













KAJIMA Integrated Report 2026

KAJIMA

Kajima Corporation

3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
https://www.kajima.co.jp/english/

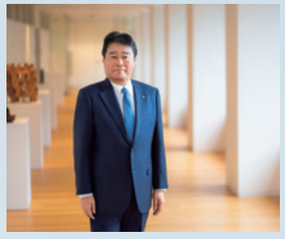
KAJIMA

Our Focus in the KAJIMA Integrated Report 2026

This report presents the Kajima Group's value creation from two perspectives: what is carried forward and what continues to evolve. Our corporate philosophy, enterprising spirit, and commitment to contributing to society have been carried forward as enduring foundations of Kajima, even as the times and our management structures have changed. At the same time, our people and technology continue to evolve as experience and expertise gained at project sites are passed on to the next generation. From person to person, from people to machines, and from Japan to the world, this growth and progress extend across generations and regions.
This report is structured around the following two perspectives. We hope this report will deepen your understanding of the Kajima Group's value creation by showing how its various sections are interconnected and how each contributes to the overall process.

Perspective 1 A New Management Structure, Enduring Values

This perspective explores how the Kajima Group will carry forward its corporate philosophy, enterprising spirit, and commitment to contributing to society under a new management structure while pursuing sustainable growth.



P.07 **Message from the President**



P.28 **Foundation for Value Creation**



P.91 **Outside Officer Discussion**

Perspective 2 The Continuity and Evolution of People and Technology

The expertise and techniques developed at project sites create new value through talent development, automated construction, and overseas expansion. This perspective highlights how Kajima passes on expertise as its people and technology evolve across diverse settings.



P.13 **Feature 1**

Yaesu 2-Chome Central District: The final piece in the redevelopment of the Tokyo Station area. A major project bringing together people and technology



P.17 **Feature 2**

A[4]CSEL passes Kajima's on-site capabilities to the next generation: From skilled workers to automated machines, and on to everyone in the field



P.19 **Feature 3**

Global technology marketing pioneered by The GEAR by Kajima

Cover Overview

People and technology are Kajima's sources of value creation. To represent these pillars, we selected pictures of employees working on the front lines at diverse locations internationally, the large-scale redevelopment project for Yaesu in Tokyo, and the Kajima Technical Center, our facility for hands-on training. Running through the design as its central axis, the carpenter's square motif from Kajima's logo expresses our aspiration to draw new lines toward the future, building on people and technology, and chart a course for growth.

Contents

01 Contents and Editorial Policy
03 Corporate Philosophy and Group Vision
05 At a glance
07 Message from the President
13 Feature—
The Continuity and Evolution of People and Technology

Part 1 How Kajima Creates Value

23 History of Value Creation
25 Value Creation Process
27 Business Environment
28 Foundation for Value Creation
29 Sources of Value Creation
30 Forms of capital
31 Business Model
33 Material Issues

Part 2 Medium- to Long-Term Strategy

39 Progress on the Medium-Term Business Plan
41 Message from the General Manager of the Treasury Division
45 Medium-Term Business Plan (FY2024–2026): Progress on Growth Strategy
47 Medium-Term Business Plan (FY2024–2026): Update on Financial Strategy

Part 3 Business Strategy

51 Kajima Group Businesses
53 Civil Engineering Business
55 Building Construction Business
57 Real Estate Development Business
59 Overseas Business
61 Domestic Group Business
63 Focus: Future of the Nuclear Power Business

Part 4 Value Creation Platform

67 Research & Technology Development
71 Sustainability Promotion System
73 Human Resources Strategy
79 Human Rights
80 Supply Chain
82 Occupational Safety and Health
83 Environment
90 Quality
91 Outside Director Discussion
95 Officers
97 Corporate Governance
103 Risk Management
105 Compliance

107 Financial and Non-Financial Highlights
109 Social Contribution Activities
110 IR Activities
111 Investor FAQs
112 Company Information / Stock Information

Editorial Policy

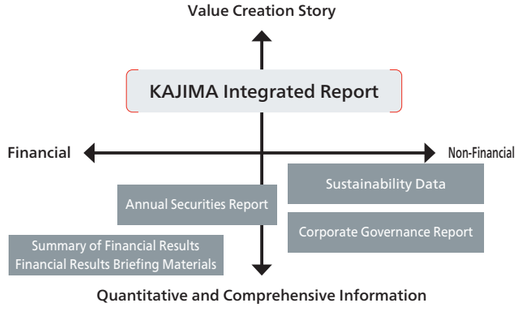
Kajima publishes the *KAJIMA Integrated Report* as a communication tool to deepen understanding of the Kajima Group's value creation and growth strategies and to facilitate constructive dialogue with its stakeholders. This edition focuses on "People and Technology," the key sources of value creation at the Kajima Group, highlighting how expertise is passed on through people and technology and how both continue to evolve. Through case studies on topics such as a large-scale project where Kajima's history and spirit of challenge come together, the passing on of skills through automated construction, the global application of our technologies, and our initiatives in the nuclear power field, we show how skills and expertise are passed on from one generation to the next. We also highlight how people and technology continue to evolve, thereby creating new value. It includes information to address investor inquiries alongside details on our business model, strategies, financial position, sustainability, and corporate governance, with a focus on our construction and real estate development businesses. We hope this report will further enhance our dialogue with stakeholders. 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.

Environment Social Governance
Guidance for Collaborative Value Creation

Scope of Report

Period	FY2025 April 1, 2025 to March 31, 2026 in Japan January 1, 2025 to December 31, 2025 overseas Note: Target periods may differ from those indicated above. Some activities conducted in a different period may be included.
Organization	Kajima Group
Publication	November 2026
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/

Our Disclosure Framework



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.

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 have advanced our technology and empowered our people to meet the expectations and trust placed in us.

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

Our Goals

Society	Sustainably develop our business by building a better world
Customers	Deliver value exceeding customer expectations along the entire process
Expertise / Technology	Value the expertise that emerges from onsite originality and ingenuity Combine the diverse knowledge of experienced people to create solutions for challenges
People	Secure high engagement from diverse human resources who leverage their unique abilities Ensure every employee always takes the initiative in taking on new challenges











At a glance

Established

1840

Consolidated revenues

¥3,067.2 billion UP

(Up ¥**155.4** billion from FY2024)

Consolidated operating income

¥240.7 billion UP

(Up ¥**88.8** billion from FY2024)

Net income attributable to owners of the parent

¥177.3 billion UP

(Up ¥**51.5** billion from FY2024)

ROE

13.3% UP

(**10.2**% in FY2024)

Annual dividend per share

¥146 UP

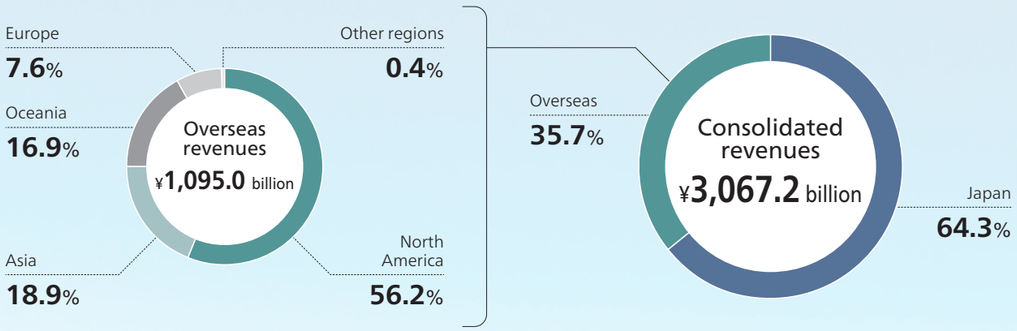
(¥**104** in FY2024)

PBR (March 31, 2026)

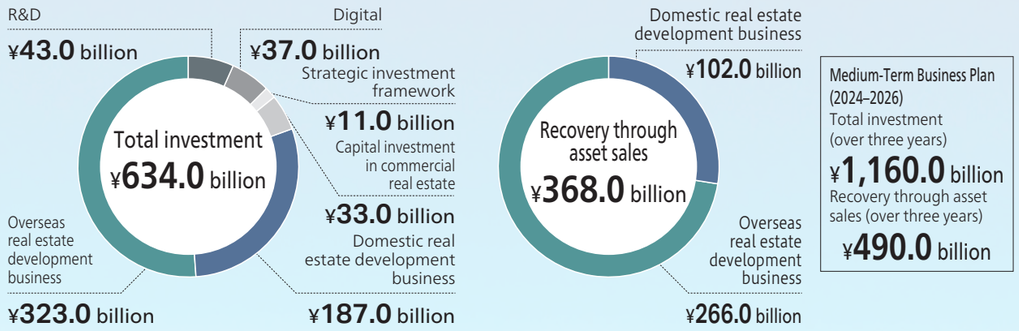
1.95 times UP

(**1.14** times as of March 31, 2025)

Revenue ratio by region



Investment plan (FY2024–2025 cumulative results)



Group companies

325 (as of March 31, 2026)

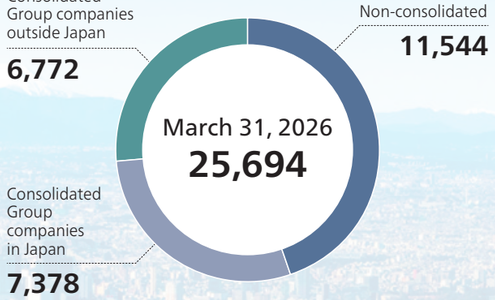
Consolidated subsidiaries

185 **18** in Japan **167** outside Japan

Equity-method affiliates

140 **88** in Japan **52** outside Japan

Number of employees



Main business areas



Message from the President



Creating value through our people and technology to meet social and customer needs while driving sustainable growth

Masafumi Kiryu
President, Representative Director

I was appointed President and Representative Director in June 2026. Our 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." Building on this philosophy, we have continuously advanced technology and talent development. By delivering innovative construction technologies that meet the evolving needs of society and our customers, we have earned their lasting trust.

Kajima's sources of value creation are people, technology, and the trust built through our predecessors' dedication. I am mindful of our 186-year heritage and our responsibility to pass it on to future generations. With respect for our founders and predecessors, and aware of the responsibility entrusted to us, I am committed to strengthening our value creation through people and technology. Our aim is to earn our stakeholders' trust and meet their expectations.

My guiding principles as president

Kajima's DNA

Kajima's philosophy focuses on social contributions through business based on our enterprising spirit, rational, scientific principles and humanitarian outlook—traditions passed down from our founders. I will uphold Kajima's traditions and philosophy while leading the Company toward further growth.

Times and business conditions have greatly changed, but our founders' principles remain unchanged: valuing our people, advancing our technological capabilities, and contributing to society through our business. I have two missions: preserving Kajima's DNA and passing it on faithfully to the next generation, and building on our predecessors' legacy to take Kajima even higher while contributing to society through technology.

Our late Senior Advisor Shoichi Kajima foresaw the qualitative and quantitative changes that would reshape construction and advanced a strategy to expand its value chain. The visionary initiatives he launched in the 1980s laid the foundation for the Kajima Group's current business platform and growth. Building on this strategy, I will develop Kajima into a distinct global enterprise beyond traditional construction, creating new social value.

Value of human connections

Since joining Kajima in 1984, I worked on projects with the Tokyo Building Construction Branch for more than 30 years. During that time, I worked closely with local communities, clients, and business partners, striving to deliver projects safely, to the highest standards, and on schedule.

One of my career milestones was the Tokyo Midtown Hibiya project. Its predecessor, the Hibiya Mitsui Building, was one of Asia's largest office buildings when completed in 1960. The building also marked the starting point of Kajima's high-rise construction expertise, paving the way for landmark projects such as the Kasumigaseki Building. I served as the Project Manager for the Hibiya Mitsui Building's demolition and Tokyo Midtown Hibiya's construction on the site. With a total floor area of 190,000 square meters and approximately 2,000 workers at peak periods, it brought together diverse people and organizations. Seeing stakeholders unite around one goal reaffirmed that such organizational strength underpins the Kajima Group's value creation.

Kajima was first recognized as a builder of Western-style architecture following the construction of Ei-Ichiban Kan, Yokohama's first foreign trading house, in the 19th century. I served as General Manager of the Yokohama Branch from 2024 to 2026. Through interactions with local stakeholders, I appreciated Kajima's relationships with local businesses and its collaborations with municipal and other public authorities. At the same time, I was reminded of the importance of earning trust as a member of the local community. It reinforced my pride and responsibility as our work becomes part of the region's history.

The principles that underpin the construction and real estate business remain the same in all of our markets. Respecting local cultures and values and building relationships rooted in the community are, I believe, the foundation of the Kajima Group's sustainable growth and the source of trust.

The Kajima Group's vision for the future

Our mission is to create value through our people and technology by addressing the needs of society and our customers. Throughout our history, Kajima has anticipated changing social and customer needs and responded through innovation, earning a reputation as a leader in fields including Western-style architecture, railway construction and high-rise buildings.

The Kajima Group comprises a value chain of over 320 subsidiaries and affiliates worldwide. As the needs of society and our customers become more diverse and complex, one of our greatest strengths is our ability to understand their needs and provide seamless solutions across the value chain, including planning, development, design, engineering, construction, operation, management, maintenance and renovation.

Our fourth president Morinosuke Kajima's *20 Rules for Succeeding in Business* are deeply instilled within Kajima, including principles such as "Always try to make an improvement" and "Don't neglect the adoption of new ideas and new methods." While we respect Kajima Quality and the Kajima Brand as established by our predecessors,

Message from the President

we must enhance their value by embracing new ideas and methods.

I envision a future in which the Kajima Group works alongside partners around the world, bringing together the strengths of our people and technologies to create even greater value. By combining our capabilities with those of diverse partners, we will create greater value, deliver comprehensive services across the construction value chain, and become one of the world's most trusted and admired corporate groups.

Progress on the Medium-Term Business Plan

Under the Kajima Group Medium-Term Business Plan (FY2024–2026), we are improving domestic construction profitability, expanding our development and overseas businesses, and investing in people and technology.

We achieved record performance in FY2025. This proves that the initiatives we have advanced are delivering results, giving us greater confidence in our future growth. What matters most now is ensuring these achievements lead to sustainable growth.

While construction demand currently remains robust in Japan and beyond, we continue to operate in a highly uncertain environment featuring labor shortages, rising costs, currency and interest rate volatility, and geopolitical risks. Even under these conditions, we will execute the initiatives set out in our plan, achieve our FY2026 profit target, and strengthen the management foundation needed to support growth.

Over the past decade, investments in our domestic construction, real estate development and overseas businesses have strengthened our portfolio and supported stable earnings growth across changing business conditions.

We are currently expanding our portfolio of development assets in Japan and overseas to strengthen our earning capacity. As these projects are completed and move into the operational or disposition phase, our capital efficiency will improve. Moving forward, we will continue to pursue optimal capital allocation to enhance profitability and capital efficiency across our businesses, while improving profit growth and ROE.

Business strategy

Domestic construction business

Backed by robust capital investment, we expect construction demand to remain high for the foreseeable future. In our civil engineering business, we have identified energy and infrastructure renewal as priorities. In the energy sector, we can leverage our technological expertise in areas such as offshore wind power and the restart, decommissioning, and construction of nuclear power plants. In infrastructure renewal, society expects us to prevent disasters and ensure infrastructure's long-term safety and reliability. To fulfill this role, we are strengthening our technological capabilities through continued innovation and technology development.

In our building construction business, we have identified semiconductor and pharmaceutical production facilities as priority areas. We also expect demand across a wide range of sectors, including data centers supported by strong investment demand, redevelopment projects that enhance urban functionality, and renovation projects that improve seismic resilience and environmental performance.

Order intake, revenues and gross profit margins have all improved in recent years. I believe this reflects our approach to project execution, from assessing risks before taking on projects to managing safety, environmental, quality, schedule and cost risks throughout construction. This approach enables us to achieve both profitability and reliable project delivery.

To strengthen this risk management approach, we have a structure where our Head Office and branches provide organizational support to front-line project teams. Under the principle of never leaving project managers to tackle challenges alone, our Head Office and branches hold follow-up meetings to share site issues, mitigate risks and resolve problems. By maintaining a close understanding of on-site realities and supporting project teams across the organization, we can sustain the quality and trust associated with the Kajima brand while steadily improving profitability.

Domestic real estate development business

Our domestic real estate development business serves as a vital link between the upstream and downstream segments of our construction value chain. Combining stable rental income with well-timed asset sales, it has grown into one of our key earnings foundations. We intend to strengthen this business by expanding both its scale and range of offerings.

The development business also creates significant synergies with our construction business. In addition to generating construction opportunities, it serves as an important platform for introducing and validating new building concepts, construction technologies and services. Furthermore, by leveraging our strengths as a construction company, we enhance the value of our development properties. In recent years, more developers have sought our participation, recognizing our development and construction capabilities. This underscores the advantages of our integrated developer-constructor model.

These synergies strengthen the Kajima Group's overall value creation capabilities, foster relationships with new partners, and create diverse business opportunities for the future.

Overseas business

Our overseas business now accounts for around 30% of consolidated revenue and is positioned as a key driver of the Kajima Group's medium- to long-term earnings growth.

While responding flexibly to changes in economic and business conditions across different regions, we have maintained solid profitability overall. Going forward, we plan to expand our business, particularly in the United States, as well as in Southeast Asia and Europe, while taking into account the characteristics and risks of each market. In our overseas construction business, we will enhance profitability by leveraging the risk management expertise built up in Japan. In our development business, we will seek to improve both investment efficiency and financial soundness while carefully monitoring market conditions.

Located in Singapore, The GEAR is the Group's regional headquarters in Asia, serving as a strategic hub to integrate R&D with open innovation. It brings together startups, universities, government agencies and other partners to share knowledge and collaborate. In my discussions with researchers and other team members there, I was struck by the high expectations that the Singapore government and related organizations have for its activities. We will continue to strengthen its role as a platform for creating new value through collaboration with a diverse range of partners.

Preparing for the next Medium-Term Business Plan

Our new Medium-Term Business Plan will launch next fiscal year. Building on the achievements of the current plan, we intend to develop a roadmap for growth while keeping a close eye on the future of both society and the Kajima Group.

Alongside strengthening our foundations by expanding the construction value chain, improving productivity and developing people, we are pursuing new earnings drivers and technologies supporting decarbonization and a circular economy.

To achieve earnings growth, we will continue to enhance profitability in our domestic construction business while expanding and strengthening our key growth drivers: the domestic real estate development business and the overseas business. Our next Medium-Term Business Plan will set out the strategies for achieving these objectives, together with a clear framework for investment and stockholder returns.

As we develop the next Medium-Term Business Plan, we are engaging in dialogue across the Group and with shareholders, institutional investors and external experts. Listening to the candid views of younger and mid-career employees and business partners not only enhances the effectiveness of our initiatives but also strengthens the Group's management foundation, including organizational unity and compliance.

Strengthening the supply chain

Ensuring that construction remains sustainable for future generations requires strengthening the entire supply chain. Securing the next generation of talent is an urgent challenge for construction. Together, we are highlighting the appeal of construction, including the enjoyment of creating things, its contribution to society and its future potential, while making the industry a more attractive career choice through better pay, more time off, greater opportunities and a stronger image.

We view our partner companies and skilled workers as essential resources for the future. Alongside efforts to secure talent and strengthen partnerships, we are advancing labor-saving and productivity-enhancing initiatives through digital technologies.

One example is our ongoing efforts to accelerate payments to partner companies, helping to strengthen their financial base. We are also expanding allowances and incentive programs that directly support better compensation for skilled workers, while reforming the multilayer subcontracting structure by limiting construction teams, in principle, to primary and secondary subcontractors.

We also operate the Kajima Partner College to help develop future leaders and skilled workers for our partner companies. Through these initiatives, we aim to improve compensation for skilled workers, strengthen partnerships and enhance the sustainability of the entire supply chain.

In recent years, the number of large-scale projects with substantial building services work, such as data centers and



semiconductor facilities, has increased. As a result, strengthening partnerships with specialist contractors has become an important priority in securing reliable project delivery. By working together from the planning and design stages and promoting productivity improvements such as modularization, we will continue to strengthen our execution capabilities and ensure dependable project delivery.

Message from the President

Evolving digital technology

AI and digital technology are evolving at a dramatic pace, and we are actively embracing them in our construction production processes. This key initiative enhances quality, scheduling and safety, while also addressing labor shortages through greater productivity and making the construction industry more attractive.

We implement Building Information Modeling (BIM) as a standard practice in each design and construction process to enhance visualization and data sharing. This accelerates customers' decision-making, prevents rework in design and construction, and enhances construction quality.

One of our flagship initiatives in construction automation is A^{4}CSEL® (Quad Axel) in the civil engineering business. Several automated construction machines were deployed at the Naruse Dam project, placing dam embankment material at up to twice the hourly rate of conventional manned operations. We will continue expanding the use of this technology at new project sites while broadening its application into tunnel construction and other fields.

To strengthen our technological capabilities, we made ENZAN KOUBOU CO., LTD., a leading provider of tunnel monitoring and construction management systems with a strong presence in Japan and Singapore, our subsidiary. Together, we will accelerate the advancement of construction automation by combining Kajima's technological expertise with ENZAN KOUBOU's system development and implementation capabilities.

While digital and automation technologies are vital to improving productivity, what is key is using them to accurately grasp on-site conditions and issues and to bring out the full potential of the people working there. Ultimately, it is people who understand the job site realities, assess situations and make decisions that create value in construction. I believe that effectively combining the experience and wisdom of people with digital technologies is the key to translating advances in digital technology into value creation.

Human resources strategy

We believe our strength lies in our employees' capabilities and in our organization's collective power that brings those capabilities together.

With an eye on our future workforce composition, we are accelerating the development of younger employees. One example is our effort to capture the knowledge and expertise accumulated by experienced employees, enabling faster, more consistent, and more efficient talent development. This initiative has fostered a culture in which younger employees proactively acquire and apply knowledge. Going forward, we will combine AI with the knowledge we have accumulated to enhance knowledge utilization and improve productivity.

At the same time, even as AI becomes increasingly prevalent, it is essential to strengthen those capabilities that remain uniquely human. Construction projects are highly site-specific and call for sound judgment and ingenuity in response to changing circumstances. We need human resources who can harness AI-generated insights while drawing on their own experience and wisdom to make the best decisions and create new value. I believe such talent will be the driving force behind Kajima's future growth.

To develop such talent, employees must gain diverse experience early in their careers and learn through firsthand experience. We designate the first few years of employment as a key development period and provide rotational assignments across different types of projects and regions, including overseas. By encouraging employees to think for themselves and take on new challenges without fear of failure, we help them unlock their full potential and develop into the talent that will lead the Kajima Group in the years ahead.

Fostering deeper engagement is essential for every employee to grow and succeed throughout their careers. Drawing on the results of employee surveys, we are addressing key challenges and sharing best practices across the organization to create an environment where employees can reach their full potential. At the same time, we continue to improve employee well-being through measures such as wage increases and enhanced benefits. Going forward, we will continue building a rewarding workplace while strengthening the talent base that underpins the Kajima Group's sustainable growth.

Sustainability

Our Medium-Term Business Plan positions sustainability as a core growth strategy, with the aim of achieving both solutions to societal challenges and the sustainable growth of the Kajima Group. Addressing environmental issues is among our highest priorities and an important responsibility to future generations.

Under the Kajima Environmental Vision 2050plus, we are steadily advancing R&D and the social implementation of solutions in three key areas: carbon neutrality, a circular economy, and nature positivity.

At GREEN×EXPO 2027, to be held in Yokohama from March 2027, we will showcase KAJIMA TREE, a timber tower approximately 60 meters tall constructed using materials repurposed from the Grand Ring of Expo 2025 Osaka, Kansai, Japan. By giving these materials a new purpose, the project highlights the expanding potential of timber architecture and presents a new vision for future urban landscapes.

Timber and wood-based construction is one of the key technology areas on which we are focusing to advance a circular economy and achieve carbon neutrality. We have developed the Transom Seismic Damping System®, which combines seismic control technology with fire-resistant laminated timber made entirely of wood. The system, which incorporates damping mechanisms into transom-style structural members, is planned for adoption in our new Tohoku Branch office building. The project is positioned as a flagship for mid- and high-rise timber construction and is scheduled for completion in FY2029.

These initiatives are rooted in the Kajima Group's extensive privately owned forests, which have been nurtured over many decades. Our forestry business began about 120 years ago when Iwazo Kajima, the second-generation leader of the founding family, acquired the Shakubetsu Forest in Hokkaido. Today, we own approximately 5,500 hectares of forest across 49 locations throughout Japan. Drawing on this unique asset, we are advancing the use of timber, building timber supply chains, and expanding Forest Asset®, a forest management support service that leverages drones and digital technologies. Through the creation of new value derived from forests, we will continue contributing to a carbon-neutral society and nature positivity.

Reinforcing governance

Reflecting the diversification and globalization of our business, we transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee in June 2026. Through this transition, we are strengthening the Board's oversight function while deepening discussions on management policy and strategy.

I firmly believe that constructive dialogue with Outside Directors is essential to sound management. Engaging in active discussions with Outside Directors, both inside and outside the Boardroom, provides valuable perspectives and insights that help shape my management decisions.

Governance enhancement is an ongoing effort that requires us to continually pursue better structures in response to changes in our business environment and management landscape. Through initiatives such as evaluations of Board effectiveness, we will continue making steady improvements to strengthen our governance framework.



To our stakeholders

With our stakeholders' support, we exceeded our profit targets in FY2025 and enhanced returns to stakeholders through higher stockholder returns, employee wages, and compensation for skilled workers.

These achievements reflect the trust and support of our stockholders and investors, customers, partner companies, and local communities, together with the dedication of our employees on the front lines every day. Construction is a business that can only be made possible through the efforts of many people.

A saying by the Zen monk Ryokan has long stayed with me: "Let the self fall away, and live each day in gratitude's sway." Throughout my years at construction sites, I have come to appreciate the truth of these words. Our work is sustained by many people's support, and I believe it is essential to be grateful for that support while responding sincerely to their trust and expectations.

The world is changing ever faster. We do not yet have all the answers when it comes to AI, emerging technologies, and new markets.

In construction, there is a saying: "Straight in its crookedness." It means first setting a clear direction, then refining your course as circumstances evolve, while focusing on your destination. That is why we must not fear failure and must continue to take on new challenges. Guided by this mindset, I will continue taking on new challenges and pursuing new possibilities.

As Kajima, a company committed to building for the next 100 years, we will continue creating and delivering value to society, building on the trust passed down through generations. To meet all our stakeholders' expectations, including stockholders and investors, we will continue advancing initiatives that support sustainable growth and enhance corporate value. We look forward to your continued support.

Feature
1

Yaesu 2-Chome Central District: The final piece in the redevelopment of the Tokyo Station area

A major project bringing together people and technology



Kajima is carrying out the large-scale Yaesu 2-Chome Central District Category-1 Urban Redevelopment Project at the former site of its Head Office, where the Company laid the foundations for its business. The project will create a mixed-use complex on a roughly 2-hectare site in front of Tokyo Station. The 43-story building, with 3 basement levels and a total floor area of approximately 390,000 m², will house offices, commercial facilities, serviced apartments, and more. Building on the trust we have established with the local community over many years, we are bringing together our people and technology across development, design, building construction, and civil engineering to advance this project. As the final piece in the redevelopment of the Tokyo Station area, the project brings together employees who are carrying forward Kajima's legacy while pursuing further growth. This feature highlights their efforts.

Developing a sense for high-rise construction

Eight tower cranes, each around 100 meters tall, dominate the sprawling construction site among the high-rises around Tokyo Station's Yaesu Exits. Below, columns extend from the basement through the lower floors, while commercial facilities, a theater, and other spaces take shape.

"The site is surrounded by railways and expressways, with complex electricity, gas, telecommunications, and other infrastructure networks underground. Kajima teams are combining their expertise to build this large-scale complex, including links to the adjacent bus terminal, while minimizing the impact on the surrounding area," says Yoshiyuki Takahashi, Executive Officer and Project Manager for the redevelopment, which began in 2024. Since joining Kajima in 1988, Takahashi has worked on major urban redevelopment projects, including Shinjuku Park Tower and Nihonbashi Muromachi Mitsui Tower. During the expansion and renovation of the Kasumigaseki Building, Japan's first skyscraper, he consulted its original hand-drawn plans, carrying forward Kajima's high-rise legacy. "Skyscrapers require seismic control technologies and expertise in environmental and energy solutions and civil engineering. Kajima's strength lies in its capabilities across these fields," he says.



Yoshiyuki Takahashi
Project Manager

At the project's peak, some 3,300 skilled workers will be on site, with mid-career employees playing a key role in realizing Takahashi's vision. Having gained experience during their first 13 years at Kajima, when the Company emphasizes professional development, they take charge of individual construction areas.



Satoshi Saito
Deputy Manager, Construction

Deputy Construction Manager Satoshi Saito oversees planning, safety, quality, and schedules for above-ground work. "With a building of this scale, the challenge is deciding where to begin in the low- and mid-rise sections and how to sequence the work safely and efficiently," he says. Now in his 13th year with Kajima, Saito is planning all above-ground work on a large-scale project for the first time, building on his experience with entire small- and medium-scale projects. "I have coordinated underground, mechanical, and electrical work before, but the scale here is entirely different. By developing the plans myself with advice from the Project Manager and experienced colleagues, I hope to develop the sense needed to plan and manage high-rise construction."



Ryosuke Takagi
Deputy Manager, Mechanical and Electrical

The project's mechanical, electrical, and building services work is extensive, involving eight tower cranes and 12 construction elevators. "My previous projects had only two or three of each, so this time we had to start with planning and procurement," says Ryosuke Takagi, Deputy Manager of the Mechanical and Electrical Section. "By coordinating their assembly and operation to prevent accidents, I hope to keep construction running smoothly."

As building services work moves into full swing, more than 25 partner companies will be involved. Equipment Manager Hirokazu Ota says, "We are planning the delivery of large equipment into the heart of the building and the sequencing of work. With so many partner companies and complex coordination, thorough planning is essential to maintaining quality." Underground and civil engineering work presents distinct challenges in the heart of a city. The top-down method allows underground work to proceed downward from the first floor alongside above-ground construction, shortening the construction period and reducing noise. "My challenge was to develop an earth-retaining plan and select methods that would minimize the impact on surrounding electricity, telecommunications, water, sewerage, and other infrastructure," says Yoshihiro Uehashi, Deputy Construction Manager for underground work. Now in his 16th year at Kajima, Uehashi has more than a decade of underground construction experience. "Working with structural designers, I explored how to ensure safety in a constrained environment amid existing buildings and intricate infrastructure connections. This gave me new insights for future projects." Tomoki Takahashi, Deputy Construction Manager for civil engineering work linking the project to the subway and adjacent buildings, faces a different challenge. "Besides the physical constraints of underground urban infrastructure, we face tight time constraints." Much of the work must be done at night to avoid disrupting the city, requiring schedules managed down to the minute and close coordination with facility operators and government authorities. Now in his 18th year with Kajima, Takahashi is working on his first redevelopment project. "This project has taught me much about building consensus among the many parties involved. I feel a strong responsibility to create connections that make the city more convenient and will continue to advance the project safely."



Yoshihiro Uehashi
Deputy Manager, Construction



Exterior rendering



Hirokazu Ota
Manager, Equipment



Tomoki Takahashi
Deputy Manager, Construction

Yaesu 2-Chome Central District: The final piece in the redevelopment of the Tokyo Station area

A major project bringing together people and technology

Kajima's enduring ties to Yaesu

The final piece in the redevelopment of three districts around Tokyo Station, this project aims to further revitalize Yaesu. It began with a study group on the area's future in 2005. A preparatory association was established in 2013, and Kajima has since supported the project as a partner and led its secretariat. "I have a strong sense of the community's trust in Kajima. I value the relationships built by my predecessors as I work with landowners and other stakeholders," says Ryosuke Marumo, Manager in the Real Estate Development Division. Marumo joined the project in 2020, as the Preparatory Association became the Redevelopment Association. He has since helped build consensus among title holders, coordinate property vacation and handover, and manage rights conversion. Through this work, he came to appreciate Kajima's deep roots in the community.



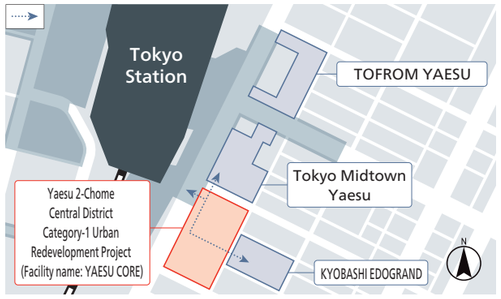
Ryosuke Marumo
Manager

Kajima was based in Yaesu from 1929, expanding its business from there. After the Head Office relocated in 1968, the Yaesu Book Center opened on the site, realizing fourth President Morinosuke Kajima's vision of a bookstore where people could readily find any book they wanted. "Landowners have told me how they sheltered beneath Kajima's former Head Office during the war and how the Yaesu Book Center later helped put the area on the map. These stories have given me a profound sense of the ties between Kajima and Yaesu," says Marumo.

This legacy of trust continues. Kajima is involved as a landowner, participating association member, and secretariat, and in detailed design, construction, and construction supervision. "Landowners have confidence in and high expectations of Kajima's combined development, design, and construction capabilities," says Marumo. As a result, approximately 250 title holders, tenants, and other stakeholders associated with 37 buildings agreed to the redevelopment, enabling work across the entire project area to begin. "Demolition cannot begin if utilities remain connected to even one building," says Project Manager Takahashi. "Close coordination with the Real Estate Development Division enabled construction to get off to a smooth start."



The former Head Office building in the redevelopment district



Designing one of Japan's largest mixed-use developments

A defining feature of the project is that it is one of Japan's largest mixed-use redevelopments, bringing offices, commercial facilities, serviced apartments, an international school, a theater, and a bus terminal under one roof. "We are deeply committed to creating a new urban hub where people from diverse backgrounds come together and generate new ideas and perspectives," says Toyofumi Kamogawa, Chief in the Architectural Design Division and a member of the detailed design team. "It is a continuous process of resolving technical complexities and creating functional, well-designed spaces within tight constraints." The Architectural Design Division has assembled a team of some 50 specialists covering the building's various uses. The team handles all aspects of design coordination, from meeting the regulatory and operational requirements of each use to integrating the building's exterior and interior spaces.



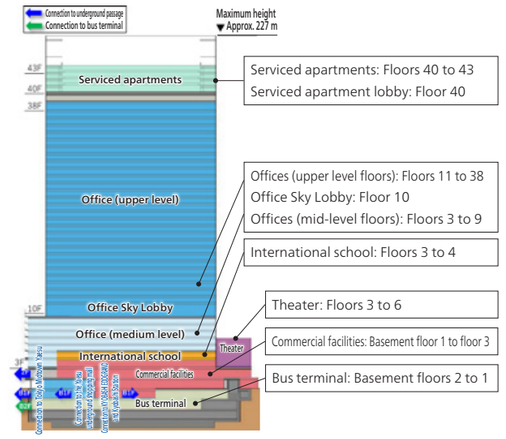
Toyofumi Kamogawa
Chief



Atsushi Suzuki
Chief

Chief in the Architectural Design Division, who is responsible for the structural design of the low- and mid-rise sections, says, "Having worked mainly on office buildings, I welcomed the challenges specific to theater design, including large column-free spaces and stringent vibration and sound insulation requirements. I designed the structure to enhance the building's architectural appeal while maintaining structural efficiency and constructability."

Yusuke Suzuki, Group Leader responsible for building services design, adds, "Even air-conditioning systems must be planned differently for offices, theaters, and other uses. The challenge was determining how best to position machine rooms and main service routes while meeting each facility's requirements."





An artist's rendering of the ground floor plaza area, with a broad spectrum of visitors moving inside the large mixed-use complex

A mixed-use development must meet the demanding functional requirements of each facility while creating a unified exterior and spatial design. Bringing to life the spirit of Yaesu, where tradition and innovation have long coexisted, requires Kajima's ability to unite expertise across disciplines. Kamogawa says, "The design and construction teams meet on site daily to work through issues together. Despite the project's exceptional technical complexity, we have maintained the highest standards without compromising the exterior or spatial design. This testifies to Kajima's comprehensive capabilities."



Yusuke Suzuki
Group Leader

As the project moves toward completion in 2029, Project Manager Takahashi says, "The local community is looking forward to an even more vibrant and appealing Yaesu. With safety always our highest priority, we will continue to build with care and dedication for Yaesu's future."

Project details

Project name	Yaesu 2-Chome Central District Category-1 Urban Redevelopment Project
Facility name	YAESU CORE
Client	Yaesu 2-Chome Central District Urban Redevelopment Association
Design	Design development, contract documentation supervision, and general supervision NIKKEN SEKKEI LTD Contract documentation and supervision Kajima Corporation
Construction	Kajima Corporation
Construction period	August 2024 to January 2029 (planned)

Feature 2

A⁴CSEL passes Kajima's on-site capabilities to the next generation

From skilled workers to automated machines, and on to everyone in the field

The construction industry faces a rapidly growing workforce shortage as skilled workers age and fewer people enter the industry. Two major challenges are reducing labor requirements and passing skills on to the next generation. Against this backdrop, Kajima is addressing both through its automated construction system, A⁴CSEL® (Quad Axel). By capturing experienced workers' skills and know-how as data, Kajima has developed technologies that enable machines to replicate their work. Automated construction can now be performed by less-experienced employees, and A⁴CSEL is being applied to a growing range of projects, from dams and tunnels to site development. The expertise captured in A⁴CSEL will serve as an asset in developing the next generation of skilled workers, passing Kajima's on-site capabilities "from skilled workers to machines and from machines on to the next generation."

A blast design system that replicates the expert judgment of experienced workers

At the face of the 26.2-kilometer Sasson Tunnel, skilled workers were drilling blast holes deep in the mountains roughly midway between Otaru and Sapporo. Part of the Hokkaido Shinkansen extension from Shin-Hakodate-Hokuto Station, the tunnel is being excavated using the drill-and-blast method.

"Once we fine-tune the distance between the drill jumbo and the tunnel face, we simply start the system and monitor it," explains Ryo Nakano, a fifth-year Kajima employee, while overseeing the automatic operation of its three booms from the control room. As he speaks, the drill jumbo continues boring into the oval rock face, roughly 8 meters high and 10 meters wide. Drilling, the first stage of the drill-and-blast method, has traditionally relied heavily on skilled workers' experience and expertise. As excavation advances, they assess changing rock and geological conditions from the drill's response and the shape of the face after each blast. This intuitive judgment, known as "reading the mountain," is used to adjust the drilling pattern, for example by adding holes in harder sections, before marking the hole positions. Guided by these marks, three skilled workers each operate one of the drill jumbo's booms and drill simultaneously, a task requiring advanced skills.



Ryo Nakano

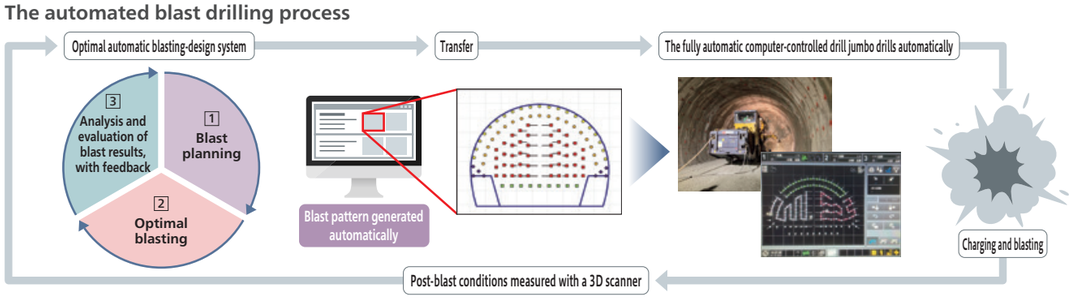
To automate the process, Kajima developed an "optimal automatic blasting-design system" under A⁴CSEL that replicates this intuitive judgment. Using proprietary formulas, the system determines the optimal number and placement of blast holes and amount of explosives from data on rock hardness and fractures. Once drilling-energy data and tunnel-face scans are entered, it automatically generates blast instructions. These are sent to a fully automated, computer-controlled drill jumbo, which drills the specified pattern, standardizing the process while reducing personnel requirements.

Nakano, who joined the project in 2024, says, "I had no tunnel excavation experience, but I was able to begin drilling almost immediately. I believe I could train someone else to take over in about a week." Drilling at the Sasson Tunnel normally requires five people. With the fully automated drill jumbo, only two are needed: an operator and a safety observer. About one hour of automated drilling is conducted during the day-night shift change, reducing total daily working time by around 25 minutes and improving productivity.



The control cabin of the fully automatic computer-controlled drill jumbo operating with the optimal automatic blasting-design system

The automated blast drilling process





Automated drilling by A⁴CSEL for Tunnel, in use on the Sasson Tunnel project

Advancing Application at Construction Sites

Kajima began developing A⁴CSEL in 2009 to address three major construction industry challenges: workforce shortages, low labor productivity, and frequent occupational accidents. After applying A⁴CSEL to dam construction and site development, it began developing A⁴CSEL for Tunnel, a next-generation automated tunnel construction system, in 2017 to address the aging workforce.

Stage one began in 2018 with automated machinery and motion control systems developed and refined in a mock tunnel. Stage two began in 2021 with rock excavation trials at the Kamioka Test Tunnel in Gifu Prefecture. By 2024, Kajima had achieved automation and remote operation across six processes: drilling; charging and blasting; muck removal; surface trimming; shotcreting; and rock bolting. The third stage now applies the technology at construction sites. Takashi Mega, Deputy Senior Manager of the Civil Engineering Department's Tunnel Group and former Kamioka Test Tunnel project manager, says, "The technology has advanced to the point where construction no longer depends on highly experienced workers. By deploying it at more sites, we aim to refine it further, increase awareness of automated construction, and promote wider adoption."

The main challenge is drilling precision. At the Sasson Tunnel, rock-face irregularities caused the boom-to-face distance to deviate from expectations by up to 10 cm, sometimes preventing drilling in accordance with the blast design. As the fully automated, computer-controlled drill jumbo cannot make fine adjustments, Ryo Nakano devised a method using three preset drilling patterns. Before drilling, the distance between the tunnel face and the booms is measured, and a pattern set for 40, 60, or 80 centimeters is selected accordingly. This method has achieved drilling results, including overbreak control, comparable to those of highly experienced workers.



Takashi Mega
Deputy Senior Manager

Machines as models for learning

With workforce shortages threatening future disaster recovery and infrastructure development, the government is promoting automation to maintain construction capacity. In 2024, the Ministry of Land, Infrastructure, Transport and Tourism launched i-Construction 2.0 to advance construction-site automation. Under this initiative, mountain tunnel projects are testing automation and other labor-saving technologies under actual site conditions. The projects use the Technical Proposal Evaluation Type SI method, which allows up to 5% of the estimated project price to fund improvements promoting the development and adoption of new technologies.

Kajima is participating in the Shin-Anama Tunnel project in Shimamaki, Hokkaido, an FY2025 trial project. It will first introduce remote erection of steel supports, its core proposal, then phase in A⁴CSEL for Tunnel technologies for drilling, surface trimming, and other processes.

Mega says, "Automation can reduce workforce requirements only when applied across the entire construction process. We will use knowledge gained on-site to improve productivity and safety while advancing the construction capabilities that underpin our value as a construction company." As workforce shortages make transferring specialized skills to the next generation increasingly difficult, knowledge gained from developing and applying A⁴CSEL for Tunnel will become a valuable asset. Hiroki Okano, project manager at the Sasson Tunnel Hoshioki JV Civil Engineering Project Office, says, "As the skilled workforce declines, sites may have far fewer opportunities to compare and verify automated construction technologies. Achieving this level of automation could open a new approach to developing people, with workers learning these skills from the machines themselves."

Feature 3

Global technology marketing pioneered by The GEAR by Kajima



The GEAR by Kajima members who are taking on the challenge of creating new value

Kajima uses the Group's construction technologies and R&D achievements to tackle overseas market challenges and create new business opportunities.
The GEAR by Kajima (TGK) draws on Kajima's longstanding presence in Singapore and trusted institutional ties to advance proof-of-concept projects, collaboration, and commercialization through open innovation and technology marketing.

Background to the establishment of TGK

Kajima has long been engaged in building construction and real estate development in Southeast Asia. In 1988, Kajima established its regional headquarters in Singapore. Today, Kajima Asia Pacific Holdings (KAP) operates across eight countries and regions. In 2013, Kajima established Kajima Technical Research Institute Singapore (KaTRIS), the first overseas office of the Kajima Technical Research Institute, and has since expanded its collaboration with local research institutions and universities.

In Singapore, Kajima has developed its business aligned with government policies and urban development needs. It has also built strategic partnerships spanning industry, government and academia, including joint research with JTC Corporation (JTC), a Singapore government agency, and collaboration with Singapore Management University, the Singapore University of Technology and Design, and other institutions.

In 2023, Kajima opened its own building, The GEAR, in Singapore. The GEAR is a research and collaboration facility that integrates the functions of Kajima's regional headquarters for Asia, an R&D center, and an open innovation hub, while also serving as a testbed for new technologies and solutions. Initially, Kajima Development (KD), the developer and operator of The GEAR, played a leading role in promoting Kajima's technologies and business activities, enhancing the Kajima Group's profile in Singapore. Through events and dialogue with stakeholders, new business opportunities for Kajima's technologies began to emerge. To further advance these activities, TGK was established in August 2024 under Kajima Asia Pacific Holdings (KAP), Kajima's regional headquarters in Singapore.

Role of TGK

One of TGK's key roles is to promote open innovation. By leveraging The GEAR, TGK expands its network of startups and other organizations, creating opportunities for them to collaborate with KaTRIS and companies across the Kajima Group. TGK also hosts the Future City Festival (FCF), an innovation summit focused on the future of cities and construction. Bringing together participants from industry, government, and academia, the event provides a platform for collaboration and co-creation. In addition, through its proprietary startup support program "The GEAR Startup CoLab," TGK is building a framework that enables startups to commercialize their technologies into viable businesses.

Another key role is technology marketing. In Singapore, labor shortages have heightened interest in construction automation, and Kajima's A^{4}CSEL® (Quad Axel) automated construction system is attracting significant attention. TGK signed a joint research agreement with JTC, and a research project is currently underway. The project is regarded as an important step toward the future deployment of Kajima's technologies.

TGK is also extending the open innovation expertise and networks developed in Singapore to other international locations, fostering new opportunities for global collaboration and innovation. Working closely with Kajima Australia and Kajima U.S.A., TGK helps create collaboration opportunities for joint research, technology demonstrations, and talent development.

Building on the business foundation and trusted relationships established in Singapore, TGK will continue serving as a bridge between Kajima's technologies and global markets, driving the creation of new value.



Global training program for students from Hong Kong and Singapore



Booth exhibit at a technology exchange event on heat stress

Interview

Serving as a bridge between Kajima's technologies and global markets



Luke Wu
The GEAR by Kajima
Managing Director

I joined the Kajima Group in 2021 and was involved in the establishment of TGK after spending one year at KaTRIS, where I gained firsthand exposure to Kajima's technologies, and two and a half years at KD, where I helped develop The GEAR from its early stages.

Kajima's strength lies in its extensive portfolio of technologies and proven track record in Japan. These technologies address a wide range of challenges, including labor shortages, including labor shortages, improving productivity and safety, decarbonization, and increasingly severe natural disasters, decarbonization, and increasingly severe natural disasters. I believe we can further strengthen our ability to identify opportunities in global markets. TGK aims to create new value by aligning Kajima's expertise with market needs, expanding the reach of our technologies while also incorporating developments from around the world back into the Kajima Group.

Through technology marketing, TGK supports technologies such as A^{4}CSEL, infrastructure monitoring systems, and low-carbon construction materials from opportunity development and demonstration through deployment, in collaboration with the Kajima Technical Research Institute and the Kajima Group's civil engineering, construction and development divisions. In open innovation, we continue to cultivate the ecosystem by maintaining strong relationships with government agencies, universities and startups, while evaluating the potential application of new startup solutions across the Kajima Group's businesses.

TGK is currently deepening collaboration with Kajima's Innovation & Incubation Office in Japan. By drawing on the networks and expertise developed in each region, we will work together to create new value.

Going forward, we will continue to strengthen TGK's role as a bridge to market needs, contributing to the further growth of the Kajima Group's overseas business.

Column

Fostering a culture of innovation through Gemba Centric Innovation

Innovation & Incubation Office was founded in 2021 with the mission of making Kajima and the industry more innovative. We define innovation as discovering challenges or needs where we have not noticed or uncovering value we have given up, and solving those problems. Our role is to identify and organize the needs across society, customers, Gemba (jobsite), and various divisions and to explore knowledge, such as technologies and expertise, that connects to these needs, and work closely with Gemba and relevant divisions to solve them. At the same time, our exploration often leads us to technologies and knowledge we had not previously considered. In such cases, we take an active role in developing new technologies and exploring new business opportunities. Gemba Centric Innovation is our core strategy, where it plays a big role in this initiative.

Necessity to solve the problem is the key to Innovation. That is why we focus on needs. The needs are found in Gemba. That is why innovation happens in Gemba. Disruptive technologies, such as robotics and AI, are not the only innovation. We highlight solving everyday challenges with ideas and efforts as a key role to innovation.

While advancing the research and technology development, bringing the Gemba Centric approach complements the overall innovation initiative. This is Kajima's way. Through this journey, we aim to cultivate an innovative culture where all of Kajima colleagues embrace challenges.

Looking ahead, we aim to deepen the collaboration with TGK to connect Gemba-driven ideas with global technologies, talent, and networks, creating innovation that is uniquely Kajima's.



Dai Ohama
General Manager,
Innovation & Incubation Office

Part 1

How Kajima Creates Value

Grounded in the corporate philosophy and enterprising spirit passed down to us, we continue to refine our people and technology as sources of value creation, pursuing growth for the Kajima Group and progress for society.

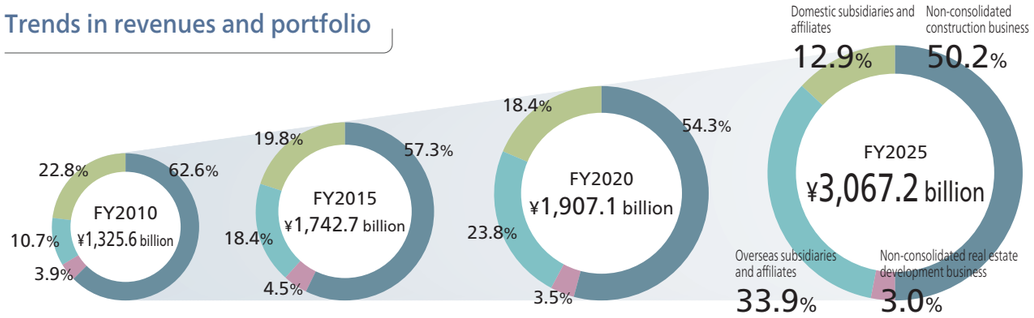
History of Value Creation 23
Value Creation Process 25
Business Environment 27
Foundation for Value Creation 28
Sources of Value Creation 29
Forms of Capital 30
Business Model 31
Material Issues 33



History of Value Creation

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, thereby contributing to the development of Japan's industry and economy. By advancing construction technology and expanding into businesses that build on that strength, we create social and economic value. At the same time, we cultivate the people and technology that underpin it, enhancing corporate value and market valuation.

Trends in revenues and portfolio



Where the Kajima Group stands today (FY2025)

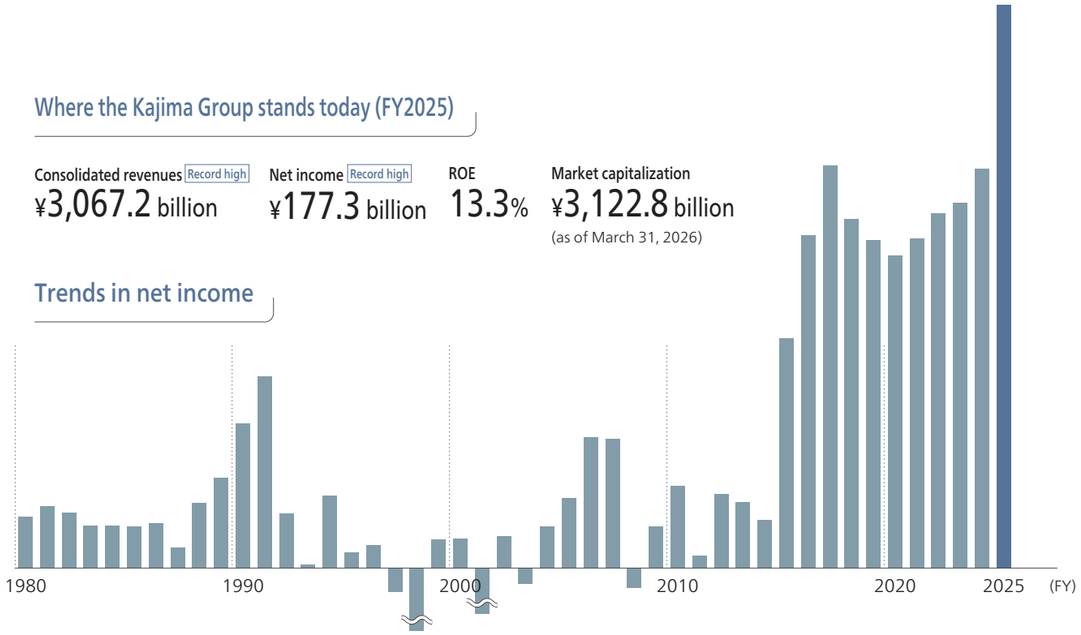
Consolidated revenues Record high
¥3,067.2 billion

Net income Record high
¥177.3 billion

ROE
13.3%

Market capitalization
¥3,122.8 billion
(as of March 31, 2026)

Trends in net income





Color print showing the prosperity of the Ei-Ichiban Kan



Ohmine Dam (completed in 1924, Kyoto)



Kasumigaseki Building (completed in 1968, Tokyo)



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



Shiki New Town (completed in 1988, Saitama)



CUCO-SUICOM Dome

1840-Leadership in Western-style buildings

Kajima was founded 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.

1880-Leadership in railways and dams

Iwazo Kajima, second-generation leader, established Kajima Gumi in 1880 and entered the railway construction 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.

1960-Leadership in skyscrapers

With the Kajima Technical Research Institute at our core, we advanced technological development and successfully completed Japan's first skyscraper, the Kasumigaseki Building, in 1968. Since then, we have built skyscrapers throughout the country, earning a reputation as a leader in the field. In the 1980s, we created seismic damping devices and constructed the world's first structure with an active control system. As a pioneer in seismic damping and isolation technologies, we continue to lead the world in this field.

1980-Promoting overseas business

Kajima entered the U.S. market through the redevelopment of Little Tokyo in Los Angeles, which began in 1964. 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. Today, we provide high-value-added services from six bases worldwide, including Kajima Corporation (China) Co., Ltd., Chung-Lu Construction Co., Ltd., and Kajima Australia Pty Ltd.

*Now Kajima Asia Pacific Holdings Pte. Ltd.

2000-Branching out into real estate development

The development of Shiki New Town, a large housing project that began in 1971, marked Kajima's full-scale entry into large-scale mixed-use development. 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-Creating new value

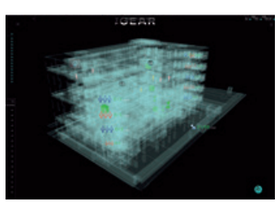
As the needs of society and customers grow more diverse, technology is called for that addresses challneges across a wide range of fields, including digital, energy and the environment. Drawing on advanced construction technology, together with the expertise and networks built up in our overseas and real estate development businesses, we create new value. By delivering that value to society and customers, we contribute to a sustainable society.

Advances in construction technology

As a technology-driven company, Kajima advances construction technology.
With the establishment of the industry's first technical research institute, we pioneered R&D and technologies in automation and digitalization.







Business expansion built on construction technology

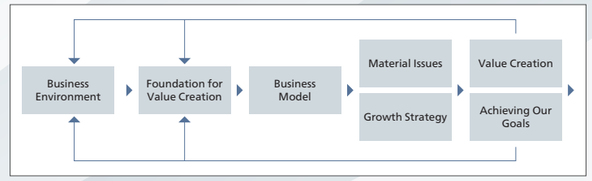
With construction technology as our strength, we expanded overseas and into real estate development, broadening our expertise and networks to strengthen our construction business and create new opportunities.







Value Creation Process



Building on the management foundation developed over more than 180 years, we operate businesses centered on construction and real estate development.
By addressing material issues in response to changes in the environment and implementing our growth strategies, we create social, environmental and economic value, working toward the growth of the Kajima Group and a sustainable society.

Business Environment

Politics / Economics

- Geopolitical risks
- Price and interest rate trends

Environment

- Carbon neutral society
- Circular economy
- Nature positivity
- Natural disasters

Society

- Diversifying values
- Human capital management
- Declining birthrate, aging population, and labor shortages

Technology

- Digitalization
- Transformation in mobility, communications, and logistics

Foundation for Value Creation

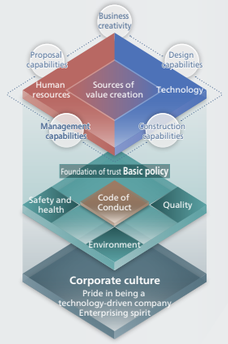
Kajima's Corporate Philosophy

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.

Vision Statement

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

Sources of Value Creation

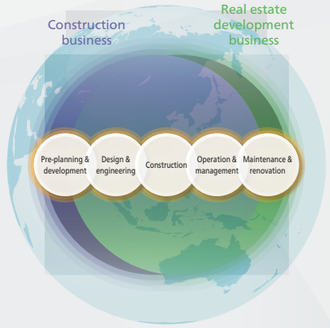


Forms of Capital

- Human capital
- Intellectual capital
- Financial capital
- Manufactured capital / Social and relationship capital
- Natural capital

Business Model

Value Chain



Strengths

- Comprehensive capabilities in construction business
- Ability to develop real estate in Japan and around the world
- Ability to provide services throughout the lifecycle of structures

Features

- Revenue bases in each business region
- Synergies between construction and real estate development businesses
- Collaboration with partners
- Global Network

Business Segments

- Civil engineering business
- Building construction business
- Real estate development business, etc.
- Overseas subsidiaries and affiliates
- Domestic subsidiaries and affiliates

Material Issues

Society

- Creating functional urban, regional, and industrial infrastructure capable of meeting new needs
- Developing sustainable and long-lasting social infrastructure
- Providing safety and security technologies and services for disaster preparedness

Platform for business sustainability

- Focusing on unwavering technological innovation and Kajima quality
- Construction that emphasizes people and partnerships
- Practicing corporate ethics

Environment

- Contributing to carbon neutrality, a circular economy, and nature positivity

Growth Strategy

Medium-Term Business Plan (FY2024–2026)

I Enhance domestic construction business
- Strengthening engineering capabilities
- Improving productivity and operational efficiency

II Expand growth areas
- Expanding real estate development business, overseas business, and value chain

III Create new value as a technology-driven company
- Strengthening our global R&D structure
- Promoting innovation

IV Sustainability
- The global environment, human resources, and respect for compliance and human rights

Value Creation

Social and Environmental Value

- Creation of comfortable and attractive buildings, and promotion of urban development
- Extension of the lifespan of buildings and infrastructure
- Services for responding to natural disasters
- Technologies for carbon neutrality, energy conservation and a circular economy
- Initiatives toward a sustainable construction industry

Economic Value

- Sustainable profit growth
- Improving capital efficiency
- Returns to stakeholders
  - Customers, suppliers, employees, local communities, stockholders and investors, among others

Achieving Our Goals

Society

- Sustainably develop our business by building a better world

Customers

- Deliver value exceeding customer expectations throughout the entire process

Expertise / Technology

- Value the expertise that emerges from onsite originality and ingenuity
- Combine the diverse knowledge of experienced people to create solutions for challenges

People

- Secure high engagement from diverse human resources who leverage their unique abilities
- Ensure every employee always takes the initiative in taking on new challenges

Contributing to a sustainable society through the Kajima Group's sustainable growth

Business Environment

We continuously monitor and analyze changes in the business environment, including politics and economics, the environment, society and technology, and assess their impact on the Kajima Group in terms of both opportunities and risks. We view changes in the business environment as opportunities to move forward, revising our initiatives as appropriate in light of our analysis as we pursue further growth.

• = Medium-Term Business Plan formulation »»» = Changes in the business environment

Trends

Politics / Economics

- Geopolitical risks and conflict between nations
- Rising prices and interest rates
  - » Promotion of responsible expansionary fiscal policy
  - » Designation of 17 strategic fields
  - » Growing drive to attract investment to the United States
  - » Soaring resource prices

Environment

- Carbon Neutrality, Circular Economy, and Nature Positivity
- Greater frequency and severity of natural disasters
  - » Calls for sustainable urban development

Society

- Human capital management
- Changing values and work styles
- Shortage of skilled workers in Japan
- Aging buildings and infrastructure
  - » Worsening labor shortages across many industries

Technology

- Advances in digital technology
- Transformation in mobility, communications, and logistics
  - » Rapid advances in AI and digital technology

Opportunities

» Growing demand related to economic security and defense

17 priority investment fields
- AI and semiconductors • Defense industry • Resources, energy and GX • Disaster prevention and national resilience • Shipbuilding • Drug discovery and advanced medicine • Biotechnology • Information and communications • Aerospace etc.

» Growing acceptance of price pass-through

» Increased capital investment by Japanese and foreign companies, and continued inbound demand (data centers, offices, hotels, luxury residences, etc.)

» Expanding investment in energy infrastructure and GX
» Promoting skills transfer and developing talent
» Accelerating DX (higher productivity, automation, etc.)

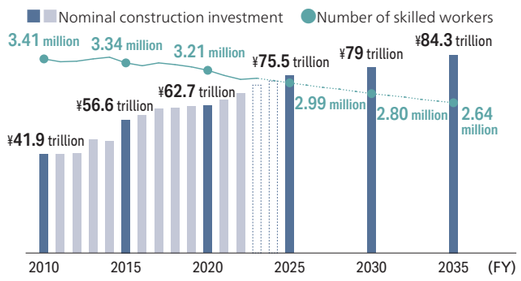
Risks

» Emerging risks in materials and equipment procurement
» Rising construction costs and constrained supply of materials
» Concern that rising interest rates will slow the real estate market

» Worsening labor shortages
» Intensifying competition for talent across industries

» Growing cybersecurity risks
» Uncertainty in the U.S. economy and concern over stagnation in the real estate market

Trends in the domestic construction business

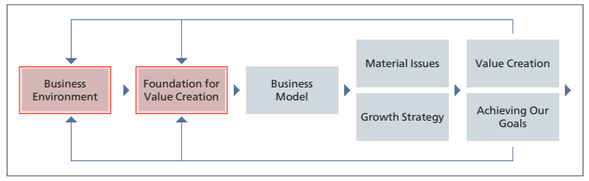


Source: Compiled by Kajima, based on "Construction Investment Outlook for FY2025," Ministry of Land, Infrastructure, Transport and Tourism, and "Long-Term Vision for the Construction Industry 2.0," Japan Federation of Construction Contractors

»»»

Issues to address	Opportunities for further growth
Improving productivity	• Automated and smart construction • More sophisticated construction processes through digital technology ▶ Collaboration with partners
Secure the future workforce	• Improving compensation for skilled workers • Developing future executives and skilled workers at partner companies • Enabling diverse talent, including foreign nationals, to thrive ▶ Strengthening the supply chain

Foundation for Value Creation



The ideas and values of successive Kajima leaders have been passed down since the Company's founding and live on as the "Kajima DNA," guiding the values and actions of our officers and employees. The Kajima DNA is reflected in management guidelines such as our Corporate Philosophy, Vision Statement, and Our Goals, and it informs how we put our management strategy into practice.

Kajima DNA

The enterprising spirit inherited from our founder, Iwakichi Kajima, and the *"20 Rules for Succeeding in Business"* established by our fourth president, Morinosuke Kajima, exemplify the enduring leadership principles passed on to our officers and employees.



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.
[. . .]

Morinosuke Kajima (president, 1938–1957) promoted the modernization and rationalization of the company's management under the principle of "dynamic stability," which held that Kajima's path forward lay in finding stability amid constant expansion and development, and established the foundation for its development as a technology-driven company.

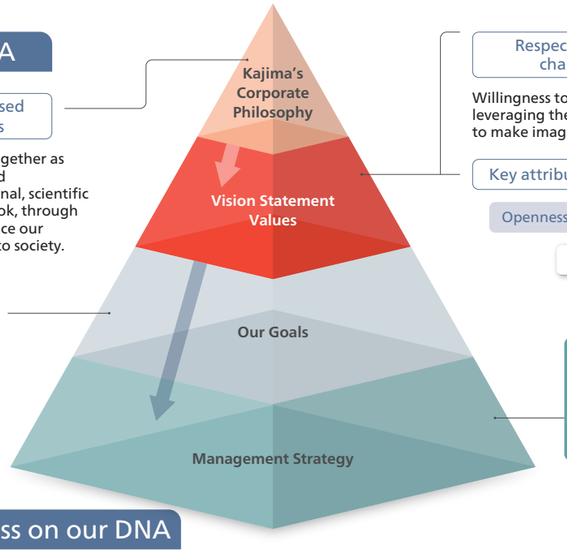
Codifying the DNA

Management philosophy passed down through generations

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.

Bringing people and technology together to serve customers, and beyond them, society ▶P.4

Society
Customers
Expertise / Technology
People



Respecting the past, embracing challenges for the future

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

Key attributes for achieving the Vision

Openness Diversity Initiative

Corporate Culture

Strategy for achieving Our Goals, based on the Corporate Philosophy and Kajima Group Vision

Opportunities to pass on our DNA



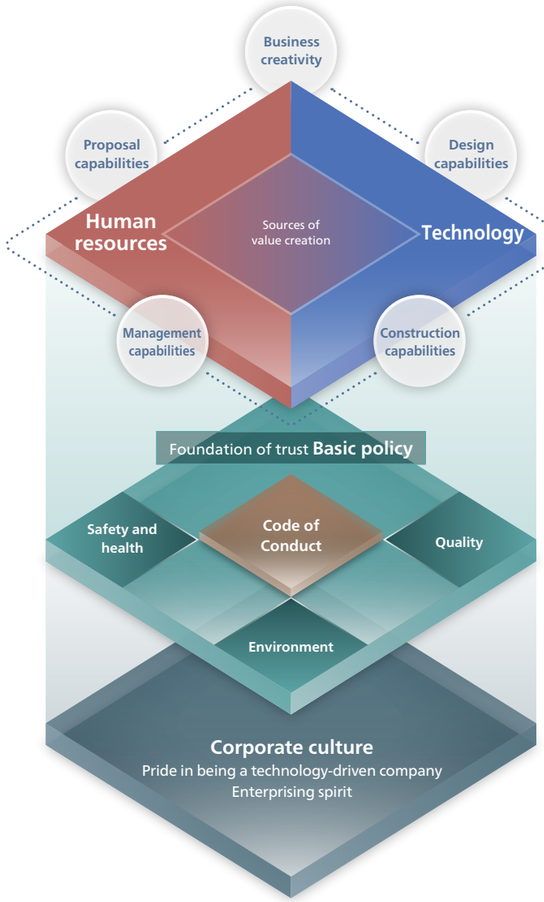
Talks by the president at officer training and project manager training, and lectures open to all employees, such as "Morinosuke Kajima's Achievements as a Manager and His Influence on Later Generations" by Jitsuro Terashima.



In addition to company histories, commemorative publications, and other books, video footage of Morinosuke Kajima explaining his management philosophy in his own words is available at training facilities and on the company intranet.

Sources of Value Creation

We are strengthening our human resources and technology, the sources of our value creation, through a corporate culture that takes pride in being a technology-driven company and embodies an enterprising spirit. Grounded in our Code of Conduct, we apply our policies on safety and health, the environment and quality without exception, creating new value and living up to the trust placed in us by society and our customers.



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

Code of Conduct

1. High-Quality Construction Services as a Technology-Based Company
2. Fair Corporate Conduct with Integrity
3. Harmony with Society
4. Respect for All People Connected to the Kajima Group
5. Responsibility to the Environment

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 accidents and incidents, while aiming to enhance workplace safety and health and promote employee well-being.

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.

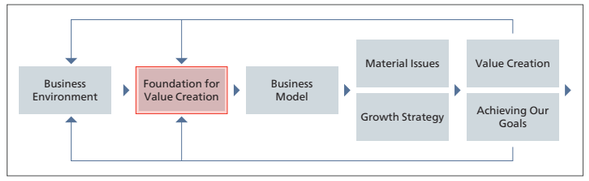
Quality Policy
Kajima provides products and services that satisfy clients, from marketing to follow-up services, allowing them to place orders with a sense of reassurance and trust.

The Corporate Culture Rooted in Kajima

Pride in being a technology-driven 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 re-founder, 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



Throughout our history of value creation, our human resources and technology have continued to develop as core foundations, while we have built up diverse forms of capital, including financial, manufactured, social and relationship, and natural capital. By integrating and further developing these forms of capital, we strengthen our capacity for value creation and achieve sustainable growth.

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.
With offices deeply rooted in local communities across the U.S., Europe, Southeast Asia, Oceania, and other regions, Kajima has a diverse workforce operating around the world.

- Group employees: 25,694
- Qualified personnel (Kajima Corporation only)
  - First-class architects: 2,440
  - First-class civil engineering works execution managing engineers: 1,915
- Overseas subsidiaries and affiliates
  - Number of employees (including secondees): 6,772

Intellectual capital

As a technology-driven company, we develop and verify new technologies and optimal construction methods, and many of our engineers put them into practice at project sites.
In advanced fields such as digital technologies, we look beyond the boundaries of Kajima to explore cutting-edge technologies inside and outside Japan and incorporate outstanding expertise through open innovation and collaboration with other companies, thereby further enhancing our technological capabilities.

- Number of patents registered / published: 194 / 237
- 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: ¥3,624.3 billion
- Owners' equity: ¥1,415.0 billion
- Issuer credit rating: A+(R&I)

Manufactured capital / Social and relationship capital

We build trusted relationships with stakeholders across our business regions and fields, including customers, local communities, and partner companies, through open communication and a strong emphasis on personal connections.
These relationships support the execution of our business and the creation of new business opportunities, driving further growth for the Kajima Group.

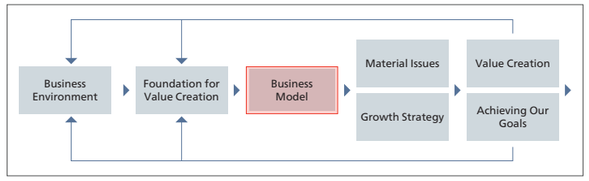
- Partnerships with partner companies
  - Kajima Business Partners' Association member companies: Approx. 950
  - Rokueikai member companies: Approx. 4,400
- Key business regions: 22 countries and regions

Natural capital

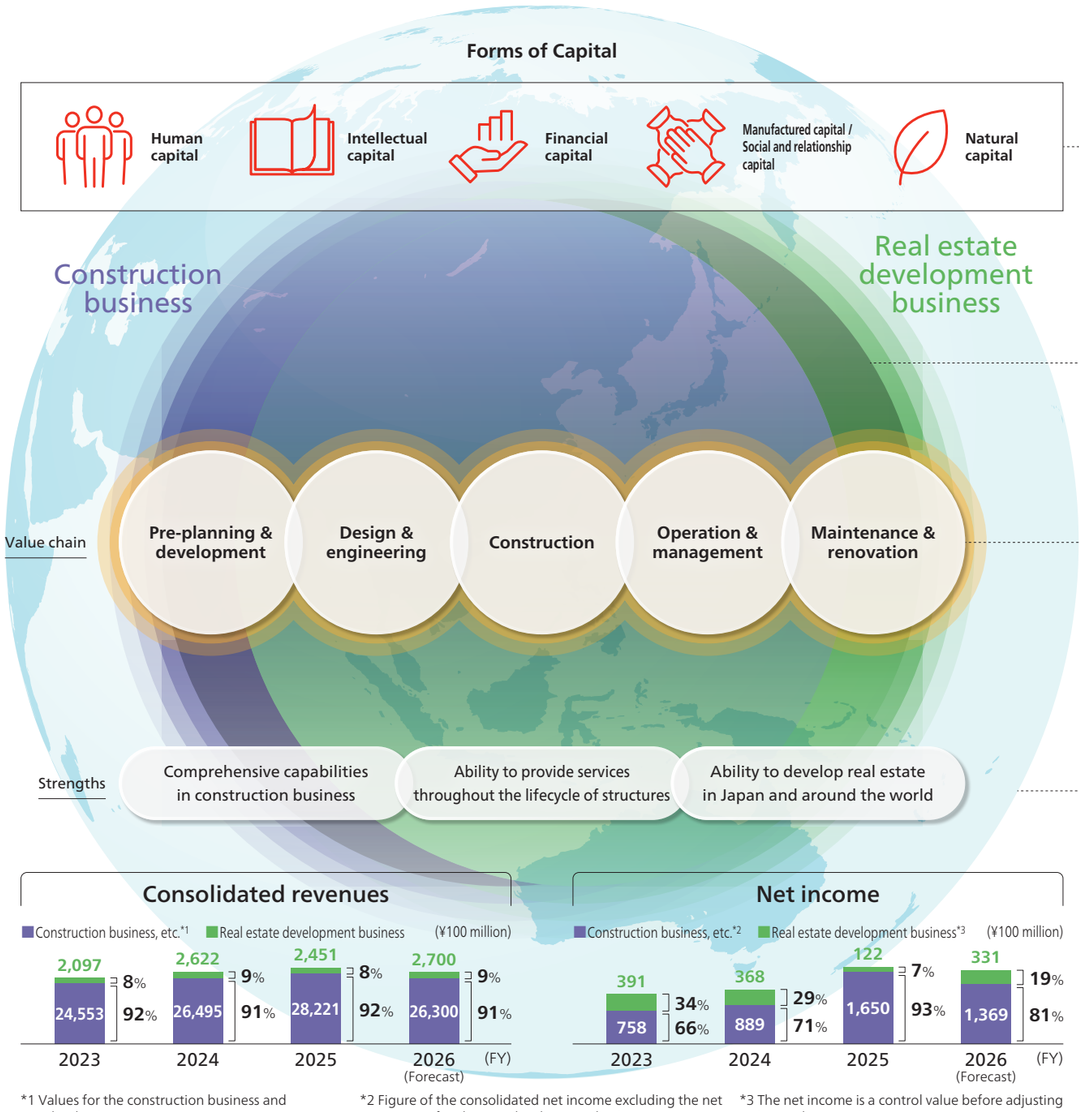
We quantify the environmental impact of our business activities and work to conserve finite natural capital.
Recognizing the interconnections among decarbonization, resource circulation, and nature restoration, including their synergies and tradeoffs, we contribute to building a sustainable society through initiatives in these three areas.

- 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 seaweed bed and coral reef restoration technologies
- Soil remediation through countermeasures against soil contamination

Business Model



We are developing a global value chain while utilizing and expanding our diverse forms of capital.
By combining the strengths of these two businesses, we provide services that deliver greater value by addressing social issues and customer needs.



Consolidated revenues

Net income

*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

- Survey
- Marketing
- Project development
- Business planning
- Finance
- Master planning

Design & engineering

- Schematic design
- Design development
- Contract documentation

Construction

- Construction planning
- Procurement
- Construction management
- Construction supervision

Operation & management

- Building management
- Asset management
- Facilities management
- Property management
- Energy services
- Real estate liquidation and securitization

Maintenance & renovation

- 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.

Overseas We operate construction businesses rooted in each local market, serving both Japanese and international companies.

Real estate development business

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

Overseas 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 structures

Sustainable growth of the Kajima Group

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

Real estate development business

Capital-intensive investment businesses (short-term investment and sale/long-term ownership)

- 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

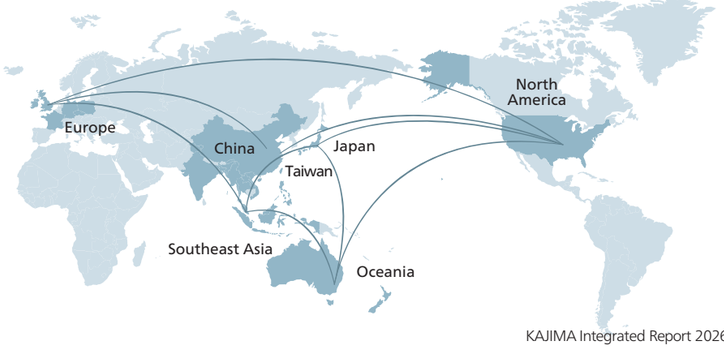
- Automated construction technology
- Cutting-edge digital technology
- Technologies that help solve environmental and social issues
- Joint research on optimal construction methods

Business creation

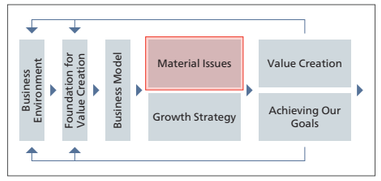
- Redevelopment projects
- Hotel
- Smart cities
- Development of renewable energy generation facilities
- Logistics warehouse development

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.



Material Issues



Identifying and revising the Kajima Group's material issues

In July 2019, the Kajima Group assessed social issues on two axes: their impact on society and their importance to the Group. We then identified those with a high impact and major importance as our material issues. We identified seven material issues: four through which we contribute to society through our business, and three that form the foundation for business sustainability. We have also clarified their relationship to the SDGs.

We revise our material issues regularly 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 conducted a review 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.

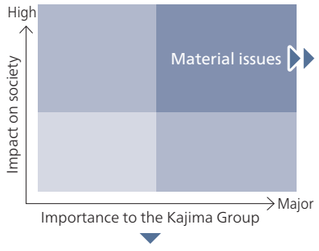
▶P.37

Process for revising material issues

1. Organize recent changes in the social environment and their impacts on the Kajima Group
2. Exchange opinions with external experts
3. Consider issues together with the Medium-Term Business Plan to identify points that should be revised, and create a revision proposal
4. Obtain feedback from each department on the proposed revisions
5. Discuss in Board of Directors and Sustainability Committee meetings and reflect in the Medium-Term Business Plan

6 Regular revisions

Issue mapping



The issues in the chart above with a high impact on society and major importance to the Kajima Group have been consolidated, reorganized and articulated as our material issues: four to which we contribute to society through our business and three that form the foundation for business sustainability, so seven in all.

1
- Revitalization of local communities
- Responding to changing work styles
- Increasing sophistication of urban functions

2
- Maintaining and renewing social infrastructure

3
- Improving disaster prevention and resilience
- Increasing sophistication of disaster prevention measures
- Supporting disaster recovery

4
- Responding to climate change
- Promoting efficient use and ensuring a stable supply of energy
- Contributing to the transition to a carbon neutral society
- Preserving biodiversity
- Promoting circular economy

5
- Assuring and improving quality
- Increasing labor productivity
- Improving employment conditions for skilled workers
- Talent management

6
- Strengthening partnerships
- Ensuring occupational safety
- Championing diversity, equity & inclusion

7
- Conducting fair business practices
- Ensuring compliance
- Respecting human rights

Our material issues and related SDGs

Society

1 Creating functional urban, regional, and industrial infrastructure capable of meeting new needs

Direction of initiatives for material issues: 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. Drawing on its accumulated experience and new technologies, Kajima creates spaces that enhance comfort, productivity, and well-being.

Specific initiatives — Contribution through customers' businesses:
- Creating comfortable and attractive spaces
- Improving productivity and product quality through engineering technologies
- Improving workplace productivity and wellness

Specific initiatives — Contribution through our businesses:
- Delivering large-scale, mixed-use redevelopment projects

- Constructing smart cities and a smart society
- Constructing smart buildings

Related SDGs: 3, 8, 11

2 Developing sustainable and long-lasting social infrastructure

Direction of initiatives for material issues: 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.

Specific initiatives — Contribution through customers' businesses:
- Technologies for extending building lifespan
- Technologies for maintaining and renewing infrastructure
- Increasing sophistication of facility and building management services

Specific initiatives — Contribution through our businesses:
- Acquiring quality assets in the real estate development business
- Participating in infrastructure operation and public-private partnerships

Related SDGs: 9, 11, 12

3 Providing disaster prevention and mitigation technologies and services that help ensure safety and security

Direction of initiatives for material issues: 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.

Specific initiatives — Contribution through customers' businesses:
- Increasing sophistication of seismic damping and isolation technologies
- Constructing buildings and structures resilient to climate change
- Proposing BCP solutions

Specific initiatives — Contribution through our businesses:
- Incorporating BCP into supply chain operations
- Strengthening disaster response capabilities

Related SDGs: 9, 11

Environment

4 Contributing to carbon neutrality, a circular economy, and nature positivity

Direction of initiatives for material issues: 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 contribute to the transition to a circular economy by promoting the use of recycled materials and resource recovery, and to nature positive outcomes through initiatives such as conserving and restoring coral reefs and seaweed beds and making effective use of company-owned forests. We are seeking to realize the synergistic effects and accommodate the trade-offs from carbon neutrality, circular economy, and nature positivity.

Specific initiatives — Contribution through customers' businesses:
- 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

Specific initiatives — Contribution through our businesses:
- Reducing CO_2 emissions during construction
- Developing green buildings
- Developing renewable energy power generation projects and facilities
- Developing and using eco-friendly materials
- Using recycled construction materials
- Utilizing Kajima-owned forests in a sustainable and responsible way

- Kajima Environmental Vision 2050plus

Related SDGs: 7, 12, 13, 14, 15

Platform for business sustainability

	Direction of initiatives for material issues	Platform for business sustainability	Related SDGs
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	11, 12
6 Construction that emphasizes people and partnerships	Kajima promotes workstyle reform at construction sites, secures construction personnel, hires and develops human resources, and creates an attractive working environment in which every employee can excel. In Japan and overseas, we co-create value with our business partners and promote innovation through collaboration with external parties including universities, research institutes, companies in other industries, and start-ups.	• Ensuring occupational health and safety • Promoting workstyle 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	3, 4, 5, 8, 10, 17
7 Practicing corporate ethics	Kajima practices thorough compliance and risk management to ensure fair and ethical 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	16

Material issues

*1 FY2024–2026 *2 FY2024–2025 *3 As of April 1, 2026

	Material issues	Medium-Term Business Plan (FY2024–2026) Strategies for growth: Ⅰ Enhance domestic construction business, Ⅱ Expand growth areas, Ⅲ Create new value as a technology-driven company, Ⅳ Sustainability	KPI	FY2026 targets	FY2025 results
Society	1 Creating functional urban, regional, and industrial infrastructure capable of meeting new needs	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	¥36.2 billion
			Building construction: Development and installation of wellness technology	Pursuit of people-centered building and town planning	Implemented smart wellness technology based on data on human understanding and preferences at our facilities
		Ⅲ Create new value by promoting innovation	Strategic investment	Three-year total: ¥80 billion*1	Two-year total: ¥11 billion*2
		Ⅲ Create new businesses unique to Kajima			
		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: ¥280 billion in Japan*1 Three-year total: ¥610 billion overseas*1	Two-year total: ¥187 billion in Japan*2 Two-year total: ¥323 billion overseas*2
		Ⅱ Enhance global platforms			
	2 Developing sustainable and long-lasting social infrastructure	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	Conducted joint research and commissioned work with infrastructure operators on the maintenance of expressways, underground conduits and similar assets, using optical fiber measurement technology
			Building construction: Renovation sales	¥200 billion or more	¥215.5 billion
		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.: 2,759
	3 Providing disaster prevention and mitigation technologies and services that help ensure safety and security	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: 76 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	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)	395 kt-CO_2 (5% increase vs. FY2021) 14,420 kt-CO_2 (17% increase vs. FY2021)
			Recycling rate	97%	96.6%
			Provision of nature-based solutions (NbS; number of environmental certificates acquired, number of external awards)	10 projects	5 projects
Platform for business sustainability	5 Focusing on unwavering technological innovation and Kajima quality	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	51 projects
			Digital investment	Three-year total: ¥60 billion*1	Two-year total: ¥37 billion*2
		Ⅲ Strengthen the global R&D system	R&D investment	Three-year total: ¥60 billion*1	Two-year total: ¥43 billion*2
	6 Construction that emphasizes people and partnerships	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	72.3% (74.2% in the previous fiscal year)
			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	Two-year total: 8 people who have completed the management course*2 Two-year total: 44 people who have completed the technical course*2
			E Award recipients (monetary incentive system for outstanding skilled workers)	800 people	959 people
		Ⅳ Increase engagement	Engagement score	At or above the level in the previous fiscal year	17.98/25 (17.65/25 in the previous fiscal year)
		Ⅳ Promote DE&I	Percentage of female new graduates in the managerial track	30% by FY2028	27%*3
			Percentage of female managers	10% by FY2035	3.5%*3
			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%)	94.3% (62.3%)
		Ⅰ Create safe work sites that are desirable workplaces	Number of fatal accidents (non-consolidated, domestic)	0	2 cases
	7 Practicing corporate ethics	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	Verified the distribution channels for formwork materials, wood products and stone, and the use of certified 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	71.7% (previously 76.9%)

Part 2

Medium- to Long-Term Strategy

Through a medium- to long-term strategy centered on construction and real estate development, we create social and economic value and achieve sustainable growth and enhanced corporate value.

Progress on the Medium-Term Business Plan 39

Message from the General Manager of the Treasury Division 41

Medium-Term Business Plan (FY2024–2026): Progress on Growth Strategy 45

Medium-Term Business Plan (FY2024–2026): Update on Financial Strategy 47

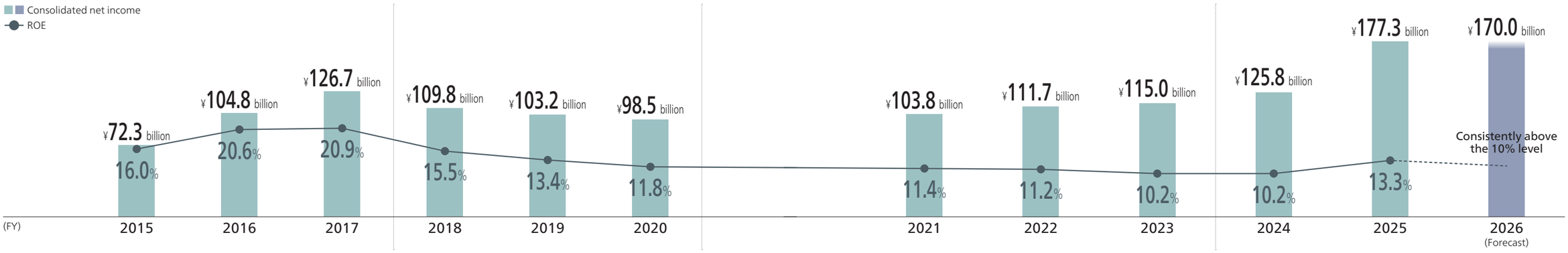


Kagurayama Wind Power Plant (Fukushima Prefecture)

Progress on the Medium-Term Business Plan

Accelerating profit growth

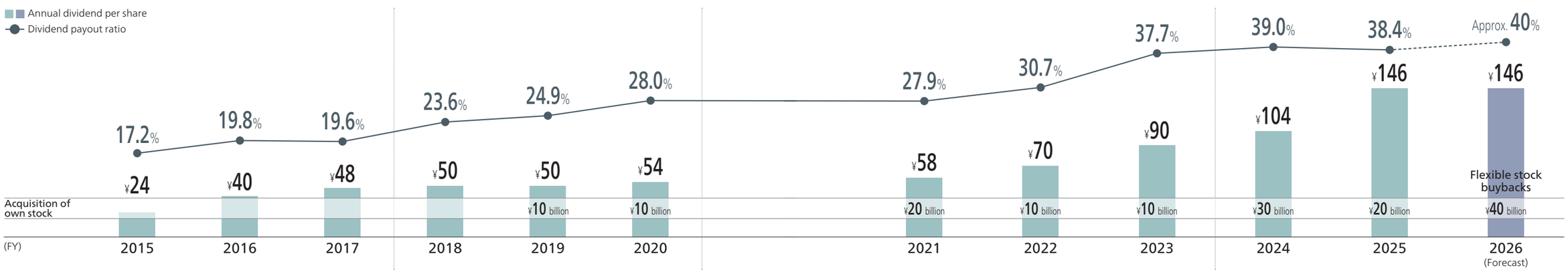
Achieve steady profit growth by implementing growth strategies with a view to sustainable growth



Medium-Term Business Plan	FY2015–2017	FY2018–2020	FY2021–2023 Forward-Looking Investment	FY2024–2026 Further Strengthening the Core Business and Building the Future
Growth strategy	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-driven 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 diversify portfolio	• Ensure stable earnings and diversify revenue sources
Overseas business	• Enter new markets and expand business areas in existing markets	• Develop business tailored to market characteristics	• Expand the investment cycle for growth	• Expand business domains and revenue opportunities by leveraging 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
Key achievements	• Non-consolidated construction business gross profit margin FY2012–2014 average 3.9% ▶ FY2015–2017 average 14.3% • Established Core5 in the U.S. • Established Kajima Fit, Global BIM, and other companies etc.	• Non-consolidated real estate development business operating income FY2015–2017 average ¥5.8 billion ▶ FY2018–2020 average ¥10.4 billion • Promoted the use of BIM, CIM and ICT • Launched a private REIT, etc.	• Net income from overseas business FY2018–2020 average ¥9.5 billion ▶ FY2021–2023 average ¥24.0 billion • Investment in the real estate development business (¥741.0 billion) • Opened The GEAR and Kajima Technical Center, etc.	• Non-consolidated construction business gross profit FY2021–2023 average ¥145.9 billion ▶ FY2024–2026 average ¥210.9 billion • Continued the construction of large-scale production facilities • Advances in automated construction technology • Acquired Rodgers Builders, etc.

Enhancing stockholder returns

Enhance stockholder returns through dividend increases in line with profit growth and continuous share buybacks



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.

Message from the General Manager of the Treasury Division



We aim to enhance corporate value and market valuation through sustainable profit growth and improved capital efficiency

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

Review of FY2025 and our outlook for the future

In FY2025, the second year of the Kajima Group Medium-Term Business Plan (FY2024-2026), we achieved record-high revenue of ¥3,067.2 billion and net income of ¥177.3 billion, marking our fifth consecutive year of revenue and profit growth. At the start of the fiscal year, reflecting improved profitability in the domestic construction business, we had forecast net income of ¥130 billion, the target for the final year of the Medium-Term Business Plan. Results far exceeded that forecast and, together with our capital policy initiatives, drove ROE up to 13.3%.

Looking back at recent business trends, domestic construction demand remained strong, while careful management was required amid fluctuations in material prices and a shortage of skilled workers. Accurate estimates that reflect market conditions at the time of contract award, contracts on appropriate terms, improved productivity and thorough risk management during construction, are essential for sustained and reliable profit growth.

In the domestic real estate development business, our past investments in high-quality assets continue to contribute steadily to earnings despite the environment of rising interest rates and construction costs.

The overseas business continues to face difficult conditions, including heightened international uncertainty, inflation and persistently high interest rates. Nevertheless, improved margins in the construction business offset slower property sales in real estate development, enabling the overseas business as a whole to remain profitable.

Alongside the domestic construction business, domestic real estate development and overseas businesses have continued to grow steadily as earnings drivers, strengthening our earnings base. Building a resilient portfolio of businesses with diverse characteristics is one of the Company's strengths, enabling us to pursue stable profit growth that is less vulnerable to changes in the business environment.

This stronger earnings base and financial soundness were recognized by Rating and Investment Information, Inc. (R&I), which maintained our long-term bond rating at A+ and upgraded the outlook from Stable to Positive in March 2026.

For FY2026, we forecast consolidated revenues of ¥2,900 billion and net income of ¥170 billion, given the large number of major projects in the early stages of construction, particularly in the domestic building construction business. As we enter the final year of the current Medium-Term Business Plan, we will aim to outperform these forecasts while steadily strengthening the management foundation for the next Medium-Term Business Plan.

Enhancing corporate value

To enhance corporate value, we have positioned the balance between profit growth and capital efficiency as a key management priority, using net income and ROE as financial indicators for the Kajima Group as a whole and setting targets for each.

In line with the characteristics of each business, we have set ROIC as the key indicator for the domestic real estate development business, ROE for the overseas business, and gross profit margin for the domestic construction business, seeking to improve performance against these indicators through portfolio management.

While it will take time to enhance investment efficiency in the domestic development and overseas businesses, we will drive profit growth and long-term improvements in capital efficiency by prioritizing capital allocation to these businesses and steadily realizing returns on investment, supported by the stable earnings of the domestic construction business.

Advancing profit growth

Our growth strategy to strengthen earnings across the Group is steadily delivering results.

While consolidated net income remained at around ¥20 billion through FY2014, improved profitability in construction and growth in development and overseas operations enabled us to consistently achieve net income exceeding ¥100 billion by FY2023. Today, stronger earnings power in the domestic construction business, together with growing profit contributions from the domestic real estate development and overseas businesses, enables us to consistently target net income of ¥170 billion or more.

In both the domestic and overseas real estate development businesses, we are building portfolios of high-quality assets to generate future earnings. Through strategic asset sales and growth in rental and operating income, we aim to further expand profits over the medium to long term.

Improving capital efficiency

In the domestic construction business, we place particular emphasis on improving gross profit margin amid a rapidly changing business environment. We establish a minimum profit margin threshold when accepting orders and, after contract award, set target profit margins that reflect expected improvements through productivity gains and other measures. We then rigorously monitor and manage each project to achieve its target. Margin improvement has two aspects: price and cost. With projects becoming more technically demanding, technology advancing, and construction capacity increasingly constrained by a declining number of skilled workers, we see the business environment shifting toward one in which prices more appropriately reflect the value created by the construction industry. On the cost side, we are continuously reducing costs through optimal and flexible procurement, as well as initiatives to improve operational efficiency and productivity through the use of digital tools.

In the domestic real estate development business, investment decisions for individual projects are based on metrics such as NOI yield and IRR, while ROIC targets for the overall portfolio are set with reference to the Group-wide weighted average cost of capital (WACC) of approximately 6%. We regard our current ROIC as being broadly in line with that of major real estate companies, and we aim to further improve it as we rebalance our portfolio by combining proceeds from asset sales with stable rental income.

For the overseas business, we set our ROE target with reference to the Group-wide cost of equity of approximately 8%. ROE remained high when short-term turnover-type development projects performed well, but has trended downward in the current uncertain market environment. Restoring and stabilizing ROE will therefore be a key challenge going forward.

Capital efficiency improves as net profit margin, total asset turnover and financial leverage increase. With the domestic construction business serving as the foundation for profit generation and the domestic real estate development and overseas businesses as growth drivers, our immediate focus is on increasing net profit margin and financial leverage while shortening investment and recoupment cycles in the domestic and overseas real estate development businesses to improve total asset turnover.

ROE (net profit margin × total asset turnover × financial leverage)

2019	2020	2021	2022	2023	2024	2025	(FY)
13.4	11.8	11.4	11.2	10.2	10.2	13.3	(%)
(Cost of equity)							
6-8		6.5-8		approx. 7-8		approx. 8	(%)

(Figures determined with reference to CAPM, equity earnings yield and other measures)

Net profit margin (net income ÷ revenues)

2019	2020	2021	2022	2023	2024	2025	(FY)
5.13	5.17	4.99	4.67	4.32	4.32	5.78	(%)

Total asset turnover (revenues ÷ total assets)

2019	2020	2021	2022	2023	2024	2025	(FY)
0.94	0.88	0.92	0.94	0.90	0.88	0.87	(times)

Financial leverage (total assets ÷ owners' equity)

2019	2020	2021	2022	2023	2024	2025	(FY)
2.76	2.60	2.47	2.56	2.61	2.67	2.65	(times)

Update on financial strategy

We have updated our financial strategy. Under the revised cash allocation for the three years of the Medium-Term Business Plan, we plan to allocate ¥1,160 billion of the ¥1,540 billion in cash inflows to growth investments, ¥100 billion to strengthening the supply chain, and ¥280 billion to stockholder returns.

Of our growth investments, approximately 80% will be allocated to domestic and overseas development projects,

Message from the General Manager of the Treasury Division

with the remaining 20% invested in R&D and digital initiatives, supporting sustainable profit growth and reinforcing our management capabilities.

Growth investments

Investing in strengthening our technological capabilities and developing our talent is indispensable if we are to enhance our competitive advantage as a technology-driven company and build our capacity to create social and economic value.

Investment in technological capabilities encompasses research and technology development that addresses customer needs and helps solve social issues, as well as initiatives to enhance cost competitiveness, such as establishing optimal construction methods, reducing workloads and minimizing on-site labor requirements. It also includes developing digital knowledge platforms to facilitate the transfer of expertise and technical skills. In addition, we are focusing on technology development through collaboration with startups and other companies that possess outstanding technologies and innovative ideas.

Our investment in human capital includes raising employee wages and starting salaries, expanding training programs and facilities, and improving the workplace so that people from diverse backgrounds can perform at their best, all of which help strengthen our management foundation.

The effects of these investments do not appear immediately, and their results are not easily quantified. However, we believe that the medium- to long-term outlook for revenue and profit growth will be an important indicator of their success.

In domestic and overseas development investment, we are placing greater emphasis not only on asset accumulation but also on capital efficiency and the ability to secure returns. Internal committees responsible for development project decisions bring together corporate functions with expertise in domestic and overseas markets, creating opportunities to identify risks and synergies from multiple perspectives, foster collaboration, and enhance the quality of individual projects. From a financial perspective, we provide recommendations aimed at maximizing investment returns, including improving capital turnover, optimizing asset exit strategies, and enhancing investment efficiency through partnerships, while taking into account business risks and capital efficiency.

Strengthening the supply chain

The Japan Federation of Construction Contractors projects a shortage of 1.29 million skilled workers in FY2035, driven by increased construction investment and the continued decline in the skilled workforce. The construction industry as a whole, therefore, needs to improve productivity and secure its future workforce in order to build a sustainable construction industry.

While improving productivity through automated construction and other means, the Company also regards securing the future workforce as an urgent issue. It is therefore actively working to improve conditions for skilled workers and develop the workforce.

In FY2025, to strengthen the financial base of partner companies that carry out construction work, we eliminated promissory note payments to those with capital of less than ¥1 billion and shifted entirely to cash payments. More than 90% of the partner companies we do business with have capital of less than ¥1 billion, so we expect this initiative to benefit a large number of these companies and lead to improved conditions for the skilled workers on the front line.

At the same time, we are encouraging clients upstream in construction projects to make payments earlier. We pay our partner companies monthly in line with the volume of work completed. By contrast, payments from clients for private-sector projects are often concentrated around or after project completion, resulting in higher accounts receivable and placing a greater financial burden on the Company. In recent years, the increasing scale and duration of construction projects have lengthened the cash conversion cycle, which has become one factor weighing on capital efficiency.

This issue of payment collection from private-sector clients is not unique to the Company but a challenge facing the entire construction industry. We are therefore working with the industry as a whole to drive improvements.

Our approach to stockholder returns

Our policy on stockholder returns combines dividends based on a target payout ratio of 40% with flexible acquisition of own shares.

In recent years, the total return ratio, including the acquisition of own shares, has been around 60%, which we consider a well-balanced approach at this stage, given our active focus on growth investment.

In FY2025, we raised the dividend to ¥146 per share, and this marks our sixth consecutive year of dividend increases since FY2019. We now plan to maintain the same amount in FY2026, and intend to continue increasing dividend in line with profit growth.

We have continuously conducted acquisition of own shares since FY2019 as a flexible means of stockholder returns. In FY2026, reflecting profit growth that exceeded the targets set under the Medium-Term Business Plan, we conducted a record ¥40 billion in acquisition of own shares, the largest amount to date. A portion of the stocks acquired is used for performance-linked remuneration for officers as well as stock-based incentive plan for employees, helping to enhance their awareness of the stock price. Meanwhile, as treasury stock accumulated through continuous share repurchases, we cancelled a portion of those shares as part of our capital policy, bringing the number of treasury stock at approximately 5% of total shares outstanding.

Initiatives to achieve an appropriate capital structure

Continuous reduction of strategic shareholdings

We have set a target of reducing our strategic shareholdings to less than 20% of consolidated net assets by the end of FY2026, and are steadily reducing these holdings. The Board of Directors rigorously reviews the rationale for each individual holding and the number of shares held, based on quantitative data evaluated on a stock-by-stock basis.

Our strategic shareholdings stood at 19.8% of consolidated net assets at the end of FY2024, achieving our target level. However, following a rise in the market value of these holdings, the ratio was 21.2% at the end of FY2025.

In FY2026, to ensure that we achieve our target, we increased our target for the sale of strategic shareholdings by ¥20 billion from the original plan, to approximately ¥50 billion. At the beginning of FY2026, we secured informal consent for the sale of shares from approximately 60% of the issuing companies. For holdings that still have strategic significance, we are advancing discussions with clients on reducing such holdings in order to achieve our target.

Our policy of continuing these reductions will remain unchanged through the next Medium-Term Business Plan and beyond, and we will consider further reduction targets, taking into account the views of our outside directors.

▶P.47 Strategic shareholding sales

Utilization of interest-bearing debt

While increasing financial leverage to improve capital efficiency, we also emphasize maintaining financial soundness and have set 0.7x as a guideline for the D/E ratio during the current Medium-Term Business Plan period.

The balance of interest-bearing debt at the end of FY2026 is projected to be ¥980 billion, an increase of approximately ¥150 billion from the end of the previous fiscal year. Nonetheless, we expect the D/E ratio to remain at around 0.7x as owners' equity increases.

Because the Company is actively engaged in real estate development, we target a D/E ratio higher than that of construction-focused companies (around 0.5x) but lower than that of development-focused companies (above 1x). We recognize that greater use of financial leverage will be necessary to strengthen earnings power in the domestic real estate development and overseas businesses and to accelerate the achievement of stable earnings. We are therefore considering raising the target D/E ratio for the next Medium-Term Business Plan period.

▶P.47 ▶P.107 Interest-bearing debt, D/E ratio

Dialogue with the capital markets

To become a company trusted and chosen by customers and society, we must build a track record of creating social and economic value and enhance our corporate credibility and growth prospects.

To strengthen our credibility, we are advancing initiatives that form the foundation of our business, including rigorous compliance, robust risk management, investment in human capital, environmental management, and respect for human rights throughout the supply chain.

To enhance growth prospects, we place importance on providing the disclosure and dialogue sought by stockholders, investors and other stakeholders and are working to enhance both. The number of dialogue opportunities held in FY2025 was approximately 1.6 times the previous year's level and approximately 2.5 times the level two years earlier. During these meetings, we received questions and comments on matters such as our medium- to long-term growth strategy, capital policy and ESG. Since FY2024, we have also held IR briefings for individual investors, which continue to provide a valuable opportunity to gain insights from a wide range of perspectives.

The Board of Directors reviews our financial strategy based on reports summarizing dialogue with stockholders and investors, as well as our market valuation. Our outside directors provide views and advice on trends in the cost of capital in light of rising interest rates, the appropriateness of our ROE target, approaches to evaluating growth investments, and capital policy, based on balance sheet management. We reflect these in our financial strategy and capital policy.

PBR, an indicator of stock market valuation, has remained stable at a level well above 1x, while PER has risen to around 12-15x over the past year. We believe this reflects the trust the Group has earned through its track record, as well as recognition of our timely and appropriate disclosure and ongoing dialogue with stockholders and investors.

We will continue to implement measures to drive profit growth and strengthen the management foundation that supports sustainable growth. Through fuller disclosure and dialogue, we will further build stakeholders' trust and raise expectations for our growth while enhancing corporate value and market valuation.

Price-to-book ratio (PBR)

2019	2020	2021	2022	2023	2024	2025	(FY)
0.72	0.91	0.78	0.74	1.24	1.14	1.95	(times)

Price-earnings ratio (PER)

2019	2020	2021	2022	2023	2024	2025	(FY)
5.4	7.7	6.8	6.6	12.2	11.2	15.6	(times)

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

I Enhance domestic construction business

- Steadily built a track record in both securing contracts and delivering projects in priority areas such as production facilities and infrastructure renewal, while further strengthening our technological capabilities and accumulating knowledge and expertise.
- Further refine automated construction systems that enhance safety and productivity, while promoting the development of technologies that will help expand future business opportunities.
- Proactive use of technologies such as generative AI contributes to enhancing how we work and creating safer work environments.

Examples of initiatives

- Received over ¥400 billion in orders for production facilities, one of our priority areas, including large-scale projects related to semiconductors and automobiles.
- Promoted the use of AI to automate the preparation of estimates and construction schedules, support on-site safety management, and assess bridge conditions.
- Deployed the A⁴CSEL (Quad Axel) automated construction system at multiple projects, including the Shin-Meishin Expressway Joyo Project (Kyoto Prefecture). The system was also applied to site preparation work involving an irregularly shaped work area and varying embankment materials.
- Constructed one of the world's largest underground caverns for the University of Tokyo's Hyper-Kamiokande (Gifu Prefecture), which is 600 m underground and measures 69 m in diameter and 94 m in height. To address growing demand for the use of underground space.

Orders for production facilities totaled ¥441.2 billion in FY2025 (up 34.8% from FY2024)



Tsumura Ibaraki Plant Granulation and Packaging Building Construction Project (Ibaraki Prefecture)

II Expand growth areas

- Promote high-value-added real estate development businesses in Japan and overseas by combining construction technologies with real estate expertise.
- Accelerate the global expansion of the logistics warehouse development business, which has grown into a solid earnings base, while carefully assessing the business environment in each region.
- In Japan, expand the portfolio of business assets while focusing on initiatives to improve the profitability of rental properties.
- Strengthen initiatives, such as undertaking projects as joint ventures to actively utilize external capital, in anticipation of rising construction costs and changes in the financial environment.

Examples of initiatives

- Leveraged our track record and expertise accumulated in the U.S. to promote the global expansion of the logistics warehouse development business. In addition to Europe and Southeast Asia, launched new projects in Australia. The cumulative floor area of warehouse developments since 2015 expanded to 7.45 million m².
- Reduced business risk and improved capital efficiency in multiple real estate development projects in Japan and overseas by leveraging external capital through joint venture partnerships.
- Construction commenced on large-scale development projects, including Osaka Sakurajima Resort (Osaka Prefecture), an official hotel of Universal Studios Japan, and Construction and operation project for "Tentative name Prince Chichibu Memorial Rugby Stadium"(Tokyo). Expanded the portfolio
- Strengthened leasing activities for rental properties in Japan. Maintained an occupancy rate of approximately 95% across all 53 properties.

*The name "SMBC Olive SQUARE" will take effect upon the commencement of facility operations, scheduled for May 2030.



Construction and operation project for Tentative name: Prince Chichibu Memorial Rugby Stadium (Tokyo)
(Construction commenced in February 2026)

III Create new value as a technology-driven company

- Made progress in initiatives for the social implementation and wider deployment of technologies while deepening collaboration with external partners, with the Group's technology development focused on strengthening the construction business and addressing social issues.
- Create new added value that meets the needs of society and customers across multiple research areas, including disaster prevention and mitigation, well-being, and smart buildings.

Examples of initiatives

- Established the Smart Deck Renewal System Association to promote wider adoption and further develop the Smart Deck Renewal (SDR) System, which shortens construction periods and reduces social loss in expressway deck slab replacement projects.
- Launched joint R&D with external partners on the use of fiber-optic sensing to detect underground cavities, as well as demonstration testing of cooperative vehicle-infrastructure autonomous driving systems.
- Installed the D³SKY-L seismic response control system on the rooftop of the main building of Tokyo Stock Exchange (Tokyo). Achieved a value upgrade that enhances seismic performance to a level equivalent to that of state-of-the-art high-rise buildings.
- Significantly reduced reliance on air conditioning through the use of natural ventilation at The GEAR, the Group's regional headquarters in Asia. Received the top award in the New Commercial Building category of the ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Technology Awards.



Completed seismic performance upgrade work on the main building of Tokyo Stock Exchange (Tokyo).



D³SKY-L installed on the building rooftop

IV Sustainability

- Focus on initiatives in the three interrelated areas of carbon neutrality, circular economy, and nature positivity, based on the Kajima Environmental Vision 2050plus.
- Promote R&D grounded in construction technologies, drawing broadly on the Group's people and assets, to help realize a sustainable society that balances environmental conservation with economic activity.
- Strengthen our management foundation, underpinned by compliance and respect for human rights, to maintain the trust of society and our customers and achieve sustainable growth.
- Build a robust supply chain by enabling diverse human resources to thrive, improving employment conditions for skilled workers, and supporting partner companies.

Examples of initiatives

- Applied two types of eco-friendly concrete, including CO_2-SUICOM, on a large scale in a project directly administered by the Ministry of Land, Infrastructure, Transport and Tourism. Reduced CO_2 emissions by approximately 45 t compared with the use of the concrete originally planned.
- Invested in a forest fund aimed at acquiring and sustainably managing forests in the Pacific coastal region of the northwestern United States. Accelerated initiatives for achieving carbon neutrality and nature positivity.
- Commenced reconstruction of the Tohoku Branch building (Miyagi Prefecture) as a wooden building using fire-resistant glued laminated timber made entirely of wood. Planned to utilize timber from approximately 5,500 ha of group-owned forests, contributing to the realization of a carbon neutral society through appropriate forest management and regeneration.
- Improved engagement survey scores, which measure factors such as employee enthusiasm and trust in the Company, for the second consecutive year.
- Supported improved treatment of skilled workers through a points-based service that allows construction workers to redeem points for electronic money and other rewards, and strengthened the financial foundations of partner companies by accelerating payments for construction work.



Kajima Tohoku Branch building (Sendai City, Miyagi Prefecture)
First application of the Transom Seismic Damping System for wooden structures
(Scheduled for completion in 2029)

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

Cash allocation

(Figures show change vs. the time the Medium-Term Business Plan was formulated)

Strengthen stockholder returns and invest in the supply chain, using profits exceeding the targets set in the plan and proceeds from the sale of strategic shareholdings as the main funding sources.

Cash in

Strategic shareholding sales +¥40 billion

Increase proceeds from sales to achieve a consolidated net assets ratio of less than 20%.

Interest-bearing debt (No change)

The D/E ratio target will be maintained at 0.7 times.

Note:Temporary increases in working capital and interest-bearing debt resulting from the larger scale and longer duration of construction projects are excluded from the cash allocation.

Net income +¥120 billion

Driven by domestic construction and real estate development, profit growth is accelerated. We will maintain ROE above 10%.

Note: Figures take into account human capital investments, such as wage increases. (Wage increases have been implemented for five consecutive years.)

Cash out

Net investment -¥20 billion

Investment focused on projects that contribute to corporate value. Aim for recovery through timely sales of development assets.

Note: Net investment = growth investments – asset recoupment

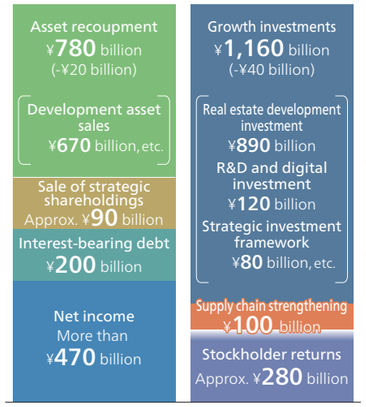
Supply chain strengthening +¥100 billion

Measures implemented to strengthen the supply chain over the medium to long term.

Stockholder returns +¥80 billion

Dividends	Approx. ¥190 billion (+¥50 billion)
Acquisition of own stocks	Approx. ¥90 billion (+¥30 billion)

Enhance stockholder returns in line with profit growth through a 40% target dividend payout ratio and flexible stock buybacks.

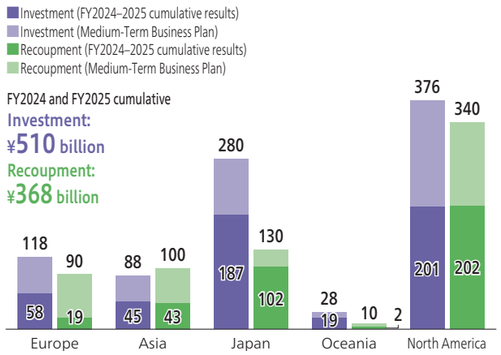


Growth investments

(¥ billion)	Results (FY2024–2025)	Medium-Term Business Plan (FY2024–2026)
R&D investment	43	60
Digital investment	37	60
Strategic investment framework	11	80
Capital investment in commercial real estate, etc.	33	70
Domestic real estate development business	187	280
(Recovery through asset sales)	(102)	(130)
Overseas real estate development business	323	610
(Recovery through asset sales)	(266)	(540)
Total investment	634	1,160
Net investment	266	490

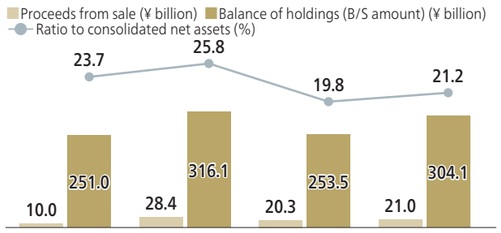
Note: Exchange rates: 158.18 JPY/USD for FY2024, and 156.56 JPY/USD from FY2025 onward.

Real estate development business investment by region



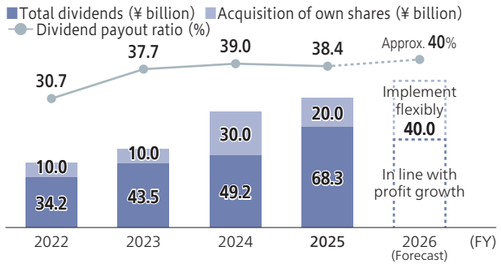
Strategic shareholding sales

Balance of holdings: Less than 20% of consolidated net assets by the end of FY2026.
Proceeds from sale: Approx. ¥90 billion over three years, as we continue to sell our holdings.



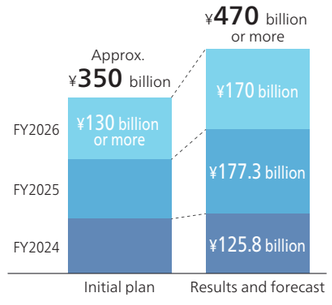
Stockholder returns

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



Net income

Three-year Medium-Term Business Plan period Net income (cumulative)



Net income by business (three-year cumulative)

Breakdown	Medium-Term Business Plan formulation	Financial strategy update	Business Overview
Domestic construction business	Approx. ¥220 billion	Approx. ¥375 billion	• Profit margins in the civil engineering and building construction businesses improved due to higher profit margins at the time of order receipt and contributions from large-scale projects. • Profit growth supported by disciplined order-taking to ensure profitability and delivery capabilities, together with rigorous risk management during project execution.
Domestic real estate development business	¥45 billion or more	¥56.9 billion	• Profitability improved steadily as a result of investments. • Continued selective investment in scarce properties in prime locations.
Overseas business	¥90 billion or more	¥43.6 billion	• Profitability in the construction business recovered from the slowdown during the COVID-19 pandemic. Continued to strengthen the risk management system. • In the real estate development business, property sales were postponed in light of market conditions. • Aim to achieve annual net income of ¥30 billion or more at an early stage by responding flexibly to changes in the business environment, including prices and interest rates.

Note: As the breakdown shows the net income of each business segment before consolidation adjustments, the total does not match total consolidated net income.

Action to implement management conscious of cost of capital and stock price

1 Current analysis and evaluation

- Since the formulation of the Kajima Group Medium-Term Business Plan (FY2024–2026), we have updated the financial strategy as appropriate, taking into account the business environment and earnings trends.
- The Board of Directors confirms and evaluates the cost of capital and the capital profitability of each business, and verifies financial strategies—including growth investment and stockholder returns—and cash allocation, after reviewing various stock market indicators and the results of IR activities.

Performance trends	• In fiscal 2025, primarily driven by steady construction progress and improved profit margins in the domestic construction business, revenues and income grew for the fifth consecutive year. Revenues exceeded 3 trillion yen, and consolidated net income reached 177.3 billion yen. Both set new record highs. • For fiscal 2026, while the unstable international situation will require careful monitoring, we expect the steady domestic construction business and the secure sale of real estate development properties in Japan and overseas to drive consolidated net income to 170.0 billion yen, significantly above the Medium-Term Business Plan target of "130.0 billion yen or more." • We anticipate that three-year consolidated net income under the Medium-Term Business Plan will exceed the plan by approximately 120.0 billion yen. We expect the favorable business environment to continue in 2027 and beyond, and we will pursue further profit growth under the next Medium-Term Business Plan.
Capital profitability	• The cost of shareholders' equity is recognized at approximately 8%, based on a review of interest rate trends and other factors. • ROE rose to 13.3% in fiscal 2025. We expect ROE to continue to exceed above 10% in fiscal 2026 and beyond, securing capital profitability that comfortably surpasses the cost of shareholders' equity. • For investments in the real estate development business in Japan and overseas, hurdle rates are set by region and by type of business, and projects are selectively chosen so as to secure capital profitability above the cost of capital.
Stock market evaluation	• As of the end of March 2026, the Company's stock price had risen significantly compared with one year earlier, with PBR at approximately 2 times. • We believe this reflects the market's positive assessment of the Group's profit growth and stockholder returns linked to performance.

Note: The cost of shareholders' equity is verified using capital asset pricing model (CAPM), stock yield, etc.

2 Future initiatives

- In May 2026, the financial strategy was updated to further enhance corporate value and market valuation.
- While steadily advancing measures and investments for growth—and funding from profits exceeding the plan and proceeds from the sale of strategic shareholdings—the Group will enhance stockholder returns and strengthen the supply chain by paying construction fees early to subcontractors, etc.
- The Group will enhance dialogue with investors and capital markets, while ensuring timely disclosure of management policies and earnings outlooks, to remain a corporate group that is trusted and highly valued by capital markets.

Growth investment	• Looking ahead to medium- to long-term growth, we will intensively pursue R&D and digital investments—as well as investments in human capital—in order to improve productivity and create new value. • The net investment amount is down 20.0 billion yen versus the plan, primarily due to joint ventures in the real estate development business in Japan and overseas aimed at improving capital efficiency, and changes in investment and recoupment timing based on assessments of market conditions. • While remaining mindful of changes in the cost of shareholders' equity, we will maintain ROE above 10%.
Capital structure	• We will continue to reduce strategic shareholdings. In light of stock price trends, to meet the target of "less than 20% of consolidated net assets by the end of fiscal 2026," the three-year sales amount target is approximately 90.0 billion yen, an increase of 40.0 billion yen over the plan. • The D/E ratio guideline of around 0.7 will be maintained.
Shareholder returns	• With a dividend payout ratio target of 40%, we will raise dividends in line with improved performance. • We will execute share buybacks flexibly based on actual proceeds from the sale of strategic shareholdings. In fiscal 2026, we plan to acquire ¥40.0 billion of shares, exceeding the amount of sales of strategic shareholdings, reflecting accelerating profit growth. In addition, we plan to cancel treasury shares so that treasury stock will be reduced to approximately 5% of the total number of shares outstanding. • The target total three-year stockholder returns have been enhanced by 80.0 billion yen versus the plan.
Supply chain strengthening	• We will allocate approximately 100.0 billion yen to strengthen the supply chain that supports sustainable growth. • Measures to accelerate payments are being implemented, including increasing the cash payment ratio for construction costs to support improvements in the financial base of subcontractors, while also promoting the introduction of a points-based service for construction workers and the enhancement of allowances and incentive bonuses.

Part 3

Business Strategy

By advancing business strategies that harness the Kajima Group's collective strengths to address increasingly complex social issues and evolving customer needs, we are working to expand the value we deliver throughout the construction value chain.

Kajima Group Businesses 51
Civil Engineering Business 53
Building Construction Business 55
Real Estate Development Business 57
Overseas Business 59
Domestic Group Business 61
Focus: Future of the Nuclear Power Business 63





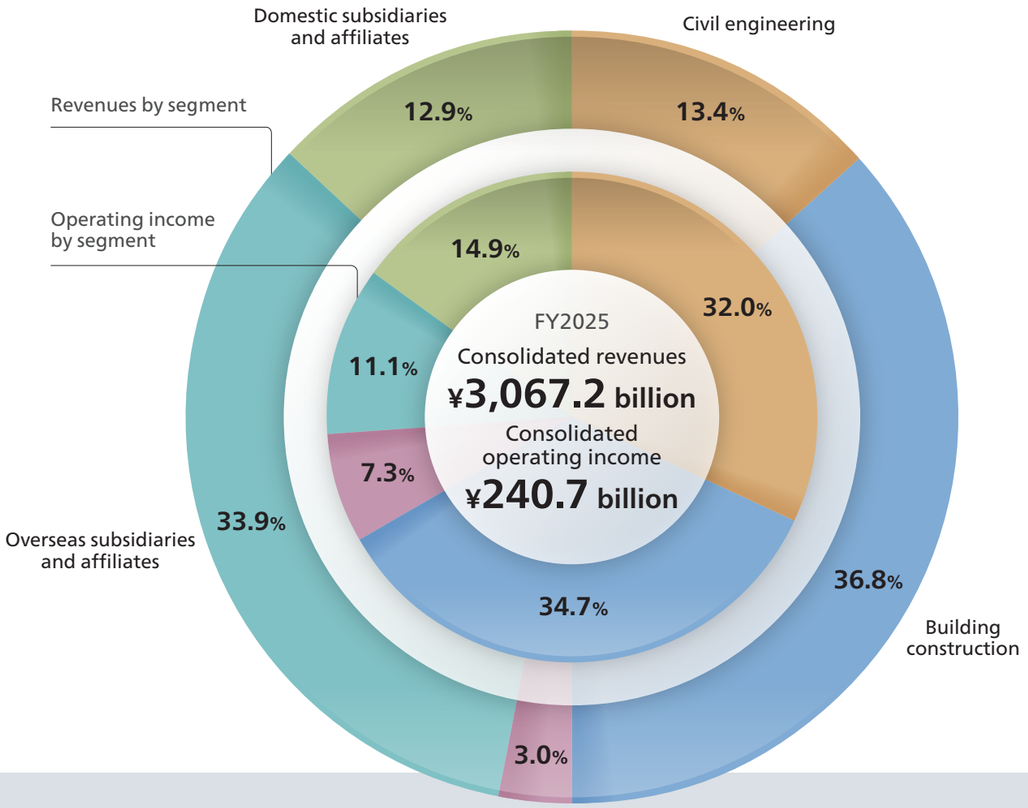




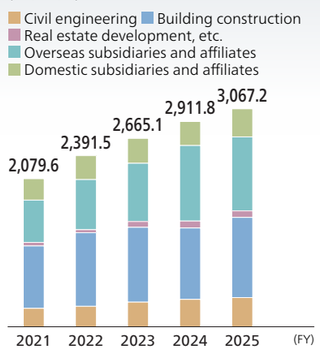
1 : Futami Bridge (LINE II) on the Matsuyama Expressway (Ehime)
2 : SMC Japan Technical Center (Chiba)
3 : Panasonic HVAC Czech New P1 Building (Plzen, Czech Republic)
4 : BASEGATE YOKOHAMA KANNAI (Kanagawa)

Kajima Group Businesses

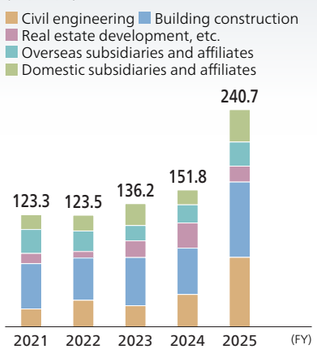
The Kajima Group consists of the principal company, Kajima Corporation, as well as 185 consolidated subsidiaries and 140 equity-method affiliates. The Group operates a wide range of businesses across five segments in Japan and overseas. With construction and real estate development as our core businesses, we create added value at every stage of the construction value chain and provide solutions that address social issues and customer needs by leveraging the diverse functions and expertise of Group companies.



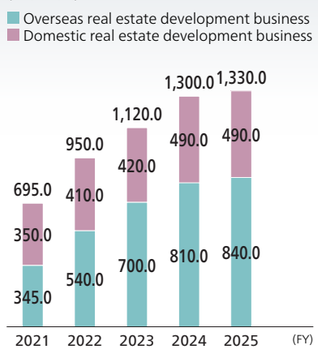
Consolidated revenues
(¥ billion)



Consolidated operating income
(¥ billion)



Real estate development assets
(¥ billion)



Business segments

FY2025 financial results	Business overview
Civil engineering business	A business engaged in designing and constructing social infrastructure, including dams, bridges, tunnels and energy-related facilities. We contribute to building and strengthening social infrastructure through national resilience initiatives, the renewal of aging infrastructure, and the provision of facilities that support decarbonization. We also actively work to improve safety and productivity through automated construction technologies. In addition, we conduct civil engineering business overseas, mainly in Taiwan and Southeast Asia.
Revenues ¥430.7 billion **Operating income** ¥76.7 billion Gross profit margin for construction projects 24.6%	
Building construction business	A business engaged in designing and constructing offices, production facilities, laboratories, hospitals, schools and other buildings in Japan. We are expanding our efforts in growth areas such as data centers, while continuing to prioritize production facilities and redevelopment projects. Drawing on our capabilities across the construction value chain, from planning and development to design, construction, and maintenance, we deliver solutions that address the needs of society and our customers. These solutions enhance building functionality and environmental performance while promoting resource circulation.
Revenues ¥1,182.9 billion **Operating income** ¥83.2 billion Gross profit margin for construction projects 11.8%	
Real estate development business, etc.	A business engaged in the development, sale, and leasing of offices, hotels, and other properties in Japan, primarily in the Tokyo metropolitan area and major regional cities. Drawing on the Kajima Group's extensive expertise across the construction value chain, the business develops a diverse range of assets, including urban redevelopment projects and logistics facilities, to expand revenue opportunities and enhance asset value. This sector also provides architectural and structural design and a broad range of engineering services.
Revenues ¥96.4 billion **Operating income** ¥17.6 billion Gross profit margin for real estate development and other businesses 23.1%	
Overseas subsidiaries and affiliates (overseas business)	The Kajima Group has established business foundations rooted in local communities and operates in building construction, design, development and related fields in the U.S., Asia, Europe and Oceania. To achieve sustainable profit growth through both construction and real estate development, we proactively invest in focus areas such as logistics warehouses, rental apartments, and renewable energy facilities, while expanding our business domains by leveraging our long-standing local networks and partnerships.
Revenues ¥1,091.9 billion **Operating income** ¥26.6 billion Net income ¥9.9 billion	
Domestic subsidiaries and affiliates (domestic group business)	Our domestic subsidiaries and affiliates engage in a wide range of businesses across upstream and downstream areas of the construction value chain. These include specialized construction work such as road paving, ground improvement, interior finishing, and installation of building services, as well as surveying and design, building leasing, design and construction support, and building management. We also focus on strengthening profitability by developing high-end real estate and advancing ICT-based construction production processes, while organically linking the expertise of each Group company to enhance the value creation capabilities of the Group as a whole.
Revenues ¥414.6 billion **Operating income** ¥35.7 billion Net income ¥29.5 billion	

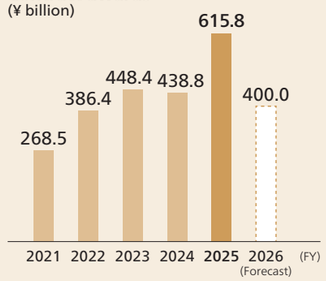
Civil Engineering Business

The social mission of the civil engineering division, including strengthening national resilience, achieving carbon neutrality, and developing security infrastructure, is increasingly important. By combining project-site expertise with advanced technologies, we will create high-value-added infrastructure and achieve steady growth while living up to the trust of society and our customers.

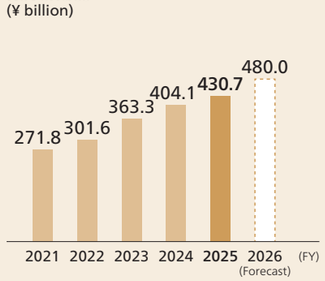


Masaru Kazama
Representative Director, Executive Vice President, General Manager, Civil Engineering Management Division

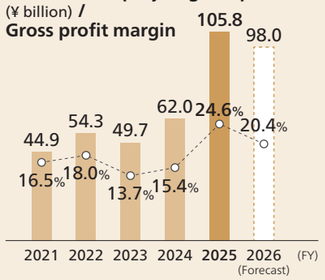
Contract awards
(¥ billion)



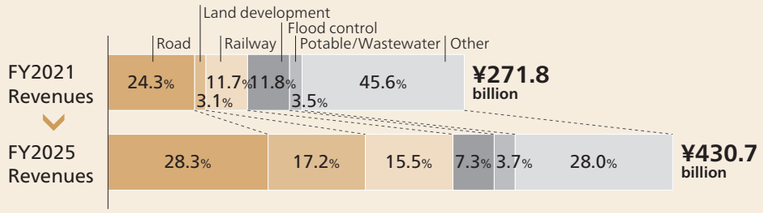
Revenues
(¥ billion)



Construction project gross profit
(¥ billion) /
Gross profit margin



Revenues by work type



- Revenues significantly increased compared to FY2021.
- Revenues from road projects and their share of total revenues remained high, reflecting our stronger focus on infrastructure renewal, a priority area.

Review of FY2025

Revenue and construction project gross profit steadily increased as multiple major projects progressed smoothly. Despite heavy workloads, site-driven innovation and ingenuity are flourishing, fostering Kajima's vibrant site operations. We won the Shin-Anama Tunnel Project in Shimamaki-mura on National Route 229, commissioned by the Hokkaido Regional Development Bureau, through the comprehensive evaluation method (SI type) based on technical proposals. Through this project, we promote labor-saving construction methods for mountain tunnels.

We also constructed and delivered a huge underground cavern for the University of Tokyo's Hyper-Kamiokande (Gifu Prefecture) 600 m underground, 69 m in diameter, and 94 m in height. Along with contributing to advances in science and technology, we accumulated technologies and expertise to meet future needs for underground space utilization.



Hyper-Kamiokande cavern, which was excavated underground at the Kamioka Mine

*A bidding system that evaluates technical proposals aimed at improving quality and workability, promoting decarbonization, reducing labor requirements, and achieving other objectives.

Market environment

Priority areas

Energy facilities

- The 7th Strategic Energy Plan aims for a power generation mix that achieves both a stable energy supply and decarbonization, in anticipation of growing electricity demand driven by digitalization and other factors.
- Construction demand is growing for renewable energy facilities, nuclear power plant restarts, and back-end processes, including final disposal.

Defense-related infrastructure

- In line with the policy of fundamentally strengthening its national defense capabilities, Japan's defense budget exceeded ¥9 trillion in FY2026. Demand for defense-related facilities is expected to remain steady.

Expressway renewal business

- An increasing number of expressways have been in service for more than 40 years and are aging. Customer demand is growing for efficient technologies and construction methods that minimize the social and economic impacts of traffic restrictions.

Ongoing areas

Dams, roads, railways, bridges, water and sewage facilities, etc.

- The budget for national resilience is approximately ¥5.3 trillion for FY2026. The budget prioritizes disaster prevention and stronger lifeline infrastructure.
- Strategic maintenance and renewal are progressing to ensure the soundness of critical infrastructure.

Environmental awareness

Opportunities

- Expanded demand for energy facilities that provide a stable energy supply and contribute to decarbonization.
- Growing demand for defense-related infrastructure to strengthen national defense capabilities.
- Continued rise in demand for disaster prevention and mitigation, and infrastructure maintenance and renewal, driven by national resilience efforts.
- Increasing value and reach of technologies addressing social issues (carbon neutrality, customer needs, etc.)
- Continued demand for infrastructure development and enhanced urban functionality in Southeast Asia and other regions where future economic growth is expected.

Risks and issues to address

- Workforce shortages due to skilled workers aging and fewer entrants to the construction industry.
- Rising construction costs, including prices of materials and equipment and workforce.
- Supply risks amid heightened geopolitical tensions.

Strengths

- Technological capabilities supported by our extensive construction track record and industry presence.
- Management foundation responsive to external changes (human resources, R&D framework, supply chain, etc.).
- Engineering capabilities meeting diverse customer needs.
- Accumulation of applications and expertise in automated construction technology to address future workforce shortages and enhance safety and productivity.

Business policies

Strengthening initiatives that leverage the engineering capabilities of the entire Group

- Strengthen technical proposal capabilities through strategic technology development, integrated design-build project teams, and close collaboration with Group companies.

Ensuring reliable revenue generation from growth sectors and international operations

- Expand opportunities to win contracts for energy facilities, infrastructure renewal, and other projects.
- Explore opportunities in Southeast Asia and beyond.

Promotion of R&D for transforming the construction site into a factory

- Accelerate deployment of automated construction.
- Systematize infrastructure renovation technologies.

Growing construction-related revenues and strengthening the future management foundation

- Pursue the commercialization of owned technologies, including external collaboration.
- Establish an organizational framework for developing next-generation technologies.
- Strengthen human resources development and training by leveraging digital technologies.

Priority initiatives

Initiatives in priority and promising areas

- Continue prioritizing nuclear power and defense infrastructure by leveraging comprehensive engineering capabilities.
- Identify offshore wind power facilities as a promising medium- to long-term growth area and strengthen collaboration between the design and construction departments.

Efforts to address continuing demand for expressway renewal

- Win more orders for renewal projects by utilizing the Smart Deck Renewal (SDR) System, which reduces social loss by significantly shortening the construction period.
- Expand SDR System use through licensing to other companies.

Application of automated construction technologies

- Focus on introducing the automated construction system A⁴CSEL for land development and tunnel construction, with the aim of further improving the system and accumulating expertise.
- Transform construction sites into factories to improve safety and productivity.



Automated embankment using an A⁴CSEL automated bulldozer and automated vibrating roller (Joyo project on the Shin-Meishin Expressway)
Further details are available via the QR code on the right.

Key indicators (KPIs)

- KPI 1: Contract awards in the nuclear power field: **¥25 billion or more**
- KPI 2: Renewal and renewable energy revenues: **¥60 billion or more**
- KPI 3: Application of A⁴CSEL® to construction sites: **6 or more**

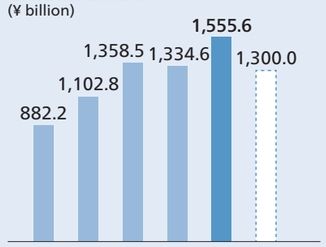
Building Construction Business

Construction demand remains strong, driven by expanding digital investment and advanced building functions, while diverse customer needs require a sincere response. For medium- to long-term growth, we will secure the future workforce, strengthen profitability and our business foundation, integrate design and construction, and further refine production processes using AI.

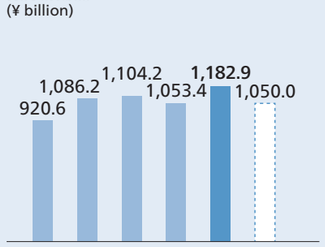
Takeshi Kayano
Senior Executive Officer, General Manager, Building Construction Management Division



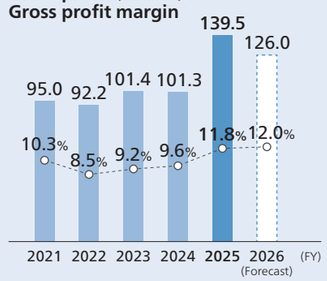
Contract awards
(¥ billion)



Revenues
(¥ billion)



Gross profit (¥ billion) / **Gross profit margin**



Market environment

Priority areas

Private-sector capital investment

- Solid capital investment continues in manufacturing and non-manufacturing. Demand for semiconductor and pharmaceutical plants plus accommodation and tourism facilities driven by strong inbound demand is expected to grow over the medium to long term.

Digital-related infrastructure

- Alongside growing data center demand driven by AI investment, demand is rising for restarting and building power generation facilities and related infrastructure to address power shortages and achieve carbon neutrality.

Urban redevelopment

- Large-scale redevelopment demand remains solid in Greater Tokyo and regional urban centers as urban functions advance. Building value is also rising through ZEB initiatives and carbon neutrality measures.

Ongoing areas

Security-related facilities

- Demand for new and replacement defense facilities is expected to grow as defense capabilities strengthen.

Renovation

- Needs now extend beyond aging buildings to enhanced BCP, energy conservation, and wellness. Demand for business continuity renovations is expected to grow, particularly for offices, factories, and accommodation facilities.

Environmental awareness

Opportunities

- Construction demand from the Japanese government's priority investment in 17 strategic fields, including AI and semiconductors; resources, energy and GX; disaster management and national resilience; drug discovery and advanced medicine; defense; and information and telecommunications.
- Solid private-sector investment, especially in production facilities, and growing social infrastructure demand.
- Growing demand for large-scale redevelopment in metropolitan areas and regional urban centers, and renovation for increasingly advanced building functions.

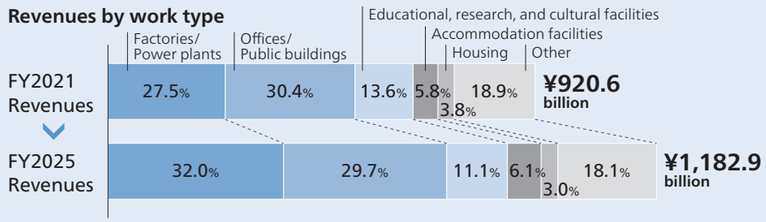
Risks and issues to address

- A structural future workforce shortage due to an aging workforce and declining new entrants.
- Instability in construction materials and equipment supply chains due to heightened geopolitical risks.
- Addressing social issues faced by society and customers, including disaster prevention and mitigation, carbon neutrality and the circular economy.

Strengths

- Advanced production processes using DX (BIM and AI).
- Proposal capabilities leveraging digital twins that replicate each phase from design and construction through maintenance in a virtual environment.
- Group collaboration for the construction value chain.
- Extensive track record in existing building-related businesses, including renovation and conversion (creating added value through changes in use).

Revenues by work type



- Revenues have steadily increased as a result of appropriately responding to strong construction demand and inflationary conditions.
- As initiatives in priority areas such as production facilities and redevelopment projects have progressed, the shares of revenues from "factories and power plants" and "offices and public buildings" have remained at high levels.

Review of FY2025

Driven by growth in private-sector capital investment, demand remained high, particularly for production facilities and redevelopment projects. Meanwhile, high material prices and skilled worker shortages mean more projects require sophisticated schedule and cost management. We support customers in advancing projects through proposals combining design changes and VE (value engineering), while working with partner companies to maintain stable construction capacity.

In addition, strengthening our human capital, which underpins sustainable growth, requires an environment where diverse talent can thrive. We therefore focus on improving well-being and advancing DE&I.


Toyosu Sail Park


KOSÉ Minami-Alps Factory

These initiatives have delivered results, with gross profit in FY2025 reaching ¥139.5 billion (gross profit margin of 11.8%), exceeding our forecast at the beginning of the fiscal year. We will continue to vigorously advance these initiatives in FY2026 with the aim of further improving the gross profit margin.

Business policies

Strengthening technical proposal capabilities to meet diverse construction demand

- Leverage knowledge, technologies and engineering capabilities gained through planning, design, construction and maintenance to provide optimal proposals tailored to customer needs.
- Strengthen design and construction capabilities by developing and demonstrating new methods and technologies for advanced needs in growth areas.

Innovating the building production process

- Advance production planning through BIM-centered design-construction collaboration, while streamlining construction and promoting labor-saving and automation through modular methods.
- Use AI to improve efficiency and sophistication at each stage of production, including design and cost estimation, enabling rapid customer proposals.

Sustainability initiatives

- Develop construction methods and technologies for a circular economy, including longer building lifespans and structural frame reuse and recycling.
- Plan appropriate construction periods (eight site-closure days every four weeks) and build customer consensus for a sustainable construction industry.

Priority initiatives

Deepening key initiatives and developing new markets

- Strengthen initiatives combining our engineering capabilities for semiconductor, pharmaceutical, data center, nuclear power and defense facilities.

Commitment to Kajima Quality

- Enhance quality management by using systems that digitize tacit knowledge and pass it on as organizational knowledge, while strengthening employee training.
- Identify risks before construction and proactively manage quality by verifying design, construction, and operational information using digital twins.

Promoting technology development and innovation

- Use robotic and remote management technologies on site.
- Develop and demonstrate new construction methods on site (foundations, timber, optical fiber, etc.).

Ensuring a safe work environment

- Prioritize eliminating fatal, severe, serious and public accidents through rigorous safety management.
- Identify high-risk construction sites and implement effective safety measures based on past accident trends.

Human-centric workplace management*

- Create psychologically safe, diverse workplaces and support fulfilling careers and employee well-being.

*An approach to management and business that puts people first, rather than prioritizing technology or efficiency.

Key indicators (KPIs)

KPI 1	FY2026 gross profit margin for building construction business **12% in FY2026**
KPI 2	Appropriate construction periods (8 site closures/4 weeks) **85% of new contracts**
KPI 3	Construction robots **Applied at 25 construction sites**

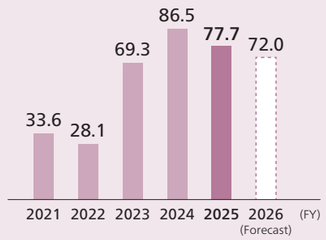
Real Estate Development Business

Our real estate development business integrates with construction technology to create value across the construction value chain and support Group growth. Along with stable rental income, we are diversifying revenues through timely asset sales and asset management services. We will continue expanding business areas while strengthening Group collaboration.

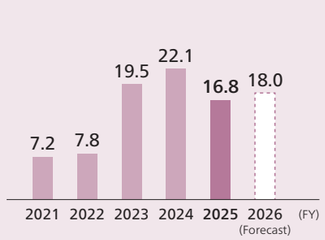


Katsunori Ichihashi
Senior Executive Officer, General Manager, Real Estate Development Division

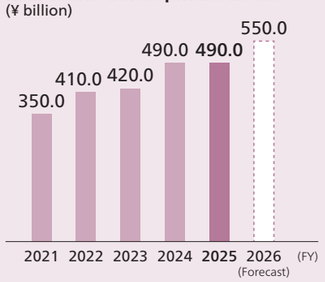
Revenues
(¥ billion)



Net income*
(¥ billion)



Real estate development assets
(¥ billion)



*The business management figures are the combined total net income for the real estate development business on a non-consolidated basis and for domestic subsidiaries and affiliates involved in real estate development.

Market environment

Real estate investment market

- Despite global economic fluctuations from Middle East developments and rising interest rates, investor demand remains high, supported by overseas capital inflows.

Office

- Supported by strong tenant demand, the office market remains solid nationwide, with vacant space continuing to be absorbed and leases signed at high rents. However, new office supply in each area requires close monitoring.

Housing

- Sales of residential condominiums remain strong, particularly for high-end properties in central Tokyo. Rents for rental housing also continue to rise.

Hotel

- Tourism demand, including inbound demand, remains solid, and favorable market conditions continue.

Logistics facilities and data centers (DCs)

- For logistics facilities, property selection is becoming increasingly dependent on location and specifications, making it important to develop projects that accurately capture market needs.
- Despite the challenges of securing tenants and sufficient power capacity, the data center market continues to expand, driven by increasing AI-related investment.

Environmental awareness

Opportunities

- Growing demand for office redevelopment and reconstruction driven by the enhancement of urban functions and increased investment in human capital.
- Demand for real estate development responding to social and economic changes, including digital infrastructure expansion and accelerated carbon neutrality efforts.
- Strong tourism demand, including inbound demand.

Risks and issues to address

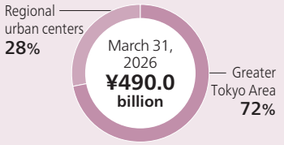
- Stagnation in the real estate market due to changes in global economic conditions.
- Changes in the real estate market as a result of increased real estate development business costs due to inflation and higher interest rates and rising CAP rates.
- Decline in demand due to changing needs and markets.
- Securing appropriate financing and capital efficiency for each real estate development project.

Strengths

- A business development framework that leverages construction technologies to create projects and consistently brings them through to commercialization.
- Extensive real estate development expertise, including business structuring and obtaining permits and approvals.
- Diverse business opportunities leveraging the Group's extensive network built through construction.
- Pursuit of capital efficiency through approaches integrating real estate and finance, including private REITs.

Domestic real estate development assets

By region



By use





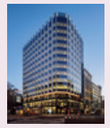
Osaka Sakurajima Resort
*Image courtesy of Sakurajima Development LLC



Canopy by Hilton Okinawa Miyako Island Resort



NAGOYA FUSHIMI K-FRONTIER



SAPPORO 4-CHOME PLACE

Review of FY2025

Stable rental income and property sales enabled the domestic real estate development business to secure ¥16.8 billion in net income. We also made steady progress in reducing risk and enhancing capital efficiency, including starting construction on Osaka Sakurajima Resort, a large-scale hotel project with external partners.

Amid favorable real estate market conditions, we are strengthening our earnings base through higher NOI from rental assets, mainly offices, while investing in well-located projects that will provide future earnings.

Real estate development project schedule

Project name	Primary use	Completion (planned)*1
JIYUGAOKA MUSE SQUARE	Commercial, housing and office	July 2026
YOKOHAMA BUILDING (tentative name) (Yokohama Naka-ku Kaigandori Project (A-1 District))	Office	January 2027
KALOC Tomiya Phase 2	Logistics facilities	March 2027
SANKAIDO BLDG. Reconstruction Project	Office	September 2027
REGENT KYOTO project*2	Hotel	January 2028
Yaesu 2-chome Central District Category-1 Urban Redevelopment Project	Office and commercial	January 2029
Osaka Sakurajima Resort	Hotel	FY2029
Kannai Station Minatocho District Category-1 Urban Redevelopment Project	Office, residential and retail	FY2030
Kannai Station North Exit District Category-1 Urban Redevelopment Project	Office, residential and retail	FY2030

*1 Completion dates are subject to change.
*2 A development project by Eaton Real Estate Co., Ltd., a Group company

Business policies

Strengthening earning power through asset value enhancement and timely investment and sales

- Build a stable earnings base by improving rents and occupancy rates of rental assets.
- Pursue the sale of properties and create new projects with advantageous terms, thereby securing steady profits from sales.

Promoting initiatives to improve capital efficiency

- Actively utilize external capital in large-scale development projects.
- Monitor projects using indicators such as ROIC and improve capital efficiency through early capital recovery.

Diversifying revenue opportunities through portfolio expansion

- Promote residential, hotel, logistics, and data center development alongside offices, plus luxury properties through consolidated subsidiary Eaton Real Estate Co., Ltd.

Creation of new revenue sources through the growth of Kajima Private REIT

- Grow Kajima Private REIT assets under management and expand revenue opportunities through asset management and related services.

Priority initiatives

Promotion of quality asset development and asset value enhancement

- Expand the portfolio to meet market needs.
- Build quality assets through selective investment in well-located properties in Greater Tokyo and regional urban centers.
- Enhance leasing activities to raise rents and maintain or improve occupancy rates.
- Promote initiatives in growth areas, including strengthening hotel management capabilities.
- Deepen collaboration with affiliated Group companies to enhance the earning power of the real estate development business.



JIYUGAOKA MUSE SQUARE
*Photo courtesy of SS Inc.: Masaki Kaiya



YOKOHAMA BUILDING (tentative name) (Yokohama Naka-ku Kaigandori Project (A-1 District))

Profit generation and early capital recovery through asset turnover business

- Secure high profitability through diverse asset sales tailored to investment demand.
- Recover capital, focusing on capital efficiency.

Strengthening the asset management business

- Diversify exit strategies and expand fee-based business using Kajima Private REIT, targeting ¥100 billion in AUM (currently about ¥88 billion), and private funds.

Key indicators (KPIs)

KPI 1	Domestic real estate development business net income in FY2026	**¥18.0 billion**	
KPI 2	Occupancy rate of rental properties	**95% or higher**	
KPI 3	Net investment (FY2024–2026)	**¥150.0 billion***	

*Investment: ¥280 billion; recovery of investment: -¥130 billion

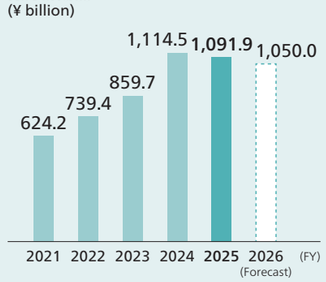
Overseas Business

We have built locally rooted networks across the United States, Asia, Europe and Oceania, and have established competitive business models tailored to the characteristics of each market. We will continue to expand our construction and real estate development businesses while actively pursuing new growth areas to achieve sustainable growth and create diverse revenue opportunities.

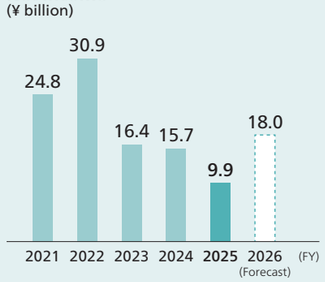


Hirotaka Takabayashi
Managing Executive Officer, General Manager, Overseas Operations Division

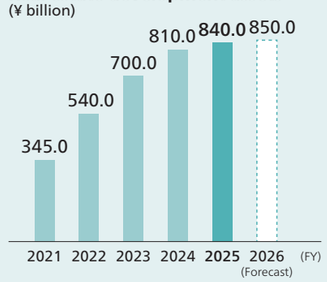
Revenues*
(¥ billion)



Net income*
(¥ billion)

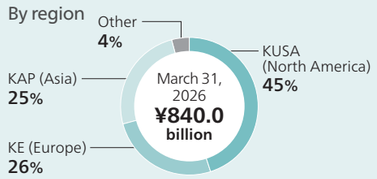


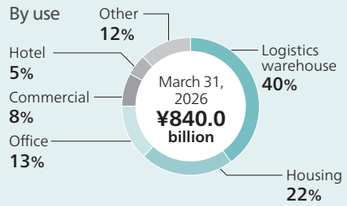
Real estate development assets
(¥ billion)



*Management accounts before inter-company elimination

Overseas real estate development assets






The Global One (Taiwan)

Review of FY2025

Profitability in the construction business improved, particularly in Europe and Southeast Asia. However, net income totaled ¥9.9 billion, mainly due to delayed property sales for a growing number of development projects amid sluggish real estate investment caused by uncertainty in global trade.

Meanwhile, construction orders rose year on year to ¥967.4 billion, driven mainly by large-scale projects in Southeast Asia and the United States. Revenues topped ¥1 trillion for a second consecutive year as projects progressed steadily. We believe the foundations for a sustained earnings recovery are taking shape.

In real estate development, we maintained disciplined operations focused on investment efficiency and financial soundness while closely monitoring interest rates and market conditions.

Stable construction profits and prudent real estate investment decisions enhanced the quality of our business portfolio. Going forward, we will adapt quickly to changes in the business environment and pursue initiatives tailored to each region and market to achieve further profit growth.

Market environment

U.S.
- Despite uncertainty over political and international affairs and monetary policy, capital investment should remain firm amid digitalization and reshoring.
- Real estate investor sentiment remains cautious, but demand for logistics facilities and rental housing should grow as supply chains strengthen and demographics shift.

Asia
- Despite geopolitical risks to energy supply, economic growth should remain solid. Construction demand should remain robust amid infrastructure development and private-sector investment.
- Despite external uncertainties, real estate development conditions are improving with urbanization and tourism recovery.

Europe
- Continued attention is required to monetary policy developments amid inflationary concerns and the prolonged conflict in Ukraine.
- Meanwhile, the euro area economy is expected to maintain growth, and signs of capital returning to the real estate transaction market are emerging.

Oceania
- Although fluctuations in financial conditions continue to affect the outlook, the Australian economy remains on a gradual recovery path.
- Over the medium to long term, demand for infrastructure expansion and residential construction is expected to remain strong, underpinned by population growth.

Environmental awareness

Opportunities
- Growing construction demand for new and upgraded social infrastructure, driven mainly by AI-related investment, alongside demand from manufacturing and environmental sectors.
- Faster real estate development investment and capital recovery amid economic expansion.
- Greater capacity to develop high-quality projects through strong customer and partner relationships.
- Creation of new business areas through open innovation.

Risks and issues to address
- Changes in market conditions and the competitive landscape due to inflation and rising interest rates.
- Economic slowdown due to heightened geopolitical risks, including escalating tensions in the Middle East.
- Ensuring quality and safety, and reinforcing governance.
- Securing and developing diverse talent to support business growth.

Strengths
- Extensive networks deeply rooted in local markets across the regions.
- Trusted relationships with globally operating customers and leading local partners.
- Integrated business platform combining construction and real estate development capabilities.
- Ability to create new business opportunities and foster external collaboration through The GEAR by Kajima, established in Singapore.

Business policies

Pursuing disciplined business operations focused on profitability and capital efficiency
- Make prudent project decisions by assessing opportunities and risks amid changing financial and market conditions.
- Improve profitability and capital efficiency in construction and real estate development.

Developing projects that meet customer needs by deepening relationships with customers and partners
- Strengthen collaboration with customers operating across multiple regions and trusted local partners.
- Collaborate in information gathering, proposal development, and project formation to secure follow-on projects and expand related opportunities.

Promoting strategic investment in new businesses and growth areas
- Promote the creation of new business models that support medium- to long-term growth and the diversification of revenue sources through investment in growth areas such as urban infrastructure development and environmental sectors, as well as open innovation.

Key initiatives (by region)

U.S.
- Improve project profitability, streamline processes, and raise productivity. Optimize organizational structures to strengthen competitiveness in construction.
- Diversify real estate assets and investment methods and expand stable income-generating assets. Maintain and improve profits through risk-conscious investment decisions.

Asia
- Boost construction profitability through strict risk management and by securing orders that meet customer needs.
- Improve real estate profitability and capital efficiency via stable long-term holdings and short-term asset sales.

Europe
- Improve construction profitability by gaining new high-quality customers and securing orders with sound execution structures.
- Restructure the real estate portfolio through capital recovery, profits from warehouse and renewable energy facility sales, and new project origination.

Oceania
- Stabilize performance in the construction business through an order acquisition strategy that emphasizes enhanced risk management and the securing of appropriate contract terms.

Key indicators (KPIs)

KPI 1	Net income in FY2026	¥18.0 billion	
KPI 2	Number of logistics warehouses sold in the U.S.	10–15	
KPI 3	Net investment (FY2024–2026)	¥70.0 billion*	

*Investment: ¥610 billion; Recoupment of investment: -¥540 billion

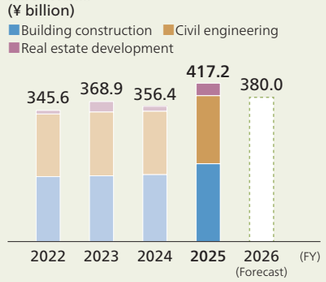
Domestic Group Business

The Kajima Group is composed of specialized companies responsible for each stage of the construction value chain. Through close collaboration and the sharing of talent, technologies, and expertise developed by each company, we will continue to leverage the Kajima Group's unique comprehensive capabilities to provide new value to society and our customers and take on challenges in new business areas.

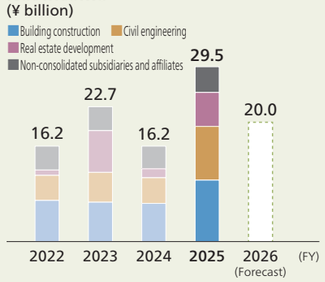
Yoshiharu Abe
Executive Officer, General Manager, Affiliated Business Department



Revenues[*1]
(¥ billion)



Net income[*1]
(¥ billion)



As of March 31, 2026, Kajima had 106 domestic subsidiaries and affiliates (51 subsidiaries[*2] and 55 affiliates). The subsidiaries' overall revenues and profits tend to fluctuate significantly due to property sales by real estate development subsidiaries. For FY2026, revenues and profits are forecast to decline from the record highs achieved in the previous fiscal year.

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

*1 Management accounts before inter-company elimination

KX-FOREST TATESHINA (Kajima Group recreation and training facility): A co-creation hub connecting the Group

The Kajima Group has opened KX-FOREST TATESHINA, a recreation and training facility available to employees of Group companies.

More than simply an employee welfare facility, KX-FOREST TATESHINA is a place for interaction, learning, and co-creation among Group companies. By taking the lead in shaping its use, Group companies bring employees together to build new connections and create value, making the Kajima Group an even more attractive organization. To realize this concept, volunteer employees from Group companies came together. They pooled the expertise and strengths of each company to plan, renovate and operate this 30-year-old facility.

In July 2026, the facility reopened following extensive renovations, and a full range of Group-wide activities, including training programs and events, commenced. As the first event, the photography workshop, led by a professional photographer, provided hands-on training and collaborative activities. During the networking session, participants acquired new knowledge and built stronger relationships with one another.

By promoting interaction and mutual learning across company boundaries, the facility serves as a hub for connecting people, creating new value, and generating synergies, thereby further enhancing the Kajima Group's comprehensive capabilities.

A new Kajima Group television commercial, which began airing in August 2026, showcases the Kajima Group's broad range of business activities and collective strengths and introduces the names of our 34 Group companies. We hope you will enjoy watching it.

Corporate Website
Advertising & TV Commercial Library







Principal subsidiaries and affiliates across the value chain

Domestic subsidiaries and affiliates
106
* 51 subsidiaries
* 55 affiliates

Planning & development

Kajima Leasing Corporation
Supports customer business development through financial planning and leasing solutions

Retec Engineering Inc.
Extends the service life of social infrastructure through inspection, diagnosis and repair design

- Kajima Real Estate Investment Advisors Inc.
- Avant Associates, Inc.
- Engineering & Risk Services Corporation

Design & engineering

Ilya Corporation
Creates value through spatial design and furniture planning

Chemical Grouting Co., Ltd.
Provides specialized ground improvement and waterproofing technologies for underground spaces

- ARMO Co., Ltd.
- ARTES Corporation
- Landscape Design Inc.
- Global BIM Inc.

Construction

Taiko Trading Co., Ltd.
Supports construction projects through materials procurement, logistics management, and construction management

Kajima Road Co., Ltd.
Develops social and industrial infrastructure through paving and land development technologies

Clima-Teq Co., Ltd.
Contributes to creating comfortable spaces through building equipment systems

KATABAMI CORPORATION
Provides comfortable environments and peace of mind through landscaping and insurance agency businesses

- Kajima Mechatro Engineering Co., Ltd.
- One Team Inc.
- Kajima Fit Co., Ltd.
- Clima Works Co., Ltd.

Operation & management

Kajima Tokyo Development Corporation
Contributes to enhancing asset value through facility operations

Atami Infrastructure Management LLC
Accumulates maintenance expertise through road operations

- Eaton Real Estate Co. Ltd.
- Kajima Yaesu Kaihatsu Co., Ltd.
- Kajima Property Management Co., Ltd.
- Kajima Resort Corporation
- Nasu Resort Corporation
- Kajima Karuizawa Resort, Inc.
- Shinrinkohen Golf Club

Maintenance & renovation

Kajima Tatemono Sogo Kanri Co., Ltd.
Leverages expertise gained through maintenance to create new value

KRC Co., Ltd.
Enhances the value of structures through repair and reinforcement technologies

- Kajima Environment Engineering Corporation
- Toshi Kankyo Engineering Co., Ltd.

From planning through maintenance.
We leverage the expertise and data accumulated across the entire construction value chain to create new value.

Group companies work together to develop talent and pass on technologies and expertise to the next generation. We create a virtuous cycle of value creation by feeding insights gained through operations back into planning, design and construction.

Focus

Future of the Nuclear Power Business

Contributing to a stable energy supply through building construction and civil engineering



Tohoku Electric Power Co., Inc.'s Onagawa Nuclear Power Station

Nuclear power is once again drawing attention amid rising electricity demand driven by AI and data centers and heightened geopolitical risks. These trends have increased the need to achieve both a stable energy supply and decarbonization. In response, the Japanese government has adopted a policy of maximizing the use of nuclear power alongside renewable energy while ensuring safety. Kajima has designed and constructed more than half of Japan's nuclear power plants. Building on this experience, we continue to strengthen the technologies and develop talent needed to maintain and advance them. How can we apply our building construction and civil engineering capabilities to meet these needs while keeping safety paramount? We visited project sites shaping the future of nuclear power.

Safety improvement work in preparation for restart

Tohoku Electric Power's Onagawa Nuclear Power Station stands on the Oshika Peninsula in Miyagi Prefecture. On its approximately 1.73 million m² site, Unit 2 (825 MW) was operating commercially after its first periodic inspection following its 2024 restart. The area near the seawall is now quiet.

Yuma Kitano, Manager, who worked on safety improvements for the restart, recalls, "At the peak, dozens of cranes operated across the site, and construction advanced rapidly." When Kitano returned in 2022 after spending three years at another project site, he was struck by how dramatically the sheer volume of construction work had transformed the site.

In 2013, Unit 2 entered regulatory review under new regulatory standards introduced after the Fukushima Daiichi accident. Requirements addressing natural hazards and severe accidents, including greater earthquake and tsunami resilience, significantly expanded the safety improvement work. Kazuo Sakurai, Project Manager of the Building Construction Project Office, explains, "Construction proceeded on a fast-track basis alongside government consultations and ongoing design, rather than starting after plans were finalized. We coordinated closely to minimize disruptions and rework."

Work accelerated after the design and construction plan was approved in late 2021, requiring rigorous quality and safety management. Roof truss reinforcement was particularly difficult because work was time-limited in radiation-controlled areas and conducted directly above the spent fuel pool. A temporary platform separated the work area from the pool. Kitano says, "Meeting strict quality and schedule requirements strengthened my ability to plan and evaluate safety and quality measures."

The civil engineering work also involved trial and error. During the Great East Japan Earthquake, an approximately 13 m tsunami remained below the site elevation of 13.8 m, despite about 1 m of subsidence. An emergency 3 m seawall initially provided protection to approximately 17 m above sea level. As scientific knowledge and the new standards evolved, the assumed tsunami height rose to 23.1 m. The seawall was raised to approximately 29 m, with measures against ground settlement and sliding, to enhance reliability and reassure local communities. Additional measures were also taken against ground settlement and sliding. Hirotake Tamura, Project Manager of the Civil Engineering Office, explains, "As the structures grew, components became thicker and heavier, making the required precision difficult to maintain." The steel pipe piles for the approximately 680 m seawall weigh about 20,000 t in total. Each 70 t component required high-precision installation to keep tsunami water from entering the site.

Shuhei Narita, Deputy Manager, says, "The unprecedented scale and complexity gave me opportunities, even as a young engineer, to devise solutions to new challenges." The seawall raising project spanned more than a decade and received the Japan Federation of Construction Contractors Civil Engineering Award in 2025.

Nuclear Power Department behind the construction of 39 reactors in Japan

Kajima has been involved in the construction of 39 of Japan's 62 nuclear power reactors (including those under construction or being decommissioned), whether through building construction or civil engineering work, and in 20 of the 33 reactors classified as operational (including those awaiting restart as of April 2026).



Yuma Kitano, Manager (left), and Shuhei Narita, Deputy Manager



Hirotake Tamura, Project Manager (left), and Kazuo Sakurai, Project Manager



Masaaki Tsukamoto, Managing Executive Officer, General Manager, Nuclear Power Department



Mamoru Ito, Deputy Manager

This extensive track record underpins Kajima's nuclear power business. Behind this track record is the Nuclear Power Department, whose origins date back to 1956, following the enactment of the Atomic Energy Basic Act.

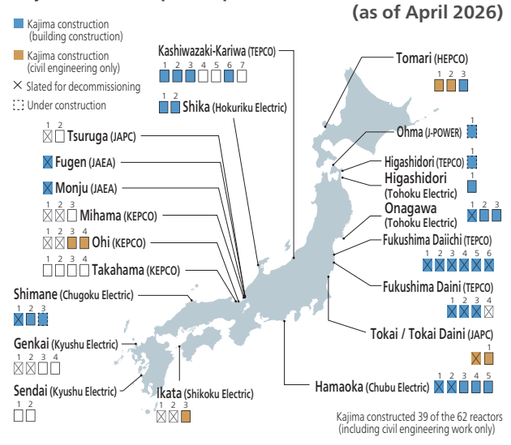
Established as Japan's first dedicated nuclear power organization at a general contractor, the department's work spans building design, regulatory support and building construction. Masaaki Tsukamoto, Managing Executive Officer and General Manager of the Nuclear Power Department, explains, "Kajima's strength lies in continuously developing and implementing new technologies while retaining and developing specialized talent." Using the latest advanced technologies such as seismic evaluation, the department supports regulatory approval processes for reactor restarts and new facilities while developing advanced analysis and construction technologies to meet evolving customer and societal needs.

One example is steel plate reinforced concrete (SC), which Kajima began developing in the 1980s and is expected to be used for safer next-generation advanced reactors. Conventional reinforced concrete (RC) requires multiple layers of heavy reinforcing bars to provide nuclear facilities with high seismic resistance. SC replaces the reinforcing bars and formwork with high-strength steel plate panels fabricated in factories. This shortens construction periods, reduces on-site labor, helps address shortages of skilled workers, and improves safety.

Although few nuclear power plants have been built since the Fukushima Daiichi accident, Kajima has continued to advance and transfer its technical expertise. Younger and mid-career engineers learn from past designs while supporting restart processes. Working with veterans, they capture expertise in 3D Building Information Modeling (BIM) models and use virtual construction to refine designs for future replacement projects and next-generation advanced reactors. Mamoru Ito, Deputy Manager, in his 12th year with Kajima and responsible for designing the Ohma Nuclear Power Plant, says, "Every site is different, so past project experience and the expertise of senior colleagues provide invaluable guidance."

The Agency for Natural Resources and Energy projects that electricity demand could reach 1.2 times its current level by FY2040, partly due to the expansion of data centers and semiconductor plants. Tsukamoto says, "Nuclear power will become increasingly important in diversifying energy sources and ensuring a stable energy supply. Looking ahead to plant replacements and next-generation advanced reactors, we will continue advancing and transferring our design and construction technologies while developing the talent needed for the future."

Kajima's nuclear power plant construction track record (as of April 2026)



Kajima constructed 39 of the 62 reactors (including civil engineering work only)

Column

Fukushima Daiichi Nuclear Power Station: The current state of decommissioning

Fifteen years after the Great East Japan Earthquake, decommissioning at TEPCO's Fukushima Daiichi Nuclear Power Station is progressing steadily. Drawing on its design and construction expertise, Kajima has contributed at every stage, from initial stabilization to contaminated water management and fuel removal. In January 2026, Kajima completed a large cover over Unit 1, damaged by a hydrogen explosion, to prevent radioactive material releases during building debris and fuel removal. In May, construction began on Waste Storage Facility No. 11 for the temporary storage of containerized debris and radioactive waste. The six-level facility, including one basement floor, will have approximately 70,000 m² of floor space. Its large-scale steel plate reinforced concrete (SC) structure will shorten construction and reduce costs.



Large cover structure for Unit 1

Masaaki Tsukamoto, Managing Executive Officer and General Manager of the Nuclear Power Department, says, "Steady decommissioning is essential to restoring confidence in nuclear power and its future use. Having construct all six units, Kajima considers it our responsibility to see the process through. We will continue taking on this challenge through company-wide efforts."

Part 4

Value Creation Platform

To realize a sustainable society,
we are strengthening our human resources,
technologies, supply chain and other areas to
build a platform that supports value creation.

Research & Technology Development 67
Sustainability Promotion System 71
Human Resources Strategy 73
Human Rights 79
Supply Chain 80
Occupational Safety and Health 82
Environment 83
Quality 90
Outside Officer Discussion 91
Officers 95
Corporate Governance 97
Risk Management 103
Compliance 105



Note: The surrounding venue shown is for illustrative purposes only and is subject to change.





Research & Technology Development

New value creation through research and technology development

Kajima was one of the first construction companies in Japan to establish a dedicated research institute, opening its Technical Research Institute in 1949. Since then, we have continuously advanced research and technological development to meet the evolving needs of society and our customers. Our R&D capabilities are underpinned by diverse experimental facilities, including a large-scale shaking table and an ocean engineering laboratory, and specialists across diverse fields. Guided by an enterprising spirit, we develop technologies that address changing needs, a key source of Kajima's competitiveness.

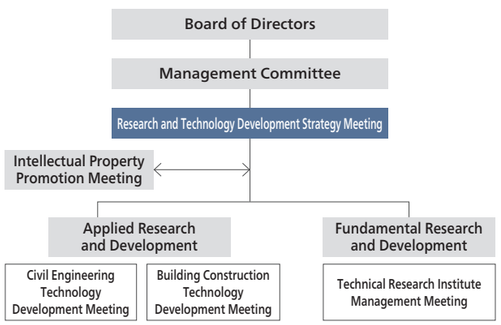
Advances in digital technologies such as AI and complex social challenges have led Kajima to strengthen its global R&D framework around three hubs: the Technical Research Institute in Japan; The GEAR in Singapore, where KaTRIS is based; and Silicon Valley in the United States. This network accelerates value creation. At construction sites across Japan, the Innovation & Incubation Office promotes cross-industry collaboration to address needs and challenges.

R&D framework and process

In planning R&D themes, the Research and Technology Development Strategy Meeting combines a top-down approach reflecting socioeconomic trends and industry challenges with a bottom-up approach driven by on-site needs arising from construction sites and projects. Taking short- and medium- to long-term perspectives, Kajima develops a balanced mix of applied and fundamental research themes. The process also incorporates IP landscape* analysis, drawing on innovation and intellectual property information from Kajima's global R&D network to identify research themes based on technological and competitive trends. Research outcomes are presented at academic conferences and shared internally through research presentation meetings. The resulting knowledge and technologies are brought to construction sites across Japan.

* IP landscape: The practice of analyzing information centered on intellectual property as well as other open information and sharing the findings with business leaders and other relevant personnel to inform business and R&D strategies.

R&D promotion structure



Intellectual property activities

知財・無形資産ガバナンスガイドライン

Kajima enhances intellectual property activities aligned with its business and R&D strategies. Based on technology and business strategy, we use patents, trade secret management, and contract management. These reinforce the strategic value of our intellectual property to establish a competitive advantage and promote open innovation. In managing intellectual property risk, we exercise due diligence to prevent infringement of third-party intellectual property rights. We manage intellectual property as a strategic business asset by analyzing the IP landscape, developing talent, and building awareness.

Important intellectual property matters are reported to the Board of Directors and Management Committee. The Intellectual Property Promotion Meeting of management and division heads oversees company-wide intellectual property strategy and discusses direction and progress. Each branch appoints "IP Supporters" in civil engineering and "IP Key Persons" in building construction. They liaise with the Intellectual Property and License Department to identify and protect innovative ideas from construction sites, mitigate infringement risks, and promote intellectual property practices Company-wide.

Department collaboration in strategic intellectual property activities



Awareness and human resources development in intellectual property

Kajima presents its Intellectual Property Awards annually under its internal President's Awards in three categories: Business Contribution, Distinguished Service, and Encouragement. In FY2025, the Encouragement Award recognized promising early- and mid-career inventors, promoting participation in IP. Kajima won the EXPO2025 JPO-WIPO AWARD in the youth empowerment category for its young employees' patent applications and leadership in technologies for social issues such as CO_2 reduction and seismic damping. The Japan Patent Office (JPO) and the World Intellectual Property Organization (WIPO) established it in conjunction with Expo 2025 Osaka, Kansai, Japan.

In December 2025, under a high school IP education initiative by the Japan Institute of Invention and Innovation, Kajima hosted a Technical Research Institute tour and lecture for future talent. In May, Chairman Yoshikazu Oshimi became President of the Japan Intellectual Property Association, advancing IP activities.

Kajima will continue to leverage IP activities to develop talent, advance technologies, create value for society, and sustainably increase corporate value.

Leading the way through challenge and innovation



Haruhiko Kurino
Executive Officer, Director of Kajima Technical Research Institute

Since its establishment in 1949, the Kajima Technical Research Institute has served as the core of "Kajima, the Technology Company," addressing the social challenges of each era and contributing to society through innovative technologies.

Society and the construction industry face increasingly complex challenges, including climate change, more severe and complex natural disasters, aging infrastructure, workforce shortages, and the transition to a circular economy. To help address these challenges, Kajima pursues cross-disciplinary R&D in six priority fields: disaster prevention and mitigation; well-being and smart buildings; life cycle management; the green and circular economy; automation and digitalization; and construction technologies and methods.

Kajima also combines advanced digital technologies, including AI, with empirical insights from testing at some of the industry's largest experimental facilities, advancing our core technologies and new value creation. Amid continued uncertainty, we are strengthening our talent and technology foundations to turn operating environment changes into new growth opportunities. We will also advance open innovation by working with research institutions and companies worldwide to accelerate real-world application of our technologies and our global growth.

Guided by our spirit of "Challenge and Innovation," we will pursue R&D to meet the evolving needs of customers and society, contributing to a safe, secure, and sustainable society and remaining a trusted partner of choice.

FY2026 research and technology development fields

To provide comprehensive solutions, Kajima classifies its research and technology development fields into six categories: disaster prevention and mitigation, well-being and smart buildings, life cycle, green and circular economy, automation and digitalization, and construction and structural methods. In its core construction business, Kajima pursues a broad range of R&D, from developing and validating new technologies for specific projects to advancing automation and digitalization to improve productivity and safety amid labor shortages caused by Japan's declining and aging population.

Kajima is also actively developing disaster prevention and mitigation technologies in response to the growing frequency and severity of natural disasters. Other R&D priorities include technologies for maintaining aging infrastructure and extending the service life of new structures, well-being technologies that create high-quality spaces conducive to health and well-being, and circular economy solutions that contribute to a decarbonized future.

Research areas, fields, and examples

	Area / Field	Example
New businesses and related businesses	Disaster prevention and mitigation	Seismic damping and isolation, and flood countermeasures Disaster risk assessment and BCP
	Well-being and smart buildings	Building environment management with sensors Wood-based environment, thermal environment and acoustics
	Life cycle	Infrastructure maintenance and renewal Technology development and application for extended service life
	Green and circular economy	Low-carbon concrete, bioenergy Wooden and wood-based materials, digital forestry Blue carbon cycle (seagrass bed and coral reef restoration)
Core	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

Circular economy

Smart Deck Renewal (SDR) System

Many road bridges built during Japan's rapid economic growth are deteriorating due to heavier vehicles, increased traffic, and deicing agents. In 2015, the Minister of Land, Infrastructure, Transport and Tourism approved large-scale expressway renewal and repair programs under the Act on Special Measures concerning Road Construction and Improvement, launching the Expressway Renewal Project, including deck slab replacement and other major renewal works. This work is carried out on expressways open to traffic, so traffic restrictions must be minimized in duration and extent to reduce social and economic disruption while ensuring the safety of road users and nearby facilities.

To address these needs, Kajima developed the Smart Deck Renewal (SDR) System, which significantly shortens traffic restrictions (hereinafter, the "SDR System"). Functioning as a mobile factory, the system enables specialized teams to simultaneously perform four deck slab replacement processes in separate work areas: (1) removal of existing deck slabs, (2) surface preparation of main girders,*1 (3) height adjustment,*2 and (4) installation of new deck slabs. Unlike conventional sequential methods, each team works continuously, eliminating downtime between processes and substantially shortening construction while improving safety.

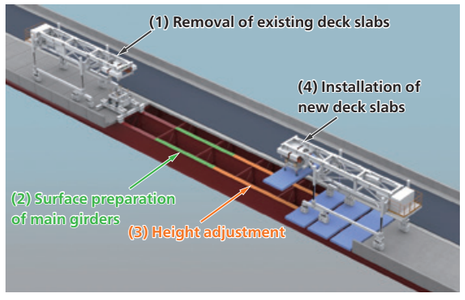
The SDR System was used on the Anogawa Bridge on the Kan-Etsu Expressway (Gunma Prefecture) and the Okuhatagawa Bridge on the Hiroshima Expressway (Hiroshima Prefecture) in 2023, and on the Tomo Viaduct on the Hiroshima Expressway (Hiroshima Prefecture) in 2024. At the Tomo Viaduct, deck slab replacement was completed in 6 days, compared with 21 days using conventional methods, reducing the construction period by approximately 70% and minimizing social and economic disruption. The system also received the 2024 JSCE Technology Development Award.

Hiroyuki Yamanaka
General Manager, Civil Engineering Management Division
Development Manager, SDR System Technology

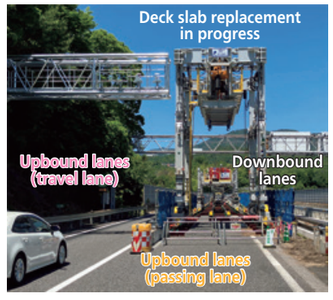


To facilitate wider use, Kajima secured patent protection for the SDR System and will promote its adoption, including through licensing to other companies. Five companies—Kajima Corporation, Obayashi Corporation, P.S. Construction Co., Ltd., Arsocia Construction Co., Ltd. and Yokogawa Bridge Corp.—also established the SDR System Research Association to promote wider adoption and further advancement. With experts as advisors, the association brings together 24 private-sector companies in Japan.

Kajima will continue developing the SDR System to enhance its performance and expand applications, while promoting continuous improvement and wider adoption through the association. Through these efforts, we will contribute to a circular economy by reducing the social and economic disruption associated with renewal works while improving the efficiency and sophistication of road bridge deck slab replacement.



Overview of the SDR System



Deck slab replacement work under traffic restrictions

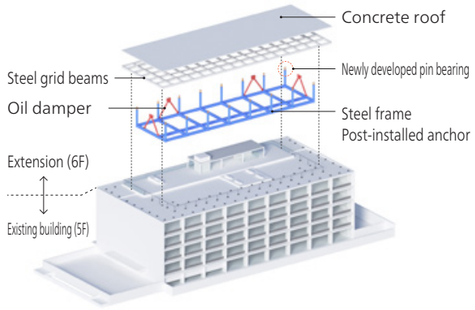

Installation of new deck slabs

*1 Work involving surface preparation of the upper flanges of steel girders and application of rust-preventive material
*2 Work involving the installation of hard rubber for adjusting the height of new deck slabs and sole sponge for preventing leakage of non-shrink mortar beneath the deck slabs

Circular economy

E³SKY: Seismic retrofit technology that enhances both the functionality and seismic performance of existing buildings





E³SKY® is a seismic retrofit technology for low- to mid-rise reinforced concrete (RC) buildings. The expansion enhances the building's functionality while also serving as a large-scale tuned mass damper (TMD) for the existing structure. Unlike conventional TMDs, E³SKY® uses the much heavier expansion itself as the damper, significantly reducing the seismic forces acting on the existing building and improving its seismic performance. Since the deformation of the expansion functioning as a TMD is comparable to that of a conventional building, the expansion can be rationally constructed using conventional materials.

Kajima has applied this technology for the first time in the renovation of the main building of the Kajima Technical Research Institute. Construction began in February 2026 and is scheduled for completion at the end of October 2027. Under this project, one story will be added to the rooftop of the existing five-story RC building, converting it into a six-story building. The expansion has a simple design that combines an RC roof with a steel frame equipped with specially developed, compact and cost-effective pin bearings and oil dampers. It is designed to remain within the allowable capacity of the existing structure, eliminating the need to reinforce either the structure or its foundations. This allows the renovation work to proceed while the building remains in use.

Demand for the renewal of low- to mid-rise RC buildings is expected to grow, reflecting the need to reduce environmental impact and advance the circular economy. Through E³SKY, Kajima aims to help meet the growing demand for the conversion, expansion, and seismic retrofitting of existing buildings.



Tomoki Yaguchi
Chief Research Engineer
Building Structures Group
Kajima Technical Research Institute

I studied structural control at both the undergraduate and graduate levels. After joining Kajima in 2008, I spent three years in the Architectural Design Division, working on structural design and construction supervision. In April 2011, shortly after the Great East Japan Earthquake, I joined a group within the division specializing in structural response control and advanced analysis, where I worked on seismic damping technologies. I am now based at the Kajima Technical Research Institute, where I lead R&D and the practical application of technologies in this field while promoting closer collaboration with related disciplines.

Kajima has long been a global leader in the field of structural control technologies, developing numerous innovative technologies along the way. I believe that structural control technology can do more than simply reduce building vibration. It can also help address a wide range of challenges facing society and people. E³SKY, which simultaneously enhances seismic performance and building functionality, is one such technology.

As society's needs become increasingly complex and diverse, meeting them will require us to look beyond the boundaries of any single discipline and work with engineers from a broad range of fields to develop integrated solutions. Kajima has a culture that supports such challenges, and I hope to lead cross-disciplinary collaboration and create new value.

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

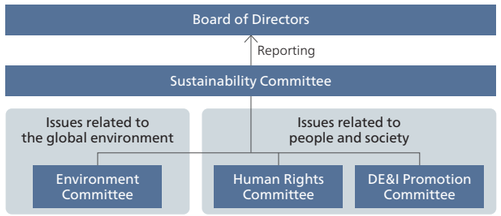
Kajima has established the Sustainability Committee with the aim of considering and making decisions on sustainability policies and monitoring their progress. The committee is chaired by the President, and its members include relevant executive officers. It deals with issues related to the global environment, as well as people and society, including ensuring the diversity of human resources, respect for human rights and supply chain management. Discussions and decisions of the committee are regularly reported to the Board of Directors in accordance with the annual schedule.

As subcommittees of the Sustainability Committee, Kajima has established the Environment Committee to address issues related to the global environment, as well as the Human Rights Committee and Diversity, Equity & Inclusion (DE&I) Promotion Committee to address issues related to people and society.

In FY2025, we continued to focus on maintaining and strengthening our efforts in the areas of the environment, human resources, and the supply chain.

Meanwhile, the Compliance and Risk Management Committee, chaired by the President, comprehensively assesses all risks, including those related to sustainability, and implements measures based on their significance.

Promotion system



Sustainability Committee topics: Results and plans

	FY2024	FY2025			FY2026
	Results	Topic	Results	Reported to the Board of Directors	Issues to consider and topics to address
Environment	• Status of CO_2 reduction, issues and future reduction measures • Considering the policy for circular economy initiatives	Environment (July)	• Status of CO_2 reduction, issues and future reduction measures • Planning for environmental investments, including renewable energy	September	• Review of the Kajima Environmental Vision 2050plus • Considering the policy for circular economy initiatives (continued)
Human resources	• 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 • Conducting an engagement survey, reporting the results, and establishing indicators • Reporting on employee turnover and retention measures • Reporting on measures to address harassment and other human rights risks	Employing people with disabilities (July) Diversity, Equity & Inclusion (DE&I): Promoting Women's Advancement in the Workplace (September)	• Plan to achieve the statutory employment rate for people with disabilities • Review of progress on DE&I-related KPIs (percentage of female employees in the managerial track, percentage of female managers, paternity leave uptake rate), status of initiatives and challenges in achieving targets	November	• Recruitment of people with disabilities, including at Group companies • Reporting the progress of DE&I initiatives and considering issues
		Employee engagement, turnover (February)	• Conducting an engagement survey, reporting the results, and establishing indicators • Reporting on employee turnover and retention measures	March	• Specific measures to improve the engagement score
		Human rights (October)	• Reporting on measures to address harassment and other human rights risks • Reporting of results of the building materials traceability survey	November	• Strengthening human rights initiatives, including at Group companies • Enhancement of the building materials traceability survey
Supply chain	• Discussing and establishing the policy for responding to human rights issues, including the supply chain • 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	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 • Restructuring of the supply chain organization

Results of past meetings in FY2025

The Sustainability Committee met six times in FY2025 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 the Kajima Environmental Vision 2050plus. It also checked and discussed future response policies and considered plans for environmental investments, including renewable energy, to achieve carbon neutrality.

Human resources

- Under the DE&I Promotion Committee established in FY2024, we reported on initiatives focused primarily on advancing women's participation and career development, as well as progress toward three KPIs, and discussed related issues and future actions.
- To achieve the statutory employment rate for people with disabilities, we shared the current status and then considered a roadmap for achieving the target.
- We reported the results of the employee engagement survey and considered issues identified through comparison with the previous fiscal year and policies for addressing them.

Human rights and the supply chain

- We reported on human rights issues within the Kajima Group and its supply chain, as well as the results of the building materials traceability survey conducted for the first time in FY2025, covering formwork materials, woodwork components, and stone.
- With securing the future construction workforce remaining an ongoing priority, the committee reported on the results of a survey concerning the employment conditions of skilled workers and on progress in closing sites for eight days in every four-week period. It also confirmed the direction of future efforts.

Comments from outside officers at Board of Directors meetings

- Kajima should proactively communicate externally its sincere commitment to addressing global environmental and sustainability issues.
- Steady progress is being made in initiatives to promote DE&I. Diversity initiatives should extend beyond women and people with disabilities to include LGBTQ+ employees and employees of foreign nationalities.
- With growing social interest in policies and initiatives addressing human rights in the supply chain, and as Kajima expands its overseas business, efforts should also be advanced across overseas supply chains.
- Restructuring the multi-layered subcontracting system is an important step toward securing the future workforce and ensuring safety and quality. Kajima should continue to steadily advance this reform, while maintaining its efforts to close sites for eight days in every four-week period and improve employment conditions for skilled workers.

Topics

Establishment of the Kajima Group Procurement Policy

In July 2026, we established the Kajima Group Procurement Policy.

This Policy is based on the Kajima Group Code of Conduct and sets forth the fundamental principles guiding procurement activities within the Kajima Group. The Kajima Group's companies, directors, officers and employees shall, in accordance with this Policy, promote fair and impartial transactions and strive to build relationships of trust with business partners.

1. Fair and Impartial Transactions

The Kajima Group provides its business partners with fair and impartial opportunities to compete. The Kajima Group selects suppliers based on a comprehensive assessment of factors including quality, price, delivery dates and construction periods, technical capabilities, reliability and overall business soundness.

2. Mutual Growth and Prosperity

The Kajima Group builds relationships of trust with its business partners and strives to enhance mutual competitiveness and achieve shared growth and prosperity.

3. Compliance and Social Responsibility

In our procurement activities, the Kajima Group fulfills its social responsibilities by complying with applicable laws and social norms and by giving due consideration to occupational safety and health, human and labor rights, environmental protection and other relevant matters. The Kajima Group also works with its business partners to support their compliance with, respect for, and implementation of the Kajima Group Conduct Guidelines for Business Partners.

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

General
- Kajima Group Code of Conduct
- The Policy on Safety and Health, the Environment, and Quality
- Kajima Group Procurement Policy

Environment
- Kajima Environmental Vision 2050plus
- The Kajima Group Biodiversity Policy

Society
- Kajima Group Human Rights Policy
- Kajima Group Health and Productivity Management Declaration
- Kajima Group Conduct Guidelines for Business Partners
- Kajima Group Social Contribution Policy
- Kajima Group Basic Policy on Customer Harassment

Governance
- Basic Policy for Building Internal Control Systems
- Kajima Group Anti-Bribery Principles
- Kajima Group Global Tax Compliance Policy

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." Respect for people, embodied in our founding principle of "humanitarianism," remains the starting point of our approach to creating corporate value.

At the same time, the construction industry is undergoing profound change. Demographic trends, advances in digital technologies, and expanding business domains are reshaping the skills, expertise, and capabilities expected of our people. Over the next decade, workforce composition will change significantly, requiring younger and mid-career employees to demonstrate their expertise and assume management responsibilities earlier in their careers.

Kajima engineers are expected to possess deep technical expertise, a strong sense of mission in supporting social infrastructure, and a willingness to take on new challenges. Competition to attract and retain highly capable talent is intensifying. Our human resources strategy addresses these changes while supporting sustainable growth.

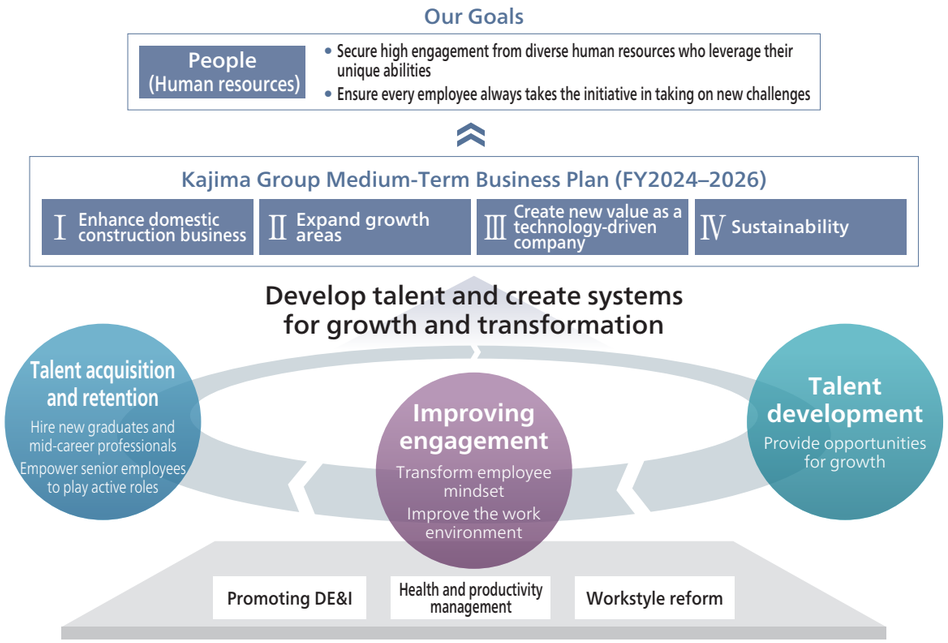
Kajima regards human resources strategy as a foundation of its management strategy. Management discusses and monitors talent recruitment, development, and deployment while building a talent portfolio for the future.

Our business is built on highly specialized projects that require deep expertise, which takes time to develop. We therefore maintain graduate recruitment as the cornerstone of our hiring strategy while complementing it with the capabilities of mid-career and senior professionals.

We promote employee growth through diverse opportunities in Japan and overseas while fostering a culture of continuous learning and self-development. By strengthening professional expertise and leadership capabilities, we are developing Kajima's future leaders.

Our human resources strategy focuses on three priority areas: talent acquisition, talent development, and employee engagement. By viewing recruitment, development, and employee success as an integrated process, we aim to create a positive cycle in which employee growth and corporate value reinforce each other.

In the Kajima Group Medium-Term Business Plan (FY2024-2026), we set "Secure high engagement from diverse human resources who leverage their unique abilities" and "Ensure every employee always takes the initiative in taking on new challenges" as our human resource goals. We will continue to develop our human resources strategy to support sustainable growth and enhance corporate value toward 2035.



Messages from the human resources leaders for civil engineering and building construction

Kajima regards human resources strategy as a key foundation of its management strategy. Over the next decade, our workforce composition is expected to undergo significant change as labor shortages intensify due to demographic trends and generational turnover continues. To maintain and strengthen our competitiveness amid these shifts, it is essential not only to secure talent, but also to pass on technical expertise and experience while enhancing the way we develop and deploy our people. In this section, the human resources leaders responsible for our civil engineering and building construction businesses share their perspectives on key talent challenges and future priorities.



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

Civil engineering is, by nature, an experience-based discipline in which optimal solutions must be found in highly uncertain environments involving natural and ground conditions. In addition to knowledge and skills, experience-based judgment and the ability to build trusting relationships with stakeholders are essential for adapting to conditions that vary from site to site.

As generational shifts continue, younger and mid-career employees will take on central roles earlier in their careers than they do today. Rather than waiting for employees to develop along traditional timelines, we need to provide opportunities for them to accelerate their growth through diverse experiences and take on active roles at an earlier stage.

It is also essential to ensure that the insights and judgment accumulated by experienced employees over many years are passed on as organizational knowledge rather than remaining with individuals. Turning technical expertise and know-how into shared organizational assets is key to sustaining and enhancing our on-site capabilities, which in turn support the long-term growth of the civil engineering business.



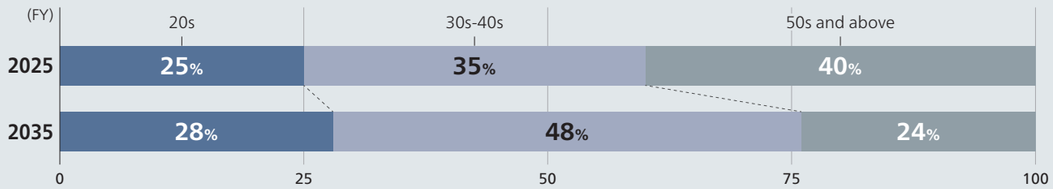
Daisuke Horiuchi
Managing Executive Officer
Deputy General Manager, Building Construction Management Division
General Manager, Planning Department

The strength of Kajima's building construction business lies in its ability to create value through the collaboration of diverse specialists within an integrated design-build framework. As buildings become increasingly sophisticated and complex, the quality of our people and organization has become a key source of competitive advantage.

To achieve sustainable growth amid growing labor shortages, we must gain a deeper understanding of each employee's experience and expertise and make better use of that knowledge in talent development and deployment. By enabling each individual to reach their full potential while fostering collaboration across diverse areas of expertise, we aim to enhance the overall strength of the business.

In addition, value creation in the construction business is not achieved by our employees alone. Our future competitiveness will depend on a sustainable supply chain and an ecosystem where diverse talent can contribute and excel.

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



Human Resources Strategy

Talent acquisition and retention

Strengthening recruitment and talent acquisition to maintain and enhance production capacity

Reinforcing new graduate hiring

Kajima's recruitment policy is centered on securing a steady pipeline of talent who will inherit the knowledge, expertise, values, and trust of clients that have been built over many years, carry them forward to future generations, and help shape Kajima's future. Looking ahead to changes in workforce demographics, we are building a talent portfolio that combines diverse expertise, centered on new graduate recruitment while also drawing on the knowledge and experience of mid-career and senior professionals.

Alongside talent that will support our core construction and development businesses, we are expanding recruitment in areas aligned with technological advancement and emerging business needs. To sustain our future execution capabilities, annual new graduate hiring has been increased to approximately 400 employees in recent years.

At the same time, recruitment is becoming increasingly challenging, particularly in engineering and other specialized fields. To broaden engagement with students, we continue to expand opportunities through recruitment events, internships, site and facility visits, and digital and social media outreach.

Considering the characteristics of the construction industry, where sites are spread across wide areas, we are also focusing on hiring individuals who can contribute locally over the long term. In 2024, we introduced a new graduate recruitment program for specialized positions, and 89 employees joined Kajima through the program in 2025. The program has attracted a wide range of applicants, from high school students to graduate students, many of whom hope to build their careers in their hometowns and local communities.



An internship group at the Kajima Technical Center

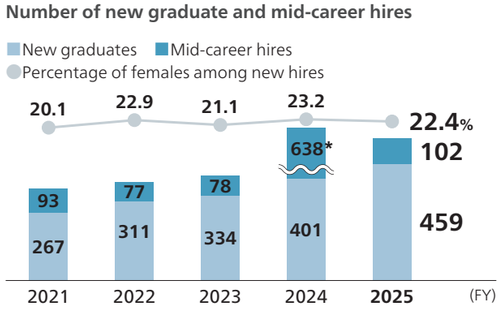
Active roles for mid-career and senior professionals

Kajima actively pursues mid-career recruitment to secure talent that can make an immediate impact and introduce expertise not currently available within the Company. Recruitment efforts are focused on strategic priority areas, including engineering, automated construction, and overseas operations, where we seek professionals with diverse experience and specialized skills. In addition, we acquire highly skilled specialists in the digital field, including DX and AI, to strengthen efforts to address business challenges.

At Kajima, senior employees continue to make significant contributions to the business while playing an indispensable role in developing the next generation and passing on technical expertise. In 2024, we reviewed their compensation and benefits and enhanced flexible work arrangements, such as reduced working days and hours, and have maintained a high re-employment rate of over 80%.

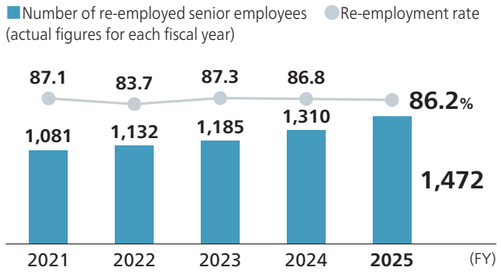
Mid-career and senior professionals play a vital role in supporting business continuity and adaptability by complementing our workforce, which is composed primarily of new graduates, and passing on their experience-based expertise, insights and skills.

Number of new graduate and mid-career hires



* The significant increase in headcount for FY2024 is due to the reorganization of group companies.

Number and percentage of re-employed senior employees



Talent development

Creating opportunities for continuous growth and development

Basic policy

Kajima views talent development as a long-term investment in human capital and is committed to maximizing the potential of every employee. We cultivate professionals who combine advanced expertise with the management capabilities needed to lead projects and organizations, enabling them to respond to evolving social needs and client expectations. Guided by this approach, we focus on both structured development programs and self-directed learning.

Our business depends on advanced expertise and practical experience, both of which take time to develop. Accordingly, we view talent development as a long-term effort to build both on-site expertise and leadership capabilities, rather than as a series of short-term training initiatives.

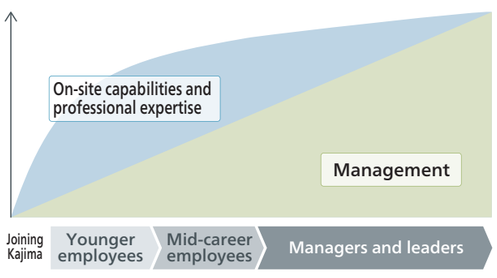
Talent development priorities

For new graduates, the first 13 years of employment are designated as a focused development period. Through a combination of OJT, job rotation, and structured OFF-JT programs, employees steadily build the knowledge and experience needed for their careers.

Development-focused overseas assignments and training programs provide opportunities for challenging roles at overseas subsidiaries and other locations. In FY2025, 15 employees participated in these programs, bringing the 10-year total to 118. These experiences help employees develop the judgment and leadership skills needed to deliver complex projects.

For managers, a four-tier training program serves approximately 600 participants annually, strengthening leadership skills and deepening understanding of DE&I and employee engagement.

Employee education and training system



Self-directed learning and digital skills

In recent years, enhancing digital capabilities has become a key pillar of talent development. All executive officers receive training in generative AI, while employees can choose from self-directed learning programs ranging from e-learning to hands-on training across four proficiency levels: Learn, Apply, Master, and Lead. Through the Digital Work Process Improvement Competition, leading practices from across the Company, including innovative uses of data and business application development, are shared widely to foster a culture that encourages initiative and embraces new challenges. These initiatives help develop talent capable of combining construction expertise with digital skills to drive transformation in the field.

Future challenges

Younger and mid-career employees are expected to leverage their expertise and be engaged in project operations and organizational management earlier in their careers in preparation for future changes in our workforce composition. To achieve this, we will create opportunities in which individual employees can proactively shape their professional journeys and continue learning independently. Meanwhile, their growth through a wide range of experiences and support systems to further develop human resources will be encouraged.



Award ceremony of the Digital Work Process Improvement Competition

Improving engagement
Establishing a work environment and conditions that enable employees to realize their potential

Sustainable growth cycle

Building an organization where diverse talent can realize their potential and take on new challenges is a key management priority. To support this vision, Kajima advances DE&I, workstyle reform, and health and productivity management as mutually reinforcing initiatives that support sustainable growth.

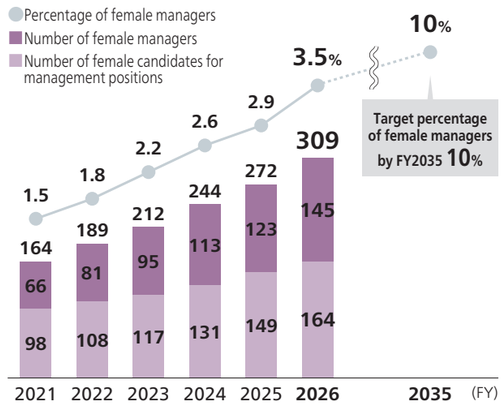
DE&I

Kajima promotes DE&I as a key management priority to create a workplace where everyone can thrive. In FY2024, we established the DE&I Promotion Committee under the President-led Sustainability Committee to foster a culture where employees with diverse backgrounds and values mutually respect one another and take on challenges. Our medium- to long-term targets have been raised to include women accounting for 30% of new graduate hires for career-track positions by FY2028, women holding 10% of managerial positions by FY2035, and 100% of male employees taking paternity leave, with at least 50% taking 30 days or more. In addition, we are working to improve the work environment from various perspectives through measures such as eliminating discrimination and inequity and promoting employment opportunities for people with disabilities.

As approximately 70% of our workforce comprises engineers, promoting female engineers, especially at construction sites, is a key challenge. We are committed to creating an inclusive workplace where everyone can thrive regardless of gender. We also highlight the diverse career opportunities available in the construction industry through student engagement programs and outreach activities.

We started actively hiring female new graduates for career-track positions approximately 20 years ago, so the number of female managers is expected to increase in the future. We support their growth through initiatives such as career training and mentoring programs. We also improve the quality of decision making and enhance sustainable corporate value by incorporating diverse perspectives and values into management and business operations.

Percentage of female managers (as of April 1 each fiscal year)



Workstyle reform

The introduction of the limit on overtime work for the construction industry in FY2024 provided further momentum for our efforts to transform the way we work. Under the President-led Work Style Reform Committee, we promote more productive work within limited working hours. By adopting five-day project schedules, promoting planned leave, and leveraging digital technologies, we improve productivity while supporting flexible ways of working. These initiatives also reinforce engagement and employees' sense of growth. These efforts support appropriate working hours and improve site operations.

Health and productivity management

Kajima regards employees' physical and mental health as a foundation for stable performance and promotes health initiatives under the "Kajima Group Health and Productivity Management Declaration." We have been recognized for three consecutive years (seven times in total) under the METI's Certified Health and Productivity Management Organization program. Occupational physicians and public health nurses regularly visit sites across Japan to provide health guidance and consultations, helping employees work safely wherever they are located.

In FY2026, we opened the KAJIMA Health Guide page on the corporate intranet and introduced an external video service across the Group. We enhance health literacy and encourage behavioral change. In addition, based on the "Mental Health Promotion Plan," we provide e-learning on mental health, developmental disabilities and harassment prevention (FY2025 participation rate across the Group: 99.9%) and other programs. Stress check results indicate that we have maintained a favorable "overall health risk" score of 80, below the national average of 100.

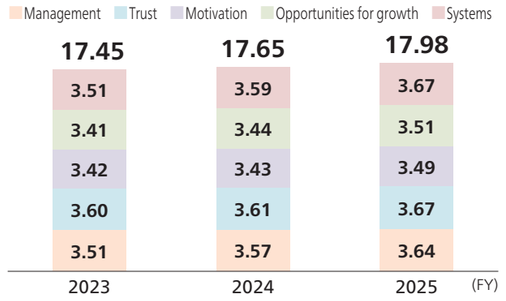
Measuring and improving engagement

While Kajima maintains high employee satisfaction and a turnover rate in the low 1% range, we recognize that continuously enhancing employee engagement is essential for sustainable growth. With this in mind, employee engagement was established as a key management indicator in FY2023, and an annual engagement survey was introduced.

Based on the survey results, we derive the Kajima Engagement Score (maximum score: 25), which consists of five dimensions: management, motivation, trust, growth opportunities, and systems. Year-on-year improvement in the score is used as a KPI. As of April 2025, the score is also factored into executive bonus calculations and serves as an indicator linking management and human resources strategy.

The score has continued to rise since we started conducting the survey in FY2023 and was 17.98 in FY2025 (17.65 in the previous fiscal year). Scores in all five categories exceeded those of the previous fiscal year.

Trends in the Kajima Engagement Score



The survey results are shared with senior management, HR and each department as indicators to quantitatively understand the current situation of the organization. They are also used to enhance performance across the organization by spreading good practices to each workplace and identifying and improving organizations facing challenges.

Compensation and benefits for growth

Alongside creating conditions that enable employees to take on challenges and demonstrate their abilities, Kajima provides compensation and benefits that reflect achievements and roles. We emphasize a positive cycle in which recognizing and rewarding contributions encourages further growth and new challenges.

In response to labor market changes and industry-wide workforce shortages, we continue to enhance compensation and benefits to attract and retain talent. These efforts not only attract talent but also support long-term organizational productivity.

In addition, a characteristic of our business is the creation of value through collaboration among diverse human resources on individual projects. Therefore, compensation and benefits reflect not only individual performance but also team achievements and the processes behind them, supporting performance across the organization.

As part of our human capital investment, this approach enhances engagement and retention while improving productivity and business capabilities.

Topics

Strengthening our human capital foundation through corporate dormitory renovation

We started renovating a corporate dormitory built in the 1990s (Toshima-ku, Tokyo) as part of our investment in working conditions and completed the renovation in spring 2026. We installed bathrooms, toilets and washbasins in all rooms and enhanced equipment in the common area. The renovated dormitory is available not only to dormitory residents but also to training participants and employees living in company housing and their families. We also relocated the childcare facility, which had been operated on a trial basis in the company housing, to the dormitory and established an environment that provides greater peace of mind for employees and their families. More than just a place to live, this facility serves as a hub that encourages the growth of younger employees and employee interaction. Through these improvements, we aim to further strengthen employee retention and engagement while enhancing our ability to attract and secure talent. We will also continue the phased renovation of our other dormitories.



Human Rights

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 Corporate Planning Department, Human Resources Department, General Administration Department, Legal Department, Safety and Environmental Affairs Department, Affiliated Business Department, Civil Engineering Management Division, Building Construction Management Division, Environmental Engineering Division, and Overseas Operations Division.

Human rights due diligence

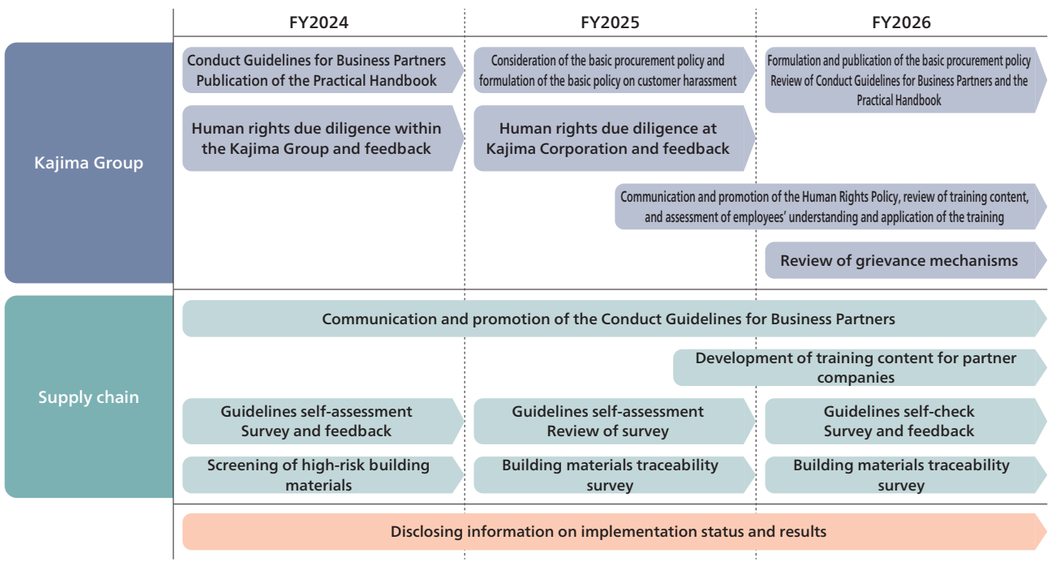
The Kajima Group initiated human rights due diligence in FY2021 and has conducted it regularly at Kajima Corporation, domestic and overseas Group companies, and within Kajima Corporation's supply chain since then. We have identified priority human rights risks within the Kajima Group, including working hours, harassment, and supply chain human rights issues. We continue to take measures to address these risks.

In FY2025, we conducted a second assessment covering Kajima Corporation, focusing on three areas: management systems, responses to human rights risks, and environmental and ethical issues. The survey included confirmation of the internal rules and regulations that form the basis for these efforts. While internal rules and regulations were found to be firmly in place, several human rights issues were identified and are being addressed.

Setting up hotlines (grievance mechanisms)

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.

Human rights due diligence



Supply Chain

Collaboration with the supply chain

The Kajima Group operates businesses centered on construction and real estate development in Japan and overseas, making it essential to build relationships with diverse supply chains. In July 2026, we established the Kajima Group Procurement Policy and are promoting environmentally and socially responsible procurement activities throughout the Kajima Group.

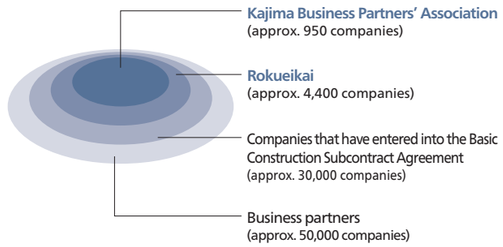
In 2020, ahead of such efforts, we established the Kajima Group Conduct Guidelines for Business Partners.* We shared the Guidelines with our business partners throughout the global supply chain and asked them to comply with, respect, and implement the principles concerning compliance with laws and regulations, respect for human rights, environmental considerations, assurance of quality, and other initiatives. ▶P.72

*"Business partners" refers to suppliers and other business partners that constitute the Kajima Group supply chain.

Building partnerships with partner companies

Partner companies that undertake specialized construction work are vital to Kajima's domestic construction operations. At each construction site, we work together with partner companies to carry out projects through to the completion of buildings and structures while ensuring occupational health and safety, environmental protection, and quality.

We have also established the Kajima Business Partners' Association, which undertakes various activities based on the spirit of mutual assistance, and the Rokueikai, whose primary purpose is to conduct disaster prevention activities, as organizations for our partner companies. Kajima and its partner companies have built strong partnerships that enable them to work as one in carrying out the domestic construction business.



Together with our partner companies, we are working to make the construction industry more attractive by promoting workstyle reforms for construction workers and improving the working environment. Kajima conducts surveys on working conditions and wages among construction workers at its construction sites and reports the results to the Sustainability Committee.

Survey on the Conduct Guidelines for Business Partners

In April 2024, we published the Practical Handbook 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 the management of our partner companies at safety conventions and other opportunities, and encouraged them to further promote their initiatives. In addition to the terms and conditions for orders, we have added provisions to the Basic Construction Subcontract Agreement requiring compliance with, respect for, and implementation of the Conduct Guidelines.

Since 2022, we have conducted a self-check survey every two years on the status of initiatives in 13 areas covered by the Guidelines, including compliance with laws and regulations, human rights, labor practices, the environment, information security, and BCP. In FY2026, as in the previous survey, we conducted the survey among members of the Kajima Business Partners' Association and received responses from 71.7% of the surveyed members.

Going forward, we will provide feedback to the companies that responded and engage in dialogue with surveyed companies to promote initiatives among our business partners, while working to deepen understanding of the Guidelines and enhance the effectiveness of the survey.

Building materials traceability survey

There is growing interest in 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 surveyed companies with the highest order volumes over the previous three years, using interviews and questionnaires. The surveys covered three types of building materials used by Kajima: formwork materials, timber (for carpentry work and wooden fittings), and stone. We collected information on companies involved in the supply chain from raw material extraction or logging through delivery to construction sites, including company names and the countries and regions in which they are located. For formwork materials and timber, we also surveyed whether the materials were certified.

We will continue to conduct this survey and work together with our supply chain partners to identify issues that need to be addressed and advance initiatives on human rights, the environment, and other areas.

Survey results
https://www.kajima.co.jp/partner/kenzai/index.html

Initiatives to secure the 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.

Restructuring of the multi-layered subcontracting system

Japan's construction industry has long relied on a multi-layered subcontracting system. Since FY2021, Kajima has been reforming the multi-layered subcontracting system to ensure thorough safety and quality management, improve the treatment of skilled workers, and enhance productivity, making the construction industry more attractive and encouraging young people to enter the industry.

The proportion of construction systems limited to primary and secondary subcontractors has consistently exceeded 70%, demonstrating that the approach is taking root. We will continue these efforts to maintain this system.

Implementation of construction systems that limit the scope of contracts to secondary subcontractors (%)

	Civil engineering + Building construction	Civil engineering	Building construction	Of which, equipment work*
January 2024	77.2	94.0	71.4	44.9 (97.5)
January 2025	74.2	92.2	65.9	38.8 (89.4)
January 2026	72.3	91.4	64.3	34.0 (88.3)

*Figures in parentheses indicate the implementation rate for construction systems for equipment work limited to tertiary subcontractors.

Kajima Partner College

In collaboration with the Kajima Business Partners' Association, we offer the Kajima Partner College to develop human resources at partner companies. The program includes a Technical Course for candidates seeking to become "Kajima Meisters," highly skilled forepersons, and a Management Course for management candidates.

The Technical Course enhances on-site management skills through practical programs, including training at Kajima project sites, such as safety patrols and ICT tool workshops, and construction management from the prime contractor's perspective. The Management Course is a nine-month program in which participants are assigned to Kajima, gaining experience in construction management at sites using cutting-edge technologies and construction methods, while attending classes and events at partner educational institutions. Kajima covers the costs of both courses.

Since the college opened in 2021, 107 people have completed the courses: 91 from the Technical Course and 16 from the Management Course. Fifteen Technical Course graduates have been certified as Kajima Meisters and are active at Kajima sites. Management Course graduates also lead their companies by leveraging the knowledge and connections gained at the college, contributing to the development and retention of talented personnel. Kajima will continue supporting partner companies in these efforts.

System to encourage activities for securing the future workforce

Established in FY2024, this system supports members of the Kajima Business Partners' Association and Rokueikai in securing and developing engineers and skilled workers, including through subsidies covering up to 50% of activity expenses, with a maximum subsidy of ¥2 million. In FY2026, 14 initiatives were selected.

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.

Topics

Three pillars for securing the future workforce: A systematic approach to talent acquisition

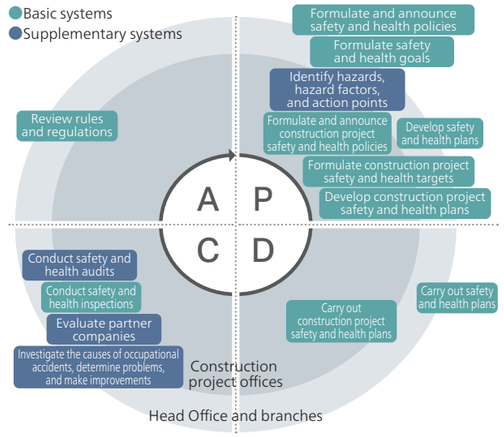
The Chubu Branch has developed its own "three pillars for securing the future workforce," a systematic approach to engaging local high school students with partner companies to secure future talent for the construction industry. We begin offering "extracurricular classes" to second-year high school students in winter, when they start thinking about their future careers. Through direct dialogue, we explain the role of the construction industry and the nature of the work to spark their interest. This is followed by a hands-on skills workshop in March, where students experience construction work and discover its appeal, depth, and sense of fulfillment. By July of their third year, we organize construction site tours, giving students a clearer picture of working in the industry. Through these initiatives, we build lasting relationships of trust with stakeholders while deepening students' understanding of the industry and encouraging them to consider construction as a future career. These initiatives have been well received by teachers and other stakeholders, with the number of participating high schools and partner companies increasing each year.



Hands-on skills workshop

Framework for ensuring safety and results in FY2025

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)

		2023	2024	2025
Accident frequency rate	Lost work time of four or more days	0.91	0.74	0.52
	Lost work time of one or more days	1.74	1.47	1.13
No. of accidents		83	63	46
Cumulative working hours	millions of hours	91.26	85.49	88.24
No. of fatalities	Non-consolidated (domestic)	0	3	2
	Non-consolidated (overseas)	0	0	0
	Domestic Group companies*	0	0	0
	Overseas Group companies*	0	1	2

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

In FY2025, there were 46 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 0.52, and the rate for accidents resulting in lost work time of one or more days was 1.13. We will ensure thorough safety management under the slogan "Think safety! Make today accident free. Put your heart into every step of the building process."

Stop & Check meeting activities

At construction sites, irregular work may arise when work cannot proceed as planned, increasing accident and incident risks if adequate measures are not taken.

Kajima has long sought to prevent such accidents by reviewing its work procedures. To strengthen these efforts, Kajima has promoted "Stop & Check meeting activities" since FY2025.

When an irregular situation is identified, workers stop work, review procedures, and share and discuss appropriate responses with relevant personnel. We also provide specific examples to help workers recognize irregular situations and raise awareness, ensuring necessary measures are implemented.

By ensuring skilled workers understand revised procedures before starting work, we aim to further enhance safety and eliminate accidents and incidents.

Operations with a mobile hands-on safety training facility

We use the Kajima Safety Caravan, a truck-mounted safety training facility, to improve the safety awareness and risk sensitivity of all on-site workers.

The vehicle is equipped with nine training devices that realistically simulate common hazards, such as falls and machinery entanglement. These training sessions are provided primarily for skilled workers 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, giving us confidence in the value of the training.

From July 2024 through March 2026, hazard simulation training was conducted 93 times at 66 locations.

Going forward, we will continue to hold hazard simulation training sessions, while also improving the content and equipment to further develop this training program.





Left: The training vehicle based on a mid-sized truck
Right: A skilled construction worker undergoing entanglement hazard simulation training

Environment

Kajima Environmental Vision 2050plus

Kajima will continue to promote initiatives to help build a sustainable world where economic activity is balanced with environmental conservation. In May 2024, we announced the revised 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. Recognizing that the three areas of carbon neutrality, circular economy and nature positivity are interconnected, we restructured the Group's targets and action plans. We are also considering revising the Environmental Vision in conjunction with the next Medium-Term Business Plan.

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 materials[1] ■ 99% recycling rate[1] ■ Full-scale adoption of wooden/wood-based buildings ■ Social adoption of waste recycling technology[1]	■ Cumulative total of nature-based solutions (NbS)* to be provided to customers and society (environmental certification, etc.): 100[1] ■ Expansion of nature-positive initiatives on Kajima-owned land[1] *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 materials[1] ■ 97% recycling rate[1] ■ Expansion of wooden/wood-based buildings ■ Development of waste recycling technology[1]	■ Number of NbS to be provided to customers and society (environmental certification, etc.): 10 / year[1] ■ Nature-positive initiatives starting on Kajima-owned land[1]

Summary of environmental activities for FY2025

FY2025 was the second year of the Medium-Term Business Plan (2024–2026).

In carbon neutrality, the Kajima Group's Scope 1 and 2 emissions decreased from the previous fiscal year to 39.5×10^4 t-CO_2. This was mainly due to fuel-intensive processes at large-scale construction projects in Kajima's non-consolidated operations having passed their peak. Reduction measures lowered emissions by 5.7×10^4 t-CO_2. Scope 3 emissions increased slightly to $1{,}442\times10^4$ t-CO_2. Combined Scope 1, 2, and 3 emissions also increased slightly to $1{,}481.4\times10^4$t-CO_2.

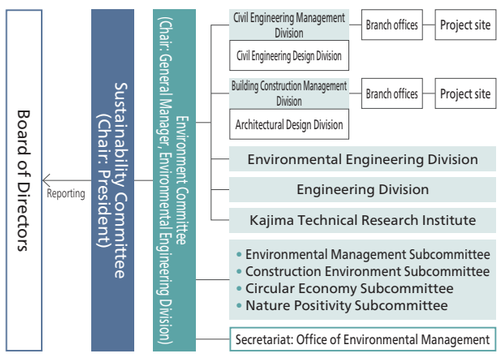
For circular economy, the recycled material usage rate for main materials reached 36%, while the recycling rate was 96.6%.

In nature positivity, we undertook five initiatives to provide NbS to customers and society. There were no serious legal violations, significant environmental impacts, or incidents that resulted in environmental accidents at construction sites.

Environmental management system structure

Kajima's (non-consolidated) environmental activities comply with ISO 14001. Cross-functional issues are handled by four subcommittees.

For the list of Group companies with ISO certification, please refer to the following pages.
https://www.kajima.co.jp/sustainability/policy/management/isolist/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/sustainability/environment/tcfd/

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, net-Zero Energy Building (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	• CO_2 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 FY2025

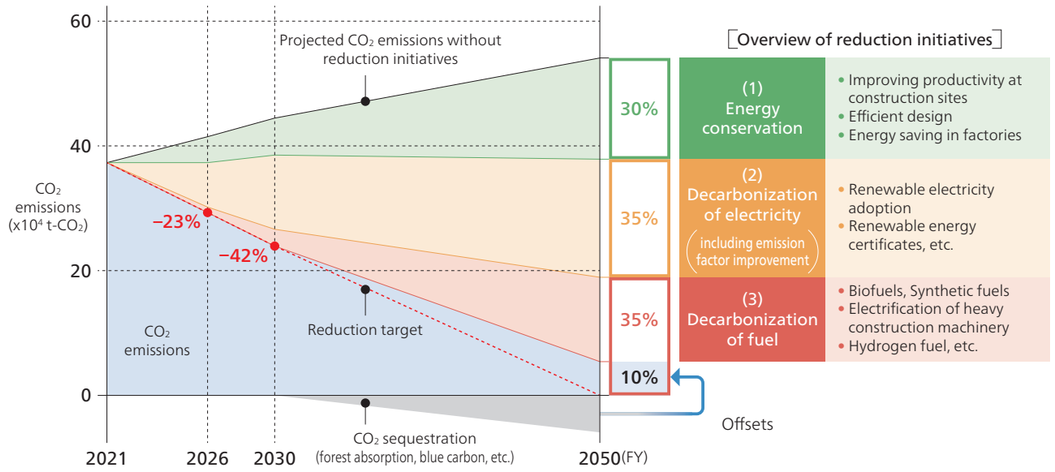
We are carrying out the measures below regarding individual countermeasures identified through the TCFD analysis.

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

Category		Risks and opportunities	Impact on FY2030 profit and loss: 1.5°C scenario	Impact on FY2030 profit and loss: 4°C scenario	Countermeasures	Key initiatives in FY2025
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	← Initiatives for expanding the use of biofuels ▶P.85 ← Expanding the use of low-carbon concrete and steel materials ▶P.86 ← Conclusion of a V-PPA ▶P.85
		Contraction of construction market due to higher taxes	–			
		Restrictions on business based on CO_2 emission allowances	–			
	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	← Strengthening technological capabilities and the human resource base supporting nuclear power-related construction ▶P.63 ← ZEB design expansion ▶P.86
		Increase in demand for renewable energy	+ +	+ +		
		Expansion of ZEB market	+ +	+		
Physical risks	Chronic	Effects of rising temperatures on working conditions	–	– –	(1) Development of labor-saving construction technologies	← Productivity improvement and skills transfer through A^{4}CSEL (Quad Axel) ▶P.18
	Acute	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	← Seismic damping technology and total engineering services for flooding disasters
		Relocation from disaster risk areas		– +		

Carbon Neutrality | Targeting carbon neutrality | Kajima emissions (Scopes 1 and 2)

Roadmap for Scope 1 and 2 emissions reduction



Scopes 1 and 2, and emissions reduction initiatives

In FY2025, Kajima Group's Scopes 1 and 2 emissions were 39.5 x10⁴ t-CO_2. We conducted reduction measures through (1) energy conservation, (2) decarbonization of electricity, and (3) decarbonization of fuel, resulting in a total reduction of 5.7 × 10⁴ t-CO_2, continuing the steady increase in emissions reductions. We will continue implementing the following reduction initiatives.

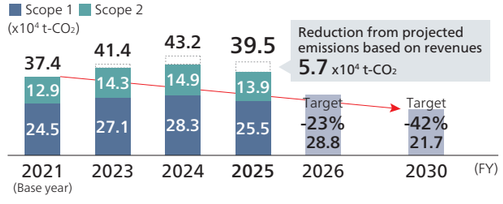
(1) Energy conservation: We will continue efforts to improve construction-site productivity, including shorter construction periods and reduced material use.

(2) Decarbonization of electricity: In FY2025, we entered into a V-PPA*1 in Japan equivalent to about 20% of annual domestic electricity consumption and expanded green electricity plans at offices around our Head Office. Going forward, we will increase our renewable energy facilities and use their environmental value. We will consider renewable energy certificates and diversified procurement based on future renewable energy supply, demand, and regulations. Overseas, we purchased certificates from a Japanese company in Indonesia, where electricity consumption is high. Through these initiatives, we aim to steadily achieve 100% green electricity use by FY2030.

(3) Decarbonization of fuel: In FY2025, we used 1,400 kL of B5*2, GTL*3, and RD*4 as diesel alternatives, gaining insights into suppliers, distributors, pricing, availability, and practical use. As these fuels remain expensive and limited in supply, we have decided to prioritize electricity decarbonization. Large-scale RD trials will begin in FY2026. We will also explore synthetic and hydrogen fuels and heavy construction machinery electrification. As technologies evolve, we aim to reduce fossil fuel use and prepare for full-scale adoption of diesel alternatives. Looking to 2050, we also intend to take on the challenge of producing alternative fuels ourselves.

*1 Virtual Power Purchase Agreement. A mechanism for the long-term purchase of only the environmental value derived from renewable energy, without directly receiving the physical electricity.
*2 Diesel fuel blended with 5% biofuel *3 Fuel derived from natural gas
*4 Renewable diesel fuel derived from used cooking oil and other sources.

Kajima Group Scopes 1 and 2 CO_2 emissions



Breakdown of FY2025 reduction results and future reduction initiatives

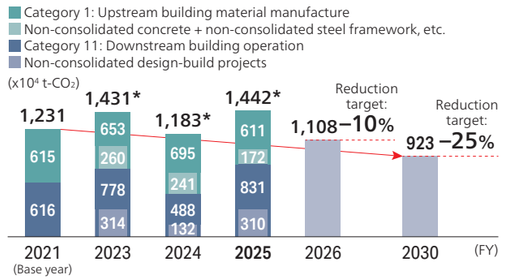
(1) Energy conservation	• Improving productivity at construction sites • Efficient design • Energy saving in factories	4.3 x 10⁴ t-CO_2
(2) Decarbonization of electricity (including emission factor improvement)	• Renewable electricity adoption • Renewable energy certificates	1.4 x 10⁴ t-CO_2
(3) Decarbonization of fuel	• Biofuels • Synthetic fuels (planned) • Electrification of heavy construction machinery (planned) • Hydrogen fuel, etc. (planned)	0.02 x 10⁴ t-CO_2
Total		5.7 x10⁴ t-CO_2

Supply chain emissions (Scope 3)

Scope 3 and emissions reduction initiatives

Kajima Group Scope 3 (supply chain upstream and downstream) emissions (Categories 1 and 11) in FY2025 were 1,442 x10⁴ t-CO_2.

Scope 3 (supply chain upstream/downstream) CO_2 emissions



*The figures for FY2023-2025 have been adjusted upward to reflect the impact of a weaker yen and higher material costs.

Reducing CO_2 from building material manufacture (Category 1)

Scope 3 Category 1 emissions consist primarily of CO_2 emissions from the manufacture of building materials purchased by Kajima during the fiscal year.

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 CO_2 from their manufacture. By FY2030, we aim to increase the use of low-carbon concrete and cement to approximately 40% and electric arc furnace steel to 20%, compared with approximately 9% and 33%, respectively, in FY2025.

For building construction, we have set targets for the adoption of low-carbon concrete and electric arc furnace steel framework at the design stage of design-build projects. The use of these low-carbon building materials may require special design and construction methods, and procurement constraints mean they are not suitable for every project. However, their adoption is gradually increasing with growing support from project owners.

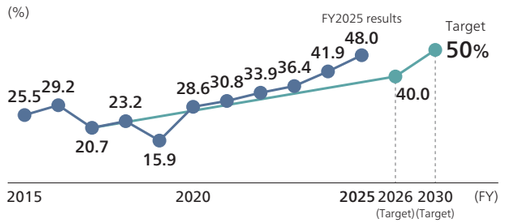
A new development is the lifecycle carbon assessment system for buildings, which will take effect in FY2028. Under this system, owners constructing office buildings with a floor area of 5,000 m² or more will be required to submit lifecycle carbon assessment results. To promote decarbonization, Kajima is already using Carbon Foot Scope®, developed in-house, to assess lifecycle carbon emissions for projects in the design and construction stages and propose low-carbon building materials and construction methods based on the results.

Reducing CO_2 from building operation (Category 11)

Scope 3 Category 11 emissions are the CO_2 emissions from energy consumed by buildings constructed by Kajima and completed during the fiscal year over the following 60 years (total for all completed projects).

Kajima sets targets for reducing the primary energy consumption of buildings it designs and constructs nationwide, as calculated under the Building Energy Conservation Act. We aim for a 40% reduction by FY2026, the final year of the current Medium-Term Business Plan, and a 50% reduction by FY2030. Projects that commenced construction in FY2025 achieved a 48.0% reduction, exceeding the FY2026 target one year ahead of schedule.

Reduction in CO_2 from building operation in design-build projects, and targets



Topics

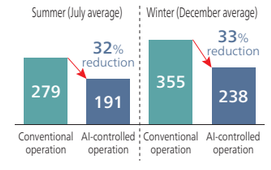
Smart buildings powered by edge computing Reducing HVAC energy consumption by approximately 30%

Kajima has developed K-BOX™, which uses edge computing and AI to automatically control air-conditioning and other building equipment. Attaching a compact edge computer to conventional equipment enables easy, low-cost smart building upgrades. Linked to weather services, it can adjust equipment operation to match conditions and can be used in new and existing buildings.

In a K-BOX™ trial at a Kajima facility in Tokyo, air-conditioning energy use fell 32% in summer, 33% in winter and 28% in intermediate seasons versus conventional operation in 2024, while maintaining user comfort.

Kajima will help realize a decarbonized society by expanding smart buildings.

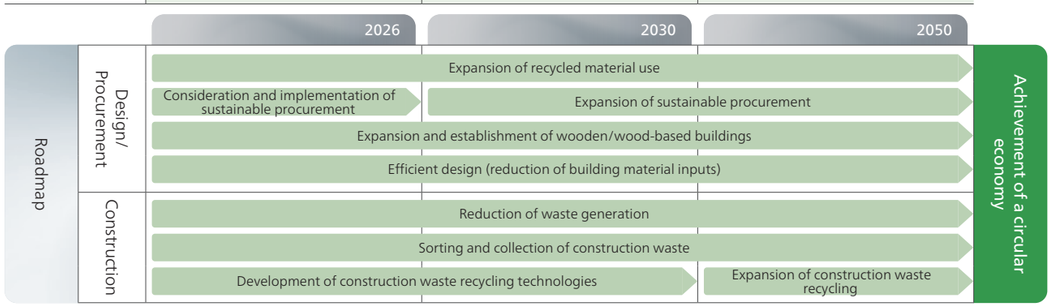
Comparison of air-conditioning energy consumption



Circular Economy | Toward a circular economy

KPIs, targets and roadmap

FY2025 results	KPIs and targets		
	FY2026	FY2030	FY2050
Recycled material usage rate: 36% Construction waste recycling rate: 96.6%	Recycled material usage rate*1: **40**% Construction waste recycling rate*2: **97**%	Recycled material usage rate: **60**% Construction waste recycling rate: **99**%	Achieve sustainable procurement*3 for all materials Construction waste recycling rate: 100%



*1 Recycled material usage rate = Percentage of materials used that are recycled materials
*2 Construction waste recycling rate = Percentage of construction waste that undergoes material recycling, chemical recycling or thermal recycling
*3 Sustainable procurement = Procurement of building materials that takes environmental and social considerations throughout the supply chain into account

To advance the circular economy, Kajima will reduce waste sent to final disposal while promoting efficient resource use and circulation. Under the Kajima Environmental Vision 2050plus, we have set recycled material use targets. For concrete and steel, two key materials, we will propose Kajima-developed low-carbon concrete using recycled materials and electric arc furnace (EAF) steel to customers. We have also set the construction waste recycling rate as a KPI and will promote the recycling of plastics and other materials through thorough waste sorting. In FY2025, recycled material usage rate was 36% and the recycling rate was 96.6%.

Recycling construction waste plastics

Construction waste plastics vary widely and are often contaminated with dirt. Most are therefore used for energy recovery, incinerated, or landfilled. Kajima has been recycling these plastics into products such as sandbags and barricades for use at construction sites (Integrated Report 2025).

In 2025, Kajima collaborated with five other companies* to produce recycled oil from construction waste plastics through chemical recycling. The oil has various applications and is expected to replace naphtha. The initiative was part of the Ministry of the Environment's FY2025 project supporting advanced social implementation models for plastic resource circulation. In the trial, plastics were sorted by material and product type, with 35% converted into oil. The process was shown to be economically viable under certain location and scale conditions at costs similar to current industrial waste treatment, while reducing CO_2 emissions by about 15% versus conventional treatment.

Topics

A legacy passed on from Expo 2025 Osaka, Kansai, Japan to GREEN×EXPO 2027

Kajima will exhibit KAJIMA TREE at GREEN×EXPO 2027, an international horticultural expo to be held in Yokohama, Kanagawa Prefecture, from March 2027. The 60-meter-tall structure will be built using timber reused from the Grand Ring at Expo 2025 Osaka, Kansai, Japan, carrying forward the legacy of the Osaka-Kansai Expo. The EXPO will be held on an approximately 100-hectare site that was formerly used by the U.S. military. KAJIMA TREE is attracting attention as a landmark for both the Kajima exhibition area and the EXPO as a whole. Kajima will conduct strength tests and process the timber reused from the Grand Ring so that it can once again serve as structural material. The structure will incorporate Kajima's newly developed Timber Lattice Seismic Damping System, which combines timber with steel dampers. This combination of resource circulation and seismic engineering enables the timber to be reused as structural material. The Kajima exhibition area will also feature a range of reuse initiatives that embody the Kajima Environmental Vision 2050plus and demonstrate circular economy in practice.
These include paving blocks previously used at Expo 2025 and foundation concrete made using structural concrete recovered from Kajima's former Yokohama Branch building.

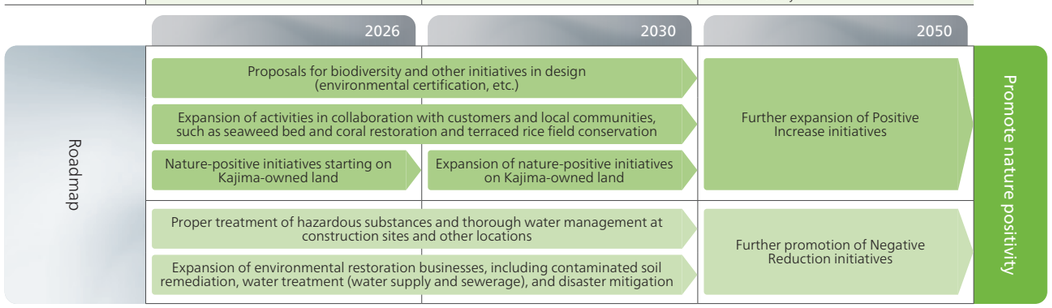


* TAKENAKA CORPORATION, NIPPON EXPRESS HOLDINGS, INC., REFINVERSE Group, Inc., Aozora Co., Ltd., and Mitsubishi Chemical Corporation

Nature Positivity | Promoting nature positivity

KPIs, targets and roadmap

FY2025 results	KPIs and targets		
	FY2026	FY2030	FY2050
Number of NbS to be provided to customers and society (environmental certification, etc.): 5 / year	Number of NbS to be provided to customers and society (environmental certification, etc.): **10** / year	Number of NbS to be provided to customers and society (environmental certification, etc.) Cumulative total: **100**	**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



Construction and real estate development businesses significantly alter the natural environment at project sites. These impacts extend beyond Kajima's own operations to its supply chain, including raw material extraction and waste disposal. We therefore consider nature positivity essential. Kajima Environmental Vision 2050plus sets the number of NbS provided to customers and society as a nature positivity target. To harness forest functions, we participate in a U.S. forest fund and work to acquire forest management expertise. In FY2025, we provided five NbS, falling short of our target. In "Negative Reduction," aimed at eliminating adverse environmental impacts at construction sites, there were no serious legal violations or environmental impacts resulting in environmental incidents.

TNFD report published

In FY2025, Kajima conducted an analysis based on the final Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations v1.0 (see p. 89 for an overview). Based on the results, we began developing an assessment method to visualize nature-related risks at new project sites.

Although water risk was not a priority issue in Kajima's analysis, given strong public interest, we disclosed results for major business locations, including construction sites, offices and Kajima-developed properties, on our website* (Sustainability > Environment > Water Resources). We will consider further measures, including expanding the scope of analysis and assessment and conducting monitoring.

* https://www.kajima.co.jp/sustainability/environment/water/

NbS provided in FY2025

	Title	Certification / Award
1	Hikageyama Forest and Bonari Forest (group-owned forests)	OECM site (under the new Act)
2	Atema Kogen Resort Belnatio	OECM site (under the new Act)
3	Shiba Onarimon Tower	JHEP Rank A
4	Seaweed bed rehabilitation (Hayama Town, Kanagawa)	J Blue Credit
5	Terraced rice field restoration in the Sangamura district of Tokamachi City	FY2024 Japan Society of Civil Engineers (JSCE) Environmental Award, Group II

Topics

Communication initiatives originating from group-owned forests

The Kajima Group owns approximately 5,500 hectares of forests at 49 locations across Japan and manages them appropriately. Timber from these group-owned forests is being used or is planned to be used at facilities such as KX-FOREST KAJIMA KARUIZAWA and the Tohoku Branch building currently under construction. The forests are also being utilized in a variety of communication initiatives. A Kajima television commercial featuring the Shakubetsu Forest shows an autonomous drone surveying a well-managed forest. In July 2026, the Kajima Employees' Union produced ID card cases using oak and ash timber from the Shakubetsu Forest in Hokkaido and distributed them to union members. Going forward, we will establish environmental programs drawing on our company-owned forests, including biodiversity education.



https://www.kajima.co.jp/gallery/cm_library/index-j.html

Natural capital and biodiversity: TNFD-based information disclosure and specific actions

In August 2023, Kajima joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. In accordance with the TNFD beta framework (v0.4), we conducted a trial to identify and assess nature-related risks and opportunities and consider responses in relation to our direct operations and the supply chain for cement, a major construction material. In March 2026, based on the TNFD Recommendations (v1.0), we identified the nature-related dependencies and impacts, risks, and opportunities associated with our operations. We then considered appropriate responses with a view to incorporating the findings into our business strategy and disclosed relevant metrics and targets.

General requirements

Application of materiality	For TNFD disclosures, we adopt a double materiality approach that focuses not only on the impact of natural capital on business activities (financial materiality), but also on the impact of business activities on natural capital (impact materiality).
Scope of disclosure	For this disclosure, we selected three businesses—construction, real estate development and asphalt mixture manufacturing (Japan)—and covered their upstream supply chains, direct operations and downstream activities, including operations outside Japan.
Locations with nature-related issues	We selected 282 locations in Japan and overseas from the construction, real estate development and asphalt mixture manufacturing (Japan) businesses for analysis.

*For details, please refer to the TNFD Report. https://www.kajima.co.jp/sustainability/environment/tnfd/pdf/tnfd_report.pdf

Governance	We operate an environmental management system. Addressing global environmental issues, including nature-related issues, is a key management priority for Kajima. Accordingly, key environmental policies and measures are deliberated and decided by the Sustainability Committee.
Strategy	• For items assessed as having a "High" impact and therefore the highest priority for action (see table below), we confirmed that the targets and action plans under the Kajima Environmental Vision 2050plus comprehensively address the identified issues and are appropriate. • For items assessed as having a "Medium" impact, such as risks associated with raw material procurement in the upstream value chain, we have established qualitative response measures. Going forward, we will consider specific additional measures and set targets as necessary.
Risk and impact management	Environmental risks and impacts are assessed cross-functionally by relevant departments and deliberated and decided by the Environment Committee. Each department determines its environmental targets and implementation plans, taking into account its significant environmental aspects and applicable legal requirements. Each department then deploys its targets, implements operational controls, and reviews the results. The findings are reflected in environmental targets and implementation plans, thereby driving the PDCA cycle.
Indicators and targets	In the TNFD Report, Kajima discloses its targets and performance corresponding to the TNFD-recommended global core metrics. For certain metrics for which it is difficult to set quantitative targets due to the contract-based nature of the construction business, we will continue to consider appropriate approaches, including how such metrics should be defined.

Risks and opportunities (excerpt from LEAP approach analysis results)

The table below presents the items assessed as having a "High" impact, which are the highest priority, as well as those assessed as having a "Medium" impact for which current measures are insufficient.

Value chain	Dependencies and impacts on ecosystem services	Risks/ Opportunities	Description of risks and opportunities	Impact
Direct	Land use, generation of solid waste, release of hazardous soil and water pollutants, etc.	Risk (transition)	Loss of opportunities to win contracts if Kajima is unable to meet increasingly stringent requirements from project owners, customers, and business partners, such as requirements for construction material traceability and transparency regarding impacts on nature	High
Direct	Land use	Risk (transition)	Loss of opportunities to win contracts and reduced sales if Kajima is unable to provide technical solutions involving green infrastructure technologies and nature-based solutions (NbS)	High
Direct	Land use	Opportunities	Increased opportunities to win related contracts due to growing demand for green infrastructure technologies and NbS	High
Direct	Generation of solid waste	Risk (transition)	Loss of opportunities to win contracts and reduced sales if Kajima is unable to provide technical solutions for construction projects requiring advanced construction recycling and longer service life	High
Direct	Generation of solid waste	Risk (transition)	Increased costs for design and procurement in response to tighter circular economy regulations, such as mandatory use of recycled materials and requirements for high waste recycling rates	High
Direct	Generation of solid waste	Opportunities	Increased opportunities to win contracts for projects utilizing advanced construction recycling and service life extension technologies	High
Direct	Release of hazardous soil and water pollutants	Opportunities	Increased sales and profits from pollution control and soil and water remediation due to tighter regulations on soil and water pollution	High
Direct	Biomass supply (timber)	Opportunities	Increased opportunities to win contracts for wooden buildings due to growing demand for such buildings, driven by factors including increasing carbon neutrality requirements	High
Upstream	Other resources (mineral resources: steel, cement, and ready-mixed concrete)	Risk (transition)	Increased procurement costs due to expanded development restrictions resulting from the designation of protected areas targeting regions important for biodiversity and measures to prevent deforestation Increased procurement costs due to the pass-through of compensation costs, including costs for restoring ecosystem service losses associated with sustainable extraction activities	Medium
Upstream	Other resources (same as above)	Risk (transition)	Increased procurement costs due to the pass-through of higher compliance costs at upstream manufacturing plants resulting from tighter water-use regulations as the balance between water supply and demand deteriorates in water-stressed regions	Medium
Upstream	Other resources (same as above)	Risk (transition)	Reputational damage resulting from procurement from upstream operations (mines, quarries and manufacturing plants) that are criticized for adverse social and environmental impacts, such as pollution and harm to the health of local communities, or for violations of environmental laws and regulations	Medium
Direct	Introduction of invasive species	Risk (transition)	Reputational damage due to adverse impacts on ecosystems caused by the introduction of invasive species through the transportation of materials	Medium

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. Process improvement will be made if there's a problem. Knowledge-sharing through the corporate intranet further enhances employees' quality control capabilities.

For design-build projects, we rigorously implement design reviews and drawing checks at each stage of the design process to maintain strict control over quality and risk. Early collaboration with the construction department (front-loading) and the feedback of information obtained after construction allow proactive risk management and the early resolution of issues. Construction supervision ensures compliance with design documentation and maintains quality standards.

For overseas projects, we are promoting the rollout and operation of the overseas version of KTMS while proactively identifying and mitigating quality-related risks through specialist committees, such as the Overseas Tender Review Meeting. We also conduct follow-up activities throughout the entire project lifecycle, from the pre-tender stage through project completion, to ensure that identified risks are appropriately addressed. In addition, the Head Office continues to enhance systems that enable quality management information to be shared efficiently with our 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 are implemented to prevent recurrence and limit the impact of issues. Incidents are shared within the Group and prevent incidents with similar causes from happening by incorporating them into training programs.

Topics

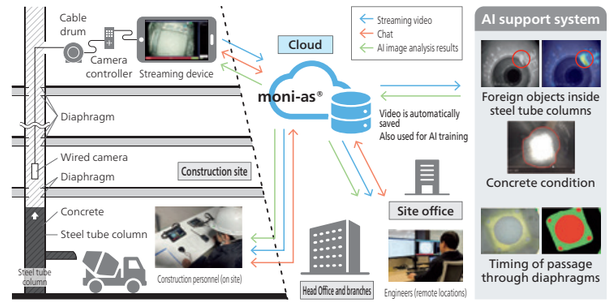
Ensuring reliable quality through the use of AI

In quality control at construction sites, day-to-day management based on KTMS, in which on-site employees directly check construction conditions, is fundamental. At the same time, amid constantly changing site conditions, promptly detecting and addressing human errors remains an important challenge. As part of these efforts, Kajima is promoting the use of remote management and AI technologies.

One example is quality assurance for concrete filling of steel tube columns in concrete-filled steel tube (CFT) structures. Visual checks and recordkeeping previously required considerable time and effort. Building on Kajima's proprietary "moni-as" concrete filling monitoring system, we collaborated with Sakura Internet Inc. to allow concrete filling operations to be viewed remotely in real time. Furthermore, in collaboration with Ridge-i Inc., we added an AI-based function that detects signs of abnormalities in construction footage. This enables the Head Office and construction sites to collaborate in monitoring construction conditions remotely, allowing abnormalities to be detected at an early stage and ensuring reliable quality.

Going forward, we will expand the use of remote management and AI technologies to further enhance quality assurance and provide customers with greater peace of mind.

moni-as system overview



Outside Director Discussion



Director Tamotsu Saito, who chairs the Nomination Advisory Committee and the Remuneration and Governance Advisory Committee, met with Directors Masami Iijima and Yuko Yasuda, both members of those committees. They discussed their expectations for Masafumi Kiryu, the new President, the direction of efforts to strengthen governance, and the challenges ahead for sustainable growth.

Impressions of Kajima and how it has changed

Yasuda A year has passed since I joined the Board, and I find the scope of Kajima's businesses remarkably broad and deep. I was struck by the range of fields it covers: roads, railways and other infrastructure, semiconductor production facilities, energy facilities and defense. Last year, I visited construction sites including the Kuden-Kasama Tunnel on the Yokohama Ring Expressway South Line and the Shin-Meishin Expressway, where I also had the opportunity to engage directly with employees. Everywhere I went, I could sense people were proud to be part of Kajima and were committed to the company. The prize-winning works from the Kajima Sculpture Competition also impressed me. Seeing Kajima create economic value while also contributing to art and culture gave me a sense of the company's depth and breadth.

Iijima Since joining the Board, I have felt that Kajima is a company with an enterprising spirit and a commitment to pursuing excellence in safety, the environment, quality, and technology. Visits to the Kajima Technical Research Institute and sites in Taiwan and Japan showed me employees' strong commitment to increasing corporate value. I now often hear employees ask questions such as, "How can we apply this technology elsewhere?" or "How do we translate AI, DX and human resource development into greater corporate value?"

Saito I have found people at Kajima to be sincere and approachable, and I believe that this culture is a foundation of the trust the company has earned from its customers. Customers' trust in Kajima feels even stronger. One indication of this is the number of projects for which Kajima is selected directly by its customers. Another distinguishing feature is that this trust is backed by our technical capabilities, such as seismic engineering. To address the labor shortage, a major construction industry challenge, Kajima is working to raise productivity through rolling out its automated construction system, A^{4}CSEL (Quad Axel), and other initiatives. The company is also evolving with the times: for example, by bringing AI into design work. That, I think, reflects Kajima's recent changes.

Kajima's people, technology, and overseas expansion

Iijima The tunnel project in Taiwan was being carried out by people with a firm local footing. Employees who work overseas early in their careers return to gain experience in Japan and are then posted overseas again. That human resource development structure is bearing fruit. At the same time, I was impressed by initiatives such as construction management using 3D imaging, and the use of digital technology to pass on skilled workers' knowledge to the next generation. At a session with mid-career and younger female employees, I was struck by their drive to enhance corporate value through their own growth.

The growth of each employee advances Kajima's technology, and that technology, in turn, helps develop the next generation. I believe this continuous interplay between people and technology drives both the transfer and evolution of expertise.

Yasuda The technical expertise of Kajima's employees and the sense of responsibility they bring to their work are qualities that set the company apart. I believe these qualities are also a source of the trust Kajima has earned from its customers. And as Director Iijima says, Kajima has a wealth of talented, motivated female employees, so I would like to see them developed with care. Since DE&I Promotion Committee's launch, I have been encouraged by the Company's swift establishment of KPIs relating to recruiting women into career-track positions, the ratio of female managers, and the uptake of paternity leave, as well as by the wide range of initiatives supporting flexible work arrangements, career development, and childcare leave. Because Kajima's work is built through collaboration among many people, it provides countless opportunities for employees to grow. I look forward to seeing more frontline employees, including women, thrive.

Saito One area where Kajima appears cautious, even as it strengthens its overseas business, is overseas civil engineering. Infrastructure is aging in Japan, Europe and the United States, and demand for its renewal is expected to grow. There may be hesitation stemming from past setbacks, but I believe the Company should start with regions that are both promising and relatively accessible.

Yasuda I believe Kajima's overseas operations are important not only for business growth, but also as an opportunity to develop talent. Working in an environment different from Japan tests young employees, helps them grow and builds their management experience. I would like to see Kajima develop global talent early on in employees' careers.



Expectations for our new President, Masafumi Kiryu, and developing the next generation of leaders

Saito At the Nomination Advisory Committee, we considered the qualities required of the next president under the succession plan and conducted a comprehensive assessment incorporating external evaluations. As a result, the committee concluded that Mr. Kiryu was the right person to lead Kajima into the next era and recommended him to the Board of Directors.

A change in leadership presents an opportunity to accelerate transformation. The direction set at this moment will have an impact on how the Company is perceived internally and externally. I hope President Kiryu will seize this opportunity to articulate a vision for transformation, including his view of where the construction industry is headed, and lead Kajima to the next stage.

Iijima President Kiryu has spent his entire career at the front line, which I regard as a real strength. I hope he will draw on that experience to lead Kajima's transformation and demonstrate the company's potential. To me, the strengths cultivated at the front line can be distilled into insight, decisiveness, execution, and communication. The ability to identify opportunities and risks, make timely decisions, act on them, and communicate openly with others will be vital. I also hope he will continue to share his vision with employees and other stakeholders.

Yasuda I was particularly struck by President Kiryu's decision, immediately after taking office, to announce measures aimed at addressing the industry's workforce shortage in collaboration with our partner companies. It was a message that reflected his roots in the field. I believe President Kiryu's greatest strength is his ability to foster cooperation and collaboration built on trust. While it is important to harness the capabilities of Kajima, many of today's challenges cannot be addressed by a single company. Collaboration with partners and across the industry is becoming important. I have high expectations for him as a leader in this new era.

Saito This year, I believe the Nomination Advisory Committee should focus on developing future leaders and strengthening succession planning for the presidency. In particular, we should discuss how to give high-potential managers the experience needed for future leadership. But

Outside Director Discussion

we cannot define the talent we need to develop until the direction of Kajima and the construction industry is settled. Under President Kiryu's leadership, I would like the Board of Directors to discuss the construction industry and Kajima's future.

Yasuda I believe we should discuss a company-wide approach to developing future leaders. With Kajima operating across diverse businesses, including civil engineering, building construction and real estate development, I feel that organizational boundaries among these business divisions have become pronounced. Exposure to different businesses, as well as experience in tackling challenges, provides opportunities for high-potential managers to develop into leaders. Going forward, we should consider a structured leadership development program, including cross-functional rotations.

Further strengthening governance

Yasuda I believe transitioning to a company with an Audit and Supervisory Committee was a sound decision. I hope Kajima will seize this opportunity to consider what its governance framework should look like and to continue enhancing its quality and effectiveness. While the Board prioritizes matters of strategic importance and has established mechanisms to ensure that bad news from project sites is reported, I believe scrutiny should be given to the various committees' operations and to the focus of key agenda items.

Iijima I believe the Board should focus its discussions on strategy centered on the Medium-Term Business Plan, and significant operational matters brought before the Board by management. Another priority is the long-term vision. Start by defining what society will look like in 2040 and what Kajima intends to be by then, and position the Medium-Term Business Plan within that vision. Now is the time for Kajima to take this on.



Saito I believe the time has come to think seriously about the construction industry's future. AI and digital technologies are advancing rapidly and may transform both building design and construction. We need to develop a clear vision of the future, including how construction and digital technologies can be integrated. While Kajima is often recognized for its substantial investment in research and development, I believe we should be prepared to invest even more for future growth. Consideration should be given to the priorities and appropriate investment.

Iijima The transition to a company with an Audit and Supervisory Committee also provides an opportunity to review Kajima's governance structure. Companies with an Audit and Supervisory Committee often have a three-committee structure consisting of a Nomination Committee, a Remuneration Committee, and an Audit and Supervisory Committee. In that context, I believe it would be worthwhile to consider whether the current Governance and Remuneration Advisory Committee should evolve into a dedicated Remuneration Committee focused on executive compensation.

Executive compensation has been adjusted gradually over time and, in my view, has now reached an appropriate level. The next step is to review the balance of fixed compensation, short-term incentives, and long-term incentives, along with their performance metrics. Institutional investors are seeking closer alignment between executive pay, performance, and shareholder value, making a review of compensation frameworks and market benchmarks essential. While current incentives are linked to metrics such as net income, ROE, safety performance, and employee engagement, expanding the use of ESG-related measures, including environmental factors, should also be considered.

Saito Short-term incentives are relatively straightforward to design, as they are tied to near-term performance. By contrast, there is still room for discussion regarding the criteria and allocation of long-term incentives. I believe Kajima should refine its approach and articulate it clearly to external stakeholders.

Toward further growth in corporate value

Yasuda Now is the time to discuss how to further enhance corporate value, while business performance remains strong. An area I consider important is expanding Kajima's overseas business. Key challenges include risk management,

* Changed to the Remuneration and Governance Advisory Committee in September 2026





greater transparency of profitability, and talent development. Overseas operations can serve as a valuable platform for developing future leaders through exposure to infrastructure asset management and other investment-related businesses. Investors are monitoring Kajima's overseas business, and its strategic role should be a key consideration in the next Medium-Term Business Plan.

Iijima I believe innovation and R&D will drive Kajima's future growth. Kajima should continue to evolve its business portfolio by leveraging and expanding the technologies and assets that it has cultivated over the years, including eco-friendly concrete, the OPSODIS 1® immersive audio speaker, and environmental initiatives such as restoring seaweed beds and coral reefs. Overseas and real estate development businesses should remain central to the growth portfolio.

Saito The rapid expansion of AI and data centers is stressing power infrastructure worldwide. Integrated business models combining the development and operation of power plants and data centers are already emerging in some overseas markets. Kajima may wish to consider opportunities that extend beyond construction into operating such assets. Examining these possibilities may lead to defining a vision for the construction industry's future.

Iijima AI and digital transformation are vital to the construction industry's future, but there are growing security challenges. The Board should also discuss how to recruit and develop digital talent, and how to raise digital literacy across the workforce.

Saito One of the most significant challenges facing the industry is the shortage of skilled workers. Addressing this issue will require stronger engagement with students through initiatives such as endowed courses at technical high schools, colleges of technology, and universities. Exploring the potential role of overseas talent may also be part of the solution. In addition, as multimodal AI advances, we must consider how to preserve and better leverage the industry's craftsmanship and know-how.

Iijima I believe Kajima has steadily advanced its human capital management efforts, recognizing people as a source of sustainable growth rather than simply a cost. Going forward, I would encourage the Company to further emphasize fostering an inclusive culture that embraces diversity and enables every individual to contribute to their full potential. By continuing to make proactive investments in its people, Kajima can further enhance its appeal to globally minded talent.

Officers (As of June 26, 2026)

Directors (excluding directors who are Audit & Supervisory Committee Members)

Years in office
Number of shares owned



Yoshikazu Oshimi
Chairman, Representative Director

11 years | 86,452 shares

1974 Joined the Company
2005 Executive Officer
General Manager, Yokohama Branch
2008 Managing Executive Officer
2010 Senior Executive Officer
2015 Executive Vice President
President, Representative Director
President
2021 Chairman, Representative Director (to the present)



Masafumi Kiryu
President, Representative Director
President

Newly appointed | 18,875 shares

1984 Joined the Company
2021 Executive Officer
Deputy General Manager, Tokyo Architectural Construction Branch
2024 Managing Executive Officer
General Manager, Yokohama Branch
2026 President, Representative Director
President (to the present)



Keisuke Koshijima
Representative Director,
Executive Vice President
Responsible for Overseas Operations

5 years | 31,402 shares

1978 Joined the Company
2009 Executive Officer
2010 General Manager, Overseas Operations Division
2012 Managing Executive Officer
2015 Senior Executive Officer
2018 Executive Vice President (to the present)
2021 Representative Director (to the present)
2026 Responsible for Overseas Operations



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

3 years | 49,071 shares

1981 Joined the Company
2013 Executive Officer
Deputy General Manager, Civil Engineering Management Division
2015 Managing Executive Officer
Deputy General Manager, Kansai Branch
2017 General Manager, Tokyo Civil Engineering Branch
2021 Senior Executive Officer
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)



Takeshi Katsumi
Director
Executive Vice President
General Manager, Administration Division
Overseeing Audit Department, and Safety and Environmental Affairs Department

5 years | 47,226 shares

1980 Joined the Company
2014 Executive Officer
General Manager, Corporate Planning Department
2017 Managing Executive Officer
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

6 years*1 | 11,450 shares

1983 Joined the Company
2017 General Manager, Audit Department
2020 Full-time Audit & Supervisory Board Member
2024 Director (to the present)
Managing Executive Officer (to the present)
General Manager, Treasury Division (to the present)



Tamotsu Saito
Director*2

4 years | 3,400 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*2

3 years | 2,000 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)



Yuko Yasuda
Director*2

1 year | 100 shares

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 The number of years shown includes the period of service as an Audit & Supervisory Board Member.
*2 "Outside Director" as defined in Article 2, item 15, of the Companies Act.
Note: The number of shares owned is as of the end of April 2026.

Directors (Audit & Supervisory Committee Members)

Years in office
Number of shares owned



Toshiaki Kobayashi
Director and
Audit & Supervisory Committee Member (Full-time)

2 years*1 | 5,600 shares

1986 Joined the Company
2014 General Manager, Legal Department
2024 Full-time Audit & Supervisory Board Member
2026 Director (Full-time Audit & Supervisory Committee Member) (to the present)



Eiji Omori
Director*2 and
Audit & Supervisory Committee Member (Full-time)

Newly appointed | 0

1985 Joined the Sumitomo Bank, Limited
2014 Executive Officer, Sumitomo Mitsui Banking Corporation
General Manager, Head Office Sales Department IV
2017 Managing Executive Officer, Sumitomo Mitsui Banking Corporation
2019 Advisor, SMBC Consulting Co., Ltd.
2019 Representative Director and President, SMBC Consulting Co., Ltd.
2020 Senior Executive Officer, GINSEN CO., LTD.
2024 Representative Director and Deputy President, Executive Officer, GINSEN CO., LTD.
2026 Director (Full-time Audit & Supervisory Committee Member) of the Company (to the present)



Kazumine Terawaki
Director*2 and
Audit & Supervisory Committee Member

7 years*1 | 4,700 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
2026 Director (Audit & Supervisory Committee Member) (to the present)



Emiko Takeishi
Director*2 and
Audit & Supervisory Committee Member

3 years*1 | 700 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
2006 Assistant Professor, Faculty of Lifelong Learning and Career Studies, Hosei University
2007 Professor, Faculty of Lifelong Learning and Career Studies, Hosei University (to the present)
2023 Audit & Supervisory Board Member of the Company
2026 Director (Audit & Supervisory Committee Member) (to the present)



Makiko Nakamori
Director*2 and
Audit & Supervisory Committee Member

2 years*1 | 1,600 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
2026 Director (Audit & Supervisory Committee Member) (to the present)

Executive Officers

President

Masafumi Kiryu

Executive Vice Presidents

Keisuke Koshijima
Responsible for Overseas

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

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

Katsuhisa Takekawa
Responsible for Specific Projects

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
Deputy General Manager, Civil Engineering Management Division, Responsible for CUCO, Green Innovation Fund Project and A^{3}CSEL

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, Building Construction Management Division Responsible for Safety (Construction)

Nobuaki Yoshioka
General Manager, Tokyo Architectural Construction Branch

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

Hiroyuki Komori
General Manager, Kansai Branch

Masami Moriguchi
Deputy General Manager, Civil Engineering Management Division; General Manager, International Division; Overseeing Renewable Energy Department

Managing Executive Officers

Takashi Kumano
General Manager, Treasury Division

Hirotaka Takabayashi
General Manager, Overseas Operations Division

Shuichi Oishi
President, Kajima Development Pte. Ltd.

Hidemitsu Yoshihiro
General Manager, Tokyo Civil Engineering Branch

Koji Ikkatai
General Manager, Engineering Division

Tetsuya Ashida
Deputy General Manager, Civil Engineering Management Division

Munehisa Yoshimi
Deputy General Manager, Sales and Marketing Division

Tadashi Fujimura
Deputy General Manager, Architectural Design Division

Yoshinobu Ozaki
General Manager, Shikoku Branch

Jirou Tsuneoka
General Manager, Chugoku Branch

Shoichi Nomura
General Manager, Kanto Branch

Hiroto Ichiki
General Manager, Environmental Engineering Division

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

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

Executive Officers

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

Naoshi Nishizawa
General Manager, Human Resources Department, Overseeing IT Solutions Department and Center for Shared Administrative Services

Yukio Tada
General Manager, Civil Engineering Design Division

Tsuneo Narumi
Deputy General Manager, Sales and Marketing Division

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.

Hiroyuki Okada
Deputy General Manager, Tokyo Architectural Construction Branch

Yoshiyuki Takahashi
General Manager, Yaesu 2-Chome Central District Category-1 Urban Redevelopment Project Construction Office, Tokyo Architectural Construction Branch

Shinji Kawahara
Deputy General Manager, Kansai Branch

Masato Matsuda
General Manager, Yokohama Branch

Toshio Funabasama
General Manager, Mechatronics Solutions Department

Masaaki Tagawa
General Manager, Kyushu Branch

Haruhiko Kurino
Director of Kajima Technical Research Institute

Yoshiharu Abe
General Manager, Affiliated Business Department, Overseeing Public Relations Office

Shinichi Kanetsuna
General Manager, Corporate Planning Department

Corporate Governance

Overview of the corporate governance structure

Transition to a company with an Audit & Supervisory Committee

Following the 129th Ordinary Shareholders' Meeting held on June 26, 2026, Kajima transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee.

This transition will accelerate decision-making and business execution by delegating greater authority, facilitate deeper Board discussions on management policies and strategies, and reinforce the Board's supervisory function, further strengthening corporate governance and enhancing corporate value. We are also enhancing audit and supervisory functions by strengthening coordination between the Audit & Supervisory Committee and the Audit Department and improving the audit framework.

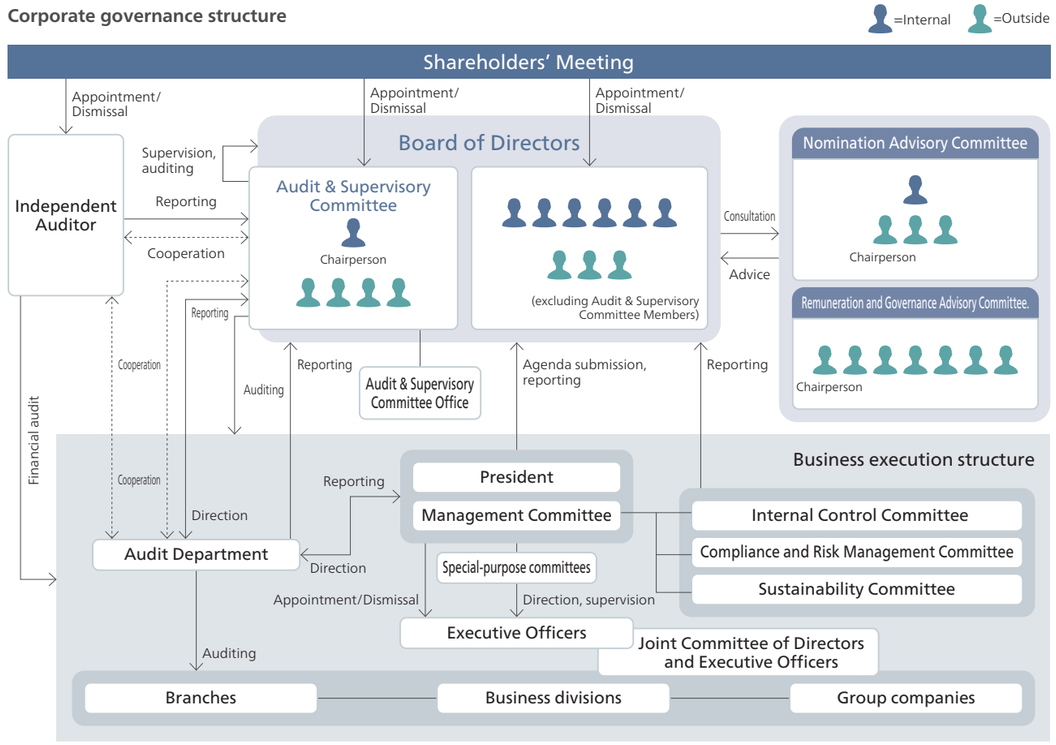
The Board of Directors is composed of directors well versed in Kajima's businesses and outside directors with extensive management experience and expertise as corporate executives and in other roles. The board deliberates and decides on basic management policies and important matters and supervises the execution of operations. The Audit & Supervisory Committee audits and supervises the execution of duties by directors based on its members' professional expertise and specialized knowledge in areas such as law, finance and accounting.

To enhance business oversight, Kajima established the Nomination Advisory Committee and Remuneration and Governance Advisory Committee to advise the Board of Directors. For efficiency, we established the Management Committee and Joint Committee of Directors and Executive Officers. The President chairs the Management Committee, which meets weekly to discuss and decide critical operational matters directed by the Board of Directors.

The Board of Directors established the Basic Policy for building internal control systems to ensure compliance, effective risk management, appropriate and efficient business execution, and reliable financial reporting. The Internal Control Committee regularly reviews internal control system establishment and operation, and reports findings to the Board of Directors.

In addition, the Audit Department, which operates independently of the business execution functions, audits Kajima and its Group companies with respect to accounting and business activities, internal controls over financial reporting, and compliance and risk management systems. The Department reports its findings directly to the Board of Directors and the Audit & Supervisory Committee.

Corporate governance structure



Board of Directors	
Number of members	14 directors, seven of whom are outside directors (serve one-year terms)
Chairperson	Chairman
Members	All directors
Number of meetings held in FY2025	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 Committee	
Number of members	Five directors, four of whom are outside directors (serve two-year terms)
Chairperson	Internal directors
Members	All directors serving as Audit & Supervisory Committee Members

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
Members	President and Outside Directors
Number of meetings held in FY2025	4 meetings

Purpose

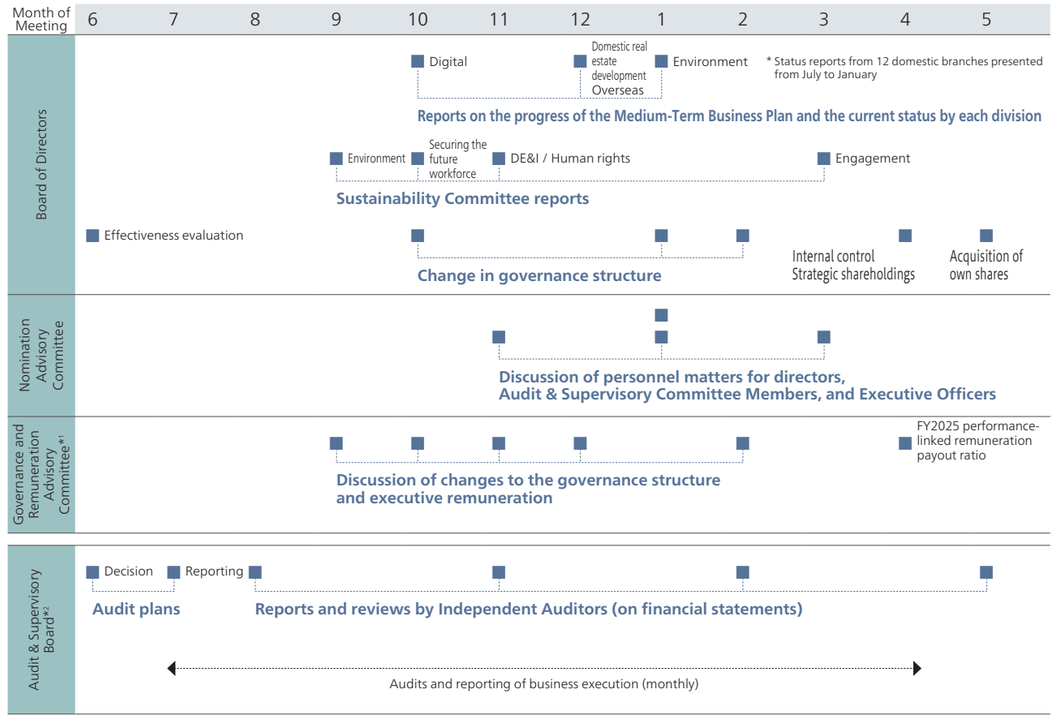
- Discuss the appointment and other personnel matters of directors and other officers and make recommendations to the Board of Directors

Remuneration and Governance Advisory Committee	
Chairperson	Outside Director
Members	Outside Directors

Purpose

- Discuss primarily the remuneration of directors and other officers and make recommendations to the Board of Directors

FY2025 meetings held by the Board of Directors, Audit & Supervisory Board, and various committees (Key Topics)



*1 Renamed the Remuneration and Governance Advisory Committee in September 2026
*2 Changed to the Audit & Supervisory Committee from June 2026 following the change in governance structure.

Corporate Governance

Expertise and experience desired of directors

Since Kajima operates across all phases of the value chain, mainly in domestic and overseas construction and real estate development, its directors must possess experience, expertise, and exceptional qualities to ensure appropriate decision making and effective supervision of management. Directors who are Audit & Supervisory Committee Members must also possess the experience, knowledge, and expertise needed to appropriately audit and supervise directors' execution of duties. From this perspective, our skills matrix sets out the experience, expertise, and other capabilities considered necessary for directors. We select individuals who can leverage business, financial, technical, and other expertise developed in their respective fields, while ensuring the Board as a whole has an appropriate balance of knowledge, experience, and capabilities, as well as diversity and an appropriate size.

To maintain objectivity and transparency in nominating candidates for director positions, including directors who are Audit & Supervisory Committee members, the Board of Directors deliberates on and decides the nominations, taking into account the advice and recommendations of the Nomination Advisory Committee.

Skills matrix for directors

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

	Name	Position, etc.	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 (excluding directors who are Audit & Supervisory Committee Members)	Yoshikazu Oshimi	Chairman, Representative Director		●			●	●	●		●	●
	Masafumi Kiryu	President, Representative Director President and Executive Officer	■	●			●	●	●			●
	Keisuke Koshijima	Representative Director, Executive Vice President		●		●		●		●	●	●
	Masaru Kazama	Representative Director, Executive Vice President		●			●	●		●	●	●
	Takeshi Katsumi	Director, Executive Vice President		●	●	●			●			●
	Takashi Kumano	Director, Managing Executive Officer		●	●	●						●
	Tamotsu Saito	Director Outside Independent	■★ ◆★	●			●		●	●	●	
	Masami Iijima	Director Outside Independent	■◆	●		●			●	●	●	
	Yuko Yasuda	Director Outside Independent	■◆	●					●	●	●	
Directors who are Audit & Supervisory Committee Members	Toshiaki Kobayashi	Director Audit & Supervisory Committee Member (full-time)				●					●	●
	Eiji Omori	Director Audit & Supervisory Committee Member (full-time) Outside Independent	◆	●	●	●					●	
	Kazumine Terawaki	Director Audit & Supervisory Committee Member Outside Independent	◆			●			●			
	Emiko Takeishi	Director Audit & Supervisory Committee Member Outside Independent	◆			●			●		●	
	Makiko Nakamori	Director Audit & Supervisory Committee Member Outside Independent	◆		●	●	●		●			

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-driven 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 2025 to May 2026 are described below.

Analysis and evaluation method

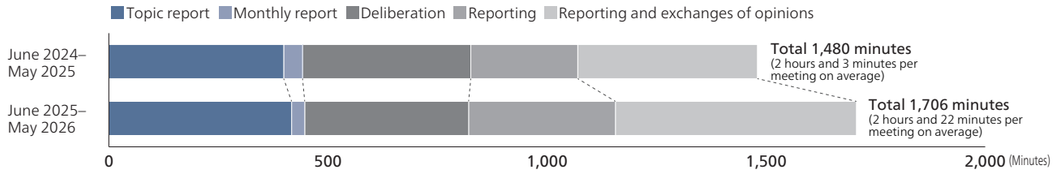
(1) Retain an external organization to conduct a survey of all directors and members of the Audit & Supervisory Board.
(2) Based on the results of the survey and quantitative and qualitative analysis of matters such as the content of agenda items submitted to the Board of Directors meetings and the deliberation 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 Shareholders' Meeting

2. Initiatives in FY2025

Issues from 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	• Discussion of medium- to long-term issues, including the status of real estate development and overseas businesses, progress in digitalization, the status of domestic branches, and reports from the Sustainability Committee • Multiple discussions on changes to the governance structure	• Need for in-depth discussions on important issues, including medium- to long-term management strategies, overseas operations, DX/AI, and human resource development • Need to enhance meeting discussions by sharing materials further in advance • Need for continued consideration of the composition of the Board of Directors, including Board size, the ratio of internal to outside directors, and diversity
Issue 2 Greater opportunities to engage in dialogue other than at Board of Directors' meetings	• Construction site visits by outside directors	
Issue 3 Continuous review of the composition of the Board of Directors	• Decision to transition to a Company with an Audit & Supervisory Committee (from June 2026) • Increase in the ratio of outside directors to 50%	

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.

Planned actions for FY2026

(1) Review of matters to be submitted to the Board of Directors to enhance discussions on growth and management strategies
(2) Reporting and discussion on human resources measures and innovation as key issues
(3) Providing materials further in advance and implementing other measures to enhance discussions at Board of Directors meetings
(4) Continued consideration of the appropriate size and greater diversity of the Board of Directors
(5) Continued site visits and other opportunities to deepen outside directors' understanding of Kajima's businesses

*Renamed the Remuneration and Governance Advisory Committee in September 2026

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 Remuneration and Governance Advisory Committee, which is comprised primarily of outside directors 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 the policy and details of director remuneration based on the advice and recommendations of the Committee.

Directors (excluding directors who are Audit & Supervisory Committee Members)

Kajima provides fixed remuneration to directors (excluding directors who are Audit & Supervisory Committee Members) 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).

Ratio of fixed remuneration and performance-linked remuneration

	Fixed remuneration (monthly remuneration)	Performance-linked remuneration	
		Bonus	Stock remuneration
President	25%	25%	50%
Director (Excluding the President)	Performance-linked bonuses and stock-based remuneration account for a larger proportion of total remuneration at higher positions.		

Note: Assuming bonuses are equal to standard amounts and stock remuneration is equal to the standard number of stocks
Note: Outside directors receive monthly remuneration only.

Directors (Audit & Supervisory Committee Members)

In light of their responsibilities, directors who are Audit & Supervisory Committee Members receive fixed remuneration in the form of monthly remuneration to ensure that they can perform their audit and supervisory functions from an independent standpoint. The amount of remuneration is determined within the limit approved at the Shareholders' Meeting.

Outline of the officer remuneration system

Eligible	Type		Handling and formula	Maximum amounts
Director (excluding directors who are Audit & Supervisory Committee Members)	Fixed remuneration (monthly remuneration)		Amount corresponding to the position.	Annual: ¥600 million (of which up to ¥100 million for outside directors)
Director (excluding directors who are Audit & Supervisory Committee Members and outside directors)	Performance-linked remuneration	Bonus	■ Formula: Bonus = Base amount x Evaluation coefficient Evaluation coefficient 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: ¥800 million
		Stock remuneration	■ Formula: Stock remuneration = Base number of shares × Evaluation coefficient Evaluation coefficient 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 Consolidated 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. (Note)	¥3.6 billion over three fiscal years
Directors (Audit & Supervisory Committee Members)	Fixed remuneration (monthly remuneration)		Amount determined through consultation among directors who are Audit & Supervisory Committee Members	Annual: ¥180 million

Note: A clause 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

Details of officer remuneration

FY2025 remuneration for directors and Audit & Supervisory Board Members

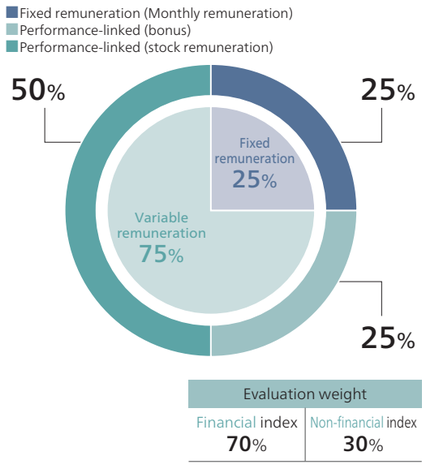
(¥ million)

Position	Total remuneration	Monthly remuneration	Bonus	Stock remuneration	Recipients
Directors (excluding outside directors)	1,205	365	450	389	7
Audit & Supervisory Board Members (excluding outside members)	61	61	—	—	2
Outside officers and outside members of the Audit & Supervisory Board	135	135	—	—	9

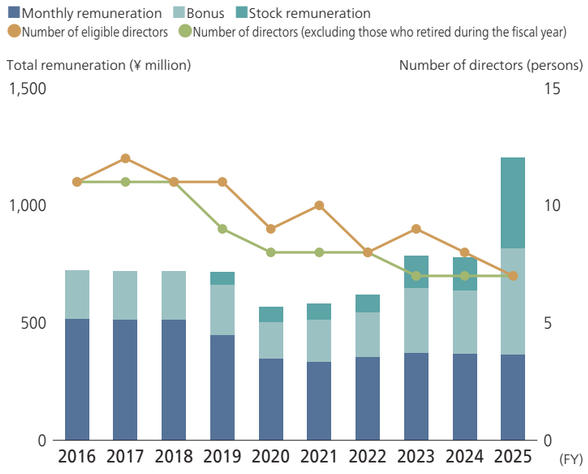
Notes: 1. The bonus amount above shows the amount expensed in FY2025 for officers' bonuses paid to seven directors.
2. The stock remuneration amount above shows the amount expensed in FY2025 for stock remuneration (position-based fixed portion and performance-linked portion) paid to six directors, as well as cash-based substitute remuneration paid to one director residing overseas.

For details on officer remuneration, please refer to "Remuneration for Directors and Other Officers" on pp. 73–79 of the Annual Securities Report for the fiscal year ended March 31, 2026.
https://www.kajima.co.jp/ir/yuho/

Composition of remuneration for directors (excluding outside directors)



Trends in total remuneration for directors (excluding outside directors)



Topics

Outside officers visit expressway construction site

In September 2025, outside officers visited an expressway shield tunnel construction site to deepen their understanding of Kajima's business.

After touring the shield tunneling control room and segment yard, they entered the tunnel to inspect the shield machine nearing its destination and observe the progress of construction. They also received briefings on the fiber-optic monitoring system and advanced control technology for large-diameter shield tunneling.

Following the site visit, the outside officers engaged in wide-ranging discussions with younger employees on topics including distinctive features and innovations in construction, as well as environmental and quality initiatives.

In January 2026, they also visited an expressway construction site in the Kansai region.



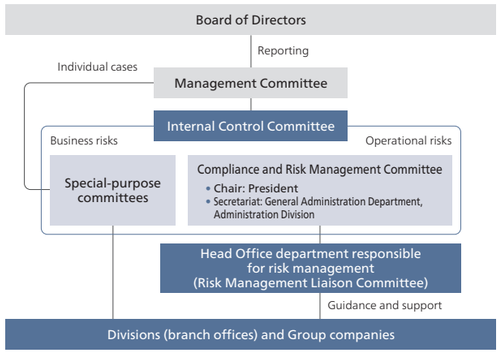
Risk Management

Group-wide risk management system

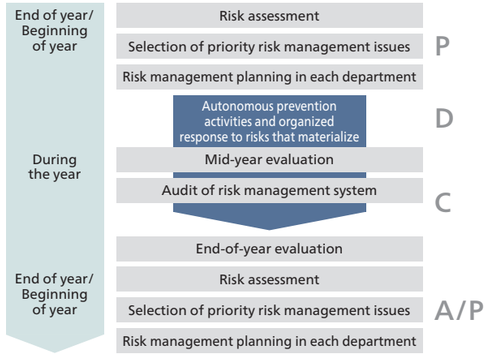
Based on effective and efficient risk management systems, the Kajima Group strives to identify risks in its businesses and operations and to prevent them from materializing. The Group also works to keep improving corporate value by winning the trust of stockholders, customers, and others with appropriate 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, comprising individuals in charge at the Head Office department responsible for risk management, meets regularly (24 times in FY2025) to report and share materialized Group risks, revisions to laws and regulations, social trends, other companies' case studies, and risk communication methodologies. It also reports important information to the Compliance and Risk Management Committee as appropriate.

Risk management framework



Risk management activity cycle



Risk management activities

To enhance the effectiveness of risk management activities, at the start of each fiscal year Kajima analyzes various risks anticipated in corporate operations from two perspectives: occurrence frequency and impact level. 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. Prompt reporting is mandatory for materialized risks. Such cases are reported and shared at the Risk Management Liaison Committee, which implements organizational measures to prevent escalation and recurrence. These activities are reviewed and evaluated during and at the end of each fiscal year, and the findings are reflected in the following year's initiatives as part of a PDCA cycle. The General Administration Department, as 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 Kajima's and manage their risk independently.

Key risks

Risks of changes in the business environment
Risks of fluctuation in construction costs
Risks of fluctuations in prices and profitability of assets held
Risks related to changes in political and economic conditions in other countries
Risks associated with future workforce shortages in the construction industry
Legal and regulatory risks
Safety and health, environmental, and quality risks
Information security risks
Business partner credit risks
Hazard risks (natural disasters, pandemics, etc.)
Physical risks associated with climate change and transition risks associated with the shift to a decarbonized society

▶ For details, please refer to "Business Risks" on pp. 24–27 of the Annual Securities Report for the fiscal year ended March 31, 2026.

Information Security

Information security management framework and activities

The Kajima Group has established an Information Security Policy to protect various information concerning structures, customers, management, technology, 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 supervision of the Chief Information Security Officer (CISO), K-SIRT*1 takes the lead on working with branches, departments, and domestic and overseas Group companies to reduce risks.

As a prevention measure, employees Group-wide take an annual online course on information security. This program raises awareness of security incidents and risks from using generative AI and other digital technologies. Kajima provides ongoing training on threats such as targeted email attacks, and promotes security awareness. At its offices, Kajima regularly inspects and audits physical, personnel and technical measures. For partner companies, Kajima distributes checklists, awareness-raising posters, videos and other educational materials provided by the Japan Federation of Construction Contractors (JFCC) to strengthen information security across the supply chain.

*1 KAJIMA Security Incident Response Team

FY2025 education and training record

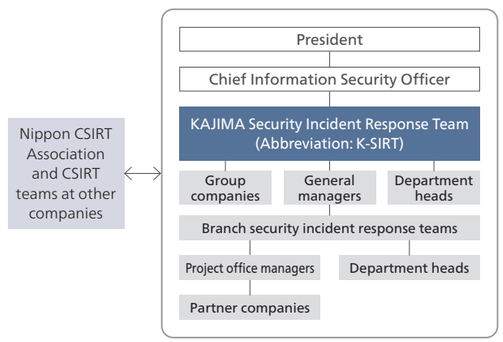
- Training on targeted email attacks
  Participants: 32,193
- Online course on information security (Participation rate: 100%)
  Participants: 26,121 employees (including 9,845 employees from Group companies)

Cybersecurity

Kajima is addressing increasingly sophisticated cybersecurity threats in accordance with the Cybersecurity Management Guidelines from Japan's Ministry of Economy, Trade and Industry. K-SIRT is a member of the Nippon CSIRT Association and keeps up with security and cyber-attack trends, cooperating regularly with external organizations and CSIRT teams at other companies. Kajima is also strengthening its protection and detection measures and establishing and enhancing systems for around-the-clock, 365-day monitoring and response to unauthorized access, computer viruses and other threats, enabling it to respond quickly to cyberattacks and minimize damage.

Furthermore, Kajima has established guidelines for promptly addressing serious incidents and minimizing damage and impacts, and conducts practical training annually to strengthen its organizational readiness and business continuity.

Information security management framework



Multi-hazard business continuity plan

Strengthening the Kajima business continuity system

In 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 conduct regular training and make continuous improvements. Kajima's high business continuity preparedness is recognized via certifications including the Business Continuity and Disaster Recovery Certification for Construction Companies*2 and the Resilience Certification*3. We also strengthen the entire supply chain's the business continuity by providing BCP manuals for partner companies.

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

In the construction industry, companies are essential to the early recovery of social infrastructure after natural disasters, such as road clearance operations. Kajima has disaster preparedness agreements with the JFCC, which receives national government requests, and with local governments and public infrastructure operators. Under 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 2025

Compliance

Compliance program and implementation

The Kajima Group recognizes compliance as the foundation of our business activities. To articulate this stance, we 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, receives regular reports on the progress of compliance initiatives across the Group. It is also promptly informed of any significant incidents, directs the necessary response and corrective measures, and reports the details to the Board of Directors.

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

Each Group company has also established and implements compliance programs in line with those of Kajima.

Major initiatives in FY2025

- Revision of the Kajima Group Code of Conduct (issued in May 2026)
- Revision of compliance manual (11th edition)
- Online course on compliance
  (Intended attendees: all officers, employees and temporary staff, including those at domestic Group companies)
  Participants: 25,846 people (including 9,991 people from 47 Group companies), Participation rate: 100%

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

Regarding payments 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 FY2025, we analyzed interviews conducted through 2024 during visits to local subsidiaries and other entities, primarily in Asia. Based on the findings, we prepared to review our anti-bribery framework in FY2026 and started some reviews ahead of schedule. 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 require fair and appropriate supply chain transactions through company-wide rules prohibiting coercive practices toward partner companies and, in principle, any entertainment or gifts from them. We also conduct strict due diligence before commencing business with each partner company to ensure fairness and transparency in selection.

We will continue working to promote and firmly establish the Kajima Group Conduct Guidelines for Business Partners and implement initiatives to ensure thorough compliance throughout the supply chain.

Ensuring fairness in transactions and negotiation processes

We also work to ensure fairness in transactions with partner companies and in negotiation processes.

In March 2026, in compliance with the revised Promotion Standards(*) and revised Guidelines for Compliance with Construction Business Laws and Regulations, we improved payment terms for partner companies to further strengthen the supply chain.

*Promotion Standards: general standards to be followed by subcontractors and contracting businesses for the purpose of promoting small and medium-sized contracting enterprises pursuant to Article 3, Paragraph 1 of the Act on the Promotion of Subcontracting Small and Medium-Sized Enterprises

Ensuring strict compliance with the Antitrust Law

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.

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

Cycle of activities for compliance with the Antitrust Law

P (Plan) — Kajima Regulations for Preventing Collusion

- Basic Policy for Receiving Construction Orders (Compliance Matters)
- Procedures for each stage of the bidding and quotation process and rules for preparing and maintaining records*1
- Rules for contacting other companies in the same industry and procedures for participating in external meetings
- Obligation to report any violations or improper activities, etc.

Establishment of a consultation system with legal counsel

D (Do)

- Ensuring the reliability of all procedures at each department and branch office
- Holding Antitrust Law training sessions*2
- Formulation and distribution of the Manual for Compliance with the Antitrust Law
- Consultations on questions and uncertainties that arise in the course of work

C (Check)

- Regular checks by the administrative departments of each division and branch office through approval procedures, circulation procedures, etc.
- Implementation of audits in collaboration with legal counsel, the Legal Department, and the Audit Department*3
- Investigation of reports of violations or improper activities

A (Act) — Reporting

- The Antitrust Law Committee (or Executive Committee) examines areas for improvement based on annual reports on the audit activities and the audit results
- In the event of a violation or improper activities, the Antitrust Law Committee analyzes the cause and considers measures to prevent a recurrence

Feedback

*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 FY2025: 1,885 employees (including 482 employees from 27 Group companies)
*3 Implemented for all 12 branches and 2 relevant Head Office departments in FY2025 and cooperated with audits conducted by all 18 domestic Group companies engaged in business activities for public procurement

Current status of trial proceedings (as of November 2026)

In the criminal case involving violations of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade in connection with the Chuo Shinkansen construction project, we filed a final appeal to the Supreme Court because the Tokyo High Court dismissed the appeal to the guilty verdict by the Tokyo District Court. However, the Supreme Court dismissed our final appeal on September 14, 2026, and the sentence (a fine of ¥250 million) has been finalized. Regarding the administrative litigation to revoke the cease-and-desist order issued by the Japan Fair Trade Commission in relation to the same incident, we filed a final appeal and a petition for acceptance of the final appeal to the Supreme Court against the dismissal by the Tokyo High Court. However, we have taken the Supreme Court’s decision to dismiss the final appeal in the above criminal lawsuit with utmost seriousness and have withdrawn the final appeal and petition for acceptance of the final appeal in this administrative litigation. As a result, all lawsuits related to this incident have concluded. We take the decision of the Supreme Court seriously and will further strive to ensure thorough compliance.

Whistleblower system

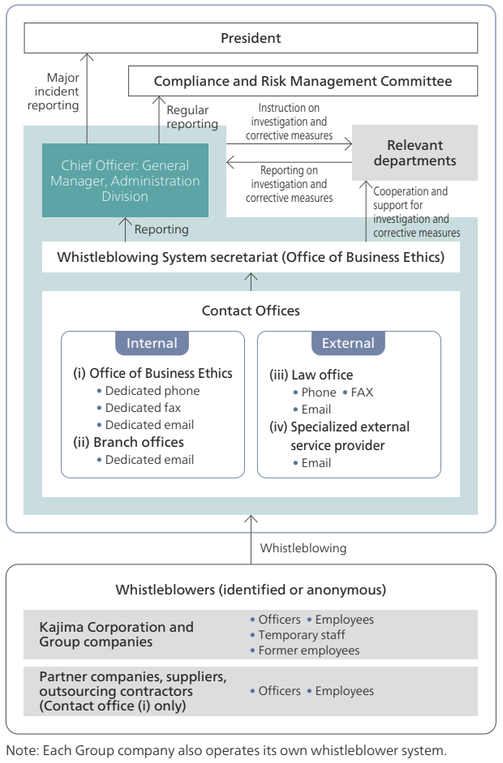
We have established a whistleblower system (the corporate ethics hotline) through which employees of Kajima, Group companies, partner companies and others may report, anonymously if they prefer, facts or suspicions concerning wrongdoings or legal violations involving our officers or employees, including corruption such as bribery. To ensure the ease of use and effectiveness of this system, we have also established multiple contact points outside the Company. 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.

We are introducing a global whistleblowing system allowing employees and other personnel across our overseas operations to report directly to the Head Office, alongside local reporting channels. During FY2026, direct reporting to the Head Office will become available at all overseas locations.

Whistleblowing reports to the corporate ethics hotline in FY2025

- 138 reports (28 investigations, 110 consultations)

Corporate ethics hotline framework



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

Financial and Non-Financial Highlights

Financial information

(¥ billion)

(FY)		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financial Results (consolidated)											
Construction Contract Awards		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	3,263.9
Revenues		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	3,067.2
Operating Income		155.3	158.3	142.6	131.9	127.2	123.3	123.5	136.2	151.8	240.7
Ordinary Income		163.4	179.7	162.9	146.6	139.7	152.1	156.7	150.1	160.6	240.4
Net Income Attributable to Owners of the Parent		104.8	126.7	109.8	103.2	98.5	103.8	111.7	115.0	125.8	177.3
Operating Margin (%)		8.5	8.7	7.2	6.6	6.7	5.9	5.2	5.1	5.2	7.8
R&D Expenses		8.2	10.3	13.9	16.4	15.0	17.3	18.2	20.7	22.2	24.2
Capital Expenditures		29.4	16.1	28.4	86.3	52.7	58.0	85.8	47.5	75.1	61.0
(Non-consolidated)	Construction Contract Awards	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	2,171.5
	Revenues	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	1,710.0
	Net Income	81.7	100.3	97.0	80.1	82.8	72.1	78.4	90.1	104.7	146.9
	Civil Engineering Gross Profit Margin (%)	18.2	21.2	19.0	14.0	15.5	16.5	18.0	13.7	15.4	24.6
	Building Construction Gross Profit Margin (%)	13.4	14.0	12.5	13.2	12.7	10.3	8.5	9.2	9.6	11.8
Financial Position											
Total Assets		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	3,624.3
Owners' Equity		548.5	666.0	753.2	791.7	874.8	945.7	1,052.4	1,210.1	1,258.1	1,415.0
Total Equity		552.5	669.7	756.9	796.0	884.8	953.5	1,061.1	1,223.6	1,277.9	1,436.2
Interest-Bearing Debt		372.9	344.8	298.7	326.8	317.0	359.9	537.7	612.6	792.0	833.1
Cash Flows											
Cash Flows from Operating Activities		187.5	120.4	30.3	53.0	153.0	30.2	(29.1)	123.7	30.6	114.6
Cash Flows from Investing Activities		(31.9)	(47.3)	(25.3)	(101.8)	(65.4)	(51.1)	(81.7)	(62.9)	(104.8)	(46.5)
Cash Flows from Financing Activities		(20.5)	(53.0)	(75.0)	(10.8)	(39.1)	(20.9)	111.8	(9.5)	61.6	(30.5)
Per Share Information											
Basic Net Income per Share (¥)*		101.01	244.29	211.67	200.99	193.13	208.00	227.98	238.76	266.49	379.81
Owners' Equity per Share (¥)*		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	3,036.89
Cash Dividends per Share (¥)		20.0	48.0	50.0	50.0	54.0	58.0	70.0	90.0	104.0	146.0
Key Financial Indicators											
Ratio of Net Income to Owners' Equity (ROE) (%)		20.6	20.9	15.5	13.4	11.8	11.4	11.2	10.2	10.2	13.3
Owners' Equity Ratio (%)		27.5	32.5	36.0	36.5	40.4	40.5	38.0	38.6	36.4	39.0
Debt-to-Equity Ratio (times)		0.68	0.52	0.40	0.41	0.36	0.38	0.51	0.51	0.63	0.59

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

	2023	2024	2025
Environment (consolidated)*1			
CO_2 emissions (Scope 1) (x10^4t-CO_2)	27.1	28.3	25.5* (25.8)
CO_2 emissions (Scope 2) (x10^4t-CO_2)	14.3	14.9	13.9
CO_2 emissions (Scopes 1+2) (x10^4t-CO_2)	41.4	43.2	39.5* (39.7)
CO_2 emissions (Scope 3) (x10^4t-CO_2)	1,936	1,355	1,597
Reduction in CO_2 emissions attributable to energy-saving design (x10^4t-CO_2)*2	42.2	45.3	76.4
Energy consumption (x10^4MWh)*2	105.7	115.2	104.8
Fossil fuel consumption (x10^4MWh)*2	72.1	76.5	68.9
Diesel alternative fuel consumption (x10^4MWh)*2	0.6	1.5	1.6
Electricity consumption (x10^4MWh)*2	11.8	13.2	13.3
Green power consumption (x10^4MWh)*2	0.9	1.3	2.8
Tap water consumption (x$10^4$$m^3$)*2	148.6	141.4	155.6
Construction waste generated (x10^4t)*3	154.7	143.8	173.0
Construction waste recycling rate (%)*3	95.9	96.4	96.6
Number of NbS projects (cases)*2	–	12	5
Human capital (non-consolidated)			
Number of employees*4	23,873	25,339	25,694
Number of employees	10,358	11,194	11,544
Number of female new graduate hires in the managerial track	64	74	77
Ratio of female new graduate hires in the managerial track (%)	21.1	23.2	22.4
Number of female managers	95	113	123
Percentage of female managers (%)	2.2	2.6	2.9
Average length of service (years)	17.9	16.4	15.7
Kajima Engagement Score	17.45	17.65	17.98
Turnover rate (%)	1.1	1.2	1.3
Turnover rate of new graduate hires within three years (%)	5.8	4.9	4.2
Ratio of mid-career hires (%)	18.9	61.4	18.2
Percentage of paid leave taken (%)	69.2	62.8	69.4
Paternity leave uptake rate (%)	92.2	91.2	94.3
of which, rate of employees taking 30 days or more (%)	35.1	46.0	62.3
Number of employees taking family care leave*5	48	40	52
Governance			
Board of Directors attendance rate (all directors) (%)	98.8	100.0	98.1
of which, outside directors (%)	98.6	100.0	95.4

*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.
* Figures include the use of carbon-neutral city gas.

Social Contribution Activities

Based on Kajima's Corporate Philosophy of striving to continually advance its business operations and contribute to society, the Kajima Group conducts its business while working as a good corporate citizen to address social and local community issues and contribute to the sustainable development of society.
Under the Kajima Group Social Contribution Activity Policy, established in April 2021, the Group promotes disaster preparedness and recovery, community support, environmental preservation, and education for the next generation, as well as the advancement of academia, culture, and the arts through its foundations.

Promotion of academia, culture and art — KAJIMA SCULPTURE COMPETITION

Find out more ›

Kajima organizes the KAJIMA SCULPTURE COMPETITION, an indoor sculpture competition centered on the theme of "Sculpture, Architecture and Space." Launched in 1989 to commemorate the company's 150th anniversary and held every two years, this competition has also been certified by the Association for Corporate Support of the Arts's "This is MECENAT 2025" program. The winning entries were exhibited in the atrium of Kajima KI Building, with guests from various fields invited to the award ceremony and reception held after the judging, where they had the opportunity to interact with the judges and artists.

These efforts contribute to cultural value creation by promoting the arts beyond business activities.


Evaluation session


Viewing the artwork while listening to the winner's explanation

Disaster recovery activities — Response to the 2026 Kumamoto Earthquake

Find out more ›

An earthquake hit Kumamoto on July 28, 2026. Immediately afterward, we set up disaster control headquarters and checked the safety of employees, temporary staff and group company employees. We also began investigating damage to buildings we were constructing and had already constructed. In addition, we built a support system where the Head Office, Kyushu Branch, and Kumamoto District Office worked together and sent support personnel to the affected areas. At the same time, we secured a workforce, materials and equipment to prepare for recovery work.

Thereafter, we have assisted in the recovery of affected infrastructure through the Japan Federation of Construction Contractors and have been engaged in building damage inspection and emergency recovery work. We also delivered relief supplies, including drinking water and sanitary products that the company had stockpiled, to designated receiving sites in Kumamoto Prefecture. Furthermore, we collected donations for disaster relief from our officers and employees to support the recovery and reconstruction of affected areas. A total of approximately 32 million yen, including the collected funds and a 16 million yen corporate contribution, will be donated to Kumamoto Prefecture.

Kajima foundations promote academia, culture and art

• The Kajima Foundation

Established in 1976, the Kajima Foundation supports the advancement of academic research and international academic exchange across a broad range of fields in the natural sciences, humanities, and social sciences. Its programs include grants for general and thematic research, overseas research fellowships and invitations for researcher exchange, international collaborative research, and international academic conferences.

In FY2025, the Foundation approved 215 grants and other forms of support totaling ¥645.75 million, including one special research grant awarded as part of its 50th anniversary commemorative program. The Foundation holds a Research Presentation Conference each autumn and a Grant Presentation Ceremony each spring.

• 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 FY2025, the foundation awarded 106 grants totaling ¥184.93 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 addition, the foundation provided a grant to support the organization of the 12th International Workshop on Japanese Art History for Graduate Students (held at the University of Tokyo and the Otsuka Museum of Art) in March 2026.

• Kajima Ikueikai Foundation

Established in 1956, the Kajima Ikueikai Foundation provides scholarships to economically disadvantaged technical college, undergraduate and graduate students in Japan, including students from other countries. In FY2025, it awarded scholarships totaling ¥147.18 million to 196 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, the foundation provides scholarships and promotes international exchange for international students. As of FY2025, it has supported 398 students from 54 countries and regions. Since FY2022, its support has also extended to Japanese students. 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

Record of major IR activities

Activities	Number of meetings in FY2024	Number of meetings in FY2025	Status of activities
Individual dialogue with institutional investors and securities analysts	480	749	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)	(192)	(314)	
(Institutional investors outside Japan)	(251)	(398)	
(Securities firms)	(37)	(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)
Site tours and briefings on individual business areas for institutional investors and securities analysts	1	1	The automated construction system A⁴CSEL (Quad Axel) is a topic of high interest to investors. We held a tour of the Joyo site on the Shin-Meishin Expressway, where this system is operating. On-site managers and the investor relations division attended the tour and held a dialogue with nine securities analysts and institutional investors. 
Individual dialogue with proxy voting representatives of institutional investors	18	20	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.
Securities firm-hosted conferences for institutional investors outside Japan	4	6	The investor relations division participated in conferences for institutional investors outside Japan.
Company briefings for individual investors	1	1	The executive officer in charge of the Corporate Planning Department and the investor relations division participated in company briefings (held as webinars) for individual investors.

Results of major dialogues

Update on financial strategy	Request	Expectations for the enhancement of stockholder returns when performance exceeds projections.
	Action	We updated our financial strategy in the Medium-Term Business Plan (FY2024–2026) as appropriate in light of our accelerating profit growth. We made clear that profits above plan would be allocated not only to growth investments and stockholder returns, but also to strengthening the supply chain that underpins our medium- to long-term growth.
Tour of a site where the automated construction system is operating	Request	Overview of initiatives to improve productivity in the construction business and their specific outcomes
	Action	We gave securities analysts and domestic institutional investors a tour of a site where the automated construction system is operating.
Expansion of opportunities for dialogue with overseas institutional investors	Request	Increase in requests for dialogue from overseas institutional investors.
	Action	We participated in more overseas conferences (two conferences more than the previous fiscal year) and had more individual meetings with overseas institutional investors (147 more meetings than the previous fiscal year).
Enhancement of disclosure materials	Request	Information provision about profitability and projects in the domestic real estate development business, which has potential for increased investment.
	Action	We have published our real estate development projects currently promoted by the fiscal year of construction. We also created and released a document that shows the profitability-related indicators (occupancy rate and NOI yield) of operating leased buildings.
	Request	Information provision about the current business environment and outlook of the overseas real estate development business, which has an increasing impact on performance.
	Action	The logistics warehouse development business in the U.S. has become one of our core businesses. We created and released a document that shows the current situation and future outlook of the U.S. warehouse leasing and sales markets. The document is based on the opinions of our group companies and reports from local private research firms.
Decision to cancel treasury stock	Request	Increase in investors who called for the cancellation of treasury stock, which had grown to more than 10% of total shares issued and outstanding.
	Action	We announced a plan to cancel treasury shares following the completion of the planned ¥40 billion share buyback in FY2026 so that the total treasury stock held will be reduced to approximately 5% of the total number of shares outstanding.

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

Participation in initiatives

WE SUPPORT UN GLOBAL COMPACT
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TNFD Forum Member

External recognition

FTSE4Good
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index
2026 Sompo Sustainability Index
Resilience Certification

Investor FAQs

Q What are the strengths of the Kajima Group?

A Our strength lies in the comprehensive capabilities in construction business that we have developed through technological innovation and our commitment to quality. Specifically, we have overcame a wide range of difficultie in the civil engineering and building construction businesses with our design and construction expertise and engineering strength. These advantages are supported by our people and technical capabilities. We are also proud of the competitive position we have established in the industry through our real estate development business, which leverages our comprehensive capabilities, and our overseas business, primarily in the U.S. We have built a value chain that provides a wide range of added value by maximizing these strengths. Through this value chain, we will offer value to society and customers in and outside Japan at every phase of infrastructure building, from upstream to downstream.

Q With costs and interest rates continuing to rise, what is your outlook for construction demand in Japan?

A We expect that medium- to long-term construction demand will remain firm with infrastructure renewal, disaster prevention and mitigation, investments related to energy, semiconductor and data centers, GX and decarbonization measures, etc. On the other hand, amid rising construction costs and interest rates that affect customers' investment decisions, it is becoming increasingly important to put forward high-value-added proposals that meet their needs. We provide plans to increase a building's value, such as by upgrading its functionality and expanding its leasable floor area, while meeting demands for shorter construction periods and advanced technical solutions. We then work closely with customers to move their business plans forward. In addition, we are strengthening procurement capabilities, for example, by diversifying suppliers in and outside Japan to increase options for stable procurement and cost reduction. We believe that enhancing both our proposal and procurement capabilities is essential to our sustainable growth.

Q Have you taken any measures to address the declining number of skilled construction workers?

A The declining number of skilled construction workers is an industry-wide challenge. We are focusing on addressing this issue. We back up investment in human capital to improve compensation and working conditions for skilled workers. For example, ¥100 billion is allocated to help partner companies strengthen their financial foundations by paying construction fees earlier to subcontractors in the current Medium-Term Business Plan. In addition, through the broader adoption and deployment of automated construction technologies and Kajima Smart Production initiatives utilizing ICT tools, we aim to improve productivity and safety at construction sites and establish a framework that enables high-quality construction even with a limited workforce. We are promoting efforts to maintain and improve medium- to long-term competitiveness through both investment in people and the transformation of production processes.

Q What is your strategy for the overseas business, which offers strong growth potential but also entails risks?

A Our overseas business is one of our key revenue sources, having grown to generate ¥1 trillion in revenue and account for more than 30% of consolidated revenues. However, we are not pursuing growth in scale alone. We prioritize assessing regional needs and business environments in order to select markets and fields where we can demonstrate our strengths. We also set stringent standards for investment decisions and bid review, and verify the balance between profitability and risk on each occasion. We aim to build a business portfolio that delivers steady profit growth and sustainably enhances corporate value, Key areas include our construction business, where performance is improving as a result of stronger risk management before contract award and during project execution, and logistics warehouse development in the U.S., which continues to generate high returns.

Q Do you plan to raise the ROE target from its current level of above 10%?

A We place weight on sustainable profit growth, in addition to capital efficiency improvements, as an approach to enhance ROE. With our participation in projects in prime locations increasing, particularly in domestic real estate development, we are now in an important investment phase aimed at strengthening our medium- to long-term earnings capacity. While we secure a sufficient level of equity to reliably seize these growth opportunities, we are also committed to stockholder returns through dividends and stock buybacks. In FY2025, our ROE reached 13.3%, securing a level sufficiently above the cost of equity, which is estimated to be approximately 8%. We will continue to improve our ROE and corporate value by achieving both growth investment and stockholder returns.

Company Information / Stock Information (as of March 31, 2026)

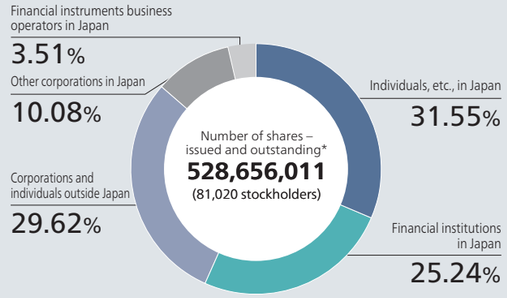
Company name	KAJIMA CORPORATION
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Paid-in capital	Over ¥81,400 million
Number of employees	11,544 (non-consolidated), 25,694 (consolidated)
Number of shares – authorized	1,250,000,000
Number of issued and outstanding shares	528,656,011 (including 60,849,229 shares of treasury stock)
Number of stockholders	81,020 (up 15,824 from end of FY2024)
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)	71,094	15.20
Custody Bank of Japan, Ltd. (Trust Account)	33,071	7.07
Kimiko Kajima	15,849	3.39
Kajima Employee Stock Ownership	8,602	1.84
The Kajima Foundation	7,235	1.55
State Street Bank and Trust Company 505001	6,742	1.44
JP Morgan Chase Bank 385781	6,065	1.30
BNYM AS AGT/CLTS NON TREATY JASDEC	5,807	1.24
KATABAMI CORPORATION	5,800	1.24
The Kajima Foundation for the Arts	5,788	1.24

Notes: 1. In addition to the above, Kajima Corporation has 60,849 thousand shares of treasury stock.
2. Shareholding was computed excluding total treasury stock.

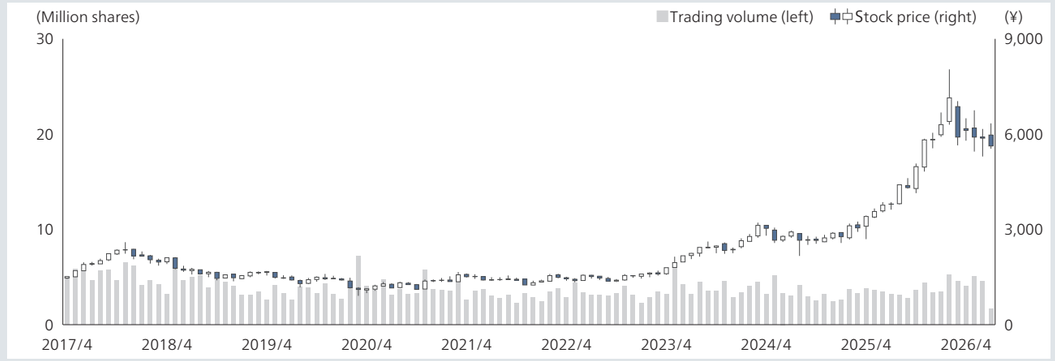
Stock ownership breakdown



3. The 608,492 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 60,849,229 shares of treasury stock

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 assuming the reverse stock split had taken place on April 1, 2017.

INTEGRATED REPORT

Financial Review 2026

Year ended March 31, 2026

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.

Contents

Summary and Forecast of Business Performance 115
Consolidated Balance Sheet 119
Consolidated Statement of Income 121
Consolidated Statement of Changes in Equity 123
Consolidated Statement of Cash Flows 126
Notes to Consolidated Financial Statements 128
Independent Auditor's Report 186

Summary and Forecast of Business Performance

Amounts less than ¥0.1 billion have been rounded down.

Overview of Business Performance

During the fiscal year under review, the global economy maintained an overall resilience, supported by expanding investment in AI and digital fields, despite lingering unpredictability amid heightened geopolitical risks and trade-policy uncertainty. The Japanese economy showed a moderate recovery, with wage increases progressing on the back of solid corporate earnings, although price increases continued.

In the domestic construction market, while some stagnation in capital investment by export-related companies was observed due to the impact of U.S. tariff policies, private-sector companies' appetite for growth-oriented investment remained strong, and public investment remained stable, resulting in sustained high levels of demand. Meanwhile, tight supply-demand conditions have become entrenched, and challenges persist in responding to rising construction costs and establishing appropriate construction systems.

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

As a result, the Group's financial results for the fiscal year ended March 31, 2026, were as follows.

Consolidated construction contract awards in Japan and overseas exceeded those of the previous fiscal year, increasing 24.4% year on year to ¥3,263.9 billion (compared with ¥2,624.5 billion in the previous fiscal year). Nonconsolidated contract awards, including those for the real estate development and other businesses, rose 24.3% year on year to ¥2,275.3 billion (compared with ¥1,831.1 billion in the previous fiscal year).

Revenues rose 5.3% year on year to ¥3,067.2 billion (compared with ¥2,911.8 billion in the previous fiscal year), due to higher revenues in the construction business.

As for profit figures, operating income increased 58.5% year on year to ¥240.7 billion (compared with ¥151.8 billion in the previous fiscal year), primarily due to an improved gross profit margin in the construction business. Net income attributable to owners of the parent increased 40.9% to ¥177.3 billion (compared with ¥125.8 billion in the previous fiscal year).

Our performance by business was as follows.

Revenues and gross profit from the Company's construction business significantly exceeded those of the previous fiscal year. In the civil engineering business, large-scale projects at peak construction activity progressed steadily, and in the building construction business, large-scale projects that were scheduled for completion in the fiscal year under review also advanced, contributing substantially to revenues. Across many projects, including these large-scale projects, profitability improved more than in past years thanks to cost reductions and the conclusion of additional amended contracts, and gross profit margins in the civil engineering and building construction businesses reached 24.6% and 11.8% respectively, exceeding those of the previous fiscal year (15.4% and 9.6%, respectively). We believe that, in addition to contracts concluded with appropriate construction systems secured, thorough risk management during construction contributed to the improved profitability. In the real estate development and other businesses, although revenues and profits fell below those of the previous fiscal year, when both were at high levels, the Company sold several properties held as real estate for sale, securing gross profit above expectations.

Domestic subsidiaries and affiliates delivered revenues and income exceeding those of the previous fiscal year, as sales of properties held by real estate development related subsidiaries and affiliates proceeded as planned, and revenues and gross profit in the construction business were higher.

In the construction business at overseas subsidiaries and affiliates, gross profit exceeded that of the previous fiscal year, primarily driven by improved profit margins in Europe and Southeast Asia. By contrast, in the real estate development and other businesses, gross profit and equity in earnings of partnership fell below those of the previous fiscal year, primarily because the timing of sales of some developed properties was rescheduled from the fiscal year under review to the next fiscal year or later, considering trends in interest rates and real estate transaction market conditions. As a result, net income attributable to owners of the parent for overseas subsidiaries and affiliates as a whole decreased compared with the previous fiscal year.

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 6.6% year on year to ¥430.7 billion (compared with ¥404.1 billion in the previous fiscal year) due to steady progress on large-scale projects in particular.

Segment profit increased 114.9% year on year to ¥76.7 billion (compared with ¥35.7 billion in the previous fiscal year), primarily due to a significant improvement in the gross profit margin.

(Billions of yen)

(Years ended March 31)	2026	2025	2026/2025 (%)
Revenues	**430.7**	404.1	6.6
Segment profit	**76.7**	35.7	114.9

Building Construction

(Building construction in the construction business operated by the Company)

Revenues increased 12.3% year on year to ¥1,182.9 billion (compared with ¥1,053.4 billion in the previous fiscal year), due to an increase in the construction volume of large-scale projects, primarily those scheduled for completion in the fiscal year under review.

Segment profit increased 62.6% year on year to ¥83.2 billion (compared with ¥51.2 billion in the previous fiscal year), due to higher revenues and an improved gross profit margin.

(Billions of yen)

(Years ended March 31)	2026	2025	2026/2025 (%)
Revenues	**1,182.9**	1,053.4	12.3
Segment profit	**83.2**	51.2	62.6

Real Estate Development and Other

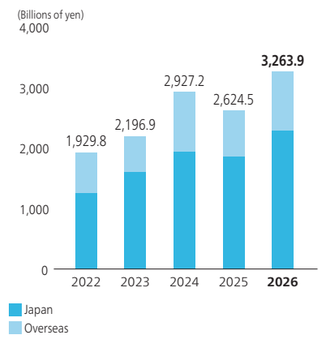
(Real estate development business, architectural, structural and other design business and engineering business operated by the Company)

Although the Company sold several real estate development properties during the fiscal year, revenues and gross profit decreased compared with the previous fiscal year, when there were sales and deliveries of highly profitable large-scale projects. Revenues decreased 5.8% year on year to ¥96.4 billion (compared with ¥102.3 billion in the previous fiscal year), and segment profit decreased 36.8% to ¥17.6 billion (compared with ¥27.8 billion in the previous fiscal year).

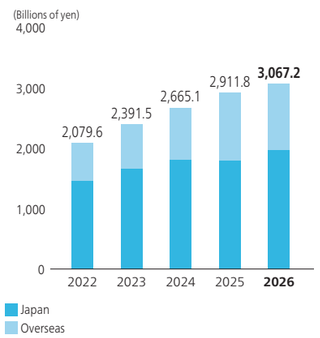
(Billions of yen)

(Years ended March 31)	2026	2025	2026/2025 (%)
Revenues	**96.4**	102.3	(5.8)
Segment profit	**17.6**	27.8	(36.8)

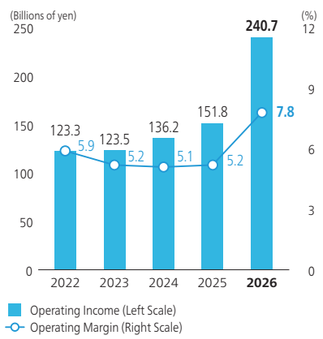
Construction Contract Awards
Years ended March 31



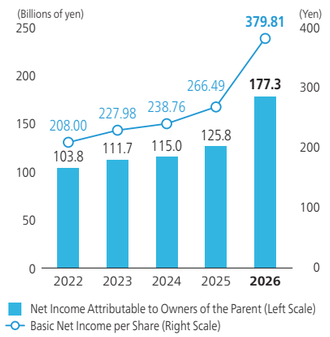
Revenues
Years ended March 31



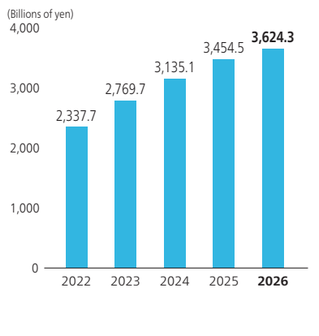
Operating Income / Operating Margin
Years ended March 31



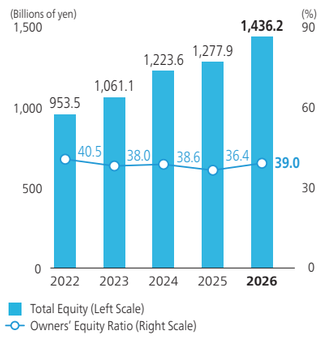
Net Income Attributable to Owners of the Parent / Basic Net Income per Share
Years ended March 31



Total Assets
As of March 31



Total Equity / Owners' Equity Ratio
As of March 31



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)

During the fiscal year, in addition to higher revenues and an improved gross profit margin in the construction business, sales of real estate for sale held by real estate development-related subsidiaries and affiliates contributed to higher revenues and segment profit. Revenues increased 16.9% year on year to ¥414.6 billion (compared with ¥354.6 billion in the previous fiscal year), and segment profit increased 118.1% to ¥35.7 billion (compared with ¥16.4 billion in the previous fiscal year).

(Billions of yen)

(Years ended March 31)	2026	2025	2026/2025 (%)
Revenues	**414.6**	354.6	16.9
Segment profit	**35.7**	16.4	118.1

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 decreased 2.0% year on year to ¥1,091.9 billion (compared with ¥1,114.5 billion in the previous fiscal year), mainly due to a decrease in sales of developed properties in the U.S., although revenues in the construction business were higher.

Segment profit increased 32.8% year on year to ¥26.6 billion (compared with ¥20.0 billion in the previous fiscal year), primarily due to an improved gross profit margin in the construction business, although gross profit in the real estate development and other businesses was lower.

(Billions of yen)

(Years ended March 31)	2026	2025	2026/2025 (%)
Revenues	**1,091.9**	1,114.5	(2.0)
Segment profit	**26.6**	20.0	32.8

Analysis of Financial Position

Assets, Liabilities and Equity

Total assets at the end of the fiscal year increased ¥169.7 billion year on year to ¥3,624.3 billion (compared with ¥3,454.5 billion at the end of the previous fiscal year). This was mainly due to an increase in investment securities, an increase in notes and accounts receivable-trade, an increase in cash and cash equivalents, and an increase in property and equipment, offset by a decrease in inventories. The balance of strategic shareholdings at the end of the fiscal year was ¥304.1 billion (compared with ¥253.5 billion at the end of the previous fiscal year), with the ratio to total equity at 21.2% (compared with 19.8% at the end of the previous fiscal year). This reflected the sale of 23 stocks for ¥21.0 billion during the fiscal year, more than offset by a ¥71.6 billion increase in the market value of holdings due to share price changes and other factors.

Total liabilities increased ¥11.5 billion year on year to ¥2,188.1 billion (compared with ¥2,176.6 billion at the end of the previous fiscal year). This was mainly due to an increase in interest-bearing debt and an increase in income taxes payable, offset by a decrease in notes and accounts payable-trade.

Total equity increased by ¥158.2 billion year on year to ¥1,436.2 billion (compared with ¥1,277.9 billion at the end of the previous fiscal year).

In addition, the owners' equity ratio improved to 39.0%, up 2.6 points compared with 36.4% 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 ¥114.6 billion (compared with ¥30.6 billion in the previous fiscal year). Main factors were income before income taxes, adjustments for depreciation and amortization, and an increase/decrease in consumption taxes payable/consumption taxes refund receivable, offset by a decrease in trade payables, an increase in trade receivables, income taxes paid, and a decrease in advances received.

Cash flows from investing activities resulted in a net cash outflow of ¥46.5 billion (compared with ¥104.8 billion in the previous fiscal year). Main factors were payment for purchases of property and equipment, disbursements for loans, and payment for investment in unconsolidated subsidiaries and affiliates, partially offset by inflows of proceeds from collection of loans, proceeds from sales and redemption of investment securities, and proceeds from sales and redemption of investment in unconsolidated subsidiaries and affiliates.

Cash flows from financing activities resulted in a net cash outflow of ¥30.5 billion (compared with a net cash inflow of ¥61.6 billion in the previous fiscal year). This was mainly due to cash dividends paid and payments for purchases of treasury stock, offset by net cash inflows from financing and repayments of short-term borrowings, long-term borrowings, commercial paper, and bonds payable.

As a result, the balance of cash and cash equivalents at the end of the fiscal year increased by ¥42.7 billion year on year to ¥392.2 billion (compared with ¥349.5 billion at the end of the previous fiscal year).

(Billions of yen)

(Years ended March 31)	2026	2025	2024
Cash flows from operating activities	**114.6**	30.6	123.7
Cash flows from investing activities	**(46.5)**	(104.8)	(62.9)
Cash flows from financing activities	**(30.5)**	61.6	(9.5)
Cash and cash equivalents, end of year	**392.2**	349.5	350.0

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 shareholder 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 ¥146 per share, consisting of a year-end dividend of ¥90 per share and an interim (end of second quarter) dividend of ¥56 per share. The Company also plans to pay an annual dividend of ¥146 per share (including an interim dividend of ¥73 per share) for the fiscal year ending March 31, 2027.

Cash Dividends per Share
Years ended/ending March 31



* The forecasts contained herein are based on information available as of the date of the announcement on May 14, 2026. Actual results may differ materially from the forecasts due to various factors.

Forecast for the Fiscal Year Ending March 31, 2027*

In the global economy, demand in digital fields revolving around AI and investment in related infrastructure are expected to expand over the medium- to long-term. At the same time, the outlook remains uncertain, with concerns about a resurgence of inflation due to heightened international tensions and an unstable trade environment. In addition, the importance of human capital investment, with a focus on securing and developing diverse talent, is increasing, while structural shifts in the economy and society — including the transition to decarbonization and a circular economy — are also expected to accelerate. Achieving sustainable growth in this constantly changing business environment will require accurately identifying the challenges facing society and our customers, and continuing to deliver high-quality services and added value grounded in our proven technological capabilities.

In the construction market, while solid demand is expected for the time being both in Japan and overseas, supported by expanding private capital investment and the renewal of aging infrastructure and urban functions, fundamental challenges facing the industry persist, including a structural labor shortage and rising construction costs. Efforts to balance the resolution of social issues with medium- to long-term growth are called for — including securing skilled workers through improvements in their treatment, raising productivity through automation and labor-saving measures, and developing technologies that reduce environmental impact.

In the fiscal year ending March 31, 2027, in the domestic construction business, we will continue to work on improving productivity, while further strengthening our risk management framework in preparation for material supply shortages and rising construction costs. Gross profit margins in the Company's construction business are projected at 20.4% for the civil engineering business and 12.0% for the building construction business, and we expect to maintain steady performance. In the domestic real estate development business, business assets continue to accumulate steadily, and the sale of several properties is expected to contribute to results. For the overseas business, while carefully assessing the unstable international situation and financial environment, we aim to increase profits by proceeding with sales of real estate development properties. Our exchange rate assumption is ¥156.56 to $ 1.

Reflecting this outlook, consolidated results for the fiscal year ending March 31, 2027 are expected to show lower revenues and income compared with the fiscal year under review; however, net income attributable to owners of the parent is forecast at ¥170.0 billion, significantly exceeding the management target of "¥130.0 billion or more" set in the Kajima Group Medium-Term Business Plan (FY2024–2026).

(Billions of Yen)

(Years ending/ ended March 31)	2027 (Forecast)	2026 (Results)	2027/2026 (%)
Revenues	**2,900.0**	3,067.2	(5.5)
Operating Income	**200.0**	240.7	(16.9)
Net income attributable to owners of the parent	**170.0**	177.3	(4.1)

* The forecasts contained herein are based on information available as of the date of the announcement on May 14, 2026. Actual results may differ materially from the forecasts due to various factors.

1. Consolidated Financial Statements and other

(1) Consolidated Financial Statements

1) Consolidated Balance Sheet

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Assets			
Current assets			
Cash and cash equivalents	¥ 392,273	¥ 349,540	$ 2,453,546
Notes and accounts receivable-trade (*1,*4)	1,112,406	1,061,540	6,957,755
Marketable securities	367	193	2,295
Operational investments in securities	11,365	11,395	71,084
Inventories-real estate for sale (*4)	278,796	280,787	1,743,782
Inventories-construction projects in progress (*8)	20,350	13,129	127,282
Inventories-development projects in progress (*4)	169,715	248,058	1,061,514
Inventories-other	8,899	3,873	55,660
Other (*4)	197,776	177,404	1,237,027
Allowance for doubtful accounts	(10,425)	(8,794)	(65,205)
Total current assets	2,181,525	2,137,129	13,644,764
Noncurrent assets			
Property and equipment			
Buildings and structures-net (*2,*4)	236,985	212,194	1,482,267
Machinery, vehicles, tools, furniture and fixtures-net (*2,*4)	27,241	24,400	170,384
Land (*3,*4)	292,689	291,683	1,830,679
Construction in progress (*4)	48,662	48,862	304,365
Other-net (*2,*4)	11,732	11,460	73,380
Total property and equipment	617,311	588,601	3,861,089
Intangible assets (*4)	31,032	29,968	194,095
Investments and other assets			
Investments in securities	348,931	292,162	2,182,455
Investments in unconsolidated subsidiaries and affiliates (*4)	129,766	105,316	811,646
Long-term loans receivable (*5)	15,709	19,001	98,254
Long-term loans to unconsolidated subsidiaries and affiliates (*4)	123,219	126,364	770,696
Asset for retirement benefits	7,812	5,458	48,861
Deferred tax assets	7,591	16,973	47,479
Other	163,767	135,667	1,024,311
Allowance for doubtful accounts	(2,326)	(2,049)	(14,548)
Total investments and other assets	794,471	698,893	4,969,170
Total noncurrent assets	1,442,815	1,317,462	9,024,362
Total assets	¥ 3,624,341	¥ 3,454,592	$ 22,669,133

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Liabilities			
Current liabilities			
Notes and accounts payable-trade	¥ 536,387	¥ 631,710	$ 3,354,934
Short-term borrowings (*4)	387,157	379,117	2,421,547
Commercial paper	—	70,000	—
Current portion of bonds payable (*4)	20,000	14,800	125,093
Income taxes payable	51,291	22,572	320,809
Advances received on construction projects in progress (*6)	224,527	250,009	1,404,347
Advances received on development projects in progress, real estate for sale and other (*6)	6,976	6,557	43,632
Provision for warranties for completed construction projects	15,561	13,008	97,329
Provision for loss on construction projects in progress (*8)	24,497	25,094	153,221
Provision for directors' bonuses	278	240	1,738
Provision for stock awards	1,767	1,480	11,052
Other (*6)	336,315	282,383	2,103,546
Total current liabilities	1,604,762	1,696,974	10,037,290
Long-term liabilities			
Bonds payable (*4)	105,850	95,850	662,059
Long-term borrowings (*4)	320,126	232,246	2,002,289
Deferred tax liabilities	14,157	8,810	88,547
Deferred tax liabilities on revaluation surplus of land (*3)	20,969	21,011	131,154
Liability for retirement benefits	53,785	57,509	336,408
Other (*4)	68,470	64,200	428,258
Total long-term liabilities	583,358	479,628	3,648,724
Total liabilities	2,188,120	2,176,603	13,686,014
Equity			
Shareholders' equity			
Common stock	81,447	81,447	509,425
Capital surplus	43,461	43,461	271,835
Retained earnings	1,093,668	970,255	6,840,555
Treasury stock	(114,510)	(95,976)	(716,224)
Total shareholders' equity	1,104,065	999,187	6,905,585
Accumulated other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities	161,895	120,563	1,012,603
Deferred gain (loss) on derivatives under hedge accounting	6,953	5,830	43,488
Revaluation surplus of land (*3)	20,214	20,305	126,432
Foreign currency translation adjustments	112,991	105,597	706,723
Defined retirement benefit plans	8,894	6,643	55,629
Total accumulated other comprehensive income (loss)	310,949	258,940	1,944,889
Noncontrolling interests	21,204	19,861	132,624
Total equity	1,436,220	1,277,988	8,983,112
Total liabilities and equity	¥ 3,624,341	¥ 3,454,592	$ 22,669,133

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Revenues			
Construction projects (*1)	¥ 2,678,680	¥ 2,511,002	$ 16,754,315
Real estate and other (*1)	388,595	400,814	2,430,541
Total revenues	3,067,275	2,911,816	19,184,857
Cost of revenues			
Construction projects (*2,*3,*5)	2,331,407	2,281,720	14,582,230
Real estate and other (*3)	309,999	306,898	1,938,947
Total cost of revenues	2,641,407	2,588,619	16,521,184
Gross profit			
Construction projects	347,272	229,281	2,172,079
Real estate and other	78,595	93,915	491,587
Total gross profit	425,868	323,197	2,663,672
Selling, general and administrative expenses (*4,*5)	185,087	171,314	1,157,661
Operating income	240,780	151,882	1,506,004
Other income (expenses)			
Interest income	20,893	16,858	130,679
Dividends income	7,699	6,986	48,154
Equity in earnings of unconsolidated subsidiaries and affiliates	3,216	2,815	20,115
Equity in earnings of partnership	—	6,907	—
Gain on sales of noncurrent assets (*6)	2,152	5,826	13,460
Gain on sales of investment securities	15,274	13,979	95,534
Valuation gain on investment securities	81	37	506
Interest expense	(26,070)	(22,016)	(163,059)
Provision for doubtful accounts	(3,172)	(772)	(19,839)
Equity in losses of partnership	(605)	—	(3,784)
Loss on sales of noncurrent assets (*7)	(140)	(4)	(875)
Loss on disposals of noncurrent assets (*8)	(798)	(2,547)	(4,991)
Loss on sales of investment securities	(19)	(0)	(118)
Valuation loss on investment securities	(720)	(1,233)	(4,503)
Loss on impairment of long-lived assets (*9)	(655)	(621)	(4,096)
Litigation settlement	(203)	—	(1,269)
Other-net	(2,320)	(1,998)	(14,510)
Other income-net	14,610	24,217	91,381
Income before income taxes	255,391	176,100	1,597,391
Income taxes-current	81,035	53,656	506,848
Income taxes-deferred	(4,439)	(4,010)	(27,764)
Total income taxes	76,595	49,645	479,078
Net income	178,796	126,454	1,118,313
Net income attributable to noncontrolling interests	1,462	637	9,144
Net income attributable to owners of the parent	¥ 177,334	¥ 125,817	$ 1,109,169

Consolidated Statement of Comprehensive Income

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Net income	¥ 178,796	¥ 126,454	$ 1,118,313
Other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities	41,288	(39,199)	258,243
Deferred gain (loss) on derivatives under hedge accounting	207	(468)	1,294
Revaluation surplus of land	0	(603)	0
Foreign currency translation adjustments	10,136	38,055	63,397
Defined retirement benefit plans	2,242	2,169	14,023
Share of other comprehensive income (loss) in unconsolidated subsidiaries and affiliates	(1,990)	378	(12,446)
Total other comprehensive income (loss) (*1)	51,885	332	324,524
Comprehensive income (loss)	¥ 230,682	¥ 126,787	$ 1,442,844
Total comprehensive income (loss) attributable to:			
Owners of the parent	¥ 229,434	¥ 124,661	$ 1,435,038
Noncontrolling interests	1,247	2,125	7,799

3) Consolidated Statement of Changes in Equity

Year Ended March 31, 2026

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2025	¥ 81,447	¥ 43,461	¥ 970,255	¥ (95,976)	¥ 999,187
Changes during the period					
Change in ownership interest of the parent due to transactions with noncontrolling interests		(0)			(0)
Cash dividends paid			(54,012)		(54,012)
Net income attributable to owners of the parent			177,334		177,334
Purchase of treasury stock				(20,025)	(20,025)
Disposition of treasury stock as stock delivery trust				1,491	1,491
Reversal of revaluation surplus of land			90		90
Net changes other than shareholders' equity					
Net changes during the period	—	(0)	123,412	(18,533)	104,878
Balance as of March 31, 2026	¥ 81,447	¥ 43,461	¥ 1,093,668	¥ (114,510)	¥ 1,104,065

	Accumulated other comprehensive income (loss)						Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income (loss)		
Balance as of April 1, 2025	¥ 120,563	¥ 5,830	¥ 20,305	¥ 105,597	¥ 6,643	¥ 258,940	¥ 19,861	¥ 1,277,988
Changes during the period								
Change in ownership interest of the parent due to transactions with noncontrolling interests								(0)
Cash dividends paid								(54,012)
Net income attributable to owners of the parent								177,334
Purchase of treasury stock								(20,025)
Disposition of treasury stock as stock delivery trust								1,491
Reversal of revaluation surplus of land			(90)			(90)		0
Net changes other than shareholders' equity	41,331	1,122		7,393	2,250	52,099	1,343	53,442
Net changes during the period	41,331	1,122	(90)	7,393	2,250	52,009	1,343	158,231
Balance as of March 31, 2026	¥ 161,895	¥ 6,953	¥ 20,214	¥ 112,991	¥ 8,894	¥ 310,949	¥ 21,204	¥ 1,436,220

Year Ended March 31, 2025

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2024	¥ 81,447	¥ 43,821	¥ 891,884	¥ (67,510)	¥ 949,642
Changes during the period					
Change in ownership interest of the parent due to transactions with noncontrolling interests		(360)			(360)
Cash dividends paid			(47,846)		(47,846)
Net income attributable to owners of the parent			125,817		125,817
Purchase of treasury stock				(30,011)	(30,011)
Disposition of treasury stock as stock delivery trust				1,545	1,545
Reversal of revaluation surplus of land			400		400
Net changes other than shareholders' equity					
Net changes during the period	—	(360)	78,371	(28,466)	49,544
Balance as of March 31, 2025	¥ 81,447	¥ 43,461	¥ 970,255	¥ (95,976)	¥ 999,187

	Accumulated other comprehensive income (loss)						Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income (loss)		
Balance as of April 1, 2024	¥ 159,758	¥ 5,142	¥ 21,308	¥ 69,800	¥ 4,485	¥ 260,496	¥ 13,516	¥ 1,223,655
Changes during the period								
Change in ownership interest of the parent due to transactions with noncontrolling interests								(360)
Cash dividends paid								(47,846)
Net income attributable to owners of the parent								125,817
Purchase of treasury stock								(30,011)
Disposition of treasury stock as stock delivery trust								1,545
Reversal of revaluation surplus of land			(1,003)			(1,003)		(603)
Net changes other than shareholders' equity	(39,194)	687		35,796	2,157	(552)	6,344	5,791
Net changes during the period	(39,194)	687	(1,003)	35,796	2,157	(1,556)	6,344	54,333
Balance as of March 31, 2025	¥ 120,563	¥ 5,830	¥ 20,305	¥ 105,597	¥ 6,643	¥ 258,940	¥ 19,861	¥ 1,277,988

Year Ended March 31, 2026

(Thousands of U.S. Dollars)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2025	$ 509,425	$ 271,835	$ 6,068,645	$ (600,300)	$ 6,249,605
Changes during the period					
Change in ownership interest of the parent due to transactions with noncontrolling interests		(0)			(0)
Cash dividends paid			(337,828)		(337,828)
Net income attributable to owners of the parent			1,109,169		1,109,169
Purchase of treasury stock				(125,250)	(125,250)
Disposition of treasury stock as stock delivery trust				9,325	9,325
Reversal of revaluation surplus of land			562		562
Net changes other than shareholders' equity					
Net changes during the period	—	(0)	771,903	(115,918)	655,979
Balance as of March 31, 2026	$ 509,425	$ 271,835	$ 6,840,555	$ (716,224)	$ 6,905,585

	Accumulated other comprehensive income (loss)						Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income (loss)		
Balance as of April 1, 2025	$ 754,084	$ 36,464	$ 127,001	$ 660,476	$ 41,549	$ 1,619,589	$ 124,224	$ 7,993,420
Changes during the period								
Change in ownership interest of the parent due to transactions with noncontrolling interests								(0)
Cash dividends paid								(337,828)
Net income attributable to owners of the parent								1,109,169
Purchase of treasury stock								(125,250)
Disposition of treasury stock as stock delivery trust								9,325
Reversal of revaluation surplus of land			(562)			(562)		0
Net changes other than shareholders' equity	258,512	7,017		46,240	14,073	325,863	8,400	334,263
Net changes during the period	258,512	7,017	(562)	46,240	14,073	325,300	8,400	989,686
Balance as of March 31, 2026	$ 1,012,603	$ 43,488	$ 126,432	$ 706,723	$ 55,629	$ 1,944,889	$ 132,624	$ 8,983,112

4) Consolidated Statement of Cash Flows

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Operating activities			
Income before income taxes	¥ 255,391	¥ 176,100	$ 1,597,391
Adjustments for:			
Income taxes-paid	(52,559)	(63,960)	(328,740)
Depreciation and amortization	33,472	30,851	209,357
Loss on impairment of long-lived assets	655	621	4,096
Increase (decrease) in allowance for doubtful accounts	3,504	2,732	21,916
Increase (decrease) in provision for warranties for completed construction projects	2,446	1,152	15,298
Increase (decrease) in provision for loss on construction projects in progress	(596)	(2,994)	(3,727)
Increase (decrease) in provision for stock awards	286	(48)	1,788
Increase (decrease) in liability for retirement benefits	(537)	(704)	(3,358)
Decrease (increase) in asset for retirement benefits	(2,355)	(743)	(14,729)
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(3,216)	(2,815)	(20,115)
Loss (gain) on sales or disposals of noncurrent assets-net	(1,214)	(3,274)	(7,593)
Loss (gain) on sales of investment securities-net	(15,254)	(13,979)	(95,409)
Valuation loss (gain) on investment securities-net	638	1,195	3,990
Decrease (increase) in receivables	(64,528)	(55,739)	(403,602)
Decrease (increase) in operational investments in securities	30	(84)	187
Decrease (increase) in inventories-real estate for sale	89,070	78,901	557,105
Decrease (increase) in inventories-construction projects in progress	(7,169)	(5,061)	(44,839)
Decrease (increase) in inventories-development projects in progress	(74,965)	(89,334)	(468,882)
Decrease (increase) in inventories-other	(5,015)	(71)	(31,367)
Increase (decrease) in payables	(97,417)	10,940	(609,313)
Increase (decrease) in advances received	(26,295)	38,931	(164,467)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	57,320	(82,344)	358,518
Other-net	22,915	10,361	143,326
Net cash provided by (used in) operating activities	114,606	30,632	716,825

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Investing activities			
Decrease (increase) in time deposits excluding cash equivalents-net	(5,907)	57	(36,946)
Payment for purchases of property and equipment	(50,508)	(66,612)	(315,911)
Proceeds from sales of property and equipment	5,014	7,846	31,361
Payment for purchases of intangible assets	(5,618)	(3,227)	(35,138)
Payment for purchases of investment securities	(4,186)	(4,676)	(26,182)
Payment for investment in unconsolidated subsidiaries and affiliates	(14,182)	(6,868)	(88,704)
Proceeds from sales and redemption of investment securities	21,275	20,371	133,068
Proceeds from sales and redemption of investment in unconsolidated subsidiaries and affiliates	13,936	2,274	87,165
Payment for purchases of shares of subsidiaries resulting in change in scope of consolidation (*1)	—	(124)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation (*1)	—	3,047	—
Disbursements for loans	(36,582)	(53,756)	(228,809)
Proceeds from collection of loans	34,221	15,628	214,041
Other-net	(3,975)	(18,797)	(24,862)
Net cash provided by (used in) investing activities	(46,513)	(104,836)	(290,924)
Financing activities			
Increase (decrease) in short-term borrowings-net	1,194	(162)	7,468
Issuance (repayment) of commercial paper-net	(70,000)	70,000	(437,828)
Proceeds from long-term borrowings	178,369	128,314	1,115,642
Repayments of long-term borrowings	(78,295)	(80,719)	(489,711)
Proceeds from issuance of bonds	38,055	60,495	238,022
Redemption of bonds	(22,855)	(35,267)	(142,950)
Repayments of lease obligations	(3,502)	(3,425)	(21,903)
Payment for purchases of treasury stock	(20,025)	(30,011)	(125,250)
Cash dividends paid	(54,012)	(47,846)	(337,828)
Capital infusion from noncontrolling shareholders	3,770	3,164	23,580
Dividends paid to noncontrolling shareholders	(2,997)	(2,662)	(18,745)
Other-net	(228)	(191)	(1,426)
Net cash provided by (used in) financing activities	(30,526)	61,687	(190,930)
Foreign currency translation adjustments on cash and cash equivalents	5,757	12,508	36,008
Net increase (decrease) in cash and cash equivalents	43,323	(8)	270,971
Cash and cash equivalents, beginning balance	349,540	350,064	2,186,264
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(591)	(515)	(3,696)
Cash and cash equivalents, ending balance	¥ 392,273	¥ 349,540	$ 2,453,546

[Notes to Consolidated Financial Statements]

(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.

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 ¥159.88 to $1, the rate of exchange as of March 31, 2026. 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.

Japanese yen amounts are rounded down to the nearest million yen, and U.S. dollar amounts are rounded down to the nearest thousand dollars, except where otherwise stated.

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 185

Names of major consolidated subsidiaries

Taiko Trading Co., Ltd.; Kajima Road Co., Ltd.; Kajima Leasing Corporation; Kajima Tatemono Sogo Kanri Co., Ltd.; Eaton Real Estate Co. Ltd.; Chemical Grouting Co., Ltd.; Kajima U.S.A. Inc. (KUSA); Kajima Europe Ltd. (KE); Kajima Asia Pacific Holdings Pte. Ltd. (KAP); Kajima Australia Pty. Ltd. (KA)

1 consolidated subsidiary of Eaton Real Estate Co., Ltd.; 3 consolidated subsidiaries of KUSA; and 1 consolidated subsidiary of KE have been newly included in the scope of consolidation from the consolidated fiscal year ended March 31, 2026, due to acquisition of equity.

Silent partnership with Sakurajima Kaihatsu LLC, acting as the operator, was excluded from the scope of consolidation and accounted for using the equity method after becoming an affiliate due to receipt of silent partnership investment from external parties.

(2) Names of major unconsolidated subsidiaries

ARTES Corporation; Japan Sea Works Co., Ltd.; Kajima Institute Publishing Co., Ltd.

Unconsolidated subsidiaries are excluded from the scope of consolidation, as all of the unconsolidated subsidiaries are small-sized companies, and their total assets, revenues, net income (loss) and retained earnings (accumulated deficit) have no material effect on the consolidated financial statements.

(3) Disclosed special purpose company

An overview of disclosed special purpose companies, including transactions with such entities and the related transaction amounts, is disclosed in the section entitled "Disclosed Special Purpose Companies."

2. Application of the equity method

(1) The equity method is applied to investments in all of 34 unconsolidated subsidiaries and 106 affiliates.

Names of major unconsolidated subsidiaries

As described in "1. Scope of consolidation (2) Names of major unconsolidated subsidiaries."

Names of major affiliates

Engineering and Risk Service Corporation, Azuma Kanko Kaihatsu Co., Ltd., Katabami Corporation

The equity method has been newly applied to 4 affiliates due to the acquisition of shares or equity and 1 affiliate that was

excluded from the scope of consolidation due to receipt of silent partnership investment from external parties from the consolidated fiscal year ended March 31, 2026.

1 subsidiary and 5 affiliates that were liquidated were excluded from the scope of application of the equity method.

The Company, its subsidiaries and affiliates are collectively referred to as the "Group."

(2) Other

Investment difference arising from investments in equity-method investees (excluding negative goodwill), is amortized on a straight-line basis over the period in which the related benefits are expected to be realized.

3. The fiscal year of consolidated subsidiaries

Among the consolidated subsidiaries, Eaton Real Estate Co., Ltd., KUSA, KE, KAP, KA and 168 other companies have a fiscal year-end of December 31. Their financial statements as of December 31, 2025, are used in the preparation of the consolidated financial statements. Significant transactions during the period from January 1 to March 31, 2026, have been adjusted in the consolidated financial statements. The fiscal years of the other consolidated subsidiaries are the same as that of the Company.

4. Accounting policies

(1) 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.

(2) 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.

(3) 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.

(4) Valuation standards and methods for significant assets

1) Marketable securities

Available-for-sale securities

Financial instruments other than those without a market price

Fair value method (All valuation differences are recorded directly in equity, and the cost of securities sold is determined using the moving average method)

Financial instruments without a market price

Cost method based on the moving average method

2) Derivatives: In principle, the fair value method

3) Inventories

Real estate for sale	Cost method based on the specific identification method (Carrying amount is written down to reflect a decline in profitability)
Construction projects in progress	Cost method based on the specific identification method
Development projects in progress	Cost method based on the specific identification method (Carrying amount is written down to reflect a decline in profitability)

However, certain overseas consolidated subsidiaries apply the lower of cost or market method based on the specific identification method to real estate for sale, inventories-construction projects in progress and inventories-development projects in progress in accordance with the accounting standards of their respective countries.

(5) Depreciation methods for major depreciable assets

1) Property and equipment (excluding leased assets and right-of-use assets)

Domestic consolidated companies are mainly using the declining-balance method. However, buildings acquired on or after April 1, 1998 (excluding building improvements) and building improvements and structures acquired on or after April 1, 2016, are calculated by the straight-line method. The useful lives and residual values are based on the same criteria as those stipulated in the Corporation Tax Act.

Overseas consolidated subsidiaries are mainly using the straight-line method over their estimated useful lives.

2) Intangible assets (excluding leased assets and right-of-use assets)

The straight-line method is applied.

In addition, domestic consolidated companies use the straight-line method based on the internal useful life (5 years) for software for internal use.

3) Leased assets

Leased assets under finance leases without transfer of ownership

The straight-line method is applied on the assumption that the lease term is equal to its useful life and the residual value is zero.

4) Right of use assets

The straight-line method is applied over the shorter of the lease term or the asset's useful life, with a residual value of zero.

(6) 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.

(7) Basis for recognition of significant provisions

1) Allowance for doubtful accounts

Domestic consolidated companies provide for possible credit losses on receivables. For general receivables, the allowance is

calculated based on historical loss rates, while for doubtful receivables and other specific receivables, collectibility is assessed individually and the estimated uncollectible amounts are recorded.

The overseas consolidated subsidiaries account for estimated uncollectible amounts.

2) Provision for warranties for completed construction projects

To provide for costs required under liability for nonconformity related to completed construction work, a provision is recorded based on the construction revenue recognized in the current consolidated fiscal year, using the historical actual rate from the previous two consolidated fiscal years as a basis and taking into consideration estimated future expenditures.

3) Provision for loss on construction projects in progress

To provide for potential losses related to contracted construction projects, an estimated amount of losses on construction projects not yet delivered as of the end of the current consolidated fiscal year is recognized.

4) Provision for directors' bonuses

Some domestic consolidated subsidiaries provide for the estimated amount of directors' bonuses as of the end of the current consolidated fiscal year.

5) Provision for stock awards

To provide for the delivery of the Company's shares based on the Stock Delivery Regulations for directors and employees established by the Company, an estimated amount of the Company's shares corresponding to the points granted to directors and employees as of the end of the current consolidated fiscal year is recognized.

(8) Method of accounting for retirement benefits

In calculating the retirement benefit obligation, the method of attributing the estimated amount of retirement benefit to the period up to the end of the current consolidated fiscal year is based on the benefit calculation formula.

Actuarial gains and losses are amortized on a straight-line basis over a fixed number of years (10 years), within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year, and are recognized as expenses or reductions of expenses starting from the following consolidated fiscal year.

For certain overseas consolidated subsidiaries, the amount of retirement benefit obligations is recognized based on the estimated amount as of the end of the current consolidated fiscal year, in accordance with the accounting standards of their respective countries.

(9) Basis for recognition of significant revenues and expenses

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 provide civil engineering, building construction, equipment and other general construction services based on executed construction contracts and have performance obligations to deliver such products to customers.

When 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 toward completion is primarily measured based on the ratio of the cumulative construction costs incurred by the end of the fiscal year against the total estimated construction costs.

2) Real estate development and other

The Companies develop and sell real estate and provide 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 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 when the properties or deliverables are delivered, as the performance obligation is considered to be satisfied at that point in 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 fiscal year against the total estimated costs.

In addition, in the construction, development and other business, 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.

(10) Method of accounting for significant hedging activities

1) Hedge accounting method

As a general rule, deferred hedge accounting is applied.

For foreign exchange forward contracts and currency swaps, if the requirements for designation accounting are met, designation accounting is applied. For interest rate swaps, if the requirements for the exceptional method are met, the exceptional method is applied.

2) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Foreign exchange forward contract	Foreign currency-denominated monetary receivables and payables, and forecast transactions
Currency swap	Foreign currency-denominated monetary receivables and payables, and forecast transactions
Interest rate swap	Borrowings, bonds and other

3) Hedging policy

The Companies hedge foreign exchange risk and interest rate risk primarily in accordance with the Company's internal regulations, namely the "Derivatives Transaction Guidelines" and the "Risk Management Procedures Manual."

4) Method for assessing hedge effectiveness

For foreign exchange forward contracts and currency swaps, the Companies confirm in a prospective test that the critical terms of the hedged item and the hedging instrument are consistent, and also confirm on a quarterly basis in a retrospective test that there have been no changes in those terms.

For forecast foreign currency transactions, the likelihood of execution has been confirmed to be extremely high through both prospective and retrospective effectiveness tests, based on a comprehensive consideration of past transaction performance and other relevant factors.

For interest rate swaps, hedge effectiveness is assessed and confirmed through both prospective and retrospective testing by performing a ratio analysis of the cumulative historical fluctuations (generally over a period of approximately 5 years) in the hedged items and the hedging instruments.

However, when the critical terms of the hedging instrument and the hedged item are identical, and it can be assumed that changes in market value or cash flows will be completely offset both at the inception of the hedge and on an ongoing basis, the assessment of hedge effectiveness is omitted.

5) Other

To minimize credit risk, counterparties to derivative transactions are limited to domestic and overseas financial institutions with high creditworthiness.

(11) Method and period of amortization of goodwill

Amortization is performed on a straight-line basis over the period in which the effect is expected to be realized.

(12) Scope of cash and cash equivalents in the consolidated balance sheet and consolidated statement of cash flows

Consists of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that are readily convertible into cash and subject to only an insignificant risk of changes in value.

(13) Accounting standards not yet applied

Accounting Standard for Leases (ASBJ(*) Statement No. 34 issued on September 13, 2024)

Implementation Guidance on Accounting Standard for Leases (ASBJ(*) Guidance No. 33 issued on September 13, 2024), etc.

1) Overview

Similar to international accounting standards, it prescribes the treatment whereby assets and liabilities are recognized for all leases of lessees.

2) Scheduled date of application

It is scheduled to be applied from the beginning of the year ending March 31, 2028.

3) Effect of adopting the relevant accounting standard

The impact on the consolidated financial statements is currently being assessed.

(*) ASBJ: Accounting Standards Board of Japan

(14) Other significant matters for the preparation of consolidated financial statements

1) Accounting treatment of deferred assets

Bond issuance costs are charged to expense in full as incurred.

2) Note on capitalization of interest into the acquisition cost of assets

Interest expense is recognized as periodic cost.

However, overseas consolidated subsidiaries, in accordance with the accounting standards of their respective countries, capitalize interest incurred on funds used for real estate development and other business as part of the acquisition cost of inventories-development projects in progress.

The amount capitalized was ¥5,068 million ($31,698 thousand) in the year ended March 31, 2026, and ¥9,115 million in the year ended March 31, 2025.

3) Accounting treatment of consumption tax and local consumption tax equivalents

The tax-exclusion method is applied.

4) Application of the group tax sharing system

The group tax sharing system is applied.

5) Accounting principles and procedures adopted where relevant accounting standards do not specify treatment

Joint ventures formed by the Company and certain domestic consolidated subsidiaries with other companies for the purpose of obtaining and executing construction projects are not accounted for as separate entities. Construction revenue and costs arising from such joint ventures are recognized in proportion to each party's ownership interest in the joint venture.

6) 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.

7) 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 foreign exchange forward contracts or currency swaps.

8) 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 (loss) in a separate component of equity.

(Significant Accounting Estimate)

Estimates of total construction revenue, total construction costs and the progress of the contract under 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. Amounts recognized in the consolidated financial statements

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended / As of March 31, 2026	Year Ended / As of March 31, 2025	Year Ended / As of March 31, 2026
Revenues from construction projects recognized by the percentage-of-completion method	¥ 2,554,980	¥ 2,388,728	$ 15,980,610
Cost of revenues for construction projects recognized by the percentage-of-completion method	2,231,963	2,180,772	13,960,238
Provision for loss on construction projects in progress	24,497	25,094	153,221

2. Information on the significant accounting estimate

The revenues from construction projects are calculated by multiplying the total estimated construction revenue by the progress principally based on cumulative construction costs incurred by the end of the consolidated fiscal 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 consolidated fiscal year against the total estimated construction costs.

As construction progresses, the aforementioned estimates are influenced by factors such as the variation orders regarding changes in construction methods or scope, the fluctuations of the price in the construction materials and labor market, and the changes of construction costs led by condition changes related to projects. Such factors could have a material impact on the amount of revenues from construction projects, cost of revenues for construction projects and provision for loss on construction projects in progress in the consolidated financial statements for the following consolidated fiscal year.

(Additional Information)

(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 (the "Directors") of the Company using a trust structure.

The Company has proposed, as agenda items (resolutions) at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, "Partial amendments to the Articles of Incorporation" and "Determination of the amount and details of performance-linked stock remuneration for Directors (excluding Audit & Supervisory Committee Members and Outside Directors)." If these proposals are approved as originally proposed, the Company will transition to a Company with an Audit & Supervisory Committee, and the eligible individuals under the Plan will be the Company's Directors (excluding Audit & Supervisory Committee Members and Outside Directors) and Executive Officers.

The Plan clarifies the link between the remuneration of the Directors and the Company's performance as well as stock value. 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 shareholders. 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 ¥678 million ($4,240 thousand) and 309,610 shares, respectively, as of March 31, 2026, and ¥1,155 million and 527,498 shares, respectively, as of March 31, 2025.

(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 ¥1,330 million ($8,318 thousand) and 607,477 shares, respectively, as of March 31, 2026, and ¥2,345 million and 1,070,320 shares, respectively, as of March 31, 2025.

(Consolidated Balance Sheet)

*1 The amounts of receivables and contract assets arising from contract with customers included in notes and accounts receivable-trade were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Notes receivable-trade	¥ 17,777	¥ 13,115	$ 111,189
Accounts receivable-trade	588,560	480,758	3,681,260
Contract assets	502,345	558,893	3,142,012

*2 Accumulated depreciation of property and equipment

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	¥ 416,297	¥ 404,250	$ 2,603,809

*3 The Company and 1 of its domestic consolidated subsidiaries revalue their land in accordance with the Act on Revaluation of Land (Act No.34 promulgated on March 31, 1998). The amount equivalent to the tax effect related to the revaluation difference is recorded as "Deferred tax liabilities on revaluation surplus of land" under liabilities, and the revaluation difference after deduction of the tax effect is recorded as "Revaluation surplus of land" under equity.

-Revaluation method

The revaluation is determined based on land values that serve as the basis for calculating the taxable amount of land value tax as stipulated in Article 16 of the Land-holding Tax Act (Act No. 69 of 1991), determined under the methods prescribed and published by the Commissioner of the National Tax Agency as provided in item (iv) of Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), with reasonable adjustments applied, and based on appraisals by real estate appraisers as provided in item (v) of the same Article.

-Date of revaluation: March 31, 2002

*4 Collateral and secured liability

(1) Assets pledged as collateral for liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
(Pledged assets)			
Notes and accounts receivable-trade, etc.	¥ 1,038	¥ 974	$ 6,492
Inventories-real estate for sale	172,510	218,533	1,078,996
Inventories-development projects in progress	49,240	41,009	307,980
Buildings and structures	47,505	38,582	297,129
Machinery, vehicles, tools, furniture and fixtures	24	29	150
Land	35,222	34,638	220,302
Construction in progress	899	1,268	5,622
Other property and equipment (right-of-use assets)	1,272	1,109	7,955
Intangible assets	13,997	13,997	87,546
Investments in unconsolidated subsidiaries and affiliates	5,965	3,016	37,309
Total	¥ 327,675	¥ 353,157	$ 2,049,505
(Corresponding Obligations)			
Short-term borrowings	¥ 37,617	¥ 69,716	$ 235,282
Current portion of bonds payable	—	4,800	—
Bonds payable	25,850	25,850	161,683
Long-term borrowings	113,360	91,979	709,031
Other long-term liabilities (long-term deposits)	2	2	12
Total	¥ 176,830	¥ 192,349	$ 1,106,017

(2) Assets pledged as collateral for liabilities of affiliates were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Other current assets (short-term loans receivable)	¥ 68	¥ 69	$ 425
Investments in unconsolidated subsidiaries and affiliates	7,916	7,935	49,512
Long-term loans to unconsolidated subsidiaries and affiliates	455	523	2,845
Total	¥ 8,439	¥ 8,528	$ 52,783

*5 Long-term loans receivable

Long-term loans receivable primarily consists of loans to business partners and customers of the Companies.

*6 The amounts of contract liabilities included in advances received were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Advances received on construction projects in progress	¥ 224,527	¥ 250,009	$ 1,404,347
Advances received on development projects in progress, real estate for sale and other	3,808	3,124	23,817
Other current liabilities	45,083	56,423	281,980
Total	¥ 273,419	¥ 309,557	$ 1,710,151

*7 Contingent liabilities

Guarantees are provided for bank loans and other obligations of the following companies.

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Affiliates			
Oga Wind Power Co., Ltd.	¥ 1,143	¥ 1,334	$ 7,149
Other	26	24	162
Subtotal	1,169	1,359	7,311
Others			
FDG Boiling Springs JV, LLC	6,260	0	39,154
FDG-PLT Grove Avenue JV, LLC	5,619	0	35,145
FDG-NHC Optima JV, LLC	4,167	—	26,063
FDG-KRD Exchange JV, LLC	2,592	—	16,212
RPC-FDG NODA JV, LLC	2,047	1,423	12,803
Other	16,926	18,146	105,866
Subtotal	37,614	19,570	235,263
Total	¥ 38,784	¥ 20,929	$ 242,581

With respect to guarantee obligations subject to re-guarantees, the amount borne by the Group is presented.

*8 Inventories related to construction contracts for which a loss is expected are presented on a gross basis without being offset against the provision for loss on construction projects in progress.

Amount of inventories corresponding to the provision for loss on construction projects in progress

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Inventories-construction projects in progress	¥ 0	¥ 15	$ 0

*9 Commitment line agreements with relationship banks under syndicated loan arrangements are in place to secure funding in the event of emergencies.

The maximum borrowing capacity and unused balances under these agreements at the end of the consolidated fiscal year were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Maximum borrowing capacity	¥ 200,000	¥ 200,000	$ 1,250,938
Outstanding borrowings	—	—	—
Unused borrowing capacity (net)	¥ 200,000	¥ 200,000	$ 1,250,938

(Consolidated Statement of Income)

*1 Revenues from contracts with customers

Revenues from construction projects and real estate and other are not classified into revenues from contracts with customers and other revenues. The amount of revenues from contracts with customers is stated in the consolidated financial statements "[Notes to Consolidated Financial Statements] (Revenue Recognition) 1. Disaggregation of revenues from contracts with customers."

*2 Provision expense for loss on construction projects in progress included in the cost of revenues for construction projects was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
	¥ 22,265	¥ 13,424	$ 139,260

*3 Ending balance of inventories are stated at amounts after write-downs due to declines in profitability, and the following inventory valuation losses were included in the cost of revenues.

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
	¥ 3	¥ 129	$ 18

*4 The major items and amounts included in selling, general and administrative expenses were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Employees' salaries and allowances	¥ 68,539	¥ 66,545	$ 428,690
Research study expenses	19,892	17,835	124,418
Retirement benefit expenses	1,867	2,119	11,677
Provision for doubtful accounts	209	1,491	1,307
Provision for directors' bonuses	278	240	1,738
Provision for stock awards	961	1,013	6,010

*5 The total amount of research and development expenses included in general and administrative expenses and manufacturing expenses for the period was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
	¥ 24,247	¥ 22,207	$ 151,657

*6 The breakdown of gain on sales of noncurrent assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Land	¥ 1,918	¥ 5,609	$ 11,996
Machinery, vehicles, tools, furniture and fixtures	196	175	1,225
Other	38	40	237
Total	¥ 2,152	¥ 5,826	$ 13,460

*7 The breakdown of loss on sales of noncurrent assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Land	¥ 73	¥ —	$ 456
Other	67	4	419
Total	¥ 140	¥ 4	$ 875

*8 The breakdown of loss on disposals of noncurrent assets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Buildings and structures	¥ 322	¥ 1,132	$ 2,014
Demolition and removal costs	369	1,322	2,307
Other	106	92	662
Total	¥ 798	¥ 2,547	$ 4,991

*9 Loss on impairment of long-lived assets

The Group recognized impairment losses on the following assets or asset groups.

Year Ended March 31, 2026

Intended Use	Type	Location	Number of assets
Operating assets	Buildings, structures, land and other	Iwate Prefecture and other	15
Idle asset	Land	Tochigi Prefecture	1

Operating assets for which impairment losses have been recognized are grouped by branch, while idle assets are grouped individually by each property.

The carrying amounts of certain operating assets were devalued to their recoverable amounts due to declining profitability. The carrying amount of the idle asset was devalued to the recoverable amount due to a decline in property prices. As a result, the Companies recognized impairment losses of ¥655 million ($4,096 thousand), which consisted of operating assets of ¥648 million ($4,053 thousand) and idle asset of ¥7 million ($43 thousand). Impairment loss of operating assets consisted of buildings and structures of ¥112 million ($700 thousand), machinery, vehicles, tools, furniture, fixtures and other of ¥150 million ($938 thousand), land of ¥368 million ($2,301 thousand) and other of ¥17 million ($106 thousand). Impairment loss of the idle asset consisted of land of ¥7 million ($43 thousand).

The recoverable amounts of these assets or asset groups 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.

Year Ended March 31, 2025

Intended Use	Type	Location	Number of assets
Operating assets	Machinery, vehicles, tools, furniture, fixtures and other	Hiroshima Prefecture and other	2
Idle assets	Machinery, vehicles, tools, furniture, fixtures and other	Kanagawa Prefecture and other	6
Other	Intangible asset (Customer relationships)	Georgia, U.S.A.	1

Operating assets for which impairment losses have been recognized are grouped by branch, while idle assets are grouped individually by each property.

The carrying amounts of certain operating assets were devalued to their recoverable amounts due to declining profitability. The carrying amounts of idle assets 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, which consisted of operating assets of ¥88 million, idle assets of ¥362 million and intangible asset of ¥170 million. Impairment loss of operating assets consisted of buildings and structures of ¥12 million, machinery, vehicles, tools, furniture, fixtures and other of ¥69 million, and other of ¥7 million. Impairment loss of idle assets consisted of buildings and structures of ¥44 million, machinery, vehicles, tools, furniture, fixtures and other of ¥264 million and land of ¥52 million.

The recoverable amounts of operating assets and idle assets were measured at the anticipated net selling price at disposition. The Companies principally used the value reasonably calculated based on estimates obtained from third parties, 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.

(Consolidated Statement of Comprehensive Income)

*1 Reclassification adjustments for other comprehensive income and income taxes and tax effects

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Unrealized gain (loss) on available-for-sale securities			
Amount incurred	¥ 74,259	¥ (42,267)	$ 464,467
Reclassification adjustment	(14,629)	(12,400)	(91,499)
Before income taxes and tax effect	59,630	(54,667)	372,967
Income taxes and tax effect	(18,342)	15,468	(114,723)
Total	41,288	(39,199)	258,243
Deferred gain (loss) on derivatives under hedge accounting			
Amount incurred	911	568	5,698
Reclassification adjustment	(632)	(1,118)	(3,952)
Before income taxes and tax effect	278	(550)	1,738
Income taxes and tax effect	(71)	81	(444)
Total	207	(468)	1,294
Revaluation surplus of land			
Income taxes and tax effect	0	(603)	0
Total	0	(603)	0
Foreign currency translation adjustments			
Amount incurred	10,182	38,222	63,685
Reclassification adjustment	(45)	(166)	(281)
Before income taxes and tax effect	10,136	38,055	63,397
Income taxes and tax effect	—	—	—
Total	10,136	38,055	63,397
Defined retirement benefit plans			
Amount incurred	4,109	3,663	25,700
Reclassification adjustment	(850)	(413)	(5,316)
Before income taxes and tax effect	3,259	3,249	20,384
Income taxes and tax effect	(1,016)	(1,079)	(6,354)
Total	2,242	2,169	14,023
Share of other comprehensive income (loss) in unconsolidated subsidiaries and affiliates			
Amount incurred	(2,116)	407	(13,234)
Reclassification adjustment	126	(28)	788
Total	(1,990)	378	(12,446)
Total other comprehensive income (loss)	¥ 51,885	¥ 332	$ 324,524

(Consolidated Statement of Changes in 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:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' 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 fiscal year if the company has prescribed so in its articles of incorporation. With respect to the third condition above, the Board of Directors of companies with (a) Board Committees (namely, Appointment Committee, Compensation Committee and Audit Committee) or (b) an Audit & Supervisory Committee may also declare dividends at any time because such companies, by nature, meet the criteria under the Companies Act. The Company is organized as a company with an Audit & Supervisory Committee, effective June 26, 2026. The Company meets all the above criteria and, accordingly, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate.

(2) 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 shareholders.

Year Ended March 31, 2026

1. The type and total number of issued shares, and the type and number of treasury stock

(Thousand shares)

	Type of stock	Number of shares at the beginning of the fiscal year	Number of shares increased during the fiscal year	Number of shares decreased during the fiscal year	Number of shares at the end of the fiscal year
Issued shares	Common stock	528,656	—	—	528,656
Treasury stock	Common stock	57,913	5,480	680	62,712

Notes: 1. The number of shares of treasury stock (common stock) includes the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees (1,597 thousand shares at the beginning of the consolidated fiscal year and 917 thousand shares at the end of the consolidated fiscal year).
2. The increase of 5,480 thousand shares of treasury stock (common stock) consists of an increase of 5,474 thousand shares due to the acquisition of treasury stock based on a resolution of the Board of Directors' Meeting, an increase of 4 thousand shares due to the purchase of shares less than one unit, and an increase of 0 thousand shares due to the acquisition of restricted stock without consideration.
3. The decrease of 680 thousand shares of treasury stock (common stock) is due to the delivery of the shares of the Company to each eligible recipient by the stock delivery trust accounts for directors, executive officers and employees.

2. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Millions of Yen)	Total dividends (Thousands of U.S. Dollars)	Dividends per share (Yen)	Dividends per share (U.S. Dollars)	Record Date	Effective date
June 27, 2025 Annual General Meeting of Shareholders	Common stock	¥ 27,923	$ 174,649	¥ 59.00	$ 0.36	March 31, 2025	June 30, 2025
November 11, 2025 Board of Directors' Meeting	Common stock	26,197	163,854	56.00	0.35	September 30, 2025	December 2, 2025

Notes: 1. The difference between the total dividends and the amount of cash dividends paid in the consolidated statements of changes in equity is attributable to the deduction of the portion equivalent to the Company's ownership interest in dividends on the shares of the Company held by an affiliate.
2. The total dividends resolved at the Annual General Meeting of Shareholders held on June 27, 2025, include dividends of ¥94 million ($587 thousand) on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.
3. The total dividends resolved at the Board of Directors' Meeting held on November 11, 2025, include dividends of ¥51 million ($318 thousand) on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.

(2) Dividends with a record date in the consolidated fiscal year ended March 31, 2026, for which the effective date comes in the subsequent consolidated fiscal year

Resolution	Type of stock	Total dividends (Millions of Yen)	Total dividends (Thousands of U.S. Dollars)	Dividend resources	Dividends per share (Yen)	Dividends per share (U.S. Dollars)	Record Date	Effective date
June 26, 2026 Annual General Meeting of Shareholders	Common stock	¥ 42,102	$ 263,335	Retained earnings	¥ 90.00	$ 0.56	March 31, 2026	June 29, 2026

Notes: 1. The above dividend-related matter has been proposed as an agenda item (resolution) for the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026.
2. The total dividends include a dividend of ¥82 million ($512 thousand) on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.

Year Ended March 31, 2025

1. The type and total number of issued shares, and the type and number of treasury stock

(Thousand shares)

	Type of stock	Number of shares at the beginning of the fiscal year	Number of shares increased during the fiscal year	Number of shares decreased during the fiscal year	Number of shares at the end of the fiscal year
Issued shares	Common stock	528,656	—	—	528,656
Treasury stock	Common stock	47,481	11,136	705	57,913

Notes: 1. The number of shares of treasury stock (common stock) includes the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees (2,303 thousand shares at the beginning of the consolidated fiscal year and 1,597 thousand shares at the end of the consolidated fiscal year).
2. The increase of 11,136 thousand shares of treasury stock (common stock) consists of an increase of 11,132 thousand shares due to the acquisition of treasury stock based on a resolution of the Board of Directors' Meeting, and an increase of 3 thousand shares due to the purchase of shares less than one unit.
3. The decrease of 705 thousand shares of treasury stock (common stock) is due to the delivery of the shares of the Company to each eligible recipient by the stock delivery trust accounts for directors, executive officers and employees.

2. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record Date	Effective date
June 25, 2024 Annual General Meeting of Shareholders	Common stock	¥ 26,643	¥ 55.00	March 31, 2024	June 26, 2024
November 12, 2024 Board of Directors' Meeting	Common stock	21,298	45.00	September 30, 2024	December 3, 2024

Notes: 1. The difference between the total dividends and the amount of cash dividends paid in the consolidated statements of changes in equity is attributable to the deduction of the portion equivalent to the Company's ownership interest in dividends on the shares of the Company held by an affiliate.
2. The total dividends resolved at the Annual General Meeting of Shareholders held on June 25, 2024, include dividends of ¥126 million on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.
3. The total dividends resolved at the Board of Directors' Meeting held on November 12, 2024, include dividends of ¥71 million on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.

(2) Dividends with a record date in the consolidated fiscal year ended March 31, 2025, for which the effective date comes in the subsequent consolidated fiscal year

Resolution	Type of stock	Total dividends (Millions of Yen)	Dividend resources	Dividends per share (Yen)	Record Date	Effective date
June 27, 2025 Annual General Meeting of Shareholders	Common stock	¥ 27,923	Retained earnings	¥ 59.00	March 31, 2025	June 30, 2025

Notes: 1. The above dividend-related matter has been proposed as an agenda item (resolution) for the Annual General Meeting of Shareholders scheduled to be held on June 27, 2025.
2. The total dividends include a dividend of ¥94 million on the shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees.

(Consolidated Statement of Cash Flows)

*1 The components of assets and liabilities of newly consolidated subsidiaries which were acquired through the acquisition of shares or interests

Year Ended March 31, 2025

The components of assets and liabilities at the time of the initial consolidation of a newly consolidated subsidiary under KUSA which was acquired through the acquisition of shares, as well as the reconciliation between the acquisition cost and the net proceeds from the said acquisition were as follows:

	Millions of Yen
Current assets	¥ 25,098
Noncurrent assets	3,308
Goodwill	2,005
Current liabilities	(24,694)
Long-term liabilities	(842)
Noncontrolling interests	(84)
Acquisition cost	4,791
Accounts payable	(1,678)
Cash and cash equivalents of the subsidiary	(6,160)
Net proceeds from acquisition	¥ 3,047

The components of assets and liabilities at the time of the initial consolidation of a newly consolidated subsidiary under KAP which was acquired through the acquisition of shares, as well as the reconciliation between the acquisition cost and the net payment for the said acquisition were as follows:

	Millions of Yen
Current assets	¥ 5,833
Noncurrent assets	391
Goodwill	164
Current liabilities	(5,808)
Long-term liabilities	(91)
Noncontrolling interests	(280)
Acquisition cost	209
Cash and cash equivalents of the subsidiary	(85)
Net payment for acquisition	¥ 124

(Lease Transactions)

Operating leases

Future minimum lease payments under noncancelable operating lease transactions

Lessee

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Due within 1 year	¥ 10,094	¥ 10,380	$ 63,134
Due after 1 year	70,181	50,939	438,960
Total	¥ 80,275	¥ 61,320	$ 502,095

Lessor

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Due within 1 year	¥ 26,436	¥ 25,497	$ 165,349
Due after 1 year	100,720	113,585	629,972
Total	¥ 127,157	¥ 139,083	$ 795,327

(Financial Instruments)

1. Information on the status of financial instruments

(1) Policy for financial instruments

The Group invests temporary surplus funds when they arise, but limits such investments to highly secure financial assets such as bank deposits. In accordance with its funding plans primarily for the construction and development business, the Group finances its business through bank borrowings, commercial paper and bond issuances. Derivative transactions are used solely for actual demand purposes, and are not used for speculative or trading purposes.

(2) 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 Group thoroughly enforces 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 Group uses the internal management system to recognize their fair values periodically.

Borrowings, commercial paper and bonds payable 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 borrowings and bonds. All counterparties to derivative transactions are limited to domestic and overseas financial institutions with high creditworthiness, and no losses due to default by counterparties are anticipated. Derivative transactions are executed primarily in accordance with the Company's internal regulations, namely the "Derivatives Transaction Guidelines" and the "Risk Management Procedures Manual", which stipulate the objectives, scope, policies, responsibilities, execution procedures, and risk management framework for such transactions. The Group does not engage in derivative transactions for purposes not specified in these standards.

The accounting methods for hedge accounting are described in "4. Accounting Policies (10) Method of accounting for significant hedging activities" under "Basis of Presentation of Consolidated Financial Statements."

In addition, the Company entered into committed loan facility agreements with several Japanese banks to manage liquidity risk related to fund procurement.

(3) Supplementary information on the fair value of financial instruments

The measurement of fair value of financial instruments involves the use of various assumptions and estimates. Accordingly, the resulting fair values may differ if different assumptions are used.

In addition, the contract amounts, etc. of derivative transactions disclosed in the note "Derivative Transactions" do not, in themselves, represent the market risk associated with such transactions.

2. Fair value of financial instruments

The carrying amount, fair value and unrealized gain (loss) of financial instruments were as follows:

As of March 31, 2026

(Millions of Yen)

	Carrying amount	Fair value	Difference
Assets			
(1) Notes and accounts receivable-trade	¥ 1,112,406		
Allowance for doubtful accounts (*2)	(4,376)		
	1,108,029	¥ 1,104,881	¥ (3,147)
(2) Marketable securities and investments in securities			
Available-for-sale securities (*3, *4)	319,414	319,414	—
(3) Long-term loans receivable	15,709		
(4) Long-term loans to unconsolidated subsidiaries and affiliates	123,219		
Allowance for doubtful accounts (*2)	(450)		
	138,478	137,410	(1,067)
Total assets	¥ 1,565,923	¥ 1,561,707	¥ (4,215)
Liabilities			
(1) Current portion of long-term bonds payable	¥ 20,000	¥ 19,868	¥ (132)
(2) Bonds payable	105,850	102,574	(3,275)
(3) Long-term borrowings	320,126	312,727	(7,399)
Total liabilities	¥ 445,976	¥ 435,169	¥ (10,807)
Derivative transactions (*5)			
1) To which hedge accounting is not applied	¥ 60	¥ 60	¥ —
2) To which hedge accounting is applied	631	641	(10)
Total derivative transactions	¥ 691	¥ 701	¥ (10)

(*1) Cash and cash equivalents, other current assets (time deposits due after three months of the date of acquisition), notes and accounts payable-trade, short-term borrowings, commercial paper, and income taxes payable are not disclosed, as they consist of cash or are settled within a short period, and their fair values approximate their carrying amounts.

(*2) Allowance for doubtful accounts corresponding to notes and accounts receivable-trade, long-term loans receivable, and long-term loans to unconsolidated subsidiaries and affiliates is deducted from each respective balance.

(*3) Investments in partnerships and similar entities, for which the Companies recognize their equity interest on a net basis in the consolidated balance sheet, are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such investments, including operational investments in securities, recorded in the consolidated balance sheet was ¥22,082 million.

(*4) Unlisted shares and other instruments without a quoted market price are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such financial instruments recorded in the consolidated balance sheet, including operational investments in securities, was as follows:

(Millions of Yen)

Classification	As of March 31, 2026
Equity securities	¥ 6,764
Preferred equity investment and other	12,402
Investments in unconsolidated subsidiaries and affiliates and other	129,766

(*5) Net receivables and payables arising from derivative transactions are presented on a net basis. When the aggregate results in a net payable position, it is indicated in parentheses.

As of March 31, 2025

(Millions of Yen)

	Carrying amount	Fair value	Difference
Assets			
(1) Notes and accounts receivable-trade	¥ 1,061,540		
Allowance for doubtful accounts (*2)	(6,596)		
	1,054,943	¥ 1,051,788	¥ (3,155)
(2) Marketable securities and investments in securities			
Available-for-sale securities (*3, *4)	263,754	263,754	—
(3) Long-term loans receivable	19,001		
(4) Long-term loans to unconsolidated subsidiaries and affiliates	126,364		
Allowance for doubtful accounts (*2)	(75)		
	145,290	144,545	(745)
Total assets	¥ 1,463,987	¥ 1,460,087	¥ (3,900)
Liabilities			
(1) Current portion of long-term bonds payable	¥ 14,800	¥ 14,740	¥ (59)
(2) Bonds payable	95,850	94,184	(1,665)
(3) Long-term borrowings	232,246	230,166	(2,079)
Total liabilities	¥ 342,896	¥ 339,091	¥ (3,804)
Derivative transactions (*5)			
1) To which hedge accounting is not applied	¥ (35)	¥ (35)	¥ —
2) To which hedge accounting is applied	195	211	(15)
Total derivative transactions	¥ 159	¥ 175	¥ (15)

(*1) Cash and cash equivalents, other current assets (time deposits due after three months of the date of acquisition), notes and accounts payable-trade, short-term borrowings, commercial paper, and income taxes payable are not disclosed, as they consist of cash or are settled within a short period, and their fair values approximate their carrying amounts.

(*2) Allowance for doubtful accounts corresponding to notes and accounts receivable-trade, long-term loans receivable, and long-term loans to unconsolidated subsidiaries and affiliates is deducted from each respective balance.

(*3) Investments in partnerships and similar entities, for which the Companies recognize their equity interest on a net basis in the consolidated balance sheet, are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such investments, including operational investments in securities, recorded in the consolidated balance sheet was ¥20,317 million.

(*4) Unlisted shares and other instruments without a quoted market price are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such financial instruments recorded in the consolidated balance sheet, including operational investments in securities, was as follows:

(Millions of Yen)

Classification	As of March 31, 2025
Equity securities	¥ 7,568
Preferred equity investment	12,111
Investments in unconsolidated subsidiaries and affiliates and other	105,316

(*5) Net receivables and payables arising from derivative transactions are presented on a net basis. When the aggregate results in a net payable position, it is indicated in parentheses.

As of March 31, 2026

(Thousands of U.S. Dollars)

	Carrying amount	Fair value	Difference
Assets			
(1) Notes and accounts receivable-trade	$ 6,957,755		
Allowance for doubtful accounts (*2)	(27,370)		
	6,930,379	$ 6,910,689	$ (19,683)
(2) Marketable securities and investments in securities			
Available-for-sale securities (*3, *4)	1,997,835	1,997,835	—
(3) Long-term loans receivable	98,254		
(4) Long-term loans to unconsolidated subsidiaries and affiliates	770,696		
Allowance for doubtful accounts (*2)	(2,814)		
	866,137	859,457	(6,673)
Total assets	$ 9,794,364	$ 9,767,994	$ (26,363)
Liabilities			
(1) Current portion of long-term bonds payable	$ 125,093	$ 124,268	$ (825)
(2) Bonds payable	662,059	641,568	(20,484)
(3) Long-term borrowings	2,002,289	1,956,010	(46,278)
Total liabilities	$ 2,789,442	$ 2,721,847	$ (67,594)
Derivative transactions (*5)			
1) To which hedge accounting is not applied	$ 375	$ 375	$ —
2) To which hedge accounting is applied	3,946	4,009	(62)
Total derivative transactions	$ 4,321	$ 4,384	$ (62)

(*1) Cash and cash equivalents, other current assets (time deposits due after three months of the date of acquisition), notes and accounts payable-trade, short-term borrowings, commercial paper, and income taxes payable are not disclosed, as they consist of cash or are settled within a short period, and their fair values approximate their carrying amounts.

(*2) Allowance for doubtful accounts corresponding to notes and accounts receivable-trade, long-term loans receivable, and long-term loans to unconsolidated subsidiaries and affiliates is deducted from each respective balance.

(*3) Investments in partnerships and similar entities, for which the Companies recognize their equity interest on a net basis in the consolidated balance sheet, are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such investments, including operational investments in securities, recorded in the consolidated balance sheet was $138,116 thousand.

(*4) Unlisted shares and other instruments without a quoted market price are not included in "Assets (2) Marketable securities and investments in securities." The carrying amount of such financial instruments recorded in the consolidated balance sheet, including operational investments in securities, was as follows:

(Thousands of U.S. Dollars)

Classification	As of March 31, 2026
Equity securities	$ 42,306
Preferred equity investment and other	77,570
Investments in unconsolidated subsidiaries and affiliates and other	811,646

(*5) Net receivables and payables arising from derivative transactions are presented on a net basis. When the aggregate results in a net payable position, it is indicated in parentheses.

Notes:

1. Scheduled maturities of monetary receivables and marketable securities with maturities after the consolidated balance sheet date

(Millions of Yen)

	As of March 31, 2026				As of March 31, 2025			
	Within 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years	Within 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years
Cash and cash equivalents	¥ 392,273	¥ —	¥ —	¥ —	¥ 349,540	¥ —	¥ —	¥ —
Notes and accounts receivable-trade	1,033,233	78,056	119	996	946,153	112,573	1,856	956
Marketable securities and investments in securities								
Available-for-sale securities with maturities								
Debt securities								
Government and municipal bonds	339	360	356	—	142	674	68	—
Corporate bonds	30	342	407	—	52	226	533	—
Other	—	—	31	—	—	—	71	—
Other current assets								
Time deposits due after three months of the date of acquisition	11,021	—	—	—	4,946	—	—	—
Long-term loans receivable	10,111	15,681	3	24	2,743	18,973	4	23
Long-term loans to unconsolidated subsidiaries and affiliates	18,999	52,558	62,283	8,377	12,028	52,901	59,661	13,801
Total	¥ 1,466,010	¥ 146,998	¥ 63,202	¥ 9,398	¥ 1,315,608	¥ 185,349	¥ 62,194	¥ 14,781

(Thousands of U.S. Dollars)

	As of March 31, 2026			
	Within 1 year	Over 1 year up to 5 years	Over 5 years up to 10 years	Over 10 years
Cash and cash equivalents	$ 2,453,546	$ —	$ —	$ —
Notes and accounts receivable-trade	6,462,553	488,216	744	6,229
Marketable securities and investments in securities				
Available-for-sale securities with maturities				
Debt securities				
Government and municipal bonds	2,120	2,251	2,226	—
Corporate bonds	187	2,139	2,545	—
Other	—	—	193	—
Other current assets				
Time deposits due after three months of the date of acquisition	68,932	—	—	—
Long-term loans receivable	63,241	98,079	18	150
Long-term loans to unconsolidated subsidiaries and affiliates	118,832	328,734	389,560	52,395
Total	$ 9,169,439	$ 919,427	$ 395,308	$ 58,781

Notes:

2. Scheduled repayments of bonds, long-term borrowings, lease obligations, and other interest-bearing debt after the consolidated balance sheet date

(Millions of Yen)

	As of March 31, 2026						As of March 31, 2025					
	Within 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years	Over 5 years	Within 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years	Over 5 years
Short-term borrowings	¥ 306,676	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 293,834	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial paper	—	—	—	—	—	—	70,000	—	—	—	—	—
Bonds payable	20,000	20,500	—	35,350	10,000	40,000	14,800	20,000	20,500	—	35,350	20,000
Long-term borrowings	80,481	98,738	52,565	21,937	65,688	81,197	85,283	66,889	78,812	17,887	24,740	43,917
Lease obligations	3,182	3,111	2,049	1,400	1,083	5,466	3,016	2,445	2,321	1,378	967	5,561
Other interest -bearing debt	40,567	—	—	—	—	—	40,070	—	—	—	—	—
Total	¥ 450,906	¥ 122,350	¥ 54,615	¥ 58,687	¥ 76,772	¥ 126,663	¥ 507,004	¥ 89,335	¥ 101,633	¥ 19,265	¥ 61,057	¥ 69,478

(Thousands of U.S. Dollars)

	As of March 31, 2026					
	Within 1 year	Over 1 year up to 2 years	Over 2 years up to 3 years	Over 3 years up to 4 years	Over 4 years up to 5 years	Over 5 years
Short-term borrowings	$ 1,918,163	$ —	$ —	$ —	$ —	$ —
Commercial paper	—	—	—	—	—	—
Bonds payable	125,093	128,221	—	221,103	62,546	250,187
Long-term borrowings	503,383	617,575	328,777	137,209	410,858	507,862
Lease obligations	19,902	19,458	12,815	8,756	6,773	34,188
Other interest -bearing debt	253,734	—	—	—	—	—
Total	$ 2,820,277	$ 765,261	$ 341,599	$ 367,069	$ 480,185	$ 792,237

3. 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 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.

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) Financial instruments measured at the fair values in the consolidated balance sheet

As of March 31, 2026

(Millions of Yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	¥ 302,985	¥ —	¥ 11,276	¥ 314,262
Debt securities				
Government and municipal bonds	1,082	—	—	1,082
Corporate bonds	—	764	—	764
Other	—	32	—	32
Other	756	1,491	1,024	3,272
Derivative transactions:				
To which hedge accounting is not applied	—	76	—	76
To which hedge accounting is applied	—	631	—	631
Total assets	¥ 304,824	¥ 2,996	¥ 12,301	¥ 320,121
Derivative transactions:				
To which hedge accounting is not applied	¥ —	¥ 15	¥ —	¥ 15
To which hedge accounting is applied	—	0	—	0
Total liabilities	¥ —	¥ 16	¥ —	¥ 16

As of March 31, 2025

(Millions of Yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	¥ 250,379	¥ —	¥ 9,351	¥ 259,730
Debt securities				
Government and municipal bonds	851	—	—	851
Corporate bonds	—	750	—	750
Other	—	71	—	71
Other	889	1,461	—	2,350
Derivative transactions:				
To which hedge accounting is not applied	—	121	—	121
To which hedge accounting is applied	—	196	—	196
Total assets	¥ 252,119	¥ 2,601	¥ 9,351	¥ 264,072
Derivative transactions:				
To which hedge accounting is not applied	¥ —	¥ 157	¥ —	¥ 157
To which hedge accounting is applied	—	1	—	1
Total liabilities	¥ —	¥ 158	¥ —	¥ 158

As of March 31, 2026

(Thousands of U.S. Dollars)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Marketable securities and investments in securities				
Available-for-sale:				
Equity securities	$ 1,895,077	$ —	$ 70,527	$ 1,965,611
Debt securities				
Government and municipal bonds	6,767	—	—	6,767
Corporate bonds	—	4,778	—	4,778
Other	—	200	—	200
Other	4,728	9,325	6,404	20,465
Derivative transactions:				
To which hedge accounting is not applied	—	475	—	475
To which hedge accounting is applied	—	3,946	—	3,946
Total assets	$ 1,906,579	$ 18,739	$ 76,938	$ 2,002,257
Derivative transactions:				
To which hedge accounting is not applied	$ —	$ 93	$ —	$ 93
To which hedge accounting is applied	—	0	—	0
Total liabilities	$ —	$ 100	$ —	$ 100

(2) Financial instruments not measured at fair values in the consolidated balance sheet

As of March 31, 2026

(Millions of Yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable-trade	¥ —	¥ 1,104,881	¥ —	¥ 1,104,881
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	14,166	123,244	137,410
Derivative transactions:				
To which hedge accounting is applied	—	10	—	10
Total assets	¥ —	¥ 1,119,058	¥ 123,244	¥ 1,242,302
Current portion of bonds payable	¥ —	¥ 19,868	¥ —	¥ 19,868
Bonds payable	—	102,574	—	102,574
Long-term borrowings	—	312,727	—	312,727
Total liabilities	¥ —	¥ 435,169	¥ —	¥ 435,169

As of March 31, 2025

(Millions of Yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable-trade	¥ —	¥ 1,051,788	¥ —	¥ 1,051,788
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	29,473	115,071	144,545
Derivative transactions:				
To which hedge accounting is applied	—	15	—	15
Total assets	¥ —	¥ 1,081,277	¥ 115,071	¥ 1,196,349
Current portion of bonds payable	¥ —	¥ 14,740	¥ —	¥ 14,740
Bonds payable	—	94,184	—	94,184
Long-term borrowings	—	230,166	—	230,166
Total liabilities	¥ —	¥ 339,091	¥ —	¥ 339,091

As of March 31, 2026

(Thousands of U.S. Dollars)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable-trade	$ —	$ 6,910,689	$ —	$ 6,910,689
Long-term loans receivable and long-term loans to unconsolidated subsidiaries and affiliates	—	88,603	770,853	859,457
Derivative transactions:				
To which hedge accounting is applied	—	62	—	62
Total assets	$ —	$ 6,999,362	$ 770,853	$ 7,770,215
Current portion of bonds payable	$ —	$ 124,268	$ —	$ 124,268
Bonds payable	—	641,568	—	641,568
Long-term borrowings	—	1,956,010	—	1,956,010
Total liabilities	$ —	$ 2,721,847	$ —	$ 2,721,847

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 debt securities 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 1 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.

Current portion of bonds payable and bonds payable

The fair values of bonds payable issued by the Company are principally measured at the quoted market prices. The fair values of these bonds payable 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 bonds payable are measured by discounting the cash flows related to the debt at discount rates that take into account the remaining periods of the bonds payable and credit risks, and are categorized as Level 2.

Long-term borrowings

The carrying amounts of long-term borrowings 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 has not substantially changed, and are categorized as Level 2. The fair values of long-term borrowings 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.

Notes:

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, 2026

Classification	Valuation technique	Significant unobservable inputs
Marketable securities and investments in securities Available-for-sale: Equity securities (unlisted equity securities) Other (investment limited partnership and similar entities)	Adjusted net asset method	Net asset value

As of March 31, 2025

Classification	Valuation technique	Significant unobservable inputs
Marketable securities and investments in securities Available-for-sale: Equity securities (unlisted equity securities)	Adjusted net asset method	Net asset value

(2) Reconciliation of beginning and ending balances

Year Ended March 31, 2026

(Millions of Yen)

	Marketable securities and investments in securities		Total
	Available-for-sale		
	Equity securities (unlisted equity securities)	Other (investment limited partnership and similar entities)	
Beginning balance	¥ 9,351	¥ —	¥ 9,351
Income or other comprehensive income			
Recognized in income (loss) (*1)	—	(41)	(41)
Recognized in other comprehensive income (*2)	1,336	—	1,336
Net increase (decrease) due to purchases, sales, issuance and settlement	588	1,066	1,654
Ending balance	¥ 11,276	¥ 1,024	¥ 12,301

(*1) Included in "Valuation gain on investment securities" and "Valuation loss on investment securities" in the consolidated statement of income

(*2) Included in "Unrealized gain (loss) on available-for-sale securities" and "Foreign currency translation adjustments" under "Other comprehensive income (loss)" in the consolidated statement of comprehensive income.

Year Ended March 31, 2025

(Millions of Yen)

	Marketable securities and investments in securities
	Available-for-sale
	Equity securities (unlisted equity securities)
Beginning balance	¥ 7,710
Recognized in other comprehensive income (*1)	1,138
Net increase (decrease) due to purchases, sales, issuance and settlement	501
Ending balance	¥ 9,351

(*1) Included in "Unrealized gain (loss) on available-for-sale securities" and "Foreign currency translation adjustments" under "Other comprehensive income (loss)" in the consolidated statement of comprehensive income.

Year Ended March 31, 2026

(Thousands of U.S. Dollars)

	Marketable securities and investments in securities		Total
	Available-for-sale		
	Equity securities (unlisted equity securities)	Other (investment limited partnership and similar entities)	
Beginning balance	$ 58,487	$ —	$ 58,487
Income or other comprehensive income			
Recognized in income (loss) (*1)	—	(256)	(256)
Recognized in other comprehensive income (*2)	8,356	—	8,356
Net increase (decrease) due to purchases, sales, issuance and settlement	3,677	6,667	10,345
Ending balance	$ 70,527	$ 6,404	$ 76,938

(*1) Included in "Valuation gain on investment securities" and "Valuation loss on investment securities" in the consolidated statement of income

(*2) Included in "Unrealized gain (loss) on available-for-sale securities" and "Foreign currency translation adjustments" under "Other comprehensive income (loss)" in the consolidated statement of comprehensive income.

(Securities)

1. Marketable securities, operational investment securities and investment securities

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Current			
Government, municipal and corporate bonds	¥ 367	¥ 193	$ 2,295
Preferred equity investment	9,771	9,771	61,114
Other	1,593	1,624	9,963
Total	¥ 11,732	¥ 11,589	$ 73,380
Noncurrent			
Equity securities	¥ 321,026	¥ 267,298	$ 2,007,918
Government, municipal and corporate bonds	1,512	1,479	9,457
Other	26,392	23,383	165,073
Total	¥ 348,931	¥ 292,162	$ 2,182,455

2. Available-for-sale securities

(Millions of Yen)

Type	As of March 31, 2026			As of March 31, 2025		
	Carrying amount	Acquisition cost	Difference	Carrying amount	Acquisition cost	Difference
(1) Securities with carrying amount exceeding acquisition cost						
Equity securities	¥ 309,707	¥ 79,483	¥ 230,223	¥ 254,133	¥ 82,817	¥ 171,316
Debt securities						
Government and municipal bonds	349	344	5	—	—	—
Corporate bonds	610	595	14	179	177	1
Other	32	32	0	—	—	—
Other	2,805	2,115	689	1,963	1,332	631
Subtotal	313,505	82,571	230,933	256,276	84,327	171,949
(2) Securities with carrying amount not exceeding acquisition cost						
Equity securities	4,554	4,929	(375)	5,596	6,144	(548)
Debt securities						
Government and municipal bonds	732	745	(12)	851	883	(32)
Corporate bonds	154	155	(1)	571	584	(12)
Other	—	—	—	71	72	(1)
Other	467	532	(65)	386	423	(36)
Subtotal	5,909	6,363	(454)	7,477	8,108	(631)
Total	¥ 319,414	¥ 88,935	¥ 230,479	¥ 263,754	¥ 92,435	¥ 171,318

(Thousands of U.S. Dollars)

Type	As of March 31, 2026		
	Carrying amount	Acquisition cost	Difference
(1) Securities with carrying amount exceeding acquisition cost			
Equity securities	$ 1,937,121	$ 497,141	$ 1,439,973
Debt securities			
Government and municipal bonds	2,182	2,151	31
Corporate bonds	3,815	3,721	87
Other	200	200	0
Other	17,544	13,228	4,309
Subtotal	1,960,876	516,456	1,444,414
(2) Securities with carrying amount not exceeding acquisition cost			
Equity securities	28,483	30,829	(2,345)
Debt securities			
Government and municipal bonds	4,578	4,659	(75)
Corporate bonds	963	969	(6)
Other	—	—	—
Other	2,920	3,327	(406)
Subtotal	36,958	39,798	(2,839)
Total	$ 1,997,835	$ 556,260	$ 1,441,574

3. Available-for-sale securities which were sold

(Millions of Yen)

Type	Year Ended March 31, 2026			Year Ended March 31, 2025		
	Proceeds	Realized gain	Realized loss	Proceeds	Realized gain	Realized loss
Equity securities	¥ 20,958	¥ 15,255	¥ —	¥ 20,321	¥ 13,979	¥ 0
Debt securities						
Government and municipal bonds	30	—	0	—	—	—
Corporate bonds	32	0	0	32	0	—
Other	39	—	0	—	—	—
Other	223	18	18	—	—	—
Total	¥ 21,284	¥ 15,274	¥ 19	¥ 20,354	¥ 13,979	¥ 0

(Thousands of U.S. Dollars)

Type	Year Ended March 31, 2026		
	Proceeds	Realized gain	Realized loss
Equity securities	$ 131,085	$ 95,415	$ —
Debt securities			
Government and municipal bonds	187	—	0
Corporate bonds	200	0	0
Other	243	—	0
Other	1,394	112	112
Total	$ 133,124	$ 95,534	$ 118

4. Impairment losses on securities

The Company recognized valuation losses on investment securities of ¥656 million ($4,103 thousand) and ¥1,042 million for the years ended March 31, 2026 and 2025, respectively, due to impairment losses on available-for-sale securities.

(Derivative Transactions)

1. Derivative transactions to which hedge accounting is not applied

(1) Currency

(Millions of Yen)

Classification	Type of transaction	As of March 31, 2026				As of March 31, 2025			
		Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)	Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)
Nonmarket transactions	Foreign exchange forward contracts								
	Buying:								
	Czech Koruna forward	¥ 8,001	¥ —	¥ (1)	¥ (1)	¥ 13,176	¥ —	¥ (44)	¥ (44)
	Euro forward	416	176	6	6	582	295	(6)	(6)
	Chinese Yuan forward	—	—	—	—	79	—	8	8
	U.S. Dollar forward	—	—	—	—	1	—	0	0
	Selling:								
	Euro forward	1,740	—	34	34	1,716	371	9	9
	U.S. Dollar forward	57	—	(1)	(1)	—	—	—	—
Total		¥ 10,216	¥ 176	¥ 37	¥ 37	¥ 15,557	¥ 666	¥ (32)	¥ (32)

(Thousands of U.S. Dollars)

Classification	Type of transaction	As of March 31, 2026			
		Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)
Nonmarket transactions	Foreign exchange forward contracts				
	Buying:				
	Czech Koruna forward	$ 50,043	$ —	$ (6)	$ (6)
	Euro forward	2,601	1,100	37	37
	Chinese Yuan forward	—	—	—	—
	U.S. Dollar forward	—	—	—	—
	Selling:				
	Euro forward	10,883	—	212	212
	U.S. Dollar forward	356	—	(6)	(6)
Total		$ 63,897	$ 1,100	$ 231	$ 231

(2) Interest rate

(Millions of Yen)

Classification	Type of transaction	As of March 31, 2026				As of March 31, 2025			
		Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)	Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)
Nonmarket transactions	Interest rate swaps								
	Pay-fix / Receive-float	¥ —	¥ —	¥ —	¥ —	¥ 4,934	¥ 4,868	¥ (82)	¥ (82)
	Interest rate options								
	Interest rate cap	6,733	6,733	22	22	6,004	6,004	78	78
Total		¥ 6,733	¥ 6,733	¥ 22	¥ 22	¥ 10,939	¥ 10,873	¥ (3)	¥ (3)

(Thousands of U.S. Dollars)

Classification	Type of transaction	As of March 31, 2026			
		Contract amount	Contract amount due after 1 year	Fair value	Unrealized gain (loss)
Nonmarket transactions	Interest rate swaps				
	Pay-fix / Receive-float	$ —	$ —	$ —	$ —
	Interest rate options				
	Interest rate cap	42,112	42,112	137	137
Total		$ 42,112	$ 42,112	$ 137	$ 137

2. Derivative transactions to which hedge accounting is applied

(1) Currency

(Millions of Yen)

Hedge accounting method	Type of transaction	As of March 31, 2026				As of March 31, 2025			
		Major hedged items	Contract amount	Contract amount due after 1 year	Fair value	Major hedged items	Contract amount	Contract amount due after 1 year	Fair value
Principal method	Foreign exchange forward contracts								
	Buying:								
	U.S. Dollar forward	Accounts payable -trade	¥ 17	¥ —	¥ 0	Accounts payable -trade	¥ 47	¥ —	¥ (1)
	Euro forward	—	—	—	—	Accounts payable -trade	4	—	(0)
	Selling:								
	Euro forward	Accounts receivable -trade	40,235	848	630	Accounts receivable -trade	8,687	751	196
	U.S. Dollar forward	Accounts receivable -trade	8	—	(0)	—	—	—	—
Total		—	¥ 40,261	¥ 848	¥ 631	—	¥ 8,738	¥ 751	¥ 195

(Thousands of U.S. Dollars)

Hedge accounting method	Type of transaction	As of March 31, 2026			
		Major hedged items	Contract amount	Contract amount due after 1 year	Fair value
Principal method	Foreign exchange forward contracts				
	Buying:				
	U.S. Dollar forward	Accounts payable -trade	$ 106	$ —	$ 0
	Euro forward	—	—	—	—
	Selling:				
	Euro forward	Accounts receivable -trade	251,657	5,303	3,940
	U.S. Dollar forward	Accounts receivable -trade	50	—	(0)
Total		—	$ 251,820	$ 5,303	$ 3,946

(2) Interest rate

(Millions of Yen)

Hedge accounting method	Type of transaction	As of March 31, 2026				As of March 31, 2025			
		Major hedged items	Contract amount	Contract amount due after 1 year	Fair value	Major hedged items	Contract amount	Contract amount due after 1 year	Fair value
Special treatment of swap	Interest rate swaps Pay-fix / Receive-float	Short-term borrowings	¥ 1,668	¥ 168	¥ 10	Short-term borrowings	¥ 3,881	¥ 1,694	¥ 15
Total		—	¥ 1,668	¥ 168	¥ 10	—	¥ 3,881	¥ 1,694	¥ 15

(Thousands of U.S. Dollars)

Hedge accounting method	Type of transaction	As of March 31, 2026			
		Major hedged items	Contract amount	Contract amount due after 1 year	Fair value
Special treatment of swap	Interest rate swaps Pay-fix / Receive-float	Short-term borrowings	$ 10,432	$ 1,050	$ 62
Total		—	$ 10,432	$ 1,050	$ 62

(Retirement Benefits)

1. Outline of the retirement allowance system adopted

The Companies 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.

2. Defined benefit plan

(1) Reconciliation of beginning and ending balances of retirement benefit obligation (excluding plans applying the simplified method)

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Retirement benefit obligation, beginning balance	¥ 65,457	¥ 69,823	$ 409,413
Service cost	3,959	4,351	24,762
Interest cost	1,365	938	8,537
Actuarial gains (losses)	(2,268)	(3,617)	(14,185)
Retirement benefits paid	(7,335)	(6,241)	(45,878)
Other	33	203	206
Retirement benefit obligation, ending balance	¥ 61,211	¥ 65,457	$ 382,855

(2) Reconciliation of beginning and ending balances of plan assets (excluding plans applying the simplified method)

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Plan assets, beginning balance	¥ 14,799	¥ 14,572	$ 92,563
Expected return	133	121	831
Actuarial gains (losses)	1,837	56	11,489
Contributions from the employer	100	135	625
Retirement benefits paid	(326)	(220)	(2,039)
Other	89	134	556
Plan assets, ending balance	¥ 16,635	¥ 14,799	$ 104,046

(3) Reconciliation of beginning and ending balances of liability (asset) for retirement benefit plans under the simplified method

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Liability (asset) for retirement benefits, beginning balance	¥ 1,392	¥ 1,378	$ 8,706
Retirement benefit expenses	243	268	1,519
Retirement benefits paid	(230)	(234)	(1,438)
Contributions to the plan	(81)	(55)	(506)
Other	72	35	450
Liability (asset) for retirement benefits, ending balance	¥ 1,396	¥ 1,392	$ 8,731

Notes: 1. The ending balance of liability (asset) for retirement benefits for the year ended March 31, 2026, is a net amount comprising liability for retirement benefits of ¥1,649 million ($10,313 thousand) and asset for retirement benefits of ¥252 million ($1,576 thousand).

2. The ending balance of liability (asset) for retirement benefits for the year ended March 31, 2025, is a net amount comprising liability for retirement benefits of ¥1,618 million and asset for retirement benefits of ¥225 million.

(4) Reconciliation of the ending balance of the retirement benefit obligation and the plan asset and the liability and asset for retirement benefits recorded in the consolidated balance sheet

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Retirement benefit obligation of the funded plan	¥ 9,280	¥ 9,718	$ 58,043
Plan assets	(17,313)	(15,410)	(108,287)
	(8,033)	(5,692)	(50,243)
Retirement benefit obligation of the unfunded plan	54,006	57,743	337,790
Net liability and assets recorded in the consolidated balance sheet	45,973	52,051	287,546
Liability for retirement benefits	53,785	57,509	336,408
Asset for retirement benefits	(7,812)	(5,458)	(48,861)
Net liability and asset recorded in the consolidated balance sheet	¥ 45,973	¥ 52,051	$ 287,546

Note: Including plans applying the simplified method.

(5) Retirement benefit expenses and the amounts of their components

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Service cost	¥ 3,959	¥ 4,351	$ 24,762
Interest cost	1,365	938	8,537
Expected return on plan assets	(133)	(121)	(831)
Amortization of actuarial differences	(856)	(413)	(5,354)
Retirement benefit expenses calculated by the simplified method	243	268	1,519
Other	2	35	12
Retirement benefit expenses for defined benefit plans	¥ 4,580	¥ 5,058	$ 28,646

(6) Defined retirement benefit plans (other comprehensive income (loss))

The components of defined retirement benefit plans recorded in other comprehensive income (loss) (before income taxes and tax effects) are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Actuarial differences	¥ 3,259	¥ 3,249	$ 20,384

(7) Defined retirement benefit plans (accumulated other comprehensive income (loss))

The components of defined retirement benefit plans recorded in accumulated other comprehensive income (loss) (before income taxes and tax effects) are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Unrecognized actuarial differences	¥ 12,983	¥ 9,724	$ 81,204

(8) Matters concerning plan assets

1) Major components of plan assets

The ratios of each major category to total plan assets are as follows:

	As of March 31, 2026	As of March 31, 2025
	%	%
Equity securities	60	59
Debt securities	17	17
Cash and deposits	12	12
General accounts with life insurance company	7	8
Other	4	4
Total	100	100

2) Method of setting the expected long-term rate of return

To determine the expected long-term rate of return on plan assets, the current and expected allocation of plan assets and the current and expected long-term rate of return from the various assets comprising the plan assets are taken into account.

(9) Matters concerning the basis of actuarial calculation

Basis of calculation for major actuarial calculation

	Year Ended March 31, 2026	Year Ended March 31, 2025
Discount rate	1.9 -2.3%	1.2 -1.6%
Expected long-term rate of return	1.0%	1.0%

3. Defined contribution plan

The amount of contributions to the defined contribution plans of the Company and its consolidated subsidiaries is ¥4,297 million ($26,876 thousand) for the year ended March 31, 2026, and ¥4,201 million for the year ended March 31, 2025.

(Tax Effect Accounting)

1. Major components of deferred tax assets and liabilities

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Deferred tax assets			
Accounts payable-trade, accrued expense, and other	¥ 27,945	¥ 22,606	$ 174,787
Valuation loss on property and equipment	23,741	23,811	148,492
Liability for retirement benefits	15,411	17,167	96,391
Tax loss carryforwards	12,451	8,484	77,877
Other	60,041	55,254	375,537
Subtotal	139,591	127,324	873,098
Valuation allowance	(49,232)	(44,938)	(307,930)
Total	¥ 90,358	¥ 82,386	$ 565,161
Deferred tax liabilities			
Unrealized gain on available-for-sale securities	¥ (70,573)	¥ (52,344)	$ (441,412)
Other	(26,351)	(21,880)	(164,817)
Total	¥ (96,924)	¥ (74,224)	$ (606,229)
Net deferred tax assets (liabilities)	¥ (6,565)	¥ 8,162	$ (41,062)

2. Reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the consolidated statement of income

	Year Ended March 31, 2026	Year Ended March 31, 2025
Normal effective statutory tax rate	No disclosure is provided, as the difference between the normal effective statutory tax rate and the actual effective tax rate is 5% or less of the normal effective statutory tax rate.	30.5%
(Adjustments)		
Expenses not deductible for income tax purposes		2.0
Income not taxable for income tax purpose		(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%

3. Accounting treatment of corporate and local corporate income taxes or relevant tax effect accounting

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.

(Investment Properties)

The Companies own certain rental properties such as office buildings and commercial facilities in Tokyo, other areas in Japan and overseas (Indonesia and others) for the purpose of generating rental income.

The net of rental income and expenses for these investment properties was ¥14,701 million ($91,950 thousand) (the main rental income is recorded in revenues of real estate and other and the main rental expenses are recorded in the cost of revenues of real estate and other), gain on sales of noncurrent assets of ¥418 million ($2,614 thousand), loss on sales of noncurrent assets of ¥80 million ($500 thousand), loss on disposal of noncurrent assets of ¥121 million ($756 thousand), and loss of impairment of long-lived assets of ¥7 million ($43 thousand) (each recorded as other income (expenses)) for the year ended March 31, 2026.

The net of rental income and expenses for these investment properties was ¥15,040 million (the main rental income is recorded in revenues of real estate and other, and the main rental expenses are recorded in the cost of revenues of real estate and other), gain on sales of noncurrent assets of ¥794 million, loss on sales of noncurrent assets of ¥0 million, loss on disposal of noncurrent assets of ¥604 million and loss of impairment of long-lived assets of ¥97 million (each recorded as other income (expenses)) for the year ended March 31, 2025.

In addition, the carrying amounts, changes in balances during the period and fair values of such investment properties were as follows:

		Millions of Yen		Thousands of U.S. Dollars
		Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Carrying amount				
	Beginning balance	¥ 343,766	¥ 302,886	$ 2,150,150
	Changes during the period	25,585	40,880	160,026
	Ending balance	369,352	343,766	2,310,182
Year-end fair value		¥ 656,126	¥ 623,644	$ 4,103,865

Notes: 1. Carrying amount recognized in the consolidated balance sheet is net of accumulated depreciation, if any.
2. Increase during the year ended March 31, 2026, primarily consisted of construction of buildings and other of ¥ 24,948 million ($156,042 thousand). Increase during the year ended March 31, 2025, primarily consisted of construction of buildings and other of ¥25,973 million.
3. The year-end fair value depends on the following:
(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 local appraisers.

(Revenue Recognition)

1. Disaggregation of revenues from contracts with customers

Year Ended March 31, 2026

(Millions of Yen)

	Reportable Segments					Total
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	
Construction projects	¥ 430,767	¥ 1,180,918	¥ —	¥ 133,664	¥ 933,004	¥ 2,678,355
Real estate and other	—	—	70,734	124,047	134,247	329,028
Revenues from contracts with customers	430,767	1,180,918	70,734	257,711	1,067,252	3,007,384
Other revenues (Note)	—	—	21,942	13,405	24,543	59,891
Revenues from external customers	¥ 430,767	¥ 1,180,918	¥ 92,676	¥ 271,117	¥ 1,091,795	¥ 3,067,275

	By region						Total
	Japan	North America	Europe	Asia	Oceania	Other Areas	
Construction projects	¥ 1,742,393	¥ 505,157	¥ 71,088	¥ 171,362	¥ 184,221	¥ 4,131	¥ 2,678,355
Real estate and other	194,451	102,889	7,309	23,951	401	25	329,028
Revenues from contracts with customers	1,936,844	608,047	78,397	195,314	184,622	4,157	3,007,384
Other revenues (Note)	35,348	7,511	4,859	12,173	—	—	59,891
Revenues from external customers	¥ 1,972,192	¥ 615,558	¥ 83,256	¥ 207,487	¥ 184,622	¥ 4,157	¥ 3,067,275

Note: Revenues from lease transactions, etc. are included in other revenues.

Year Ended March 31, 2025

(Millions of Yen)

	Reportable Segments					Total
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	
Construction projects	¥ 404,143	¥ 1,052,902	¥ —	¥ 126,560	¥ 927,056	¥ 2,510,663
Real estate and other	—	—	77,379	103,408	166,519	347,307
Revenues from contracts with customers	404,143	1,052,902	77,379	229,969	1,093,575	2,857,970
Other revenues (Note)	—	—	20,574	12,494	20,777	53,845
Revenues from external customers	¥ 404,143	¥ 1,052,902	¥ 97,953	¥ 242,463	¥ 1,114,353	¥ 2,911,816

	By region						Total
	Japan	North America	Europe	Asia	Oceania	Other Areas	
Construction projects	¥ 1,581,357	¥ 556,247	¥ 55,939	¥ 168,456	¥ 144,763	¥ 3,899	¥ 2,510,663
Real estate and other	180,705	125,851	6,593	33,848	284	23	347,307
Revenues from contracts with customers	1,762,063	682,098	62,533	202,304	145,047	3,922	2,857,970
Other revenues (Note)	32,946	4,732	4,138	12,028	—	—	53,845
Revenues from external customers	¥ 1,795,010	¥ 686,831	¥ 66,671	¥ 214,332	¥ 145,047	¥ 3,922	¥ 2,911,816

Note: Revenues from lease transactions, etc. are included in other revenues.

Year Ended March 31, 2026

(Thousands of U.S. Dollars)

	Reportable Segments					Total
	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	
Construction projects	$ 2,694,314	$ 7,386,277	$ —	$ 836,027	$ 5,835,651	$ 16,752,282
Real estate and other	—	—	442,419	775,875	839,673	2,057,968
Revenues from contracts with customers	2,694,314	7,386,277	442,419	1,611,902	6,675,331	18,810,257
Other revenues (Note)	—	—	137,240	83,844	153,508	374,599
Revenues from external customers	$ 2,694,314	$ 7,386,277	$ 579,659	$ 1,695,753	$ 6,828,840	$ 19,184,857

	By region						Total
	Japan	North America	Europe	Asia	Oceania	Other Areas	
Construction projects	$ 10,898,129	$ 3,159,600	$ 444,633	$ 1,071,816	$ 1,152,245	$ 25,838	$ 16,752,282
Real estate and other	1,216,230	643,538	45,715	149,806	2,508	156	2,057,968
Revenues from contracts with customers	12,114,360	3,803,146	490,349	1,221,628	1,154,753	26,000	18,810,257
Other revenues (Note)	221,090	46,978	30,391	76,138	—	—	374,599
Revenues from external customers	$ 12,335,451	$ 3,850,125	$ 520,740	$ 1,297,767	$ 1,154,753	$ 26,000	$ 19,184,857

Note: Revenues from lease transactions, etc. are included in other revenues.

2. 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 of the promised considerations with customers differ by each contract, there is no material relationship between the timing of satisfaction for the performance obligations and the timing of payment. Furthermore, contracts are determined to contain a significant financing component when it is expected that the period between the time the performance obligation is satisfied and the time the customer makes payment will exceed one year, and when the effects of financing included in the promised consideration with the customer are material.

(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, when a contract contains a significant financing component, such a component is adjusted by excluding the effects of financing from the promised consideration with the customer, using a discount rate that would be applied in a separate financing transaction between the entity and the customer at the contract inception date.

(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 fiscal 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.

3. Information on the relationship between the fulfillment of obligations under contracts with customers and cash flows arising from such contracts, as well as the amounts and timing of revenues expected to be recognized in and after the following consolidated fiscal year from contracts with customers that exist at the end of the current consolidated fiscal year

(1) Balance and other information on contract assets and liabilities

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Receivables arising from contracts with customers, Beginning balance	¥ 493,874	¥ 456,879	$ 3,089,029
Receivables arising from contracts with customers, Ending balance	606,337	493,874	3,792,450
Contract assets, Beginning balance	558,893	478,994	3,495,703
Contract assets, Ending balance	502,345	558,893	3,142,012
Contract liabilities, Beginning balance	309,557	230,558	1,936,183
Contract liabilities, Ending balance	273,419	309,557	1,710,151

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, 2026 and 2025 which were included in the balance of contract liabilities at the beginning of the years, were ¥284,201 million ($1,777,589 thousand) and ¥201,249 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.

(2) Transaction price allocated to the remaining performance obligations

The aggregate transaction price allocated to the remaining performance obligations in the construction business of the Companies and the periods over which revenues are expected to be recognized are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Within 1 year	¥ 2,121,393	¥ 2,213,147	$ 13,268,657
After 1 to 3 years	2,001,312	1,398,665	12,517,588
After 3 years	343,946	269,161	2,151,275
Total	¥ 4,466,652	¥ 3,880,975	$ 27,937,528

(Segment Information and other)

[Segment Information]

1. Description of Reportable Segments

The Group's reportable segments are those for which separate financial information is available and which are regularly reviewed by the Company's Board of Directors to allocate resources and assess the performance of each 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 conducted by domestic subsidiaries and affiliates
Overseas Subsidiaries and Affiliates:	Construction and real estate development businesses and other overseas operations, including those in North America, Europe, Asia, and Oceania and other areas conducted by overseas subsidiaries and affiliates

2. Methods of measurement for the amounts of revenues, profit (loss), assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in "Basis of Presentation of Consolidated Financial Statements." 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, 2026

(Millions of Yen)

	Reportable Segments						Reconciliations (Note 1)	Consolidated (Note 2)
	Civil Engineering	Building Construction	Real Estate Development and other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total		
Revenues:								
(1) Revenues from external customers	¥ 430,767	¥ 1,180,918	¥ 92,676	¥ 271,117	¥ 1,091,795	¥ 3,067,275	¥ —	¥ 3,067,275
(2) Intersegment revenues or transfers	—	1,982	3,739	143,549	169	149,440	(149,440)	—
Total	¥ 430,767	¥ 1,182,901	¥ 96,416	¥ 414,667	¥ 1,091,964	¥ 3,216,716	¥ (149,440)	¥ 3,067,275
Segment profit	¥ 76,742	¥ 83,292	¥ 17,607	¥ 35,774	¥ 26,655	¥ 240,071	¥ 708	¥ 240,780
Other:								
Depreciation (Note 3)	¥ 2,139	¥ 5,875	¥ 4,227	¥ 8,719	¥ 12,614	¥ 33,576	¥ (103)	¥ 33,472
Amortization of goodwill	—	—	—	—	980	980	—	980

Notes:

1. The reconciliation adjustments to segment profit, which amounted to a profit of ¥708 million, primarily consist of eliminations of intersegment transactions.
2. Consolidated segment profit is equal to operating income in the consolidated statement of income.
3. Depreciation includes amortization of long-term prepaid expenses and other related items.
4. Assets are not presented, as they are not allocated to business segments.

Year Ended March 31, 2025

(Millions of Yen)

	Reportable Segments						Reconciliations (Note 1)	Consolidated (Note 2)
	Civil Engineering	Building Construction	Real Estate Development and other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total		
Revenues:								
(1) Revenues from external customers	¥ 404,143	¥ 1,052,902	¥ 97,953	¥ 242,463	¥ 1,114,353	¥ 2,911,816	¥ —	¥ 2,911,816
(2) Intersegment revenues or transfers	—	571	4,445	112,140	148	117,306	(117,306)	—
Total	¥ 404,143	¥ 1,053,474	¥ 102,398	¥ 354,604	¥ 1,114,501	¥ 3,029,122	¥ (117,306)	¥ 2,911,816
Segment profit	¥ 35,703	¥ 51,225	¥ 27,838	¥ 16,403	¥ 20,070	¥ 151,241	¥ 641	¥ 151,882
Other:								
Depreciation (Note 3)	¥ 2,004	¥ 5,226	¥ 3,581	¥ 7,808	¥ 12,326	¥ 30,947	¥ (96)	¥ 30,851
Amortization of goodwill	—	—	—	—	845	845	—	845

Notes:

1. The reconciliation adjustments to segment profit, which amounted to a profit of ¥641 million, primarily consist of eliminations of intersegment transactions.
2. Consolidated segment profit is equal to operating income in the consolidated statement of income.
3. Depreciation includes amortization of long-term prepaid expenses and other related items.
4. Assets are not presented, as they are not allocated to business segments.

Year Ended March 31, 2026

(Thousands of U.S. Dollars)

	Reportable Segments						Reconciliations (Note 1)	Consolidated (Note 2)
	Civil Engineering	Building Construction	Real Estate Development and other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total		
Revenues:								
(1) Revenues from external customers	$ 2,694,314	$ 7,386,277	$ 579,659	$ 1,695,753	$ 6,828,840	$ 19,184,857	$ —	$ 19,184,857
(2) Intersegment revenues or transfers	—	12,396	23,386	897,854	1,057	934,701	(934,701)	—
Total	$ 2,694,314	$ 7,398,680	$ 603,052	$ 2,593,613	$ 6,829,897	$ 20,119,564	$ (934,701)	$ 19,184,857
Segment profit	$ 479,997	$ 520,965	$ 110,126	$ 223,755	$ 166,718	$ 1,501,569	$ 4,428	$ 1,506,004
Other:								
Depreciation (Note 3)	$ 13,378	$ 36,746	$ 26,438	$ 54,534	$ 78,896	$ 210,007	$ (644)	$ 209,357
Amortization of goodwill	—	—	—	—	6,129	6,129	—	6,129

Notes:

1. The reconciliation adjustments to segment profit, which amounted to a profit of $4,428 thousand, primarily consist of eliminations of intersegment transactions.
2. Consolidated segment profit is equal to operating income in the consolidated statement of income.
3. Depreciation includes amortization of long-term prepaid expenses and other related items.
4. Assets are not presented, as they are not allocated to business segments.

[Related Information]

Year Ended March 31, 2026

1. Information about products and services

(Millions of Yen)

	Construction	Real Estate	Other	Total
Revenues from external customers	¥ 2,678,680	¥ 245,116	¥ 143,479	¥ 3,067,275

(Thousands of U.S. Dollars)

	Construction	Real Estate	Other	Total
Revenues from external customers	$ 16,754,315	$ 1,533,124	$ 897,416	$ 19,184,857

2. Information about geographical areas

1) Revenues

(Millions of Yen)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 1,972,192	¥ 615,558	¥ 83,256	¥ 207,487	¥ 184,622	¥ 4,157	¥ 3,067,275

(Thousands of U.S. Dollars)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
$ 12,335,451	$ 3,850,125	$ 520,740	$ 1,297,767	$ 1,154,753	$ 26,000	$ 19,184,857

Notes:

1. Revenues are classified by country or region based on the location of customers.
2. Revenues in the U.S.A. account for ¥615,467 million ($3,849,555 thousand) within total revenues in North America.

2) Property and equipment

(Millions of Yen)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 480,033	¥ 22,855	¥ 51,579	¥ 61,128	¥ 1,709	¥ 5	¥ 617,311

(Thousands of U.S. Dollars)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
$ 3,002,458	$ 142,950	$ 322,610	$ 382,336	$ 10,689	$ 31	$ 3,861,089

3. Information about major customers

No external customer accounted for 10% or more of revenues in the consolidated statement of income.

Year Ended March 31, 2025

1. Information about products and services

(Millions of Yen)

	Construction	Real Estate	Other	Total
Revenues from external customers	¥ 2,511,002	¥ 262,290	¥ 138,523	¥ 2,911,816

2. Information about geographical areas

1) Revenues

(Millions of Yen)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 1,795,010	¥ 686,831	¥ 66,671	¥ 214,332	¥ 145,047	¥ 3,922	¥ 2,911,816

Notes:

1. Revenues are classified by country or region based on the location of customers.
2. Revenues in North America solely consisted of revenues in the U.S.A.

2) Property and equipment

(Millions of Yen)

Japan	North America	Europe	Asia	Oceania	Other Areas	Total
¥ 456,689	¥ 22,949	¥ 41,462	¥ 65,906	¥ 1,579	¥ 13	¥ 588,601

3. Information about major customers

No external customer accounted for 10% or more of revenues in the consolidated statement of income.

[Information about impairment losses of assets]

Year Ended March 31, 2026

Impairment loss ¥655 million ($4,096 thousand)

Notes:

1. The components are operating assets of ¥648 million ($4,053 thousand) and idle asset of ¥7 million ($43 thousand).
2. Impairment losses are not allocated to business segments.

Year Ended March 31, 2025

Impairment loss ¥621 million

Notes:

1. The components are operating assets of ¥88 million, idle assets of ¥362 million, and intangible asset of ¥170 million.
2. Impairment losses are not allocated to business segments.

[Information about goodwill]

Year Ended March 31, 2026

Amortization	¥980 million	($6,129 thousand)
Ending balance	¥1,898 million	($11,871 thousand)

Note: Goodwill is not allocated to business segments.

Year Ended March 31, 2025

Amortization	¥845 million
Ending balance	¥2,567 million

Note: Goodwill is not allocated to business segments.

[Information about negative goodwill]

Year Ended March 31, 2026

Not applicable.

Year Ended March 31, 2025

Not applicable.

[Related Party Information]

Year Ended March 31, 2026

Not applicable.

Year Ended March 31, 2025

Not applicable.

(Disclosed Special Purpose Companies)

1. Overview of disclosed special purpose companies and transactions using disclosed special purpose companies

The Group securitizes real estate to diversify its funding sources. In such securitizations, the Group transfers real estate (including beneficial interests in trust) to a special purpose company (in the form of a special limited liability company) and receives funds raised by the special purpose company through borrowings and other means backed by the real estate as the proceeds of the sale.

In addition, some of the real estate transferred to the special purpose companies is leased to the Group. Furthermore, the Group has entered into a silent partnership agreement with the special purpose companies and holds contributions based on such agreement. The Group plans to recover the contributed amounts.

The special purpose companies with outstanding contribution balances related to real estate securitization were as follows. The Group does not have any voting interests in such special purpose company, nor does it dispatch any officers.

	As of March 31, 2026	As of March 31, 2025
Number of special purpose companies	1	1

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Total assets as of the latest fiscal year end	¥ 26,334	¥ 26,847	$ 164,711
Total liabilities as of the latest fiscal year end	26,329	26,842	164,679

2. Transaction amount and other with special purpose companies

Year Ended March 31, 2026

	Amount of major transactions		Major gains and losses		
	(Millions of Yen)	(Thousands of U.S. Dollars)	Item	Amount (Millions of Yen)	Amount (Thousands of U.S. Dollars)
Silent partnership contributions (Note 1)	¥ —	$ —	Distribution of profits	¥ 969	$ 6,060
Lease transactions	—	—	Lease payments (Note 2)	2,273	14,216

Year Ended March 31, 2025

	Amount of major transactions (Millions of Yen)	Major gains and losses	
		Item	Amount (Millions of Yen)
Silent partnership contributions (Note 1)	¥ —	Distribution of profits	¥ 718
Lease transactions	—	Lease payments (Note 2)	2,251

Notes: 1. Outstanding silent partnership contributions were ¥847 million ($5,297 thousand) as of March 31, 2026, and ¥847 million as of March 31, 2025. In addition, distribution income related to the silent partnership contributions are recognized in other income (expenses).

2. Lease contracts for the real estate are entered into with the real estate trust trustee, and lease payments represent the amounts paid to the real estate trust trustee under such lease contract.

(Per Share Information)

	Yen		U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Net assets per share	¥ 3,036.89	¥ 2,672.64	$ 18.99
Net income per share	379.81	266.49	2.38

Notes: 1. Diluted net income per share is not presented as there are no potential shares.

2. The basis for calculating net assets per share is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
Total equity	¥ 1,436,220	¥ 1,277,988	$ 8,983,112
Amount deducted from total equity	21,204	19,861	132,624
[Noncontrolling interests]	[21,204]	[19,861]	[132,624]
Equity related to common stocks	1,415,015	1,258,127	8,850,481
Number of shares of common stock (thousands) at the end of the fiscal year used in the calculation of net assets per share	465,943	470,742	—

* The shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees are included in treasury stock to be deducted from the total number of shares outstanding at the end of the fiscal year in calculating net assets per share. The number of shares of such treasury stock at the end of the fiscal year was 917 thousand shares as of March 31, 2026, and 1,597 thousand shares as of March 31, 2025.

3. The basis for calculating net income per share is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026
Net income attributable to owners of the parent	¥ 177,334	¥ 125,817	$ 1,109,169
Amount not attributable to common shareholders	—	—	—
Net income attributable to owners of the parent related to common stocks	177,334	125,817	1,109,169
Weighted-average number of shares of common stock (thousands)	466,896	472,120	—

* The shares of the Company held by the stock delivery trust accounts for directors, executive officers and employees are included in treasury stock to be deducted in calculating the average number of shares during the period in calculating net income per share. The average number of shares of such treasury stock during the period was 1,057 thousand shares for the year ended March 31, 2026, and 1,743 thousand shares for the year ended March 31, 2025.

(Subsequent Events)

(Acquisition of own shares)

The Company, at the Board of Directors' Meeting held on May 14, 2026, 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. Reasons for acquiring own shares

To improve capital efficiency and expand shareholder returns

2. Contents of the matters pertaining 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:	¥40,000 million ($250,187 thousand) (upper limit)
(4) Acquisition period:	May 15, 2026 to September 30, 2026
(5) Acquisition method:	Market purchases on the Tokyo Stock Exchange

3. Result of the acquisition based on the above resolution

(1) Type of shares acquired:	Common stock of the Company
(2) Aggregate number of shares acquired:	6,904,400 shares
(3) Aggregate acquisition price of shares:	¥39,999,721,000 ($250,185,895)
(4) Acquisition period:	May 15, 2026 to July 10, 2026 (on a trade basis)
(5) Acquisition method:	Market purchases on the Tokyo Stock Exchange

Deloitte.

Deloitte Touche Tohmatsu LLC
Marunouchi Nijubashi Building
3-2-3 Marunouchi
Chiyoda-ku, Tokyo 100-8360
Japan

Tel: +81 (3) 6213 1000
Fax: +81 (3) 6213 1005
www2.deloitte.com/jp/en

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, 2026, 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, 2026, 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 Notes to Consolidated Financial Statements—Basis of Presentation of 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, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, 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.

Member of
Deloitte Touche Tohmatsu Limited

Revenue Recognition from Construction Contracts over Time	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As described in "Notes to Consolidated Financial Statements—Significant Accounting Estimate" to the consolidated financial statements, the Group's construction revenues 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 "Notes to Consolidated Financial Statements—Significant Accounting Estimate" to the consolidated financial statements, the Group recognized construction revenues of ¥2,554,980 million ($15,980,610 thousand) by applying the percentage-of-completion method out of total construction revenues of ¥2,678,680 million ($16,754,315 thousand) for the year ended March 31, 2026. Out of the construction revenue balance under the percentage-of-completion method, ¥1,528,591 million ($9,560,864 thousand) was recorded by Kajima Corporation (the "Company"). When applying the percentage-of-completion method, construction revenues are calculated by multiplying the total estimated construction revenues 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 revenues, 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 revenues 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 revenues, 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 revenues and total construction costs in relation to recognizing revenues 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 revenues 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 revenues and total construction costs by comparing the accounting estimates included in last year's total construction revenues 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.

(1) Total construction revenues 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.

(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.

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 revenues, 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:

Audit procedures for total construction revenues

(1) We inspected evidence such as construction contracts and tested cash receipts for the total construction revenues.

(2) If the total construction revenues 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 the 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, quotations obtained from subcontractors, 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). Based on the above, we determined that the Company's revenue recognition using the percentage-of-completion method was of particular significance for the year ended March 31, 2026, as accounting estimates for total construction revenues, 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.	**Audit procedures for percentage of completion (actual costs incurred)** (5) If there was 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, 2026, which were charged by us and our network firms to the Company and its subsidiaries were ¥954 million and ¥184 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

November 10, 2026