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,

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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.

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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.