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.

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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.

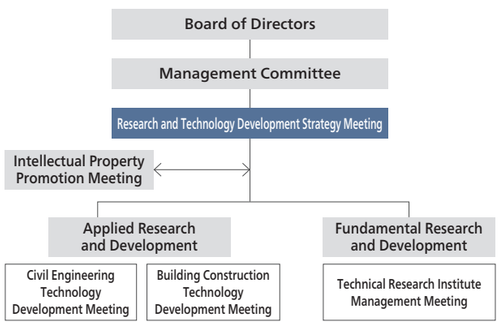
Advances in digital technologies such as AI and complex social challenges have led Kajima to strengthen its global R&D framework around three hubs: the Technical Research Institute in Japan; The GEAR in Singapore, where KaTRIS is based; and Silicon Valley in the United States. This network accelerates 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.

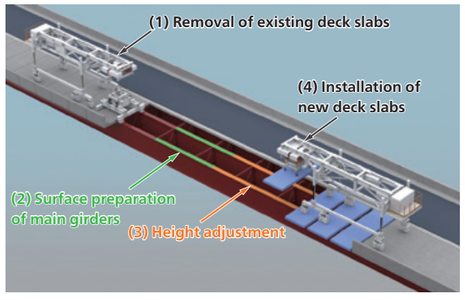
The SDR System was used on the Anogawa Bridge on the Kan-Etsu Expressway (Gunma Prefecture) and the Okuhatagawa Bridge on the Hiroshima Expressway (Hiroshima Prefecture) in 2023, and on the Tomo Viaduct on the Hiroshima Expressway (Hiroshima Prefecture) in 2024. At the Tomo Viaduct, deck slab replacement 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

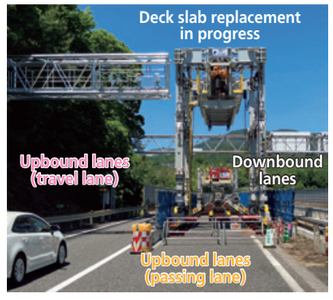


To facilitate wider use, Kajima secured patent protection for the SDR System and will promote its adoption, including through licensing to other companies. Five companies—Kajima Corporation, Obayashi Corporation, P.S. Construction Co., Ltd., Arsocia Construction Co., Ltd. and Yokogawa Bridge Corp.—also 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

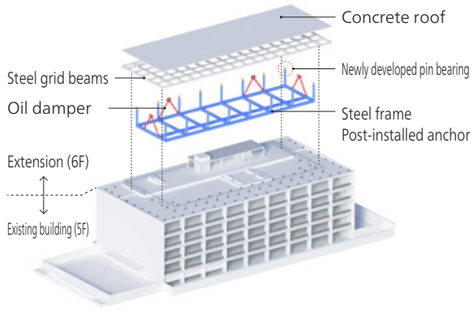

Installation of new deck slabs

*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

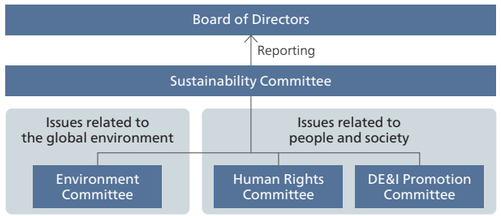
Kajima has established the Sustainability Committee with the aim of considering and making decisions on sustainability policies and monitoring their progress. The committee is chaired by the President, and its members include relevant executive officers. It deals with issues related to the global environment, 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.

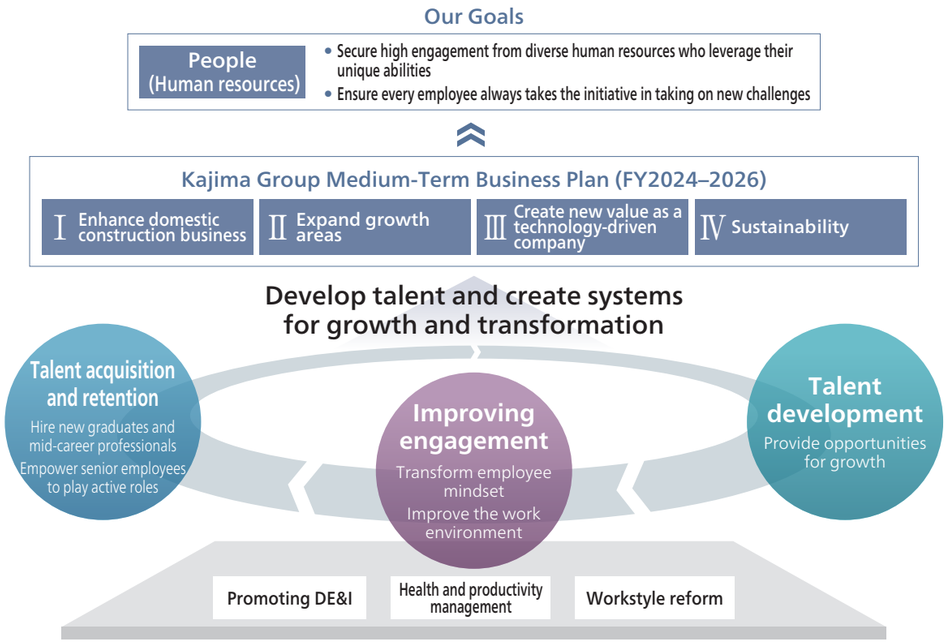
Kajima regards human resources strategy as a foundation of its management strategy. Management discusses and monitors talent recruitment, development, and deployment while building a talent portfolio for the future.

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.



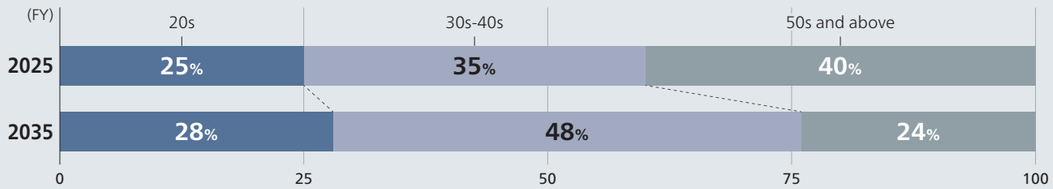
Daisuke Horiuchi
Managing Executive Officer
Deputy General Manager, Building Construction Management Division
General Manager, Planning Department

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

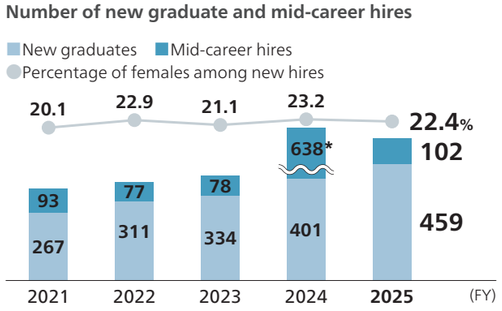
Active roles for mid-career and senior professionals

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%.

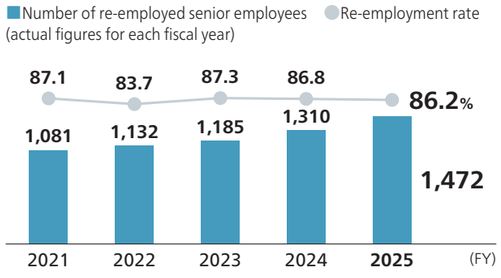
Mid-career and senior professionals play a vital role in supporting business continuity and adaptability by complementing our workforce, which is composed primarily of new graduates, and passing on their experience-based expertise, insights and skills.

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.

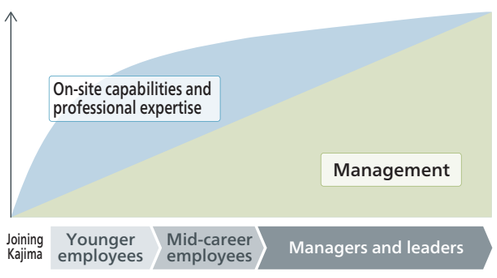
Talent development priorities

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.

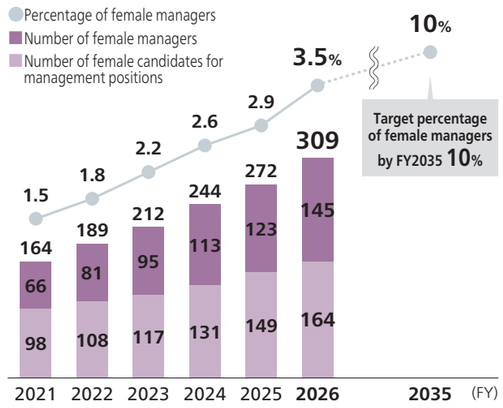
DE&I

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.

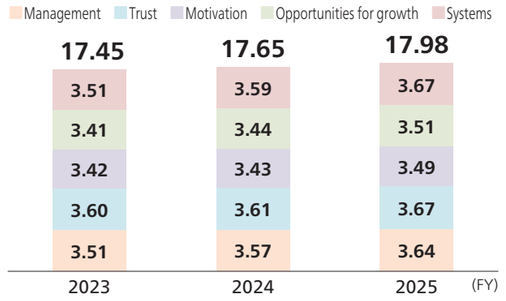
Measuring and improving engagement

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

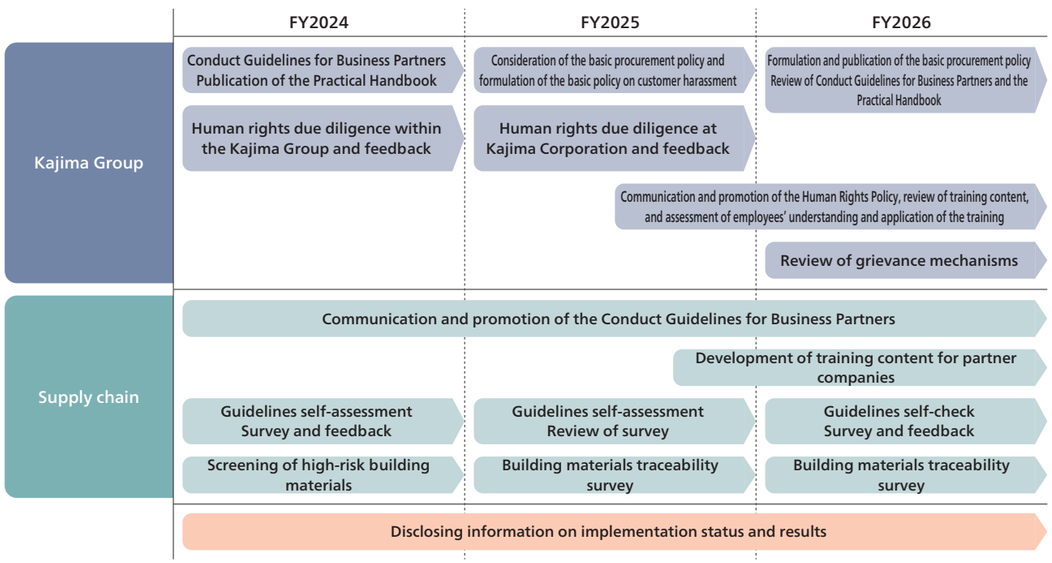
The Kajima Group initiated human rights due diligence in FY2021 and has conducted it regularly at Kajima Corporation, domestic and overseas Group companies, and within Kajima Corporation's supply chain since then. We have identified priority human rights risks within the Kajima Group, including working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

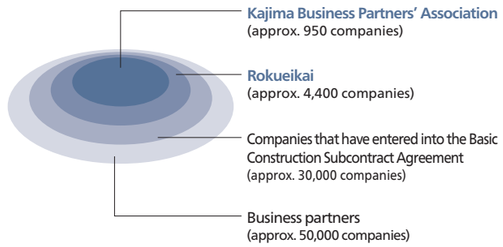
In 2020, ahead of such efforts, we established the Kajima Group Conduct Guidelines for Business Partners.* We shared the Guidelines with our business partners throughout the global supply chain and asked them to comply with, respect, and implement the principles concerning compliance with laws and regulations, 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

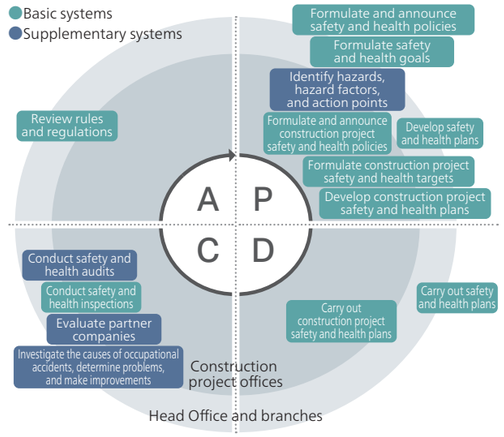
The Chubu Branch has developed its own "three pillars for securing the future workforce," a systematic approach to engaging local high school students with partner companies to secure future talent for the construction industry. We begin offering "extracurricular classes" to second-year high school students 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.

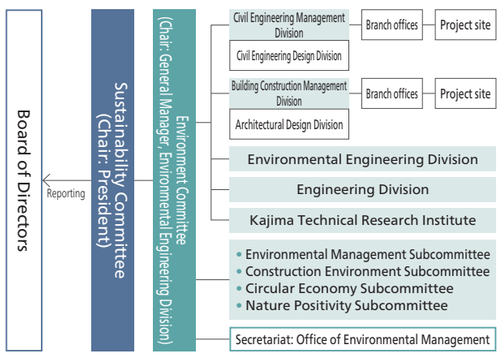
For circular economy, the recycled material usage rate for main materials reached 36%, while the recycling rate was 96.6%.

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

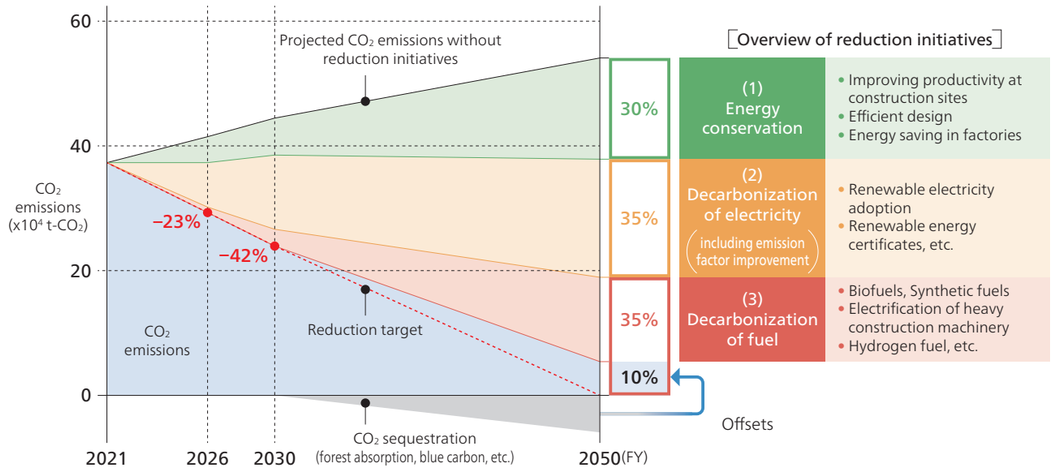
We are carrying out the measures below regarding individual countermeasures identified through the TCFD analysis.

+ :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.

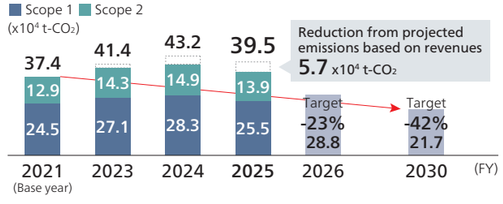
(1) Energy conservation: We will continue efforts to improve construction-site productivity, including shorter construction periods and reduced material use.

(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

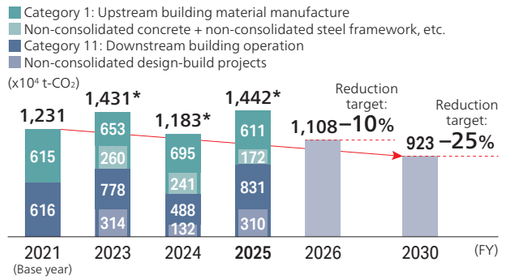
(1) Energy conservation	• Improving productivity at construction sites • Efficient design • Energy saving in factories	4.3 x 10⁴ t-CO_2
(2) Decarbonization of electricity (including emission factor improvement)	• Renewable electricity adoption • Renewable energy certificates	1.4 x 10⁴ t-CO_2
(3) Decarbonization 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.

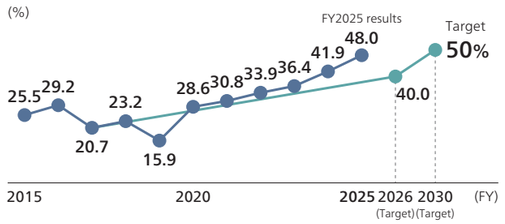
A new development is the lifecycle carbon assessment system for buildings, which will take effect in FY2028. Under this system, owners constructing office buildings with a floor area of 5,000 m² or more will be required to submit lifecycle carbon assessment results. To promote decarbonization, Kajima 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

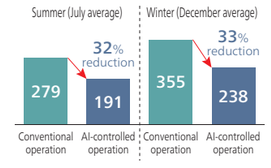
Smart buildings powered by edge computing Reducing HVAC energy consumption by approximately 30%

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.

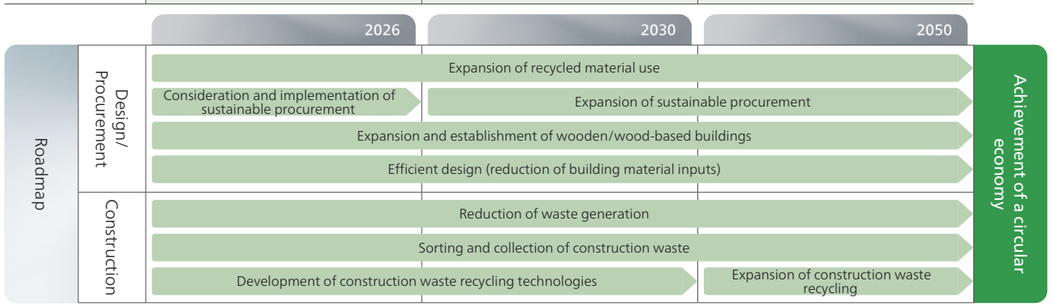
Comparison of air-conditioning energy consumption



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.

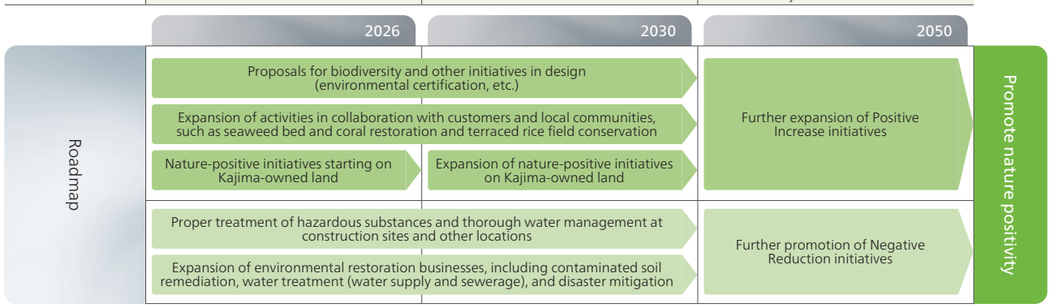


* TAKENAKA CORPORATION, NIPPON EXPRESS HOLDINGS, INC., REFINVERSE Group, Inc., Aozora Co., Ltd., and Mitsubishi Chemical Corporation

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

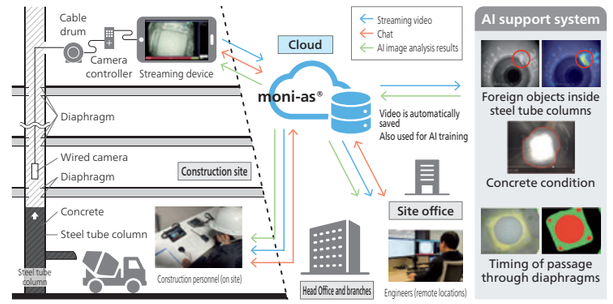
Ensuring reliable quality through the use of AI

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.

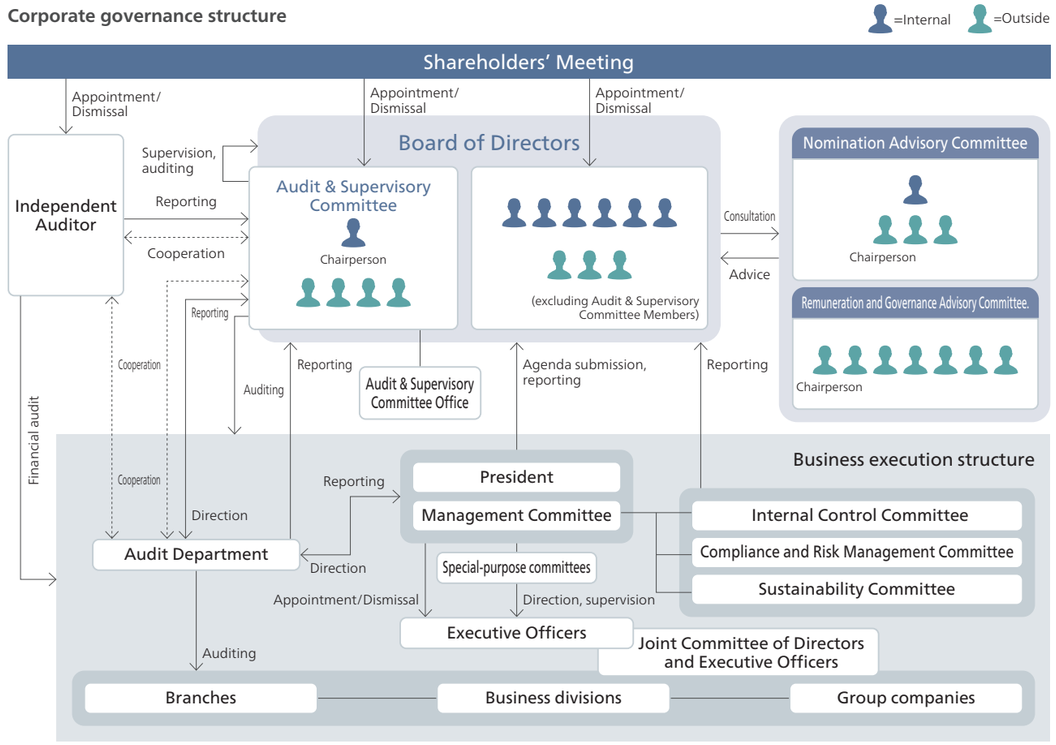
The Board of Directors is composed of directors well versed in Kajima's businesses and outside directors with extensive management experience and expertise as corporate executives and in other roles. The board deliberates and decides on basic management policies and important matters and supervises the 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

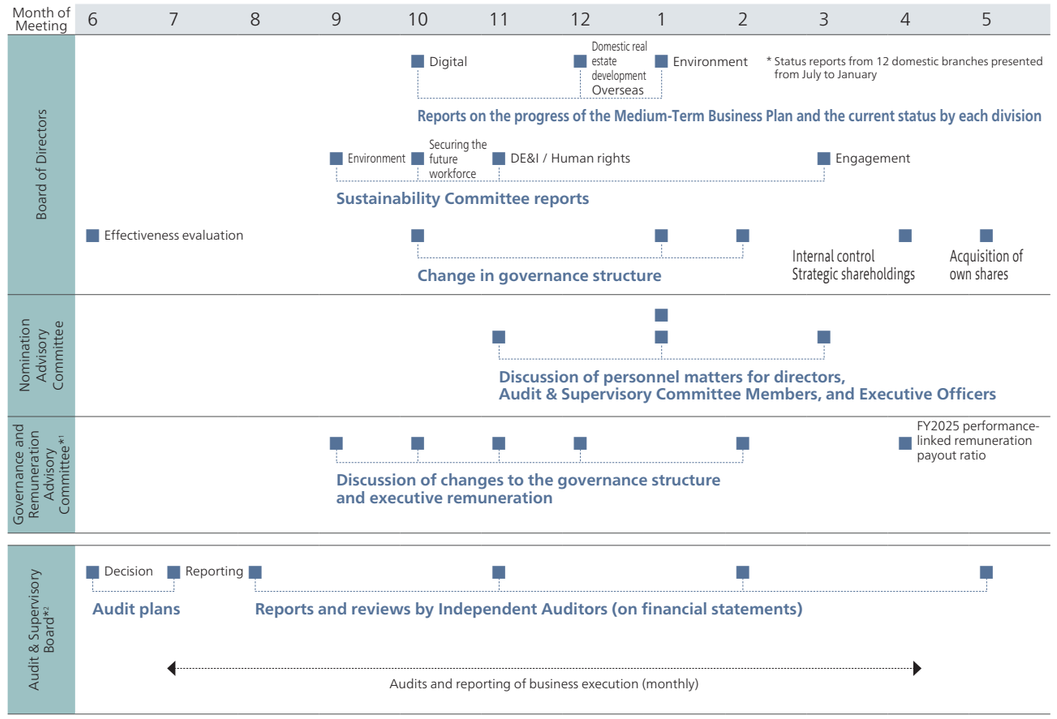
- Discuss the appointment and other personnel matters of directors and other officers and make recommendations to the Board of Directors

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

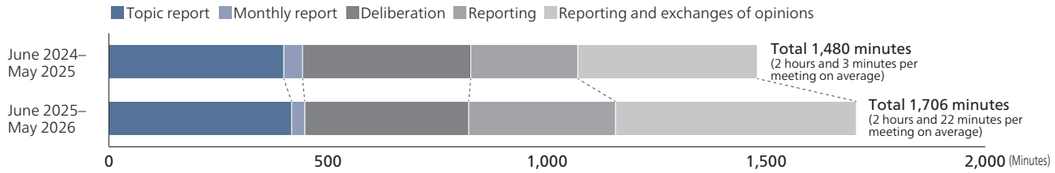
(1) Retain an external organization to conduct a survey of all directors and members of the Audit & Supervisory Board.
(2) Based on the results of the survey and quantitative and qualitative analysis of matters such as the content of agenda items submitted to the Board of Directors meetings and the deliberation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

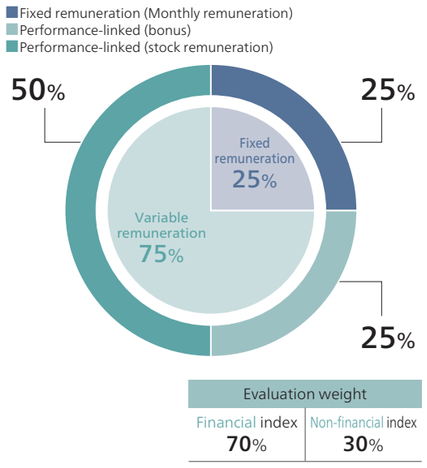
(¥ million)

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

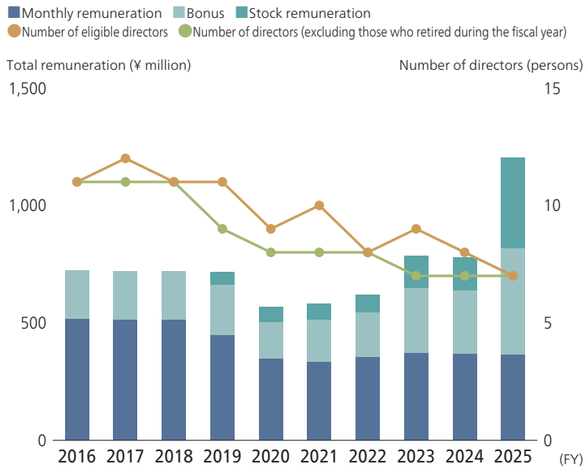
Notes: 1. The bonus amount above shows the amount expensed in FY2025 for officers' bonuses paid to seven directors.
2. The stock remuneration amount above shows the amount expensed in FY2025 for stock remuneration (position-based fixed portion and performance-linked portion) paid to six directors, as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



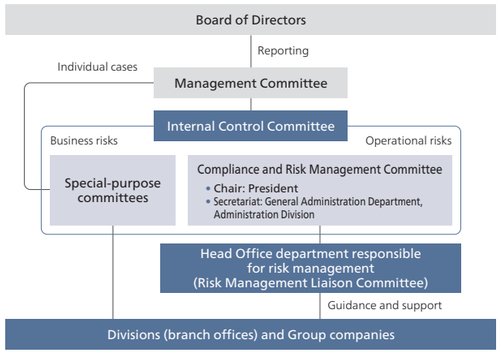
Risk Management

Group-wide risk management system

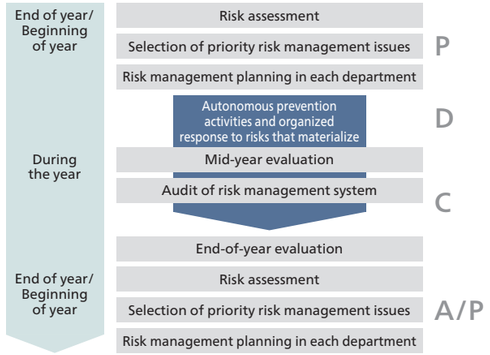
Based on effective and efficient risk management systems, the Kajima Group strives to identify risks in its businesses and operations and to prevent them from materializing. The Group also works to keep improving corporate value by winning the trust of stockholders, customers, and others with appropriate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

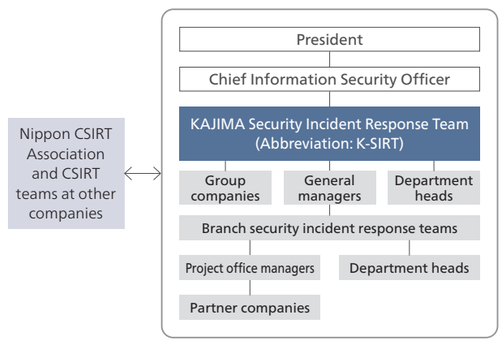
- Training on targeted email attacks
  Participants: 32,193
- Online course on information security (Participation rate: 100%)
  Participants: 26,121 employees (including 9,845 employees from Group companies)

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

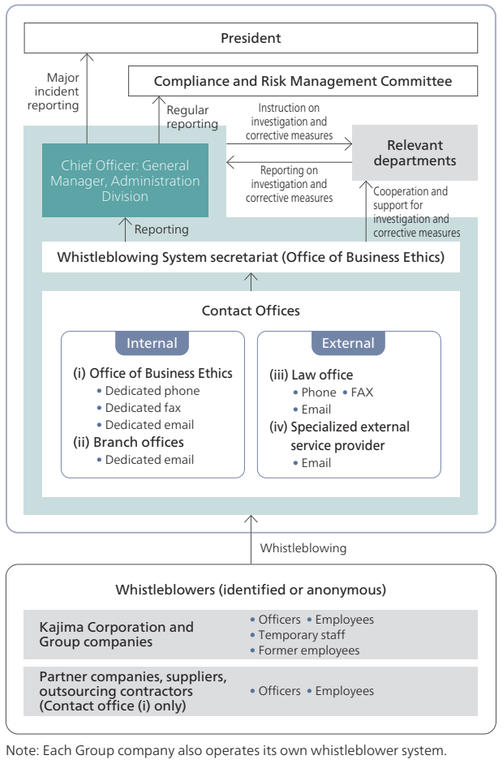
We have established a whistleblower system (the corporate ethics hotline) through which employees of Kajima, Group companies, partner companies and others may report, anonymously if they prefer, facts or suspicions concerning wrongdoings or legal violations involving our officers or employees, including 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.