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 Although written over 80 years ago, its contents were ahead of their time and still feel universal rather than outdated.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 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 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 (A^{4}CSEL).

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
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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.

▶Page 35 ▶Page 43 Stockholder returns