



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.

History of Kajima	15
Sources of Value Creation	17
Business Model	19
Value Creation Process	21

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.)



Haneda Innovation City (completed in 2023, Tokyo)

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.

2020-

Opening up the future together with society and customers

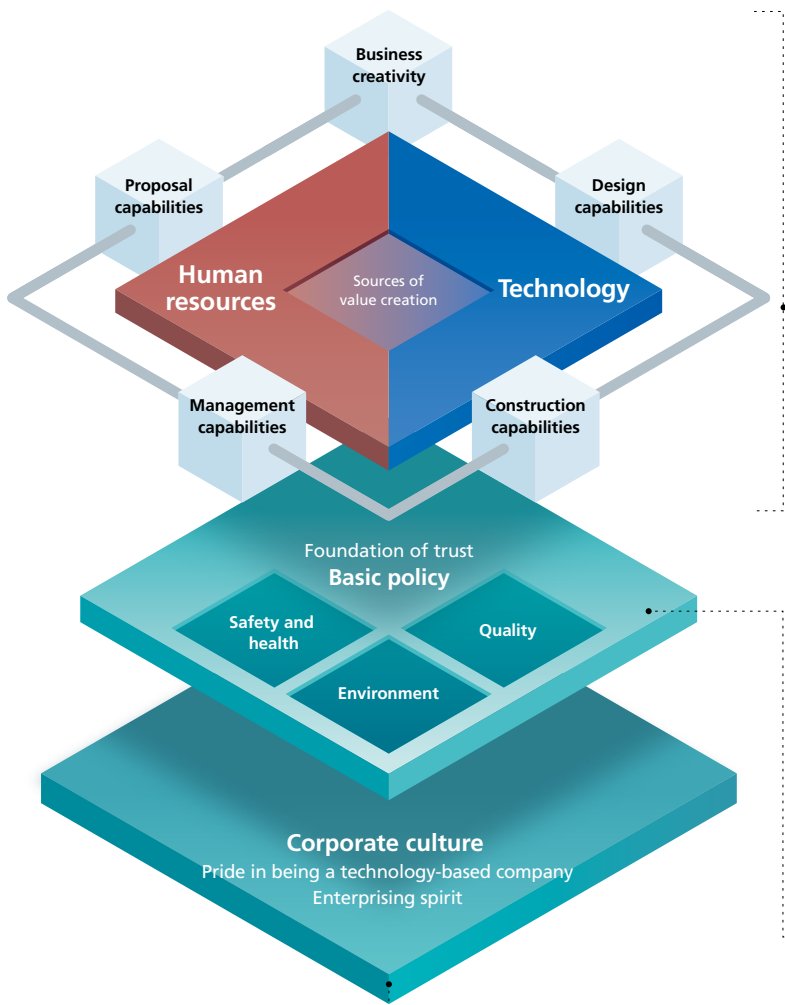
As societal and customer needs become more diverse, including environmental challenges and digitalization, we are actively constructing renewable energy and production facilities and developing eco-friendly materials. We are developing our technology and expertise in the construction and real estate 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



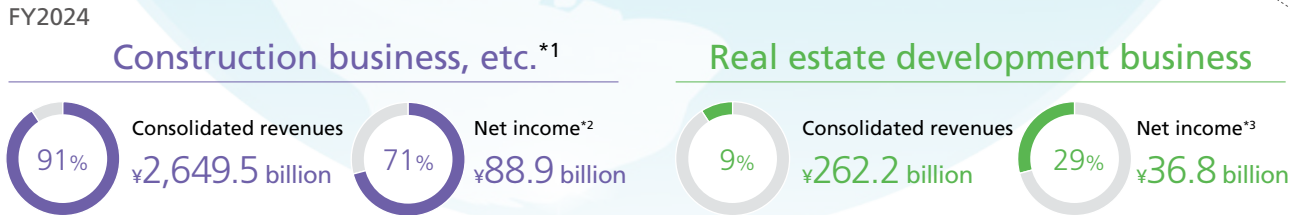
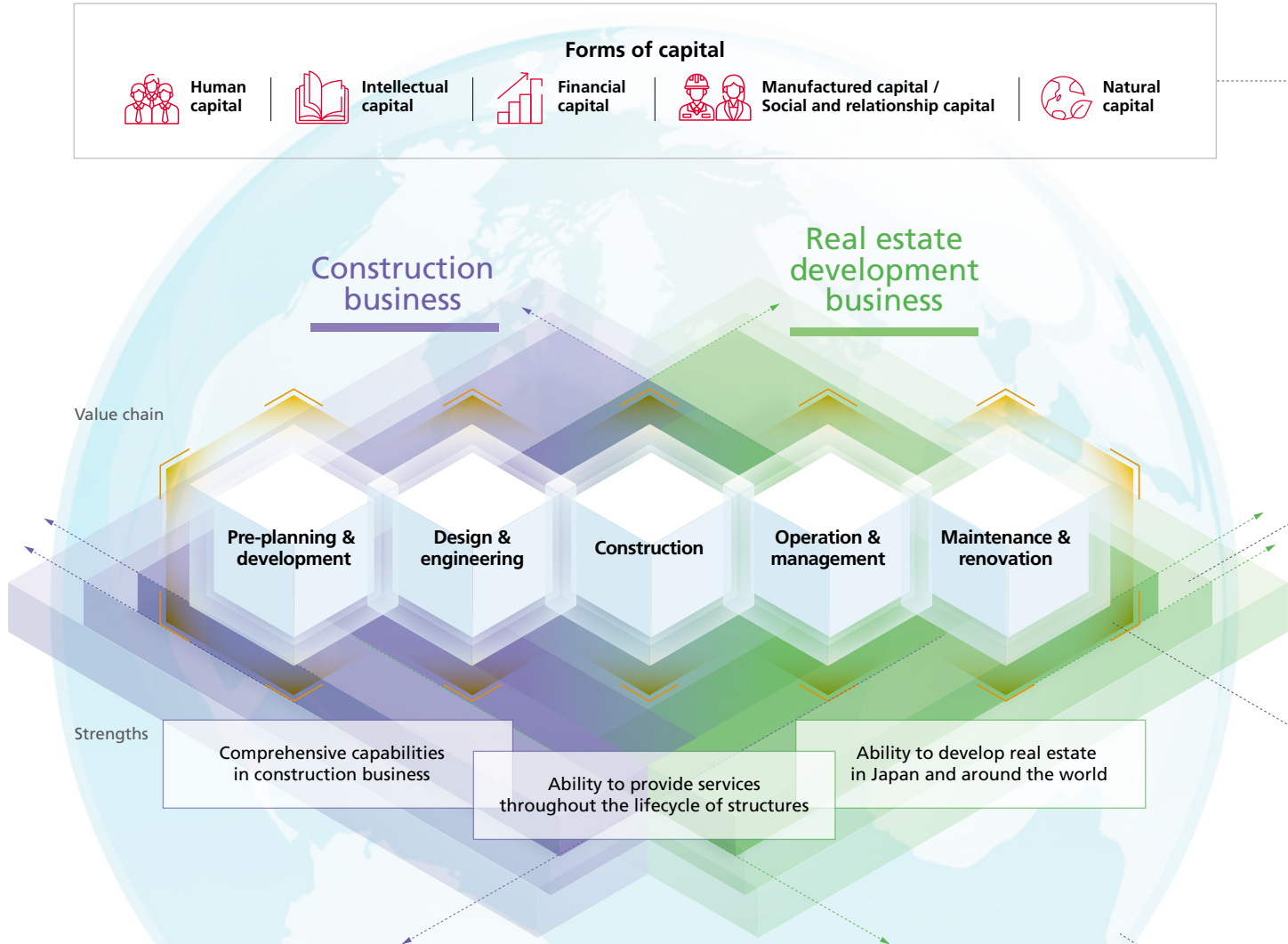
Natural capital

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 area 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.

