

K A J I M A
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C O R P O R A T E
R E P O R T

 KAJIMA
CORPORATION

Contents

Company Name	Kajima Corporation
Head Office	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388, Japan
Established	1840
Incorporated	1930
Business Domain	Construction (Civil Engineering and Building Construction) Real Estate Development Architectural Design Civil Engineering Design Engineering and Other

Forward-Looking Statements

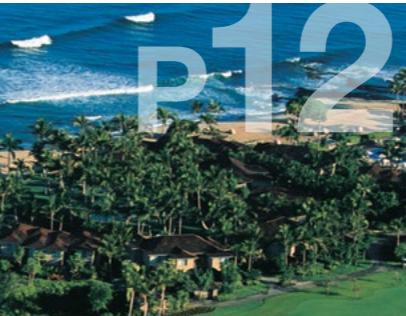
This Corporate Report includes forward-looking statements that represent Kajima's assumptions and expectations in light of information available as of May 13, 2014. These statements reflect industry trends, customers' situations and other factors, and involve risks and uncertainties that may cause actual performance results to differ from those discussed in the forward-looking statements in accordance with changes in the domestic and overseas business environment.

Editing Policy

Up until 2012, Kajima had published an annual report as its main financial report. Since fiscal year 2013, however, the Company has combined the annual report with its corporate brochure, and renamed it the Kajima Corporate Report. Accordingly, certain nonfinancial information deemed necessary to promote a broader understanding of Kajima Corporation among shareholders, investors, and stakeholders around the world has been included in this report.

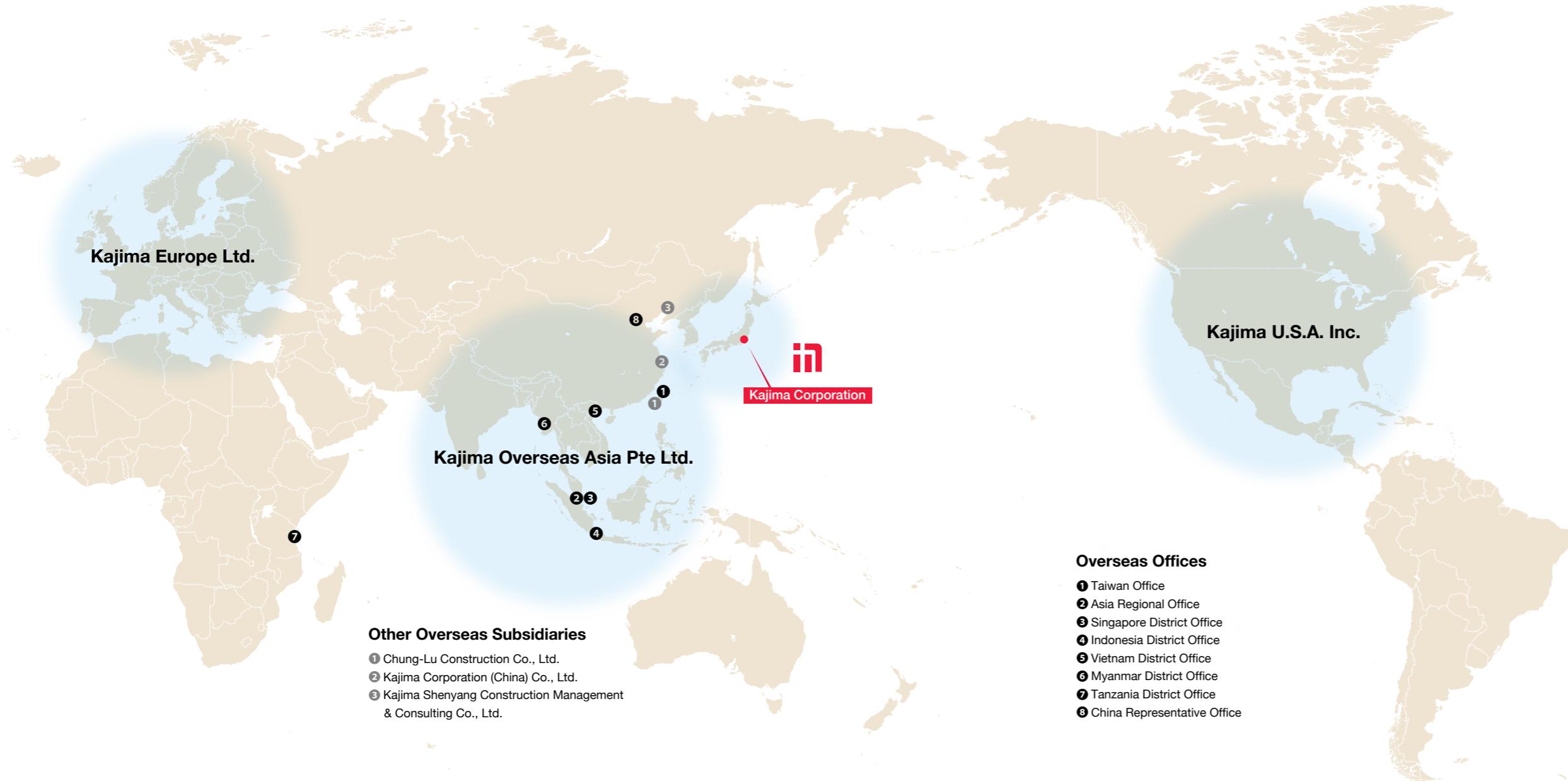
Period Covered by This Report

This report covers fiscal 2013, the fiscal year ended March 31, 2014, except where otherwise stated.



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Company Overview



Since its inception in 1840, Kajima Corporation has grown to become one of the world's leading general contractors. The Kajima Group's more than 15,000 highly skilled employees around the globe generated around ¥1,521 billion in revenues on a consolidated basis in the year ended March 31, 2014.

Leveraging Strong Foundations to Drive Social Progress

- Our core businesses are civil engineering, building construction, and real estate development. We also undertake architectural and civil engineering design. Our numerous endeavors have included helping build Japan's first railroad and constructing the majority of skyscrapers built in Japan in the 1960s and 70s.

- We have long drawn on ties with diverse industries to undertake real estate development. As part of these efforts, we have established special purpose companies for major urban development schemes, including the reconstruction effort following the Great East Japan Earthquake.

Building a Solid Global Presence

- Our network of subsidiaries and affiliates in North America, Asia, and Europe engages in diverse construction and real estate development initiatives. They also provide new financing strategies.
- Our Japan-based engineering capabilities have contributed extensively to our international operations.

Kajima's Corporate Philosophy

As a group of individuals working together as one, we pursue creative progress and development founded on both rational, scientific principles and a humanitarian outlook, through which we strive to continually advance our business operations and contribute to society.

Committed to Technological Excellence

- We initiated our R&D program in 1949 by establishing the Kajima Technical Research Institute. We were the world's first construction company to set up such a facility.
- Our R&D program encompasses everything from structural and material to environmental technologies.

Message from the President

Leveraging Our Technological Strengths to Drive Global Business Expansion

In 2014, business confidence improved in Japan, Kajima's home base, as the economy climbed out of a prolonged period of stagnation. Reconstruction in areas damaged by the Great East Japan Earthquake moved forward in high gear, and private sector capital investment picked up pace. Meanwhile, positive developments were seen in Japan's construction market, including plans related to the holding of the Olympic Games in Tokyo in 2020 and preparations for construction of the Chuo Shinkansen maglev line.

At present, the construction industry in Japan is expected to take an active role in fulfilling its obligations to society by maintaining and upgrading aging infrastructure and establishing more disaster-resilient structures, along with other initiatives. Recognizing that the construction industry is rooted in the community and supports society as a key industry, Kajima intends to meet the expectations of the public and win trust by researching and developing innovative new ways to upgrade and construct buildings and structures.

An Opportunity to Consider the Future of Japan and Its Cities

In the winning bid to host the 2020 Olympic Games in Tokyo, the Japanese Olympic Committee emphasized the country's ability to ensure a safe and problem-free event, the importance of the Olympic Games to the dreams of youth, and the power of sports for inspiring people in areas damaged by the Great East Japan Earthquake. Now Japan must demonstrate to the world that it has fully recovered while moving forward with future-oriented urban development and construction of infrastructure. In this light, hosting the Olympic Games offers an excellent opportunity for a more mature Japan to showcase its environmental engineering, barrier-free

design, and other construction-related capabilities. Indeed, the Olympic Games are not merely a sports tournament—they are a major event that marks a turning point in a country's history. For us in the construction industry, the Tokyo 2020 Olympic Games also provide an opportunity to consider the future of the country and its cities.

Expanding Operations Internationally by Leveraging Our Collective Strengths

At Kajima, our mission is to construct buildings that provide enhanced spaces for people to pursue safe, secure, and comfortable activities and lifestyles in any area of the world where these structures are needed, drawing on the construction techniques we have built up over more than 170 years since the Company's founding. The Kajima Group has a history of business outside of Japan spanning more than 100 years; this year marks the 50th anniversary of Kajima U.S.A. Inc. in the United States, and the 25th anniversary of Kajima Overseas Asia Pte. Ltd., which oversees the Group's operations in Southeast Asia. As a growing number of Japanese companies take advantage of the dynamism of markets around the world, it is increasingly important for Kajima to expand its business outside Japan. This is why we are building a global network that can leverage the Kajima Group's collective strengths with a commitment to developing ambitious young human resources that can flexibly accommodate the many different languages and cultures of the world.

Business Growth Tailored for Countries and Regions Worldwide

While leveraging its competitive advantages, Kajima is continuing to expand operations internationally according to the conditions in each region of the world. Accordingly, we are working towards further growth by carrying out focused capital investment while taking advantage of market trends and applying the expert capabilities of the Kajima

Technical Research Institute, Engineering Division, and other related divisions.

Helping to Make Sustainable Societies a Reality

Kajima has earned strong praise for its technologies that help solve environmental problems, especially its zero-energy buildings and biodiversity-related technologies. We have also established an environmental vision called Triple Zero 2050, through which we have declared to the public and our customers the goal of completely zeroing out the environmental impact of the Company's business activities by 2050 in three categories: zero CO₂ emissions, zero disposed waste, and zero negative impact on ecosystems. Under this vision, we will promote the shift toward energy conservation and smart communities in cities and regions, conduct research and development on renewable energy, and help maintain biodiversity through new rooftop garden technologies. In all of these ways, Kajima will work to help build societies that are both environmentally and economically sustainable.

Kajima's corporate report was first published in fiscal 2013 when we combined the Company's annual report and corporate brochure. For the Kajima 2014 Corporate Report, we again revised the content to create a new platform for informing stakeholders about Kajima's business and recent results. As we continue to apply our technologies in construction projects that meet the diverse needs of modern societies around the world, we look forward to hearing the views of all stakeholders.



Mitsuyoshi Nakamura

Mitsuyoshi Nakamura
President and Representative Director
Kajima Corporation

Financial Overview

Business Performance

During the fiscal year ended March 31, 2014, the global economy continued to recover at a weak pace overall. Although economies around the world improved, particularly in developed countries, economic growth slowed in some emerging countries. In Japan, the economy recovered moderately on the back of rising consumer spending and domestic demand, increased corporate earnings, and revitalized manufacturing spurred on by aggressive economic measures pursued by the government and the Bank of Japan.

In the Japanese construction market, overall expenditures for construction surpassed the level of the previous fiscal year, owing to robust public spending—particularly for the reconstruction of areas damaged by the Great East Japan Earthquake—and to an upswing in private-sector capital expenditures for certain types of projects. These factors drove up demand and tightened supply, however, resulting in rising labor costs. Consequently, Kajima Corporation (hereinafter, "Kajima" or "the Company") continued to face a harsh business environment.

Total construction contract awards amounted to ¥1,573.6 billion, up 18.0% compared to ¥1,333.3 billion in the previous fiscal year. This reflected an increase in construction contracts awarded to the Company and its domestic subsidiaries and affiliates. Total contracts awarded to the Company, including those for real estate development and other work, amounted to ¥1,264.7 billion, an increase of 20.0% over ¥1,053.6 billion recorded in the previous fiscal year.

Consolidated revenues remained on par with the previous fiscal year, edging up 2.4% to ¥1,521.2 billion from ¥1,485.0 billion. On the profit front, gross profit from Kajima's building construction projects declined; however, the Company's civil engineering projects and its consolidated subsidiaries both in Japan and overseas recorded year-on-year increases in gross profit. As a result of these factors, consolidated operating income rose 24.6% year on year from ¥18.5 billion to ¥23.0 billion. Meanwhile, consolidated net income decreased 11.4% year on year from ¥23.4 billion to ¥20.8 billion, mainly owing to a decline in other income and an increase in tax expenses.

Performance by Business Segment

• Civil Engineering (Parent Company)

In the Civil Engineering business segment, revenues increased both in Japan and overseas, resulting in a total of ¥298.8 billion, up 10.9% from ¥269.5 billion in the previous fiscal year. The business segment posted

an operating income of ¥35.0 billion after an operating loss of ¥8.1 billion in the previous fiscal year, attributable to a major improvement in the gross profit rate from completed construction projects.

• Building Construction (Parent Company)

Revenues totaled ¥690.0 billion, down 7.5% year on year from ¥745.9 billion. The business segment posted an operating loss of ¥31.6 billion compared to an operating income of ¥9.9 billion in the previous fiscal year. This was mainly the result of deteriorating profits from certain construction projects.

• Real Estate Development and Other (Parent Company)

Revenues increased 4.9% year on year from ¥54.5 billion to ¥57.2 billion. The business segment recorded an operating income of ¥1.7 billion after posting an operating loss of ¥0.5 billion in the previous fiscal year, owing to an improved gross profit rate.

• Domestic Subsidiaries and Affiliates

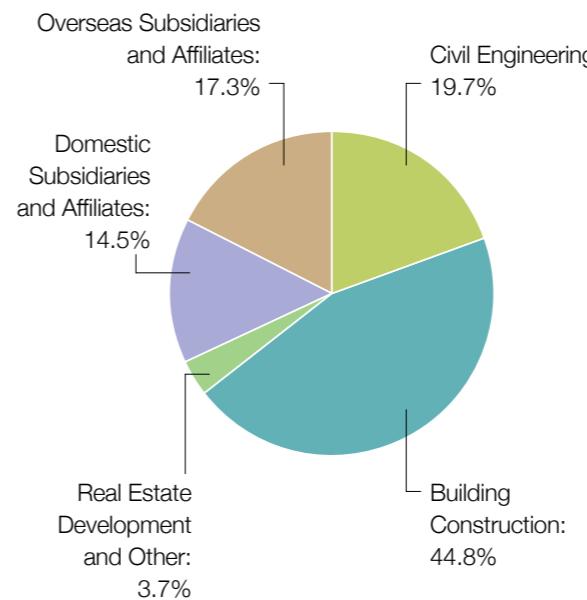
Revenues rose 5.7% to ¥338.2 billion from ¥320.1 billion in the previous fiscal year. Operating income jumped 33.4%, from ¥8.6 billion to ¥11.5 billion, as a result of increased gross profit, particularly at subsidiaries involved in construction.

• Overseas Subsidiaries and Affiliates

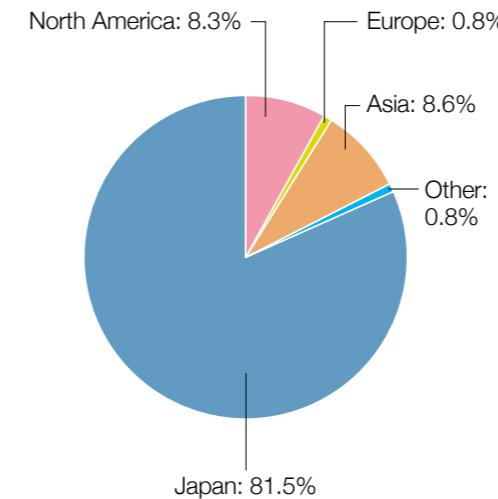
Revenues amounted to ¥263.8 billion, up 18.1% from ¥223.3 billion in the previous fiscal year. This resulted from an increase in completed construction projects, mainly from construction contracts awarded a year earlier. Operating income, however, fell 10.7% year on year, from ¥7.4 billion to ¥6.6 billion, due to the rate of gross profit returning to an ordinary level after a particularly high level in the previous fiscal year.

Financial Position

Share of revenues by business segment



Share of revenues by region



Consolidated revenues for fiscal 2014:

¥1,521,192 million

Total equity came to ¥364.1 billion, an increase of ¥46.0 billion from ¥318.1 billion as of the previous fiscal year-end. As a result, the stockholders' equity ratio was 20.6%, up 1.6 points year on year from 19.0%.

• Cash Flows

Operating activities generated a net cash inflow of ¥33.0 billion in the fiscal year ended March 31, 2014, compared to a net cash inflow of ¥58.5 billion in the previous fiscal year. The cash inflow resulted mainly from income before income taxes and minority interests, with adjustments for depreciation and amortization, and an increase in advances received. The main cash outflow item was an increase in receivables.

Investing activities resulted in a net cash inflow of ¥17.4 billion in the fiscal year ended March 31, 2014, compared to a net cash inflow of ¥36.7 billion in the previous fiscal year. The cash inflow resulted mainly from cash and cash equivalents acquired due to decrease in consolidated subsidiaries, and proceeds from sales and redemption of marketable and investment securities. Major cash outflow items included increase of time deposits excluding cash equivalents, payment for purchases of property and equipment, and disbursements for loans.

Financing activities resulted in a net cash outflow of ¥17.2 billion in the fiscal year ended March 31, 2014, compared to a net cash outflow of ¥58.6 billion in the previous fiscal year. Main cash outflow items included net of financing and repayment of short-term borrowings, long-term debt, bonds, and commercial paper, as well as cash dividends paid.

As a result of the factors above, cash and cash equivalents amounted to ¥240.1 billion as of March 31, 2014, an increase of ¥39.0 billion from ¥201.2 billion a year earlier.

Basic Profit Allocation Policy and Payment of Dividends

Kajima's basic policy for profit allocation is to provide stable dividends to stockholders in accordance with business performance while securing internal reserves to maintain a sound management foundation. The Company uses internal reserves to reinforce its financial structure and raise capital efficiency.

After taking into account factors such as business performance and the future business environment, the Company paid a dividend of ¥5 per share (including an interim dividend of ¥2.5 per share), as initially planned at the beginning of the fiscal year under review. The Company plans to pay a dividend of ¥5 per share (including the interim dividend amount) for the fiscal year ending March 31, 2015.

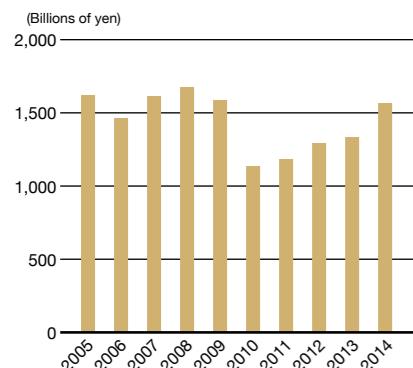
10 Year Highlights

Kajima Corporation and Consolidated Subsidiaries as of or years ended March 31

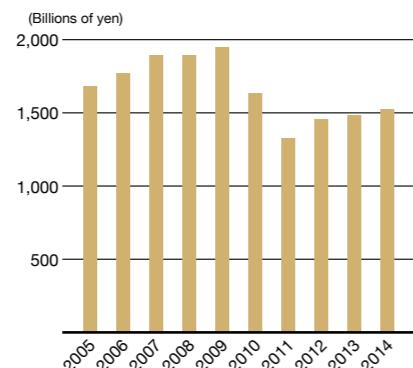
	2005 (Note 3)	2006 (Note 3)	2007 (Note 3)	2008 (Note 3)	2009	2010	2011	2012	2013	2014	2014
	Millions of yen				Millions of yen						Thousands of U.S. Dollars (Note 1)
Results of Operations											
Construction Contract Awards	GRAPH 1	¥1,619,394	¥1,462,799	¥1,612,531	¥1,677,272	¥1,585,437	¥1,138,394	¥1,188,438	¥1,296,043	¥1,333,291	¥1,573,595
Revenues	GRAPH 2	1,682,499	1,770,835	1,891,367	1,894,045	1,948,540	1,637,362	1,325,680	1,457,754	1,485,020	1,521,192
Operating Income (Loss)	GRAPH 3	47,008	55,633	55,416	18,097	19,696	(6,762)	17,272	29,499	18,469	23,008
Net Income (Loss)	GRAPH 4	13,111	22,108	41,311	40,709	(6,297)	13,226	25,844	3,833	23,430	20,753
Financial Position											
Total Assets	GRAPH 5	¥1,817,730	¥1,905,965	¥2,107,222	¥1,918,396	¥1,885,427	¥1,796,865	¥1,644,962	¥1,686,221	¥1,686,072	¥1,789,496
Total Equity	GRAPH 6	219,231	297,012	350,969	305,449	239,046	262,165	253,300	256,706	318,126	364,127
Interest-bearing Debt		475,820	458,506	463,859	473,801	540,537	620,052	558,974	525,713	480,143	444,709
Cash Flow											
Cash Flow from Operating Activities		¥ 87,489	¥ 53,403	¥ (4,133)	¥ (52,541)	¥ 16,126	¥ (76,943)	¥ 64,050	¥ 81,730	¥ 58,460	¥ 32,955
Cash Flow from Investing Activities		16,105	(14,845)	22,117	3,021	(30,572)	(5,742)	2,976	(38,724)	36,715	17,388
Cash Flow from Financing Activities		(71,359)	(35,999)	(4,845)	(7,679)	74,645	71,960	(50,580)	(37,753)	(58,629)	(17,159)
Yen											
Per Share Data											
Basic Net Income (Loss) per Share (Note 2)	GRAPH 4	¥ 12.18	¥ 20.81	¥ 39.29	¥ 39.13	¥ (6.20)	¥ 13.03	¥ 24.87	¥ 3.69	¥ 22.55	¥ 19.98
Net Assets per Share		208.10	282.19	324.12	292.63	227.56	251.97	243.35	247.12	308.49	354.62
Cash Dividends per Share		6.0	6.0	7.0	7.0	6.0	6.0	6.0	5.0	5.0	5.0
%											
Financial Indicator											
Return on Equity (ROE)		6.0	8.6	13.0	12.8	—	5.4	10.0	1.5	8.1	6.0
Operating Margin	GRAPH 3	2.8	3.1	2.9	1.0	1.0	(0.4)	1.3	2.0	1.2	1.5
Stockholders' Equity Ratio	GRAPH 6	12.1	15.6	16.2	15.5	12.3	14.6	15.4	15.2	19.0	20.6
Debt Equity Ratio		2.17	1.54	1.36	1.59	2.34	2.37	2.21	2.05	1.50	1.21
Number of Shares Issued (Excluding Treasury Stock) (Thousand Shares)		1,052,055	1,051,779	1,051,142	1,015,890	1,015,569	1,039,288	1,039,173	1,038,835	1,038,778	1,038,396
Number of Employees		16,003	15,951	14,837	14,934	15,608	15,189	15,083	15,149	15,468	15,391

Notes: 1. The U.S. dollar amounts included herein are presented solely for the convenience of the reader. Such dollar amounts have been translated from yen at the approximate exchange rate in Tokyo on March 31, 2014 of ¥103 = U.S.\$1. The translations should not be construed as representations that Japanese yen have been, could have been or could in the future be converted into U.S. dollars at that or any other rate.
2. Basic net income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding for each fiscal year.

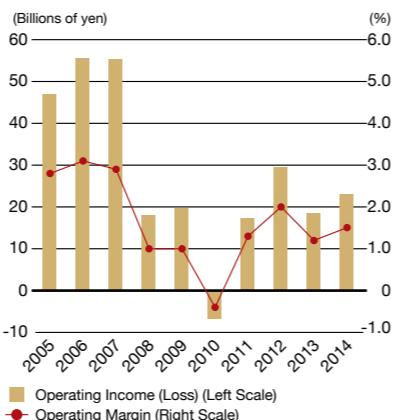
GRAPH 1: Construction Contract Awards



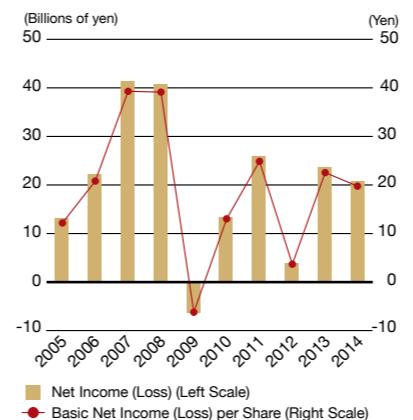
GRAPH 2: Revenues



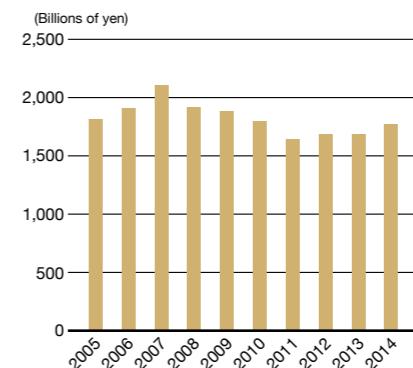
GRAPH 3: Operating Income (Loss) / Operating Margin



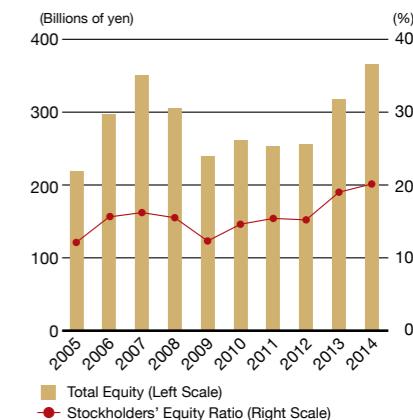
GRAPH 4: Net Income (Loss) / Basic Net Income (Loss) per Share



GRAPH 5: Total Assets



GRAPH 6: Total Equity / Stockholders' Equity Ratio



3. On September 5, 2008, Kajima Corporation (the "Company") announced that inappropriate transactions on computer software trading had been conducted at Taiko Trading Co., Ltd. ("Taiko"), a consolidated subsidiary of the Company. After the investigation, the Company determined that the accumulated total loss on circular transactions that occurred at Taiko was ¥6,742 million, and allocated this loss to the respective fiscal years. As a result, the consolidated financial statements for the years ended March 31, 2008, 2007, 2006 and 2005 have been restated. Regarding the effects of these restatements, please refer to the announcement by the Company on October 21, 2008.

Americas

Kajima celebrated the 50th anniversary of its U.S. operations in 2014. Over the span of these years, the Company has evolved extensively with the expertise of partners and those companies that joined the Kajima group in the United States. Our construction and real estate development expertise and services are on display in a number of landmark projects which manifest the relentless pursuit of uncompromising quality by our employees of diverse nationalities. We are fully committed to providing quality services to all of our clients in the U.S.

History of Kajima in U.S.

Kajima's journey in the U.S. began in 1964 with the establishment of its first US subsidiary to construct the Kajima Building to revitalize "Little Tokyo" in Downtown Los Angeles, followed by the construction of the New Otani Hotel and Garden in 1973.



In the 1970s, Kajima positioned itself to accommodate rising demand among Japanese clients for services that combine design with construction. The company initiated its construction business on the West Coast and expanded to the East.

Kajima also ventured into real estate business with its first project in Minnesota, joining with a local partner to develop a 24-story luxury condominium in 1978. In 1989, Kajima established Industrial Developments International, Inc. (IDI), which became one of the leading developers of distribution warehouses in the U.S.

In 1996, Kajima turned its attention to resort development, and opened the exclusive Hualalai Resort in Hawaii. From 2000 until it was sold to a U.S. investment company in 2006, Hualalai Resort was ranked as one of the best resorts in the U.S.

Kajima's Operations in the U.S.

Entering the 21st century, a new chapter of history in the U.S. was opened for Kajima as three reputable construction companies joined its group of companies. Today, Kajima U.S.A. Inc. (KUSA) oversees all U.S. operations of Kajima, offering a wide array of services to its clientele through active collaboration among its construction and real estate development companies.

Hawaiian Dredging Construction Company, Inc. (HDCC), which joined KUSA and its group of companies in 2002, is based in Honolulu. Founded in 1902, HDCC is the largest and oldest full-service general contractor in Hawaii, constantly ranked as the top contractor in Hawaii, with services ranging from construction of buildings to civil infrastructure.

The Austin Company (AUSTIN), which joined KUSA group in 2005, is based in Cleveland, Ohio. AUSTIN is an engineering-oriented construction company, serving industrial and commercial clients since 1878. It is also undertaking projects in Mexico in joint venture with one of the leading US contractors today.

Batson-Cook Company (BCC), which joined KUSA group in 2008, is based in Atlanta, Georgia. Founded in 1915, BCC has been recognized as one of the premier construction organizations in the Southeast. Batson-Cook Development Company (BCDC), an offspring of BCC, specializes in real estate development and brokerage services. Through its extensive network of local developers and investors, BCDC has expanded its business in high-rise apartments by relying on BCC, its sister company, for the successful completion of the buildings.

Kajima Building & Design Group, Inc. (KBDG) and KCS West, Inc. (KCSW) are premier construction firms based in Atlanta, Georgia, and Los Angeles, California, providing quality design-build solutions to meet specific needs of clients in a wide variety of industries, ranging from manufacturing to special-use entertainment facilities. Kajima Development Corporation (KDC), founded in 1979, is based in Los Angeles, and has developed many projects across the U.S., such as residential, office buildings, shopping centers, hospitals, and airport hangars.



Commercial Developments International, Inc. (CDI), founded in 1989 and based in New York, invests in commercial properties with emphasis on office buildings, while KUD International LLC (KUD), founded in 1997 and based in California, has envisioned, delivered and managed a variety of projects such as performance arts, collegiate and professional sports, student housing, five star hotels, museums, aquaria and technical utilities infrastructure.

Logistic Developments International, LLC (LDI), based in Atlanta, was established in conjunction with the sale of IDI in 2013, to continue participating in IDI's warehouse distribution projects as one of the joint venture partners, capitalizing on business models and relations that IDI and KUSA developed over its 24 year history.

Integrating and Diversifying

As KUSA continues to pursue new growth opportunities, its clientele has dramatically expanded over the years. After HDCC, AUSTIN and BCC joined KUSA group, more than three quarters of its construction revenue now comes from U.S. clients, while Japanese clients continue to provide most of the design-build opportunities.

With a clear vision for all of its group companies to become top players in their respective disciplines and regions, KUSA delivers world-class, value-added services to its clients, thus cementing Kajima's 50 years of history and its position in the United States for many more years to come.

Asia

Kajima's impressive reach in Asia includes Singapore, Indonesia, Thailand, Malaysia, Vietnam, the Philippines, India, Hong Kong, Myanmar, China, and Taiwan.

In 2013, we further strengthened our Asian operations, opening a local office of the Kajima Technical Research Institute in Singapore. Going beyond the provision of in-region engineering support, the institute also collaborates with academic and government agencies to facilitate regional development.

Strengthening Infrastructure across Asia

As far back as the late 19th century, Kajima was already building railways, bridges and dams in Korea and Taiwan. This early foray outside Japan was followed by civil engineering work in Southeast Asia in the early 20th century.

After the end of World War II, we returned to the region in 1954 to work on Myanmar's Baluchaung No. 2 Hydropower Plant, then went on to develop hydropower facilities along the Brantas River in Indonesia and the Da Nhim Dam in Vietnam.

By the 1960s, Kajima was building infrastructure across Southeast Asia, including commercial enterprises such as the Hitachi Zosen Robin Dockyard and other dockyards ranging in scale from 300,000 to 450,000 deadweight tons. We soon applied the knowledge gained in these Singapore-based projects to the building of the Sumitomo Juki Dock in nearby Johor, Malaysia.

In the 1970s, our civil engineering projects in Asia shifted to overseas development assistance and other forms of infrastructure development. This led to massive undertakings such as the Asahan Project in Indonesia, which comprises the Siguragura Hydropower Plant (1982) and an aluminum refinery (1983), as well as reclaimed land and a port facility. In recognition of our outstanding technological capabilities in rockfill dam construction, we began work on the Wonorejo Multipurpose Dam in Indonesia in 1994, completing it in 1999.

Kajima participated in the construction of Singapore's MRT Subway System, opened in 1988, and the following year became the first Japanese construction company to enter India with Mumbai's 2.3-million square meter Nhava Sheva Port.

In the Philippines, the company completed the Marcelo B. Fernan Bridge linking Mactan and Cebu islands in 1999.

In the 21st century, Kajima has stepped up its presence throughout the Asia-Pacific region. Achievements include the Japan-Palau Friendship Bridge, which connects Palau's airport and capital to its largest population center (2001); an enormous 230,000 square meter concrete platform three meters above ground that constitutes part of Bangkok's Subway Marshaling Yard (2001); construction of 20 bridges in the Mekong delta of Vietnam (2004), the Dhauliganga Dam in the Indian state of Uttarakhand, which borders on Nepal (2005); the Sentosa Express in Singapore (2006) and numerous subway lines in Taiwan. Kajima also undertook the Karebbe Hydroelectric Project in Indonesia (2008 – 2011).



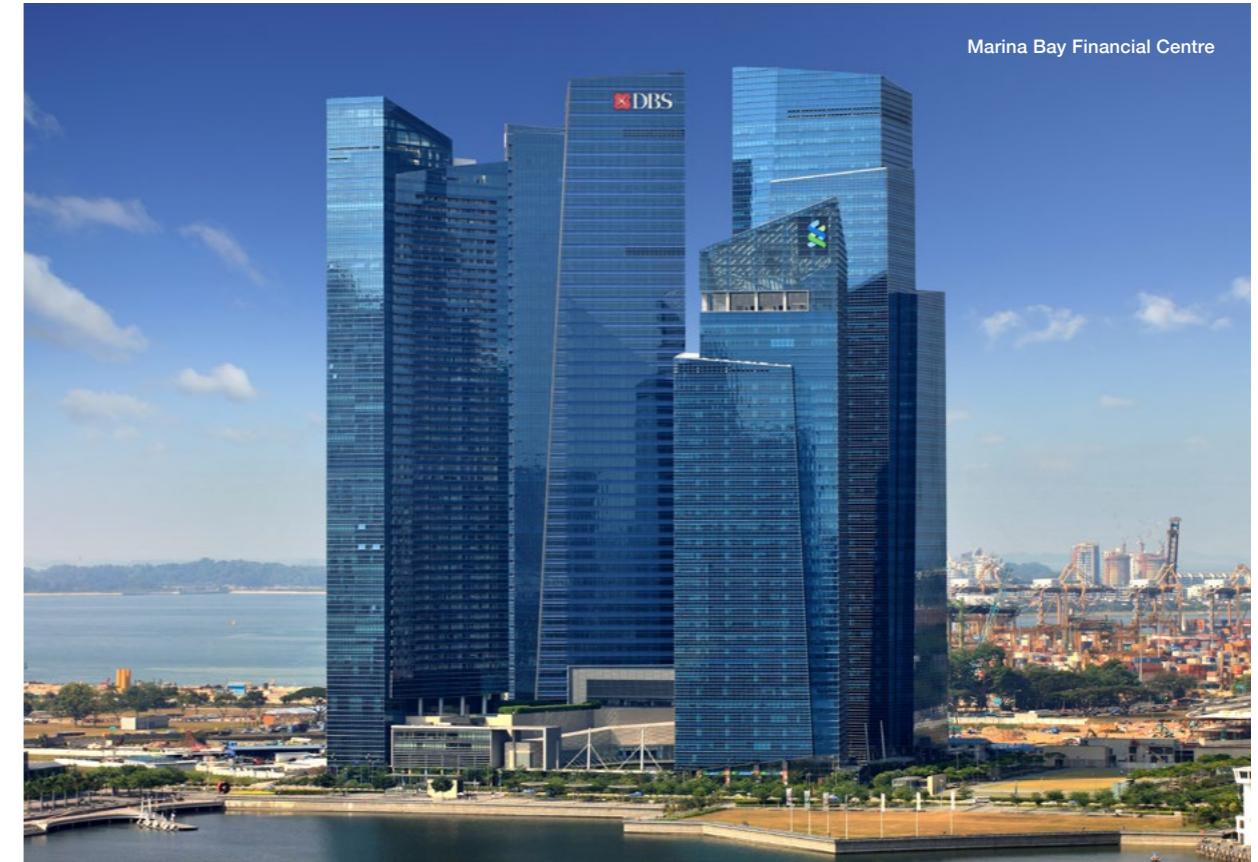
Japan-Palau Friendship Bridge

Karebbe Hydroelectric Project



Supporting Both Japanese and Local Businesses

During the 1960s, as countries all over Asia modernized, Kajima's building construction business completed a wide range of structures such as factories and buildings, including some flagship office towers in Indonesia. The first real estate development project in Asia for Kajima began with the Pontiac Pavilion Hotel (now the Regent Singapore) in 1979. This project was a joint venture with a local company and would eventually become the cornerstone of Kajima's operations in Singapore. Many successes followed, highlighted by the completion of the Overseas Union Bank Center in 1986, the tallest building in Asia at that time. On the momentum of these achievements, Kajima Overseas Asia Pte Ltd ("KOA") was incorporated in Singapore in 1988 to strengthen local management of our business in the region. KOA treats Southeast Asia as one area and oversees the building construction and real estate development operations there.

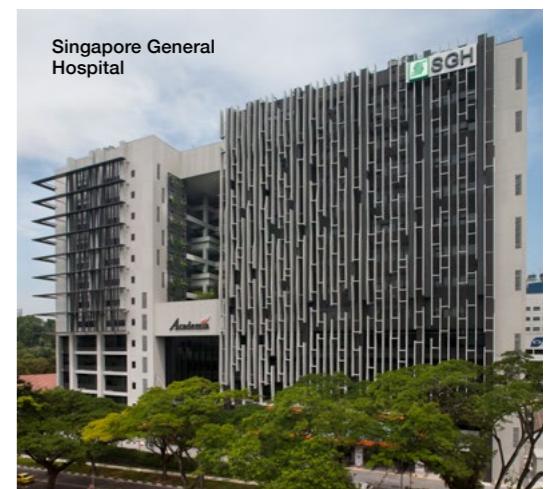


Under this structure, KOA has successfully completed numerous large-scale construction projects in Singapore, including the Woodlands Checkpoint in 1999, the Institute of Technical Education (ITE) College East in 2004, Singapore's first integrated resort project, Resort World Sentosa in 2010, three of the towers of the Marina Bay Financial Centre in 2010 and 2012, and the Singapore General Hospital in 2013. Currently, KOA is constructing a new headquarter complex for MediaCorp Pte Ltd., comprising office, studios and a theater which operates television broadcasting towers in Singapore. KOA's management in these construction projects has acquired worldwide acclaim. In 2014 alone, the company won a Gold Award from Great Britain's Royal Society for the Prevention of Accidents (RoSPA) as well as Construction Excellence Awards for three projects from the Building and Construction Authority of Singapore.

KOA has also completed many construction projects in countries like Thailand, Indonesia, and Malaysia for Japanese companies, European and American manufacturers, domestic companies and government agencies. Its diverse portfolio includes automobile plants, electronic component factories, steel fabrication and other production facilities, as well as office buildings, shopping malls and other commercial facilities, not to

mention accommodation facilities including hotels and public facilities such as the Tan Son Nhat International Airport in Vietnam (completed in 2007).

In the real estate development business, KOA has been collaborating with local companies for Singapore's Millennia Project since 1991. This project involves the construction and operation of four high-rise buildings and a shopping mall on a site of about 80,000 square



Senayan Square



meters. KOA is also involved in the Senayan Square Project in Indonesia, which is one of the largest real estate development projects in Asia. Underway since 1989, this build-operate-transfer (BOT) project includes the construction of an 18.8-hectare complex encompassing a shopping mall with two department stores, three office buildings, four condominiums and one hotel. The opening of the hotel in 2015 will be the final phase of development. KOA is also engaged in other businesses related to real estate development, including office leasing, hotel management, and sales of villas in various parts of Asia, including Thailand, Hong Kong, and the Philippines.

Today, KOA has operations in eight countries—Singapore, Indonesia, Thailand, Malaysia, the Philippines, Vietnam, Hong Kong, and India—and now employs around 2,500 people. The company held an event to celebrate its 25th anniversary in November 2013, and expressed appreciation for the trust it has received over the years and hopes for the continuous support of the many customers and business partners in attendance.

Meanwhile, Kajima has set up a Singapore office for the Kajima Technical Research Institute in September 2013, followed by a Singapore office of its Engineering Division

in October 2014. This expansion of its technical expertise in Asia represents a new phase of endeavor for the Kajima Group.

Looking ahead, KOA intends to draw on the trust it has built over the years and to leverage the technical capabilities of the Kajima Group as it works to spur development of the regional economy. To accomplish this, KOA will continue to provide highly dependable building construction services while creating attractive urban spaces and comfortable environments through creative development projects. Aiming for continued growth, KOA will also explore opportunities to newly enter other highly promising countries and regions.

Subsidiaries in China

Kajima has a distinguished history in China. Leveraging Kajima's technical strengths, the Company's two major Chinese subsidiaries have earned a strong local reputation. Kajima Corporation (China) Co., Ltd. designs and constructs production facilities, and Kajima Shenyang Construction Management & Consulting Co., Ltd. provides services that leverage Kajima's design and construction technologies.

Over a Century in Taiwan

Taiwan has been a vital focus for Kajima from the end of the 19th century to the present day. The Company's subsidiary, Chung-Lu Construction Co., Ltd., established in 1983, and two local companies are vital players for the development in Taiwan.

After a start in railway and electrification projects, Kajima moved on to engage in extensive infrastructural development, building a stellar reputation for ports, steel-making plants, railways, and electric power facilities.

Today, Chung-Lu Construction Co., Ltd. takes advantage of Kajima's technical strengths to construct high-rise condominiums with local partners and build plants for Japanese-owned manufacturers. It has also grown its customer base to include leading Taiwanese firms, building headquarters for Taiwan Cement Corporation and Shihlin Electric and Engineering Corporation.

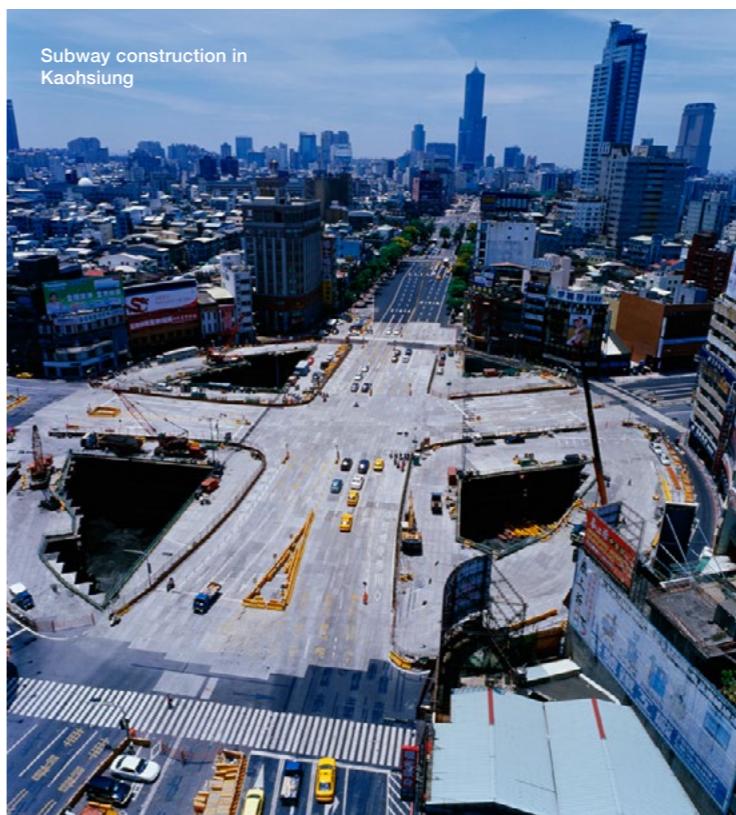
One flagship project is the Tiipao Condominium, six high-rise towers considered one of Taipei's finest residences. Chung-Lu Construction Co., Ltd. has also built hotels, banks, and hospitals.

Kajima also built one of the world's largest circular, continuous walls for the Kaohsiung Subway and played a key role in three other subway projects in Taipei. Kajima is working with partners on major projects for Taiwan Power Company.

Tiipao Condominium



Subway construction in Kaohsiung



Europe, Middle East, and Africa

Kajima has played an active role in the European economy over the years through its construction and development projects. We have also constructed numerous landmark buildings in the Middle East and have been involved in construction and civil engineering in Africa for more than four decades.

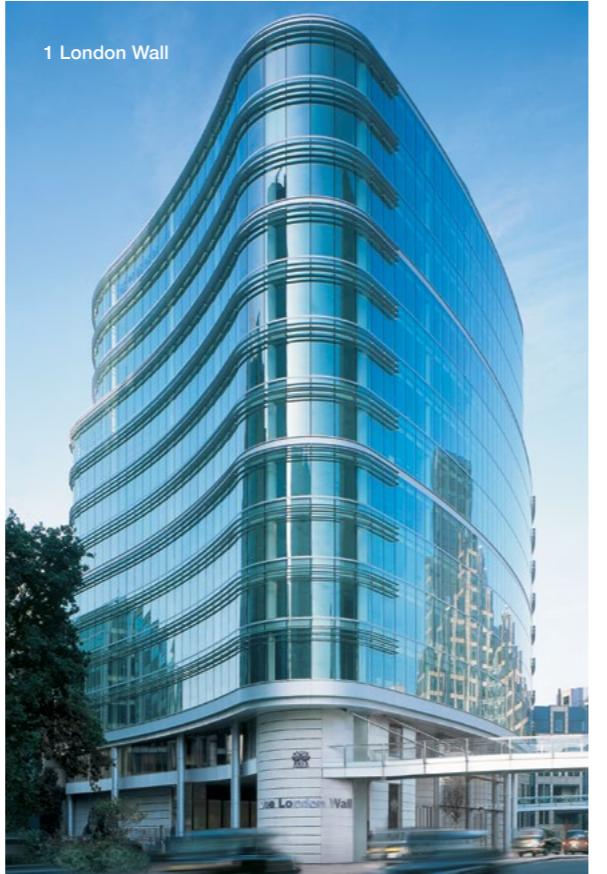
Supporting Prosperity in Europe

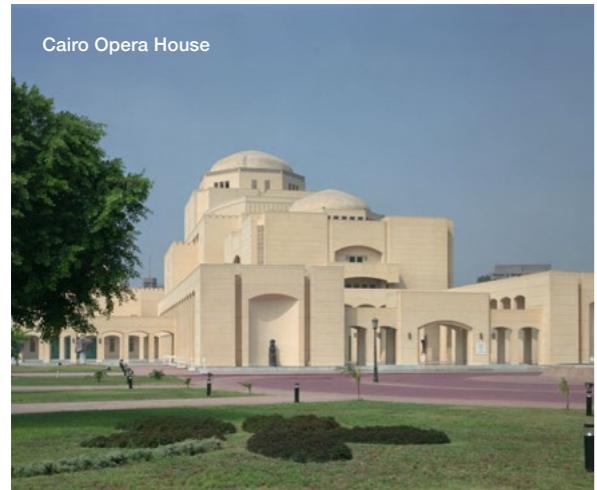
Kajima launched its European construction operations in the former East Germany in 1976. In the ensuing period, with growing Japanese investments in Europe, Kajima's presence has been expanding across Western Europe with projects in the former West Germany, France, Belgium, the United Kingdom, the Netherlands and Spain. Our projects include high-rise office buildings, corporate headquarters, factories, logistics facilities, schools and hospitals. Our construction business activities have shifted from Western Europe to Central Europe where infrastructure is developing at a fast rate. Our offices in Poland and the Czech Republic offer a full complement of construction services as a general contractor and a design and build contractor.

Kajima first became involved in the property business in Europe over twenty five years ago with the redevelopment of an office building in Piccadilly, London. This was followed by high profile, high quality office projects in partnership with local developers in both Frankfurt (the iconic 63-storey Messeturm) and central London (1 London Wall). Kajima has also carried out a number of large-scale, mixed-use developments including Stockley Park in the U.K., a beautiful landscaped Business Park near Heathrow Airport, as well as Les Domaines de Saint Endréol, a residential and resort development with a highly regarded golf course and spa hotel in the South of France.

We have also delivered many public sector projects in the U.K., where we have developed offices, schools, libraries, and healthcare facilities such as Royal Alexandra Children's Hospital under the Private Finance Initiative.

We are now moving into a new phase of our development with the acquisition of 55 Moorgate, an elegant office building in the City of London with a floor area of approximately 6,200 sqm.





Delivering High-Profile Projects in the Middle East and Africa

After starting in Algeria, Egypt and Saudi Arabia in the 1970s, Kajima then expanded its presence in the Middle East and Africa by engaging in projects driven by overseas development assistance in countries such as Egypt, Ghana, Tanzania and Ethiopia, helping to build vital social infrastructure for these nations.

In 1970, Kajima completed Congo's Musoshi Copper Mine project, followed by the construction of the Selander Bridge in 1982 and numerous other projects in Tanzania and Ethiopia. A particularly noteworthy contribution to social infrastructure was the Kapunga Rice Project in Tanzania, where we developed around 3,800 hectares of rice fields by constructing a network of water collection dams, waterways, and drainage.

We have carried out a number of flagship construction projects in Egypt over the years, including the Japanese Children's Hospital, the Cairo Opera House, El-Dikheila Steel Works in Alexandria, and GM Egypt's automobile factory.

In 1986, Kajima built the spectacular al-Shaheed Monument in Iraq. This memorial to martyrs comprises a 40-meter-high dome atop a 190-meter platform. In Saudi Arabia, we undertook a full turnkey project to construct the Royal State Palace, a guesthouse exclusively for the Saudi King and Crown Prince.

Kajima has been building main roads in Ethiopia since 1999, and by the end of 2015, the total constructed in the country will reach 250 kilometers.

In 2001, Kajima completed the 3,960-meter Suez Canal Bridge, a massive bridge with a central span of 404 meters. Rising 70 meters above sea level, this road links the Asian and African continents. At the time of its completion, the bridge boasted the world's tallest girders, able to pass the largest vessels. As part of this project, the Company was also responsible for repairing a road tunnel running below the canal.

Looking ahead, Kajima is determined to keep improving people's lives throughout the Middle East and Africa.



Kajima has built a preeminent position in Japan's construction sector by engaging in a vast array of construction and real estate development projects. Throughout our history, we have helped build Japan's infrastructure by constructing dams, tunnels, bridges, and other civil engineering projects, as well as building and maintaining railways and roads. Kajima has long been integral to Japan's modernization and its social progress in the areas of safety and security.

A Civil Engineering and Building Construction Leader

In Japan, Kajima's civil engineering and building construction divisions leverage the practice among Japan's general contractors of handling both the design and construction of the buildings and structures they put up. Our employees look after the overall management of construction projects, working closely with partners who carry out the actual construction work.



A completed section of
Tohoku Jukan Sen

We continue to leverage our capabilities to enhance our civil engineering performance. We have consistently focused on providing solutions to such issues as: economy and safety; addressing society's needs, including disaster recovery; creating landscape designs that blend in with the natural environment; and maintaining and improving the value of our buildings and structures.

Kajima constructs a very diverse range of structures in Japan. We have long built Western-style buildings in Japan, starting with the Ei-Ichiban Kan, one of the nation's first. We went on to construct the Supreme Court Building, the Komazawa Gymnasium, which was a venue for the Summer Olympics in 1964, and other landmarks. We drew on our successes and expertise to build Japan's first skyscraper, the Kasumigaseki Building, in 1968. As well as both designing and constructing buildings and structures, we make the most of collaboration between our architectural, construction, and design divisions, as well as our technological development strengths and practical expertise in constructing buildings that other firms have designed.

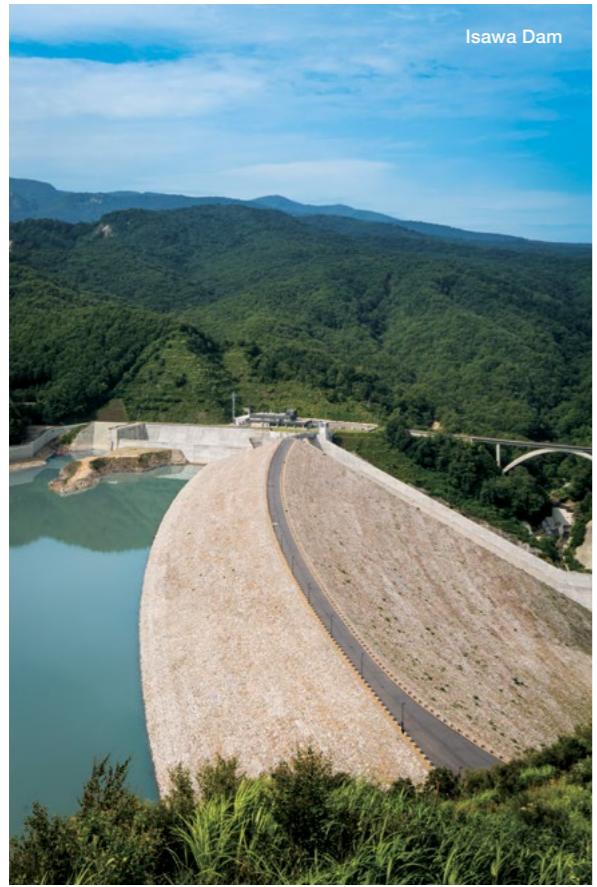
This approach empowers us to address the diverse concerns of clients and designers in projects as varied as offices, residences, manufacturing facilities, museums, convention halls, sports facilities, hotels, hospitals, schools, and commercial facilities.

In the area of civil engineering, we are currently working on projects to increase the accessibility and serviceability of roads and highways throughout Japan and to upgrade the nation's railway network. We are involved in projects for both the Hokuriku Shinkansen line, which will open in 2015, and the Hokkaido Shinkansen line, which is under construction. In addition, we have been working for six years on the new Tohoku Jukan Sen, a major new train line that will connect several other lines, which now terminate at Ueno Station, to Tokyo Station. This highly sophisticated project has involved a great deal of difficult work immediately above the tracks of existing lines. All of these complex train projects require work to be done during the hours after the last train and before the first train the next morning.

In the fiscal year under review, we have also received several key civil engineering orders in Japan. One, from Tohoku Electric Power Co., Inc., involves raising the seawall around the Onagawa Nuclear Power Plant in Miyagi Prefecture. Another, from the Ministry of the Environment, concerned decontamination work in Tomioka, Fukushima Prefecture. Major initiatives completed during the year included levee embankment work on the Isawa Dam and a Tokyo Port tunnel project for National Highway 357.

Reconstruction in Tohoku is a major concern in Japan. We were involved in what is considered the first step of this recovery, disaster waste disposal and construction of treatment facilities in Iwate and Miyagi Prefectures, which were completed in March 2014. We also began a large-scale urban planning project encompassing multiple locations in fiscal 2013. This project is overseen in construction management style, which, unlike the general contractor style, takes an integrated approach to managing all aspects of the project from surveys, measurements, and design to the actual construction work. The project aims to reinforce the local infrastructure to make it safer and more secure post-quake by moving railroad tracks and roads from the coastline toward the mountains and building seawalls along the coast. Kajima brings the expertise we have built over many years to both the construction and design aspects of this work.

Kajima's building construction business strives to construct safe and secure spaces that allow people to enjoy comfortable lifestyles and diverse activities. Examples include renovating buildings to make them more energy efficient or more prepared to withstand long-period ground motion caused by massive earthquakes. We oversee projects from the design stage, allowing



us to consider the building lifecycle and environmental performance from the outset as well as to provide a variety of flexible floor plans.

We conduct R&D into cutting-edge construction techniques and combine expertise in many different fields to meet user needs. Our strong track record has enabled us to build solid trust with a broad network of customers, which continues to lead to new projects. We leverage close cooperation between our engineers and subcontractors to ensure quality at construction sites. We also provide engineers with training programs covering diverse topics while keeping abreast of overall trends in the construction industry.

New Projects, Ongoing Expertise

Kajima is involved in a great many other large-scale building construction projects in the greater Tokyo metropolitan area. While completing the restoration of the Tokyo Station Marunouchi Building in 2012, we also worked on Tokyo Station City Granroof, which is located on the Yaesu side of Tokyo Station and was completed in September 2013. New orders in the fiscal year under review included a new building construction project for an urban redevelopment initiative in Ginza, Tokyo, as well as an order for a new plant of a major heavy industry manufacturer in Nagoya, Aichi Prefecture. Among projects completed were the Haneda Chronogate logistics terminal in Tokyo for Yamato Transport Co., Ltd., the Hotel Monterey Okinawa Spa & Resort, and a plant in Kitajima for Taiho Pharmaceutical Co., Ltd.

Since the Great East Japan earthquake, construction demand for base isolation structures has risen, and Kajima is involved in more projects to retrofit government and public buildings that function as shelters in times of disaster. There is also increasing demand to upgrade existing skyscrapers to withstand long-period ground motion, and Kajima uses its technological expertise to create tailored renovation plans for each structure. We continue to receive general reconstruction orders from quake-hit areas of Japan, as well, a good example being one for the construction of a fish market from the Ishinomaki Municipal Government.

Delivering Value through Real Estate Development

Development complements construction and civil engineering as another core business focus at Kajima. We offer several unique advantages as a real estate developer. One is that we are able to deliver on all aspects of high-quality and high-value development by drawing on the rich expertise across the Kajima Group in planning, construction, tenant leasing, management, and operations.



Tokyo Station City Granroof



Tokyo Station Marunouchi Building



Our domestic development business began to make its mark in Japan in the 1970s, when the nation's economic growth accelerated. We began developing large residential properties and condominium projects and expanded into office building and commercial facility development projects.

One of our landmark achievements was Shiki New Town, one of the largest independent private-sector projects ever in Japan. The project started in 1971, with the private sector undertaking all aspects of development and construction. These activities extended from acquiring and reclaiming land through town planning, design, construction, and selling condominiums. With 3,021 residences, the town was completed in 1988. In 1992, we finished constructing Tokyo East 21 on property that we owned.

Financial innovations have reshaped the real estate development market in recent years. We took advantage of new financing possibilities to create special-purpose

companies and leverage real-estate securitization to enhance returns on investment. One of our successes was the 2006 Akihabara UDX project, Japan's first large development project to use real estate securitization. We also participate in private finance initiative (PFI) projects, or public-private partnerships as they are also known, to construct and operate public facilities and social infrastructure in keeping with our commitment to building value and enhancing the urban landscape for future generations.

Many of Kajima's real estate development projects are PFI projects, since this is a field that requires technical expertise in both design and construction. In 2013, we completed a number of these projects, which are now leased to public entities, and accepted a number of new projects, as well. Kajima has also received orders from the private sector that involve large-scale renovation of massive multifunction complexes in the Tokyo suburbs and anticipates even more business in this market in the future.

Toward 2020

Kajima is developing and verifying numerous technologies at its facilities as part of its effort to deliver zero-energy buildings by 2020. We look to incorporate these buildings in smart communities that expand the use of district energy networks and urban management.

In 2012, we built the new Akasaka K Tower, which has achieved our zero-energy targets. We also continue to explore ways to remodel office buildings to become zero-energy facilities, applying what we learned in 2011 on-site verifications of a renovated section of the Kajima KI Building, which houses the Civil Engineering Design and Architectural Design divisions. Those tests showed that the renovations had cut energy consumption in half.

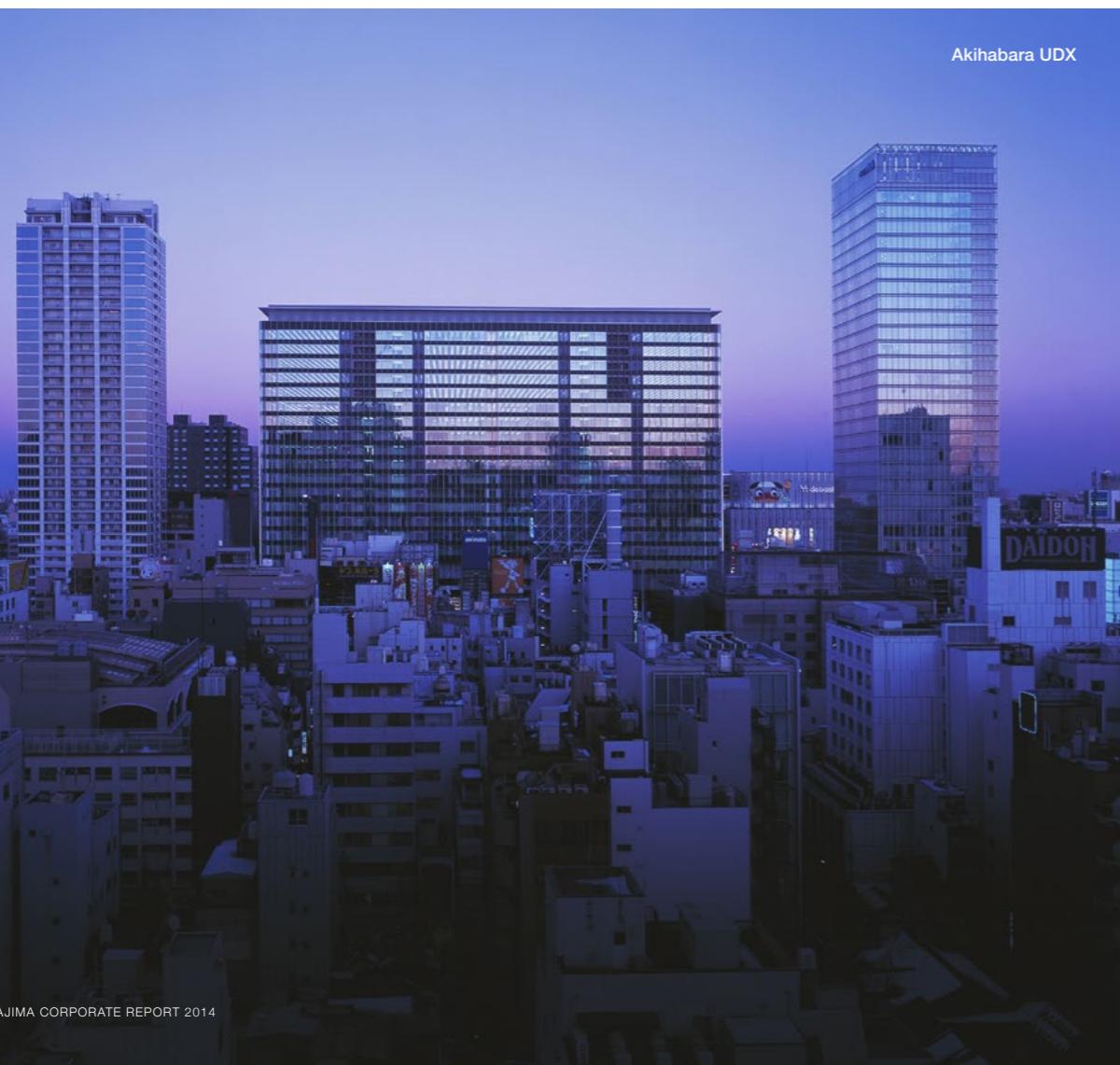
For this project, we conducted R&D with other leading companies in air conditioning, lighting, and other fields. This resulted in such advances as real-time energy consumption visualization, tablet applications that optimize office environments, and a smart power control system that recharges lithium-ion batteries using solar panels to stabilize electricity supplies. Kajima received the Good Design Award 2012 for its approach to renovation to create zero-energy buildings.

After completing the main research building of the Kajima Technical Research Institute in 2011, we slashed the facility's annual carbon dioxide emissions by 62% in fiscal 2012. The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan recognized this advance by awarding a prize to Kajima at its 51st awards ceremony.

As Tokyo prepares to host the 2020 Summer Olympics, the city is looking to build sports venues and other facilities, albeit on a much smaller scale than when it hosted this event in 1964.

These new facilities will be more compact and more environmentally friendly. The city is also taking advantage of this opportunity to maintain and develop its infrastructure, much of which was constructed at a frenetic pace before the 1964 games. The passage of time has meant that roads, bridges, and many other infrastructure components built in the early 1960s are due for extensive repairs or replacement. The Tokyo Metropolitan Government is currently reviewing which projects to prioritize.

Kajima has been a major player in Japan's development for more than a century, and we stand ready today to contribute to social sustainability for generations to come. We are determined to make the most of our advanced technologies to enhance the safety and security of Japan's infrastructure and minimize its impact on the global environment.



Technology



Kajima has amassed an array of engineering, nuclear, and environmental technologies over the years, underpinned by a robust research and development program.

Engineering for Excellence

Kajima has steadily expanded its presence in the engineering field over the years to complement its core civil engineering, building construction, and real estate development operations. We established the Engineering Division in 1996 to create new value by analyzing customer and market needs, generating innovative ideas, and developing systems to maximize synergies between our technologies and our expertise.

We combine construction technologies with basic technologies in manufacturing, distribution, and data management to formulate proposals for highly functional facilities. We involve ourselves intimately in all design, construction, trial run and adjustment stages and in transitions to full-fledged operations to ensure that facilities are easy to use. We have drawn on our engineering prowess and complete commitment to quality to complete numerous facilities in Japan and overseas.

The Engineering Division is particularly active in the fields of pharmaceuticals, food and beverages, and distribution. Key projects in recent years have included a multipurpose solid dosage pharmaceutical factory for the Fujieda Plant of Chugai Pharma Manufacturing. This facility uses advanced Kajima technologies to fully contain high potency materials. The design also features scalable, fully automated manufacturing and thorough earthquake-proofing technologies.

We have employed advanced information technologies to develop highly efficient distribution systems. Here, flexibility is the key, as systems must be able to accommodate future changes in customer operations. We therefore integrate architectural factors in projects into overall planning for distribution systems. Noteworthy examples of this approach include the Taisho Pharmaceutical Omiya Distribution Center and the Aoitori Distribution Kanto Distribution Center, both of which we completed as full turnkey projects.

Kajima has also been creating innovative agricultural concepts for around a quarter of a century, driven by its bio- and plant-related technologies. One outcome of that

approach is the Iwaki Onahama Greenfarm, a high-tech tomato farm covering around 200,000 square meters. Large, computer-controlled greenhouses all over the facility optimize the cultivation environment throughout the year. Our total engineering package included designing greenhouses, engineering the cultivation environment and cultivation equipment, and assisting with feasibility studies.

We completed the world's first transgenic plant factory, at the national Institute of Advanced Industrial Science and Technology Hokkaido. The design phase required close collaboration between engineers specializing in building construction, equipment and botany experts. We drew extensively on our track record in designing and constructing pharmaceutical factories and our expertise from designing and constructing climate-controlled plants.

It is becoming increasingly important to comprehensively conceptualize and plan integrated systems for facilities, particularly in manufacturing and distribution, going far beyond the traditional approach to designing and constructing buildings and structures. We expect the growing focus on protecting the environment to continue to drive this trend as buildings and structures perform more diverse and complex functions throughout their service lives, affecting all aspects of structural maintenance and care.

Kajima has long stayed ahead of the curve in accommodating customer and social needs. We will continue to create new value for stakeholders by integrating diverse technologies and enhancing our engineering capabilities to formulate innovative solutions

Maintaining Our Edge in R&D

Kajima launched its R&D program in 1949, when it became the world's first construction company to establish its own research center. This was the Kajima Technical Research Institute, whose founding credo was that "Constant research and creativity brings progress and prosperity to society."

Technologies that the Institute developed played key roles in all of Kajima's post-war projects, including for Japan's first skyscraper, as well as for its impressive docks, bridges, tunnels, and spacious structures.

The Institute operates several research centers around greater Tokyo that accommodate diverse needs and verify new ideas and technologies to accelerate commercialization.

The Institute's Main Complex features a laboratory that enables joint multifunctional experimentation, particularly

for environmental research. The Nishiohoku Complex engages in a wide range of experimentation. This includes load testing the strength and safety of large structures, testing environmental engineering, testing high-rise building models in wind tunnels, and conducting seismic tests. It also engages in soil and foundation research, one goal of which is to prevent liquefaction.

The Kemigawa Revegetation Laboratory Conducts environmental, slope revegetation, and other studies. The Hayama Marine Science Laboratory researches marine and aquatic environments.

These facilities accommodate diverse needs and verify new ideas and technologies to accelerate their commercialization.

Noteworthy R&D Successes

Shield tunneling is vital for digging below cities. For the Tokyo Bay Aqua-Line, this method was used to construct tunnels and roads below the ocean floor. Our APORO-cutter shield-tunneling machine can cut through any soil type and can handle an array of sectional excavations needed to construct underground portions of railway networks. Another Kajima contribution to urban excavation technologies is the VASARA method, which makes it possible to enlarge tunnel sections without having to reinforce them.

One key advance is SUQCEM, an ultrahigh-strength fiber-reinforced concrete that a Kajima-led consortium of four companies developed. The artificial island supporting the D Runway of the Tokyo International Airport in Haneda employs thin and light SUQCEM slabs. The slabs were used in the runway's pier structure to reduce the number of jackets and piles. The goal was to avoid obstructing outflow from the estuary of the Tama River and thereby minimize environmental impact. Another advantage of SUQCEM is that it offers outstanding salt resistance.

Kajima has extensively employed its "renewal in residence" method to improve the seismic performance of government buildings, schools, offices, and other structures in earthquake-prone Japan. Our other contributions include the Winchon method for seismic absorption in high-rise condominiums, the world's first active seismic response control system, and passive seismic response control equipment. We are developing systems to respond instantly to earthquake signals, a good example being the Real-Time Disaster Mitigation System. We continue to play a leading role in R&D for earthquake prediction, control, and isolation, a part of which we do in joint research projects including

government, industry, and academia, including universities in the United States.

We developed a technology that uses ultrafine droplets to create a water curtain as a fire prevention system in underground shopping malls and other sites. The curtain helps people to escape during a fire while allowing firefighters to approach the scene. Our safety technologies also include a tsunami simulation system based on analysis of wave speed and height and a road network disaster prediction system for plans used to predict damage from major earthquakes.

Determined to contribute to enhanced building safety, Kajima became the first in the world to explain what caused the collapse of the World Trade Center towers from a structural perspective. This was done by drawing on advanced high-rise and analysis technologies from our experience in skyscraper construction and the data that we have accumulated from shock-resistance experiments for special structures.

We have also developed numerous technologies to reduce the environmental impact of buildings. This is important because heating and cooling account for half of

the energy consumption of these structures. One example is a simulation system that assesses the environmental impact of air-conditioning and heating equipment in a way that reflects regional climatic conditions. One innovative approach is using off-peak, low-cost electricity to store heat and cold in structures, for use during the daytime. We developed computational fluid dynamics technology to predict air current flows in rooms. We have used rooftop greening to improve insulation and counter the heat island phenomenon. Another major innovation was the Kajima urban climate evaluation system, which predicts the heat effects of wind currents and sunlight around buildings and estimates the impact of greening.

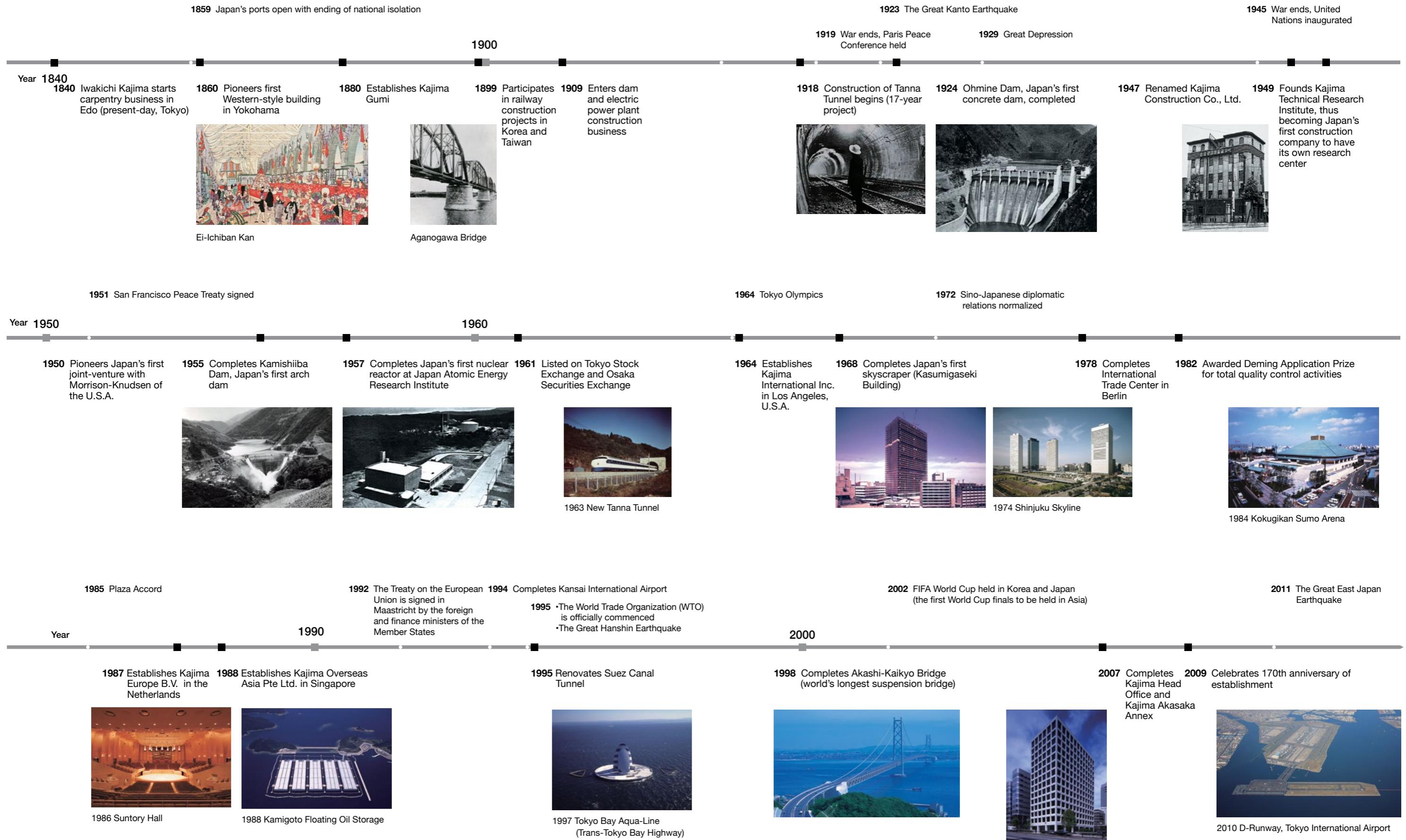
Eyes on the Future

Kajima's R&D program pursues social safety and security, exploring the potential of the increasingly sophisticated functions of today's structures to address global warming and other environmental issues, accommodate the needs of customers and contribute to the progress of society at large. The Kajima Technical Research Institute will continue functioning as a knowledge creator, pursuing research in technologies that help Kajima to continue making a difference well into the future.



Mirai High-Tech Indoor Veggie Factory

History



Governance

Kajima considers it essential for each director and employee to meet the highest ethical standards to achieve its social mission through its business activities.

► BUILDING TRUST

Our basic stance on corporate governance is that we shall conduct all business activities and transactions fairly and transparently. We achieve this by constantly improving the level of management supervision exercised by auditors, directors, and other entities, strengthening internal controls to manage risk and ensure accountability, and taking steps to ensure strict compliance. This stance aims to build on stakeholder value and trust in keeping with our overarching commitment to contributing to society through our business operations.

Board of Directors and Management Systems

As of March 31, 2014, Kajima's Board of Directors comprises ten members, all of whom have extensive experience in the Company's business. In principle, the Board of Directors meets once monthly, or as necessary, to deliberate and decide on fundamental business policies and important matters and to monitor the Company's performance and execution of business plans. The Company has adopted an executive officer system to separate management and supervision, strengthen business execution, and enhance management efficiency and speed. It also established a committee system, which includes the Management Committee and the Joint Committee of Directors and Executive Officers, to streamline decision-making.

Audit System

Kajima maintains a corporate audit system in which Audit & Supervisory Board Members, which included three external individuals as of March 2014, attend Board of Directors and other important meetings to audit the propriety and suitability of business execution carried out by directors. As independent third parties with no vested interest in the Company, external Audit

& Supervisory Board Members provide opinions based on their legal and accounting expertise to help ensure objectivity and neutrality in management decisions. The Audit & Supervisory Board cooperates closely with the Audit Department, which conducts independent internal audits, as well as accounting auditors to improve the effectiveness and efficiency of auditing.

Remuneration for Directors

In keeping with a policy on determining remuneration for directors, Kajima pays directors monthly wages as fixed payments and variable compensation in conjunction with a business performance bonus, decided according to positions (including operating officer positions for directors concurrently serving in that role) and tenure.

Strengthening Group Management

Kajima seeks to strengthen group management by assigning executives and employees as directors and auditors of Group companies and auditing and supervising as necessary. In accordance with internal management rules for subsidiaries and affiliates, Group companies must report to and consult with Kajima before making important decisions.

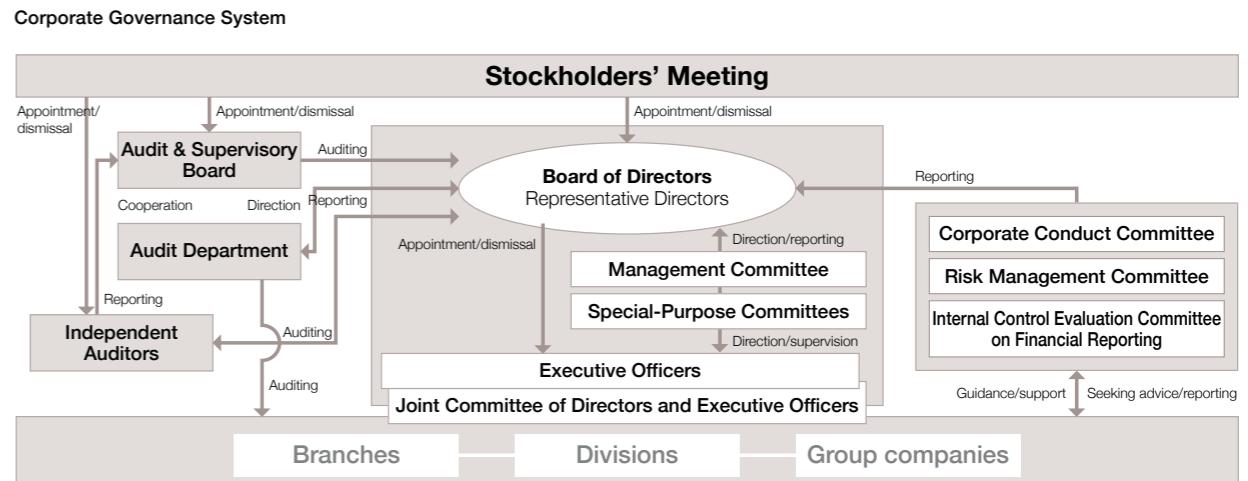
► INTERNAL CONTROL

In keeping with the Corporate Law of Japan, Kajima has established a basic internal control systems policy to ensure that our financial reporting is accurate and reliable. We draw on this system to operate appropriately and effectively while ensuring thorough compliance and risk management.

Application of Internal Control over Financial Reporting

Kajima issues internal control reports on the validity of its financial reporting, in accordance with the requirement under Japan's Financial Instruments and Exchange Act for companies to implement an

internal control reporting system. The most recent report evaluated management activities and internal controls designed to ensure the accuracy of all reported information, and received a favorable opinion by an independent auditing firm. Kajima will continue to improve its internal control reporting system to ensure consistently credible financial reporting.



► RISK MANAGEMENT

Kajima has robust risk management systems in place to identify and eliminate routine risks. We aim to continuously improve corporate value by winning the trust of shareholders, clients, and other stakeholders through timely disclosure.

Company-Wide Risk Management System

We conduct companywide activities to eliminate or reduce operational risks. The Management Committee and special-purpose committees deliberate on countermeasures to deal with such risks, including for new businesses and development investments. The Risk Management Committee meets every March and is chaired by the president. That body identifies major business risks that must be controlled companywide. We seek to raise awareness of these risks and undertake risk management initiatives based on the PDCA cycle.

Group companies in and outside of Japan have adopted standardized systems and have independently introduced risk management initiatives.

Handbook for Implementing the Kajima Group Code of Conduct

The Kajima Group Code of Conduct is the basis of our compliance program. When revising the Kajima Group Code of Conduct in 2007, we created the Handbook for Practical Application of the Code of Conduct and distributed it to all directors, officers, auditors, and employees. In fiscal 2008, each group company adapted and modified the handbook, distributing copies to their corporate officers and employees.

Educating Employees about the Code of Conduct through E-Learning

We offer an e-learning training course for all employees to enhance understanding and acceptance of the

Kajima Group Code of Conduct. Lectures draw on the Handbook for Practical Application of the Code of Conduct in Q&A sessions on case studies to illustrate compliance issues. All Kajima employees as well as corporate officers and employees of Group companies who were supposed to take the e-learning course have completed it.

Whistleblower System

Kajima has a corporate ethics whistleblower system with a hotline to allow Group employees to report on criminal or unethical behavior that they know of or suspect. We prohibit retaliation against or harassment of whistleblowers. We have distributed instructions to employees to promote the system and instruct on its use.

Safeguarding Information

Kajima's information security policy has three components. The first is information security by-laws that provide general principles for management systems and measures. The second is information security implementation rules that set out more detailed requirements. The third is a code of conduct for information security measures that lays out concrete requirements for the conduct of employees handling business information.

We have set up a special intranet site for information security matters, distributed a handbook, provided face-to-face educational activities, and visited worksites to check progress in this area. We designated May as Information Security Improvement Month and run an e-learning program to assess employee understanding of security issues.

► CORPORATE SOCIAL RESPONSIBILITY

Kajima's Corporate Philosophy is to "contribute to society through the development of the company's business operations." The Company operates ethically, earning the trust of all stakeholders to generate true value. We adopted our CSR framework in keeping with these commitments, and it guides the CSR activities of the entire Group.

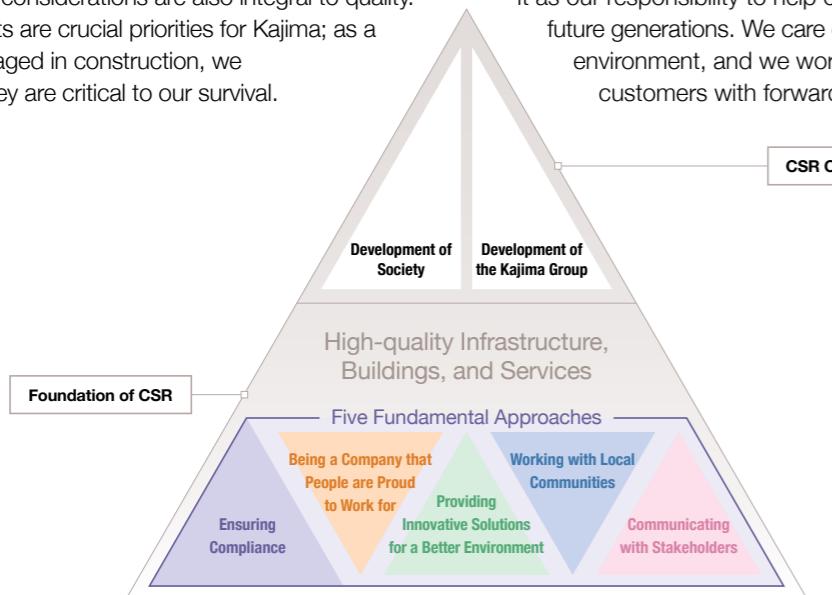
Objectives and Basics

Buildings and structures designed and built by construction firms directly support human activity over many years. By diligently fulfilling our corporate social responsibilities, we aim to ensure that the construction industry as a whole, and Kajima in particular, can continue to earn the trust of stakeholders and drive sustainable progress for all of society. As a construction firm, our work is highly visible to the public during and after project completion, and we are determined to keep holding ourselves accountable to future generations.

This is why Kajima continually researches and improves its techniques—so that its high-quality infrastructure, buildings, and services can contribute to society and provide convenience, comfort, and peace of mind to customers for years to come.

Delivering High-Quality Infrastructure, Buildings, and Services

Kajima aspires to quality that is comprehensive and lasting. We believe that quality goes beyond excellence in building construction to encompass an entire process. This starts with planning, design, and construction and includes follow-up maintenance on infrastructure and buildings, and the provision of services that people can use for generations to come. Safety, health, and environmental considerations are also integral to quality. These elements are crucial priorities for Kajima; as a company engaged in construction, we understand they are critical to our survival.



Five Fundamental Approaches

1. Ensuring compliance

Although the public generally recognizes the tremendous contributions of construction, many people remain critical of the industry. At Kajima, we are determined to counter this by earning trust through complete commitment to compliance and making sure that our employees do their part to ensure that our organization meets the highest corporate ethical standards. Our goal is that Kajima's good conduct would give the public opportunities to appreciate the vital responsibility that the construction industry has in supporting human activities over long periods of time, thus enhancing trust in the industry overall.

2. Caring for our people

A construction firm is responsible for completing an entire project, which includes bringing together subcontractors with many different specialties and uniting them into a cohesive team. Each individual's abilities are an asset. Kajima works to create the right conditions for many people to collaborate safely and trust one another. We do our best to offer pleasant workplaces where people can take pride in doing work that is important to society.

3. Providing innovative environmental solutions

Construction firms consume many resources, and their operations greatly affect the environment. At Kajima, we seek to be sensitive and respectful to nature and regard it as our responsibility to help conserve the earth for future generations. We care deeply about the environment, and we work hard to present customers with forward-looking project

Quality Assurance, Safety and Health, and Environmental Policies

• Basic Policy

Quality assurance, safety and health, and environmental management are fundamental to production and corporate survival. By establishing and continuously improving management systems to comply with relevant laws, ordinances, and other societal requirements, Kajima works to produce efficiently while earning the trust of customers and society.

• Quality Assurance Policy

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

1. We ensure product quality by heeding and addressing client requirements while thoroughly implementing the plan-do-check-act cycle.
2. We enhance research and development and plan ways to improve quality and increase operational efficiency.

• Safety and Health Policy

Safety is the barometer of a company's capabilities and ethics. We therefore collaborate with subcontractors with strong management to eliminate construction-related accidents and injuries so we can maintain public trust in the construction industry while

pursuing sustainable corporate progress.

1. We work to prevent accidents and incidents stemming from human error by focusing on the workplace, equipment, and site conditions and by using point-call-and-response practices as routine workplace procedures.

2. We strive to create safe and comfortable working environments by facilitating close communication between Kajima and partner companies and by ensuring close coordination between people, machinery, and equipment.

• Environmental Policy

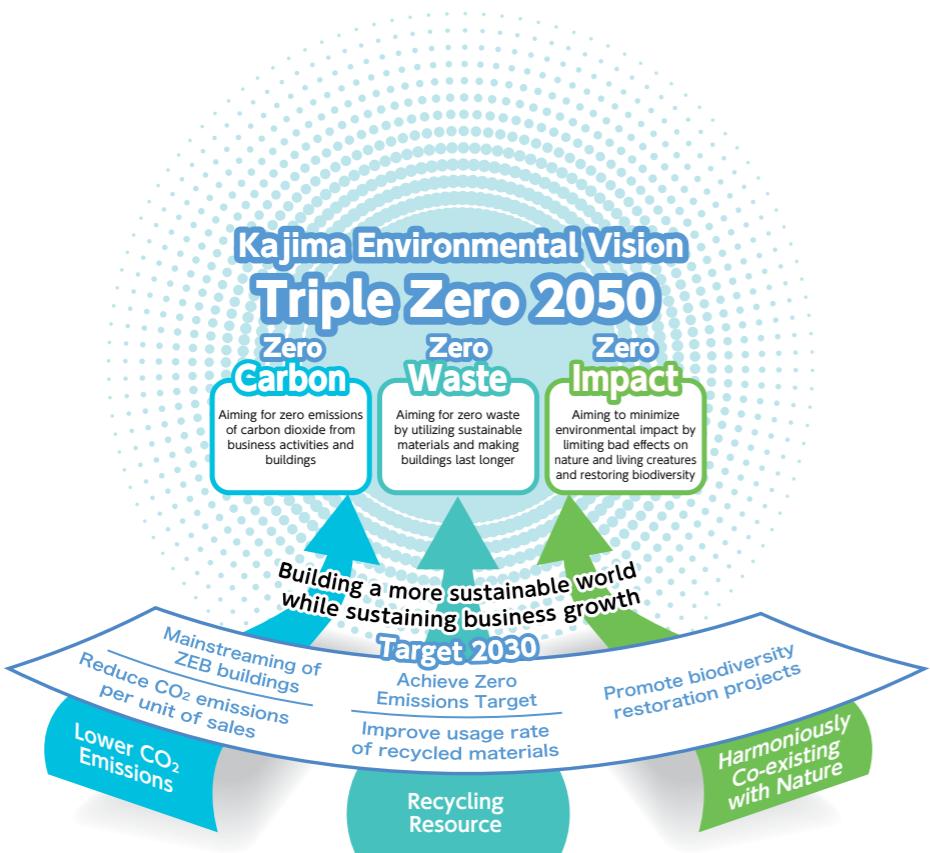
Kajima pursues a long-term environmental vision, doing its part in broader social efforts to preserve the environment and ensure economic sustainability.

1. We work to reduce the environmental impact of our business and take into consideration the entire lifecycles of structures we construct. We thereby seek to help build societies which use materials responsibly, have a low carbon footprint, and harmonize with nature.
2. As a standard for achieving these goals, Kajima:
 - Creates innovative technologies that help safeguard the environment and uses resources sustainably
 - Engages in construction management processes to prevent environmental damage caused by hazardous materials used in construction projects
 - Cooperates with the public, including by proactively disclosing information

Integrated Management System for Quality Assurance, Safety and Health, and Environment

In April 2003, we integrated several policies that had guided Kajima's activities in terms of quality, safety and health, and the environment. Kajima has obtained ISO 9001 certification for quality management in engineering and construction, and has also secured ISO 14001 certification for companywide environmental activities. Its health and safety policy complies with Construction Occupational Health and Safety Management System requirements.

We also introduced a management system in our construction business that integrates quality, safety and health, and the environmental aspects into both engineering and construction. This approach improves overall productivity at construction sites and overall quality, thus enabling us to better accommodate the needs of society and customers.



Triple Zero 2050

To deliver on its environmental commitment, Kajima formulated Triple Zero 2050, which sets out how the Company will help build a more sustainable world. Spanning the years through 2050, this vision focuses on three activities that are essential for increasing sustainability. These are to reduce carbon emissions, recycle resources, and harmonize with nature. This

means targeting zero carbon emissions, waste, and environmental impact from our operations.

We established interim targets for 2030 to drive progress in each of these areas. These targets include mainstreaming zero energy buildings, reducing carbon dioxide emissions per unit of sales, attaining zero emissions objectives, improving recycled materials usage rates, and undertaking biodiversity restoration projects.

Building a More Sustainable World

SOCIAL GOALS	TRIPLE ZERO 2050	TARGETS 2030
Reducing CO2 Emissions Balancing greenhouse gas emissions from human activities with the Earth's capacity for carbon dioxide absorption	Zero Carbon Aiming for zero emissions of carbon dioxide and other greenhouse gases, not only from the company's business activities, but also from the buildings it constructs	Design Operations Realize zero-energy buildings (ZEB) by 2020, standardize ZEB techniques by 2025, and promote the mainstreaming of these buildings by 2030
Recycling Resources Pursuing zero emissions by employing state-of-the-art infrastructure maintained and operated using sustainable resources	Zero Waste Aiming to eliminate waste from construction operations by ensuring zero landfill disposal of waste during construction, utilizing sustainable materials, and making buildings last longer	Construction Operations Reduce CO2 emissions per unit of sales to 35%*1 of 1990 level Landfill Waste Completely eliminate final landfill waste disposed from construction operations
Harmoniously Co-existing with Nature Valuing the continuous benefits of ecosystem services by minimizing the impact of human activities on the environment and living creatures	Zero Impact Aiming to minimize the overall environmental impact of construction operations by limiting their effect on nature and living creatures while promoting the restoration of biodiversity and new ways to make use of its benefits	Recycled Materials Achieve a usage rate of recycled materials of at least 60% for principal construction materials*2 Biodiversity Promote biodiversity restoration projects Integrate effective projects into construction and share best practices with the public via biodiversity-related networks and organizations

*1: Equivalent to a 65% reduction of total emissions

*2: Principal construction materials are cement, concrete, asphalt, crushed stones, and steel

Board of Directors

(As of July 1, 2014)



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*These directors also serve as executive officers.



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