

Material Issues

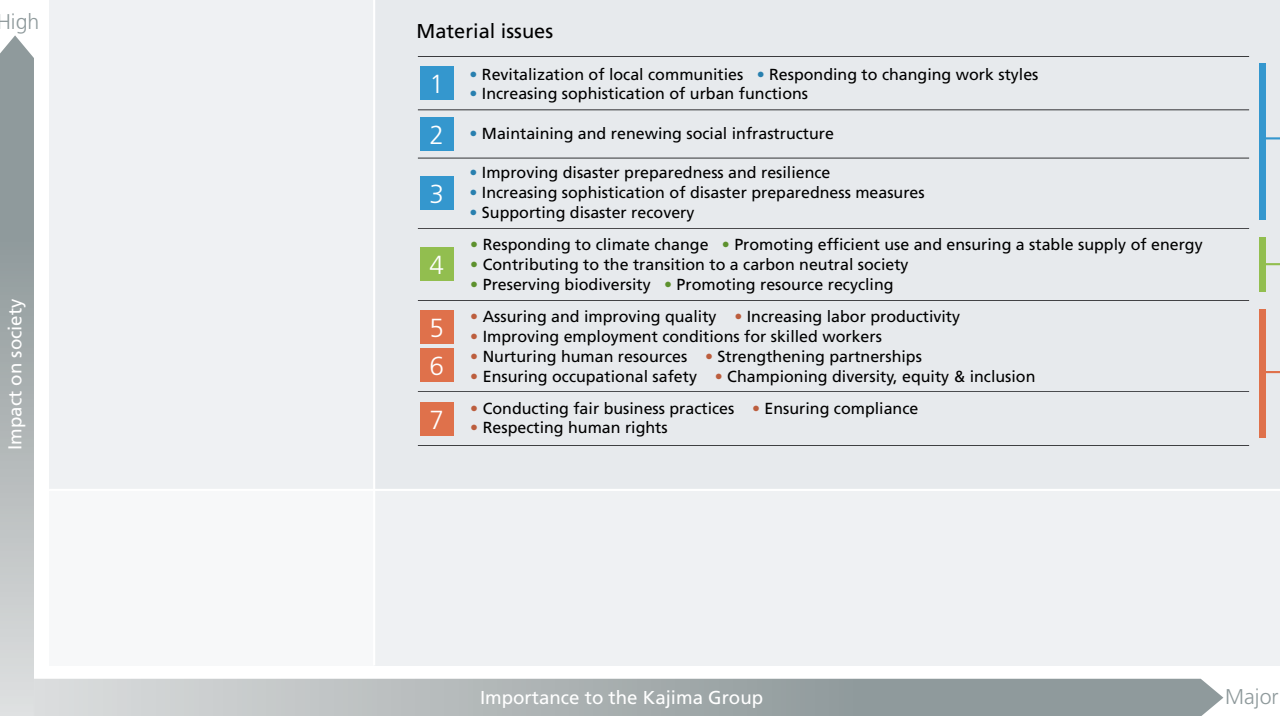
Identifying and revising the Kajima Group's material issues

In July 2019, the Kajima Group mapped social issues on two axes: their impact on society and their importance to the Group. We then consolidated and reorganized the issues identified as having a high impact and major importance. We identified seven material issues: four to which we contribute through our business, and three that form the foundation for business sustainability. We have clarified the relationship between our material issues and the SDGs adopted by the United Nations. ▶ Page 46

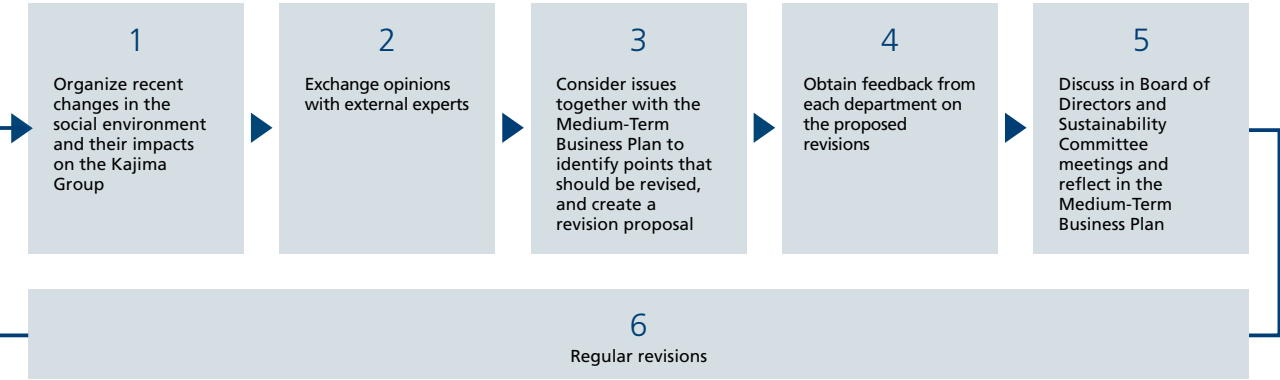
We have regularly revised these issues since then in light of changes in the social and business environment. In FY2023, alongside deliberations on our Medium-Term Business Plan (2024–2026) and the Kajima Environmental Vision 2050plus, we reviewed our material issues based on input from external experts. As a result, we updated some issues in 2024, including those related to the environment.

We have also linked these issues to the growth strategies of our Medium-Term Business Plan (2024–2026), setting specific measures and KPIs to promote sustainable growth and enhance our corporate value over the medium to long term. ▶ Page 47

Issue mapping



Process for revising material issues



Our material issues and related SDGs

	Direction of initiatives for material issues	Specific initiatives		Related SDGs
		Contribution through customers' businesses	Contribution through our businesses	
Society	1 Creating functional urban, regional, and industrial infrastructure capable of meeting new needs Kajima proposes sophisticated value in the fields of building construction, infrastructure construction, urban development, and industrial infrastructure to meet diversifying needs emerging from the changing values and behavioral patterns of society. Combining experience and new technologies, Kajima creates functionality that facilitates lifestyles, work, and wellness.	- Creating comfortable and attractive spaces - Improving productivity and product quality through engineering technologies - Improving workplace productivity and wellness Constructing smart cities and a smart society Constructing smart buildings	Conducting large-scale, mixed-use redevelopment projects	
	2 Developing sustainable and long-lasting social infrastructure Kajima develops technology for building and infrastructure repair, maintenance, renovation, and lifespan extension. We develop the highest quality social infrastructure designed to be reliable and can be used safely long into the future.	- Technologies for extending building lifespan - Technologies for maintaining and renewing infrastructure - Increasing sophistication of facility and building management	- Acquiring quality assets in the real estate development business - Participating in infrastructure operation and public-private partnerships	
	3 Providing safety and security technologies and services for disaster preparedness Kajima provides disaster-resilient building and infrastructure construction, advances technology development, and provides services for recovery and reconstruction in the event of a disaster. We are responding to climate change by developing more sophisticated disaster prevention technologies as part of our commitment to supporting a safe society where people can live with peace of mind.	- Increasing sophistication of seismic damping and isolation technologies - Constructing buildings and structures resilient to climate change - Proposing BCP solutions	- Incorporating BCP into supply chain operations - Strengthening disaster response capabilities	
Environment	4 Contributing to carbon neutrality, a circular economy, and nature positivity Kajima helps decarbonize society by reducing CO ₂ emissions during construction projects, developing energy-efficient technologies and eco-friendly materials, building, engineering, and operating renewable-energy power generation facilities, developing green buildings, and enabling efficient energy management. We are promoting resource recycling and the use of recycled materials to establish a circular economy and also engaging in nature-positive activities to help revitalize the natural environment, such as preserving and regenerating coral and seaweed beds and using company-owned forests. We are seeking to realize the synergistic effects and accommodate the trade-offs from carbon neutrality, circular economy, and nature positivity.	- Delivering zero-emission and other energy-efficient buildings - Structuring optimal energy systems - Constructing renewable-energy power generation facilities - Promoting green infrastructure - Promoting wider use of eco-friendly concrete - Providing technology for coral and seaweed bed conservation and regeneration Kajima Environmental Vision 2050plus	- Reducing CO₂ emissions during construction - Developing green buildings - Developing renewable energy power generation projects and facilities - Developing and using ecofriendly materials - Using recycled construction materials - Utilizing Kajima-owned forests in a sustainable and responsible way	
Platform for business sustainability	5 Focusing on unwavering technological innovation and Kajima quality Kajima uses its worldwide R&D network to advance its technologies and digital transformation and continue improving productivity and safety when formulating sustainable next-generation construction systems that provide new value. We are also constantly improving our quality inspection and assurance systems so we remain confident that we are delivering high-quality and safe buildings and infrastructure to our customers.	- Promoting technology development and digital transformation to improve productivity and safety and to create new value - Ensuring safe, high-quality buildings through rigorous quality assurance systems - Leveraging our worldwide R&D network Mechanizing, automating and employing ICT in construction Kajima Smart Future Vision		
	6 Construction that emphasizes people and partnerships Kajima promotes workstyle reform at construction sites, secures construction personnel, hires and nurtures human resources, and creates an attractive working environment in which every employee can excel. In Japan and worldwide, we co-create value with our business partners and promote innovation through collaboration with external parties including universities, research institutes, companies and other industries, and start-ups.	- Ensuring occupational health and safety - Promoting work-style reform - Securing construction personnel, and reforming the multilayer subcontracting structure - Supporting diversity, equity, and inclusion in our workforce - Training and developing human resources - Using open innovation		
	7 Practicing corporate ethics Kajima practices thorough compliance and risk management to ensure fair and honest corporate activities. All Group employees and officers are expected to act at an ethically high level, and initiatives throughout the supply chain are implemented to earn and maintain the trust of our customers and society. We respect the human rights of all stakeholders, including in all areas of the supply chain.	- Ensuring rigorous compliance - Enhancing risk management systems and process management - Conducting fair supply chain management - Respecting human rights		

Material Issues

*1 FY2024–2026 *2 As of April 1, 2025

Material issues		Medium-Term Business Plan (FY2024–2026) Strategies for growth: I Enhance domestic construction business III Expand growth areas III Create new value as a technology-based company IV Sustainability		KPIs	FY2026 targets	FY2024 results
Society	1 Creating functional urban, regional, and industrial infrastructure capable of meeting new needs 3 8 11	I Strengthen proposal, design-build, and engineering capabilities to provide added value to customers and society	Civil engineering: Revenues from the fields of infrastructure renewal and renewable energy	¥55.0 billion	¥47.5 billion	
		III Create new value by promoting innovation	Building construction: Development and installation of wellness technology	Pursuit of people-centered building and town planning	Conducted research on wellness using digital technology	
		III Create new businesses unique to Kajima	Strategic investment	Three-year total: ¥80 billion* ¹	¥8 billion	
		II Increase profits and improve investment efficiency in the real estate development business	Total investment in the real estate development business over three years	Three-year total: ¥320 billion in Japan* ¹ Three-year total: ¥690 billion overseas* ¹	¥119 billion in Japan ¥162 billion overseas	
		II Enhance global platforms				
	2 Developing sustainable and long-lasting social infrastructure 9 11 12	I Strengthen proposal, design-build, and engineering capabilities to provide added value to customers and society	Civil engineering: Verification testing and installation of infrastructure maintenance and management technology	Contribution to infrastructure lifespan extension through development and installation of maintenance and management technology	Began demonstration tests of autonomous driving support technology for road infrastructure using optical fiber sensing technology	
			Building construction: Renovation sales	¥200 billion or more	¥210.6 billion	
	3 Providing safety and security technologies and services for disaster preparedness 9 11	II Diversify revenue sources by expanding the value chain	Pursuit of initiatives as a Group to expand operations in the building management area		Number of buildings managed by Kajima Tatemono Sogo Kanri Co., Ltd. 2,787	
		IV Ensure social and corporate sustainability in the case of natural disasters	Expansion of application of total engineering services for BCP and flooding disasters		Number of buildings that employ BCP solutions 98 buildings per year	
	I Strengthen proposal, design-build, and engineering capabilities to provide added value to customers and society					
Environment	4 Contributing to carbon neutrality, a circular economy, and nature positivity 7 12 13 14 15	IV Promote Kajima Environmental Vision 2050plus	Scope 1+2 CO ₂ emissions Scope 3 (Categories 1+11) CO ₂ emissions	288 kt-CO ₂ (23% reduction vs. FY2021) 11,080 kt-CO ₂ (10% reduction vs. FY2021)	432 kt-CO ₂ (16% increase vs. FY2021) 11,830 kt-CO ₂ (4% reduction vs. FY2021)	
			Recycling rate	97%	97%	
			Provision of nature-based solutions (NbS; number of environmental certificates acquired, number of external awards)	10 projects	12 projects	
Platform for business sustainability	5 Focusing on unwavering technological innovation and Kajima quality 11 12	I Improve productivity and operational efficiency by promoting digital transformation	Number of projects involving mutual use of construction ICT and robots in the industry	10 projects	14 projects	
			Digital investment	Three-year total: ¥60 billion* ¹	¥17 billion	
		III Strengthen the global R&D system	R&D investment	Three-year total: ¥60 billion* ¹	¥21 billion	
	6 Construction that emphasizes people and partnerships 3 4 5 8 10 17	IV Maintain and strengthen the supply chain and secure future workforce	Implementation of construction systems that limit the scope of contracts to secondary subcontractors, in principle	At or above the level in the previous fiscal year	74.2%	
			Number of people who have completed Kajima Partner College	Three-year total: 18 people who have completed the management course* ¹ Three-year total: 60 people who have completed the technical course* ¹	0 people who have completed the management course 24 people who have completed the technical course	
			E Award recipients (monetary incentive system for outstanding skilled workers)	800 people	884 people	
		IV Increase engagement	Engagement score	At or above the level in the previous fiscal year	17.65/25	
		IV Promote diversity, equity, and inclusion (DE&I)	Percentage of female new graduates in the managerial track	30% by FY2028	22.2%* ²	
			Percentage of female managers	10% by FY2035	2.9%* ²	
			Percentage of male employees taking extended paternity leave and leave for childcare purposes	100% (Men who take extended childcare leave of 30 days or longer: 50%)	91.2% (46.0%)	
		I Create safe work sites that are desirable workplaces	Number of fatal accidents (non-consolidated, domestic)	0	3 projects	
	7 Practicing corporate ethics 16	IV Thorough compliance and respect for human rights	Percentage of employees who have completed compliance training	100%	100%	
			Performance of human rights due diligence	Implementation of Group-wide measures to reduce, avoid, and mitigate risks, and pursuit of initiatives which include the supply chain	Conducted human rights due diligence at Group companies and identified high-risk building materials	
			Response rate on Kajima Group Conduct Guidelines for Business Partners survey (major business partners)	Pursuit of measures based on response results and improvement in response rate on the next survey	76.9% (previously 60.4%)	

Medium- to Long-Term Strategy



1: Victoria Place at Ward Village (U.S.); 2: KALOC TOMIYA (Miyagi); 3: Kawauchi Onitaroyama Wind Farm (Fukushima); 4: ONE FUKUOKA BLDG. (Fukuoka)

Part 4

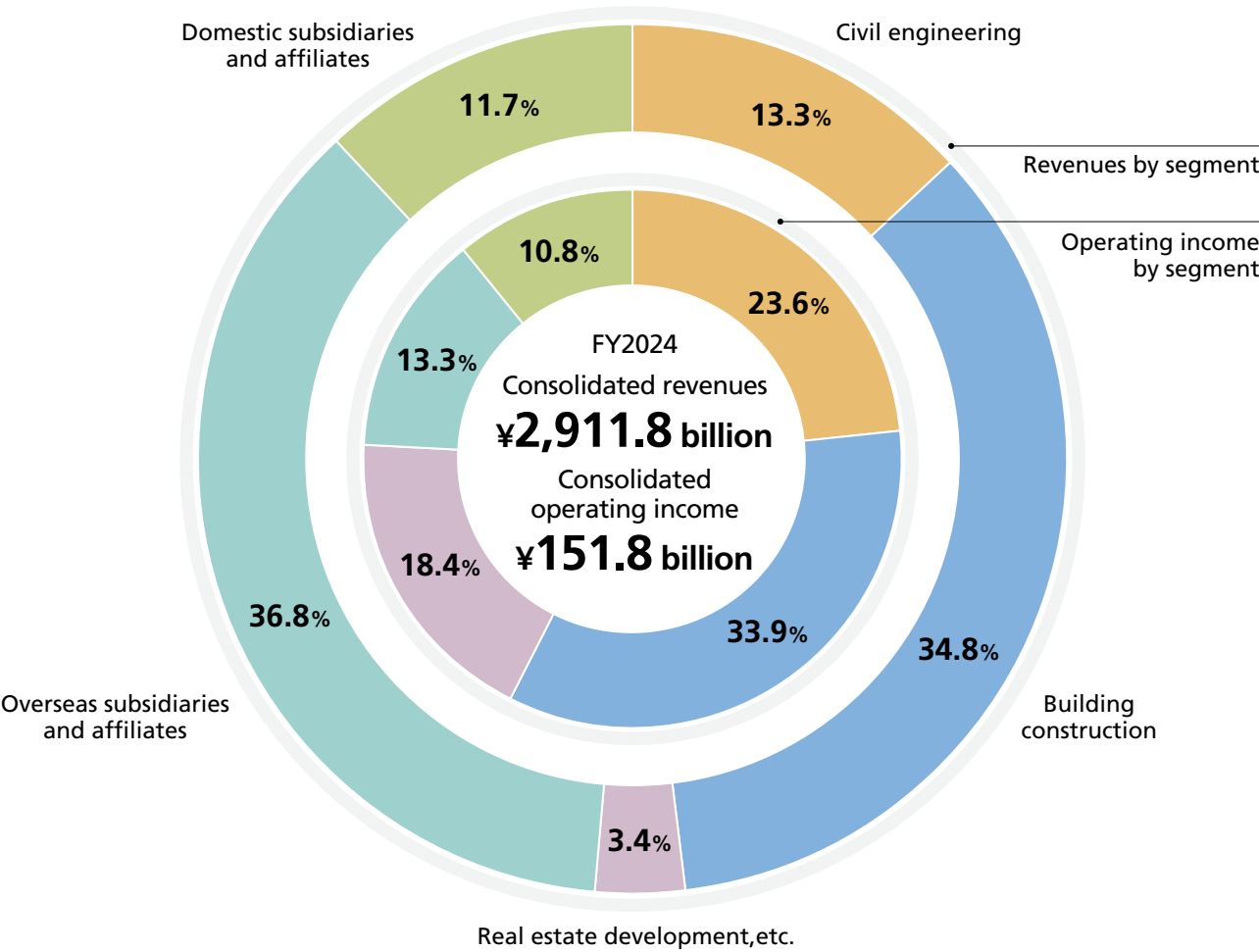
Business Strategy

We formulate business strategies based on our medium- to long-term strategy in response to changes in the environment, and implement initiatives aimed at providing high value-added services and achieving sustainable growth.

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Domestic Subsidiaries and Affiliates	61

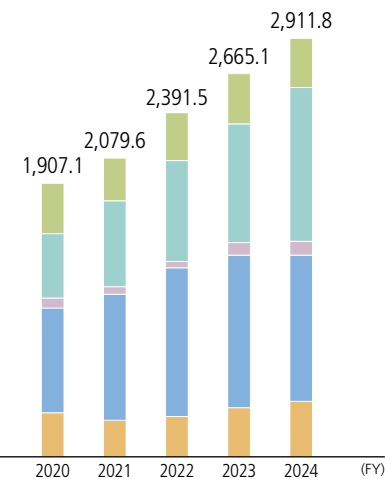
Kajima Group Businesses

The Kajima Group consists of the principal company, Kajima Corporation, as well as 181 consolidated Group companies and 141 equity method affiliates, and conducts business activities in five segments. We provide solutions suitable for the needs of society and customers by building and expanding the value chain based on construction technologies, focusing on the domestic and overseas construction and real estate development businesses.



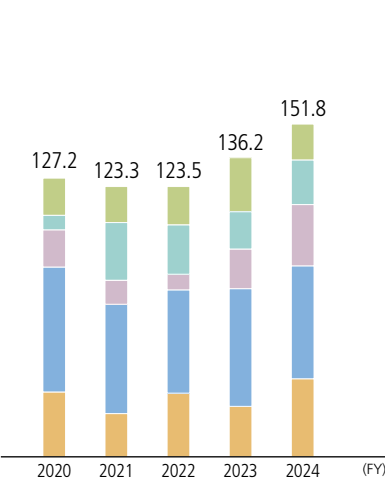
Consolidated revenues
(¥ billion)

Legend: Civil engineering (orange), Building construction (blue), Real estate development, etc. (purple), Overseas subsidiaries and affiliates (teal), Domestic subsidiaries and affiliates (green)



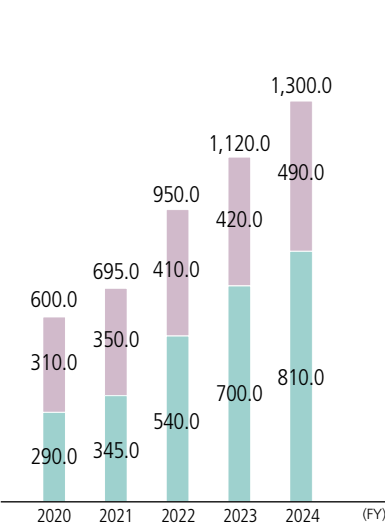
Consolidated operating income
(¥ billion)

Legend: Civil engineering (orange), Building construction (blue), Real estate development, etc. (purple), Overseas subsidiaries and affiliates (teal), Domestic subsidiaries and affiliates (green)



Real estate development assets
(¥ billion)

Legend: Overseas real estate development business (teal), Domestic real estate development business (purple)



Business segments

FY2024 financial results

Business overview

Civil engineering business

Revenues	¥404.1 billion
Operating income	¥35.7 billion
Gross profit margin	15.4%

Business engaged in designing and constructing dams, bridges, tunnels, energy-related facilities and other structures. We are actively working to renew aged infrastructure and improve productivity by leveraging automated construction technologies while contributing to maintaining and building the foundations of livelihood through the construction of infrastructure facilities. Overseas, we conduct business in Taiwan and Southeast Asia.

Building construction business

Revenues	¥1,053.4 billion
Operating income	¥51.2 billion
Gross profit margin	9.6%

Business engaged in designing and constructing offices, production facilities, laboratories, hospitals, schools and other buildings in Japan. We provide new added value to meet the needs of society and customers by proposing technologies and integrating our Group's planning, development, design and engineering capabilities, while focusing on production facilities, redevelopment projects and other businesses.

Real estate development business, etc.

Revenues	¥102.3 billion
Operating income	¥27.8 billion
Gross profit margin	30.8%

Business engaged in developing, selling and renting offices, hotels and other real estate mainly in the Tokyo metropolitan area and regional urban centers in Japan, as well as designing and engineering architectural appearances, structures, etc., in general. In the real estate development business, we have created many quality projects by combining our technological skills developed in the construction business with our expertise in real estate development. We also focus on expanding into new project fields such as logistics warehouses.

Overseas subsidiaries and affiliates (overseas business)

Revenues	¥1,114.5 billion
Operating income	¥20.0 billion
Gross profit	¥86.2 billion
Net income	¥15.7 billion

The Kajima Group has built business foundations rooted in local communities and conducted building construction, design, development and other businesses in North America, Asia, Europe and Oceania. We are developing real estate, including logistics warehouses, condominiums, and renewable energy facilities, to build assets that will generate future profits while expanding business domains through efforts such as partnerships with local companies and M&A.

Domestic subsidiaries and affiliates

Revenues	¥354.6 billion
Operating income	¥16.4 billion
Gross profit	¥42.6 billion
Net income	¥16.2 billion

Our domestic subsidiaries and affiliates conduct a wide range of businesses in upstream and downstream segments of the construction industry, such as specialty construction including road paving, ground improvement, interior work and equipment installation, as well as survey and design, building leasing, design and construction support, and building management. Recently, we have been promoting the expansion of our value chain through group collaboration, including establishing a company specializing in the development and operation of high-end real estate as well as a company dedicated to site support by leveraging ICT tools.

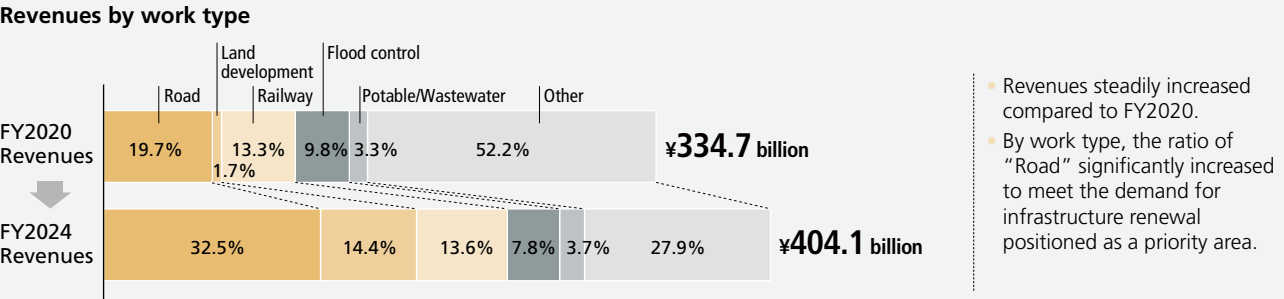
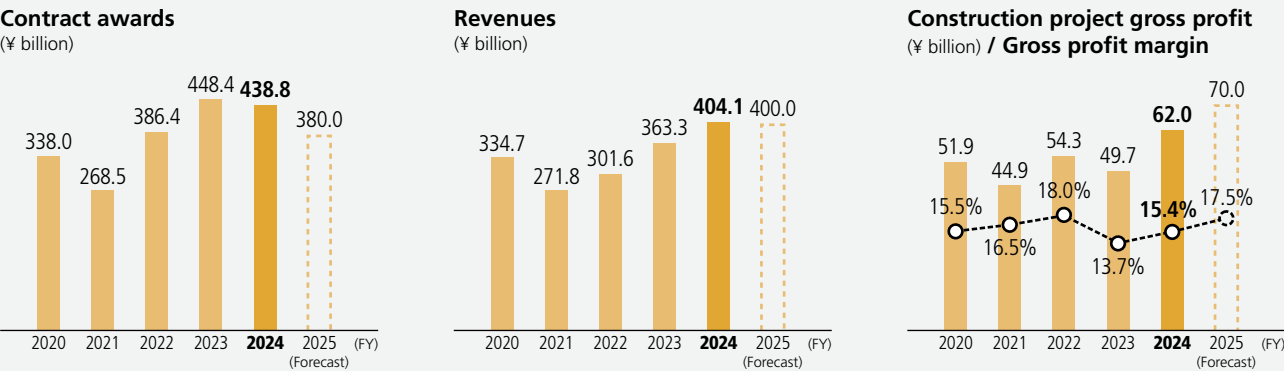
Business Overview

Civil Engineering Business

The role of the civil engineering division—in disaster prevention and mitigation, infrastructure renewal, and environmental and energy issues—has become more important than ever. We will further enhance our technical capabilities and our design and construction expertise, delivering high-quality infrastructure that harnesses the collective engineering strength of the entire Kajima Group. This will enable us to address societal challenges and drive steady business growth.

Masaru Kazama
Representative Director, Executive Vice President,
General Manager, Civil Engineering Management Division





Review of FY2024

In FY2024, financial results continued to remain at a high level, following FY2023, as multiple major projects made steady progress. Despite the ongoing busy period, the limit on overtime work—our greatest concern—was put into effect. However, through systematic company-wide efforts, no major disruptions occurred, and progress was made in reducing overtime hours. The order volume is also robust as a result of steady initiatives, such as the acquisition of preferential negotiating rights for technical cooperation in Route 169 Kamikehara Tunnel construction (Nara) ordered by Kinki Regional Development Bureau using the ECI method* and the contract for the Taipei MRT North Circular Line CF690B

(Gugong) Construction Site Project (Taiwan).

As the impact of natural disasters with greater frequency and severity and aged infrastructure spreads, we were able to make contributions in incidents including the Noto earthquake and the road collapse accident in Yashio by utilizing our on-site response capabilities.

* A type of construction contract where the prime contractor is involved from the design phase and provides input.



Road clearance on Noto-Satoyama Kaido, Ishikawa Prefecture (between Koshinohara interchange and Anamizu interchange)

Market environment

- Priority areas**
- Energy facilities**
- The 7th Strategic Energy Plan aims to establish a power supply structure that achieves stable energy supply and decarbonization.
 - Renewable energy, as well as the restart and back end processes (including final disposal) of nuclear power plants, has been further accelerated.
- Expressway renewal business**
- Demand for renewal remains strong as the number of expressways that have been in service for 40 years or more increases.
 - There is a growing customer demand for new technologies and construction methods to reduce social loss caused by lane restrictions.
- Ongoing areas**
- Dams, roads, railways, bridges, water and sewage facilities, other**
- The business scale of the next five-year national resilience plan, which will start in FY2026, is expected to be a little over 20 trillion yen, including the development and management of disaster preparedness infrastructure and strengthening of utilities.
 - As demand for the development of social infrastructure in Japan has shown a steady growth, we are proceeding with strategic maintenance and renewal with a clear priority order and other details to ensure the soundness of critical infrastructure.

Environmental awareness

- Opportunities**
- Continued demand for energy facilities that provide a stable energy supply and contribute to decarbonization.
 - Continued increase in demand for infrastructure maintenance and renewal due to measures to strengthen national resilience.
 - Increase in the value of technology that can address carbon neutrality and other social issues and meet the needs of customers.
 - Continued demand for ODA projects in Southeast Asia where future economic growth is expected.
- Risks**
- Shortages in the next-generation workforce due to aging of skilled workers and fewer people entering the industry.
 - Rising construction costs, including prices of materials and equipment and workforce.
- Strengths**
- Technological capabilities based on our extensive construction track record and industry presence.
 - Management foundation capable of responding to changes in the external environment (human resources, technology, supply chain, etc.).
 - Engineering capabilities that meet all customer needs.
 - Track records of the application of automated construction technologies to address labor shortages.

Business policies

- Leverage comprehensive engineering capabilities**
- Continue to bolster technology proposal capabilities by strategically developing technology, maintaining the design-build system, cooperating with Group companies, and other efforts.
- Ensuring reliable revenue generation from growth sectors and international operations**
- Strengthen the areas of energy and infrastructure renovation.
 - Expand profit opportunities from overseas projects including ODA.
- Promotion of R&D for transforming the construction site into a factory**
- Accelerate the proliferation and deployment of automated construction technologies.
 - Further promote the systematization of infrastructure renovation technology.
- Expanding revenues from construction-related businesses**
- Cooperate with Group companies on pursuing the commercialization of owned technology.
 - Establish an organizational framework for developing next-generation technologies.
 - Strengthen human resources development and training by leveraging digital technologies.
- Key indicators (KPIs)**
- KPI (1)** Awarded ECI projects: 2 or more
 - KPI (2)** Revenues from the fields of infrastructure renewal and renewable energy: ¥55 billion or more
 - KPI (3)** Application of A⁴CSEL to construction sites: 2 or more

Priority initiatives

- Continued orders for ECI projects**
- The number of orders using the ECI method has increased in disaster recovery work in addition to fields where the method has already been used such as energy and infrastructure renewal.
 - Proactively undertake initiatives as a team consisting of the design and construction departments to continuously win ECI projects.
- Initiatives for expressway renovation work**
- Apply our proprietary Smart Deck Renewal (SDR) system to expressway renewal work as needed to reduce social loss by significantly shortening the construction period.
 - Encourage the proliferation of the SDR system, including licensing the technology.
- Application of automated construction technologies**
- Promote the introduction of the automated construction system A⁴CSEL for land development and tunnel construction.
 - Transform construction sites into factories to improve safety and productivity.
- 
- 
- Collaboration work by two rollers modified for automation (Okazaki Achiwa Industrial Park land development project)
Details can be checked using the above 2D code.

Business Overview

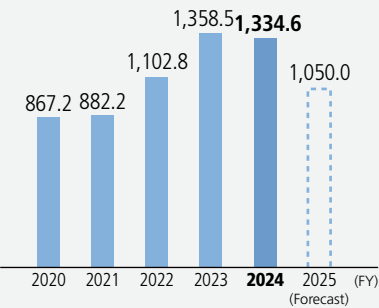
Building Construction Business

As digitalization advances, we are addressing increasingly diverse customer needs, such as enhancing production facilities and improving building functions. To help realize a sustainable construction industry, we are simultaneously working to improve employment conditions for skilled workers. Furthermore, we are refining our construction processes through digital technology to strengthen our earning power and business platform, ensuring we meet the demands of both society and our customers.

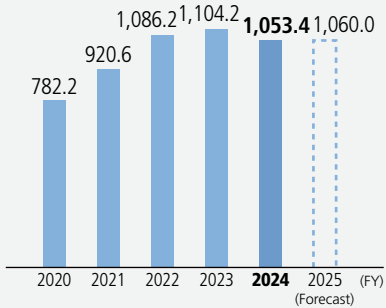
Katsuhisa Takekawa
Senior Executive Officer, General Manager,
Building Construction Management Division



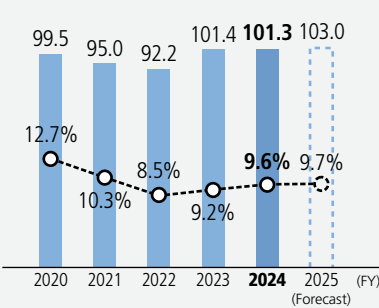
Contract awards
(¥ billion)



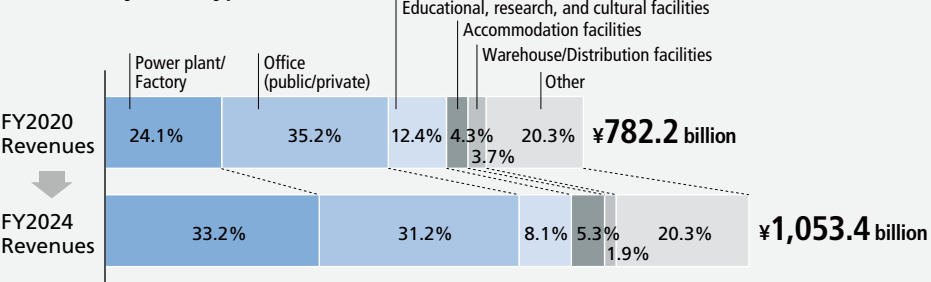
Revenues
(¥ billion)



Gross profit (¥ billion) /
Gross profit margin



Revenues by work type



- Revenues increased as a result of rising construction demand and inflation.
- By work type, the share for the priority area—factories and power plants—has increased.

Review of FY2024

In response to ongoing high levels of capital investment by private companies, we proposed changes to the construction periods of certain projects. We have appropriately addressed the rising cost of construction while helping customers promote their business by, for example, creating technological proposals combining design changes in line with customers' additional requests and VE to improve building value and reduce costs. To achieve sustainable growth through enhanced competitiveness, we have promoted initiatives that support workstyle reform, DE&I, and the advancement of women in the workplace.

Partly thanks to the results of these initiatives, each project,

including large production facilities and redevelopment, progressed smoothly, and the financial results in FY2024 exceeded the beginning-of-year forecast. We made revenues of ¥1,053.4 billion and a gross profit of ¥101.3 billion (with a gross profit margin of 9.6%). We aim to further improve the profit margin in FY2025.



Hitachi High-Tech new manufacturing facilities in Kasado area

Market environment

Priority areas

Production facilities, data centers, redevelopment projects, etc.

- Construction demands for semiconductor and pharmaceutical production facilities and data centers remain firm.
- Multiple large-scale redevelopment projects are underway in the Tokyo metropolitan area and regional urban centers to further revitalize local economies and urban functions.

Ongoing areas

Logistics facilities, accommodation facilities, etc.

- There is continued demand for the construction of large logistics facilities as more companies introduce express delivery services in response to an increase in e-commerce and business streamlining.
- Capital investment remains high as inbound demand increases, driving the construction and refurbishment of both new and existing accommodation and tourism-related facilities.

Office buildings, medical facilities, etc.

- As demand increases for smart building features—including automated equipment control, enhanced security, and decarbonization—we are accelerating initiatives to streamline building management operations and enhance building asset value.

Environmental awareness

Opportunities

- Continuing solid private capital investment mainly in production facilities.
- Increasing demand for large-scale redevelopment and office renewal in metropolitan areas and regional urban centers.
- Expanding needs for eco-friendly technologies for decarbonized society and circular economy.

Risks

- Further increases in construction costs, including labor, materials, and equipment.
- Shortage of supply resources in response to strong construction demand.
- Shortages in the next-generation workforce due to aging of skilled workers and fewer people entering the industry.

Strengths

- Established smart construction technologies, Building Information Modeling (BIM) and digital twin technologies.
- Project execution expertise leveraging comprehensive design-build capabilities.
- Track records and knowledge in the field of production facilities (such as large-scale semiconductor factories).
- Group collaboration covering the entire construction value chain.

Business policies

Focus on high-demand construction sectors

- Offer tailored engineering and construction solutions that meet our clients' unique needs by leveraging our extensive experience in various industries, including semiconductors and pharmaceuticals.
- Create construction plans with appropriate construction periods and coordinate with customers to build a sustainable construction industry.

Refine the architectural production process centered around BIM

- Enhance our design-build capabilities through advanced BIM-based production design, which involves detailed planning that considers constructability.
- Improve design accuracy and promote the streamlining and rationalization of construction by coordinating architecture, structure and engineering during the design phase.

Sustainability initiatives

- Expand the application of the automatic calculation of CO₂ emissions using Carbon Foot Scope* and carbon-neutral construction materials.

* System to calculate CO₂ emissions throughout the building lifecycle using AI

Key indicators (KPIs)

- KPI (1)** Ensuring appropriate construction periods: 90% of new contracts
- KPI (2)** Completion of drawings before groundbreaking using BIM: 80% of construction to start
- KPI (3)** B5 diesel fuel (fuel with less CO₂ emissions): In principle, 100%

Priority initiatives

Assure Kajima Quality

- Redefine critical quality control items and implement quality management grounded in the fundamentals of craftsmanship.

Increase efficiency and reducing labor on site

- Transform the construction process by modularizing components, accepting them as products on site, and assembling them.
- Promote measures to address labor shortages through workforce reduction, while also enhancing safety, environmental performance, quality, and process efficiency.

Promote technology development and innovation from construction sites

- Foster an environment that encourages creativity and original ideas among on-site engineers while also implementing these ideas by leveraging AI and ICT technologies.

Build consensus with customers earlier

- Establish a cost estimate system to submit well-grounded estimates on structures, interior and exterior, equipment and other matters by leveraging accumulated database records at the project planning stage.

Analyze structures by pattern to calculate specifications and unit labor requirements



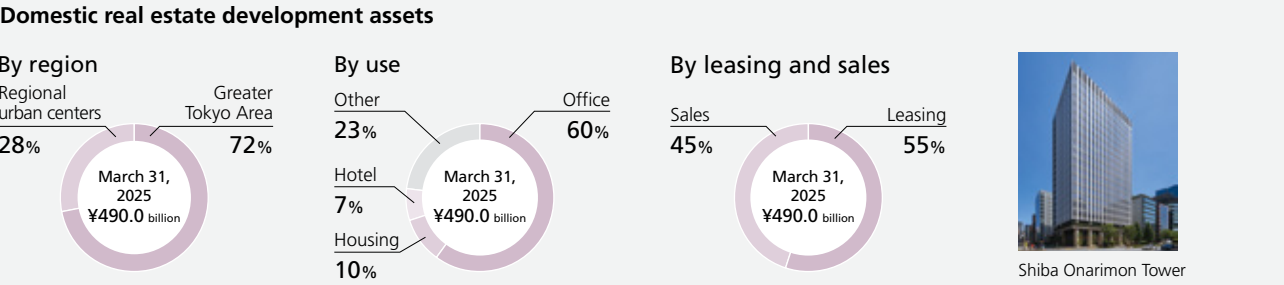
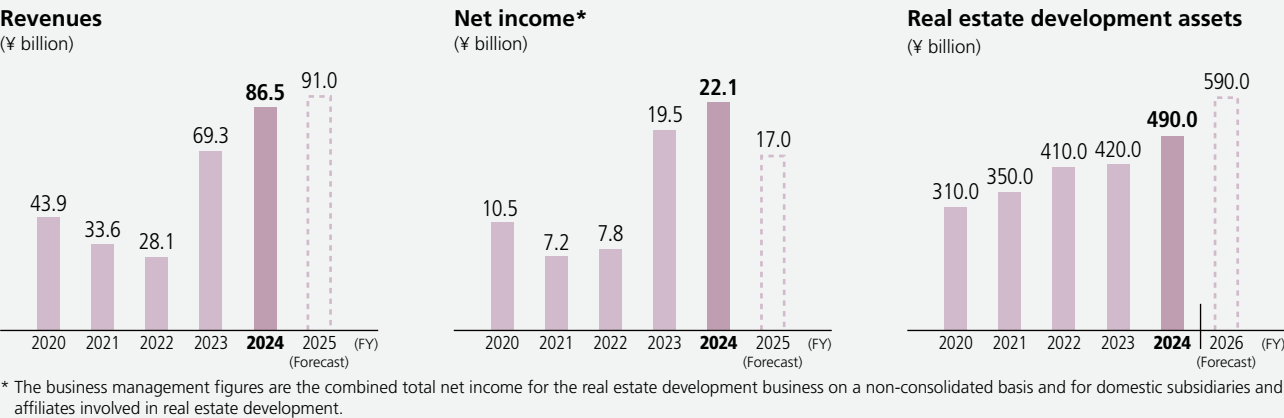
Business Overview

Real Estate Development Business

Kajima conducts high value-added real estate development projects unique to Kajima that combine our construction technology and real estate expertise in major cities across Japan. We generate stable profits by accumulating quality assets and selling them at the appropriate timing in the market. We also diversify our revenue sources, for example, by strengthening the asset management business.



Katsunori Ichihashi
Senior Executive Officer, General Manager,
Real Estate Development Division



Review of FY2024

In FY2024, strong sales of high-rise condominiums, such as WORLD TOWER RESIDENCE, and investments executed according to plan. As a result, the domestic real estate development business achieved record-high net income of ¥22.1 billion and total assets of ¥490 billion. We also began the construction of six new projects at favorable locations, including the Yaesu 2-chome Central District Category-1 Urban Redevelopment Project and the SANKAIDO BLDG. Reconstruction Project. Our business expansion is progressing through a powerful pipeline. In addition, we completed two new logistics warehouses under the KALOC series, successfully expanding our reach into the logistics project sector.

Real estate development project schedule

Project name	Primary use	Completion (planned)*
NANT Sendai Minamimachi	Office	June 2025
Shiba Onarimon Tower	Office	July 2025
ANA Holiday Inn Resort Karuizawa	Hotel	July 2025
NAGOYA FUSHIMI K-FRONTIER	Office	October 2025
NIHONBASHI HON-CHO M-SQUARE	Office	November 2025
Miyakojima Twuriba District Phase 2 Hotel Project (tentative name)	Hotel	November 2025
BASEGATE YOKOHAMA KANNAI	Office	December 2025
Sakae Trid Square	Office	March 2026
Jiyugaoka 1-chome District 29 Category-1 Urban Redevelopment Project	Commercial, housing and office	July 2026
Yokohama City Naka-ku Kaigandori Plan (A-1 District)	Office	January 2027
SANKAIDO BLDG. Reconstruction Project	Office	September 2027
Yaesu 2-chome Central District Category-1 Urban Redevelopment Project	Office, commercial	January 2029

* Completion dates are subject to change.

Market environment

- Real estate investment market**
- Investment markets are anticipated to be supported by investor demand both in Japan and overseas, remaining generally firm despite the impact of changes in global economic conditions and rising interest rates, which need to be closely monitoring.
- Office**
- Overall, office demand remains strong, with recent improvements in vacancy rates and rents. However, fluctuations in rental demand should be carefully monitored when a large volume of new office space is supplied.
- Housing**
- Sales of residential condominiums, especially high-end properties in central Tokyo, remain strong, and demand for rental housing continues to be solid.
- Hotel**
- Market conditions are improving as inbound tourism grows, and this positive trend is expected to continue.
- Logistics facilities**
- Although new supply has increased, leading to more selective property choices based on location and other factors, demand remains firm. The balance between supply and demand is expected to improve over the medium to long term.

Environmental awareness

- Opportunities**
- Increase in redevelopment and reconstruction needs due to urban structural changes (such as transportation infrastructure development and demographics).
 - Growing need for new real estate development in line with the trend toward digitalization and carbon neutrality.
 - Continued inbound tourism demand and changes in the external environment, including economic conditions.
- Risks**
- Changes in the real estate market as a result of increased real estate development business costs due to inflation and higher interest rates and rising CAP rates.
 - Decline in demand due to changes in social needs and the market environment.
- Strengths**

 - In-house businesses that focus on integrating construction technology from project inception to construction and commercialization.
 - Extensive expertise in developing large-scale projects, including business structuring and permit acquisition.
 - Diverse business opportunities that leverage the Group's extensive information network.
 - Pursuit of investment efficiency through approaches integrating real estate and finance, including private REITs.

Business policies

- Secure profits by investing in and selling assets in response to market trends**
- Pursue the sale of properties and create new projects with advantageous terms, thereby securing steady profits from sales.
 - Build assets leased to others to establish a stable earnings base.
- Improve capital efficiency through the utilization of external funds and the early recovery of funds**
- Actively use external funds in large development projects.
 - Monitor projects as a whole using indicators such as ROIC and improve capital efficiency through the early recovery of funds.
- Expand the portfolio to diversify profit opportunities**
- Pursue the development of hotels, logistics warehouses, etc., in addition to high-end real estate by utilizing our consolidated Group company, Eaton Real Estate Co. Ltd.
- Create new profit opportunities through the growth of private REITs**
- Continue the support for incorporating Kajima Private REIT properties to expand profit opportunities such as asset management work.

- Key indicators (KPIs)**
- KPI (1)** Domestic real estate development business net income in FY2025: ¥17 billion
- KPI (2)** Net investment (FY2024 to FY2026): ¥170.0 billion*
- * Investment: ¥320 billion; Recoupment of investment: ¥150 billion
- KPI (3)** Real estate development assets as of the end of FY2026: ¥590 billion

Priority initiatives

- Improve capital efficiency through the utilization of external funds and other means, in addition to building quality assets and selling assets**
- Secure high profitability by selling assets in response to market trends and recover invested funds early.
 - Promote carefully selected investments in the Greater Tokyo Area and regional urban centers, positioning the three years of the Medium-Term Business Plan (2024–2026) as the period to accumulate quality assets for profit expansion.
 - Accumulate assets leased to others at favorable locations to strengthen our earnings base.
 - Consider using external funds such as those from developers or financial institutions from the beginning of large development projects to reduce business risks and improve capital efficiency at the same time.
- Strengthen the asset management business**
- Continue to provide support as a sponsor to achieve an asset scale of ¥100 billion in Kajima Private REIT (with a current asset scale of approximately ¥84 billion).
 - Expand the fee business using the private fund scheme.

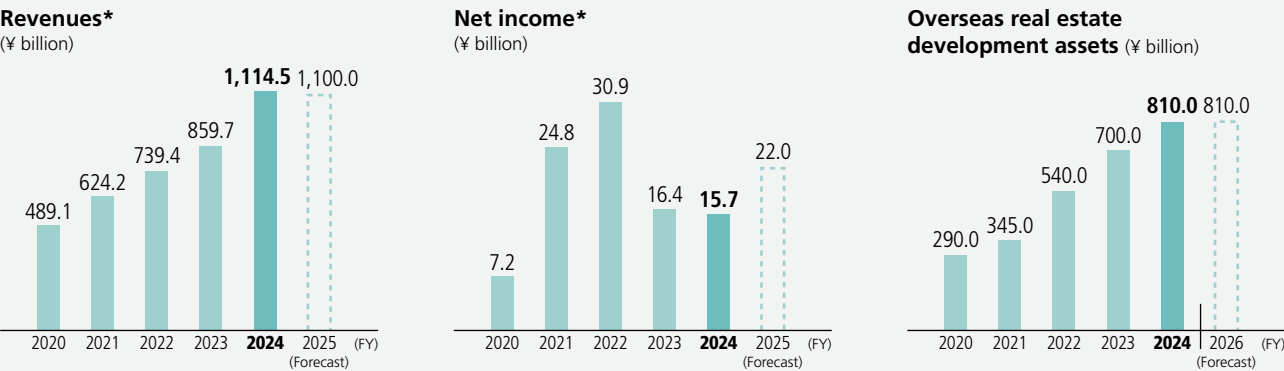


Business Overview

Overseas Business

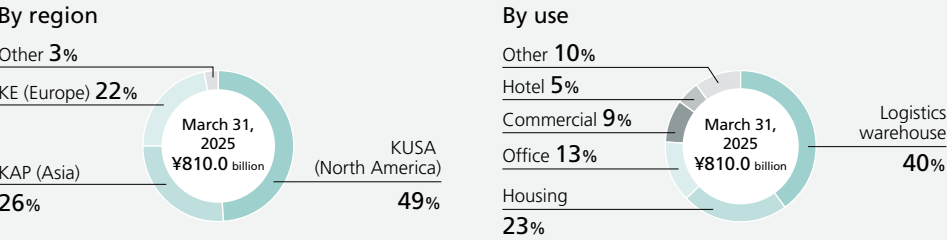
The Kajima Group operates businesses in the United States, Asia, Europe, and Oceania. More than 100 local subsidiaries identify markets and fields where the Group can demonstrate its strengths, forming a robust network. Going forward, we will continue to expand our business platform and create new revenue opportunities by providing high value-added services and products globally.

Keisuke Koshijima
Representative Director, Executive Vice President,
General Manager, Overseas Operations Division



* Management accounts before inter-company elimination

Overseas real estate development assets



Parc Hanoi Project (Vietnam)

Review of FY2024

Amid uncertainty over the global economy outlook due to delays in curbing inflation and lowering interest rates, the Group secured net income of ¥15.7 billion, supported by a recovery in the construction business in Southeast Asia and increased sales from the U.S. real estate business.

While construction orders decreased from FY2023, with large-scale projects recorded throughout, they remained high at over ¥720.0 billion in FY2024. Revenues exceeded ¥1 trillion for the first time, mainly due to the acquisition of Rogers Builders, a U.S. construction company.

The real estate development business secured solid earnings, with investments totaling ¥162.0 billion and sales proceeds of ¥123.0 billion, despite a slight slowdown in the pace of recovery.

As part of our ongoing cycle of investment and recovery aimed at sustainable growth, the Group has raised its targets for both investment and recovery in the Medium-Term Business Plan (FY2024-2026) by ¥60.0 billion each to accelerate further profit growth.

Market environment

- North America**
- Although close attention must be paid to the policy direction of the Trump administration, there is potential for increased capital investment driven by the reshoring of industries.
 - While the overall real estate market remains sluggish as investors stay cautious, the logistics warehouse sector is seeing a decline in vacancy rates due to restrained new supply in recent years, leading to an increase in leasing.
- Asia**
- Construction demand remains solid, supported by economic growth.
 - While uncertainty persists due to the U.S. trade policy and other factors, the environment for real estate development projects is improving, as seen in hotel occupancy rates recovering to pre-COVID-19 levels.
- Europe**
- With inflation easing and interest rates entering a declining phase, the investment market is gradually recovering. However, attention is still required due to the prolonged Ukraine conflict and the sluggish German economy.
- Oceania**
- Australia's economy is shifting from a temporary slowdown to a moderate recovery.
 - Further revitalization of the economy is expected, supported by policy interest rate cuts and population growth.

Environmental awareness

- Opportunities**
- Construction demand is being driven by active investment in manufacturing facilities and environmental businesses.
 - Improvement in occupancy rates of facilities we manage as human flow and economic activity return to normal levels.
 - New projects leveraging strong networks with customers and partners.
 - Identification and creation of new businesses through open innovation activities.
- Risks**
- Changes in market environments due to inflation and high interest rates.
 - Emergence of geopolitical risks in specific regions.
 - Recruitment and development of human resources for the next generation.
 - Slowdown of the global economy due to the impact caused by the U.S. trade policy.
- Strengths**

 - Multi-dimensional global network based on organizations and businesses well-rooted in each country and region.
 - Trusted relationships with global customers and local partners fostered over a long history.
 - Our proprietary real estate development platform enabling the creation of attractive real estate business opportunities.
 - Collaboration with various external organizations centered around The GEAR.

Business policies

- Promoting business in markets and sectors where the Group can establish competitive advantages**
- By assessing and focusing on the distinct characteristics of each regional market with potential of high profit and growth potential, the Group aims to establish business models, highly competitive business models in specific fields, ensuring sustainable earnings and efficient business operations.
- Creating a multi-dimensional global network**
- Promoting collaboration among local subsidiaries in each region as well as between the construction and real estate development businesses.
 - By expanding partnerships with companies outside the Group, we will deliver higher value-added services globally.
- Creating unique business opportunities through collaboration within the Group**
- Creating new profit sources for the Group by exploring domains beyond the conventional construction and real estate arena, while leveraging overseas collaboration among academia, industry, and government.

Key indicators (KPIs)

KPI (1) Net income of ¥22.0 billion in FY2025

KPI (2) Construction orders of ¥800.0 billion in FY2025

KPI (3) Net investment (FY2024 to FY2026): ¥110.0 billion*

* Investment: ¥690.0 billion, Recoupment of investment: ¥580.0 billion

Key initiatives (by region)

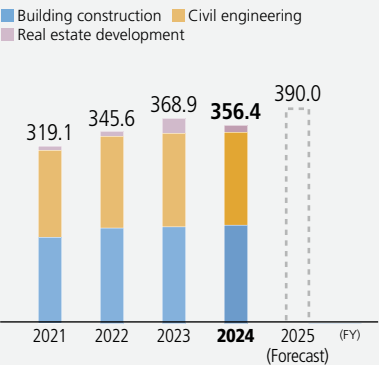
- North America**
- In addition to the priority sectors of manufacturing and logistics, differentiated services are being delivered in medical and healthcare facilities, where stable construction demand is expected.
 - While logistics warehouses are being launched and sold as planned, real estate investments continue to be made cautiously, based on assumptions of high interest rates and rising costs.
- Asia**
- Diversify the customer base and increase the opportunities for construction awards through collaboration with local companies.
 - In the real estate business, improve profitability and investment efficiency by promoting collaboration with partners on project sales and new investments.
- Europe**
- Raise the bar of construction profit by actively securing projects from customers who value technical proposals.
 - In the real estate development business, steadily deliver new projects and achieve sales in areas such as logistics and renewable energy.
- Oceania**
- Strengthen risk management to ensure performance in the construction business.
 - Create high-quality real estate development projects by exploring new sectors, including the rental housing market.

Business Overview

Domestic Subsidiaries and Affiliates

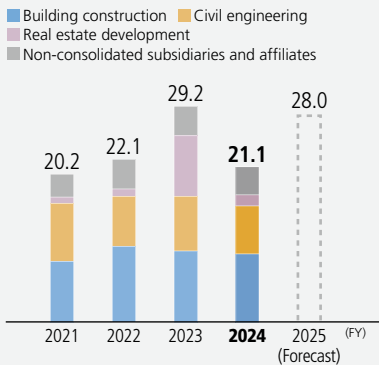
The Kajima Group has many specialized companies in a wide range of fields, from pre-planning and development to design and engineering, construction, operation and management, and maintenance and renovation, and the organic collaboration among these companies makes up the construction value chain of Kajima Group. We will continue to strengthen the core businesses of the Kajima Group by enhancing cooperation within the Group, and at the same time, we will take on the challenge of entering new business domains that meet the needs of society.

Revenues*1 (¥ billion)



*1 Management accounts before inter-company elimination

Ordinary income*1 (¥ billion)



As of March 31, 2025, Kajima's revenues and profit for 108 domestic subsidiaries and affiliates (51 subsidiaries*2 and 57 affiliates) tend to fluctuate due to property sales by development-related subsidiaries. However, Kajima's core businesses, such as building construction and civil engineering, have remained solid. For FY2025, we expect higher revenues and profit driven by planned property sales from development-related subsidiaries.

*2 Includes 18 consolidated subsidiaries and 33 non-consolidated subsidiaries

A technical trading company that helps contribute to construction sites through technology and products: Taiko Trading

Founded in 1947, Taiko Trading operates its core businesses in merchandise sales, temporary materials leasing, and construction.

As part of its temporary materials leasing business, the company oversaw integrated management, including planning, drawing, transportation, and on-site operation, during the construction of Rapidus IIM-1 [▶ Page 25](#). By establishing a permanent on-site management system, it secured a huge supply of temporary materials and fulfilled the need for prompt delivery to designated locations across the large site.

From the planning stage, the company took part in the project and collaborated with Kajima to formulate procurement plans for temporary materials. It conducted the work by leveraging the experience gained from the integrated management of temporary materials in previous large semiconductor plant projects.

Anticipating a shortage of temporary steel materials and shoring, we identified the required quantities at an early stage and secured maritime transportation from Honshu. This proactive approach reduced dependence on truck shipments, which in turn delivered substantial cost savings and alleviated

driver working hours.

For deliveries to and from the site, dedicated vehicles were provided for the project. A temporary yard was set up near the construction site to store procured temporary materials, and to temporarily hold and sort those removed from the site.

Through strong organizational capabilities, it contributed significantly to the project's on-time completion by coordinating with local partner companies, transport operators, and leasing firms to meet site needs. Its procurement capabilities enabled the sourcing of a wide range of temporary materials from across regions.



Temporary storage and sorting yard for temporary materials for the construction project of Rapidus IIM-1

Planning & development						Design & engineering		Construction		Operation & management		Maintenance & renovation				
Principal Subsidiaries and Affiliates	 Kajima Leasing Corporation Provides consulting services for real estate planning and investment strategies, while also supporting customer business advancement through the leasing of buildings, construction machinery, and equipment.		 Kajima Road Co., Ltd. Possesses specialized technologies in road paving and land development, primarily helping to improve the quality and efficiency of infrastructure development.		 Taiko Trading Co., Ltd. A technical trading company that integrates materials procurement and construction management, supporting projects by responding to a wide range of needs.		 Chemical Grouting Co., Ltd. Provides specialized technologies for ground improvement and waterproofing, leveraging innovative methods and materials to help facilitate the smooth execution of underground construction.		 Clima-Teq Co., Ltd. Offers comprehensive facility services for air conditioning and sanitary equipment by leveraging cutting-edge technologies.		 Ilya Corporation Provides solutions related to interior work through planning, design, and consulting for interiors and equipment, including the procurement of furniture and related items.		 Kajima Tokyo Development Corporation The company provides comfortable and sustainable environments by maintaining and enhancing asset value through efficient management and operation of complex facilities.		 KRC Co., Ltd. A specialized company in the repair and reinforcement of civil engineering structures, with numerous proprietary technologies and methods. It undertakes the work for public and private infrastructure, supporting the extended service life of structures.	
	 Kajima Tatemono Sogo Kanri Co., Ltd. The company ensures safety and comfort through building maintenance and equipment upkeep. It suggests methods to enhance value and improve management efficiency, while also integrating operational-phase insights into project planning and development.															
Other Group companies	• Kajima Real Estate Investment Advisors Inc. • Avant Associates, Inc. • Engineering & Risk Services Corporation		• ARMO Co., Ltd. • ARTES Corporation • Landscape Design Inc. • Global BIM Inc. • Retec Engineering Inc.		• Kajima Mechatro Engineering Co., Ltd. • One Team Inc. • Kajima Fit Co., Ltd. • Clima Works Co., Ltd.		• Eaton Real Estate Co. Ltd. • Kajima Yaesu Kaihatsu Co., Ltd. • Atami Infrastructure Management LLC. • Kajima Property Management Co., Ltd.		• Kajima Environment Engineering Corporation							

Group companies in other fields	
Publishing and Public Relations	- Kajima Institute Publishing - K-PROVISION
IT	Kajima Information Communication Technology
Temporary staffing	Act Technical Support
Services	Kajima Services
Waste treatment	Toshi Kankyo Engineering
Landscaping & Greening	KATABAMI CORPORATION
Resorts	- Kajima Resort - Nasu Resort - Kajima Karuizawa Resort - Shinrinkohen Golf Club



Part 5

Value Creation Platform

To create abundant lifestyles and cities for a sustainable global environment, we are continuously cultivating our human resources and technologies as the driving force behind value creation.

Research & Technology Development	65	Outside Officer Discussion	89
Human Resources Strategy	69	Officers	93
Sustainability Promotion System	75	Corporate Governance	95
Human Rights and Supply Chain	77	Risk Management	101
Occupational Safety and Health	80	Compliance	103
Environment	81		
Quality	88		

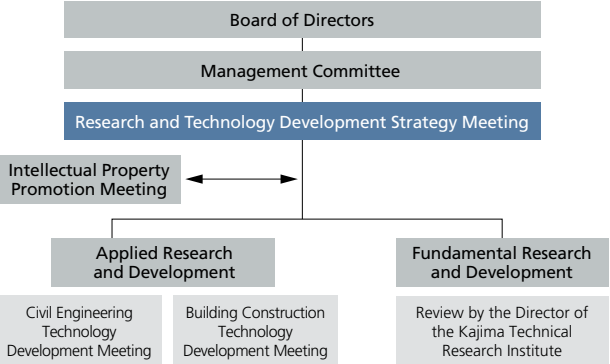
Research & Technology Development

Kajima R&D system

Kajima was the first in the construction industry to establish a Technical Research Institute in 1949. In 1956, it was relocated to Chofu, Tokyo, and has since developed a wide range of experimental facilities, including a large shaking table and an ocean engineering laboratory, accumulating advanced technologies to meet the needs of society and customers with an enterprising spirit. The outstanding technologies accumulated over the years are a source of Kajima's competitiveness.

Amid accelerating changes in the global economy and society, and the rapid advancement of digital technologies such as AI, we are enhancing our R&D framework to promote innovation through global collaboration and co-creation. This framework is centered on three major research and development hubs: the Technical Research Institute in Japan; The GEAR, the current base of operations for KaTRIS, which was established in Singapore in 2013; and our information-gathering hub for innovation in Silicon Valley, United States.

R&D promotion structure



Formulation and selection of R&D themes

The Research and Technology Development Strategy Meeting sets policies for applied research and development in civil engineering and building construction, as well as basic research (Fundamental R&D), thereby building a framework to deliver highly competitive technologies. Top-down themes are set based on socio-economic trends, emerging social issues and industry challenges. At the same time, bottom-up themes are developed from issues at construction sites and project-specific challenges. These are planned with both short-term and long-term perspectives, balancing applied R&D themes and basic research themes. This process also incorporates information on innovation from global bases and new perspectives through the use of IP landscape* analysis.

* IP landscape: activities to visualize and analyze intellectual property-related information, and to share the results when formulating business and R&D policies.

Promotion of intellectual property activities

Kajima's intellectual property activities aim to protect, as intellectual assets, the results of pioneering R&D that anticipates social needs, along with the ideas, knowledge, experience, data and know-how generated during their implementation. These activities are conducted in coordination with business and R&D strategies, to establish competitive advantage and secure collaborative partners. In practice, important matters related to intellectual property are reported to the Board of Directors or the Management Committee. Policies and initiatives concerning the Group's intellectual capital are determined by the Intellectual Property Promotion Meeting, whose members include management and department heads.

The Intellectual Property and License Department, which serves as the secretariat of the meeting, works on filing and securing rights to new intellectual property within the company, managing contracts related to IP, resolving disputes, and raising awareness and developing human resources to reduce litigation risks. It also conducts IP landscape activities that utilize IP-related information for business development and R&D activities.

Department collaboration in strategic intellectual property activities



Awareness and human resources development in intellectual property

Since 2022, the building construction business has appointed IP key persons at each branch. They serve as contact points to facilitate the smooth conversion of on-site ingenuity into rights and to detect risks of potential infringement at an early stage, thereby raising engineers' awareness of intellectual property.

Education on intellectual property is also provided on an ongoing basis, in the form of online courses open to employees. In addition, an internal commendation system has been established, under which the President awards inventions that have made outstanding contributions to business or recognizes young and mid-career inventors with promising futures in the field of intellectual property.

Participation in global platforms for intellectual property

Since 2022, Kajima has participated as a partner in WIPO GREEN, a platform operated by the World Intellectual Property Organization (WIPO) to promote environmental technologies and innovation. At present, ECM Concrete, CUCO-SUICOM, and Coral Net have been registered, and we expect to collaborate with external parties.

FY 2024 research and technology development fields

To provide comprehensive solutions, Kajima classifies its research and technology development fields into six categories: Disaster prevention and mitigation, Life cycle, Well-being and smart buildings, Green and circular economy, Automation and digitalization, and Construction and structural methods. In the core business of construction, in addition to developing and verifying new technologies tailored to individual projects that we have long pursued,

the company is promoting automation and digitalization to improve productivity and safety amid labor shortages caused by a declining birthrate and aging population.

We are also actively promoting the development of technologies for disaster prevention and mitigation in response to increasingly frequent and severe natural disasters, as well as those for maintaining aging infrastructure and extending the lifespan of future structures. In addition, we are dedicated to advancing well-being technologies focused on health, happiness, and spatial quality, along with R&D related to the circular economy to support a decarbonized future.

Research areas, fields, and examples

	Area / Field	Example
	Disaster prevention and mitigation	Seismic damping and isolation, and flood countermeasures Disaster risk assessment and BCP
New businesses and related businesses	Life cycle	Infrastructure maintenance Technology development and application for extended service life
	Well-being and smart buildings	Environment management with sensors Thermal environment and acoustics
Core	Green and circular economy	Low carbon concrete Wooden and wood-based materials, digital forestry Blue carbon cycle (seagrass bed and coral reef restoration)
	Automation and digitalization	Automated construction and use of robots AI, optical fiber, satellite measurement, etc.
	Construction and structural methods	Development of new methods such as rationalized construction Verification and related studies concerning construction projects

Topics

Recipient of the FY2025 Intellectual Property Achievement Award—EXPO2025 Special Award

In the FY2025 Intellectual Property Achievement Awards, which recognize individuals and organizations that contribute to the development, promotion, and awareness of Japan's intellectual property rights system and actively utilizing it, Kajima received the EXPO2025, Osaka, Kansai, Japan Special Award.

Kajima was highly evaluated for three key points: (1) establishing an Intellectual Property and License Department directly under the President, thereby ensuring close coordination between management and IP, and introducing an internal commendation system for IP; (2) promoting solutions to social issues in the construction industry through the utilization of IP; (3) while also contributing to building momentum toward the Osaka-Kansai Expo. Regarding the second point, evaluation was based on initiatives such as A⁴CSEL (Quad Axle), an automated construction system centered on autonomous operation of construction machinery; CUCO, a consortium of 55 companies and universities including Kajima for developing carbon-utilizing concrete; and the Construction RX Consortium, which was established to promote automation in construction with around 270 member companies.



Award ceremony

People

Green and circular economy (carbon neutrality)

CO2-SUICOM: From decarbonization to carbon utilization: Achieving a circular economy



Takeshi Torichigai
Chief Research Engineer,
Concrete and Construction
Materials Group,
Kajima Technical Research Institute

Since joining Kajima in 2005 after studying concrete in university and graduate school, I have been engaged in research and development involving concrete and CO₂ at the Kajima Technical Research Institute. From 2013, I spent three years at two dam construction sites in Kyushu, where I gained opportunity in dam concrete placement and quality control, as well as applying new types of concrete on site. Based on that experience, I returned to the Technical Research Institute nine years ago, where I have been pursuing research aimed at technologies that generate synergies among structure, materials and construction. I am researching and developing CO₂-SUICOM, which addresses the issue of conventional concrete generating large amounts of CO₂ during production. At Kajima, we are working to reduce CO₂ emissions throughout the life cycle of buildings in the design and construction processes. By also focusing on individual materials, we believe we can contribute not only to decarbonization but also to achieving a circular economy.

Developed in 2008 together with Chugoku Electric Power and Denka, the first technology of its kind in the world, CO₂-SUICOM is now being expanded to society through partnerships, starting with Landes, a concrete product manufacturer, and further collaboration with a wider range of companies. Currently, the cost of CO₂-SUICOM is about three times that of conventional concrete. By increasing the number of manufacturers willing to produce it and expanding the market, Kajima aims to enhance its environmental performance while also addressing its economic viability through greater versatility. Going beyond carbon neutrality through CO₂ absorption, the goal is to achieve “carbon utilization.”

Automation and digitalization (DX)

A⁴CSEL: Creating construction sites where diverse workers can participate

I have been engaged in research and development related to measurement and system control, particularly the design and implementation of automation systems for construction machinery for nearly 25 years since joining Kajima. Since 2009, I have been working on the research and development of A⁴CSEL, an automated construction system for heavy machinery.

In Japan’s construction industry, the aging of skilled workers and the shortage of personnel are pressing issues, with improving productivity being a particularly major challenge. Human work inevitably leads to variations in progress and quality due to differences in the skills and experience of individual workers. However, by standardizing these tasks based on the movements of veteran operators and automating them to achieve consistent precision, we can ensure quality regardless of who performs the work or where it is done, thereby improving productivity. To achieve this, I began by learning the construction work performed at construction sites and incorporated the acquired expertise into automated construction machinery. Automated construction is now operational at dam sites. Going forward, we aim to create further value, not only by expanding the scope of construction sites where our solutions can be applied, but also by looking toward overseas expansion and space exploration.

In recent years, as technologies such as ICT and generative AI have advanced, I believe my expertise lies in approaching civil engineering and construction knowledge from the perspective of mechanical, electrical, and information engineering specializations, enabling new approaches. For example, as automated construction progresses, the importance of work procedures and setup will increase relative to the operational expertise previously required. Furthermore, the realization of remote management will enable the participation of diverse talent regardless of their physical location. We will continue to engage in research and development that contributes to our corporate mission and society by supporting social infrastructure through construction sites where diverse talents can participate.



Kenichi Hamamoto
Senior Chief Research Engineer,
Kajima Technical Research Institute

Technology

Disaster prevention and mitigation

1 Seismic damping technology

Kajima was one of the first in the industry to begin research on seismic damping and base isolation, and after completing the world’s first seismic damping building, the company put a variety of research outcomes into practical application, including Japan’s first high-rise building, the Kasumigaseki Building.

In 2013, we developed D³SKY, a seismic damping device for high-rise buildings, and has since applied it in multiple projects.

In 2023, we introduced a new seismic damping control-layer structure, KaCLASS, designed to significantly reduce long-period ground motion-induced shaking of entire high-rise buildings compared with conventional seismic and vibration-control frames. It is currently being implemented in ongoing projects.

We will contribute to the creation of safe and secure living environments.

FY2024 National Commendation for Invention—Minister of Education, Culture, Sports, Science and Technology Award

In the FY2024 National Commendation for Invention, Kajima’s HiDAX-R seismic oil damper technology, which is installed between building floors to reduce shaking, received both the Minister of Education, Culture, Sports, Science and Technology Award and the Invention Implementation Achievement Award.



Commemorative photo after the award ceremony

2 Total engineering services for flooding disasters

Kajima offers Total Engineering Services for Flooding Disasters, providing one-stop solutions from risk assessment and countermeasure planning to construction and operational support.

In 2023, we began examining rational flood countermeasures for the Nishichofu Complex of the Kajima Technical Research Institute. This study took into account the increasing flood risks due to climate change, the potential direct damage in the event of flooding at the site, and the operational impact associated with suspension of experiments. The study was completed in June 2025. Going forward, we will review and update the action timelines through BCP training and similar exercises, while also strengthening them as solutions provided to our customers.

In addition, we will continue to expand our BCP support—which has long addressed earthquakes, wind, and fire—to incorporate flood countermeasures. By combining software solutions, such as simulations, with hardware measures, including the selection of flood-prevention facilities and consideration of disaster response actions, Kajima aims to provide comprehensive and rational one-stop services for various disaster risks.



Estimated flood depth derived from multiple simulation patterns

Well-being

Research, development and implementation of 3D acoustic technology



Renovated high-performance anechoic chamber

In 1986, Kajima became the first in the industry to establish an Acoustic Research Building at its Institute. Since then, the company has developed simulation technologies to support the design of advanced acoustic spaces and jointly developed the 3D sound reproduction technology “OPSODIS” with the University of Southampton in the U.K., contributing to the design and construction of numerous concert halls and other facilities.

Within the Acoustic Research Building, we established an anechoic chamber, an acoustic testing room designed to minimize reflected sound. A key to development has been accurately understanding the acoustic characteristics of walls, floors and ceilings of various shapes and materials, as well as the transmission properties of sound arriving at the human ear from multiple directions. Recently, we developed technologies to further enhance the performance of the anechoic chamber and renovated the facility in January 2025, achieving extreme levels of anechoic performance. ▶ Page 42

Human Resources Strategy

Human resources strategy overview

The Kajima corporate philosophy advocates “As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.” This spirit of humanitarianism and valuing people is a cornerstone of our competitive advantage.

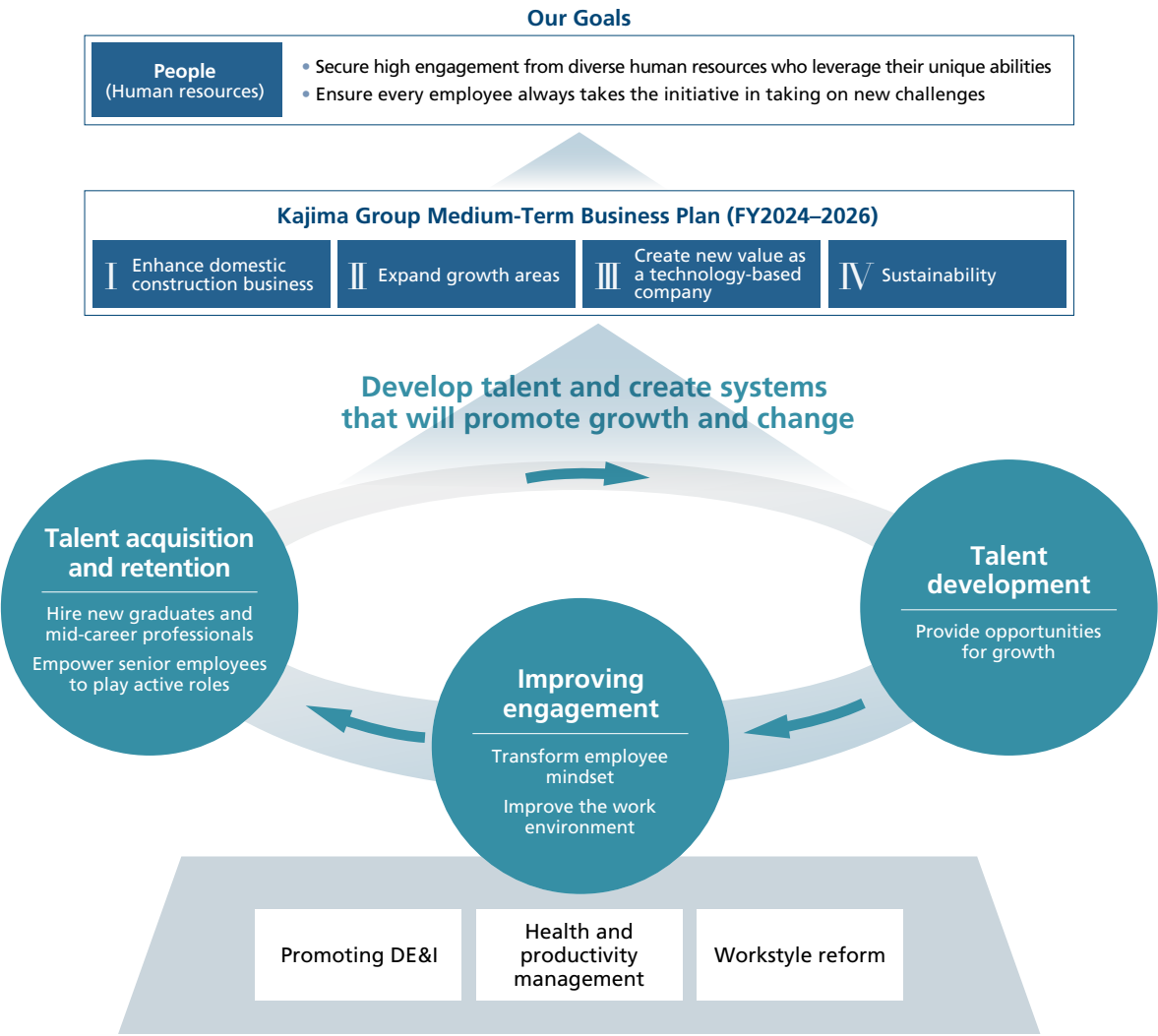
Since its founding, Kajima has consistently embraced an enterprising spirit, taking on projects that look ahead of the times, such as railways and skyscraper construction. Moving forward, we aim to be a vibrant corporate group where each individual keenly senses the changing times, fully utilizes their capabilities, and takes pride in being a part of the Kajima Group.

In our vision, we have identified two key elements related to people: an engaging workplace where diverse individuals leverage their unique talents and an environment where every individual continually takes the initiative to

embrace new challenges.

In recent years, while strong construction demand has continued, resource supply has been constrained, and we have been working to adapt to the legal limit on overtime hours, which came into full effect in FY2024. At the same time, acquiring talent, accelerating the development of the next generation, and strengthening the management skills of mid-career employees have become urgent tasks. We view these changes as opportunities to promote flexible work styles and enhance corporate attractiveness, thereby accelerating our human capital strategy.

The following sections present Kajima’s human resources strategy for developing talent and systems to promote growth and transformation built on three pillars: (1) talent acquisition and retention to support our domestic construction business, growth areas, and technological development; (2) talent development to unlock their potential; (3) improving engagement through DE&I, health and productivity management, and workstyle reforms.



Message from the General Manager of the Human Resources Department

Passing on a culture of valuing people
Maximizing the value of diverse human capital

Naoshi Nishizawa

Executive Officer, General Manager of Human Resources Department



At Kajima, our value creation is rooted in people—empowered by a field-centric philosophy and a deep-seated pride in our identity as a technology-driven enterprise. The “field” encompasses not only construction sites for civil engineering and architectural projects, but also every domain of strategic challenge—including R&D, real estate development, design, operations, and maintenance. Human capital is maximized when each employee identifies their unique contribution and performs with a sense of purpose and pride. Moreover, the foundation of Kajima’s identity as a technology-driven enterprise lies in the accumulation of knowledge, skills, and experience built up over 180 years, with employees continuously challenging and inspiring one another, fostering a culture of excellence in pursuit of shared goals. Creating an environment where diverse individuals can grow with confidence over the long term is a strategic mandate of the Human Resources Department.

Looking ahead, generational shifts are expected to significantly reshape the age structure of our workforce. It is imperative to empower mid-career professionals to assume leadership roles, while cultivating an environment where emerging young talent can accelerate their growth trajectory. To support this initiative, we are enhancing career interviews and mentoring systems, alongside training programs that support on-the-job development at worksites—providing growth support tailored to each employee. We are also broadening opportunities for self-directed development, fostering reflection and self-awareness, and nurturing a culture where employees proactively shape their professional journeys.

With overseas operations now accounting for approximately 40% of revenues and foreign direct investment increasing in Japan, building a globally agile workforce equipped to thrive in cross-border business environments is essential. We are expanding overseas training programs and planning to double the number of young employees dispatched abroad.

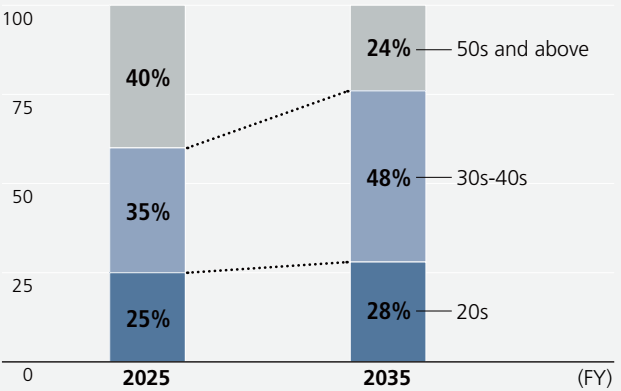
In 2024, we accelerated our DE&I initiatives by raising the

hiring target for female career-track graduates from 20% to 30%. We are also working to foster an inclusive and equitable workplace that embraces diversity across age, ability, and background.

We regard career breaks due to childcare, eldercare, or spousal relocation not merely as personal matters, but as opportunities for organizational learning and insight into broader social challenges. Accordingly, we are enhancing support systems for work-life integration and have established comeback programs and leave schemes for accompanying spouses.

The engagement survey introduced in FY 2023 revealed that trust in the workplace increases employee motivation, sense of growth, and confidence in management. Morinosuke Kajima, often described as the key figure behind Kajima’s postwar resurgence, once said, “To bring people together, you must have love. Without love, you cannot keep them.” Last year’s survey score exceeded the results from the first year of implementation. Going forward, we remain committed to preserving our people-centric culture and continuously elevating engagement as a strategic priority.

Projected composition ratios of career-track and specialized employees by generation



Value Creation Platform

Talent acquisition and retention

Strengthening recruitment and employment to maintain and enhance production capacity

Reinforcing new graduate hiring

Kajima's recruitment policy emphasizes the consistent and sustainable acquisition and retention of high-potential talent capable of inheriting the knowledge, skills, values, and trust cultivated over many years from clients, and shaping the future of Kajima.

In addition to talent who will play central roles in construction and real estate development businesses, we are actively recruiting diverse professionals, including specialists equipped to respond to increasingly advanced technologies and individuals who can flexibly adapt to globalization and rapid change. Reflecting the medium- to long-term scale of operations and workforce composition, as well as compliance with the legal limit on overtime work, we have recently expanded the hiring framework for new graduates to around 400, as part of our ongoing efforts to strengthen the talent base essential for the sustainable growth of our businesses.

At the same time, due to factors such as Japan's declining birthrate, the number of applicants for certain technical positions has stagnated. In response, we are undertaking multifaceted initiatives, such as hosting outreach events for students (approx. 3,700 participants), accepting interns (approx. 100), hosting both online and in-person promotional events, and conducting site visits to civil engineering and building worksites, the Kajima Technical Research Institute, and the Kajima Technical Center (approx. 500).

Considering the geographical characteristics of the construction industry, where work sites are spread across wide areas, we are also focusing on hiring individuals who can contribute locally over the long term. In 2024, we launched a new graduate hiring track for specialized positions, previously limited to mid-career recruitment, attracting applicants from high school to graduate level who aspired to work in their hometowns or local communities, with 63 joining Kajima.

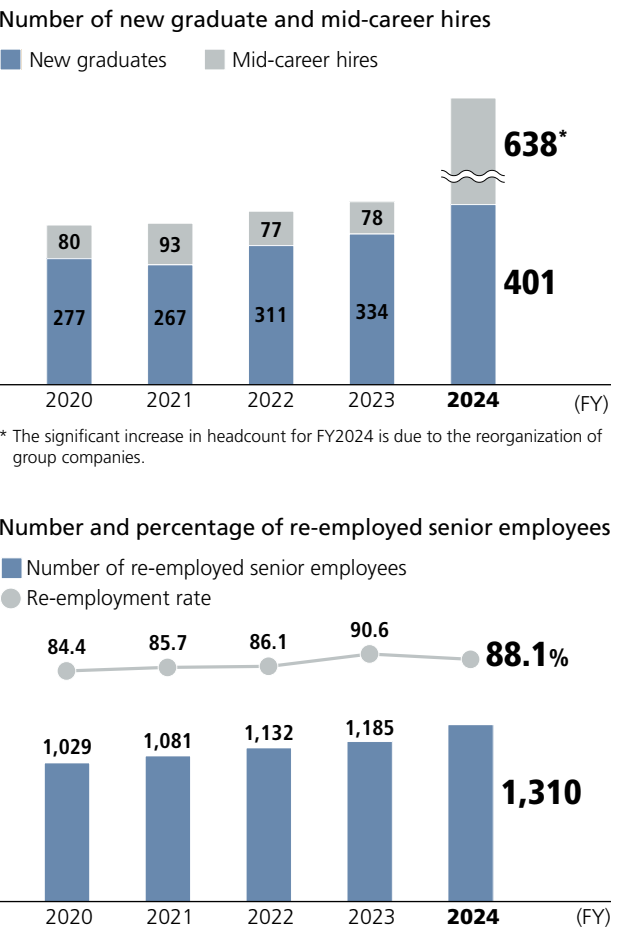


An internship group at the Kajima Technical Center

Active roles for experienced and senior employees

Kajima actively recruits individuals with specialized expertise and practical experience in strategic areas such as engineering, automated construction and robotics, and overseas business, while also bringing in external perspectives. We also appoint professionals to specialized roles and conduct mid-career hiring to support community-based operations. To support employees who wish to continue working beyond the mandatory retirement age of 60, we offer re-employment programs and a supportive work environment. The re-employment rate is approximately 90%, and the rate for those who wish to be rehired is 100%.

In passing on technical expertise, it is essential to transfer on-site knowledge across generations. Senior employees with long-standing frontline experience play a vital role in developing the next generation and preserving skills and corporate culture—contributing to sustainable growth and value creation.



Talent development

Establishing an environment that fosters continuous challenge and growth

Fostering a culture of self-directed development

Kajima is committed to maximizing the potential of its talent by developing individuals who possess both advanced expertise to meet the changing expectations of society and clients, and the management capabilities required for effective organizational operations and project execution.

For new graduates, we designate the first 13 years after joining the company as a focused development period for acquiring specialized knowledge. We provide OJT and job rotations to broaden experience, while also offering structured group training (OFF-JT) tailored to job category and year of entry, supporting their growth into fully capable engineers and business professionals. We also assign employees who have demonstrated strong results in Japan to overseas subsidiaries, to promote further growth through tough assignments. In FY2024, 12 employees were dispatched overseas, bringing the cumulative total to 113 over the past ten years.

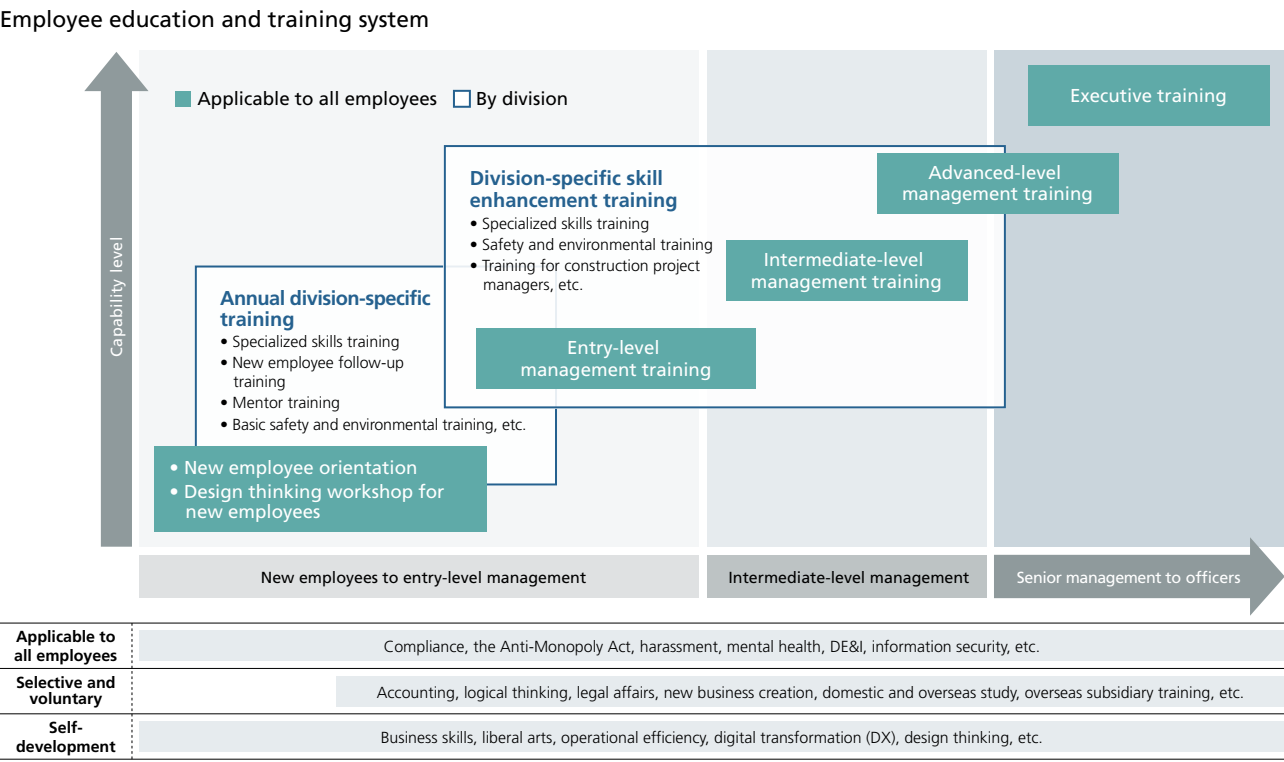
For managers, we conduct training in four tiers according to position, with approximately 600 participants annually. In addition to improving management capabilities, we have expanded training content to cover changes in social conditions, DE&I, and engagement. This reflects our recognition that transforming managerial awareness is

essential for creating workplaces that respect diverse values and enable each employee to fully realize their potential.

Furthermore, we are building an environment that supports employees' autonomous and self-directed growth. From FY2024, we launched a "Skill-Up" section on the company intranet that consolidates business skills, digital and IT learning videos, job-specific training materials, and knowledge resources. A total of 46,135 employees accessed this platform. We also provide programs for studying at domestic and overseas graduate schools and short-term business schools, as well as support for acquiring qualifications and language skills, thereby promoting both a tangible sense of growth and improved productivity.

In Toshima-ku, Tokyo, we are renovating and expanding an existing training facility, scheduled to begin operation in spring 2026. Through this structured training, growth opportunities, and support for self-directed learning, we aim to strengthen employee development and organizational vitality.

Looking ahead over the next decade, a key challenge will be enabling younger employees to acquire management capabilities earlier in their careers. To address this, we are expanding our development programs to include new initiatives focused on leadership, alongside our existing specialization-based framework.



Improving engagement

Promoting flexible workstyles to transform employee mindset and enhance the workplace environment

Improving engagement

Kajima advances engagement through both systems and dialogue. By responding to employee feedback to enhance workplace environments and work styles, we strengthen organizational vitality and foster mutual trust. We are committed to cultivating workplaces where individuals from diverse backgrounds can fully express their unique strengths and potential, and proactively pursue new challenges. In alignment with this vision, we are advancing initiatives such as Diversity, Equity & Inclusion (DE&I), health and productivity management, and work style innovation.

Promoting DE&I

At Kajima, we are dedicated not only to improving ease of work but also to creating an environment where every employee experiences a sense of purpose and fulfillment. By encouraging mutual respect and learning across differences, we nurture a culture of psychological safety and challenge.

Our longstanding commitment to diversity includes initiatives such as empowering women and promoting childcare leave for male employees. In FY2024, we established the DE&I Promotion Committee under the President-led Sustainability Committee and set new targets: 30% of new graduate hires for career-track positions to be women by FY 2028, 10% of managerial roles to be held by women by FY 2035, 100% of male employees to take childcare leave, with at least 50% taking 30 days or more. To further enhance psychological safety, we are implementing multifaceted measures, including the elimination of discrimination and inequity, and the promotion of employment opportunities for individuals with disabilities.

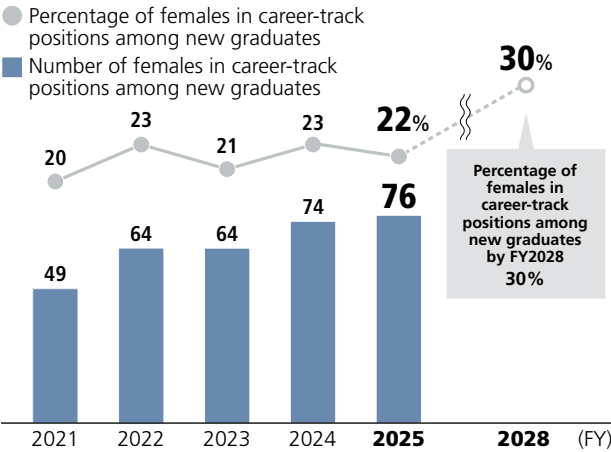
Approximately 70% of our workforce comprises engineers with science and engineering backgrounds. Recognizing the limited number of female students pursuing construction-related academic disciplines, we are actively working to elevate awareness and interest in industry careers through targeted outreach and publicity events for students.

Since initiating the recruitment of female career-track graduates around 20 years ago, the ratio has grown to 9.6%, with a steadily increasing pipeline of future leaders. Since 2015, we have conducted annual career development programs for young female employees, with approximately 50 participants each year. These programs support self-directed career growth through leadership training and engagement with role models.

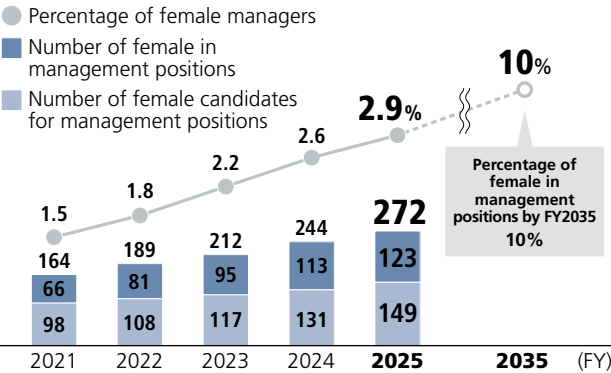
As part of our work-life integration efforts, we have hosted “Work and Childcare Balance Webinars” since 2015, with approximately 200 participants in 2024. In 2022, we expanded our childcare flex system and telework policies, contributing to a male childcare leave uptake rate of 91.2% in FY2024, with 46.0% taking 30 days or more.

In March 2025, we held “Kajima DE&I Week” in conjunction with International Women’s Day. Through video messages from the President, executives, and department and branch heads, we fostered a culture in which each employee takes ownership of advancing DE&I. Survey feedback was highly positive, and we are exploring further initiatives for the coming year.

Percentage and number of females in career-track positions among new graduates (as of April 1 each fiscal year)



Percentage of female employees in management positions (as of April 1 each fiscal year)



Kajima DE&I Week Message Video

Progress in workstyle reform

Since FY2024, a legal limit on overtime work (45 hours per month) has been applied to the construction industry. Centered on the Work Style Reform Committee chaired by the President, we are promoting a shift towards working styles that deliver outcomes within limited hours.

The success of these reforms depends on adopting construction timelines aligned with a five-day workweek, in close collaboration with clients to make this a reality. Even for private building projects, which often face tight schedules in line with business plans, we secured the equivalent of a five-day workweek (eight closed days per four weeks) for approximately 80% of newly awarded projects in FY2024. For projects under construction, we conducted campaigns to increase closure days, enabling employees to refresh physically and mentally and spend more time with their families.

We also encourage employees to take planned leave so that all staff can secure at least 120 days off per year.

In addition, we continue to promote process streamlining and digitalization. By breaking down tasks, improving and sharing processes, and reallocating work that can be outsourced, we are reducing overtime hours while enhancing productivity.

Steady promotion of health and productivity management

Kajima regards the physical and mental health of employees as a vital management resource, and promotes health initiatives under the “Kajima Group Health and Productivity Management Declaration.” We have been recognized for two consecutive years (six times in total) under the METI’s Certified Health and Productivity Management Organization program. At our in-

house clinics, we use a health management system to centrally manage the health information of all employees and provide support from both preventive care and treatment perspectives.

With business sites widely dispersed across Japan, industrial physicians and public health nurses travel to sites to deliver health lectures and consultations, ensuring that employees can work with confidence even in remote locations. Stress check results indicate that we have maintained a favorable “overall health risk” score of 80, below the national average of 100.

In addition, based on the “Mental Health Promotion Plan,” we provide company-wide education and training programs such as e-learning on mental health, developmental disabilities, and harassment prevention (FY2024 participation rate: 99.9%). Through these initiatives, we support the well-being of employees and their families and aim to build a foundation for sustainable growth.

Kajima Group’s Health and Productivity Management Cycle



Topics

Utilization of the engagement survey

Kajima maintains high employee satisfaction and a low turnover rate of approximately 1%. To support sustainable growth and better workplaces, we introduced an engagement survey in FY2023. Survey questions are grouped into five categories, and the combined Kajima Engagement Score is used as a KPI. In FY2024, the score reached 17.65 out of 25 (up from 17.45 in the previous year), with notable improvements in work style-related categories such as “working hours and locations” and “facilities and environment.”

The results are shared with senior management, HR, and department heads, and analyzed using qualitative feedback and HR data to identify key issues. These insights inform actions such as workplace interviews and task reviews. From April 2025, the score will also factor into executive bonus calculations. By refining systems and environments based on employee feedback, we aim to enhance psychological safety and organizational vitality.

Kajima Engagement Score



Sustainability Promotion System

Basic policy

Kajima’s corporate philosophy is: “As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.” Our basic policy is to act in line with this philosophy as we respond to social and environmental issues and aim to be a corporate group with sustainable growth.

Sustainability Committee

Kajima has established the Sustainability Committee with the aim of considering and making decisions on sustainability policies and monitoring their progress.

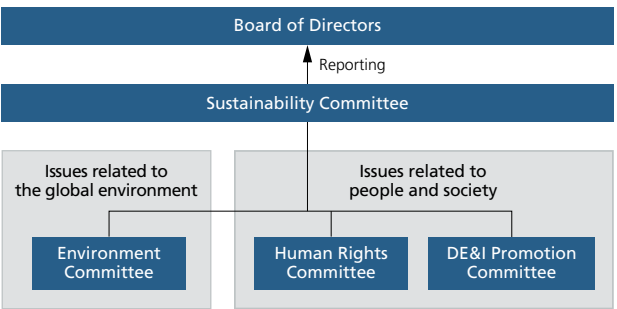
The committee is chaired by the President, and its members include relevant executive officers. It deals with issues related to the global environment, as well as people and society, including ensuring the diversity of human resources, respect for human rights and supply chain management. The committee regularly submits agendas and reports details about discussions and decisions to the Board of Directors based on an annual schedule.

In FY2024, Kajima established the Diversity, Equity & Inclusion (DE&I) Promotion Committee as a third new subcommittee alongside the Environment Committee and Human Rights Committee.

For the management of sustainability-related risks and other risks, the Compliance and Risk Management Committee, which is chaired by the President, covers and verifies every risk and promotes activities according to their importance.

In FY2025, we will continue to address environmental issues, human resources, and the maintenance and strengthening of the supply chain. We plan to check the progress in relation to the roadmap and consider policies for tackling issues and informing external parties while considering social trends.

Promotion system



Sustainability Committee topics: Results and plans

	FY2023		FY2024		FY2025
	Results	Topic	Results	Reported to the Board of Directors	Issues to consider and topics to address
Environment	- Kajima Environmental Vision 2050plus - Establishing the policy on investment in renewal energy	Environment (July, December)	- Status of CO2 reduction, issues and future reduction measures - Considering the policy for circular economy initiatives	March	- Checking the progress of environmental goals as well as issues - Considering the policy for circular economy initiatives (continued)
Human resources	- Holding lectures by experts on managing diversity - Checking the current status and issues relating to DE&I, and considering and determining improvements in compensation and benefits to promote active participation of senior employees - Reporting scores on mental health issues and stress checks in the health and productivity management survey	Diversity, Equity & Inclusion (DE&I) Promoting women in the workplace (August) Employing people with disabilities (October)	- Setting new goals related to DE&I (percentage of female employees in the managerial track, percentage of female managers, paternity leave uptake rate) - Establishing the DE&I Promotion Committee	December	Reporting the progress of DE&I initiatives and considering issues
		Employee engagement, turnover (February)	- Reporting the results of the engagement survey and establishing indicators - Reporting on the status of and response to turnover	February	Reporting the results of the engagement survey
		Human rights (October)	- Reporting on the response to harassment and other human rights risks - Discussing and establishing the policy for responding to human rights issues, including the supply chain	December	- Strengthening human rights initiatives - Reporting on the building materials traceability survey
Supply chain	- Checking the status of Kajima Partner College management and policies on future initiatives - Reporting on support for hiring foreign skilled workers - Checking the progress of closing sites for eight days out of every four-week period (closing sites for 104 days each year) and restructuring of the multi-layered subcontracting system	Securing the future workforce (September)	- Reporting the analysis of the wages survey - Checking the progress of closing sites for eight days out of every four-week period and restructuring of the multi-layered subcontracting system	October	- Checking the progress in measures for securing the future workforce - Continuing restructuring of multi-layered subcontracting system

Results of past meetings in FY2024

The Sustainability Committee met six times in FY2024 and reported at four Board of Directors meetings.

Environment

- The committee shared details on results and issues regarding the roadmap for carbon neutrality, a circular economy and nature positivity included in Kajima Environmental Vision 2050plus. It also checked and discussed future response policies and considered the policy regarding issues such as resource circularity—a major topic within society.

Human resources

- The newly established Diversity, Equity & Inclusion (DE&I) Promotion Committee considered response policies regarding the promotion of women in the workplace, employing people with disabilities and other matters. The committee also updated our KPIs and goals.
- The committee clarified employee engagement with KPI and goals for a Kajima Engagement Score, and discussed issues and response policies after comparing survey results with the previous fiscal year.

Human rights and the supply chain

- The committee reported on human rights issues in the Kajima Group and the supply chain, and decided on a human rights due diligence policy that includes building materials traceability survey, among other matters.
- Based on the topic of securing the future construction workforce, the committee reported on improving compensation including construction technician wages, and closing sites for eight days out of every four-week period. It also confirmed the policy for future initiatives.

Comments from outside officers at Board of Directors meetings

- Kajima has many excellent technologies and initiatives related to the environment. The company should tell external parties about this more actively.
- Women’s opinions are reflected in company management more once the percentage of female employees in the managerial track exceeds 30%. Kajima should consider the management effects of employing women.
- The data of engagement survey responses can be stored, analyzed and effectively used.
- It is extremely useful to approach building materials traceability from the perspective of both human rights and the environment. I hope Kajima will publish details on surveys and results inside and outside the company.
- Closing sites for eight days out of every four-week period is important for boosting the appeal of the construction industry. Kajima should continue these efforts.

Topics

Revising the Policy on Safety and Health, the Environment, and Quality

In April 2003, Kajima integrated separate policies on safety and health, the environment, and quality.

In April 2025, Kajima revised the Safety and Health Policy (established in 2003) and the Environmental Policy (revised in 2013) under the Policy on Safety and Health, the Environment, and Quality, in light of changes in measures and the social landscape.

- Basic Policy**
Safety and health, environmental management and quality are fundamental to construction activities and corporate survival. By establishing and continuously improving management systems to comply with relevant laws, ordinances and other social requirements, Kajima works to conduct efficient construction activities while earning the trust of clients and society.
- Safety and Health Policy**
Safety and health are the barometers of a company’s capabilities and ethics. Based on this understanding, Kajima proactively works in close cooperation with its partner companies to eliminate construction-related disasters and accidents while aiming to improve workplace safety and health and promote health.
 - Make sure that the Three Reality Principle (Real site, Real things, Real conditions) and Basic Safety Behavior (calling out, on-site risk prediction, and the safety practice of “pointing and calling”) are practiced in all worksites.
 - Maintain psychological safety through active communication to provide open working environments in which people can work safely and securely.
- Environmental Policy**
Establish a long-term environmental vision that is shared throughout the company. Aim to create a more sustainable society in which environmental preservation and economic activities can successfully coexist.
 - Work to promote carbon neutrality, circular economy, and nature positivity not only in Kajima’s business activities but also across the entire life cycles of structures and local environmental preservation/environmental remediation projects.
 - As common foundations for the above initiatives:
 - Promote technological development that contributes to the preservation and sustainable use of the environment.
 - Promote preventative management (including voluntary management) of hazardous substances related to the company’s business.
 - Seek partnerships with a wide range of stakeholders, including the proactive disclosure of information.
- Quality Policy**
Kajima provides products and services that satisfy clients, from marketing to follow-up services, allowing them to place orders with a sense of reassurance and trust.
 - Ensure product quality by responding appropriately to client requirements while thoroughly implementing the Plan-Do-Check-Act (PDCA) cycle.
 - Promote research and development activities to improve quality and increase operational efficiency.

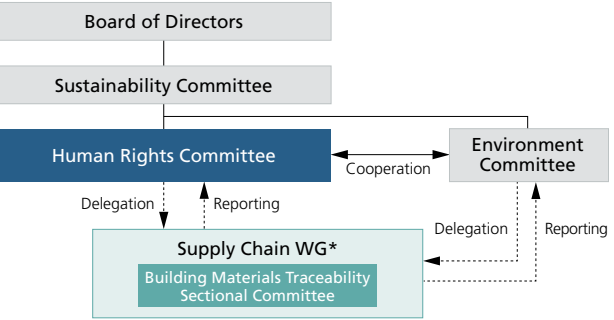
Human Rights and Supply Chain

Basic policy

The Kajima Group established the Kajima Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights and is pursuing initiatives to respect human rights under the leadership of the Human Rights Committee. This policy applies to all Kajima Group officers and employees. We also expect our global supply chain partners to understand and endorse the policy, and we actively engage in awareness and educational activities with them.

In addition, we have established the Kajima Group Conduct Guidelines for Business Partners to ensure compliance with laws, respect for human rights, responsibility for the environment, and assurance of quality. Together with our business partners, we promote initiatives to fulfill our social responsibilities.

Framework



* Consists of members from the Human Resources Department, Legal Department, Civil Engineering Management Division, Building Construction Management Division, Corporate Planning Department, General Administration Department, Environmental Engineering Division, Affiliated Business Department, and Overseas Operations Division.

Human rights due diligence

The Kajima Group undertook human rights due diligence in FY2021. We conducted human rights due diligence at Kajima Corporation in FY2023 and at 97 domestic and overseas Group companies in FY2024, receiving advice from external experts. As a result, we identified priority human rights risks within the Group, including excessive working hours, harassment, and supply chain-related risks.

Initiatives within the Kajima Group

In FY2024, the Kajima Group conducted training on corporate human rights initiatives for directors of our domestic Group companies. We have also continued a human rights awareness program as part of the compliance training for the entire Group. Moving forward, we will focus on the prevention and resolution of identified human rights issues and remain committed to minimizing any potential negative impact of the Kajima Group's business activities on human rights.

Collaboration with the supply chain

In April 2024, we published practical guidelines containing the definition of terms, explanations and examples of specific initiatives to explain each of the topics in the Kajima Group Conduct Guidelines for Business Partners. We shared the Practical Handbook with our partner companies and encouraged them to promote further initiatives. We added provisions to the Basic Construction Subcontract Agreement as well as the Purchase Order Terms and Conditions to observe, respect and enforce the Guidelines.

In FY2024, the response rate for our biennial self-check survey reached 76.9%, exceeding that of the previous survey. The survey assesses the progress on 13 key items (including legal compliance, human rights, labor practices, environment, information security, and BCP) among members of the Kajima Business Partners' Association, who account for approximately 60% of our total order value. The survey results and issues were fed back to respondent companies and reported at a Board of Directors meeting and on other occasions.

In FY2025, we will interact with survey respondents to deepen their understanding of the Guidelines and encourage business partners to take initiatives and work to raise effectiveness, for example, by reviewing the contents of the next survey.

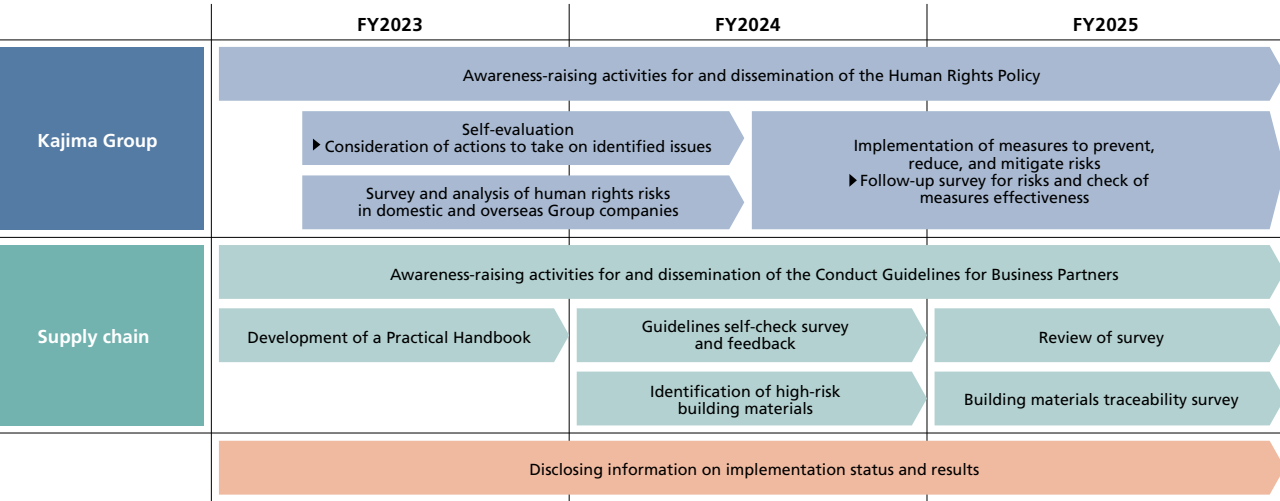
Building materials traceability survey

Society and customers are increasingly concerned about the traceability of building materials, as well as human rights and environmental issues throughout the supply chain. In FY2024, we established the Building Materials Traceability Sectional Committee within the cross-departmental Supply Chain Working Group to address supply chain issues. This committee identified high-risk raw materials in accordance with the policy set by the Human Rights Committee and the Environment Committee. In FY2025, we plan to conduct a traceability survey on identified high-risk materials such as wood in light of the results of a hearing survey with some business partners. Through dialogue with relevant suppliers and other stakeholders, we aim to identify human rights and environmental risks in processes such as logging, mining, and processing, and to use these insights to guide future initiatives.

Setting up hotlines (mitigation mechanism)

We set up human rights hotlines for all stakeholders, including suppliers, inside and outside the company. We have also raised awareness of the hotlines at construction sites. We also have a harassment hotline for employees.

Promotion of human rights due diligence that includes the supply chain



Restructuring multi-layered subcontracting system

Japan's construction industry has long relied on a multi-layered subcontracting system. This structure typically consists of a general contractor overseeing the entire project, with primary, secondary, and lower-tier subcontractors responsible for intermediate construction management, labor provision, and other direct construction functions.

This entrenched multi-layered structure has hindered improvements in productivity, safety, and quality, while also constraining wage growth for skilled workers.

Since FY2021, Kajima has been addressing these issues by reforming the multi-layered subcontracting system. Our focus includes ensuring legal compliance, clarifying construction responsibilities, ensuring thorough safety and quality management, improving the treatment of skilled workers, and enhancing productivity.

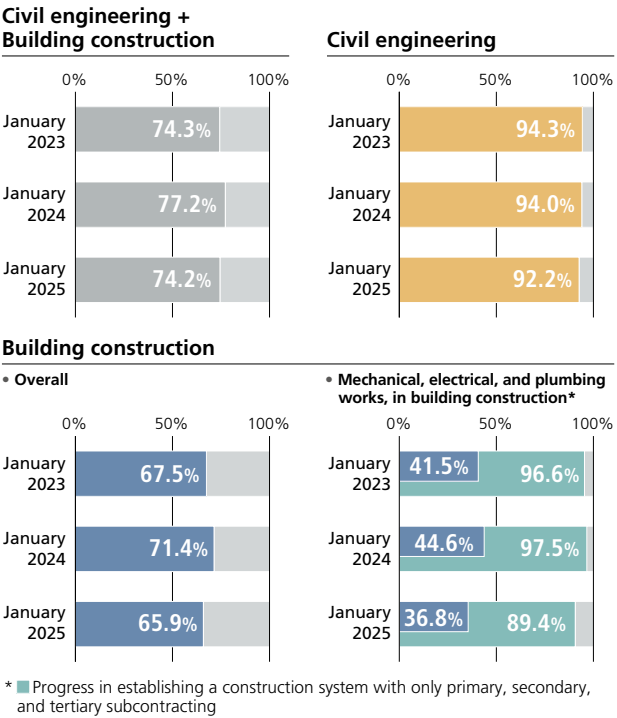
Initially, we identified the factors leading to multi-layering and implemented various measures. These included ensuring appropriate construction periods, placing orders in a stable manner, eliminating brokers with little effective involvement, and supporting primary subcontractors' reform initiatives. As a result of these efforts, the situation has significantly improved. We have actively worked to prevent excessive multi-layering in equipment construction, which often requires specialized technology and tends to involve multiple tiers of subcontracting. Consequently, cases where construction systems extended to the fourth tier or lower have been significantly reduced.

By limiting the subcontracting structure to primary and secondary subcontractors, wages and working conditions for skilled workers have improved, making the construction industry more attractive. This improvement is expected to encourage more young people to enter the field. We also believe that this creates a management framework enabling the prime contractor to effectively oversee the entire project. It allows the foreperson of the primary subcontractor to properly supervise those of secondary subcontractors, thereby ensuring

that safety and quality are supervised by those best positioned to provide appropriate instruction and guidance.

Since 2022, the proportion of construction systems limited to primary and secondary subcontractors has remained above 90% for civil engineering and around 70% for building construction. This demonstrates that the initiative to restrict multi-layering to the second tier has been steadily embedded in practice. Although the January 2025 survey showed lower ratios than the previous year due to the recent shortage of equipment construction workers and other factors, we will continue our initiatives to maintain a construction system limited to primary and secondary subcontractors.

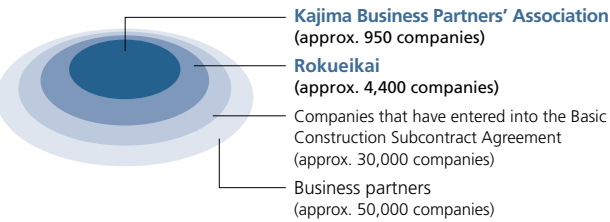
Progress in establishing a construction system with only primary or secondary subcontracting



Human Rights and Supply Chain

Partnerships with partner companies

Kajima's partner companies have formed the Kajima Business Partners' Association, which engages in various projects in the spirit of mutual aid, and also Rokueikai, whose primary purpose is accident prevention activities. By coming together with partner companies through these organizations, Kajima is forming strong partnerships that will ensure safety and quality, and provide other benefits.



Initiatives to secure future workforce

To sustain strong construction capabilities and ensure continued safety and quality, it is essential to work with partner companies to systematically secure and develop human resources. Kajima is advancing initiatives to secure the future workforce of the construction industry.

Kajima Partner College

Kajima, in cooperation with the Kajima Business Partners' Association, launched the Kajima Partner College, a training system designed specifically to develop human resources in partner companies. The system includes a Technical Course to train select candidates to become Kajima Meister forepersons and a Management Course for candidates for executive positions. The college aims to cultivate human resources with strong construction management and leadership skills, and a broad perspective of the overall construction industry. The Technical Course is designed to enhance on-site management skills through hands-on training at Kajima project sites—such as safety patrols and ICT tool workshops—by

participating in presentations of improvement case studies by partner companies and practicing construction management from the perspective of the prime contractor. The Management Course is a nine-month program where attendees work at Kajima, experiencing construction management at sites where cutting-edge technologies and construction methods are employed, and attending classes in partner educational institutions and events. The costs for attending both courses are covered by Kajima.

In the four years since it was opened in 2021, a total of 79 people has successfully completed the courses (71 graduates from the Technical Course and 8 graduates from the Management Course). Thirteen graduates from the Technical Course have been certified as Kajima Meisters and are now active at Kajima sites. Two graduates from the Management Course have already been appointed as Presidents and now lead their companies by leveraging the knowledge and connections acquired and built at the college, showing steady achievements in developing and maintaining excellent human resources.

Kajima looks forward to helping cultivate and retain talented employees for its partner companies.

System to encourage activities for acquiring the next generation of workforce

Established in FY2024, this new system supports members of the Kajima Business Partners' Association and Rokueikai in securing and developing engineers and skilled workers, including subsidies of up to 50% of activity expenses. Ten initiatives were selected in both the first and second rounds.

Kajima Meister and E Award

Kajima operates the Kajima Meister program to certify and financially incentivize outstanding forepersons and the E Award to provide monetary rewards for competent young and seasoned skilled workers as initiatives to improve the remuneration and benefits for skilled workers. We set a quota for the number of people under the age of 40 to be selected for the E Award to boost the motivation of young skilled workers.

Voice

Kajima Meister program: Finding motivation and a sense of responsibility

Since March 2024, I have been engaged in steel frame construction management at the site of the Rapidus IIM-1 Construction Project in Chitose City, Hokkaido. Although it was tough to coordinate to avoid delays in processes and meet an extremely tight schedule, I was recommended by the General Manager and certified as a Kajima Meister in FY2025. I have aspired to obtain this certification, after becoming inspired by a senior employee who was selected as one of the first Meister in the Hokkaido Branch when this program started. I not only feel grateful for the generous incentives but also a strong sense of responsibility when wearing the helmet with the Meister logo. Since subordinates also see me as a Meister, I am committed to monitoring the site more carefully than ever for safety management and efficient construction. I have learned a great deal by working with many people in this large-scale project. I aim to become a Supermeister by leveraging this experience.



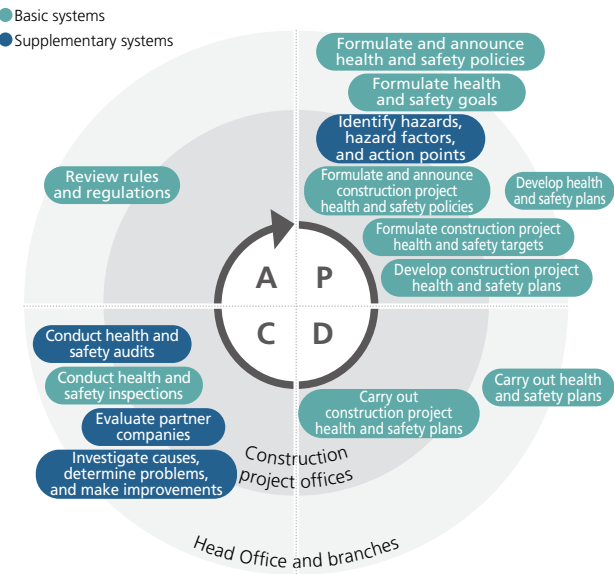
Hidemasa Tanifuji
General Manager,
Steel Structure Department,
Inada-gumi Corporation

Occupational Safety and Health

Framework for ensuring safety and results in FY2024

Kajima implements safety and health management in conformance with the Construction Occupational Health and Safety Management System (COHSMS).

We review our safety and health policies as necessary based on the performance and circumstances of the previous fiscal year, and then formulate Company-wide safety and health targets and plans for the current fiscal year. Starting from the Company-wide policies formulated through the PDCA (Plan-Do-Check-Act) cycle, we narrow down the range of issues to determine the priority items to be implemented at individual construction project offices, as well as those for the Head Office, branches and partner companies supporting them. Each project site carries out construction activities in line with these defined priorities.



Safety performance

		(FY)		
		2022	2023	2024
Accident frequency rate	Lost work time of four or more days	0.67	0.91	0.74
	Lost work time of one or more days	1.34	1.74	1.47
Accident severity rate		0.02	0.03	0.29
No. of accidents		61	83	63
Cumulative working hours	(millions of hours)	91.28	91.26	85.49
No. of fatalities	Non-consolidated (domestic)	0	0	3
	Non-consolidated (overseas)	0	0	0
	Domestic Group companies*	0	0	0
	Overseas Group companies*	1	0	1

• Accident frequency rate: The number of fatalities and injuries at worksites per one million cumulative working hours
• Accident severity rate: The severity of illnesses and injuries represented by the number of workdays lost per one thousand cumulative working hours
Note: Calculations include skilled workers from partner companies.
* Subsidiaries involved in construction

In FY2024, there were 63 occupational accidents (lost work time of 4 or more days) at Kajima construction sites in Japan. The frequency rate of accidents resulting in lost work time of four or more days was 0.74, and the rate for accidents resulting in lost work time of one or more days was 1.47, resulting in a severity rate of 0.29. We will ensure thorough safety management under the slogan "Think safety! Make today accident free."

Ensuring thorough Basic Safety Behavior

Kajima defines the Three Reality Principle (Real site, Real things, Real conditions), and Basic Safety Behavior (calling out, on-site risk prediction, and the safety practice of "pointing and calling") in its Safety and Health Policy, and it manages safety and health based on these concepts. Over the past two years, we have been focusing on revisiting safety fundamentals and thoroughly implementing Basic Safety Behavior.

This fiscal year, we are taking extra care to reinforce on-site risk prediction. Many past incidents could have been prevented if comprehensive on-site risk prediction measures had been consistently applied by all skilled workers. We will identify highly hazardous tasks through on-site risk prediction and prepare mitigation measures accordingly.

Kajima is also building a system to use its safety knowledge database of incident data and videos in on-site risk prediction. We are reinforcing our workplace incident prevention by ensuring thorough Basic Safety Behavior.

Starting operations with a mobile hands-on safety training facility

We introduced the Kajima Safety Caravan, a truck-mounted safety training facility to improve the safety awareness and risk sensitivity of all on-site workers. This vehicle is equipped with nine training devices that realistically simulate common hazards, such as falls, machinery entanglement, and electrical accidents. These training sessions are provided for skilled workers who are actively working at construction sites throughout Japan.

Participants have given positive feedback about getting a more realistic experience compared to looking at case study materials, as well as about the importance of simulations. Going forward, we will continue to hold hazard simulation training sessions with the Kajima Safety Caravan, while also improving the content and equipment to further develop this training program.



Left: The training vehicle is a mid-sized (11t) truck equipped for nine types of hazard simulation training
Right: An employee in a VR hazard simulation training program

Kajima Environmental Vision 2050plus

In May 2024, we announced the renewed Kajima Environmental Vision 2050plus. The word “plus” expresses our commitment to working together with customers and society, as well as our vision for continuity beyond 2050. Under 2050plus, we

have established KPIs and targets for FY2026 and FY2030, along with specific measures and benchmarks to reduce greenhouse gas (GHG) emissions in pursuit of carbon neutrality. Kajima will continue to promote initiatives to help build a sustainable world where economic activity is balanced with environmental conservation.

KPIs and targets for 2050

1. Targets for businesses by Kajima (non-consolidated) and its domestic group companies				2. Targets for Kajima non-consolidated business			
Carbon Neutrality		Circular Economy		Nature Positivity			
FY2050 targets	Achieve carbon neutrality Reduce the Kajima Group's greenhouse gas emissions (Scopes 1, 2, and 3) to net zero	Build a circular economy (Recycling rate of 100%) Update infrastructure using sustainable resources to create high-quality assets	Promote nature positivity Promote nature positivity throughout the supply chain and help build a society where ecosystem services can be enjoyed in a sustainable way				
FY2030 targets	Emissions (compared to FY2021) Scopes 1 & 2: -42% Scope 3: -25% • 100% green electricity use • 65% biofuel adoption rate ² • 40% usage rate for low-carbon concrete ² • 20% usage rate for steel framework produced by electric furnaces ² • 100% ZEB achievement ²	60% recycled material usage rate for main materials¹ 99% recycling rate¹ Full-scale adoption of wooden/wood-based buildings Social adoption of waste recycling technology¹	Cumulative total of nature-based solutions (NbS)* to be provided to customers and society (environmental certification, etc.): 100¹ Expansion of nature positive initiatives on Kajima-owned land¹ * NbS: Nature-based Solutions (initiatives that address social issues by harnessing the functions of nature)				
FY2026 targets	Emissions (compared to FY2021) Scopes 1 & 2: -23% Scope 3: -10% • Adoption of green electricity • Use of biofuels ² • Use of low-carbon concrete ² • Use of steel framework produced by electric furnaces ² • 40% energy saving rate using ZEB ²	40% recycled material usage rate for main materials¹ 97% recycling rate¹ Expansion of wooden/wood-based buildings Development of waste recycling technology¹	Number of NbS to be provided to customers and society (environmental certification, etc.): 10 / year¹ Nature positive initiatives starting on Kajima-owned land¹				

Summary of environmental activities for FY2024

Kajima's (non-consolidated) environmental activities are ISO 14001-compliant.

▶ For the list of Group companies with ISO certification, please refer to the following pages. <https://www.kajima.co.jp/english/sustainability/policy/management/isolist.html>

FY2024 was the first year in our new three-year environmental targets.

In carbon neutrality, the Kajima Group's Scopes 1 and 2 emissions (direct and energy-related emissions) totaled 43.2 x10⁴ t-CO₂, Scope 3 emissions (upstream and downstream in the supply chain) totaled 1,355 x10⁴ t-CO₂, and combined Scopes 1, 2, and 3 emissions (entire supply chain) totaled 1,398 x10⁴ t-CO₂. In addition, the effect of implementing Scopes 1 and 2 reduction measures amounted to -4.1 x10⁴ t-CO₂. ▶ Page 83

Regarding circular economy, the recycled material usage rate for main materials reached 34%, and the recycling rate reached 97%.

Regarding nature positivity, the number of NbS provided to customers and society was 12. Regarding efforts to reduce negative impacts on the environment at construction sites, there were no serious legal violations or environmental impact, and no environmental accidents.

Collaboration in developing standards and frameworks

Collaboration with other industries and industry organizations is essential for realizing a sustainable society. Kajima actively collaborates with construction and real estate companies, manufacturers, industry associations, academic experts, and government agencies to develop standards and frameworks.

Lifecycle assessment of buildings

Considerations on how to calculate the standard benchmark for objectively evaluating carbon neutrality in individual buildings

Circular economy indicators for manufactured goods

Considerations on standardizing circularity and indicators for each product in the whole value chain from material and part manufacturers to the use and disposal or recycling of finished products

Contributions to GHG reduction in the real estate business

Considerations on guidelines for quantifying contributions to GHG reduction in the real estate sector and for promoting the setting of targets and ESG investments among businesses

▶ For more detailed information on our track record, please refer to the page below. <https://www.kajima.co.jp/english/sustainability/data/environment/index.html>

Climate change: TCFD-based information disclosure and specific actions

Kajima expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) in 2019 and discloses information based on TCFD recommendations.

▶ For more information on the TCFD, see the following web page. <https://www.kajima.co.jp/english/sustainability/environment/tcfd/index.html>

Governance	- Important policies and measures related to climate change are deliberated and decided by the Sustainability Committee, chaired by the President, and subsequently submitted to and reported to the Board of Directors. - The Environment Committee, comprising heads of business divisions and general managers of relevant departments, functions as a specialized subcommittee under the Sustainability Committee. Through the PDCA cycle, it promotes continuous improvement and the development of new initiatives.
Strategy	- We have identified public policies on carbon pricing and emissions, zero energy buildings (ZEB), renewable energy-related construction markets, and low-carbon construction technologies as significant transition risks and opportunities. - We have also identified changing weather patterns, increasingly severe extreme weather events, the impact of rising temperatures on labor productivity, and related labor regulations as physical risks and opportunities. - Kajima has estimated the potential impacts on domestic construction projects in FY2030 under the 1.5°C and 4°C climate scenarios.
Risk management	- The Environment Committee deliberates on and determines risks and opportunities, while the Compliance and Risk Management Committee, chaired by the President, assesses all operational risks, including climate-related risks, and subsequently reports to the Board of Directors. - Kajima is working to further improve its disaster preparedness and business continuity capabilities through means such as practical BCP drills.
Indicators and targets	- CO₂ emission reduction targets: Reduce Scopes 1 and 2 emissions by 42% and Scope 3 emissions by 25% by FY2030 compared to FY2021 levels. Achieve net zero emissions by FY2050. - Kajima has established various benchmarks to achieve these targets. - We review climate-related risk and opportunity evaluations, indicators and targets every three years, and we manage environmental activities. - Our environmental targets have the same period as the Medium-Term Business Plan, and we aim to boost corporate value while solving environmental issues.

Risks, opportunities, countermeasures and key initiatives in FY2024

We are carrying out the measures below regarding individual countermeasures identified through the TCFD analysis.

+: Positive impact on profit and loss
-: Negative impact on profit and loss

Category		Risks and opportunities	Impact on FY2030 profit and loss		Countermeasures	Key initiatives in FY2024
			1.5°C scenario	4°C scenario		
Transition risks	Policy	Increase in costs due to carbon tax	- - -		(1) Promotion of activities to reduce CO ₂ emissions during construction (2) Development and introduction of low-carbon construction materials (3) Securing of renewable electricity supplies	← Starting initiatives for expanding the use of biofuels ▶ Page 83
		Contraction of construction market due to higher taxes	-			← Expanding the use of low-carbon concrete and steel materials ▶ Page 84
		Restrictions on business based on CO ₂ emission allowances	-			← Investing in innovative geothermal technology ▶ Page 83
	Markets	Change in the energy mix (reduction of fossil fuels)	-		(1) Selection of focus fields based on the energy mix (2) Development of design and construction technologies for renewable energy facilities (3) Pursuing ZEB business feasibility and comfort	← Renewable energy initiatives ▶ Page 83
		Increase in demand for renewable energy	+ +	+ +		← ZEB design expansion ▶ Page 84
Physical risks	Chronic	Expansion of ZEB market	+ +	+		
		Effects of rising temperatures on working conditions	-	- -	(1) Development of labor-saving construction technologies	← Expansion of tasks supported by A ⁴ CSEL
		Disaster prevention and mitigation, and national resilience	+ +	+ +	(1) Promotion of technological developments related to disaster prevention and mitigation, and BCP (2) Development and application of hazard maps that leverage proprietary knowledge (3) Construction work that contributes to national resilience and the resilience of buildings and structures	← Implementation of a proprietary hazard map in Kajima facilities (the Nishichofu Complex at the Kajima Technical Research Institute), and BCP revision ▶ Page 68

Carbon Neutrality

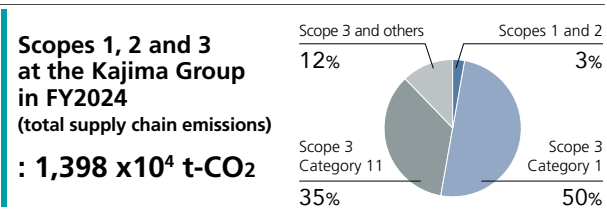
Targeting carbon neutrality

Kajima emissions

Supply chain emissions

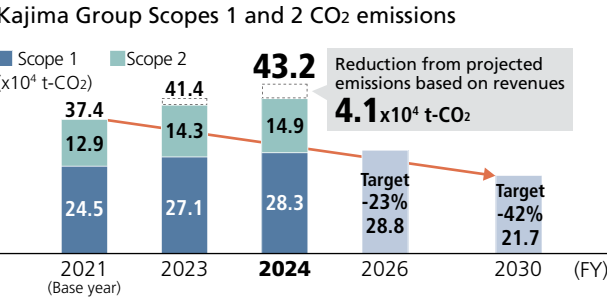
	FY2030 targets	FY2024 results
Scopes 1 and 2	21.7 x10 ⁴ t-CO ₂ (42% decrease vs. FY2021)	43.2 x10 ⁴ t-CO ₂ (4% increase vs. previous fiscal year)
Scope 3 (Categories 1 and 11)	923 x10 ⁴ t-CO ₂ (25% decrease vs. FY2021)	1,183 x10 ⁴ t-CO ₂ (17% decrease vs. previous fiscal year)

Targets and results for businesses by Kajima (non-consolidated) and its domestic/overseas group companies



Scopes 1 and 2, and emissions reduction initiatives

In FY2024, Kajima Group's Scopes 1 and 2 emissions were 43.2 x10⁴ t-CO₂. We conducted reduction measures through (1) energy conservation, (2) decarbonization of electricity and (3) decarbonization of fuel, resulting in a total reduction of 4.1 x10⁴ t-CO₂—over double the result in FY2023.



Topics

Taking on challenges in new renewable energy

Renewable energy is essential for emission reduction at Kajima, though supply may run short in the future. As such, we are considering and pursuing efforts to secure it.

As part of this initiative, we invested in Eavor Technologies Inc., a Canadian startup with closed-loop technology that could be a game-changer in geothermal power.

Closed-loop technology does not require special geological conditions, such as geothermal reservoirs.

Eavor combines this with proprietary fluid-flow regulation in its Eavor-Loop, aiming to provide baseload power with flexible supply-demand adjustment.

Eavor-Loop
Geothermal power uses circulating fluid to directly capture heat from rock formations.
Net Zero, Carbon Free, Flexible Baseload Power Generation

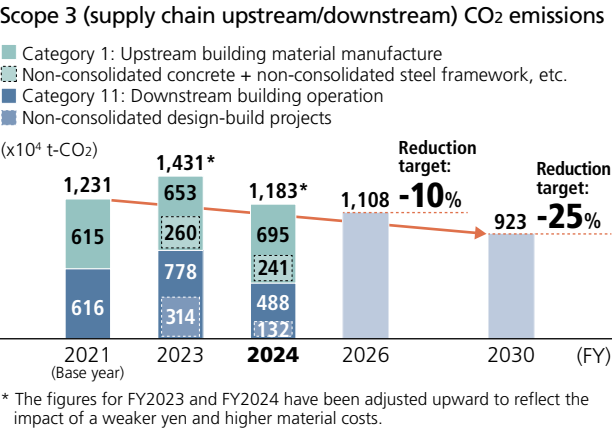
Breakdown of FY2024 reduction results and future reduction initiatives

(1) Energy conservation	• Improving productivity at construction sites • Efficient design • Energy saving in factories	Approx. 3.5 x 10 ⁴ t-CO ₂
(2) Decarbonization of electricity (including emission factor improvement)	• Renewable electricity adoption • Renewable energy certificates • Electrification of heavy construction machinery, etc.	Approx. 0.6 x 10 ⁴ t-CO ₂
(3) Decarbonization of fuel	• Biofuels • Synthetic fuels • Hydrogen fuel, etc.	Approx. 0.03 x 10 ⁴ t-CO ₂
Total		4.1 x10 ⁴ t-CO ₂

We will continue implementing the following reduction initiatives. [Energy conservation] We will continue initiatives focused on improving productivity at construction sites. [Decarbonization of electricity] We aim to lead in renewable energy use in Japan and to achieve 100% green electricity globally by FY2030. We will also actively secure our own renewable energy sources to prepare for potential future shortages, while carefully taking costs into account. [Decarbonization of fuel] We will use biofuels for now and shift to synthetic and hydrogen fuels in the future. Due to limited supply and high costs, we began using biofuels with cost-effectiveness in mind. To prepare for large-scale future use, we are conducting trial runs, developing supply routes, and securing long-term purchase rights in cooperation with petroleum wholesalers, startups, and other partners. We are conducting trials with heavy machinery manufacturers to assess the performance, cost, and usability of electric machinery that reduces CO₂ emissions. In addition, our subsidiary Kajima Ventures is investing in a synthetic fuel venture in our efforts to diversify methods for the decarbonization of fuel.

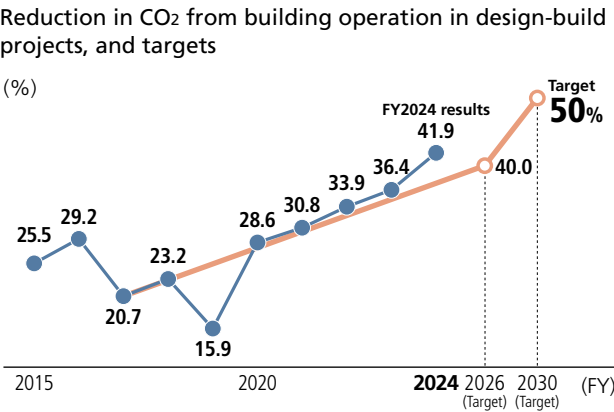
Scope 3 and emissions reduction initiatives

Kajima Group Scope 3 (supply chain upstream and downstream) emissions (Categories 1 and 11) in FY2024 were 1,183 x10⁴ t-CO₂. CO₂ emissions from building operations (Category 11) decreased from the base year, partly due to the expanded use of ZEB in design-build projects. CO₂ emissions from building material manufacture (Category 1) have not decreased significantly, but we will continue using low-carbon concrete and steel frameworks where feasible.



Reducing CO₂ from building operation (Category 11)

Consumption of electricity, gas and other forms of energy continues for 30 to 60 years after building operation begins. As such, reducing CO₂ during this phase with energy conservation is crucial in terms of whole life carbon. Under the Building Energy Conservation Act, Kajima sets targets for primary energy consumption for all buildings that it designs and constructs nationwide. We aim for a 40% reduction by FY2026, the final year of the current Medium-Term Business Plan, and a 50% reduction by FY2030. We have achieved a 41.9% reduction in buildings constructed in FY2024, thereby achieving the FY2026 target ahead of schedule.



- Reducing CO₂ from building material manufacture (Category 1)**
We use concrete, cement and steel (steel framework) in very large quantities, so it is easy to target them for initiatives. We are working to reduce CO₂ from their manufacture. In FY2024, our usage rate of low-carbon concrete and cement was about 12%, and our usage rate of steel framework produced by electric furnaces was about 36%.
- Estimating the lifecycle carbon for buildings at an early stage**
Japan's Inter-Ministerial Liaison Meeting on Building Lifecycle Carbon Reduction expects a system around FY2028 to promote building lifecycle assessments. In anticipation, Kajima developed Carbon Foot Scope—an AI-based system that accurately estimates CO₂ emissions across a building's lifecycle. At a meeting of the Architectural Institute of Japan, we described trends in CO₂ emissions using this system to analyze 15 properties upon the request of owners, as well as 65 properties that we built.

Topics

Reducing CO₂ by 35% in construction, repair and demolition work on a medium-sized office building

Nagoya Fushimi K Frontier is a medium-sized office building developed, designed, and constructed by Kajima. We repurposed existing underground earth retaining structures, used framework produced by electric furnaces, and employed other techniques to reduce lifecycle carbon (excluding energy consumption from operation) by 35% at the contract documentation phase compared to the design development phase.

Major measures include using proprietary low-carbon concrete, fueling construction vehicles with a diesel alternative, selecting low-carbon resin for the raised floor that is often renewed or repaired, and creating optimal renewal and reformation plans based on the long-term facility repair plan.

Comparison of lifecycle carbon estimates (excluding energy consumption from operation) at the design development and contract documentation phases

Phase	New construction work (t-CO ₂ e/m ²)	Renewal and repair (t-CO ₂ e/m ²)	Maintenance and demolishing (t-CO ₂ e/m ²)	Total (t-CO ₂ e/m ²)
Design development	1.93	1.51	0.35	3.79
Contract documentation	0.87	1.22	0.35	2.44

Approx. 35% reduction

Circular Economy Toward a circular economy

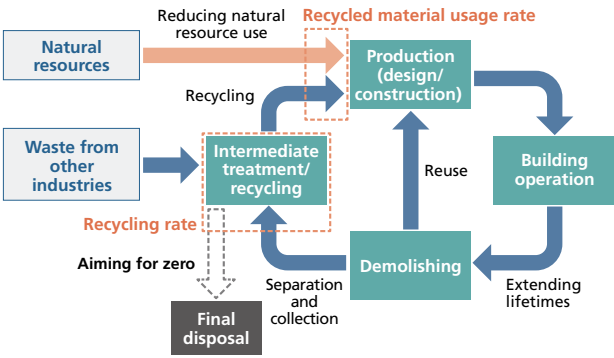
	FY2030 targets	FY2024 results
Recycled material usage rate for main materials	60%	34%
Recycling rate	99%	97%

Targets and results for businesses by Kajima (non-consolidated) and its domestic group companies

In Kajima Environmental Vision 2050plus, we set circular economy KPIs regarding recycled material usage rate and construction waste recycling rate. This is because we feel we must not only reduce the final disposal volume in the core of circular economy activities, but also use recycled materials and reduce resource use if we seek to shift to a circular economy in our material-heavy construction business.

Our KPIs for estimated recycled material usage in main materials are 40% by FY2026 and 60% by FY2030. We have also set use rate targets for low-carbon concrete and steel framework produced by electric furnaces—two categories that are easy to suggest to customers and that we commonly use. Low-carbon concrete replaces part of high-carbon cement with slag and other industrial byproducts, while electric furnace steel repurposes scrap steel. Both are thus classified as recycled materials. We also aim to expand timber and wood-based buildings, as wood is a renewable natural material. These efforts contribute to both carbon neutrality (reducing and absorbing CO₂) and nature positivity (reducing extraction impacts and increasing natural capital), creating synergy across carbon neutrality, circular economy, and

Circular Economy in the construction industry, recycled material usage rate, and recycling rate



nature positivity initiatives. The recycled material usage rate in FY2024 was 34%.

The recycling rate is the percentage of recycled construction waste, with ongoing initiatives focused on reducing and sorting waste. We recycle construction waste as much as possible or appropriately dispose of it in accordance with law. Even waste contaminated with dirt or adhesives—normally unsuitable for recycling—is being processed in collaboration with manufacturers across multiple product categories. Plastic waste, in particular, still has significant potential for improvement. In response to the 2022 Plastic Resource Circulation Act, we are developing technologies to recycle plastic collected from construction sites.

Topics

Circular economy and carbon neutrality synergy with low carbon materials in the Naruse Dam

Dam construction requires a large amount of concrete. For the Naruse Dam, the largest trapezoidal CSG dam^{*1} in Japan (to be completed in FY2027 in Higashinaruse Village of Akita Prefecture), Kajima has used materials that can contribute to both a circular economy and carbon neutrality.

Fly ash from coal-fired power plants is often disposed of as industrial waste without effective reuse. Kajima and three other organizations^{*2} developed fly ash CSG using 435 t of non-JIS-standard fly ash in this project. Compared to conventional CSG, CO₂ emissions from manufacturing are 28% lower.

We also used a total of 1,526 m³ of ECM concrete^{*3} in parts of the dam embankment and foundations as a low-carbon concrete product. As a result, we reduced CO₂ emissions from dam construction by 73 t-CO₂. This marks Japan's first large-scale use of ECM concrete in a dam embankment.



The Naruse Dam under construction

^{*1} Cemented Sand and Gravel: a material made by mixing rock and sand gravel available at a construction site with water and cement
^{*2} Jointly developed by the Ministry of Land, Infrastructure, Transport and Tourism Tohoku Regional Development Bureau, the University of Tokyo, the Japan Dam Engineering Center and Kajima (a total of four organizations), with assistance from Tohoku Electric Power
^{*3} ECM (Energy and CO₂ Minimized) concrete is a form of low-carbon concrete jointly developed by one university and seven companies including Kajima in a project organized by the New Energy and Industrial Technology Development Organization (NEDO)

Topics

Circular economy with wood-based material: Rebuilding the Tohoku Branch building

Kajima and its Group company, Katabami, signed an agreement with the Ministry of Agriculture, Forestry and Fisheries in December 2024 to promote the use of timber in buildings. We aim to create a circular system that fully utilizes forest resources, contributing to a sustainable society where environmental conservation and economic activity coexist.

As part of this initiative, the Tohoku Branch will be rebuilt as a flagship wooden building using fire-resistant laminated timber made entirely of wood. The building will feature our newly developed Transom Seismic Damping System (patent pending), inspired by traditional Japanese architecture, providing earthquake resistance comparable to that of high-rise buildings. The working space adopts a multi-pillar design, with all pillars and beams made of wood, creating a comfortable environment that supports both physical and mental well-being. Approximately 1,810 m³ of timber will be used for structural elements, partly sourced from Kajima Group-owned forests in Tohoku, with the remainder procured in collaboration with forestry stakeholders and timber producers.



Exterior of the new Tohoku Branch building
One floor underground, nine floors above ground. Wooden (seismic-resistant structure) with partial steel framework. Total floor area 8,872 m²
Demolition work began in June 2025 and new construction work is scheduled to begin in FY2026 and end in FY2028

Topics

Material recycle

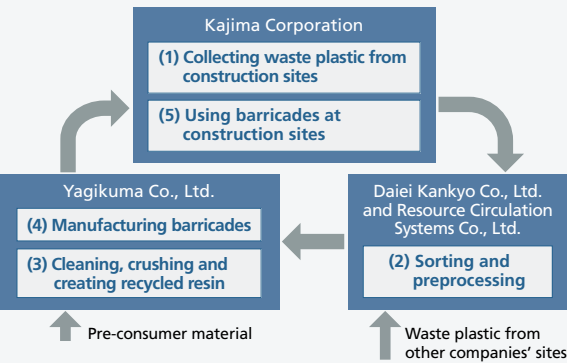
Construction sites generate various waste plastics, but contamination and mixing often lead even clean packaging material to be incinerated, hindering recycling in the construction sector. Kajima collects waste plastics from construction sites and recycles them into products that are usable on-site, such as safety supplies.

Manufacturing of recycled barricades

Waste plastics generated at construction sites, including those of Kajima, are collected^{*1} and sorted and preprocess at intermediate treatment facilities^{*1}. They are then cleaned, crushed, and converted into recycled resin at a plastic molding company^{*2}, where the recycled resin is mixed with polypropylene resin to manufacture recycled barricades.

These barricades are used at Kajima's construction sites, enabling on-site recycling of waste plastics into new products. Kajima has achieved resource circulation within construction sites.

^{*1} Daiei Kankyo Co., Ltd. and Resource Circulation Systems Co., Ltd.
^{*2} Yagikuma Co., Ltd.



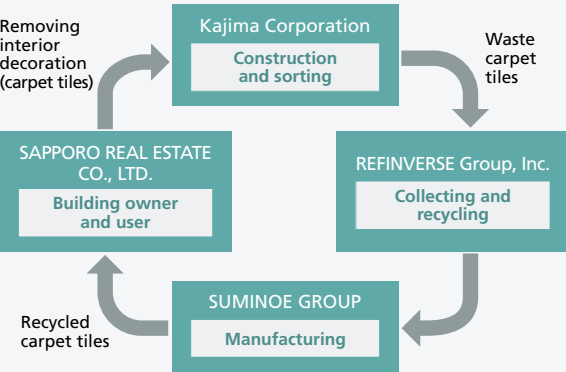
Horizontal recycling for carpet tiles

Office renovations generate large volumes of waste carpet tiles. In the absence of systems for separate collection or direct delivery to recycling plants, these tiles are typically sent as mixed waste to intermediate treatment facilities and landfilled. Tiles consist of textile and resin layers, making them difficult to separate and recycle.

Kajima collaborated with a client^{*3} that actively uses recycled products in the renovation of buildings it owns and manages, to achieve the horizontal recycling of carpet tiles.

The waste tiles are collected^{*4} separately in dedicated vehicles so that they are not mixed with other waste, and are taken directly to a plant^{*4} that makes recycled PVC—a material used in the tiles. In this way, we use waste tiles to manufacture^{*5} recycled ones.

^{*3} SAPPORO REAL ESTATE CO., LTD.
^{*4} REFINVERSE Group, Inc.
^{*5} SUMINOE GROUP



Environment

Nature Positivity Promoting nature positivity

	FY2030 targets	FY2024 results
Number of NbS provided to customers and society (environmental certification, etc.)	Cumulative total: 100	12

Targets and results for businesses by Kajima (non-consolidated) and its domestic group companies

The nature positivity targets in Kajima Environmental Vision 2050plus include achieving “Positive Increase” by revitalizing and restoring the environment, and “Negative Reduction” by eliminating harmful environmental effects at construction sites. To achieve nature positivity, we provide NbS to customers and society (environmental certification, etc.), and conduct efforts on our own land (registration of group-owned forests as Other Effective area-based Conservation Measures (OECM), etc.).

Results in the provision of NbS

	Title Award / Certification
1	Kajima Group Forests (Company-owned forests) Forest × ACT Challenge 2024 (Forest Creation Category) Excellence Award (Director-General of Forestry Agency)
2-3	KX-Forest Karuizawa (Kajima Karuizawa Izuminosato Retreat) SITES Platinum Certification; Triple Star rating in TSUNAG from MLIT
4	Forest Asset Service—Forest measurement and management support service Awards for Excellence (2024Nikkei Excellent Products and Services Awards)
5	Eelgrass bed rehabilitation (Hayama Town, Kanagawa) J Blue Credit
6	Eelgrass bed rehabilitation (Ashikita Town, Kumamoto) J Blue Credit
7	TOKYO PORTCITY TAKESHIBA Triple Star rating in TSUNAG from MLIT
8	KOMAZAWA Park Quarter ABINC Certification
9	Rice terraces in Tokamachi City, Niigata Prefecture (Fureai Farm Sangamura) OECM site
10	SMBC Forest OECM site
11	Chugai Life Science Park Yokohama OECM site
12	Coral Reef Restoration Project “InCORE” Internationally tendered project by the Asian Development Bank (ADB)

Revising the Kajima Group Biodiversity Policy

Kajima significantly revised the Kajima Group Biodiversity Policy in April 2025. We changed the phrase “harmoniously co-existing with nature” to “nature positivity” to align with Kajima Environmental Vision 2050plus, and pledged to actively contribute to nature positivity through our business activities, including the supply chain.

https://www.kajima.co.jp/english/sustainability/policy/environment/index.html

TNFD-based information disclosure and future initiatives

In August 2023, Kajima joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. Ahead of this, we identified and assessed nature-related risks and opportunities in a pilot project based on the TNFD Beta Framework (v0.4) and published the results. We are now applying the Recommendations of the TNFD (v1.0) and plan to disclose our updated analysis within this fiscal year.

https://www.kajima.co.jp/english/sustainability/environment/tnfd/index.html

Topics

Gaining environmental certification for Kajima’s wellness retreat

The KX-Forest KARUIZAWA wellness retreat in Izuminosato, Karuizawa gained Platinum status (the highest level) in SITES, an international environmental certification for landscapes. This is the first lodging facility in Japan to do so. It also gained Triple Star status (the highest rank) in the Certification System for Securing Quantity and Quality Urban Green Space (TSUNAG) created by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). We promote the use of group-owned forests and timber from our land.



We preserved and utilized the existing natural landscape as much as possible while creating a resort space.

Topics

Associating with local communities

Kajima helped to create 31.0 t-CO₂ in blue carbon with technology to support eelgrass bed rehabilitation. Based on longtime activities by Ashikita High School, a regional partnership agreement was signed by six organizations*. We aim to create a model case for community-led nature positivity activities that generate positive cycles, with participation from stakeholders such as regional financial institutions. We have been selected for a basic construction support project under the FY2025 Strategic Reiwa Sea Management Initiative by the Ministry of the Environment.

* Ashikita Town, Ashikita Town Fishery Association, Kumamoto Prefectural Ashikita High School, The Higo Bank, Ltd., The Foundation for the Preservation of Green and Water Resources of Higo, and Kajima Corporation



An eelgrass bed off the coast of Hakariishi that creates blue carbon through local partnership

Quality

Quality assurance initiatives

Kajima maintains ISO 9001 certification in both its Civil Engineering and Building Construction divisions by continuing to operate comprehensive quality management systems. The Civil Engineering Division operates a quality control system based on ISO standards, as defined in the Civil Engineering Work Manual, Civil Engineering Work Management Procedure, and Construction Plan Creation Procedure. Construction plans are designed to clearly identify potential issues and implement preventive measures. Follow-up is conducted through on-site management and periodic internal inspections, with process improvements made as necessary.

The Building Construction Division applies KTMS (Kenchiku Koji Total Management System), a proprietary ISO-based quality management system. The KTMS Basic Operation Procedure defines systematic management methods for each operational phase, including planning, design, construction, and maintenance. Daily on-site quality management receives consistent oversight from both branch offices and the Head Office, including meetings, audits, inspections, and site patrols. Knowledge-sharing through the corporate intranet further enhances employees’ quality control capabilities.

For design-build projects, rigorous design reviews and

drawing check processes are applied at each design phase. Early collaboration with the construction department (front-loading) and feedback from post-construction evaluations allow proactive management of design-build risks. Construction supervision ensures compliance with design documentation and maintains quality standards.

The KTMS is deployed and operated internationally. Specialized committees, such as the Overseas Important Construction Project Review Committee, work to anticipate and prevent quality risks, with follow-up measures implemented from pre-construction stages through to project completion. The Head Office system enables the sharing of quality control information and management methods with overseas subsidiaries.

Response to quality issues

To prevent quality issues, construction reviews are conducted prior to groundbreaking. In the event of an incident, immediate reporting to both branch offices and the Head Office is mandatory. Root causes are analyzed and corrective measures implemented to prevent recurrence and limit the impact across the Group. Lessons learned are shared and incorporated into training programs using real-case examples.

Topics

Effective quality control methods

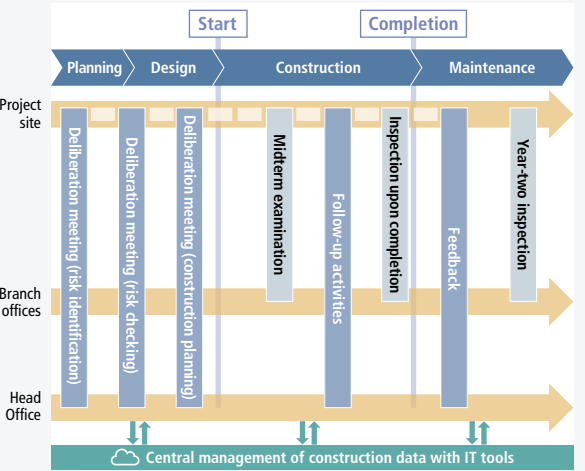
In the Building Construction Division, detailed manuals for each operational phase define the KTMS process, which integrates risk assessment, audits, and inspections conducted by branch offices and the Head Office. Project quality data is centrally managed through IT tools, enabling real-time response coordination across sites and offices.

To strengthen employees’ skills, the Kajima Technical Center, opened in 2023, offers hands-on training where young engineers learn quality control practices from experienced mentors. Educational videos featuring real-world failure cases allow flexible and efficient learning. Having served as project manager across multiple sites, I recognize that the most important aspect of quality control is proactive management with focused checks. Going forward, I will always check key elements with my own eyes and boost the capabilities of each site with efficient and effective quality control methods to ensure Kajima quality.



Shigeyuki Okajima
General Manager, Construction Technology Department, Building Construction Management Division

Quality control process in KTMS



Outside Officer Discussion

Outside Director Tamotsu Saito, who chairs the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee, gathered with Audit & Supervisory Board Members Masahiro Nakagawa and Emiko Takeishi. They discussed several topics, including board deliberations, talent development, and the principal challenges that must be addressed to sustain future growth.



Emiko Takeishi
Audit & Supervisory Board Member

Member of the Governance and Remuneration Advisory Committee

Tamotsu Saito
Outside Director

Chairperson of the Nomination Advisory Committee
Chairperson of the Governance and Remuneration Advisory Committee

Masahiro Nakagawa
Audit & Supervisory Board Member

Member of the Governance and Remuneration Advisory Committee

Impressions of Kajima

Saito My initial impression of Kajima is its deeply human character. This might explain why many clients choose to place custom orders with Kajima, relying on a strong relationship built on mutual trust. I have also observed Kajima's formidable technical capabilities. Recently, I visited Expo 2025 Osaka, Kansai, Japan and saw the Sustainability Dome, which was constructed using Kajima's eco-friendly concrete. During Board sessions, briefings on seismic isolation and damping technologies—applied to projects such as Rapidus's new plant—reaffirmed Kajima's capacity to address societal challenges, from climate change to natural disasters.

Nakagawa In a positive sense, Kajima exemplifies the strengths of Japanese-style management. While it is often dismissed as conservative or outdated, I hold a different view. Kajima emphasizes corporate longevity and aligns its values with the collective interests of stakeholders, employee welfare, and social contribution—preserving the enduring strengths of Japan's management traditions. This company demonstrates a

deep sense of duty to support the nation's craftsmanship and infrastructure through its technical excellence.

Takeishi I strongly associate Kajima with the Kasumigaseki Building, Japan's first high-rise. While examining internal documents, I saw that Kajima used a large computer to analyze earthquake resistance and implemented other cutting-edge technologies of the time for construction. Since becoming an Audit & Supervisory Board Member, I have also come to appreciate Kajima's growing global footprint. Established in Singapore in 2023, the GEAR advances R&D and open innovation, serving as a foothold for overseas growth. It's clear to me that Kajima places great importance on partnerships—with clients, partner companies, and beyond.

Nakagawa Over my seven years as an Audit & Supervisory Board Member, I have observed several notable changes.

First, the Group's business has expanded—particularly in overseas and real estate development. While these areas offer encouraging growth, they also call for adapted decision-

making processes and more tailored risk controls.

Domestically, Kajima is tackling projects in socially significant fields: in civil engineering, the company has been an early mover in renewable energy—such as offshore wind in Akita—and in building construction it has entered growth domains requiring advanced engineering, including semiconductor and biomanufacturing facilities.

Kajima's approach to workstyles has also evolved. By responding to the challenging limit on overtime work that took effect in FY2024, we have achieved rapid work style reform. I believe a company-wide awareness of changing work methods—through automation and digitalization to reduce hours—has spread to all our worksites and gained traction with our clients.

Supervising function of the Board of Directors

Takeishi Recently, the Board of Directors has been discussing medium- to long-term issues, including workstyle reform, sustainability, and innovation. This marks a significant shift. Company board meetings can sometimes be somewhat formulaic, but not at Kajima. The reports openly address concerns related to the current business landscape, and the discussions are balanced and lively. I find it very easy to speak up at Kajima's Board meetings.

Nakagawa As Kajima expands its business both domestically and overseas, the broad expertise of our outside officers is vital for effectively overseeing our two distinct business models: construction and real estate development.

While dialogue between outside officers and executives primarily takes place at Board meetings, we should create opportunities for open-ended discussions to leverage their diverse cross-sector expertise. This would allow us to freely explore broad topics and discover new themes.

Saito As GX and DX efforts accelerate, it will also be essential to discuss the future direction of the construction business. Although our three-year Medium-Term Business Plan focuses on the near term, we must also consider what lies beyond. Fundamental discussions are vital for creating comfortable office and living environments by utilizing all available approaches, including conventional construction and digital technologies.

While Kajima is performing well and making steady progress on its Medium-Term Business Plan, I believe it is vital for the Board to continue supporting this growth through active discussion, particularly in the area of effective risk management.

Revision of the officer remuneration system and agenda of the Nomination Advisory Committee

Saito A key aspect of revising officer remuneration was raising the proportion of performance-linked remuneration, taking into account trends in other companies. There was a consensus to adopt ROE—a key KPI in our Medium-Term Business Plan—as a metric, while also including safety performance and employee engagement. Discussions concluded smoothly at the Governance and Remuneration Advisory Committee.

Takeishi Since officer remuneration was somewhat lower than that of other similarly sized companies, the outside officers proposed raising the overall compensation level. However, internal directors noted the need to maintain a fair balance with employee pay. Notably, an outside officer's opinion that increasing officer remuneration would improve employee motivation was ultimately accepted.

Saito Last year's discussions centered on the officer remuneration system, but this year I'd like to shift the focus toward governance.

Nakagawa The proposed revision to officer remuneration was recommended by the Governance and Remuneration Advisory Committee, which is composed solely of outside officers. These outside officers are the driving force behind corporate governance reform.

Takeishi When it comes to governance, it is vital to remember that issues often occur in overlooked areas when businesses, subsidiaries, and overseas locations expand. It is important to take action from a broad perspective of the entire Group.



Outside Officer Discussion

Saito The succession plan is the most significant issue in the Nomination Advisory Committee, which I also chair. Looking ahead to the next era of leadership, I would like to discuss how we can accelerate the appointment of Executive Officers. Divisions are often hesitant to release talented young and mid-career employees to other departments. When I was president of IHI Corporation, I introduced a framework that allowed promising individuals to gain experience across multiple divisions. I've come to realize that without revisiting the underlying structure, it's difficult to identify and promote such talent—and I hope Kajima will consider this seriously.

Takeishi On the topic of talent development, I see another important challenge. Kajima is actively promoting women in the workplace, but progress is still underway, and I remain concerned about the low number of female executives. I hope diversity will be more intentionally incorporated into the succession planning process. While full-time, front-line employees tend to stand out, I believe there are also highly capable and motivated individuals whose work pace may be temporarily adjusted due to childcare or other responsibilities. I'd like to see Kajima identify and support these employees, enabling women thrive over the long term.

Kajima's people, technology, and core strengths

Saito Last year, a Kajima representative spoke at a seminar attended by companies from various industries, where I learned that Kajima is increasingly using AI in its design work. I feel that Kajima is very passionate about its efforts, even when compared with other manufacturers. Kajima is accelerating R&D due to the increased demand for AI



utilization in design and construction, which is driven by labor shortage concerns. This is one of Kajima's strengths.

Nakagawa As a technology-based company, Kajima advances R&D through its Technical Research Institute in Japan and The GEAR in Singapore, while also recognizing that construction sites themselves are places of constant, incremental innovation. Innovation and creative disruption are often attributed to exceptional entrepreneurs; yet, they more often emerge within large enterprises where talent, technology, and capital converge to create powerful synergies. Even when promising solutions are proposed by external startups, embedding them effectively in day-to-day site operations is rarely straightforward. By contrast, in-house technological ideas can be swiftly piloted and scaled across sites, providing a more direct pathway to innovation.

Takeishi I agree that Kajima possesses extensive technology and expertise at its sites. Unlike mass manufacturing, construction is unique in that every project and every site presents new conditions. We must advance the work while tackling daily challenges—for example, devising countermeasures against spring water during excavation. I was genuinely impressed by the sheer breadth of this accumulated technical capability.

When I visited the track switching operation at JR Shibuya Station, I learned that around 1,000 workers were involved in each switch. I was impressed with Kajima's ability to coordinate everyone in the same direction. Systematically codifying and building upon this on-site know-how could support ongoing business growth.

Nakagawa Going back to the topic of labor shortages, the construction industry went through a difficult period marked by compliance issues and weak performance, which hurt its overall reputation. While construction work can be tough, it supports people's lives and lays the foundations for national and social development. This is why young people continue to aspire to the profession. I believe the key is to help them envision a career in construction that offers a promising future, diverse career paths, personal fulfillment, and commensurate compensation. Accordingly, one of Kajima's most important tasks is to consistently communicate its vision and values to society.

Takeishi I agree. Employee feedback during the development of the Medium-Term Business Plan indicates that young employees prioritize social contribution. Kajima should take a more proactive approach to highlight the benefits of construction. Labor shortages are a widespread problem across the industry, and Kajima should take a leadership role in addressing this issue. Kajima is already leading efforts to

improve the careers of skilled workers at partner companies and has established and manages the Kajima Partner College. I hope that Kajima continues to prioritize talent development with an industry-wide perspective.

Longer-term issues and expectations for Kajima

Nakagawa As I noted earlier, a key challenge lies in effectively steering both the construction and real estate development businesses, each with its own distinct risk profile. Despite the upheavals of recent years—including the pandemic and inflation—our overseas operations have expanded substantially, contributing significantly to our earnings. Since the business landscape and local characteristics vary between regions, it is important to deal with uncertainty. Kajima must also strengthen its ability to respond to unforeseen events, sharpen its risk detection capabilities, and ensure swift information flows.

Saito Looking ahead, I believe Kajima's long-term success will increasingly be driven by its overseas projects. Although robust domestic projects may sustain earnings in the near term, they alone cannot achieve the scale of growth required. For example, the global demand for data centers and the power facilities that support them is expected to surge. I therefore encourage Kajima to continue expanding internationally. From my experience at IHI, which has undertaken large-scale overseas projects such as bridges, I have learned that smooth execution requires a deep understanding of local legal frameworks, tax regimes,



and various other factors. By assigning more employees to overseas roles, Kajima can strengthen its organizational resilience and execution capability.

Takeishi Even with today's robust performance, Kajima should avoid settling into routine and continue to take on bold new challenges rather than relying on precedent. Paradoxically, the lack of an external crisis to spur transformation feels like a potential risk in itself.

Skilled talent is the most valuable assets in construction, as people work together to continuously address issues at sites. By stepping up diversity efforts and tapping into the unique strengths of its people, Kajima can build a workplace where everyone thrives and drives sustainable growth.



Officers (As of June 27, 2025)

Directors

Years in office Number of shares owned



Yoshikazu Oshimi
Chairman, Representative Director
10 years 74,205 shares
1974 Joined the Company
2021 Chairman, Representative Director (to the present)



Hiromasa Amano
President, Representative Director
4 years 61,432 shares
1977 Joined the Company
2021 President (to the present)
Representative Director (to the present)



Keisuke Koshijima
Representative Director, Executive Vice President,
General Manager, Overseas Operations Division
4 years 28,402 shares
1978 Joined the Company
2010 General Manager, Overseas Operations Division (to the present)
2018 Executive Vice President (to the present)
2021 Representative Director (to the present)



Masaru Kazama
Representative Director, Executive Vice President, General Manager,
Civil Engineering Management Division, Responsible for Safety
2 years 41,073 shares
1981 Joined the Company
2022 General Manager, Civil Engineering Management Division
(to the present)
2023 Representative Director (to the present), Executive Vice President
(to the present)
2024 Responsible for Safety (to the present)



Hiroshi Ishikawa
Director, Executive Vice President, Responsible for Sales and Marketing
25 years 2,589,069 shares
1989 Advisory Counselor
2005 Director (to the present)
2016 Executive Vice President (to the present)
2024 Responsible for Sales and Marketing (to the present)



Takeshi Katsumi
Director, Executive Vice President, General Manager,
Administration Division, Overseeing Audit Department, and
Safety and Environmental Affairs Department
4 years 39,228 shares
1980 Joined the Company
2020 General Manager, Administration Division (to the present)
2021 Director (to the present)
2024 Executive Vice President (to the present)



Takashi Kumano
Director, Managing Executive Officer, General Manager,
Treasury Division
1 year 7,100 shares
1983 Joined the Company
2024 Director (to the present)
Managing Executive Officer (to the present)
General Manager, Treasury Division (to the present)



Yoichi Suzuki
Director^{*1}
4 years 2,500 shares
1975 Joined the Ministry of Foreign Affairs, Japan (MOFA)
2005 Consul-General in Boston
2008 Director-General, Economic Affairs Bureau of MOFA
2010 Ambassador to Singapore
2013 Ambassador to France
2016 Government Representative and Ambassador in charge of
the Kansai region
2017 Government Representative and Ambassador for
International Economic Affairs
2018 Retired from MOFA
2021 Director of the Company (to the present)



Tamotsu Saito
Director^{*1}
3 years 2,900 shares
1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd.
(currently IHI Corporation)
2012 President, Representative Director, CEO, IHI Corporation
2016 Chairman of the Board, Representative Director, CEO,
IHI Corporation
2020 Senior Counselor, IHI Corporation
2022 Director of the Company (to the present)
2023 Chairman, New Energy and Industrial Technology Development
Organization (to the present)
2024 Special Advisor, IHI Corporation (to the present)



Masami Iijima
Director^{*1}
2 years 1,500 shares
1974 Joined MITSUI & CO., LTD.
2008 Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
Representative Director, Senior Executive Managing Officer,
MITSUI & CO., LTD.
2009 Representative Director, President and Chief Executive Officer,
MITSUI & CO., LTD.
2015 Representative Director, Chair of the Board of Directors,
MITSUI & CO., LTD.
2021 Director, MITSUI & CO., LTD.
Counselor, MITSUI & CO., LTD. (to the present)
2023 Director of the Company (to the present)



Kazumine Terawaki
Director^{*1}
2 years 4,400 shares
1980 Public Prosecutor, Tokyo District Public Prosecutors Office
2014 Director-General, Public Security Intelligence Agency
2015 Superintending Prosecutor, Sendai High Public Prosecutors Office
2016 Superintending Prosecutor, Osaka High Public Prosecutors Office
2017 Retired from Public Prosecutors Office
Registered as attorney
2019 Audit & Supervisory Board Member of the Company
2023 Director (to the present)



Yuko Yasuda
Director^{*1}
Newly appointed 0
1985 Joined IBM Japan, Ltd.
1991 Joined Booz Allen Hamilton Inc.
1993 Joined Russell Reynolds Associates Japan, Inc.
1996 Managing Director, Russell Reynolds Associates Japan, Inc.
2003 Representative, Japan Office, and Executive Committee Member,
Russell Reynolds Associates, Inc.
2013 Executive Committee Member, Russell Reynolds Associates, Inc.
2020 Senior Partner, Board Advisors Japan, Inc.
2023 Executive Vice President, Board Advisors Japan, Inc. (to the present)
2025 Director of the Company (to the present)

*1 Outside Director as defined in Article 2, Item 15, of the Companies Act.

Audit & Supervisory Board Members

Years in office Number of shares owned



Masahiro Nakagawa
Audit & Supervisory Board Member^{*2}
7 years 6,200 shares
1981 Joined the Sumitomo Bank, Limited
2010 Executive Officer and General Manager, Real Estate Corporate
Business Office, Sumitomo Mitsui Banking Corporation
2013 President and CEO, SMBC Trust Bank Ltd.
2015 Representative Director, Deputy Chief Executive and Deputy Chief
Executive Officer, SMBC Trust Bank Ltd.
2018 Audit & Supervisory Board Member of the Company (to the present)



Kazushi Suzuki
Audit & Supervisory Board Member
4 years 5,100 shares
1984 Joined the Company
2021 Audit & Supervisory Board Member (to the present)



Toshiaki Kobayashi
Audit & Supervisory Board Member
1 year 5,300 shares
1986 Joined the Company
2024 Audit & Supervisory Board Member (to the present)



Emiko Takeishi
Audit & Supervisory Board Member^{*2}
2 years 500 shares
1982 Joined the Ministry of Labour (currently the Ministry of Health,
Labour and Welfare)
1992 Joined NLI Research Institute
2003 Assistant Professor, Institute of Social Science,
the University of Tokyo
2004 Senior Researcher, NLI Research Institute
2007 Professor, Faculty of Lifelong Learning and Career Studies,
Hosei University (to the present)
2023 Audit & Supervisory Board Member of the Company (to the present)



Makiko Nakamori
Audit & Supervisory Board Member^{*2}
1 year 900 shares
1987 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
1991 Joined Inoue Saito Eiwa Audit Corporation (currently KPMG AZSA LLC)
1996 Registered as a certified public accountant
1997 Representative Partner, Nakamori CPA Offices (to the present)
2024 Audit & Supervisory Board Member of the Company (to the present)

*2 Outside Audit & Supervisory Board Member as defined in Article 2, Item 16, of the Companies Act.
Note: The number of shares owned is as of the end of April 2025.

Executive Officers

President

Hiromasa Amano
General Manager, Sales and Marketing Division

Executive Vice Presidents

Keisuke Koshijima
General Manager, Kansai Branch

Masaru Kazama
General Manager, Civil Engineering Management Division, Responsible for Safety

Hiroshi Ishikawa
Responsible for Sales and Marketing

Takeshi Katsumi
General Manager, Administration Division
Overseeing Audit Department, and Safety and Environmental Affairs Department

Senior Executive Officers

Takaharu Fukuda
Responsible for Research and Development and Building Structures, Overseeing Digital Strategy Office and Intellectual Property and License Department

Norio Kita
General Manager, Architectural Design Division

Yoshihiko Riho
Director, Kajima Technical Research Institute, Responsible for CUOCO, Green Innovation Fund Project and A²CSEL

Katsuhisa Takekawa
General Manager, Building Construction Management Division
Responsible for Safety (Construction)

Katsunori Ichihashi
General Manager, Real Estate Development Division and General Manager, Executive Office

Jun Shimai
General Manager, Sales and Marketing Division

Takeshi Kayano
General Manager, Kansai Branch

Nobuaki Yoshioka
General Manager, Tokyo Architectural Construction Branch

Managing Executive Officers

Yasuhiko Yamada
Deputy General Manager, Building Construction Management Division and Deputy General Manager, Tokyo Architectural Construction Branch

Michiya Uchida
General Manager, Environmental Engineering Division

Shuichi Oishi
President, Kajima Development Pte. Ltd.

Kazuyoshi Yonezawa
Deputy General Manager, Tokyo Architectural Construction Branch

Nobuhiro Kobayashi
Deputy General Manager, Building Construction Management Division and Deputy General Manager, Tokyo Architectural Construction Branch, Responsible for Construction RX Consortium

Hidemitsu Yoshihiro
General Manager, Tokyo Civil Engineering Branch

Koji Ikkatai
General Manager, Engineering Division

Tetsuya Ashida
Deputy General Manager, Civil Engineering Management Division

Hiroyuki Komori
General Manager, Kyushu Branch

Masami Moriguchi
Deputy General Manager, Civil Engineering Management Division, Overseeing Renewable Energy Department and Mechatronics Solutions Department

Takashi Kumano
General Manager, Treasury Division

Munehisa Yoshimi
Deputy General Manager, Sales and Marketing Division

Tadashi Fujimura
Deputy General Manager, Architectural Design Division

Masafumi Kiryu
General Manager, Yokohama Branch

Hirotaken Takabayashi
General Manager, Corporate Planning Department, Overseeing Affiliated Business Department

Yoshinobu Ozaki
General Manager, Shikoku Branch

Jirou Tsuneoka
General Manager, Chugoku Branch

Shoichi Nomura
General Manager, Kanto Branch

Executive Officers

Mitsuru Niizuma
Deputy General Manager, Administration Division, Overseeing Public Relations Office

Yoshinori Moriyama
Senior Supervisory Engineer

Kenichi Nakajima
General Manager, International Division

Yasushi Kurokawa
Deputy General Manager, Architectural Design Division

Masaya Hiraoka
Deputy General Manager, Architectural Design Division

Toshio Taikoji
General Manager, Planning Department, Civil Engineering Management Division

Yukio Chida
Deputy General Manager, Tokyo Architectural Construction Branch

Hiroto Ichiki
President, Kajima Europe Ltd.

Naoshi Nishizawa
General Manager, Human Resources Department, Overseeing IT Solutions Administrative Services

Junji Kimura
General Manager, Hokuriku Branch

Daijiro Akita
General Manager, Chubu Branch

Daisuke Horiuchi
Deputy General Manager, Building Construction Management Division and General Manager, Planning Department

Yukio Tada
General Manager, Civil Engineering Design Division

Tsuneo Narumi
Deputy General Manager, Sales and Marketing Division

Mitsuhiro Murao
Senior Supervisory Engineer, Civil Engineering Management Division

Junichiro Kurokawa
Senior Supervisory Engineer, Civil Engineering Management Division

Masaaki Tsukamoto
General Manager, Nuclear Power Department

Eiichi Saitoh
Deputy General Manager, Tokyo Architectural Construction Branch

Kazumasa Okumura
General Manager, Hokkaido Branch

Hirokazu Kishi
Deputy General Manager, Sales and Marketing Division

Hiroyuki Tanaka
General Manager, Project Promotion Department, Civil Engineering Management Division

Gen Okumoto
General Manager, Construction Technology Department, Civil Engineering Management Division, Responsible for Safety (Civil engineering)

Takayuki Yokoi
General Manager, Tohoku Branch

Hiroaki Sawa
President, Kajima Overseas Asia Pte. Ltd.

Corporate Governance

Overview of the corporate governance structure

Kajima has elected to use a Company with an Audit & Supervisory Board structure, in which the Board of Directors makes key business decisions and monitors business execution and its Audit & Supervisory Board audits the execution of duties by directors.

We have established a structure where Audit & Supervisory Board Members, including independent outside members, conduct rigorous audits. The Board of Directors, composed of directors well versed in Kajima's businesses and outside directors with extensive management experience and deep insight gained as corporate executives, deliberates and decides on key management policies and oversees the execution of operations.

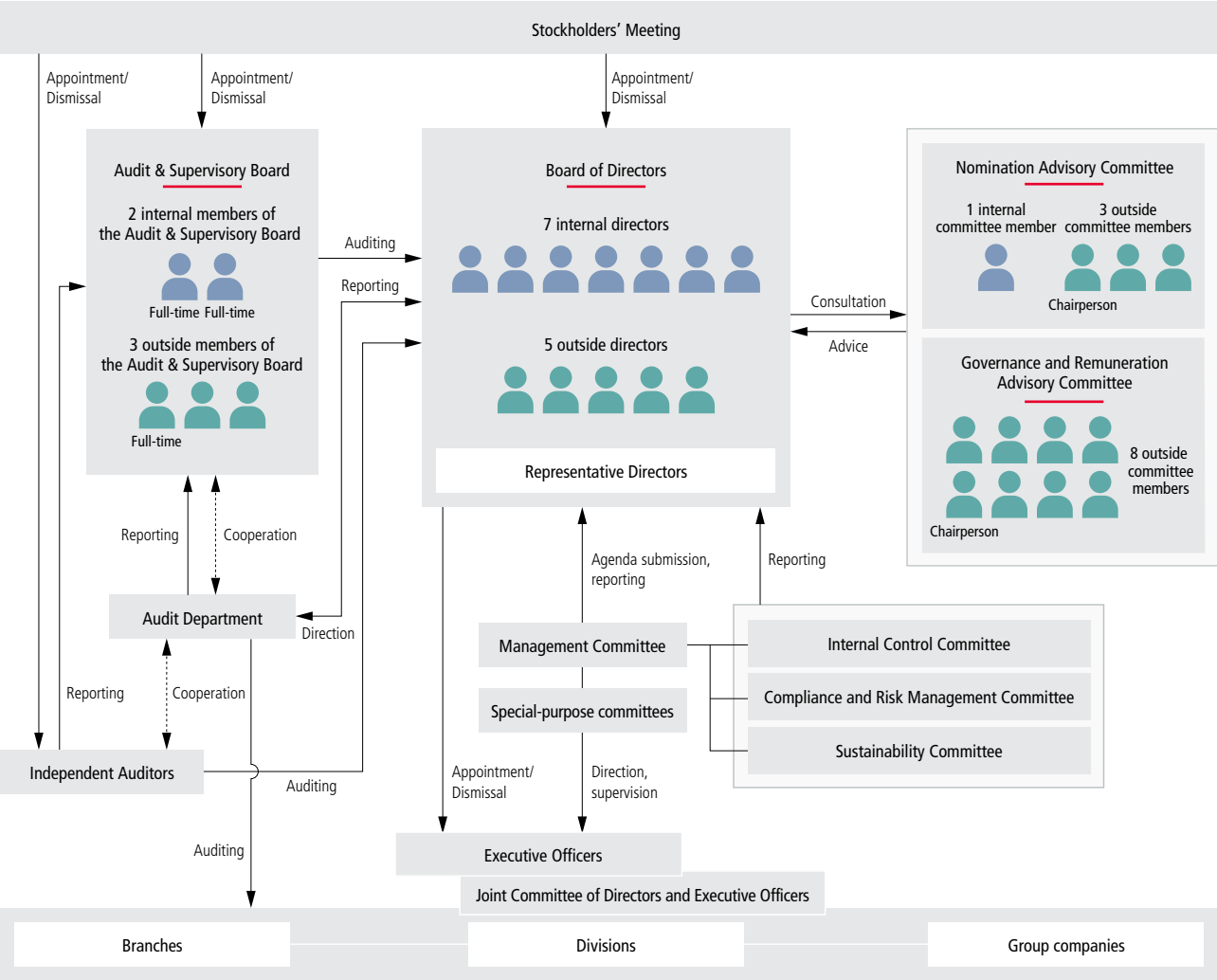
To strengthen business oversight, Kajima has established two advisory committees to the Board of Directors: the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee. To enhance operational

efficiency, we have established the Management Committee and the Joint Committee of Directors and Executive Officers. The Management Committee, chaired by the President, meets weekly to discuss and decide on critical operational matters as directed by the Board of Directors.

The Basic Policy for Building Internal Control Systems is established by Board of Directors resolution. This policy aims to ensure strict compliance, efficient business execution, and effective risk management, while guaranteeing reliable financial reporting, underpinned by the organizational structure described above. The Internal Control Committee regularly reviews the establishment and operation of the internal control system and reports its findings to the Board of Directors.

In addition, operating independently from business execution, the Audit Department audits Kajima Corporation and its Group companies in accounting, business activities, internal controls, and compliance and risk management. Audit findings are reported directly to the Board of Directors and the Audit & Supervisory Board.

Corporate governance structure



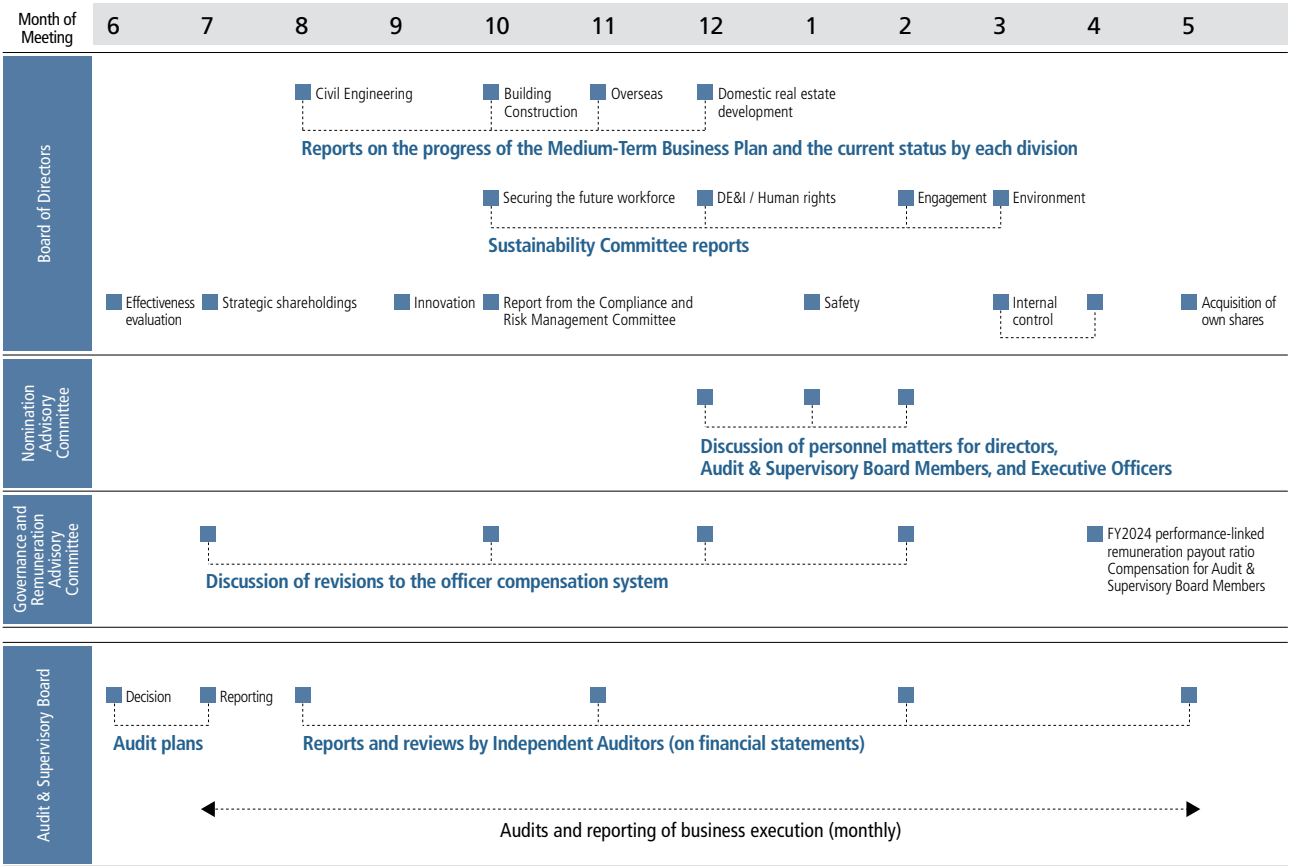
Board of Directors	Number of members	12 directors, five of whom are outside directors (serve one-year terms)
	Chairperson	Chairman
	Member	All directors and members of the Audit & Supervisory Board
	Number of meetings held in FY2024	13 meetings
Key matters reviewed and implemented		
- Deliberation and decision-making on key management policies, statutory matters, and other important issues related to management - Supervision of the execution of business operations - Confirmation of progress on management plans		

Audit & Supervisory Board	Number of members	5 persons, three of whom are outside members of the Audit & Supervisory Board (serve four-year terms)
	Chairperson	Outside member of the Audit & Supervisory Board
	Member	All Audit & Supervisory Board Members
	Number of meetings held in FY2024	15 meetings
Key matters reviewed and implemented		
- Status of execution of duties by directors and the condition of the company's assets - Compliance with laws, regulations, and the Articles of Incorporation, and the status of development and operation of systems for managing risks of loss - Development and operation of systems to ensure the appropriateness of operations within the Kajima Group - Implementation of audits through communication with directors, the internal audit department, and others		

Nomination Advisory Committee	Chairperson	Outside director
	Member	President and Outside directors
	Number of meetings held in FY2024	3 meetings
Purpose		
Discuss personnel matters for directors and make recommendations to the Board of Directors		

Governance and Remuneration Advisory Committee	Chairperson	Outside director
	Member	Outside directors and Audit & Supervisory Board Members
	Number of meetings held in FY2024	5 meetings
Purpose		
Discuss important governance matters, including those related to officer remuneration, and make recommendations to the Board of Directors		

FY2024 meetings held by the Board of Directors, Audit & Supervisory Board, and various committees (Key Topics)



Expertise and experience desired of directors and Audit & Supervisory Board Members

Since Kajima broadly operates businesses across all phases of the value chain, mainly in domestic and overseas construction and real estate development, its directors and Audit & Supervisory Board Members must possess experience, expertise, and exceptional qualities to ensure appropriate decision-making and effective supervision of management. From that

perspective, we have created a skills matrix to identify the necessary qualifications for directors, including expertise in business, finance, and technology. Director selection considers broad diversity and composition, aiming for a balanced mix of knowledge, experience, and capabilities. To ensure objectivity and transparency in the nomination of candidates for director and Audit & Supervisory Board Member roles, discussions and decisions are guided by the recommendations and insights provided by the Nomination Advisory Committee.

Skills matrix for directors and Audit & Supervisory Board Members

* Committees: ■ = Nomination Advisory Committee member, ◆ = Governance and Remuneration Advisory Committee member, ★ = Chairperson

Name	Position	Committee member*	Main areas of expertise and experience								
			Corporate management	Finance/Accounting	Compliance/Risk management	Technology/IT	Sales/Marketing	Environment and society	Global business	Personnel matters/Human resources development	Knowledge of construction and real estate development
Directors	Yoshikazu Oshimi	Chairman, Representative Director	●			●	●	●		●	●
	Hiromasa Amano	President, Representative Director	■	●		●	●	●		●	●
	Keisuke Koshijima	Representative Director, Executive Vice President	●		●		●		●	●	●
	Masaru Kazama	Representative Director, Executive Vice President	●			●	●		●	●	●
	Hiroshi Ishikawa	Director, Executive Vice President	●				●				●
	Takeshi Katsumi	Director, Executive Vice President	●	●	●			●			●
	Takashi Kumano	Director, Managing Executive Officer	●	●	●						●
	Yoichi Suzuki	Director	◆		●			●	●		
	Tamotsu Saito	Director	■ ★ ◆ ★	●		●		●	●	●	
	Masami Iijima	Director	■ ◆	●	●			●	●	●	
	Kazumine Terawaki	Director	◆		●			●			
	Yuko Yasuda	Director	■ ◆	●				●	●	●	
Audit & Supervisory Board Members	Masahiro Nakagawa	Audit & Supervisory Board Member	◆	●	●					●	
	Kazushi Suzuki	Audit & Supervisory Board Member		●	●						●
	Toshiaki Kobayashi	Audit & Supervisory Board Member			●					●	●
	Emiko Takeishi	Audit & Supervisory Board Member	◆		●			●		●	
	Makiko Nakamori	Audit & Supervisory Board Member	◆	●	●	●		●			

Reasons for selection of the desired skills

Main areas of expertise and experience	Reasons for selection
Corporate management	To oversee strategic direction and business execution
Finance/Accounting	To ensure accurate financial reporting, build a strong financial foundation, pursue growth investments including M&A, and deliver stockholder returns
Compliance/Risk management	To ensure ongoing compliance and risk management
Technology/IT	To continuously enhance our technological capabilities by incorporating advanced IT and digital technologies as a technology-based company, and to keep delivering value to society and our customers
Sales/Marketing	To focus on growth and priority areas while nurturing and strengthening client relationships
Environment and society	To promote sustainability-focused management addressing environmental issues such as climate change, building a sustainable supply chain and promoting DE&I
Global business	To drive growth and respond to the increasing globalization of our business, we have prioritized global operations
Personnel matters/Human resources development	To cultivate a diverse and skilled workforce and foster a sustainable business, we prioritize investments in human capital across the entire supply chain
Knowledge of construction and real estate development	To further strengthen and expand our value chain, particularly in the construction and real estate development businesses

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 functions. The method for analyzing and evaluating the effectiveness of the Board as a whole and the results for the period from June 2024 to May 2025 are described below.



Outside officers visited the Kajima Technical Research Institute

Analysis and evaluation method

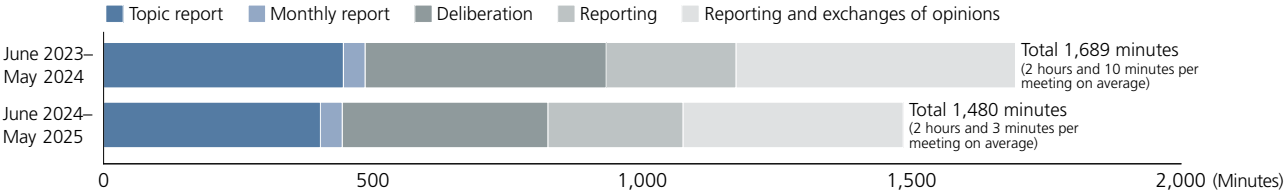
- (1) Retain an external organization to conduct a survey of all directors and members of the Audit & Supervisory Board.
- (2) Based on the results of the survey and quantitative and qualitative analysis of matters such as the content of agenda items submitted to the Board of Directors meetings and the deliberation time, all members of the Board of Directors discuss actions taken in response to the recommendations and issues raised in the evaluation conducted in past fiscal years. They also review the activities of the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee, as well as future issues and other topics, to evaluate their effectiveness.
- (3) The evaluation process and results are reviewed by external experts to ensure objectivity.

Evaluation results for the current period

The Board of Directors evaluated that the Board, the Nomination Advisory Committee and the Governance and Remuneration Advisory Committee are functioning appropriately and their effectiveness is being ensured.

- Based on the results of quantitative and qualitative analyses and surveys conducted by external organizations, the composition, operations, and deliberations of the Board of Directors are considered appropriate.
- Sufficient discussions have been held regarding the progress of initiatives under the Medium-Term Business Plan, including the current status of each business division and sustainability-related efforts.
- We continue to facilitate more in-depth Board discussions, expand opportunities for dialogue outside of meetings, and regularly review the Board's composition.

1. Changes to times for deliberation and question-and-answer sessions by agenda item



Note: Except the Board meeting held on the day of the Ordinary Stockholders' Meeting

2. Actions taken in response to the recommendations and issues raised in the previous fiscal year

Recommendations and issues raised in the previous fiscal year	Progress made on initiatives during this evaluation period	Advice for improvements in the next fiscal year
Issue 1 Further enhancement of deliberations at Board of Directors' meetings	Discussions on the current status and policies of each business division Reports on comments and requests from investors and analysts, followed by discussions aimed at enhancing corporate value	Include reports from domestic branches Conduct site visits to help outside officers better understand the business Increase the ratios of outside directors and female directors
Issue 2 Greater opportunities to engage in dialogue other than at Board of Directors' meetings	In December 2024, outside officers visited the Kajima Technical Research Institute Informal gathering by directors, Audit & Supervisory Board Members, and executive officers held	
Issue 3 Continuous review of the composition of the Board of Directors	From FY2023 to FY2024, the ratios of outside officers and female officers remained flat	

3. Nomination Advisory Committee and Governance and Remuneration Advisory Committee

When the Board of Directors deliberated on officer appointments and remuneration, the outside director who chaired both committees presented the outcomes and recommendations from the discussions. The Board then reviewed these inputs and made decisions accordingly. This framework is recognized as ensuring the Board's objectivity, transparency, and effectiveness.

Future issues

- (1) Address agenda items such as digitalization and domestic branch reports. Continue to use written resolutions and simplify agenda explanations
- (2) Consider holding site visits
- (3) Continue discussions to diversify the composition of the Board of Directors

Officer remuneration

• Director remuneration

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

To ensure objectivity and transparency in determining director remuneration, the Governance and Remuneration Advisory Committee, which is comprised of outside directors and outside members of the Audit & Supervisory Board 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 the executive officer position for directors concurrently serving in that role).

Furthermore, at the March 2025 Board of Directors meeting, revisions were made to the director remuneration system. [▶ Page 100](#)

Ratio of fixed remuneration and performance-linked remuneration

	Fixed remuneration (monthly remuneration)	Performance-linked remuneration	
		Bonus	Stock remuneration
President	35%	35%	30%
Director (Excluding the President)	The higher the position, the higher the percentage of the performance-linked bonus and stock remuneration.		

Note: Assuming bonuses are equal to standard amounts and stock remuneration is equal to the standard number of shares

• Remuneration for Audit & Supervisory Board Members

The amount of remuneration for Audit & Supervisory Board Members is determined through discussion among the members, taking into consideration their work responsibilities and other factors. Members of the Audit & Supervisory Board are paid fixed remuneration in the form of monthly remuneration.

Outline of the officer remuneration system

Eligible	Type		Handling and formula	Maximum amounts
Director	Fixed remuneration		Amount corresponding to the position.	Monthly: ¥60 million
Director (Excluding outside directors)	Performance-linked remuneration	Bonus	■ Formula: Bonus = Base amount x Evaluation coefficient <u>Evaluation coefficient</u> Payout rate based on the net income attributable to owners of the parent for the current fiscal year x 70% + Payout rate based on safety performance (accident frequency rate and number of fatal accidents) x 15% + Payout rate based on employee engagement (year-on-year change in the Kajima Engagement Score) x 15% The upper limit of each payout rate is 200% and values below a certain standard are regarded as 0%.	Annual: ¥500 million
		Stock remuneration	■ Formula: Stock remuneration = Base number of shares x Evaluation coefficient <u>Evaluation coefficient</u> Payout rate based on the average net income attributable to owners of the parent for the past three fiscal years x 50% + Payout rate based on the average ROE for the past three fiscal years x 50% The upper limit of each payout rate is 200% and values below a certain standard are regarded as 0%. ■ Clawback clause applies.	Annual: ¥300 million
Audit & Supervisory Board Member	Fixed remuneration		Amount determined through discussions among Audit & Supervisory Board Members.	Monthly: ¥15 million

• Details of officer remuneration

FY2024 remuneration for directors and Audit & Supervisory Board Members

(¥ million)

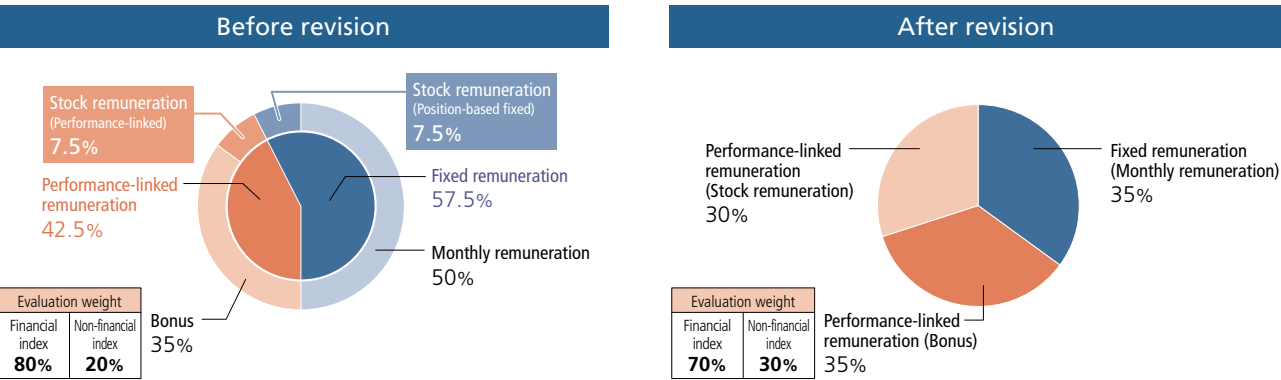
Position	Total remuneration	Monthly remuneration	Bonus	Stock remuneration	Recipients
Directors (excluding outside directors)	781	367	272	141	8
Audit & Supervisory Board Members (excluding outside members)	58	58	—	—	3
Outside directors and outside members of the Audit & Supervisory Board	133	133	—	—	9

Notes: 1. The bonus amount above shows the amount expended in FY2024 for officers' bonuses paid to eight directors.
2. The stock remuneration amount above shows the amount expended in FY2024 for stock remuneration (position-based fixed portion and performance-linked portion) paid to seven directors, as well as cash-based substitute remuneration paid to one director residing overseas.

Key revisions to the director remuneration system

(1) Expansion of the proportion of performance-linked remuneration

- The proportion of stock remuneration was increased and made 100% performance-linked. The ratio of fixed remuneration to performance-linked remuneration was revised from 57.5% : 42.5% to 35% : 65%.



(2) Revision of evaluation coefficients for performance-linked remuneration (bonuses and stock remuneration)

- To provide management incentives from a medium-term perspective that takes into account capital efficiency, ROE was introduced as an indicator for stock remuneration.
- Employee engagement (Kajima Engagement Score [▶ Page 74](#)) was introduced as an indicator for bonuses.

Before revision			After revision		
Bonus	Net income attributable to owners of the parent (current fiscal year)	80%	Bonus	Net income attributable to owners of the parent (current fiscal year)	70%
	Safety performance (accident frequency rate and accident severity rate)	10%		Safety performance (accident frequency rate and number of fatal accidents)	15%
	Employee health	10%		Employee engagement (year-on-year change)	15%
Stock remuneration	Net income attributable to owners of the parent (three-year average)	100%	Stock remuneration	Net income attributable to owners of the parent (three-year average)	50%
				Consolidated ROE (three-year average)	50%

(3) Introduction of a clawback clause to performance-linked remuneration (stock remuneration)

A clawback clause has been introduced, under which, for a period of three years after the expiration of the transfer restriction period, the Company may require the return of all or part of the stock compensation in the event of significant corrections to financial statements, serious misconduct, or events that have a material impact on the reputation of the Kajima Group.

Risk Management

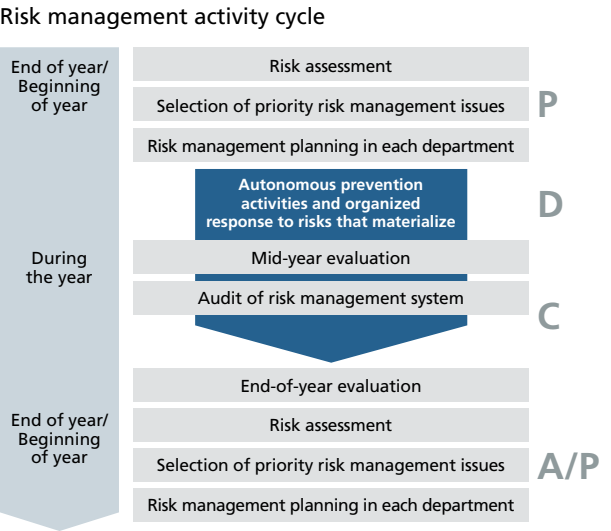
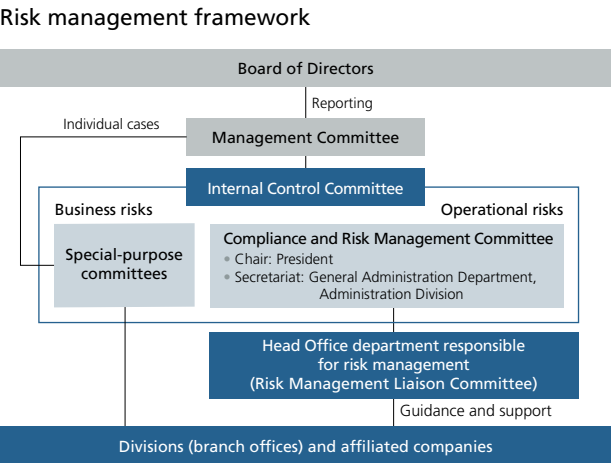
Group-wide risk management system

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

The Compliance and Risk Management Committee (chaired by the President) oversees the overall risk management framework. For business risks, such as those associated with new businesses and development investments, the committee draws on deliberations by the Management Committee and special-purpose committees to identify risks and formulate countermeasures. For operational risks, including potential legal or regulatory violations, the committee designates a responsible department for each risk, monitors and evaluates the operational status of the risk management system, and deliberates on risk management policies and responses to significant risk events. In addition, the Internal Control Committee (chaired by the President) reviews the operational status and effectiveness of the risk management system and reports its findings to the Board of Directors. The Risk Management Liaison Committee, composed of individuals in charge at the Head Office department responsible for risk management, meets regularly (24 times in FY2024) to report and share risks that have materialized in the Group, revisions to laws and regulations, social trends, case studies at other companies, and risk communication methodologies. It also reports important information to the Compliance and Risk Management Committee as appropriate.

Risk management activities

To enhance the effectiveness of risk management activities, Kajima analyzes various risks anticipated in corporate operations at the beginning of each fiscal year from two perspectives: frequency of occurrence and level of impact. Based on this analysis, operational risks requiring prioritized management are identified and designated as “priority risk management issues.” Preventive risk management activities are then promoted accordingly. For risks that have materialized, prompt reporting is mandatory. Such cases are reported and shared at the Risk Management Liaison Committee, which implements organizational measures to prevent escalation and recurrence. During and at the end of each fiscal year, these activities are reviewed and evaluated, and the findings are incorporated into the following year’s initiatives, ensuring that risk management remains effective and aligned with the PDCA cycle. The General Administration Department, serving as the secretariat of the Compliance and Risk Management Committee, continuously monitors the status and progress of responses to materialized risks and submits regular reports to the Committee. The main domestic and overseas Group companies adopt standardized systems in line with those of Kajima, and they independently introduce risk management initiatives.



Key risks		Related pages
Risks of changes in the business environment		▶ Page 41
Risks of fluctuation in construction costs		▶ Page 55
Risks of fluctuations in prices and profitability of assets held		▶ Page 37
Risks related to changes in political and economic conditions in other countries		▶ Page 101
Risks associated with the shortage of workers in the construction industry		▶ Page 77
Legal and regulatory risks		▶ Page 103
Safety and health, environmental, and quality risks	▶ Page 80 ▶ Page 81 ▶ Page 88	
Information security risks		▶ Page 102
Business partner credit risks		
Hazard risks (natural disasters, pandemics, etc.)		▶ Page 102
Physical risks associated with climate change and risks to transition to a carbon-neutral society		▶ Page 82

Information Security

Information security management framework and activities

The Kajima Group has established an Information Security Policy to protect buildings, customers, and various types of management, technical, and intellectual property information from external attacks and leaks caused by human error, and strictly enforces risk management.

As the team responsible for promoting Company-wide information security activities under the leadership of the Chief Information Security Officer, who oversees all management of information security, K-SIRT*1 takes the lead on working with each of the branches, departments, and domestic and overseas Group companies to reduce risks.

As a prevention measure, employees throughout the Group take an annual online course on information security. This makes everyone aware of incidents and the risks when using generative AI and other IT technologies. The Group also provides repeated education and training on risks such as targeted email attacks. At its offices, Kajima conducts regular inspections and audits to evaluate and improve physical, personal and technical measures. For partner companies, Kajima also distributes standard check sheets, awareness posters, and educational materials such as a video provided by the Japan Federation of Construction Contractors (JFCC), to improve the level of information security, including throughout the supply chain.

*1 KAJIMA Security Incident Response Team

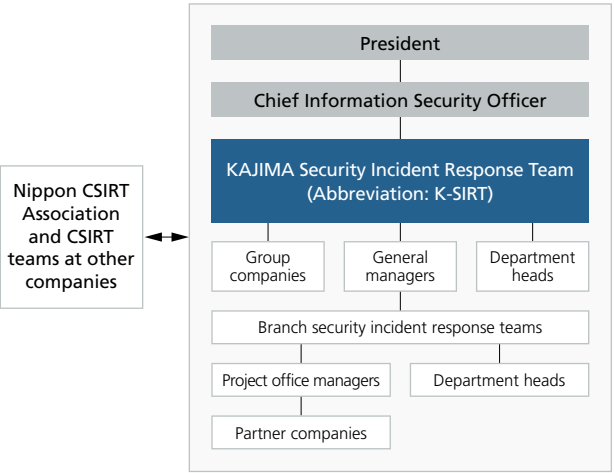
FY2024 education and training record

- Training on targeted email attacks
Conducted for 31,285 persons
- Online course on information security (Participation rate: 100%)
Participants: 25,707 employees (including 9,826 employees from Group companies)

Cybersecurity

Kajima is addressing today’s increasingly diverse and sophisticated cybersecurity threats in accordance with the Cybersecurity

Information security management framework



Management Guidelines from Japan’s Ministry of Economy, Trade and Industry. K-SIRT is a member of the Nippon CSIRT Association and stays on top of the latest trends in security and cyber-attacks, cooperating on a regular basis with external organizations and CSIRT teams at other companies. Kajima is also strengthening its protection and detection measures as well as its systems for monitoring unauthorized access, computer viruses, and other events around the clock, 365 days a year, and it quickly addresses all potential threats to minimize potential damage.

Response guidelines have been formulated on rapidly launching a response to an incident and minimizing the damage and impact as much as possible. Every year, Kajima conducts a training drill based on a scenario of damage from a cybersecurity attack in an effort to improve systematic response capabilities and our ability to maintain business continuity.

Multi-hazard business continuity plan

Strengthening the Kajima business continuity system

In the event of a natural disaster, Kajima has formulated a business continuity plan (BCP) to ensure “the safety of officers, employees, and their families” and “the continuation and early restoration of business activities.” We regularly conduct training and pursue continuous improvements. Our strong business continuity capability has been recognized through certifications such as the Business Continuity and Disaster Recovery Certification for Construction Companies^{*2} and the Resilience Certification^{*3}. We also strive to enhance the business continuity capabilities of the entire supply chain by preparing and distributing BCP manuals for partner companies.

Building a disaster recovery support system based on disaster preparedness agreements^{*4}

In the construction industry, companies play an essential role in the early restoration of social infrastructure following natural disasters, such as road clearance operations. Kajima has entered into disaster preparedness agreements with the JFCC, which receives requests from the national government, as well as with local governments and public infrastructure operators. Based on these agreements, we have established recovery support systems.

*2 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.

*3 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 through their preparations for large-scale natural disasters.

*4 Agreements concluded concerning disaster recovery operations and the procurement of construction materials in the event of a disaster.



Scenes from BCP training in summer 2024

Compliance

Compliance program and implementation

The Kajima Group recognizes that compliance is the foundation of all our business activities. To articulate this stance, we have established the Kajima Group Code of Conduct as a common standard for directors, officers, and employees, under which we are committed to promoting compliance.

The Compliance and Risk Management Committee (chaired by the President) routinely accepts reports on the progress of compliance activities across the Group and, in the event of critical incidents arise, promptly issues instructions and corrective actions to address the incident and reports the details of the incident to the Board of Directors.

The Legal Department, which is part of the Administration Division, is in charge of compliance and has formulated and regularly reviews a compliance manual and conducts training through online courses. In addition, each department responsible for each business field set rules and guidelines and conduct training as necessary. The Audit Department, which independent of operational divisions, conducts internal audits as part of its business audits.

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

Major initiatives in FY2024

- Revision of compliance manual (10th edition)
- Online course on compliance (Participation rate: 100%)
Participants: 25,710 employees (including 10,113 employees from 47 Group companies)

Anti-corruption initiatives

Kajima has signed the United Nations Global Compact and supports the principle that “Businesses should work against corruption in all its forms.” We have also established the Kajima Group Anti-Bribery Principles to further clarify our stance on anti-corruption initiatives.

Maintaining appropriate relationships with public officials in Japan

With respect to payments made to public officials in Japan and similar cases, we ensure strict adherence to the National Public Service Ethics Code and conduct rigorous checks on the legality and appropriateness of such payments.

Maintaining appropriate relationships with public officials overseas

We have also established policies and guidelines that specifically address relationships with public officials overseas. Group companies in Japan and overseas are also working to establish corresponding policies and guidelines, thereby promoting activities to prevent bribery risks.

In FY2024, we visited overseas subsidiaries and affiliates—particularly in Asia, where corruption risks

are considered relatively high—to monitor the status of implementation. We will continue to strengthen and review our anti-bribery framework to ensure greater effectiveness.

Initiatives for fair transactions with partner companies

Kajima recognizes partner companies, such as subcontractors and suppliers, as important business partners and strives to ensure fairness in transactions.

Maintaining proper relationships

Under the Kajima Group Code of Conduct, we maintain fair and equitable relationships with partner companies and have established strict company-wide rules that prohibit any coercive practices and, in principle, the acceptance of entertainment, hospitality, or gifts from partner companies. We also conduct strict due diligence prior to commencing business with each partner company to ensure fairness and transparency in the selection process.

In May 2025, we revised the form of basic construction subcontracting agreement to include a clause requiring business partners to comply with the Kajima Group Conduct Guidelines for Business Partners and encouraging them to do so accordingly. Going forward, we will continue to foster compliance throughout the entire supply chain.

Ensuring fairness in transactions and negotiation processes

We are also working to ensure fairness in our transactions with partner companies and in the related negotiation processes.

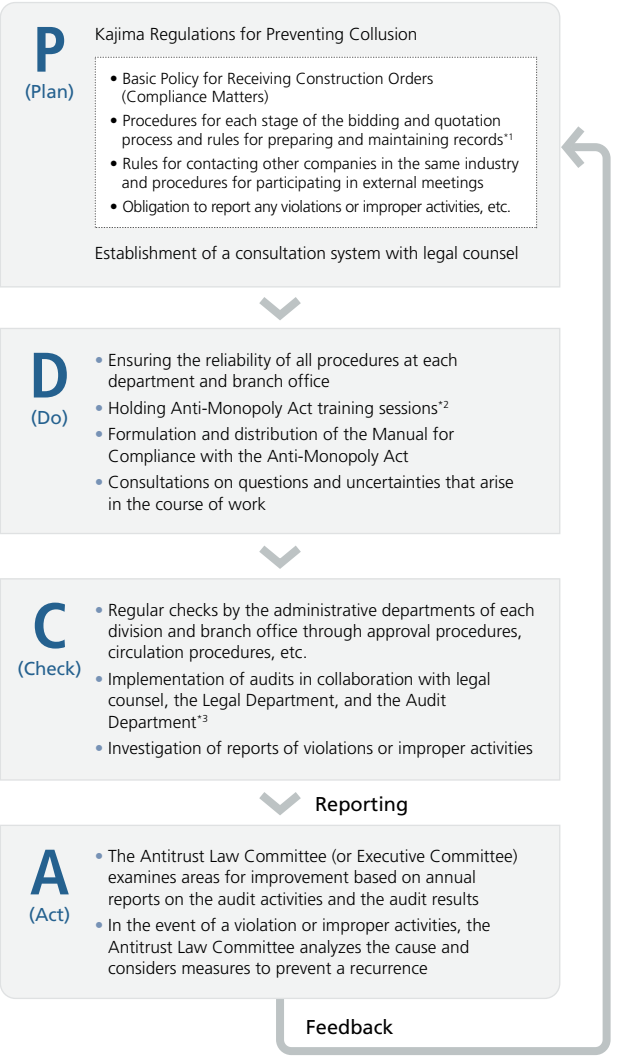
In April 2025, we revised the Kajima Declaration of Partnership Building to reflect the appropriate pass-through of rising labor and material costs. The aforementioned revision of the basic construction subcontracting agreements also incorporates amendments to the Construction Business Act.

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 the branch office secretariats, play central roles in the ongoing initiatives to enforce 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.

Cycle of activities for compliance with the Anti-Monopoly Act



*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 FY2024: 2,242 employees (including 418 employees from 27 Group companies)
*3 Implemented for all 12 branches and 2 relevant Head Office departments in FY2024

Current status of trial proceedings (as of August 2025)

In March 2023, the Tokyo High Court rejected our appeal against the guilty judgment rendered by the Tokyo District Court (the first court) in the criminal case for involving violations of the Anti-Monopoly Act in connection with the construction project of the Chuo Shinkansen. We appealed this judgment to the Supreme Court. In relation to the same incident, we filed an appeal against the Tokyo District Court’s judgment that dismissed our claim to revoke the cease-and-desist order issued by the Japan Fair Trade Commission in December 2020. However, in May 2025, the Tokyo High Court rendered a judgment dismissing our appeal. We have since filed both an appeal and a petition for acceptance of final appeal to the Supreme Court against this judgment.

Whistleblower system

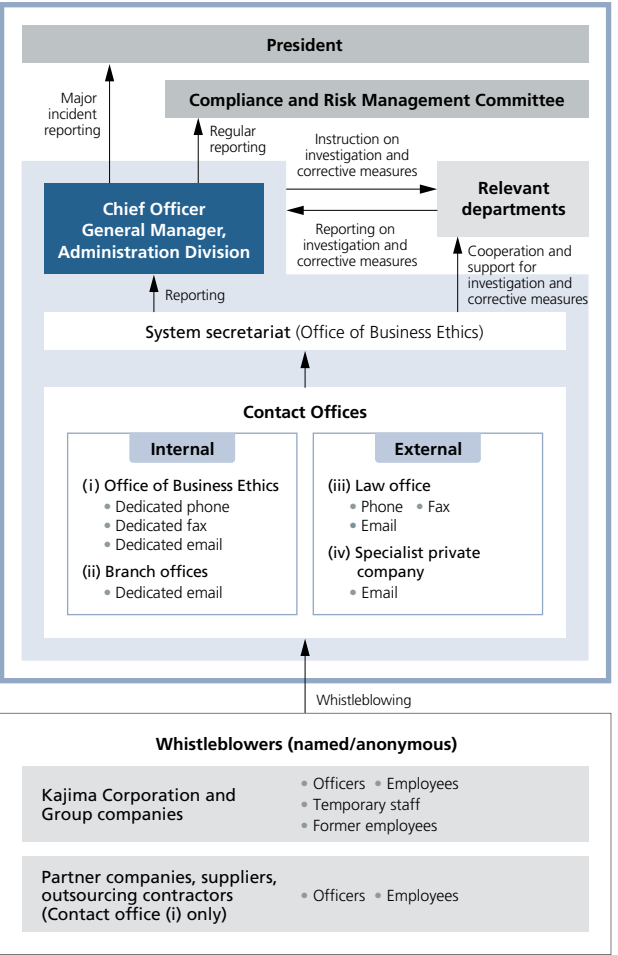
We have established a whistleblower system (a corporate ethics hotline) through which employees of Kajima, Group companies, partner companies and others are able to report, anonymously if they prefer, facts or suspicions concerning wrongdoings or legal violations, including corruption such as bribery involving our officers or employees. In order to ensure the ease-of-use and effectiveness of this system, we have also established multiple contact points outside the Company. As a new initiative, we are also pursuing the introduction of a global whistleblower hotline that employees at overseas locations can report directly to the Head Office.

We provide online courses and distribute information leaflets throughout the Group to raise awareness of this system, foster an environment where employees can safely use this system for appropriate whistleblowing, and improve the effectiveness of the system.

Whistleblowing reports to the corporate ethics hotline in FY2024

- 136 (Response results: 17 investigations, 119 consultations)

Corporate ethics whistleblower system framework



Note: Each Group company also operates its own whistleblower system.

Financial and Non-Financial Highlights

Financial information

(¥ billion)

	(FY)	2015	2016	2017	2018	2019	2020	2021		2022	2023	2024
Financial Results (consolidated)												
	Construction Contract Awards	1,795.8	1,728.3	1,685.9	2,010.1	1,752.8	1,720.1	1,929.8		2,196.9	2,927.2	2,624.5
	Revenues	1,742.7	1,821.8	1,830.6	1,974.2	2,010.7	1,907.1	2,079.6		2,391.5	2,665.1	2,911.8
	Operating Income	111.0	155.3	158.3	142.6	131.9	127.2	123.3		123.5	136.2	151.8
	Ordinary Income	113.3	163.4	179.7	162.9	146.6	139.7	152.1		156.7	150.1	160.6
	Net Income Attributable to Owners of the Parent	72.3	104.8	126.7	109.8	103.2	98.5	103.8		111.7	115.0	125.8
	Operating Margin (%)	6.4	8.5	8.7	7.2	6.6	6.7	5.9		5.2	5.1	5.2
	R&D Costs	7.8	8.2	10.3	13.9	16.4	15.0	17.3		18.2	20.7	22.2
	Capital Investment	32.9	29.4	16.1	28.4	86.3	52.7	58.0		85.8	47.5	75.1
(Non-consolidated)	Construction Contract Awards	1,188.0	1,304.5	1,148.5	1,377.9	1,122.5	1,205.3	1,150.8		1,489.3	1,807.0	1,773.5
	Revenues	1,166.1	1,203.8	1,165.1	1,280.3	1,305.0	1,189.5	1,244.9		1,432.7	1,552.9	1,560.0
	Net Income	39.0	81.7	100.3	97.0	80.1	82.8	72.1		78.4	90.1	104.7
	Civil Engineering Gross Profit Margin (%)	14.6	18.2	21.2	19.0	14.0	15.5	16.5		18.0	13.7	15.4
	Building Construction Gross Profit Margin (%)	10.8	13.4	14.0	12.5	13.2	12.7	10.3		8.5	9.2	9.6
Financial Position												
	Total Assets	1,886.7	1,992.8	2,051.2	2,091.1	2,172.1	2,164.8	2,337.7		2,769.7	3,135.1	3,454.5
	Owners' Equity	471.2	548.5	666.0	753.2	791.7	874.8	945.7		1,052.4	1,210.1	1,258.1
	Total Equity	474.0	552.5	669.7	756.9	796.0	884.8	953.5		1,061.1	1,223.6	1,277.9
	Interest-Bearing Debt	378.5	372.9	344.8	298.7	326.8	317.0	359.9		537.7	612.6	792.0
Cash Flows												
	Cash Flows from Operating Activities	36.3	187.5	120.4	30.3	53.0	153.0	30.2		(29.1)	123.7	30.6
	Cash Flows from Investing Activities	(27.8)	(31.9)	(47.3)	(25.3)	(101.8)	(65.4)	(51.1)		(81.7)	(62.9)	(104.8)
	Cash Flows from Financing Activities	(13.1)	(20.5)	(53.0)	(75.0)	(10.8)	(39.1)	(20.9)		111.8	(9.5)	61.6
Per Share Information												
	Basic Net Income per Share (¥)*	69.66	101.01	244.29	211.67	200.99	193.13	208.00		227.98	238.76	266.49
	Owners' Equity per Share (¥)*	453.93	528.46	1,283.38	1,451.66	1,544.71	1,731.16	1,920.45		2,165.12	2,514.97	2,672.64
	Cash Dividends per Share (¥)	12.0	20.0	48.0	50.0	50.0	54.0	58.0		70.0	90.0	104.0
Management Benchmarks												
	Ratio of Net Income to Owners' Equity (ROE) (%)	16.0	20.6	20.9	15.5	13.4	11.8	11.4		11.2	10.2	10.2
	Owners' Equity Ratio (%)	25.0	27.5	32.5	36.0	36.5	40.4	40.5		38.0	38.6	36.4
	Debt-to-Equity Ratio (times)	0.80	0.68	0.52	0.40	0.41	0.36	0.38		0.51	0.51	0.63

Note: From the beginning of FY2018, the Company has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting.” Accordingly, the figures for FY2017 were recalculated to reflect this change.

* The Company consolidated its shares at a rate of one share for every two shares, effective October 1, 2018. Accordingly, the figures for FY2017 and FY2018 are calculated as if the consolidation of shares had been conducted at the beginning of FY2017.

Non-financial information

	2022	2023	2024
Environment (consolidated)*1			
CO2 emissions (Scope 1) (x10 ⁴ t-CO ₂)	29.1	27.1	28.3
CO2 emissions (Scope 2) (x10 ⁴ t-CO ₂)	13.8	14.3	14.9
CO2 emissions (Scopes 1+2) (x10 ⁴ t-CO ₂)	42.9	41.4	43.2
CO2 emissions (Scope 3) (x10 ⁴ t-CO ₂)	2,030	1,936	1,355
Reduction in CO2 emissions attributable to energy-saving design (x10 ⁴ t-CO ₂)*2	42.2	42.2	45.3
Energy consumption (x10 ⁴ MWh)*2	108.2	105.7	115.2
Fossil fuel consumption (x10 ⁴ MWh)*2	75.5	72.1	76.5
Diesel alternative fuel consumption (x10 ⁴ MWh)*2	0.6	0.6	1.5
Electricity consumption (x10 ⁴ MWh)*2	11.4	11.8	13.2
Green power consumption (x10 ⁴ MWh)*2	0.9	0.9	1.3
Tap water consumption (x10 ⁴ m ³)*2	139.7	148.6	141.4
Construction waste generated (x10 ⁴ t)*3	–	154.7	143.8
Construction waste recycling rate (%)*3	–	95.9	96.4
Number of NbS projects (cases)*2	–	–	12
Human capital (non-consolidated)			
Number of employees*4	23,141	23,873	25,339
Number of employees	10,172	10,358	11,194
Number of female new graduate hires in the managerial track	64	64	74
Ratio of female new graduate hires in the managerial track (%)	22.9	21.1	23.2
Number of female managers	81	95	113
Percentage of female managers (%)	1.8	2.2	2.6
Average length of service (years)	18.1	17.9	16.4
Kajima Engagement Score	–	17.45	17.65
Turnover rate (%)	1.1	1.1	1.2
Turnover rate of new graduate hires within three years (%)	4.6	5.8	4.9
Ratio of mid-career hires (%)	19.8	18.9	61.4
Percentage of paid leave taken (%)	61.3	69.2	62.8
Paternity leave uptake rate (%)	64.3	92.2	91.2
of which, rate of employees taking 30 days or more (%)	31.9	35.1	46.0
Number of employees taking family care leave*5	45	48	40
Governance			
Board of Directors attendance rate (all directors)	100.0	98.8	100.0
of which, outside directors	100.0	98.6	100.0

*1 For more detailed environmental data, please refer to the following pages.
<https://www.kajima.co.jp/english/sustainability/data/environment/index.html>

*2 Non-consolidated

*3 Domestic

*4 Consolidated

*5 Includes all types of family care leave: short-term care leave, absence due to caregiving, and extended caregiving leave.

Social Contribution Activities

Based on the Kajima’s Corporate Philosophy of striving to continually advance our business operations and contribute to society, the Kajima Group is contributing to advancing the sustainable development of society by engaging in business operations and addressing social and regional issues as a good corporate citizen. Under the Kajima Group Social Contribution Activity Policy established in April 2021, our activities encompass disaster preparedness and recovery, community support, environmental preservation, education for the next generation, and the promotion of academia, culture and art through foundations.

Community support Participating in the Matsudai Tanada Bank initiative

As an official supporter of the Ministry of Agriculture, Forestry and Fisheries’ Tsunagu Tanada Heritage initiative, Kajima is working to create a sustainable farming environment in terraced rice paddy regions and promote their appeal through its business and social contribution activities.

In FY2024, as a corporate owner of the Matsudai Tanada Bank (Tokamachi City, Niigata Prefecture), which rents and cultivates rice paddies left untended, we had employees participate in rice planting and harvesting events, held events in our company cafeteria using the harvested rice, and shared information about these activities both internally and externally. In addition, in the terraced paddies of Tokamachi, we are

conducting research to understand their multifunctional roles, including preserving biodiversity and preventing floods, as well as running demonstration tests and supporting the introduction of smart agriculture.



Terraced rice paddies of Matsudai



Rice planting

Education for the next generation The first construction industry sponsor of Robocon

Kajima sponsors the NHK Gakusei Robocon, the ABU Asia-Pacific Robot Contest, and the KOSEN Robocon, supporting the endeavors of young engineers.

At the FY2024 competitions, students built robots based on the theme “Harvest Day,” competing on technical skill and creativity. We presented a special award to Niigata University at the NHK Gakusei Robocon and set up booths at each competition to introduce our initiatives in smart agriculture and construction robotics. Furthermore, our electromechanical engineers visited the regional qualifiers for the KOSEN Robocon

held across the country, deepening their exchange with students through technology.



NHK Gakusei Robocon



Niigata University students who received the special award

Kajima foundations promote academia, culture and art

The Kajima Foundation

Established in 1976, the Kajima Foundation supports the advancement of academic research and international exchange across a broad range of fields, from the natural sciences to the humanities and social sciences. It provides grants for general and thematic research and promotes researcher exchange through dispatch and invitation, joint international research, and academic conferences. In FY2024, the foundation approved a total of 160 grants, totaling ¥372.65 million, and made an additional donation for research on the Noto Peninsula Earthquake. Every year, the foundation holds a grant presentation ceremony as well as symposium for the selected researchers.

The Kajima Foundation for the Arts

Established in 1982, the Kajima Foundation for the Arts provides grants for art research, publications, international exchange, and dissemination projects, with the aim of fostering the arts and enriching Japanese culture. In FY2024, the foundation awarded 95 grants totaling ¥107.96 million. Each year, it presents the Kajima Foundation for the Arts Prize and Excellence Prize to researchers who achieve outstanding results and hosts a symposium for the award winners to share their findings. In November 2024, the foundation received the Mecenat Award (Excellence Prize) for supporting initiatives such as the survey of the Museum of Fine Arts, Boston collection.

Kajima Ikueikai Foundation

Established in 1956, the Kajima Ikueikai Foundation provides scholarships to economically disadvantaged undergraduate and graduate students in Japan, including students from other countries. In FY2024, it awarded scholarships totaling ¥139.38 million to 186 students.

Kajima Institute of International Peace

Established in 1966, the Kajima Institute of International Peace aims to support Japan’s domestic readiness in a changing environment by conducting and publishing research on matters fundamental to future security and prosperity, contributing as much as possible to Japan’s peaceful role in Asia and the world.

Atsumi International Foundation

Established in 1994 to provide scholarships and promote international exchange for international students, the foundation has, as of FY2024, supported 382 students from 53 countries and regions—including Japanese students since FY2022—over its 30-year history. Aiming to build a global academic network, it also hosts the Asia Future Conference and other international academic conferences and forums in Japan and abroad, led by former scholarship recipients now active as university faculty and researchers worldwide.

IR Activities

We have established a Policy for Constructive Dialogue with Stockholders and strive to proactively disclose information and promote constructive dialog on business performance, medium- to long-term management policy, ESG, and other topics through financial results briefings, individual interviews, and other opportunities. The opinions of stockholders and investors obtained through dialogue are reported regularly, in a timely manner, and appropriately to the Board of Directors and the Management Committee, and are reflected in improvements in management and investor relations (IR) activities.

In FY2024, we held dialogues regarding our growth strategies based on the Medium-Term Business Plan (FY2024–2026). We also worked to increase opportunities for dialogue with overseas institutional investors, held briefings for individual investors, and enhanced our disclosure materials.

▶ For more information on stakeholder engagement, see the following web page.
https://www.kajima.co.jp/english/sustainability/stake_holder/engagement/index.html

Record of major IR activities

Activities	Number of meetings in FY2023	Number of meetings in FY2024	Status of activities
Individual dialogue with institutional investors and securities analysts	311	480	The executive officer in charge of the Corporate Planning Department and the investor relations division take the lead in individual dialogues, including dialogue specific to ESG topics.
(Institutional investors in Japan)	(124)	(192)	
(Institutional investors outside Japan)	(152)	(251)	
(Securities firms)	(35)	(37)	
Financial results briefing for institutional investors and securities analysts	4	4	Held two financial results briefings attended by the President and directors and executive officers in charge of business divisions, finance, and the Corporate Planning Department (End of Q2 and fiscal year). Held two financial results briefings attended by the director in charge of finance and the executive officer in charge of the Corporate Planning Department (End of Q1 and Q3).
Small meetings with institutional investors and securities analysts	1	–	Meetings attended by the President, the director in charge of finance, and the executive officer in charge of the Corporate Planning Department were held. In FY2023, a dialogue was held with seven institutional investors in Japan.
Tours and briefings on individual business areas for institutional investors and securities analysts	1	1	In FY2024, we held a tour of the Rapidus IIM-1 advanced semiconductor production facility construction site, a topic of high interest to investors. The executive officer in charge of the Corporate Planning Department, on-site managers, and the investor relations division attended and held a dialogue with 15 securities analysts and institutional investors.
Individual dialogue with institutional investors’ voting right exercisers, and others	17	18	In addition to the executive officer in charge of the Corporate Planning Department, relevant directors, executive officers, and the investor relations division attend the meetings and engage in regular dialogue as part of Shareholder Relations.
Conferences sponsored by securities firms	3	4	The investor relations division participated in conferences for institutional investors outside Japan.
Company briefings for individual investors	–	1	The executive officer in charge of the Corporate Planning Department and the investor relations division participated in company briefings for individual investors.

Participation in initiatives

External recognition

Company Information / Stock Information (as of March 31, 2025)

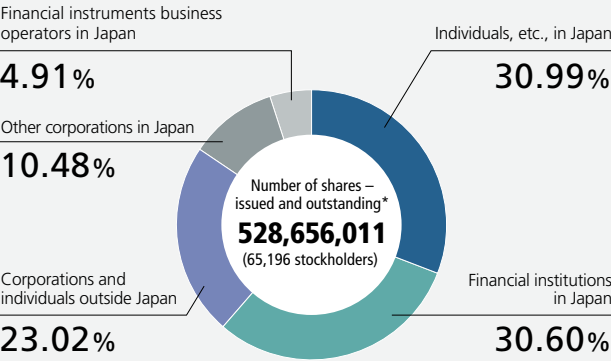
Company name	Kajima Corporation
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Paid-in capital	Over ¥81,400 million
Number of employees	11,194 (non-consolidated), 25,339 (consolidated)
Number of shares – authorized	1,250,000,000
Number of shares – issued and outstanding	528,656,011 (including 55,368,760 shares of treasury stock)
Number of stockholders	65,196 (up 3,501 from end of FY2023)
Administrator of stockholder registry	Sumitomo Mitsui Trust Bank, Limited
Stock exchange listings	Prime Market, Tokyo Stock Exchange; Premier Market, Nagoya Stock Exchange (Code: 1812)

Major stockholders

Stockholders	Number of shares (Thousand shares)	Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	81,127	17.14
Custody Bank of Japan, Ltd. (Trust Account)	44,814	9.47
Kimiko Kajima	15,849	3.35
JP Morgan Securities Japan Co., Ltd.	13,407	2.83
Kajima Employee Stock Ownership	9,245	1.95
State Street Bank West Client - Treaty 505234	7,966	1.68
The Kajima Foundation	7,235	1.53
JP Morgan Chase Bank 385781	6,405	1.35
Sumitomo Mitsui Banking Corporation	6,321	1.34
State Street Bank and Trust Company 505001	6,026	1.27

Notes: 1. In addition to the above, Kajima Corporation has 55,368 thousand shares of treasury stock.
2. Shareholding was computed excluding total treasury stock.

Stock ownership breakdown



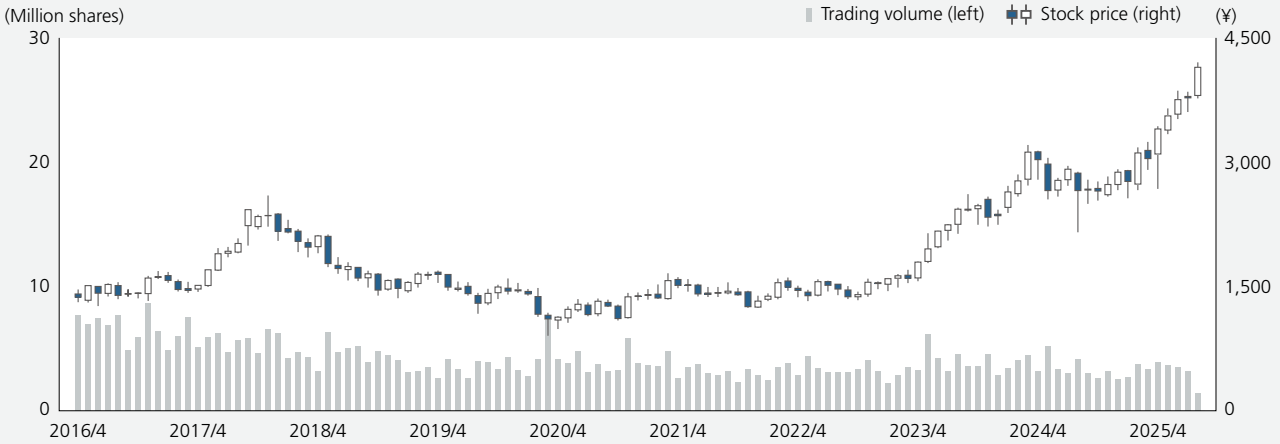
3. The 553,687 units of treasury stock are included under “Individuals, etc., in Japan.” The 25 units of stock held in the name of the Japan Securities Depository Center, Incorporated, are included under “Other corporations in Japan.”

* Including 55,368,760 shares of treasury stock

INTEGRATED REPORT
Financial Review 2025
Year ended March 31, 2025

The consolidated financial statements of Kajima Corporation and its consolidated subsidiaries and the notes to consolidated financial statements are audited by Deloitte Touche Tohmatsu LLC. They have been prepared for the purpose of construction contract awards outside Japan.
Of the contents in the Financial Review (with the exception of the Summary and Forecast of Business Performance), the consolidated financial statements, notes to consolidated financial statements, and independent auditor’s report, have been copied from documents prepared and issued for the aforementioned purpose.

Stock price and trading volume



4. On October 1, 2018, a reverse split was made (two shares consolidated into one) and the stock unit was changed (from 1,000 shares to 100 shares).
The above stock prices have been calculated with April 1, 2016 as the supposed date of the reverse split.

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Summary and Forecast of Business Performance

Amounts less than ¥0.1 billion have been rounded down.

Overview of Business Performance

During the fiscal year ended March 31, 2025, the global economy progressed in a generally stable manner despite regional differences, as inflation subsided and policy interest rate cuts gradually spread. Although Japan’s economy continued to experience a phase of rising prices and interest rates, improvements in the employment and income environment, along with inbound tourism demand, supported the ongoing moderate recovery.

In the domestic construction market, public-sector investment remained firm and corporate capital investment continued to increase. In construction costs, material and equipment prices remained high overall, and labor costs also rose in some regions and occupations due to high construction activity.

Against this backdrop, under the Kajima Group Medium-Term Business Plan (FY2024–2026), the Group has focused its efforts on construction and real estate development businesses in both Japan and overseas.

As a result, the Group’s financial results for the fiscal year ended March 31, 2025, were as follows.

Consolidated construction contract awards, both in Japan and overseas, fell below the high recorded in the previous fiscal year, coming in at ¥2,624.5 billion, down 10.3% year-on-year (compared with ¥2,927.2 billion in the previous fiscal year). Non-consolidated contract awards, including those for the real estate development and other businesses, declined 5.8% year on year to ¥1,831.1 billion (compared with ¥1,944.0 billion in the previous fiscal year).

Revenues rose 9.3% year on year to ¥2,911.8 billion (compared with ¥2,665.1 billion in the previous fiscal year), mainly due to increased revenues from overseas subsidiaries and affiliates.

As for profit figures, operating income increased 11.5% year on year to ¥151.8 billion (compared with ¥136.2 billion in the previous fiscal year) and net income attributable to owners of the parent increased 9.4% to ¥125.8 billion (compared with ¥115.0 billion in the previous fiscal year) due to higher gross profits in the construction business and the real estate development and other businesses.

Our performance by business was as follows.
In the Company’s construction business, revenues exceeded forecasts in both the civil engineering and building construction businesses due to steady construction progress, especially on large-scale projects. Gross profit margins in both the civil engineering (15.4%) and the building construction (9.6%) businesses were higher than in the previous fiscal year (13.7% and 9.2%, respectively). In the civil engineering business, improvement was seen each quarter up to the end of the fiscal year, and the building construction business showed improvement particularly from the third quarter onward. We believe we were able to accurately respond to rising construction costs while steadily growing profits. In the real estate development and other businesses, the delivery of condominiums and sales of office buildings in the fourth quarter progressed as planned, resulting in revenues and profits significantly exceeding those of the previous fiscal year.

Domestic subsidiaries and affiliates overall delivered lower revenues and profits compared to the previous fiscal year, when there were high sales of real estate for sale held by real estate development related subsidiaries and affiliates, but they maintained stable performance, primarily driven by the construction business, and contributed to consolidated financial results.

In the construction business at overseas subsidiaries and affiliates, both revenues and gross profit exceeded those of the previous fiscal year due to contributions from the U.S. construction company acquired in the first quarter and the

recovery of gross profit in Southeast Asia, among other factors. The real estate development and other businesses secured solid performance by carrying out timely sales of assets in each region, including 16 distribution warehouses in the U.S. and 3 in Europe.

Overview of Performance by Business Segment

Segment results were as follows. (Segment results include internal sales or transfers between segments.)

Civil Engineering (Civil engineering in the construction business operated by the Company)

Revenues increased 11.2% year on year to ¥404.1 billion (compared with ¥363.3 billion in the previous fiscal year) due to steady progress on large-scale projects in particular.

Segment profit increased 53.4% to ¥35.7 billion (compared with ¥23.2 billion in the previous fiscal year) due to higher revenues and an improved gross profit margin.

(Billions of yen)			
(Years ended March 31)	2025	2024	2025/2024 (%)
Revenues	404.1	363.3	11.2
Segment profit	35.7	23.2	53.4

Building Construction (Building construction in the construction business operated by the Company)

Revenues decreased 4.6% year on year to ¥1,053.4 billion (compared with ¥1,104.2 billion in the previous fiscal year) due to relatively low work volume on large-scale construction projects during this period.

Despite the decline in revenues, segment profit came in roughly at the same level as the previous fiscal year due to an improved gross profit margin, at ¥51.2 billion, a 3.9% decline year on year (compared with ¥53.3 billion in the previous fiscal year).

(Billions of yen)			
(Years ended March 31)	2025	2024	2025/2024 (%)
Revenues	1,053.4	1,104.2	(4.6)
Segment profit	51.2	53.3	(3.9)

Real Estate Development and Other (Real estate development business, architectural, structural and other design business and engineering business operated by the Company)

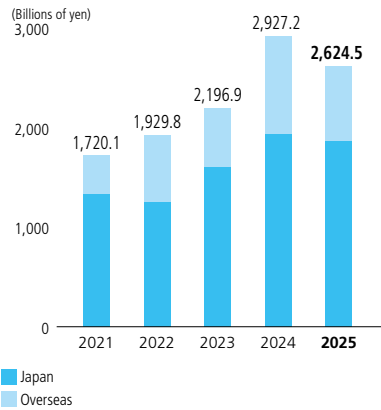
Revenues increased 19.9% year on year to ¥102.3 billion (compared with ¥85.3 billion in the previous fiscal year), and segment profit increased 51.0% to ¥27.8 billion (compared with ¥18.4 billion in the previous fiscal year) due to increased revenues and gross profit from sales according to plan in the real estate sales business.

(Billions of yen)			
(Years ended March 31)	2025	2024	2025/2024 (%)
Revenues	102.3	85.3	19.9
Segment profit	27.8	18.4	51.0

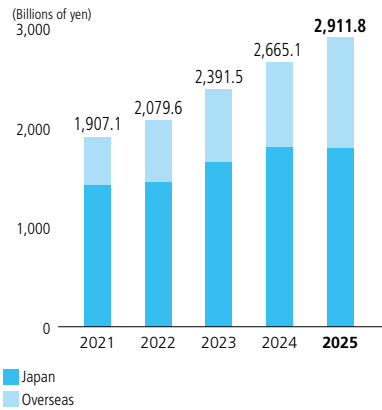
Domestic Subsidiaries and Affiliates (Sales of construction materials, special construction and engineering services, comprehensive leasing business, building rental business and others mainly in Japan operated by domestic subsidiaries and affiliates)

Revenues fell 3.5% year on year to ¥354.6 billion (compared with ¥367.4 billion in the previous fiscal year), and segment profit declined 32.1% year on year to ¥16.4 billion (compared

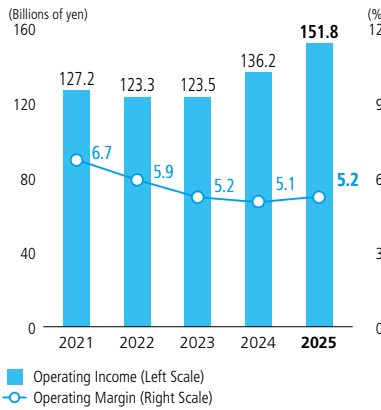
Construction Contract Awards
Years ended March 31



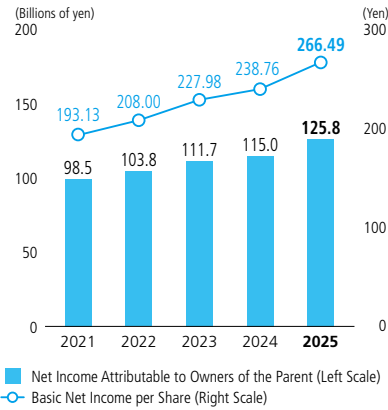
Revenues
Years ended March 31



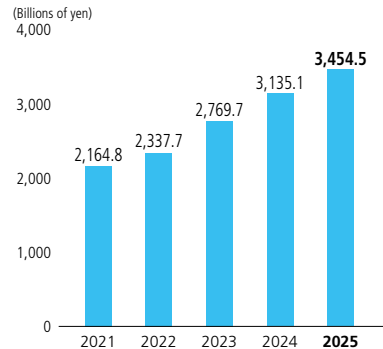
Operating Income / Operating Margin
Years ended March 31



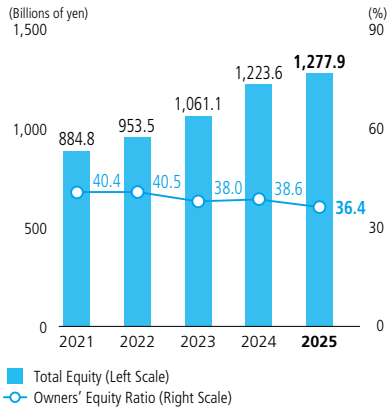
Net Income Attributable to Owners of the Parent / Basic Net Income per Share
Years ended March 31



Total Assets
As of March 31



Total Equity / Owners’ Equity Ratio
As of March 31



with ¥24.1 billion in the previous fiscal year). This decline was in comparison to the notably high revenues and segment profit in the previous fiscal year driven by sales of real estate for sale held by real estate development related subsidiaries and affiliates.

(Billions of yen)

(Years ended March 31)	2025	2024	2025/2024 (%)
Revenues	354.6	367.4	(3.5)
Segment profit	16.4	24.1	(32.1)

Overseas Subsidiaries and Affiliates
(Construction business, real estate development business and others overseas such as in North America, Europe, Asia, Oceania, and other areas operated by overseas subsidiaries and affiliates)
Revenues increased 29.6% year on year to ¥1,114.5 billion (compared with ¥859.6 billion in the previous fiscal year), exceeding ¥1 trillion, with increases in both the construction business and the real estate development and other businesses.
Segment profit increased 18.6% year on year to ¥20.0 billion (compared with ¥16.9 billion in the previous fiscal year), mainly due to higher gross profits in the construction business in Southeast Asia and the real estate development and other businesses in the U.S.

(Billions of yen)

(Years ended March 31)	2025	2024	2025/2024 (%)
Revenues	1,114.5	859.6	29.6
Segment profit	20.0	16.9	18.6

Analysis of Financial Position

Assets, Liabilities and Equity
Total assets at the end of the fiscal year increased ¥319.4 billion year on year to ¥3,454.5 billion (compared with ¥3,135.1 billion at the end of the previous fiscal year). The increase was accounted for by an increase in notes and accounts receivable - trade, an increase in inventories, and an increase in property and equipment. The balance of strategic shareholdings at the end of the fiscal year was ¥253.5 billion (compared with ¥316.1 billion at the end of the previous fiscal year), with the ratio to total equity at 19.8% (compared with 25.8% at the end of the previous fiscal year), partly due to the sale of 34 stocks for ¥20.3 billion during the fiscal year.
Total liabilities increased ¥265.1 billion year on year to ¥2,176.6 billion (compared with ¥1,911.4 billion at the end

of the previous fiscal year). This was mainly due to an increase in interest-bearing debt, an increase in notes and accounts payable - trade, and an increase in advances received on construction projects in progress.
Total equity increased by ¥54.3 billion year on year to ¥1,277.9 billion (compared with ¥1,223.6 billion at the end of the previous fiscal year).
In addition, the owners’ equity ratio dropped to 36.4%, down 2.2 points compared with 38.6% at the end of the previous fiscal year.

Cash Flows
Cash flows from operating activities in the fiscal year resulted in a net cash inflow of ¥30.6 billion (compared with ¥123.7 billion in the previous fiscal year). Main factors were income before income taxes, adjustments for depreciation and amortization, and an increase in advances received, offset by a decrease due to increase/decrease in consumption taxes payable/ consumption taxes refund receivable, income taxes-paid, an increase in receivables, and an increase in inventories.
Cash flows from investing activities resulted in a net cash outflow of ¥104.8 billion (compared with ¥62.9 billion in the previous fiscal year). Main factors were payments for purchases of property and equipment, disbursements for loans, and payment for investments in unconsolidated subsidiaries and affiliates, partially offset by inflows of proceeds from sales and redemption of marketable and investment securities, and proceeds from collection of loans.
Cash flows from financing activities resulted in a net cash inflow of ¥61.6 billion (compared with a net cash outflow of ¥9.5 billion in the previous fiscal year). This was mainly due to inflows of the net of financing and repayment of short-term borrowings, long-term loans, commercial paper and bonds, offset by cash dividends paid and payment for purchases of treasury stock.

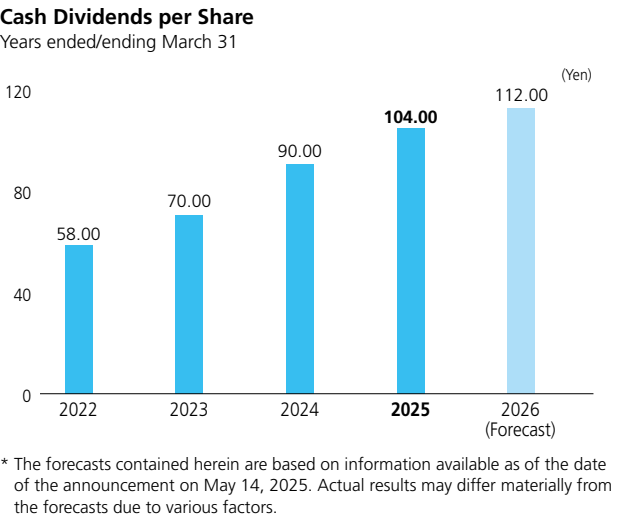
As a result, the balance of cash and cash equivalents at the end of the fiscal year decreased by ¥0.5 billion year on year to ¥349.5 billion (compared with ¥350.0 billion at the end of the previous fiscal year).

(Billions of yen)

(Years ended March 31)	2025	2024	2023
Cash flows from operating activities	30.6	123.7	(29.1)
Cash flows from investing activities	(104.8)	(62.9)	(81.7)
Cash flows from financing activities	61.6	(9.5)	111.8
Cash and cash equivalents, end of year	349.5	350.0	282.2

Basic Profit Allocation Policy and Payment of Dividends*

The Company’s basic policy is to allocate profits taking account of balance between growth investment and stockholder returns, with the aim of achieving sustainable growth and increasing corporate value, while maintaining financial soundness. Regarding dividends, the Company plans to pay dividends with a target payout ratio of 40%, as well as to flexibly contribute to stockholder returns by acquiring own shares and other means with consideration of business performance, financial condition and business environment.
In consideration of the aforementioned policy, and in light of the Company’s business performance of the fiscal year under review, the Company paid an annual dividend of ¥104 per share, consisting of a year-end dividend of ¥59 per share and an interim (end of second quarter) dividend of ¥45 per share. The Company also plans to pay an annual dividend of ¥112 per share (including an interim dividend of ¥56 per share) for the fiscal year ending March 31, 2026.



Forecast for the Fiscal Year Ending March 31, 2026*

In the global economy, uncertainty regarding the economic outlook is increasing due to trade and monetary policies in various countries and regions, as well as geopolitical risks. Furthermore, societal demands and customer needs are expected to continue evolving, with human capital

becoming increasingly important and environmental concerns necessitating a shift toward a circular economy. We believe that accurately identifying these various changes and challenges, and providing solutions based on solid technical capabilities and new value, is essential to achieving sustainable growth.
In the construction market, we anticipate solid construction demand to continue for the time being, both in Japan and overseas. In particular, investments related to measures to address aging infrastructure and to digitalization are expected to expand over the medium to long term. On the other hand, it will remain necessary to monitor rising construction costs, and it will be a significant challenge to establish a construction system with capacity to meet robust demand fully. Along with thorough cost management, we see an increasing need to strengthen construction capabilities, including those within the supply chain, by improving the remuneration and benefits of construction workers and enhancing productivity.
In the domestic construction business in the fiscal year ending March 31, 2026, we aim to maintain high revenues by establishing a solid construction system, including partner companies and skilled workers, while also accurately addressing rising construction costs and promoting productivity improvements to enhance gross profit margins. In the domestic real estate development business, the results of our investments to date are steadily materializing, and we plan to sell multiple properties. As for overseas businesses, although we need to carefully assess the economic impact of trade policies in various countries and regions, we will strive to improve profitability in both the construction and real-estate development businesses by thoroughly managing risk and strategically timing our business initiatives. Our exchange rate assumption is ¥145 to \$1.
Reflecting the outlook for each business, we expect consolidated revenues and profits for the fiscal year ending March 31, 2026, to increase, for a fifth consecutive fiscal year of growth.

(Billions of yen)

(Years ending/ ended March 31)	2026 (Forecast)	2025 (Results)	2026/2025 (%)
Revenues	2,950.0	2,911.8	1.3
Operating income	159.0	151.8	4.7
Net income attributable to owners of the parent	130.0	125.8	3.3

* The forecasts contained herein are based on information available as of the date of the announcement on May 14, 2025. Actual results may differ materially from the forecasts due to various factors.

Consolidated Balance Sheet

KAJIMA Corporation and Consolidated Subsidiaries

Note: In the financial statements and notes, all yen and U.S. dollar amounts are rounded to the nearest million yen and thousand dollars respectively, except where otherwise stated.

	As of March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents (Note 19).....	¥ 349,541	¥ 350,064	\$ 2,330,273
Marketable securities (Notes 5 and 19).....	194	170	1,293
Operational investments in securities (Notes 5 and 19).....	11,396	11,311	75,973
Notes and accounts receivable—trade (Notes 4.a, 10, 17.c and 19).....	1,061,540	940,304	7,076,933
Allowance for doubtful accounts (Note 19).....	(8,795)	(6,667)	(58,633)
Inventories:			
Construction projects in progress	13,129	8,357	87,527
Development projects in progress,			
real estate for sale and other (Note 10).....	532,719	486,237	3,551,460
Other current assets (Notes 10 and 19).....	177,405	128,213	1,182,701
Total current assets.....	2,137,129	1,917,989	14,247,527
PROPERTY AND EQUIPMENT:			
Land (Notes 6, 7, 8 and 10).....	291,683	277,428	1,944,553
Buildings and structures (Notes 7, 8 and 10).....	212,195	203,926	1,414,633
Machinery, equipment and other (Notes 7 and 10).....	35,861	30,289	239,074
Construction in progress (Notes 8 and 10).....	48,863	28,535	325,753
Total property and equipment.....	588,602	540,178	3,924,013
INVESTMENTS AND OTHER ASSETS:			
Investments in securities (Notes 5, 10 and 19).....	292,162	349,721	1,947,747
Investments in unconsolidated subsidiaries and affiliates (Notes 10 and 19).....	105,316	92,773	702,107
Investments in real estate joint ventures	103,232	75,911	688,213
Long-term loans receivable (Notes 9, 10 and 19).....	23,022	12,899	153,480
Long-term loans to unconsolidated subsidiaries and affiliates (Notes 10 and 19).....	126,364	86,397	842,427
Allowance for doubtful accounts (Note 19).....	(2,050)	(2,588)	(13,667)
Deferred tax assets (Note 16).....	16,973	3,407	113,153
Other assets (Notes 7, 8, 10 and 14).....	63,842	58,462	425,613
Total investments and other assets.....	728,861	676,982	4,859,073
TOTAL.....	¥ 3,454,592	¥ 3,135,149	\$ 23,030,613

See notes to consolidated financial statements.

	As of March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings (Notes 10 and 11).....	¥ 293,834	¥ 274,680	\$ 1,958,893
Commercial paper (Note 12).....	70,000	—	466,667
Current portion of long-term debt (Notes 10, 11 and 19).....	103,100	87,646	687,333
Notes and accounts payable—trade.....	631,710	583,998	4,211,400
Advances received:			
Construction projects in progress (Notes 4.b, 13 and 17.c).....	250,009	203,326	1,666,727
Development projects in progress,			
real estate for sale and other (Notes 4.b and 17.c).....	6,558	12,650	43,720
Income taxes payable.....	22,572	32,612	150,480
Accrued expenses.....	86,296	68,625	575,307
Other current liabilities (Notes 3, 4.b and 17.c).....	232,895	242,463	1,552,633
Total current liabilities.....	1,696,974	1,506,000	11,313,160
LONG-TERM LIABILITIES:			
Long-term debt (Notes 10, 11 and 19).....	340,770	264,855	2,271,800
Deferred tax liabilities (Note 16).....	8,811	12,534	58,740
Deferred tax liabilities on revaluation surplus of land (Note 6).....	21,012	20,606	140,080
Liability for retirement benefits (Note 14).....	57,509	61,344	383,393
Equity loss in excess of investments in and loans to			
unconsolidated subsidiaries and affiliates.....	—	1,205	—
Other long-term liabilities (Note 10).....	51,527	44,949	343,514
Total long-term liabilities.....	479,629	405,493	3,197,527
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 18, 20 and 21)			
EQUITY (Note 15):			
Common stock, authorized, 1,250,000,000 shares;			
issued, 528,656,011 shares.....	81,447	81,447	542,980
Capital surplus.....	43,461	43,821	289,739
Retained earnings (Note 25.a).....	970,256	891,884	6,468,373
Treasury stock—at cost,			
57,913,211 shares in 2025 and 47,481,596 shares in 2024 (Note 25.b).....	(95,977)	(67,511)	(639,847)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Note 5).....	120,564	159,759	803,760
Deferred gain on derivatives under hedge accounting (Note 20).....	5,831	5,143	38,873
Revaluation surplus of land (Note 6).....	20,305	21,309	135,367
Foreign currency translation adjustments.....	105,597	69,801	703,980
Defined retirement benefit plans (Note 14).....	6,643	4,486	44,287
Total.....	1,258,127	1,210,139	8,387,512
Noncontrolling interests.....	19,862	13,517	132,414
Total equity.....	1,277,989	1,223,656	8,519,926
TOTAL.....	¥ 3,454,592	¥ 3,135,149	\$ 23,030,613

See notes to consolidated financial statements.

Consolidated Statement of Income

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
REVENUES:			
Construction projects (Notes 3 and 17).....	¥ 2,511,002	¥ 2,322,282	\$ 16,740,013
Real estate and other (Notes 8 and 17).....	400,814	342,894	2,672,093
Total revenues.....	2,911,816	2,665,176	19,412,106
COST OF REVENUES:			
Construction projects (Note 3).....	2,281,720	2,115,748	15,211,467
Real estate and other (Note 8).....	306,899	257,926	2,045,993
Total cost of revenues.....	2,588,619	2,373,674	17,257,460
Gross profit.....	323,197	291,502	2,154,646
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.....	171,314	155,276	1,142,093
Operating income.....	151,883	136,226	1,012,553
OTHER INCOME (EXPENSES):			
Interest and dividends.....	23,845	16,205	158,967
Interest expense.....	(22,571)	(14,406)	(150,473)
Foreign currency exchange (loss) gain.....	(797)	69	(5,313)
Equity in earnings of unconsolidated subsidiaries and affiliates.....	2,815	4,059	18,767
Equity in earnings of partnership.....	6,907	5,744	46,047
Provision for doubtful accounts.....	(772)	(402)	(5,147)
Gain (loss) on sales or disposals of property and equipment—net (Note 8).....	3,274	(942)	21,827
Gain on sales of marketable and investment securities—net (Note 5).....	13,980	13,886	93,200
Valuation loss on marketable and investment securities—net (Note 5).....	(1,196)	(193)	(7,973)
Loss on sales of investments in unconsolidated subsidiaries and affiliates—net.....	—	(42)	—
Loss on impairment of long-lived assets (Notes 7, 8 and 26.c).....	(621)	—	(4,140)
Gain on step acquisitions (Note 2.w).....	—	6,175	—
Litigation settlement.....	—	(66)	—
Other—net.....	(646)	2,619	(4,308)
Other income—net.....	24,218	32,706	161,454
INCOME BEFORE INCOME TAXES.....	176,101	168,932	1,174,007
INCOME TAXES (Note 16):			
Current.....	53,657	57,827	357,713
Deferred.....	(4,011)	(5,511)	(26,740)
Total income taxes.....	49,646	52,316	330,973

See notes to consolidated financial statements.

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
NET INCOME.....	126,455	116,616	843,034
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS.....	(637)	(1,582)	(4,247)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT.....	¥ 125,818	¥ 115,034	\$ 838,787
Yen			U.S. Dollars
PER SHARE OF COMMON STOCK (Note 24):			
Basic net income.....	¥ 266.49	¥ 238.76	\$ 1.777
Cash dividends applicable to the year.....	104.00	90.00	0.693

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
NET INCOME.....	¥ 126,455	¥ 116,616	\$ 843,034
OTHER COMPREHENSIVE INCOME (Note 22):			
Unrealized (loss) gain on available-for-sale securities.....	(39,199)	56,461	(261,327)
Deferred (loss) gain on derivatives under hedge accounting.....	(469)	508	(3,127)
Revaluation surplus of land.....	(603)	—	(4,020)
Foreign currency translation adjustments.....	38,056	27,071	253,707
Defined retirement benefit plans.....	2,169	2,896	14,460
Share of other comprehensive income in unconsolidated subsidiaries and affiliates.....	378	3,146	2,520
	332	90,082	2,213
COMPREHENSIVE INCOME.....	¥ 126,787	¥ 206,698	\$ 845,247
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent.....	¥ 124,662	¥ 204,590	\$ 831,080
Noncontrolling interests.....	2,125	2,108	14,167

See notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

KAJIMA Corporation and Consolidated Subsidiaries

	Thousands	Millions of Yen					
		Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	
						Unrealized Gain on Available- for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting
BALANCE, APRIL 1, 2023.....	486,085	¥ 81,447	¥ 41,990	¥ 813,653	¥ (55,673)	¥ 103,272	¥ (31)
Net income attributable to owners of the parent.....	—	—	—	115,034	—	—	—
Cash dividends paid:							
Final for prior year, ¥41.00 per share.....	—	—	—	(19,929)	—	—	—
Interim for current year, ¥35.00 per share.....	—	—	—	(16,922)	—	—	—
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	—	7	—	—	—	—
Reversal of revaluation surplus of land.....	—	—	—	48	—	—	—
Purchase of treasury stock.....	(4,911)	—	—	—	(10,014)	—	—
Purchase of treasury stock as stock delivery trust.....	(2,303)	—	—	—	(5,046)	—	—
Disposition of treasury stock.....	2,303	—	1,824	—	3,222	—	—
Net change in the year.....	—	—	—	—	—	56,487	5,174
BALANCE, MARCH 31, 2024.....	481,174	81,447	43,821	891,884	(67,511)	159,759	5,143
Net income attributable to owners of the parent.....	—	—	—	125,818	—	—	—
Cash dividends paid:							
Final for prior year, ¥55.00 per share.....	—	—	—	(26,591)	—	—	—
Interim for current year, ¥45.00 per share.....	—	—	—	(21,255)	—	—	—
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	—	(360)	—	—	—	—
Reversal of revaluation surplus of land.....	—	—	—	400	—	—	—
Purchase of treasury stock.....	(11,136)	—	—	—	(30,011)	—	—
Purchase of treasury stock as stock delivery trust.....	—	—	—	—	—	—	—
Disposition of treasury stock.....	—	—	—	—	—	—	—
Disposition of treasury stock as stock delivery trust.....	705	—	—	—	1,545	—	—
Net change in the year.....	—	—	—	—	—	(39,195)	688
BALANCE, MARCH 31, 2025.....	470,743	¥ 81,447	¥ 43,461	¥ 970,256	¥ (95,977)	¥ 120,564	¥ 5,831

	Millions of Yen					
	Accumulated Other Comprehensive Income			Total	Noncontrolling Interests	Total Equity
	Revaluation Surplus of Land	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, APRIL 1, 2023.....	¥ 21,357	¥ 44,820	¥ 1,596	¥ 1,052,431	¥ 8,714	¥ 1,061,145
Net income attributable to owners of the parent.....	—	—	—	115,034	—	115,034
Cash dividends paid:						
Final for prior year, ¥41.00 per share.....	—	—	—	(19,929)	—	(19,929)
Interim for current year, ¥35.00 per share.....	—	—	—	(16,922)	—	(16,922)
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	—	—	7	—	7
Reversal of revaluation surplus of land.....	(48)	—	—	—	—	—
Purchase of treasury stock.....	—	—	—	(10,014)	—	(10,014)
Purchase of treasury stock as stock delivery trust.....	—	—	—	(5,046)	—	(5,046)
Disposition of treasury stock.....	—	—	—	5,046	—	5,046
Net change in the year.....	—	24,981	2,890	89,532	4,803	94,335
BALANCE, MARCH 31, 2024.....	21,309	69,801	4,486	1,210,139	13,517	1,223,656
Net income attributable to owners of the parent.....	—	—	—	125,818	—	125,818
Cash dividends paid:						
Final for prior year, ¥55.00 per share.....	—	—	—	(26,591)	—	(26,591)
Interim for current year, ¥45.00 per share.....	—	—	—	(21,255)	—	(21,255)
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	—	—	(360)	—	(360)
Reversal of revaluation surplus of land.....	(1,004)	—	—	(604)	—	(604)
Purchase of treasury stock.....	—	—	—	(30,011)	—	(30,011)
Purchase of treasury stock as stock delivery trust.....	—	—	—	—	—	—
Disposition of treasury stock.....	—	—	—	—	—	—
Disposition of treasury stock as stock delivery trust.....	—	—	—	1,545	—	1,545
Net change in the year.....	—	35,796	2,157	(554)	6,345	5,791
BALANCE, MARCH 31, 2025.....	¥ 20,305	¥ 105,597	¥ 6,643	¥ 1,258,127	¥ 19,862	¥ 1,277,989

See notes to consolidated financial statements.

Years Ended March 31, 2025 and 2024

	Thousands of U.S. Dollars (Note 1)					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	
					Unrealized Gain on Available- for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting
BALANCE, APRIL 1, 2024.....	\$ 542,980	\$ 292,139	\$ 5,945,893	\$ (450,073)	\$ 1,065,060	\$ 34,287
Net income attributable to owners of the parent.....	—	—	838,787	—	—	—
Cash dividends paid:						
Final for prior year, \$0.37 per share.....	—	—	(177,273)	—	—	—
Interim for current year, \$0.30 per share.....	—	—	(141,700)	—	—	—
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	(2,400)	—	—	—	—
Reversal of revaluation surplus of land.....	—	—	2,666	—	—	—
Purchase of treasury stock.....	—	—	—	(200,074)	—	—
Purchase of treasury stock as stock delivery trust.....	—	—	—	—	—	—
Disposition of treasury stock.....	—	—	—	—	—	—
Disposition of treasury stock as stock delivery trust.....	—	—	—	10,300	—	—
Net change in the year.....	—	—	—	—	(261,300)	4,586
BALANCE, MARCH 31, 2025.....	\$ 542,980	\$ 289,739	\$ 6,468,373	\$ (639,847)	\$ 803,760	\$ 38,873

	Thousands of U.S. Dollars (Note 1)					
	Accumulated Other Comprehensive Income					
	Revaluation Surplus of Land	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2024.....	\$ 142,060	\$ 465,340	\$ 29,907	\$ 8,067,593	\$ 90,113	\$ 8,157,706
Net income attributable to owners of the parent.....	—	—	—	838,787	—	838,787
Cash dividends paid:						
Final for prior year, \$0.37 per share.....	—	—	—	(177,273)	—	(177,273)
Interim for current year, \$0.30 per share.....	—	—	—	(141,700)	—	(141,700)
Change in ownership interest of the parent due to transactions with noncontrolling interests.....	—	—	—	(2,400)	—	(2,400)
Reversal of revaluation surplus of land.....	(6,693)	—	—	(4,027)	—	(4,027)
Purchase of treasury stock.....	—	—	—	(200,074)	—	(200,074)
Purchase of treasury stock as stock delivery trust.....	—	—	—	—	—	—
Disposition of treasury stock.....	—	—	—	—	—	—
Disposition of treasury stock as stock delivery trust.....	—	—	—	10,300	—	10,300
Net change in the year.....	—	238,640	14,380	(3,694)	42,301	38,607
BALANCE, MARCH 31, 2025.....	\$ 135,367	\$ 703,980	\$ 44,287	\$ 8,387,512	\$ 132,414	\$ 8,519,926

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

KAJIMA Corporation and Consolidated Subsidiaries

	Years Ended March 31		
	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
OPERATING ACTIVITIES:			
Income before income taxes.....	¥ 176,101	¥ 168,932	\$ 1,174,007
Adjustments for:			
Income taxes—paid.....	(63,960)	(50,537)	(426,400)
Depreciation and amortization.....	30,851	27,271	205,673
Increase in provision for doubtful accounts.....	2,732	1,181	18,213
Foreign currency exchange (gain) loss.....	(710)	1,022	(4,733)
Equity in earnings of unconsolidated subsidiaries and affiliates.....	(2,815)	(4,059)	(18,767)
Valuation loss on marketable and investment securities—net.....	1,196	193	7,973
(Gain) loss on sales or disposals of property and equipment—net.....	(3,274)	942	(21,827)
Gain on sales of marketable and investment securities—net.....	(13,980)	(13,886)	(93,200)
Loss on sales of investments in unconsolidated subsidiaries and affiliates—net.....	—	42	—
Loss on impairment of long-lived assets.....	621	—	4,140
Gain on step acquisitions.....	—	(6,175)	—
Changes in operating assets and liabilities:			
Increase in operational investments in securities.....	(84)	—	(560)
Increase in receivables.....	(55,739)	(31,639)	(371,593)
Increase in inventories.....	(15,566)	(48,704)	(103,773)
Increase (decrease) in payables.....	10,941	(33,204)	72,940
Increase in advances received.....	38,932	52,267	259,547
Increase in accrued expenses.....	12,645	4,798	84,300
(Decrease) increase in liability for retirement benefits.....	(705)	3,263	(4,700)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable.....	(82,344)	51,715	(548,960)
Increase in other assets.....	(11,358)	(10,997)	(75,720)
Increase in other liabilities.....	3,074	60,663	20,493
Other—net.....	4,074	(49,354)	27,160
Net cash provided by operating activities.....	30,632	123,734	204,213
INVESTING ACTIVITIES:			
Decrease (increase) in time deposits excluding cash equivalents—net.....	58	(644)	387
Payment for purchases of marketable and investment securities.....	(4,677)	(13,535)	(31,180)
Payment for investments in unconsolidated subsidiaries and affiliates.....	(8,952)	(6,424)	(59,680)
Proceeds from sales and redemption of marketable and investment securities.....	20,550	29,155	137,000
Proceeds from sales and redemption of investments in unconsolidated subsidiaries and affiliates.....	4,078	1,360	27,187
Payment for purchases of property and equipment.....	(66,613)	(41,502)	(444,087)
Proceeds from sales of property and equipment.....	7,847	1,260	52,313
Payment for purchases of intangible assets.....	(3,228)	(2,635)	(21,520)
Payment for purchases of shares of subsidiaries resulting in change in scope of consolidation—net (Note 23.a).....	(124)	(2,447)	(827)
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation—net (Note 23.a).....	3,048	—	20,320
Disbursements for loans.....	(53,757)	(41,423)	(358,380)
Proceeds from collection of loans.....	15,674	25,950	104,493
Other—net.....	(18,740)	(12,040)	(124,933)
Net cash used in investing activities.....	(104,836)	(62,925)	(698,907)
FINANCING ACTIVITIES:			
(Decrease) increase in short-term borrowings—net.....	(162)	36,084	(1,080)
Issuance (repayment) of commercial paper—net.....	70,000	(40,000)	466,667
Proceeds from long-term loans.....	128,315	106,771	855,433
Repayment of long-term loans.....	(80,719)	(64,714)	(538,127)
Proceeds from issuance of bonds.....	60,495	—	403,300
Redemption of bonds.....	(35,268)	(39)	(235,120)
Repayment of lease obligations.....	(3,426)	(2,880)	(22,840)
Payment for purchases of treasury stock (Note 23.b).....	(30,011)	(15,060)	(200,073)
Proceeds from disposal of treasury stock (Note 23.b).....	1	5,046	7
Cash dividends paid.....	(47,847)	(36,851)	(318,980)
Capital infusion from noncontrolling shareholders.....	3,164	4,282	21,093
Dividends paid to noncontrolling shareholders.....	(2,662)	(2,203)	(17,747)
Other—net.....	(192)	(2)	(1,280)
Net cash provided by (used in) financing activities.....	61,688	(9,566)	411,253
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS.....	12,508	9,630	83,388
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(8)	60,873	(53)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	350,064	282,253	2,333,760
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM CHANGE IN SCOPE OF CONSOLIDATION.....	(515)	6,938	(3,434)
CASH AND CASH EQUIVALENTS, END OF YEAR.....	¥ 349,541	¥ 350,064	\$ 2,330,273

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

KAJIMA Corporation and Consolidated Subsidiaries
Year Ended March 31, 2025

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Kajima Corporation (the "Company") and its consolidated subsidiaries (together, the "Companies") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of IFRS Accounting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the consolidated financial statements for the year ended March 31, 2024, to conform to the classifications used in the consolidated financial statements for the year ended March 31, 2025.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to \$1, the approximate rate of exchange at March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation — The consolidated financial statements as of March 31, 2025, include the accounts of the Company and its 181 (173 in 2024) significant subsidiaries.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Companies have the ability to exercise significant influence are accounted for by the equity method.

Another 34 (33 in 2024) subsidiaries were not consolidated as they would not have a material effect on the accompanying consolidated financial statements.

All unconsolidated subsidiaries and 107 (107 in 2024) affiliates were accounted for using the equity method. (The Company, its subsidiaries and affiliates are collectively referred to as the "Group.")

Goodwill, the excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary or affiliate at the date of acquisition, is amortized using the straight-line method over its useful life that goodwill is expected to have an effect.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from intercompany transactions is also eliminated.

As of March 31, 2025, the Company had 1 special purpose entity (1 in 2024) which was established and is being operated for the purpose of liquidation of real estate, and as such is not consolidated in accordance with Japanese GAAP. The total assets and liabilities of the special purpose entity were ¥26,847 million (\$178,980 thousand) and ¥26,842 million (\$178,947 thousand), respectively, as of March 31, 2025, and ¥25,276 million and ¥25,271 million, respectively, as of March 31, 2024. In addition, the Company recognized lease payments of ¥2,251 million (\$15,007 thousand) and ¥2,270 million based on lease agreements of real estate for the years ended March 31, 2025 and 2024, respectively. The investment in silent partnership was ¥847 million (\$5,647 thousand) and ¥847 million as of March 31, 2025 and 2024, respectively, and its related distributed profit was ¥719 million (\$4,793 thousand) and ¥918 million for the year ended March 31, 2025 and 2024, respectively.

The breakdown and changes of fully consolidated companies and companies accounted for using the equity method are summarized below:

(1) Breakdown as of March 31, 2025

1) Number of consolidated subsidiaries	: 181 Taiko Trading Co., Ltd.; Kajima Road Co., Ltd.; Kajima Leasing Corporation; Kajima Tatemono Sogo Kanri Co., Ltd.; Eaton Real Estate Co. Ltd. and its 4 subsidiaries; Chemical Grouting Co., Ltd.; Kajima U.S.A. Inc. (KUSA) and its 38 subsidiaries; Kajima Europe Ltd. (KE) and its 40 subsidiaries; Kajima Asia Pacific Holdings Pte. Ltd. (KAP) and its 51 subsidiaries; Kajima Australia Pty. Ltd. (KA) and its 28 subsidiaries; Chung-Lu Construction Co., Ltd. and 9 other subsidiaries of the Company
2) Number of unconsolidated subsidiaries accounted for using the equity method	: 34 ARTES Corporation, Japan Sea Works Co., Ltd., Kajima Institute Publishing Co., Ltd. and 31 other companies
3) Number of affiliates accounted for using the equity method	: 107 Engineering and Risk Services Corporation, Azuma Kanko Kaihatsu Co., Ltd., Katabami Corporation and 104 other companies

(2) Changes for the year ended March 31, 2025

1) Newly consolidated companies	: 2 subsidiaries of Eaton Real Estate Co. Ltd., 3 subsidiaries of KUSA, 1 subsidiary of KE, 4 subsidiaries of KAP and 1 subsidiary of KA due to establishment and acquisition
2) Companies excluded from consolidation	: 1 subsidiary of KE due to liquidation and 2 subsidiaries of KAP due to transfer to affiliates resulting from sales of interests
3) Companies newly accounted for using the equity method	: 8 affiliates due to establishment, acquisition and transfer from consolidated companies resulting from sales of interests
4) Companies excluded from the equity method	: 7 affiliates due to sales of interests, liquidation and decrease of influence

- b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements — Japanese accounting standards prescribe that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either IFRS Accounting Standards or accounting principles generally accepted in the United States of America ("U.S. GAAP") tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (3) expensing capitalized costs of research and development; (4) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (5) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.
- c. Unification of Accounting Policies Applied to Foreign Affiliates for the Equity Method — Japanese accounting standards require adjustments to be made to conform the affiliate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the affiliate's financial statements are used in applying the equity method, unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign affiliates in accordance with either IFRS Accounting Standards or U.S. GAAP tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (1) amortization of goodwill; (2) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (3) expensing capitalized costs of research and development; (4) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (5) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign affiliate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.
- d. Business Combinations — Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred.
- e. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. Cash equivalents include time deposits and certificates of deposit, both of which mature or become due within three months of the date of acquisition.
- f. Inventories — Construction projects in progress are stated at cost as determined on a specific project basis. Related general and administrative expenses and financial charges are principally excluded from such costs.
- Japanese accounting standards require that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.
- As a result, gross profit for the years ended March 31, 2025 and 2024, decreased by ¥130 million (\$867 thousand) and ¥13 million, respectively.
- However, in the case of certain overseas subsidiaries, construction projects in progress, development projects in progress and real estate for sale are stated at cost, when not in excess of net realizable value.
- g. Capitalization of Interest — Interest costs incurred for real estate development projects conducted by certain overseas subsidiaries have been capitalized as part of the development costs of such projects. Interest expenses capitalized were ¥9,115 million (\$60,767 thousand) and ¥8,263 million for the years ended March 31, 2025 and 2024, respectively.

h. Marketable Securities, Operational Investments in Securities and Investments in Securities — Marketable securities, operational investments in securities and investments in securities are classified and accounted for, depending on management's intent, as follows:

- (1) Trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, and the related unrealized gains and losses are included in earnings;
- (2) Held-to-maturity debt securities, for which there is a positive intent and ability to hold to maturity, are reported at amortized cost; and
- (3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

The securities held by the Companies are mainly classified as available-for-sale securities. The cost of securities sold is determined based on the moving-average method. Nonmarketable available-for-sale equity securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

i. Property and Equipment — Property and equipment are principally stated at cost, net of accumulated depreciation and less gains deferred on the sale and replacement of certain assets. Depreciation has been principally computed using the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, and building improvements and structures acquired on or after April 1, 2016.

The estimated useful lives for buildings and structures range from 2 to 60 years, and for machinery, equipment and other, range from 2 to 20 years.

However, in the accounts of certain overseas subsidiaries, depreciation is principally calculated using the straight-line method over the estimated useful lives of the respective assets.

Accumulated depreciation totaled ¥404,251 million (\$2,695,007 thousand) and ¥377,978 million as of March 31, 2025 and 2024, respectively.

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section.

The amount directly deducted from the acquisition cost of construction in progress due to the conversion of rights in connection with a Type 1 Urban Redevelopment Project under the Urban Redevelopment Law was ¥23,229 million for the year ended March 31, 2024.

j. Long-Lived Assets — The Companies review their long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

k. Allowance for Doubtful Accounts — Allowance for doubtful accounts provided by the Company and its domestic consolidated subsidiaries is stated in amounts considered to be appropriate based on each company's past credit loss experience and an evaluation of potential losses in the receivables and others outstanding. However, the overseas consolidated subsidiaries provide for such possible losses using management's estimate.

l. Retirement Benefits — The Company and certain consolidated subsidiaries have funded and/or unfunded retirement benefit plans covering their employees. In addition, the Company and certain consolidated subsidiaries have defined contribution plans.

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss on a straight-line basis over 10 years no longer than the expected average remaining service period of the employees. The discount rate is determined using a single weighted-average discount rate reflecting the estimated timing and amount of benefit payment.

m. Asset Retirement Obligation — An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

n. Significant Basis for Recording Revenues and Costs — The main performance obligations of the Companies in their primary businesses and the point in time when the Companies typically satisfy the performance obligations (when the Companies typically recognize revenues) are as follows:

(1) Construction business

The Companies carry out civil engineering, building construction, equipment and other general construction work based on executed construction contracts, and have performance obligations to deliver products such as completed buildings to customers. When a control over the promised goods or services is transferred to the customer over time, revenue is recognized over time as the performance obligation to transfer the goods or services to the customer is satisfied. The progress of the satisfaction is primarily measured based on the ratio of the cumulative construction costs incurred by the end of the financial year against the total estimated construction costs.

(2) Real estate development and other

The Companies carry out real estate development, architectural, structural and other design and engineering services based on executed real estate sales and outsourcing contracts, and have performance obligations to provide services or deliver properties/deliverables to customers. When a control over the promised goods or services is transferred to the customer over time, revenue is recognized over time as the performance obligation to transfer the goods or services to the customer is satisfied. In other cases, revenue is recognized at a point in time when such properties/deliverables are delivered because it is considered that the performance obligation is to be satisfied at a point in time and the revenue is recognized at the time when the properties/deliverables are delivered. In case of applying the method to recognize revenue over time, the progress of the satisfaction of the performance obligation is primarily measured based on the ratio of the cumulative costs incurred by the end of the financial year against the total estimated costs.

In the construction business and the real estate development and other businesses, the alternative treatment is applied when the duration of transaction, such as from the beginning of the transaction to the point when the performance obligation is expected to be fully satisfied, is distinctively short. In such cases, the revenue is recognized at the point when the performance obligations are fully satisfied rather than being recognized over time.

o. Costs of Research and Development and Debenture Issuance — All research and development costs and debenture issuance costs are charged to income as incurred. Costs of research and development for the years ended March 31, 2025 and 2024, totaled ¥22,207 million (\$148,047 thousand) and ¥20,762 million, respectively.

p. Leases — Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the balance sheet.

All other leases are mainly accounted for as operating leases.

q. Bonuses to Directors — Bonuses to directors are accrued at the end of the year to which such bonuses are attributable.

r. Income Taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income taxes are measured by applying currently enacted income tax rates to the temporary differences.

The Company and certain domestic consolidated subsidiaries have applied the Group Tax Sharing System.

s. Accounting Principles and Procedures Adopted where the Relevant Accounting Standards are not Specified — Joint ventures, which the Company and its certain domestic consolidated subsidiaries form with other companies for the purpose of winning and managing construction projects, are not accounted as separate entities, but the construction revenue and the construction costs arising in the joint ventures are proportioned to individual financial statements in accordance with the share in the joint venture.

t. Foreign Currency Transactions — All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates as of the balance sheet date. The foreign currency exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts or currency swaps.

u. Foreign Currency Financial Statements — The balance sheet accounts and revenue and expense accounts of the overseas consolidated subsidiaries are translated into Japanese yen at the current exchange rates as of each balance sheet date except for equity, which is translated at the historical exchange rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

v. Derivatives and Hedging Activities — The Companies use derivative financial instruments ("derivatives") to manage their exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts, currency swaps and interest rate swaps are principally utilized by the Companies to reduce the risks arising from the factors mentioned above. The Companies do not enter into derivatives for trading or speculative purposes.

Derivatives are classified and accounted for as follows:

(1) All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income; and

(2) For derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The derivative instruments applied for forecasted or committed transactions are measured at fair value, but the unrealized gains and losses are deferred until the underlying transactions are completed.

The monetary debts and credits denominated in foreign currencies, for which foreign exchange forward contracts or currency swaps are used to hedge the foreign currency fluctuations, are translated at the contracted rate if the forward contracts or currency

- swaps qualify for hedge accounting.
- Interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is charged to income.
- w. Gain on Step Acquisitions — For the year ended March 31, 2024, the Companies recognized a gain on step acquisition resulting from consolidating an affiliate of KE previously accounted for using the equity method by acquiring additional interests.
- x. Per Share Information — Basic net income per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding for the period.
- Diluted net income per share is not disclosed because the Companies did not have dilutive shares for the years ended March 31, 2025 and 2024.
- Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective financial years including dividends to be paid after the end of the year.
- y. Change in Accounting Policy — The Company has applied "The Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (Practical Solution No.46 issued by the Accounting Standards Board of Japan ("ASBJ") on March 22, 2024) from the beginning of the year ended March 31, 2025. The Company has recorded corporate taxes related to the global minimum tax rules based on a reasonable estimate, calculated from the difference between the base tax rate (15%) and the tax rates applicable in the countries where its subsidiaries are located. The application of the new accounting policy had an immaterial impact on the consolidated financial statements for the year ended March 31, 2025.
- z. New Accounting Pronouncements — On September 13, 2024, the ASBJ issued ASBJ Statement No. 34, "Accounting Standard for Leases" and ASBJ Guidance No. 33, "Implementation Guidance on Accounting Standard for Leases."
- (1) Overview
- The accounting standards require lessees to record assets and liabilities for all leases, consistent with the International Accounting Standards.
- (2) Scheduled date of application
- The accounting standards are scheduled to be applied from the beginning of the year ending March 31, 2028.
- (3) Impact of the application of the accounting standards
- The company is currently evaluating the impact of the new standards on its consolidated financial statements and related disclosures.
- aa. Additional Information
- (1) Stock Delivery Trust for Directors and Executive Officers
- 1) Overview of the transaction
- The Company has introduced a performance-linked stock remuneration plan (the "Plan") for Directors (excluding Outside Directors) and Executive officers (collectively, the "Directors") of the Company using a trust structure.
- The Plan makes interrelation between the remuneration of the Directors and the Company's performance as well as stock value clearer. Therefore, the Plan enhances motivation of the Directors to contribute to improve the performance and corporate value over the medium- to long-term by sharing the benefit and risk of stock value fluctuations with stockholders.
- The Plan is a stock remuneration plan under which the Company establishes a trust (the "Trust") through a monetary contribution. The Trust acquires the Company's common stocks (the "Company's Stocks") for delivery by the Trust to each Director, in a number corresponding to the points awarded by the Company to that Director.
- 2) The Company's Stocks remaining in the Trust
- The Company's Stocks remaining in the Trust are recorded as treasury stock in equity by the carrying amount (excluding the incidental charges). The carrying amount and the number of shares were ¥1,156 million (\$7,707 thousand) and 527 thousand shares, respectively, as of March 31, 2025, and ¥1,656 million and 756 thousand shares, respectively, as of March 31, 2024.
- (2) Stock Delivery Trust for Employees
- 1) Overview of the transaction
- The Company has introduced an incentive plan (the "Plan") for employees at or above a certain position.
- The Plan aims to enhance the awareness of management participation and motivation toward the Company's performance among those employees at senior management positions.
- The Plan is a stock remuneration plan under which the Company establishes a trust (the "Trust") through a monetary contribution. The Trust acquires the Company's common stocks (the "Company's Stocks") for delivery by the Trust to each employee, in a number corresponding to the points awarded by the Company to that employee.
- 2) The Company's Stocks remaining in the Trust
- The Company's Stocks remaining in the Trust are recorded as treasury stock in equity by the carrying amount (excluding the incidental charges). The carrying amount and the number of shares were ¥2,345 million (\$15,633 thousand) and 1,070 thousand shares, respectively, as of March 31, 2025, and ¥3,389 million and 1,547 thousand shares, respectively, as of March 31, 2024.

3. SIGNIFICANT ACCOUNTING ESTIMATE

Estimates of total construction revenue, total construction costs and the progress of the contract are made in accordance with the method of recognizing revenue over time, as the performance obligation to transfer the promised goods or services to the customer is satisfied (hereinafter, "the percentage-of-completion method").

(1) Carrying amounts

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Construction revenue recognized by the percentage-of-completion method	¥ 2,388,728	¥ 2,197,910	\$ 15,924,853
Construction costs recognized by the percentage-of-completion method	2,180,772	2,012,633	14,538,480
Provision for loss on construction projects in progress (recorded in other current liabilities)	25,094	28,089	167,293

(2) Information on the significant accounting estimate

The construction revenue is calculated by multiplying the total estimated construction revenue by the progress principally based on cumulative construction costs incurred by the end of the financial year against the total estimated construction costs.

The estimation of the total construction revenue and the total construction costs is based on the operational budget which is compiled at the beginning of the construction and updated in a timely manner. At the same time, the progress of the contract is principally estimated by the ratio of the cumulative construction costs incurred by the end of the financial year against the total estimated construction costs.

As construction progresses, the aforementioned estimation is influenced by factors such as: 1) the variation orders regarding changes in construction methods or scope; 2) the fluctuations of the price in the construction materials and labor market; and 3) the changes of construction costs led by condition changes related to projects. Such factors could have material impact on the amount of construction revenue, construction costs and provision for loss on construction projects in progress in the consolidated financial statements for the following financial year.

4. CONTRACT ASSETS AND LIABILITIES

Receivables from contracts with customers, contract assets, and contract liabilities as of March 31, 2025 and 2024, consisted of the following:

a. Receivables from contracts with customers and contract assets

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Notes receivable—trade	¥ 13,116	¥ 16,460	\$ 87,440
Accounts receivable—trade	480,759	440,419	3,205,060
Contract assets	558,894	478,995	3,725,960

b. Contract liabilities

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Advances received:			
Construction projects in progress	¥ 250,009	¥ 203,326	\$ 1,666,727
Development projects in progress, real estate for sale and other	3,125	10,531	20,833
Other current liabilities	56,423	16,701	376,153
Total	¥ 309,557	¥ 230,558	\$ 2,063,713

5. MARKETABLE SECURITIES, OPERATIONAL INVESTMENTS IN SECURITIES AND INVESTMENTS IN SECURITIES

Marketable securities, operational investments in securities and investments in securities as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Current:			
Government and corporate bonds	¥ 194	¥ 170	\$ 1,293
Preferred equity investment.....	9,771	9,771	65,140
Other	1,625	1,540	10,833
Total	¥ 11,590	¥ 11,481	\$ 77,266
Non-current:			
Equity securities	¥ 267,299	¥ 327,708	\$ 1,781,993
Government and corporate bonds	1,479	1,220	9,860
Other	23,384	20,793	155,894
Total	¥ 292,162	¥ 349,721	\$ 1,947,747

The costs and aggregate fair values related to the category of the securities classified as available-for-sale as of March 31, 2025 and 2024, were as follows:

As of March 31, 2025	Millions of Yen			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value (Carrying Amount)
Available-for-sale:				
Equity securities	¥ 88,962	¥ 171,316	¥ (548)	¥ 259,730
Government and corporate bonds	1,718	2	(47)	1,673
Other	1,755	632	(36)	2,351
Total	¥ 92,435	¥ 171,950	¥ (631)	¥ 263,754

As of March 31, 2024	Millions of Yen			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value (Carrying Amount)
Available-for-sale:				
Equity securities	¥ 94,349	¥ 225,420	¥ (367)	¥ 319,402
Government and corporate bonds	1,416	15	(41)	1,390
Other	1,698	659	(37)	2,320
Total	¥ 97,463	¥ 226,094	¥ (445)	¥ 323,112

As of March 31, 2025	Thousands of U.S. Dollars			
	Cost	Unrealized Gain	Unrealized Loss	Fair Value (Carrying Amount)
Available-for-sale:				
Equity securities	\$ 593,080	\$ 1,142,107	\$ (3,653)	\$ 1,731,534
Government and corporate bonds	11,453	13	(313)	11,153
Other	11,700	4,213	(240)	15,673
Total	\$ 616,233	\$ 1,146,333	\$ (4,206)	\$ 1,758,360

The above figures include marketable equity securities temporarily lent to financial institutions based on securities lending agreements in the amount of ¥273 million as of March 31, 2024.

The information for available-for-sale securities which were sold during the years ended March 31, 2025 and 2024, was as follows:

Year Ended March 31, 2025	Millions of Yen		
	Proceeds	Realized Gain	Realized Loss
Available-for-sale:			
Equity securities	¥ 20,322	¥ 13,980	¥ (0)
Government and corporate bonds	33	0	—
Other.....	—	—	—
Total	¥ 20,355	¥ 13,980	¥ (0)

Year Ended March 31, 2024	Millions of Yen		
	Proceeds	Realized Gain	Realized Loss
Available-for-sale:			
Equity securities	¥ 28,449	¥ 13,933	¥ (22)
Government and corporate bonds	194	—	(7)
Other.....	166	0	(18)
Total	¥ 28,809	¥ 13,933	¥ (47)

Year Ended March 31, 2025	Thousands of U.S. Dollars		
	Proceeds	Realized Gain	Realized Loss
Available-for-sale:			
Equity securities	\$ 135,480	\$ 93,200	\$ (0)
Government and corporate bonds	220	0	—
Other.....	—	—	—
Total	\$ 135,700	\$ 93,200	\$ (0)

The impairment losses on available-for-sale securities were ¥1,042 million (\$6,947 thousand) and ¥252 million for the years ended March 31, 2025 and 2024, respectively.

6. REVALUATION OF LAND

Under the "Law of Land Revaluation," the Company and a domestic consolidated subsidiary adopted a one-time revaluation of their land in Japan to a value based on real estate appraisal information as of March 31, 2002.

The resulting land revaluation excess represents unrealized appreciation of land and is stated, net of income taxes, as a component of equity. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess account and related deferred tax liabilities.

7. LONG-LIVED ASSETS

For the year ended March 31, 2025, the Companies recognized impairment losses of the following assets:

Use	Type of assets	Location	Number of assets
Assets used for business	Machinery, equipment and other	Hiroshima Prefecture and other	2
Idle properties	Machinery, equipment and other	Kanagawa Prefecture and others	6
Other	Intangible asset (Customer relationships)	Georgia, U.S.A.	1

For purposes of evaluating and measuring impairment, assets used for business are evaluated by branch office and idle properties are evaluated individually.

The carrying amounts of certain assets used for business were devalued to their recoverable amounts due to declining profitability. The carrying amounts of idle properties were devalued to their recoverable amounts due to the lack of prospects for future use. The carrying amount of the intangible asset was devalued to its recoverable amount due to the lack of prospects for the initially projected profits.

As a result, the Companies recognized impairment losses of ¥621 million (\$4,140 thousand), which consisted of assets used for business of ¥88 million (\$587 thousand), idle properties of ¥362 million (\$2,413 thousand) and an intangible asset of ¥171 million (\$1,140 thousand) for the year ended March 31, 2025.

The recoverable amounts of assets used for business and idle properties were measured at the anticipated net selling price at disposition. The Companies principally used the appraisal value, less the cost of disposal, for calculating the net selling price at disposition. The intangible asset (customer relationships) was evaluated for impairment in accordance with U.S. GAAP, and its recoverable amount was calculated as zero.

8. INVESTMENT PROPERTY

The Companies own certain rental properties such as office buildings and commercial facilities in Tokyo, other areas in Japan and overseas (Indonesia and others). The net of rental income and operating expenses for these rental properties was ¥15,041 million (\$100,273 thousand), gain on sales or disposals of property and equipment—net was ¥190 million (\$1,267 thousand) and loss on impairment of long-lived assets was ¥97 million (\$647 thousand) for the year ended March 31, 2025. The net of rental income and operating expenses for those rental properties was ¥11,073 million and loss on sales or disposals of property and equipment—net was ¥34 million for the year ended March 31, 2024.

In addition, the carrying amounts, changes in such balances and fair values of such properties were as follows:

Millions of Yen			
Carrying amount		Fair value	
As of April 1, 2024	Increase	As of March 31, 2025	As of March 31, 2025
¥ 302,886	¥ 40,881	¥ 343,767	¥ 623,645

Millions of Yen			
Carrying amount		Fair value	
As of April 1, 2023	Increase	As of March 31, 2024	As of March 31, 2024
¥ 252,371	¥ 50,515	¥ 302,886	¥ 554,581

Thousands of U.S. Dollars			
Carrying amount		Fair value	
As of April 1, 2024	Increase	As of March 31, 2025	As of March 31, 2025
\$ 2,019,240	\$ 272,540	\$ 2,291,780	\$ 4,157,633

- Notes:
- (1) Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
- (2) Increase during the financial year ended March 31, 2025, primarily consisted of construction of buildings and other of ¥25,974 million (\$173,160 thousand). Increase during the financial year ended March 31, 2024, primarily consisted of consolidating real estate of ¥33,797 million of an affiliate, that was previously accounted for using the equity method, due to acquisition of additional interests.
- (3) Fair value of properties as of March 31, 2025 and 2024, was measured as follows:
- 1) Fair value of domestic properties is principally measured by the Companies in accordance with its Real Estate Appraisal Standard, including adjustments using indexes.
- 2) Fair value of overseas properties is principally measured by third-party appraisal reports.

9. LONG-TERM LOANS RECEIVABLE

Long-term loans receivable primarily consists of loans to business partners and customers of the Companies.

10. PLEDGED ASSETS

As of March 31, 2025, the following assets of the Companies were pledged to secure the repayment of the current portion of long-term debt of ¥74,517 million (\$496,780 thousand), long-term debt of ¥117,830 million (\$785,533 thousand) and other long-term liabilities of ¥2 million (\$13 thousand) and to assure the performance by the Companies under certain agreements.

	Millions of Yen	Thousands of U.S. Dollars
Notes and accounts receivable—trade	¥ 974	\$ 6,493
Inventories:		
Development projects in progress, real estate for sale and other	259,542	1,730,280
Other current assets	70	468
Land	34,638	230,920
Buildings and structures	38,582	257,213
Machinery, equipment and other	1,138	7,587
Construction in progress	1,268	8,453
Investments in securities and Investments in unconsolidated subsidiaries and affiliates	10,952	73,013
Long-term loans receivable and Long-term loans to unconsolidated subsidiaries and affiliates	524	3,493
Intangible assets (recorded in "other" in investments and other assets)	13,998	93,320
Total	¥ 361,686	\$ 2,411,240

11. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings as of March 31, 2025 and 2024, mainly consisted of bank overdrafts. The weighted-average interest rates of short-term borrowings as of March 31, 2025 and 2024, were 4.06% and 4.51%, respectively.

Long-term debt as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Long-term loans, due 2025 – 2039	¥ 317,529	¥ 257,912	\$ 2,116,859
Corporate bonds, due 2025 – 2031	110,650	80,068	737,667
Lease obligations	15,691	14,521	104,607
Total	443,870	352,501	2,959,133
Current portion of long-term debt	(103,100)	(87,646)	(687,333)
Total	¥ 340,770	¥ 264,855	\$ 2,271,800

Long-term loans as of March 31, 2025 and 2024, were primarily from banks and insurance companies. The weighted-average interest rates of long-term loans as of March 31, 2025 and 2024, were 4.66% and 5.19%, respectively. The Companies issue corporate bonds to meet the financial needs and the weighted-average interest rates for the outstanding balances of such corporate bonds as of March 31, 2025 and 2024, were 0.70% and 0.46%, respectively. Certain short-term and long-term bank loans of the Company and its domestic consolidated subsidiaries are made under agreements which, as is customary in Japan, provide that the bank may, under certain conditions, require the borrower to provide collateral (or additional collateral) or guarantors with respect to the loans, and that the bank may treat any collateral, whether furnished as security for short-term or long-term loans or otherwise, as collateral for all indebtedness to such bank. However, the Company and its domestic consolidated subsidiaries have never received such a request.

The aggregate annual maturities of long-term debt (including current portion) as of March 31, 2025, were as follows:

Years Ending	Millions of Yen	Thousands of U.S. Dollars
March 31		
2026	¥ 103,100	\$ 687,333
2027	89,335	595,567
2028	101,634	677,560
2029	19,266	128,440
2030	61,057	407,047
2031 and thereafter	69,478	463,186
Total	¥ 443,870	\$ 2,959,133

In addition, the Company entered into committed loan facility agreements aggregating ¥200,000 million (\$1,333,333 thousand) with several Japanese banks. There were no outstanding balances under the committed loan facility agreements as of March 31, 2025.

12. COMMERCIAL PAPER

As of March 31, 2025, commercial paper consisted of 89-day notes issued by the Company, with a weighted-average interest rate of 0.61%

13. ADVANCES RECEIVED ON CONSTRUCTION PROJECTS IN PROGRESS

The Companies normally receive payments from customers on a progress basis in accordance with the terms of the respective construction contracts.

14. RETIREMENT BENEFITS

The Company, its domestic consolidated subsidiaries, and certain overseas consolidated subsidiaries have funded and/or unfunded defined benefit plans covering their employees. In addition, the Company, certain domestic and overseas consolidated subsidiaries have defined contribution plans.

Under the defined benefit pension plans, which are all funded, employees terminating their employment are entitled to either a lump-sum payment or an annuity, determined based on the rate of pay at the time of termination and years of service.

The severance lump-sum payment plans, which are mostly unfunded, except for a certain plan that is deemed to be funded where a consolidated subsidiary contributes qualified plan assets to an employee retirement benefit trust, provide for a lump-sum payment to terminated employees, determined based on accumulated points allocated each month according to an employee's job classification and performance, or on the rate of pay at the time of termination and years of service.

Certain consolidated subsidiaries account for their retirement benefit plans using the simplified method.

a. Changes in defined benefit obligation

The changes in defined benefit obligation for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year.....	¥ 69,823	¥ 70,481	\$ 465,487
Current service cost	4,351	4,468	29,007
Interest cost	939	769	6,260
Actuarial gains	(3,617)	(1,185)	(24,113)
Benefits paid	(6,242)	(4,782)	(41,613)
Other	204	72	1,359
Balance at end of year	¥ 65,458	¥ 69,823	\$ 436,387

Note: Retirement benefit plans accounted for using the simplified method are excluded.

b. Changes in plan assets

The changes in plan assets for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥ 14,573	¥ 11,321	\$ 97,153
Expected return on plan assets	121	110	807
Actuarial gains	56	3,066	373
Contributions from the employer	135	132	900
Benefits paid	(220)	(205)	(1,467)
Other	134	149	894
Balance at end of year	¥ 14,799	¥ 14,573	\$ 98,660

Note: Retirement benefit plans accounted for using the simplified method are excluded.

c. Changes in net defined benefit liability accounted for using the simplified method

The changes in net defined benefit liability accounted for using the simplified method for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Balance at beginning of year	¥ 1,379	¥ 1,415	\$ 9,193
Benefit cost	269	202	1,793
Benefits paid	(235)	(210)	(1,567)
Contributions to the funds	(55)	(51)	(366)
Other	35	23	234
Balance at end of year	¥ 1,393	¥ 1,379	\$ 9,287

d. Reconciliation with the consolidated balance sheet

Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2025 and 2024, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Funded defined benefit obligation	¥ 9,718	¥ 10,189	\$ 64,787
Plan assets.....	(15,410)	(15,146)	(102,734)
Total	(5,692)	(4,957)	(37,947)
Unfunded defined benefit obligation	57,744	61,586	384,961
Net liability for defined benefit obligation	¥ 52,052	¥ 56,629	\$ 347,014

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Liability for retirement benefits	¥ 57,509	¥ 61,344	\$ 383,393
Asset for retirement benefits	(5,457)	(4,715)	(36,379)
Net liability for defined benefit obligation	¥ 52,052	¥ 56,629	\$ 347,014

Notes:

(1) Retirement benefit plans accounted for using the simplified method are included.

(2) Asset for retirement benefits is included in "other" in investments and other assets in the consolidated balance sheet.

e. Periodic benefit costs

The components of net periodic benefit costs for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Service cost	¥ 4,351	¥ 4,468	\$ 29,007
Interest cost	939	769	6,260
Expected return on plan assets	(121)	(110)	(807)
Recognized actuarial (gains)	(414)	(70)	(2,760)
Benefit cost in simplified method	269	202	1,793
Other	35	(232)	234
Net periodic benefit costs	¥ 5,059	¥ 5,027	\$ 33,727

f. Other comprehensive income

Amounts recognized in other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Actuarial gains	¥ 3,249	¥ 4,159	\$ 21,660

g. Accumulated other comprehensive income

Amounts recognized in accumulated other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
Unrecognized actuarial gains	<u>¥ 9,724</u>	<u>¥ 6,475</u>	<u>\$ 64,827</u>

h. Plan assets

(1) Components of plan assets

Plan assets as of March 31, 2025 and 2024, consisted of the following:

	2025	2024
Equity investments.....	59 %	62 %
Debt investments	17	16
Cash and cash equivalents	12	11
General accounts with life insurance companies	8	8
Other	4	3
Total	<u>100 %</u>	<u>100 %</u>

(2) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

i. Assumptions

Assumptions used for the years ended March 31, 2025 and 2024, were set forth as follows:

	2025	2024
Discount rate	1.2% to 1.6%	0.9% to 1.2%
Expected rate of return on plan assets	1.0%	1.0%

j. Defined contribution pension plans

The costs of defined contribution plans were ¥4,201 million (\$28,007 thousand) and ¥3,703 million for the years ended March 31, 2025 and 2024, respectively.

15. EQUITY

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the financial year in addition to the year-end dividend upon resolution at the stockholders' meeting. Additionally, for companies that meet certain criteria including: (1) having a Board of Directors; (2) having independent auditors; (3) having an Audit & Supervisory Board; and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the financial year if the company has prescribed so in its articles of incorporation. However, such article is not stipulated in the articles of incorporation of the Company.

Semiannual interim dividends can be paid once a year upon resolution by the Board of Directors as stipulated in the articles of incorporation of the Company.

b. Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the stockholders.

c. Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the stockholders, which is determined by a specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity.

At the Board of Directors' Meeting held on May 14, 2024, the Company resolved matters related to acquisition of its own shares in accordance with Article 156 of the Companies Act, applicable pursuant to Article 165, Paragraph 3 of the said Act. The number of shares acquired based on the resolution was 11,133 thousand shares.

16. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 30.5% for the years ended March 31, 2025 and 2024.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Deferred tax assets:			
Valuation loss on property and equipment	¥ 23,811	¥ 22,763	\$ 158,740
Accounts payable—trade, accrued expense, and other	22,606	19,881	150,707
Liability for retirement benefits	17,168	18,119	114,453
Other	63,740	56,508	424,933
Subtotal	127,325	117,271	848,833
Valuation allowance	(44,938)	(42,352)	(299,586)
Total	<u>82,387</u>	<u>74,919</u>	<u>549,247</u>
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	(52,344)	(67,747)	(348,960)
Other	(21,881)	(16,299)	(145,874)
Total	<u>(74,225)</u>	<u>(84,046)</u>	<u>(494,834)</u>
Net deferred tax assets (liabilities)	<u>¥ 8,162</u>	<u>¥ (9,127)</u>	<u>\$ 54,413</u>

As of March 31, 2025, certain consolidated subsidiaries of the Company have tax loss carryforwards available to offset future taxable income, which will start expiring in 2025. As for one of the domestic consolidated subsidiaries, its tax loss carryforwards will gradually expire by 2035. Due to the uncertainty in the realization of such tax loss carryforwards, the Companies have established a valuation allowance to offset a portion of the related deferred tax assets in the amount of ¥5,221 million (\$34,807 thousand) and ¥5,022 million as of March 31, 2025 and 2024, respectively.

Reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2025, was as follows:

	2025
Normal effective statutory tax rate	30.5 %
Expenses not deductible for income tax purposes	2.0
Income not taxable for income tax purposes	(0.4)
Tax credits for research and development	(1.5)
Tax credits for promoting wage increase	(2.5)
Effect of tax rate increase	(0.5)
Other—net	0.6
Actual effective tax rate	28.2 %

Information for the year ended March 31, 2024, is not disclosed, because the difference was not more than 5% of the normal effective statutory tax rate.

On March 31, 2025, a tax reform law was enacted in Japan, raising the normal effective statutory tax rate for the Company and its domestic subsidiaries from approximately 30.5% to 31.4%, effective for the financial years beginning on or after April 1, 2026. As a result of this change, the Company recognized a decrease in net deferred tax assets by ¥664 million (\$4,427 thousand) and an increase in deferred tax liabilities on revaluation surplus of land by ¥603 million (\$4,020 thousand). Additionally, accumulated other comprehensive income decreased by ¥2,185 million (\$14,567 thousand) in the consolidated balance sheet as of March 31, 2025. The change also resulted in a decrease in income taxes—deferred of ¥918 million (\$6,120 thousand) in the consolidated statement of income for the year ended March 31, 2025.

In accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No. 42 issued by the ASBJ on August 12, 2021), the Company and certain domestic consolidated subsidiaries have adopted accounting treatment and disclosure of corporate and local corporate income taxes or relevant tax effect accounting.

17. REVENUES

a. Disaggregation of revenue

Revenues from contracts with customers on a disaggregated basis for the years ended March 31, 2025 and 2024, were as follows:

(1) Reportable segments

Year Ended March 31, 2025	Millions of Yen					
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total
Revenues:						
Construction projects	¥ 404,143	¥ 1,052,902	¥ —	¥ 126,561	¥ 927,057	¥ 2,510,663
Real estate and other	—	—	77,379	103,409	166,519	347,307
Revenues from contracts with customers	404,143	1,052,902	77,379	229,970	1,093,576	2,857,970
Other revenues	—	—	20,575	12,494	20,777	53,846
Total	¥ 404,143	¥ 1,052,902	¥ 97,954	¥ 242,464	¥ 1,114,353	¥ 2,911,816

Year Ended March 31, 2024	Millions of Yen					
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total
Revenues:						
Construction projects	¥ 363,334	¥ 1,102,933	¥ —	¥ 130,630	¥ 725,069	¥ 2,321,966
Real estate and other	—	—	62,161	115,332	117,421	294,914
Revenues from contracts with customers	363,334	1,102,933	62,161	245,962	842,490	2,616,880
Other revenues	—	—	19,836	11,578	16,882	48,296
Total	¥ 363,334	¥ 1,102,933	¥ 81,997	¥ 257,540	¥ 859,372	¥ 2,665,176

Year Ended March 31, 2025	Thousands of U.S. Dollars					
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total
Revenues:						
Construction projects	\$ 2,694,287	\$ 7,019,347	\$ —	\$ 843,739	\$ 6,180,380	\$ 16,737,753
Real estate and other	—	—	515,860	689,393	1,110,127	2,315,380
Revenues from contracts with customers	2,694,287	7,019,347	515,860	1,533,132	7,290,507	19,053,133
Other revenues	—	—	137,166	83,294	138,513	358,973
Total	\$ 2,694,287	\$ 7,019,347	\$ 653,026	\$ 1,616,426	\$ 7,429,020	\$ 19,412,106

Note: Revenues from lease transactions, etc. are included in other revenues.

(2) Geographical areas

Year Ended March 31, 2025		Millions of Yen					
	Japan	North America	Europe	Asia	Oceania	Other Areas	Total
Revenues:							
Construction projects	¥ 1,581,358	¥ 556,247	¥ 55,940	¥ 168,456	¥ 144,763	¥ 3,899	¥ 2,510,663
Real estate and other	180,705	125,852	6,594	33,848	285	23	347,307
Revenues from contracts with customers	1,762,063	682,099	62,534	202,304	145,048	3,922	2,857,970
Other revenues	32,947	4,733	4,138	12,028	—	—	53,846
Total	¥ 1,795,010	¥ 686,832	¥ 66,672	¥ 214,332	¥ 145,048	¥ 3,922	¥ 2,911,816

Year Ended March 31, 2024		Millions of Yen					
	Japan	North America	Europe	Asia	Oceania	Other Areas	Total
Revenues:							
Construction projects	¥ 1,595,097	¥ 398,680	¥ 38,051	¥ 147,132	¥ 140,013	¥ 2,993	¥ 2,321,966
Real estate and other	177,318	92,564	5,499	19,323	172	38	294,914
Revenues from contracts with customers	1,772,415	491,244	43,550	166,455	140,185	3,031	2,616,880
Other revenues	30,975	5,350	564	11,407	—	—	48,296
Total	¥ 1,803,390	¥ 496,594	¥ 44,114	¥ 177,862	¥ 140,185	¥ 3,031	¥ 2,665,176

Year Ended March 31, 2025		Thousands of U.S. Dollars					
	Japan	North America	Europe	Asia	Oceania	Other Areas	Total
Revenues:							
Construction projects	\$ 10,542,387	\$ 3,708,313	\$ 372,933	\$ 1,123,040	\$ 965,087	\$ 25,993	\$ 16,737,753
Real estate and other	1,204,700	839,014	43,960	225,653	1,900	153	2,315,380
Revenues from contracts with customers	11,747,087	4,547,327	416,893	1,348,693	966,987	26,146	19,053,133
Other revenues	219,646	31,553	27,587	80,187	—	—	358,973
Total	\$ 11,966,733	\$ 4,578,880	\$ 444,480	\$ 1,428,880	\$ 966,987	\$ 26,146	\$ 19,412,106

Note: Revenues from lease transactions, etc. are included in other revenues.

b. Basic information to understand revenues from contracts with customers

(1) Information regarding contracts and performance obligations

The Companies operate in the construction business and the real estate development and other businesses for domestic and overseas customers. In the construction business, the Companies carry out civil engineering, building construction, equipment and other general construction work based on executed construction contracts, and have performance obligations to deliver products such as completed buildings to customers. In the real estate development and other businesses, the Companies carry out real estate development, architectural, structural and other design and engineering services based on executed real estate sales and outsourcing contracts, and have performance obligations to provide services or deliver properties/deliverables to customers.

Because the payment conditions for the promised considerations with customers differ by each contract, there is no material relationship between the timing of satisfaction and the timing of payment for the performance obligations.

(2) Information regarding determination of the transaction price

Variable consideration based on price indexing clauses stipulated in contracts is included in the transaction price only to the extent where it is probable that, resolution of uncertainty over variable consideration will not cause significant reduction of revenue. In addition, for the financing components included in the promised considerations with customers, adjustment regarding the interest rate is not made as it is considered immaterial.

(3) Information regarding allocation of the transaction prices to performance obligations

When multiple performance obligations exist in a contract, such as partial delivery of a constructed product, the transaction price is allocated to each performance obligation. If the amount for each performance obligation is specified in the contract, such amount is considered as the individual transaction price. If the amount is not specified, the transaction price is allocated in a reasonable manner based on estimates.

(4) Information regarding the timing of the satisfaction of performance obligations

In the construction business, because building construction is mainly performed on the customer's land, it is considered that the customer has control of the constructed product as the work progresses. Therefore, the Companies consider the performance obligations to be satisfied over time, and estimate the progress of the satisfaction of the performance obligations, and recognize revenue based on the progress.

In sales of properties in the real estate development business, as the Companies have performance obligations to deliver properties based on real estate sales contracts, it is considered that the performance obligations are to be satisfied at a point in time and the revenue is recognized at the time when the properties are delivered. In addition, in the case of design services and other businesses, assets without an alternative use to the Companies, such as the design drawings are created as the work progresses and the Companies are considered to have an enforceable right to receive payment for the work completed to date. Therefore, the Companies consider the performance obligations to be satisfied over time, and estimate the progress of the satisfaction of the performance obligations, and recognize revenue based on the progress.

The progress of the satisfaction is primarily measured based on the ratio of the cumulative costs incurred by the end of financial year against the estimated total costs.

In cases where the progress toward satisfaction of performance obligations cannot be reasonably estimated, such as in the early stage of the contract when the operational budget has not yet been compiled, but the costs incurred to satisfy the performance obligations are expected to be recoverable, the revenue is recognized only to the extent of the costs incurred to date that are expected to be recovered.

The alternative treatment is applied in case the duration of transaction, such as from the beginning of the transaction to the point when the performance obligation is expected to be fully satisfied, is distinctively short. In such cases, the revenue is recognized at the point when the performance obligations are fully satisfied rather than being recognized over time.

c. Contract balances

Receivables from contracts with customers, contract assets and contract liabilities at the beginning and end of the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Receivables from contracts with customers:			
Balance at beginning of year	¥ 456,879	¥ 440,965	\$ 3,045,860
Balance at end of year	493,875	456,879	3,292,500
Contract assets:			
Balance at beginning of year	478,995	455,368	3,193,300
Balance at end of year	558,894	478,995	3,725,960
Contract liabilities:			
Balance at beginning of year	230,558	176,760	1,537,053
Balance at end of year	309,557	230,558	2,063,713

Contract assets are the rights of the Companies related to the performance obligations satisfied based on construction contracts in the construction business and outsourcing contracts in the real estate development and other businesses. Contract assets are transferred to receivables from contracts with customers when such rights become unconditional. Considerations for such performance obligations have been invoiced and received in accordance with the payment condition set out in the individual agreements.

Contract liabilities are the advances received from customers before the provision of services based on construction contracts in the construction business and real estate sales contracts and outsourcing contracts in the real estate development and other businesses. Contract liabilities are released upon revenue recognition.

The amounts of revenues recognized for the years ended March 31, 2025 and 2024, which were included in the balance of contract liabilities at the beginning of the years, were ¥201,250 million (\$1,341,667 thousand) and ¥158,793 million, respectively. In addition, changes in contract assets are mainly due to revenue recognition (an increase in contract assets) and transfers to receivables (a decrease in contract assets). The balance at the end of the year fluctuates due to the effect of the timing of the completion of large-scale construction projects in the construction business.

Revenues recognized for performance obligations satisfied (or partially satisfied) in the past years were immaterial.

d. Transaction Prices Allocated to Remaining Performance Obligations

The following table shows the summary of the transaction prices allocated to remaining performance obligations in the construction business that are unsatisfied as of March 31, 2025:

	Millions of Yen	Thousands of
	2025	U.S. Dollars
		2025
Within one year	¥ 2,213,148	\$ 14,754,320
After one to three years	1,398,666	9,324,440
After three years	269,161	1,794,407
Total	¥ 3,880,975	\$ 25,873,167

18. LEASES

The Companies have a number of operating lease agreements, primarily for office space and computer equipment, which are renewable upon expiration and generally cancelable.

a. Operating leases as a lessee

The minimum rental commitments under noncancelable operating leases as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Due within one year	¥ 10,381	¥ 8,237	\$ 69,207
Due after one year	50,939	30,101	339,593
Total	¥ 61,320	¥ 38,338	\$ 408,800

b. Operating leases as a lessor

The minimum rental receivables under noncancelable operating leases as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Due within one year	¥ 25,497	¥ 22,080	\$ 169,980
Due after one year	113,586	99,747	757,240
Total	¥ 139,083	¥ 121,827	\$ 927,220

19. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

- a. Policy for financial instruments
The Companies use financial instruments, mainly loans from banks, commercial paper and bonds, based on their capital financing plans for construction and development businesses. Cash surpluses, if any, are invested in low-risk financial assets such as deposits. It is the Companies' policy to use derivatives only for actual operating requirements, not for speculation.
- b. Nature, extent of risks arising from financial instruments, and risk management for financial instruments
Receivables, such as notes and accounts receivable—trade, are exposed to customer credit risks. The Companies thoroughly enforce credit risk management, which principally includes credit research at the time of obtaining work and timely monitoring of credit standings.
Payment terms of payables, such as notes and accounts payable—trade, are within one year.
Although marketable securities and investments in securities are exposed to the risk of market price fluctuations, the Companies use the internal management system to recognize their fair values periodically.
Loans from banks, commercial paper and bonds are used to raise funds for construction and development business.
Derivatives mainly include foreign exchange forward contracts, currency swaps and interest rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of future demand and collection of foreign-currency-denominated funds, and from changes in interest rates of loans from banks and bonds. Please see Note 20 for more details regarding derivatives.
In addition, the Company entered into committed loan facility agreements totaling ¥200,000 million (\$1,333,333 thousand) with several Japanese banks to manage liquidity risk related to fund procurement.

- c. Fair values of financial instruments
Fair values of financial instruments are as follows. The fair values of cash and cash equivalents, other current assets (time deposits due after three months of the date of acquisition), short-term borrowings, commercial paper, notes and accounts payable—trade and income taxes payable are not disclosed because the maturities of the said financial instruments are short and the carrying values approximate fair value. In addition, the fair values of investments in partnerships and other similar entities in which the net amount of equity interest is recorded on the consolidated balance sheet are not disclosed. The carrying amounts of such investments, including operational investments in securities, were ¥20,318 million (\$135,453 thousand) and ¥20,013 million as of March 31, 2025 and 2024, respectively. Also, please see Note 20 for the details of the fair values of derivatives.

(1) Fair value of financial instruments

The carrying amount, fair value and unrealized gain (loss) of financial instruments as of March 31, 2025 and 2024, were as follows. However, financial instruments that do not have a quoted market price in an active market are not included.

As of March 31, 2025	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
ASSETS			
Notes and accounts receivable—trade	¥ 1,061,540	¥	¥
Allowance for doubtful accounts	(6,596)		
	1,054,944	1,051,789	(3,155)
Marketable securities and investments in securities			
Available-for-sale securities	263,754	263,754	—
Long-term loans receivable	23,022		
Long-term loans to unconsolidated subsidiaries and affiliates	126,364		
Allowance for doubtful accounts	(485)		
	148,901	148,156	(745)
Total	¥ 1,467,599	¥ 1,463,699	¥ (3,900)
LIABILITIES			
Current portion of long-term debt	¥ 103,100	¥ 103,041	¥ (59)
Long-term debt	340,770	337,025	(3,745)
Total	¥ 443,870	¥ 440,066	¥ (3,804)

As of March 31, 2024	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
ASSETS			
Notes and accounts receivable—trade	¥ 940,304	¥	¥
Allowance for doubtful accounts	(5,425)		
	934,879	934,056	(823)
Marketable securities and investments in securities			
Available-for-sale securities	323,112	323,112	—
Long-term loans receivable	12,899		
Long-term loans to unconsolidated subsidiaries and affiliates	86,397		
Allowance for doubtful accounts	(1,019)		
	98,277	97,580	(697)
Total	¥ 1,356,268	¥ 1,354,748	¥ (1,520)
LIABILITIES			
Current portion of long-term debt	¥ 87,646	¥ 87,636	¥ (10)
Long-term debt	264,855	261,183	(3,672)
Total	¥ 352,501	¥ 348,819	¥ (3,682)

As of March 31, 2025	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrealized Gain (Loss)
ASSETS			
Notes and accounts receivable—trade	\$ 7,076,933	\$	\$
Allowance for doubtful accounts	(43,973)		
	7,032,960	7,011,927	(21,033)
Marketable securities and investments in securities			
Available-for-sale securities	1,758,360	1,758,360	—
Long-term loans receivable	153,480		
Long-term loans to unconsolidated subsidiaries and affiliates	842,427		
Allowance for doubtful accounts	(3,234)		
	992,673	987,706	(4,967)
Total	\$ 9,783,993	\$ 9,757,993	\$ (26,000)
LIABILITIES			
Current portion of long-term debt	\$ 687,333	\$ 686,940	\$ (393)
Long-term debt	2,271,800	2,246,833	(24,967)
Total	\$ 2,959,133	\$ 2,933,773	\$ (25,360)

(2) Carrying amount of financial instruments that do not have a quoted market price in an active market

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Investments in securities			
Available-for-sale:			
Equity securities	¥ 7,569	¥ 8,306	\$ 50,459
Preferred equity investment	12,111	9,771	80,740
Investments in unconsolidated subsidiaries and affiliates ..	105,316	92,773	702,107
Total	¥ 124,996	¥ 110,850	\$ 833,306

The carrying amounts mentioned above include the carrying amounts of operational investments in securities that do not have a quoted market price in active markets.

d. Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
As of March 31, 2025				
Cash and cash equivalents	¥ 349,541	¥ —	¥ —	¥ —
Marketable securities and investments in securities				
Available-for-sale securities with contractual maturities				
Government and corporate bonds	195	901	673	—
Notes and accounts receivable—trade	946,154	112,573	1,857	956
Other current assets				
Time deposits due after three months of the date of acquisition	4,946	—	—	—
Long-term loans receivable	2,744	18,974	4	4,044
Long-term loans to unconsolidated subsidiaries and affiliates	12,028	52,901	59,662	13,801
Total	¥ 1,315,608	¥ 185,349	¥ 62,196	¥ 18,801

	Millions of Yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
As of March 31, 2024				
Cash and cash equivalents	¥ 350,064	¥ —	¥ —	¥ —
Marketable securities and investments in securities				
Available-for-sale securities with contractual maturities				
Government and corporate bonds	173	817	475	—
Notes and accounts receivable—trade	876,449	61,130	1,855	870
Other current assets				
Time deposits due after three months of the date of acquisition	4,652	—	—	—
Long-term loans receivable	569	12,342	5	552
Long-term loans to unconsolidated subsidiaries and affiliates	15,190	31,702	38,888	15,807
Total	¥ 1,247,097	¥ 105,991	¥ 41,223	¥ 17,229

	Thousands of U.S. Dollars			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
As of March 31, 2025				
Cash and cash equivalents	\$ 2,330,273	\$ —	\$ —	\$ —
Marketable securities and investments in securities				
Available-for-sale securities with contractual maturities				
Government and corporate bonds	1,300	6,007	4,487	—
Notes and accounts receivable—trade	6,307,693	750,487	12,380	6,373
Other current assets				
Time deposits due after three months of the date of acquisition	32,973	—	—	—
Long-term loans receivable	18,293	126,493	27	26,960
Long-term loans to unconsolidated subsidiaries and affiliates	80,187	352,673	397,747	92,007
Total	\$ 8,770,719	\$ 1,235,660	\$ 414,641	\$ 125,340

Please see Note 11 for annual maturities of long-term debt.

e. Financial instruments categorized by fair value hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, the fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) The financial assets and liabilities measured at the fair values in the consolidated balance sheet

As of March 31, 2025	Millions of Yen Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	¥ 250,379	¥ —	¥ 9,351	¥ 259,730
Government and corporate bonds	851	822	—	1,673
Other	889	1,462	—	2,351
Derivative transactions:				
To which hedge accounting is not applied	—	121	—	121
To which hedge accounting is applied	—	197	—	197
Total	¥ 252,119	¥ 2,602	¥ 9,351	¥ 264,072
LIABILITIES				
Derivative transactions:				
To which hedge accounting is not applied	¥ —	¥ 158	¥ —	¥ 158
To which hedge accounting is applied	—	1	—	1
Total	¥ —	¥ 159	¥ —	¥ 159

As of March 31, 2024	Millions of Yen Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	¥ 311,691	¥ —	¥ 7,711	¥ 319,402
Government and corporate bonds	789	601	—	1,390
Other	891	1,429	—	2,320
Derivative transactions:				
To which hedge accounting is not applied	—	67	—	67
To which hedge accounting is applied	—	939	—	939
Total	¥ 313,371	¥ 3,036	¥ 7,711	¥ 324,118
LIABILITIES				
Derivative transactions:				
To which hedge accounting is applied	¥ —	¥ 421	¥ —	¥ 421
Total	¥ —	¥ 421	¥ —	¥ 421

As of March 31, 2025	Thousands of U.S. Dollars Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	\$ 1,669,193	\$ —	\$ 62,341	\$ 1,731,534
Government and corporate bonds	5,673	5,480	—	11,153
Other	5,927	9,746	—	15,673
Derivative transactions:				
To which hedge accounting is not applied	—	807	—	807
To which hedge accounting is applied	—	1,313	—	1,313
Total	\$ 1,680,793	\$ 17,346	\$ 62,341	\$ 1,760,480
LIABILITIES				
Derivative transactions:				
To which hedge accounting is not applied	\$ —	\$ 1,053	\$ —	\$ 1,053
To which hedge accounting is applied	—	7	—	7
Total	\$ —	\$ 1,060	\$ —	\$ 1,060

(2) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

As of March 31, 2025	Millions of Yen Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Notes and accounts receivable—trade	¥ —	¥ 1,051,789	¥ —	¥ 1,051,789
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	33,084	115,072	148,156
Derivative transactions:				
To which hedge accounting is applied	—	15	—	15
Total	¥ —	¥ 1,084,888	¥ 115,072	¥ 1,199,960
LIABILITIES				
Corporate bonds	¥ —	¥ 108,925	¥ —	¥ 108,925
Long-term loans	—	230,166	—	230,166
Total	¥ —	¥ 339,091	¥ —	¥ 339,091

As of March 31, 2024	Millions of Yen Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Notes and accounts receivable—trade	¥ —	¥ 934,056	¥ —	¥ 934,056
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	27,162	70,418	97,580
Total	¥ —	¥ 961,218	¥ 70,418	¥ 1,031,636
LIABILITIES				
Corporate bonds	¥ —	¥ 79,911	¥ —	¥ 79,911
Long-term loans	—	204,748	—	204,748
Derivative transactions:				
To which hedge accounting is applied	—	20	—	20
Total	¥ —	¥ 284,679	¥ —	¥ 284,679

As of March 31, 2025	Thousands of U.S. Dollars Fair value			
	Level 1	Level 2	Level 3	Total
ASSETS				
Notes and accounts receivable—trade	\$ —	\$ 7,011,927	\$ —	\$ 7,011,927
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	220,560	767,146	987,706
Derivative transactions:				
To which hedge accounting is applied	—	100	—	100
Total	\$ —	\$ 7,232,587	\$ 767,146	\$ 7,999,733
LIABILITIES				
Corporate bonds	\$ —	\$ 726,167	\$ —	\$ 726,167
Long-term loans	—	1,534,440	—	1,534,440
Total	\$ —	\$ 2,260,607	\$ —	\$ 2,260,607

The above figures do not include the current portion of long-term loans.

Notes:

(1) Description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities

Marketable securities and investments in securities

The fair values of listed equity securities, listed investment trusts and government and corporate bonds are measured at the quoted market prices. The fair values of listed equity securities, listed investment trusts and government bonds are categorized as Level 1, as they are traded in active markets. The fair values of corporate bonds are categorized as Level 2, as the quoted market prices of corporate bonds are not considered to be observed in active markets due to low market transactions. The fair values of unlisted investment trusts are measured at net asset value per unit, and are categorized as Level 2. The fair values of unlisted equity securities held by certain overseas subsidiaries are principally measured by adjusted net asset method, and are categorized as Level 3.

Derivative transactions

The fair values of interest rate swaps, interest rate options, foreign exchange forward contracts and currency swaps are measured by using discounted present value techniques considering observable inputs such as interest rates and foreign currency exchange rate, and are categorized as Level 2.

Notes and accounts receivable—trade

The carrying amounts of notes and accounts receivable—trade with short maturities approximate fair value, and are categorized as Level 2.

The fair values of notes and accounts receivable—trade with maturities of over one year are measured at the amount to be received at maturity discounted at the Companies' assumed corporate discount rate with consideration for the remaining terms and credit risks, and are categorized as Level 2.

Long-term loans receivable and Long-term loans to unconsolidated subsidiaries and affiliates

The carrying amounts of long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates with fluctuating interest rates approximate fair value because the variable interest rates reflect market rates in a short period of time and the credit standings of the borrowers are not substantially changed, and are categorized as Level 2.

The fair values of long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates with fixed interest rates are principally measured by discounting the cash flows at the Companies' assumed corporate discount rates by adding the credit spread to the appropriate indexes, such as the yield of government bonds, and are categorized as Level 2 or Level 3 depending on the materiality of the effect of unobservable inputs in the measurement of fair value.

Corporate bonds

The fair values of corporate bonds issued by the Company are principally measured at the quoted market prices. The fair values of these corporate bonds are categorized as Level 2, as the quoted market prices of corporate bonds are not considered to be observed in active markets due to low market transactions. The fair values of other corporate bonds are measured by discounting the cash flows related to the debt at discount rates that take into account the remaining periods of the bonds and credit risks, and are categorized as Level 2.

Long-term loans

The carrying amounts of long-term loans with fluctuating interest rates approximate fair value because the variable interest rates reflect market rates in a short period of time and the credit standing of the Company is not substantially changed, and are categorized as Level 2.

The fair values of long-term loans with fixed interest rates are measured by discounting the cash flows related to the debt at the Companies' assumed corporate borrowing rates, and are categorized as Level 2.

(2) Information about the fair value of Level 3 financial assets and liabilities, that are measured at the fair values in the consolidated balance sheet

1) Quantitative information about significant unobservable inputs

As of March 31, 2025	Valuation technique	Significant unobservable inputs
Marketable securities and investments in securities		
Available-for-sale:	Adjusted net asset method	Net asset value
Equity securities (unlisted equity securities).....		
As of March 31, 2024	Valuation technique	Significant unobservable inputs
Marketable securities and investments in securities		
Available-for-sale:	Adjusted net asset method	Net asset value
Equity securities (unlisted equity securities).....		

2) Reconciliation of beginning and ending balances

	Millions of Yen	Thousands of U.S. Dollars
		Marketable securities and investments in securities
		Available-for-sale:
		Equity securities (unlisted equity securities)
	2025	2024
Balance at beginning of year	¥ 7,711	¥ 6,368
Fair value gain recognized in other comprehensive income	1,139	922
Net increase due to purchases, sales, issuance and settlement	501	421
Balance at end of year	¥ 9,351	¥ 7,711

Fair value gain recognized in other comprehensive income is included in unrealized (loss) gain on available-for-sale securities and foreign currency translation adjustments in other comprehensive income in the consolidated statement of comprehensive income.

20. DERIVATIVES

The Companies enter into derivatives, including principally foreign exchange forward contracts, currency swap agreements, interest rate swap agreements and interest rate option agreements.

The Companies do not hold or issue derivatives for trading or speculative purposes and it is the Companies' policy to use derivatives solely for the purpose of reducing market risks and financing costs in accordance with internal regulations.

All derivative transactions are entered into to hedge interest and foreign currency exposures incorporated within the Companies' business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major domestic or overseas financial institutions, the Companies do not anticipate any losses arising from credit risk.

a. Derivative transactions to which hedge accounting is not applied

Millions of Yen					
	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)	
As of March 31, 2025					
Foreign exchange forward contracts					
Buying:					
Czech Koruna forward	¥ 13,177	¥ —	¥ (45)	¥ (45)	
Euro forward	582	295	(7)	(7)	
Chinese Yuan forward	79	—	9	9	
U.S. Dollar forward	2	—	0	0	
Selling:					
Euro forward	¥ 1,717	¥ 371	¥ 10	¥ 10	
Total	¥ 15,557	¥ 666	¥ (33)	¥ (33)	
Interest rate swaps					
Pay—fix / Receive—float	¥ 4,935	¥ 4,869	¥ (83)	¥ (83)	
Interest rate options					
Interest rate cap	¥ 6,004	¥ 6,004	¥ 79	¥ 79	
Total	¥ 10,939	¥ 10,873	¥ (4)	¥ (4)	

Millions of Yen					
	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)	
As of March 31, 2024					
Foreign exchange forward contracts					
Buying:					
U.S. Dollar forward	¥ 439	¥ —	¥ 70	¥ 70	
Chinese Yuan forward	81	—	6	6	
Selling:					
Thai Baht forward	¥ 530	¥ —	¥ (9)	¥ (9)	
Currency swaps					
Buy—Japanese Yen / Sell—Euro	¥ 7,844	¥ —	¥ (421)	¥ (421)	
Total	¥ 8,894	¥ —	¥ (354)	¥ (354)	

Thousands of U.S. Dollars					
	Contract Amount	Contract Amount due after One Year	Fair Value	Unrealized Gain (Loss)	
As of March 31, 2025					
Foreign exchange forward contracts					
Buying:					
Czech Koruna forward	\$ 87,846	\$ —	\$ (299)	\$ (299)	
Euro forward	3,880	1,967	(47)	(47)	
Chinese Yuan forward	527	—	60	60	
U.S. Dollar forward	13	—	—	—	
Selling:					
Euro forward	\$ 11,447	\$ 2,473	\$ 67	\$ 67	
Total	\$ 103,713	\$ 4,440	\$ (219)	\$ (219)	
Interest rate swaps					
Pay—fix / Receive—float	\$ 32,900	\$ 32,460	\$ (553)	\$ (553)	
Interest rate options					
Interest rate cap	\$ 40,027	\$ 40,027	\$ 526	\$ 526	
Total	\$ 72,927	\$ 72,487	\$ (27)	\$ (27)	

b. Derivative transactions to which hedge accounting is applied

Millions of Yen					
	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value	
As of March 31, 2025					
Foreign exchange forward contracts					
Buying:					
U.S. Dollar forward	Accounts payable—trade	¥ 47	¥ —	¥ (1)	
Euro forward	Accounts payable—trade	4	—	(0)	
Selling:					
Euro forward	Accounts receivable—trade	¥ 8,688	¥ 751	¥ 198	
Total		¥ 8,739	¥ 751	¥ 197	
Interest rate swaps					
Pay—fix / Receive—float	Current portion of long-term debt	¥ 3,881	¥ 1,694	¥ 15	
Total		¥ 3,881	¥ 1,694	¥ 15	

Millions of Yen					
	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value	
As of March 31, 2024					
Foreign exchange forward contracts					
Buying:					
U.S. Dollar forward	Accounts payable—trade	¥ 1,506	¥ —	¥ 225	
Chinese Yuan forward	Accounts payable—trade	109	—	12	
Euro forward	Accounts payable—trade	7	—	0	
Selling:					
Euro forward	Accounts receivable—trade	¥ 15,036	¥ 728	¥ 702	
Total		¥ 16,658	¥ 728	¥ 939	
Interest rate swaps					
Pay—fix / Receive—float	Long-term debt	¥ 3,907	¥ 3,907	¥ (20)	
Total		¥ 3,907	¥ 3,907	¥ (20)	

Thousands of U.S. Dollars					
	Hedged Item	Contract Amount	Contract Amount due after One Year	Fair Value	
As of March 31, 2025					
Foreign exchange forward contracts					
Buying:					
U.S. Dollar forward	Accounts payable—trade	\$ 313	\$ —	\$ (7)	
Euro forward	Accounts payable—trade	27	—	(0)	
Selling:					
Euro forward	Accounts receivable—trade	\$ 57,920	\$ 5,007	\$ 1,320	
Total		\$ 58,260	\$ 5,007	\$ 1,313	
Interest rate swaps					
Pay—fix / Receive—float	Current portion of long-term debt	\$ 25,873	\$ 11,293	\$ 100	
Total		\$ 25,873	\$ 11,293	\$ 100	

21. COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2025, contingent liabilities for loans guaranteed, including related items of a similar nature, amounted to ¥20,930 million (\$139,533 thousand).

22. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of
	2025	2024	U.S. Dollars
			2025
Unrealized (loss) gain on available-for-sale securities:			
(Losses) gains arising during the year.....	¥ (42,267)	¥ 94,750	\$ (281,780)
Reclassification adjustments to profit or loss.....	(12,401)	(13,856)	(82,673)
Amount before income taxes and income tax effect.....	(54,668)	80,894	(364,453)
Income taxes and income tax effect.....	15,469	(24,433)	103,126
Total	¥ (39,199)	¥ 56,461	\$ (261,327)
Deferred (loss) gain on derivatives under hedge accounting:			
Gains arising during the year.....	¥ 568	¥ 1,475	\$ 3,787
Reclassification adjustments to profit or loss.....	(1,119)	(885)	(7,460)
Amount before income taxes and income tax effect.....	(551)	590	(3,673)
Income taxes and income tax effect.....	82	(82)	546
Total	¥ (469)	¥ 508	\$ (3,127)
Revaluation surplus of land:			
Income taxes and income tax effect.....	¥ (603)	—	\$ (4,020)
Total.....	¥ (603)	¥ —	\$ (4,020)
Foreign currency translation adjustments:			
Adjustments arising during the year.....	¥ 38,222	¥ 27,071	\$ 254,813
Reclassification adjustments to profit or loss.....	(166)	—	(1,106)
Amount before income taxes and income tax effect.....	38,056	27,071	253,707
Income taxes and income tax effect.....	—	—	—
Total	¥ 38,056	¥ 27,071	\$ 253,707
Defined retirement benefit plans:			
Adjustments arising during the year.....	¥ 3,663	¥ 4,229	\$ 24,420
Reclassification adjustments to profit or loss.....	(414)	(70)	(2,760)
Amount before income taxes and income tax effect.....	3,249	4,159	21,660
Income taxes and income tax effect.....	(1,080)	(1,263)	(7,200)
Total	¥ 2,169	¥ 2,896	\$ 14,460
Share of other comprehensive income			
in unconsolidated subsidiaries and affiliates:			
Gains arising during the year.....	¥ 407	¥ 3,683	\$ 2,713
Reclassification adjustments to profit or loss.....	(29)	(471)	(193)
Adjustment for acquisition cost of assets.....	—	(66)	—
Total	¥ 378	¥ 3,146	\$ 2,520
Total other comprehensive income	¥ 332	¥ 90,082	\$ 2,213

23. SUPPLEMENTAL CASH FLOW INFORMATION

a. The components of assets acquired and liabilities assumed of newly consolidated subsidiaries which were acquired through the acquisition of shares or interests

The components of assets acquired and liabilities assumed of a newly consolidated subsidiary of KUSA which was acquired through the acquisition of shares during the year ended March 31, 2025, as well as reconciliation between the acquisition cost and the proceeds from the said acquisition were as follows:

	Millions of Yen	Thousands of
	2025	U.S. Dollars
		2025
Current assets	¥ 25,099	\$ 167,326
Non-current assets.....	3,308	22,053
Goodwill.....	2,005	13,367
Current liabilities.....	(24,695)	(164,633)
Long-term liabilities.....	(842)	(5,613)
Noncontrolling interests.....	(84)	(560)
Acquisition cost.....	4,791	31,940
Accounts payable.....	(1,678)	(11,187)
Cash and cash equivalents of the subsidiary.....	(6,161)	(41,073)
Net proceeds from acquisition	¥ 3,048	\$ 20,320

The components of assets acquired and liabilities assumed of a newly consolidated subsidiary of KAP which was acquired through the acquisition of shares during the year ended March 31, 2025, as well as reconciliation between the acquisition cost and the payment for the said acquisition were as follows:

	Millions of Yen	Thousands of
	2025	U.S. Dollars
		2025
Current assets	¥ 5,835	\$ 38,901
Non-current assets.....	391	2,607
Goodwill.....	164	1,093
Current liabilities.....	(5,809)	(38,727)
Long-term liabilities.....	(91)	(607)
Noncontrolling interests.....	(280)	(1,867)
Acquisition cost.....	210	1,400
Cash and cash equivalents of the subsidiary.....	(86)	(573)
Net payment for acquisition	¥ 124	\$ 827

The components of assets acquired and liabilities assumed of a newly consolidated subsidiary of KE which was acquired through the acquisition of interests during the year ended March 31, 2024, as well as reconciliation between the acquisition cost and the payment for the said acquisition were as follows:

	Millions of Yen
	2024
Current assets	¥ 2,276
Non-current assets.....	35,996
Current liabilities.....	(7,707)
Long-term liabilities.....	(15,680)
Foreign currency translation adjustments.....	381
Valuation by the equity method until the acquisition of control.....	(5,223)
Gain on step acquisitions.....	(6,175)
Acquisition cost.....	3,868
Cash and cash equivalents of the subsidiary.....	(1,421)
Net payment for acquisition	¥ 2,447

b. The payment for purchases of treasury stock and the proceeds from disposal of treasury stock

The payment for purchases of treasury stock included the outflow of ¥5,046 million, which was spent by the trust accounts to acquire the Company's stocks from the Company in connection with the establishment of the stock delivery trusts for directors, executive officers and employees, for the year ended March 31, 2024.

The proceeds from disposal of treasury stock included the inflow of ¥5,046 million, which was the proceeds from the Company's disposal of its treasury stocks to the trust accounts, for the year ended March 31, 2024.

24. NET INCOME PER SHARE

Basic net income per share ("EPS") for the years ended March 31, 2025 and 2024, was as follows:

	Millions of Yen	Thousand of Shares	Yen	U.S. Dollars
Net Income Attributable to Owners of the Parent		Weighted— Average Shares		EPS
<u>For the year ended March 31, 2025:</u>				
Basic EPS				
Net income attributable to common stockholders	¥ 125,818	472,120	¥ 266.49	\$ 1.777
<u>For the year ended March 31, 2024:</u>				
Basic EPS				
Net income attributable to common stockholders	¥ 115,034	481,790	¥ 238.76	

The shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees are included in the number of treasury stock deducted in the calculation of weighted-average shares for the calculation of EPS. The average numbers of such treasury stock deducted in the calculation of EPS for the years ended March 31, 2025 and 2024, were 1,743 thousand shares and 1,343 thousand shares, respectively.

25. SUBSEQUENT EVENTS

a. Appropriation of retained earnings

On June 27, 2025, the stockholders of the Company approved the appropriation of retained earnings to pay a dividend of ¥59.00 (\$0.393) per share (final for the year ended March 31, 2025) for a total amount of ¥27,924 million (\$186,160 thousand). Dividend of ¥94 million (\$627 thousand) paid to the stock delivery trust accounts for directors, executive officers and employees is included in the total amount of the dividend.

b. Acquisition of own shares

The Company, at the Board of Directors' Meeting held on May 14, 2025, resolved matters related to acquisition of its own shares in accordance with Article 156 of the Companies Act, applicable pursuant to Article 165, Paragraph 3 of the said Act, and the acquisition has been completed.

- (1) Reason for acquiring own shares

To improve capital efficiency and expand shareholder returns
- (2) Details relating to the acquisition

1) Type of shares to be acquired:Common Stock of the Company

2) Aggregate number of shares to be acquired:9 million shares (upper limit)
(The ratio to the aggregate number of issued shares (excluding own shares): 1.9%)

3) Aggregate acquisition price of shares:¥20,000 million (\$133,333 thousand) (upper limit)

4) Acquisition period:May 15, 2025 to September 30, 2025

5) Acquisition method:Market purchases on the Tokyo Stock Exchange
- (3) Results of the acquisition based on the above resolution

1) Type of shares acquired:Common Stock of the Company

2) Aggregate number of shares acquired:5,474,900 shares

3) Aggregate acquisition price of shares:¥19,999,976,900 (\$133,333,179)

4) Acquisition period:May 15, 2025 to July 9, 2025 (on a trade basis)

5) Acquisition method:Market purchases on the Tokyo Stock Exchange

26. SEGMENT INFORMATION

a. Segment information

An entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors of the Company is being performed in order to decide how resources are allocated among the Group and to assess performance of each reportable segment.

The Group operates in a wide and multilateral business. The Company organizes management divisions for each operating segment, such as civil engineering, building construction, real estate development and other, which strategize and develop their business. Additionally, the Company's domestic and overseas subsidiaries and affiliates collaborate with the Company to expand the range of the Group's business.

Therefore, the Group consists of five reportable segments as follows:

Civil Engineering:	Civil engineering in the construction business operated by the Company
Building Construction:	Building construction in the construction business operated by the Company
Real Estate Development and Other:	Real estate development business, architectural, structural and other design business and engineering business operated by the Company
Domestic Subsidiaries and Affiliates:	Sales of construction materials, special construction and engineering services, comprehensive leasing business, building rental business and others mainly in Japan operated by domestic subsidiaries and affiliates
Overseas Subsidiaries and Affiliates:	Construction business, real estate development business and others overseas such as in North America, Europe, Asia, Oceania and other areas operated by overseas subsidiaries and affiliates

(2) Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies." The profit or loss of each reportable segment is measured by its operating income or loss. The contracts between the reportable segments are entered into on an arm's-length basis and in the normal course of business.

(3) Information about revenues, profit (loss), assets, liabilities and other items is as follows:

Year Ended March 31, 2025		Millions of Yen						
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total	Reconciliations	Consolidated
Revenues:								
Sales to external customers	¥ 404,143	¥ 1,052,902	¥ 97,954	¥ 242,464	¥ 1,114,353	¥ 2,911,816	¥ —	¥ 2,911,816
Intersegment sales or transfers	—	572	4,445	112,141	149	117,307	(117,307)	—
Total	¥ 404,143	¥ 1,053,474	¥ 102,399	¥ 354,605	¥ 1,114,502	¥ 3,029,123	¥ (117,307)	¥ 2,911,816
Segment profit	¥ 35,704	¥ 51,225	¥ 27,838	¥ 16,404	¥ 20,071	¥ 151,242	¥ 641	¥ 151,883
Other:								
Depreciation	¥ 2,005	¥ 5,226	¥ 3,581	¥ 7,809	¥ 12,326	¥ 30,947	¥ (96)	¥ 30,851
Amortization of goodwill.....	—	—	—	—	846	846	—	846

Year Ended March 31, 2024		Millions of Yen						
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total	Reconciliations	Consolidated
Revenues:								
Sales to external customers	¥ 363,334	¥ 1,102,933	¥ 81,997	¥ 257,540	¥ 859,372	¥ 2,665,176	¥ —	¥ 2,665,176
Intersegment sales or transfers	—	1,301	3,386	109,884	285	114,856	(114,856)	—
Total	¥ 363,334	¥ 1,104,234	¥ 85,383	¥ 367,424	¥ 859,657	¥ 2,780,032	¥ (114,856)	¥ 2,665,176
Segment profit	¥ 23,269	¥ 53,312	¥ 18,431	¥ 24,175	¥ 16,920	¥ 136,107	¥ 119	¥ 136,226
Other:								
Depreciation	¥ 1,607	¥ 4,884	¥ 3,516	¥ 7,624	¥ 9,750	¥ 27,381	¥ (110)	¥ 27,271
Amortization of goodwill.....	—	—	—	—	396	396	—	396

Year Ended March 31, 2025		Thousands of U.S. Dollars						
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total	Reconciliations	Consolidated
Revenues:								
Sales to external customers	\$ 2,694,287	\$ 7,019,347	\$ 653,026	\$ 1,616,426	\$ 7,429,020	\$ 19,412,106	\$ —	\$ 19,412,106
Intersegment sales or transfers	—	3,813	29,634	747,607	993	782,047	(782,047)	—
Total	\$ 2,694,287	\$ 7,023,160	\$ 682,660	\$ 2,364,033	\$ 7,430,013	\$ 20,194,153	\$ (782,047)	\$ 19,412,106
Segment profit	\$ 238,027	\$ 341,500	\$ 185,586	\$ 109,360	\$ 133,807	\$ 1,008,280	\$ 4,273	\$ 1,012,553
Other:								
Depreciation	\$ 13,367	\$ 34,840	\$ 23,873	\$ 52,060	\$ 82,173	\$ 206,313	\$ (640)	\$ 205,673
Amortization of goodwill.....	—	—	—	—	5,640	5,640	—	5,640

Notes:

- (1) The reconciliation adjustments to segment profits, which amounted to a profit of ¥641 million (\$4,273 thousand) and ¥119 million for the years ended March 31, 2025 and 2024, respectively, primarily consist of eliminations of intersegment transactions.
- (2) Consolidated segment profit is equal to operating income in the consolidated statement of income.
- (3) Assets are not allocated to operating segments.

b. Related information

(1) Information about products and services

Year Ended March 31, 2025	Millions of Yen			
	Construction	Real Estate	Other	Total
Sales to external customers	¥ 2,511,002	¥ 262,291	¥ 138,523	¥ 2,911,816

Year Ended March 31, 2024	Millions of Yen			
	Construction	Real Estate	Other	Total
Sales to external customers	¥ 2,322,282	¥ 209,788	¥ 133,106	¥ 2,665,176

Year Ended March 31, 2025	Thousands of U.S. Dollars			
	Construction	Real Estate	Other	Total
Sales to external customers	\$ 16,740,013	\$ 1,748,607	\$ 923,486	\$ 19,412,106

(2) Information about geographical areas

1) Revenues

Millions of Yen						
2025						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 1,795,010	¥ 686,832	¥ 66,672	¥ 214,332	¥ 145,048	¥ 3,922	¥ 2,911,816

Millions of Yen						
2024						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 1,803,390	¥ 496,594	¥ 44,114	¥ 177,862	¥ 140,185	¥ 3,031	¥ 2,665,176

Thousands of U.S. Dollars						
2025						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
\$ 11,966,733	\$ 4,578,880	\$ 444,480	\$ 1,428,880	\$ 966,987	\$ 26,146	\$ 19,412,106

Notes:

(1) Revenues are classified by country or region based on the location of customers.

(2) Revenues in North America for the years ended March 31, 2025 and 2024, solely consisted of revenues in the U.S.A.

2) Property and equipment

Millions of Yen						
2025						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 456,690	¥ 22,950	¥ 41,463	¥ 65,906	¥ 1,580	¥ 13	¥ 588,602

Millions of Yen						
2024						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 419,002	¥ 18,002	¥ 37,922	¥ 63,337	¥ 1,894	¥ 21	¥ 540,178

Thousands of U.S. Dollars						
2025						
Japan	North America	Europe	Asia	Oceania	Other Areas	Total
\$ 3,044,600	\$ 153,000	\$ 276,420	\$ 439,373	\$ 10,533	\$ 87	\$ 3,924,013

(3) Information about major customers

No external customer accounted for 10% or above of revenues in the consolidated statement of income for the years ended March 31, 2025 and 2024.

c. Information about impairment losses of assets

	Millions of Yen	Thousands of U.S. Dollars
	2025	2025
Impairment losses of assets	¥ 621	\$ 4,140

Notes:

(1) Impairment losses of assets of ¥621 million (\$4,140 thousand) for the year ended March 31, 2025, consisted of assets used for business of ¥88 million (\$587 thousand), idle properties of ¥362 million (\$2,413 thousand) and intangible asset of ¥171 million (\$1,140 thousand). Please see Note 7 for more details.

(2) Impairment losses of assets are not allocated to operating segments.

d. Information about goodwill

(1) Amortization of goodwill for the years ended March 31, 2025 and 2024

Millions of Yen		Thousands of U.S. Dollars
2025	2024	2025
¥ 846	¥ 396	\$ 5,640

(2) Carrying amounts of goodwill as of March 31, 2025 and 2024

Millions of Yen		Thousands of U.S. Dollars
2025	2024	2025
¥ 2,568	¥ 1,120	\$ 17,120

Note: Goodwill is not allocated to operating segments.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kajima Corporation:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Kajima Corporation and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Revenue Recognition from Construction Contracts over Time	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As described in Note 2n. "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Significant Basis for Recording Revenues and Costs" to the consolidated financial statements, the Group's construction revenue and construction costs are recognized as the Group satisfies a performance obligation by transferring the promised goods or services to a customer if the control of those goods or services is transferred over time (hereinafter referred to as "the percentage-of-completion method"). The Group measures progress towards complete satisfaction of a performance obligation, which is mainly based on the proportion of the cumulative construction costs incurred by the end of the year to the total estimated construction costs. As described in Note 3. "SIGNIFICANT ACCOUNTING ESTIMATE" to the consolidated financial statements, the Group recognized construction revenue of ¥2,388,728 million (\$15,924,853 thousand) by applying the percentage-of-completion method out of total construction revenue of ¥2,511,002 million (\$16,740,013 thousand) for the year ended March 31, 2025. Out of the construction revenue balance under the percentage-of-completion method, ¥1,371,742 million (\$9,144,947 thousand) was recorded by Kajima Corporation (the "Company"). When applying the percentage-of-completion method, construction revenue is calculated by multiplying the total estimated construction revenue by the progress principally based on the cumulative construction costs incurred by the end of the year against the total estimated construction costs. Total estimated construction revenue, total estimated construction costs, and the progress toward completion are affected by significant predictions and judgments made by management based on the business environment. The Company designs and operates internal controls, including the review and approval of the operational budget related to the total construction revenue and the total construction costs at the start of each project. The Company also designs and operates internal controls for modification and approval of the revised budget which includes estimates based on the actual progress of construction at the end of each reporting period.	Our audit procedures related to testing the reasonableness of accounting estimates for total construction revenue, total construction costs, and percentage of completion included the following, among others: First, we obtained an understanding of the business environment of the Company and its industry. Then we assessed the design and operating effectiveness of controls over the processes for estimating total construction revenue and total construction costs in relation to recognizing revenue by applying the percentage-of-completion method. We also involved our Information Technology ("IT") specialists to assist us with assessing the general IT controls and automated controls over IT systems used in the calculation of the construction costs and percentage of completion for each construction contract. When assessing the design and operating effectiveness of the controls, we paid particular attention to whether the operational budget was appropriately reviewed and approved at the commencement of construction and whether the revised budgets related to the total construction revenue and the total construction costs were appropriately updated and approved during the construction period to reflect changes in each project's circumstances in a timely manner. Next, we assessed the reasonableness of accounting estimates included in last year's total construction revenue and total construction costs by comparing the accounting estimates included in last year's total construction revenue and total construction costs with this year's finalized amounts or updated estimates.

In addition to the Company's construction contracts becoming higher in monetary value and longer in contractual duration, the construction costs, such as construction materials and labor costs, have remained high in recent years. Therefore, if the following situations occur, there may be a material impact to the consolidated financial statements.	Further, we used data analysis tools to perform a risk assessment analysis for all construction projects where the Company applied the percentage-of-completion method. We performed this assessment to identify any construction projects that might include the risks mentioned in the Key Audit Matter Description. In this analysis, we performed risk assessment with several thresholds for multiple indicators, such as the accounting estimates included in total construction revenue, the construction profit/loss ratio and its fluctuation, and the discrepancy between the percentage of completion and the elapsed time (the percentage of time elapsed of the progress up to the end of the period to the term in the construction contract). As a result, we performed the following one or more audit procedures on construction projects identified as high-risk, depending on the outcome of our analysis:
(1) Total construction revenue may include estimates when a scope change or a change order in an active contract is not finalized with the customer as of year-end. For additional order amounts for unsettled or revised portions of a contract, estimates are made based on certain assumptions, such as adding the expected profit margin to the anticipated costs arising from changes. However, these estimates are particularly susceptible to the status of negotiations with the customer, which involve a high degree of uncertainty. Construction revenues may not be recognized appropriately at the end of each period if the percentage-of-completion method is applied based on a contract in such situation.	Audit procedures for total construction revenue
(2) The total construction costs may increase significantly due to unforeseen events, such as unexpected incidents or delays occurring after the initial operational budget has been established, or significant fluctuations in the prices of construction materials and labor during the course of the project. While estimates of the total construction costs are made based on certain assumptions using future construction plans, price fluctuation forecasts, and past performance, they are particularly susceptible to the status of negotiations regarding order amounts with subcontractors and the impact of future construction plans, thus uncertainty is involved in these forecasts and estimates. In such cases, revising the total construction costs may require time, and there is a risk that the updates may not be made in a timely manner, particularly when construction costs remain at elevated levels. If the percentage-of-completion method is applied under such circumstances, construction revenues may not be recognized appropriately at the end of each reporting period.	(1) We inspected evidence such as construction contracts and tested cash receipts for the total construction revenue. (2) If the total construction revenue included accounting estimates, we assessed the reasonableness of the estimates by inquiring with the relevant construction managers and inspecting supporting evidence and project management documentation related to the expected costs and assumed profit margins.
	Audit procedures for total construction costs
	(3) If a construction project's gross margin ratio was significantly higher or lower than in the previous periods, or if an estimated total construction costs significantly increased or decreased compared to the previous consolidated fiscal year, we inquired with the relevant construction managers and inspected supporting evidence and project management documentation to evaluate the reasonableness of the underlying factors. (4) Regarding the operational budget costs and any revisions to the total construction costs after the commencement, we inquired with the relevant construction managers and inspected supporting evidence and project management documentation such as construction plans, price statistics, and past performance to evaluate the reasonableness of the estimates.

(3) As percentage of completion at year-end is calculated based on the total construction costs, it may not be calculated appropriately if the total construction costs are not updated in a timely manner as mentioned in (2).	Audit procedures for percentage of completion (actual costs incurred)
Based on the above, we determined that the Company's revenue recognition using the percentage-of-completion method was of particular significance for the fiscal year ended March 31, 2025, as accounting estimates for total construction revenue, total construction costs, and percentage of completion involve inherent uncertainty and rely significantly on management's forecasts and judgments. Accordingly, we identified this as a key audit matter.	(5) If there is a significant discrepancy between the percentage of completion and the elapsed time, or if a monthly trend analysis indicated that the actual monthly costs had increased or decreased significantly compared to the previous month, we inquired with the relevant construction managers and inspected supporting evidence and project management documentation to evaluate the reasonableness of these factors and the percentage of completion. (6) We inspected evidence such as invoices for the actual costs incurred. We also conducted site visits for selected construction projects to observe the progress and assess its consistency with the related accounting estimates.

Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to the Company and its subsidiaries were ¥959 million and ¥104 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

July 25, 2025

The consolidated financial statements of Kajima Corporation and its consolidated subsidiaries and the notes to consolidated financial statements are audited by Deloitte Touche Tohmatsu LLC. They have been prepared for the purpose of construction contract awards outside Japan.

Of the contents in the Financial Review (with the exception of the Summary and Forecast of Business Performance), the consolidated financial statements, notes to consolidated financial statements, and independent auditor's report, have been copied from documents prepared and issued for the aforementioned purpose.