

FY2022 First Half Financial Results

November 10, 2022



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Financial Results and Forecast

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3. Segment Performance
4. Stockholder Returns

1. FY2022 First Half Results | Financial Highlights

Consolidated and non-consolidated revenue and income increase YoY

Note: FY2022 H1 results are based on the exchange rate at the end of June 2022 (JPY136.68/USD1.00)

Billions of yen	Consolidated					Non-Consolidated				
	FY2021 Q2 Result	FY2022 Q2 Result	YoY Change	FY2022 Initial Forecast	Progress	FY2021 Q2 Result	FY2022 Q2 Result	YoY Change	FY2022 Initial Forecast	Progress
Revenues	956.1	1,137.4	+181.3	2,270.0	50.1%	559.7	664.6	+104.8	1,320.0	50.3%
Operating Income	56.4	64.9	+8.4	108.0	60.1%	34.3	36.2	+1.8	69.0	52.5%
Ordinary Income	65.4	79.1	+13.6	122.0	64.9%	41.4	43.5	+2.0	82.0	53.1%
Net Income Attributable to Owners of the Parent	49.8	54.7	+4.8	85.0	64.4%	32.4	32.7	+0.3	60.0	54.5%
Construction Contract Awards	807.1	1,122.5	+315.3	2,070.0	54.2%	488.5	749.1	+261	1,320.0	56.8%
	As of Mar 31, 2022	Change from Mar 31, 2022				As of Mar 31, 2022	Change from Mar 31, 2022			
Interest-bearing Debt	359.9	399.6	+39.7	500.0	–	199.3	159.3	-40.0	230.0	–

- Revenues increased YoY on both a consolidated and non-consolidated basis, mainly due to **higher revenues in the non-consolidated construction business and overseas subsidiaries and affiliates**, reaching a record high of more than 1 trillion yen on a consolidated basis
- Operating income, ordinary income, and net income were higher YoY on both a consolidated and non-consolidated basis due to **increased revenues in the non-consolidated construction business** and **continued solid performance of the real estate development business in the U.S.**
- Construction contract awards increased YoY on both a consolidated and non-consolidated basis due to an **increase in non-consolidated building construction and overseas subsidiaries and affiliates**, which recorded multiple orders for large-scale projects.

2. FY2022 Forecast

Full-year forecast revised upward, consolidated net income of 100 billion yen expected

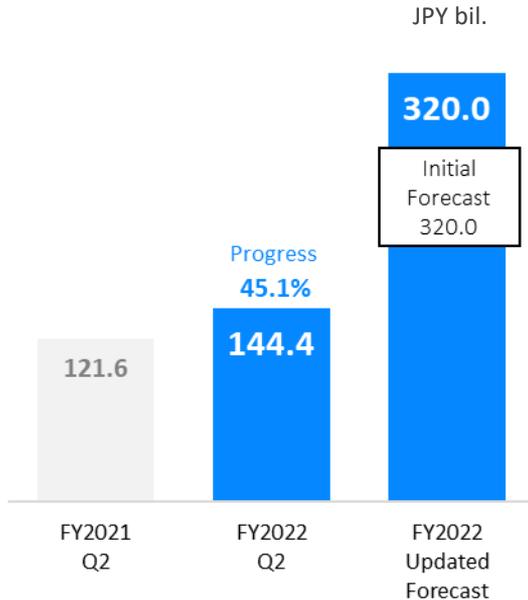
Note: The updated forecast for FY2022 is based on the exchange rate at the end of September 2022 (JPY144.81/USD1.00)

Billions of yen	Consolidated					Non-Consolidated				
	FY2021 Result	FY2022 Initial Forecast	FY2022 Updated Forecast	YoY Change	Change from Initial Forecast	FY2021 Result	FY2022 Initial Forecast	FY2022 Updated Forecast	YoY Change	Change from Initial Forecast
Revenues	2,079.6	2,270.0	2430.0	+350.3	+160.0	1,244.9	1,320.0	1390.0	+145.0	+70.0
Operating Income	123.3	108.0	113.0	-10.3	+5.0	81.0	69.0	72.0	-9.0	+3.0
Ordinary Income	152.1	122.0	141.0	-11.1	+19.0	92.4	82.0	87.0	-5.4	+5.0
Net Income Attributable to Owners of the Parent	103.8	85.0	100.0	-3.8	+15.0	72.1	60.0	68.0	-4.1	+8.0
Construction Contract Awards	1,929.8	2,070.0	2230.0	+300.1	+160.0	1,150.8	1,320.0	1370.0	+219.1	+50.0
Interest-bearing Debt	359.9	500.0	550.0	+190.0	+50.0	199.3	230.0	230.0	+30.6	—

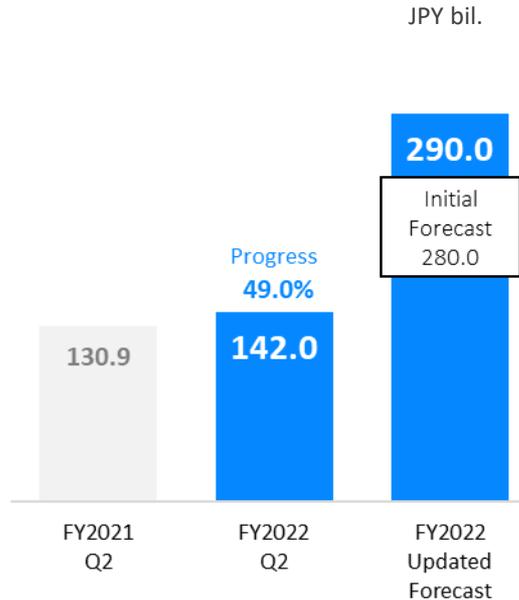
- Consolidated results are expected to surpass the initial forecast for **revenues, operating income, ordinary income, and net income** due to **higher revenues in the non-consolidated construction business** and the **strong performance of overseas subsidiaries and affiliates**
- Non-consolidated revenues are expected to **increase in civil engineering and building construction**, and profits are also expected to increase as the gross profit margin is expected to remain largely in line with the initial forecast
- The upward revision of consolidated construction contract awards was mainly due to an **increase in the non-consolidated building construction business and overseas contract awards, mostly in the U.S.**

3. Segment Performance | Civil Engineering (Kajima Corp)

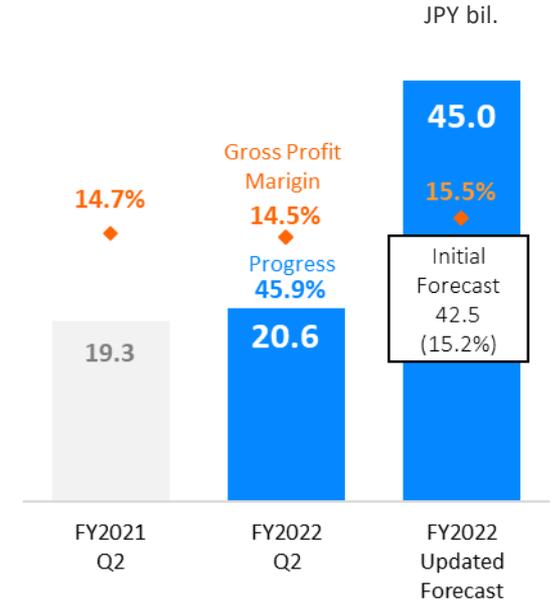
Contracts



Revenues



Gross Profit



FY2022 Q2 Results

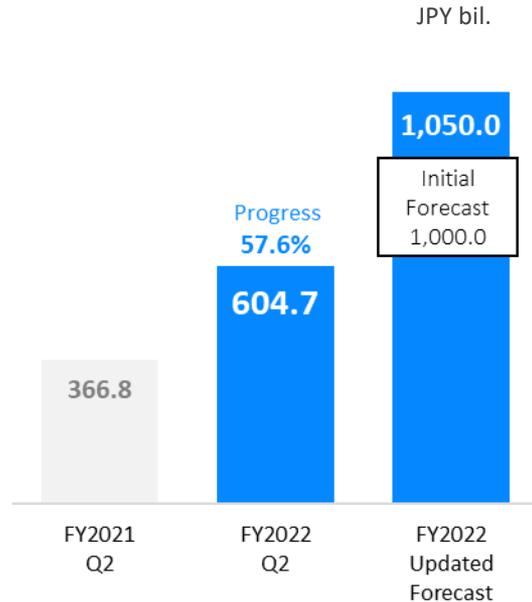
- Contract awards increased YoY mainly due to orders for large-scale construction projects and additional amended contracts
- Revenues increased YoY due to steady progress in construction projects on hand
- Gross profit increased YoY due to higher revenues

FY2022 Full-Year Forecast

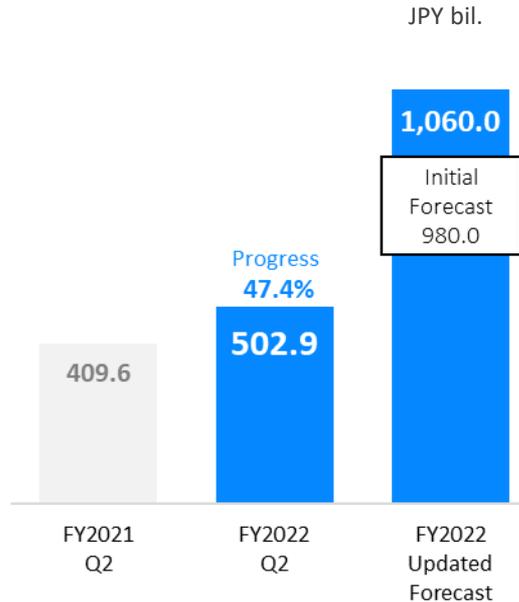
- The full-year forecast for contract awards will remain unchanged as construction demand, especially for public-sector work, stabilizes
- Revenues are expected to increase by 10 billion yen due to progress in construction projects on hand
- Gross profit was revised upward by 2.5 billion yen due to higher revenues and expected profit margin improvement, especially for completed construction projects

3. Segment Performance | Building Construction (Kajima Corp)

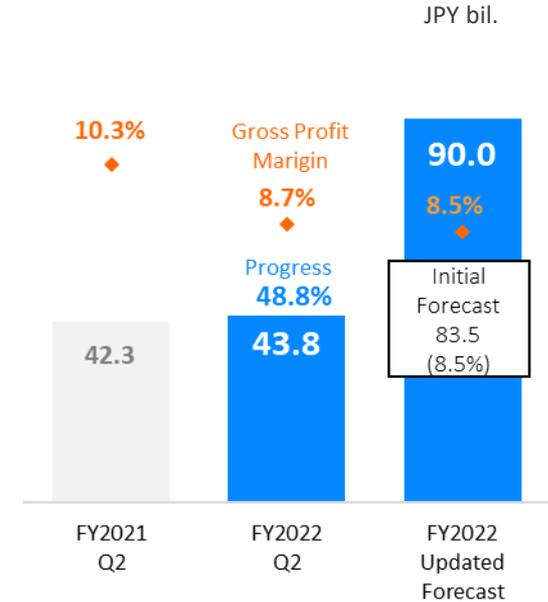
Contracts



Revenues



Gross Profit



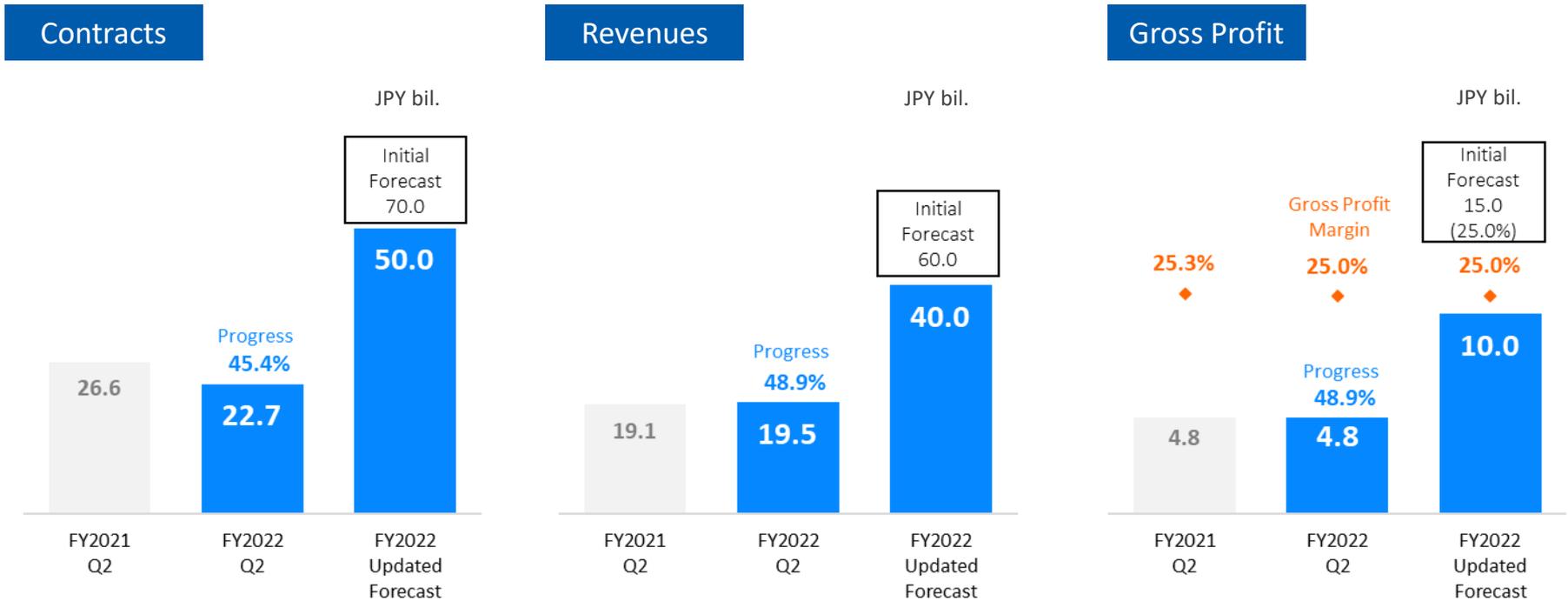
FY2022 Q2 Results

- Contract awards increased substantially YoY due to multiple orders for large-scale construction projects including for production facilities and redevelopment projects
- Revenues increased mainly due to the start of full-scale construction of large-scale projects on hand
- Gross profit increased YoY due to higher revenues

FY2022 Full-Year Forecast

- Contract awards are expected to increase by 50.0 billion yen due to a certain number of secured projects and highly probable projects that are expected to be awarded in the second half
- Revenues are expected to increase by 80.0 billion yen due to progress in construction projects on hand including large-scale construction projects ordered this fiscal year
- Gross profit was revised upward by 6.5 billion yen due to higher revenues and the prospect of maintaining profit levels

3. Segment Performance | Real Estate and Other (Kajima Corp)



FY2022 Q2 Results

- Performance was in line with that of the same period of the previous fiscal year due to stable profits in the leasing business

FY2022 Full-Year Forecast

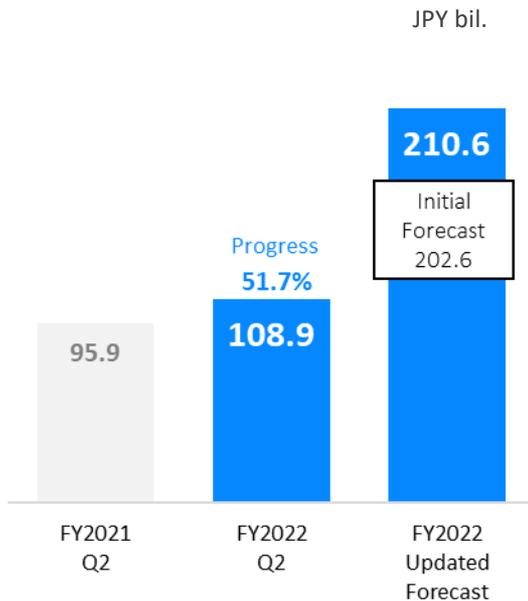
- Decreases in revenues and gross profit are expected due to changes in projects to be sold in the second half

Reference

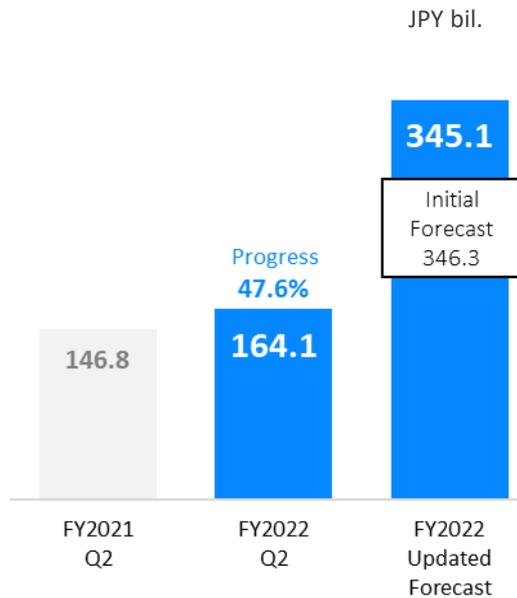
- The full-year forecast for the combined net income of the non-consolidated real estate development business and real estate development-related domestic subsidiaries and affiliates (business management figures for the domestic development business) is 7.6 billion yen, a 0.8 billion yen increase from the initial forecast. ▶ See page 24 for details

3. Segment Performance | Domestic Subsidiaries and Affiliates

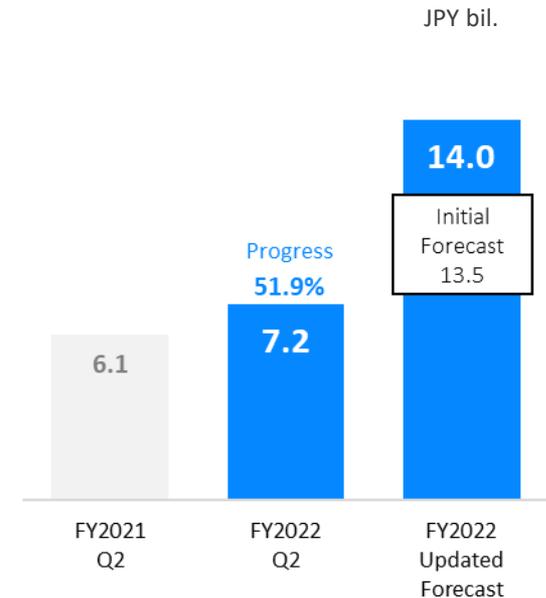
Contracts



Revenues



Net Income



FY2022 Q2 Results

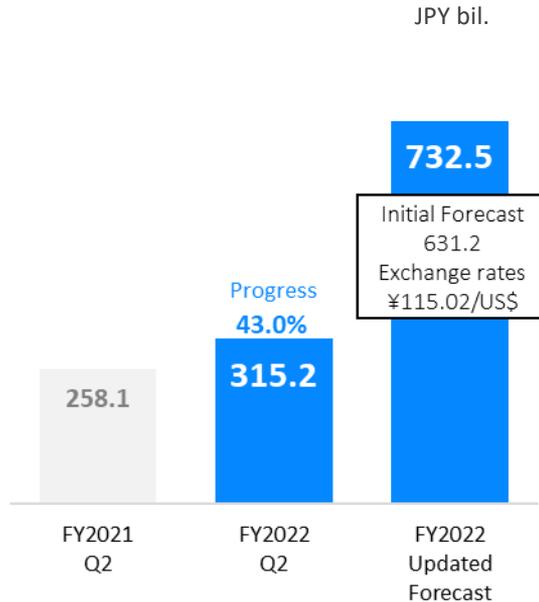
- Contract awards increased YoY mainly due to orders for large-scale construction projects
- Revenues increased due to steady progress in construction work on hand
- Net income increased mainly due to profit improvement from large construction projects and the sale of leased properties

FY2022 Full-Year Forecast

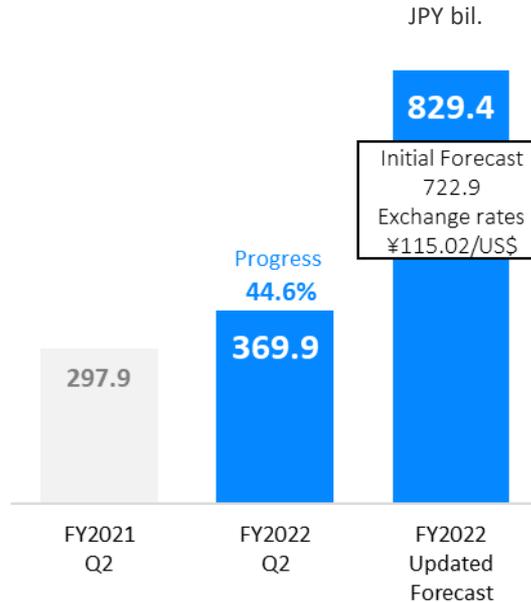
- Contract awards were revised upward due to an anticipated increase in road construction orders
- Revenues are expected to decrease slightly and net income to increase slightly against initial forecast based on a review of each operating company

3. Segment Performance | Overseas Subsidiaries and Affiliates

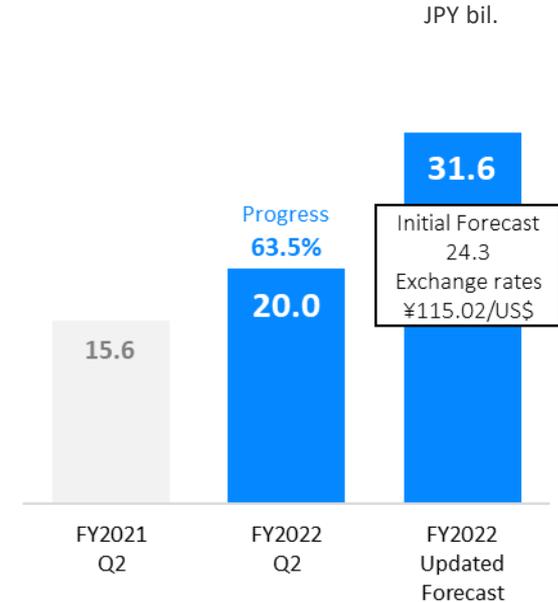
Contracts



Revenues



Net Income



FY2022 Q2 Results

- Contract awards increased YoY due to orders for large-scale projects in multiple regions
- Revenues increased YoY at each local subsidiary
- Net income increased due to continued strong performance of the real estate development business in the U.S.
- Foreign exchange rate fluctuations also contributed to the YoY increase

FY2022 Full-Year Forecast

- Considering the prospects for future orders and foreign exchange trends, contract awards are expected to increase
- Considering strong U.S. performance and exchange rate trends, revenues and net income are expected to increase

3. Segment Performance | Overseas Subsidiaries and Affiliates

(breakdown by construction and real estate development segments)

Real estate development business remains strong, especially in the U.S., and contributes to earnings

* Figures for each business segment are before internal transaction adjustments

Billions of yen	Construction and other				Real Estate			
	FY2021 Q2 Result	FY2022 Q2 Result	YoY Change	FY2022 Updated Forecast	FY2021 Q2 Result	FY2022 Q2 Result	YoY Change	FY2022 Updated Forecast
Revenues	239.6	303.2	+63.5	716.0	63.7	75.5	+11.7	132.9
Gross Profit	11.2	12.2	+0.9	28.4	20.8	31.5	+10.7	44.6
	4.7%	4.0%	-0.7 pt	4.0%	32.7%	41.8%	+9.1 pt	33.6%
Operating Income	2.0	0.6	-1.3	2.8	13.8	21.4	+7.5	24.9
Nonoperating Income	0.7	1.0	+0.3	0.7	3.8	8.8	+4.9	21.6
<i>Equity in Earnings of Partnership</i>	0.0	0.0	—	0.0	1.3	6.8	+5.4	19.6
Ordinary Income	2.7	1.7	-1.0	3.5	17.6	30.2	+12.5	46.5
Extraordinary Income	0.0	△0.0	-0.1	0.0	1.9	0.0	-1.8	2.0
Net Income Attributable to Noncontrolling Interests	1.9	0.0	-1.9	1.0	14.9	22.0	+7.0	32.6
Exchange rates: US\$=	¥110.58	¥136.68		¥144.81	¥110.58	¥136.68		¥144.81

- Construction and other businesses are expected to gradually improve toward the end of the fiscal year, even though recovery in Southeast Asia is lagging
- In the real estate development segment, the distribution warehouse development business in the U.S. is performing steadily; in addition, non-operating income increased YoY due to strong sales of properties in the rental apartment development business and other businesses in the U.S. in collaboration with partners

4. Stockholder Returns

Decided to acquire 10 billion yen of its own share

Total return ratio is expected to be around 38

	FY2020 Result	FY2021 Result	FY2022 Updated Forecast
Dividend per Share	¥54	¥58	¥58
Basic Net Income per Share	¥193.13	¥208.00	¥203.02
Payout Ratio	28.0%	27.9%	28.6%
Own share acquisition	¥10.0 bil.	¥20.0 bil.	¥10.0 bil.

Policy on Stockholder Returns

The basic policy is to strive for a dividend payout ratio of 30%, as well as to flexibly contribute to stockholder returns by acquiring own shares and other means with consideration of business performance, financial condition and business environment

2

Progress on Kajima Group Medium-Term Business Plan (FY2021-2023)

1. Progress on Key Measures
2. Progress on Financial Targets and Investment Plan
3. Reduction of Cross-Shareholdings

1. Progress on Key Measures

Kajima Group Medium-Term Business Plan (FY2021-2023) -Forward-Looking Investment



1. Progress on Key Measures

1 Further strengthen core businesses | Construction Business

Orders from the manufacturing sector increased, including for production facilities in priority areas

Contract awards for manufacturing sector

FY2021 H1 result
96.6 billion yen



FY2022 H1 result
291.8 billion yen



Semiconductor Related Plant



Pharmaceutical Plant

Demonstration of synergies between the construction and real estate development businesses



Yokohama City Hall District Redevelopment Project
Primary use: Office, hotel and commercial
Total floor area: Approx. 128,500m²
Grand opening scheduled for spring 2026

Increase opportunities for development and construction orders by leveraging our construction knowhow, including cost and construction work schedule information

Sales in the renewable energy sector increased

Construction of renewable energy facilities (Revenues)

FY2021 H1 result
17.4 billion yen



FY2022 H1 result
20.0 billion yen

FY2023 target
30 billion yen/year



Completed installation of 33 wind turbines for Offshore Wind Farms at Akita Port and Noshiro Port

New construction method for demolishing high-rise buildings developed

Kajima has developed a new demolition method for the redevelopment of high-rise buildings that shortens work period and reduces CO₂ emissions and has adopted it at actual construction sites



Kajima Slash Cut Method being applied to demolish the World Trade Center Building (Minato-ku, Tokyo)

1. Progress on Key Measures

1 Further strengthen core businesses | Domestic Real Estate Business

Domestic Real Estate Development Business acquires multiple new revenue sources

FY2022 H1 Investment and capital recovery

Invested **22** billion yen

Recovered **2** billion yen

Established a new company and acquired two new properties

Eaton Real Estate Co., Ltd.

A new company specializing in meeting the growing demand for luxury real estate that meets international standards



Namikikan Ginza
[Commercial]



CURA Ginza (under construction)
[Office and Commercial]

Assets increased by completing new projects



Yokohama Gate Tower
Opened in March 2022

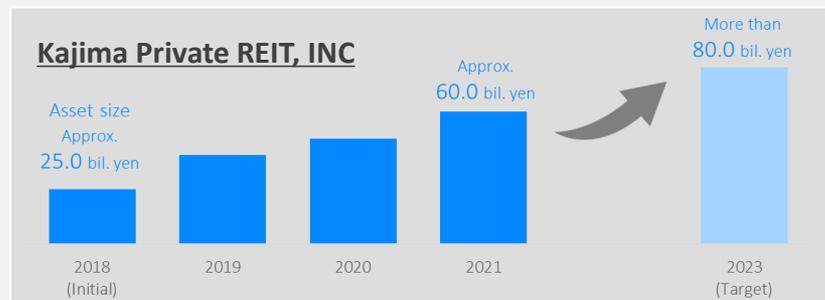


Kudan Kaikan Terrace
(Chiyoda-ku, Tokyo)
Opened in October 2022

Multiple projects were completed and opened in FY2022

Expected to contribute to future earnings

Solid growth of private REIT assets



As of the end of FY2021, the asset value of private REITs under management since 2018 was approx. 60 billion yen
Our aim is to swiftly increase asset value to approx. 100 billion yen

1. Progress on Key Measures

1 Further strengthen core businesses | Overseas Real Estate Business

In the overseas real estate development business, the distribution warehouse development business and the sale of apartment complexes progressed steadily

FY2022 H1 Investment and capital recovery

Invested **133** billion yen

Recovered **45** billion yen

Apartment development business remains strong

Favorable market conditions contributed to the increase of non-operating income through the sale of apartment complexes that are being jointly promoted with partners

FY2022 H1 results: **3** sold

Batson-Cook Development



Magnolia Apartments
(Texas, USA)

Flournoy Development



Sea Sound
(Florida, USA)

Distribution warehouse sales also strong

Distribution warehouse development business of Core5 (USA)

FY2022 H1 Results

10 projects started

8 projects sold

47 projects under development/operation
(as of end of H1 FY2022)



Roll-out of new “Core5 Vietnam” brand

Strengthen the distribution warehouse development business in Vietnam



Core5 Deep C Hai Phong
(under development)

1. Progress on Key Measures

2 Strive to create new value

Began business in Poland to develop power plants that use renewable energy

PAD-RES is developing several renewable energy facilities in Poland



Solar power generation facility under construction and development in central Poland

Projects on hand by type as of end of H1 FY2022

Solar power **10**

Onshore wind power **2**

PAD | RES

Location: Warsaw, Poland

Established: April 2010

- Pioneering developer of power plants that use renewable energy
- Kajima acquired approx. 70% equity in 2021

Promoting development of a carbon-free society

First results of the Green Innovation Fund Project, which provides support for carbon-neutral initiatives, are the application of buried mold using carbon-negative concrete to the construction of a discharge canal tunnel



Buried mold used in the new Kusakagawa River discharge tunnel (Kochi prefecture)



The name of the consortium implementing a project to develop manufacturing technologies for concrete and other products utilizing CO₂, one of the Green Innovation Fund projects of METI*

* Ministry of Economy, Trade and Industry

Construction of The GEAR progressing steadily



Intended as an open innovation base in Southeast Asia, construction is scheduled to be completed in 2023. A construction ceremony was held in June 2022.

A metaverse created at The Gear was unveiled at the construction ceremony.

1. Progress on Key Measures

3

Establish a strong management foundation and promote ESG measures for growth and transformation

Revised CO₂ emissions reduction target

We aim to have our targets validated by the Science Based Targets Initiative (SBTi, an international leader in best practices for greenhouse gas emissions reduction targets)

	Baseline year	Target 2030	Triple Zero 2050 (Target for FY2050)
Kajima's emissions (Scope 1 and 2)	FY2021	-40%	-100% Carbon neutrality
Supply chain emissions (Scope 3)		-25%	-100% Carbon neutrality

Set new Scope 3 reduction target to achieve carbon neutrality by 2050

Acquired credits certified by the government through the use of environmentally friendly concrete to reduce CO₂ emissions



Dormy Minami Nagasaki Annex (Toshima-ku, Tokyo), a company-owned facility that uses environmentally friendly concrete

Development of a platform capable of calculating CO₂ emissions in the supply chain for the manufacture and transport of concrete

Established a technology that assists in the creation of blue carbon*

*Carbon absorbed and stored by marine plants such as seaweed, a source of CO₂ absorption

Developed a technology that enables mass cultivation of large sea algae year round
Seeking to help build a carbon-free world and increase biodiversity



A marine forest steadily growing on an artificial reef

Established the Sustainability Committee

The committee was established to increase our Group-wide commitment to ESG management and improve corporate value. The committee is responsible for considering and making decisions on sustainability policies, as well as monitoring their implementation, and make regular reports to the board of directors.

2. Progress on Financial Targets and Investment Plan

Steady progress against the three-year investment total set forth in the medium-term business plan

Billions of yen	Medium-Term Business Plan (FY2021-2023)		FY2022 H1 Result		FY2021 + FY2022 H1 Result	
Domestic / Overseas Real Estate Development (<i>Recoup of Investment</i>)	640.0	<i>360.0</i>	157.0	<i>47.0</i>	346.0	<i>152.0</i>
Domestic (<i>Recoup of Investment</i>)	190.0	<i>80.0</i>	22.0	<i>2.0</i>	73.0	<i>13.0</i>
Overseas (<i>Recoup of Investment</i>)	450.0	<i>280.0</i>	133.0	<i>45.0</i>	273.0	<i>139.0</i>
R&D and Digital Investment	55.0		8.0		26.0	
Strategic Investment Framework	60.0		1.0		22.0	
Other	45.0		7.0		27.0	
Total	800.0		171.0		421.0	
Net Investment	440.0		124.0		269.0	

3. Reduction of Cross-Shareholdings

Cross-Shareholdings

In order to sell more than 30 billion yen in three years, as stated in the medium-term business plan, we have been selecting stocks to sell, and in the first half of FY2022, we sold 12 stocks with a value of 5.7 billion yen

<u>Reduction status</u>	FY2030 Target	FY2021 Result	FY2022 H1 Result
Number of stocks sold	-	17 stocks	12 stocks
Amount of sales	At least 30.0 bil. Yen over 3 years	14.8 bil. Yen	5.7 bil. Yen

<u>Holding status</u>	End of FY2020	End of FY2021
Number of stocks (listed stocks)	320 stocks (144 stocks)	316 stocks (135 stocks)
Balance sheet amount	266.5 bil. Yen	258.7 bil. Yen

3

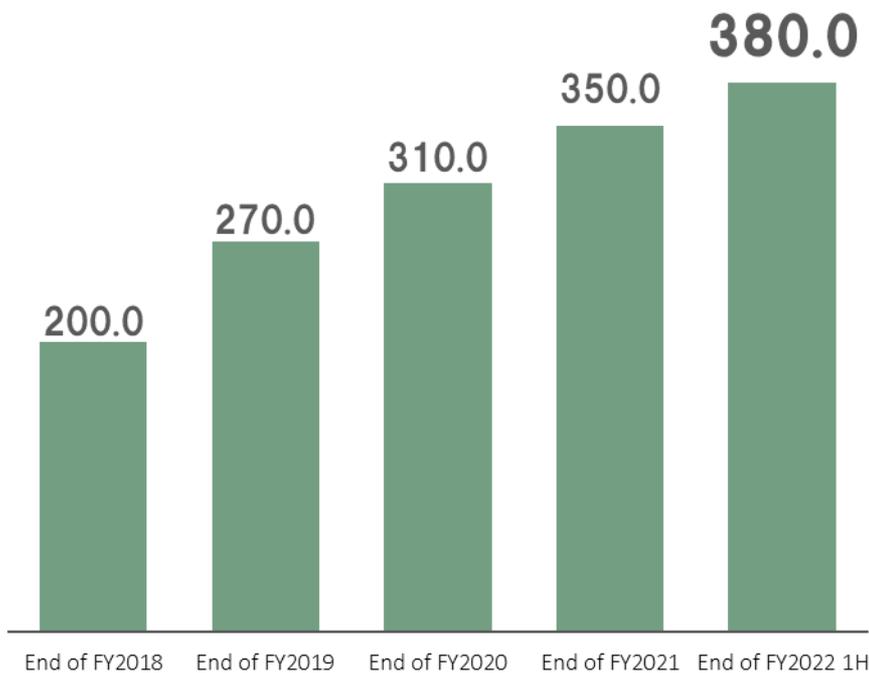
Supplementary Materials

1. Current Situation and Changes in the Domestic Real Estate Development Businesses
2. Current Situation and Changes in the Overseas Development Business
3. Main Projects Under Development

1. Current Situation and Changes in the Domestic Real Estate Development Business

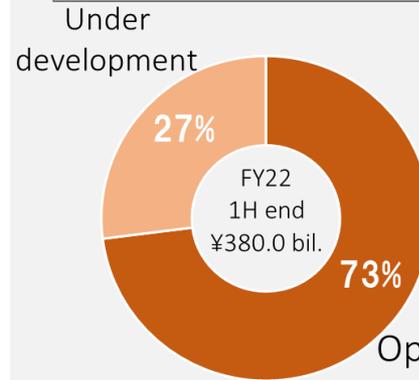
Changes in domestic real estate development assets

(billions of Yen)

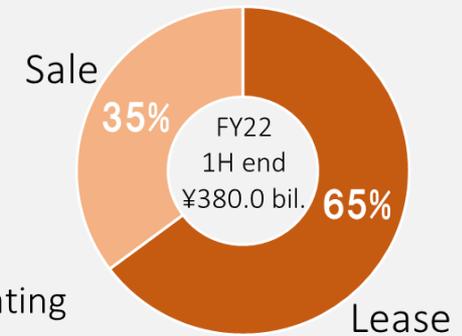


(Current situation of domestic real estate development assets)

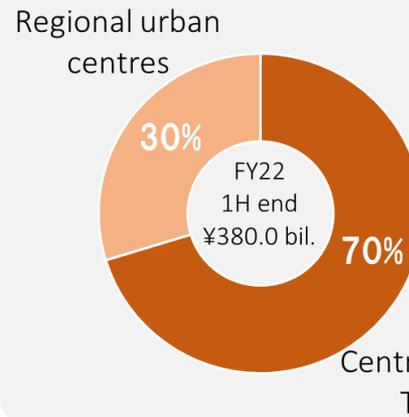
In-operation vs under development



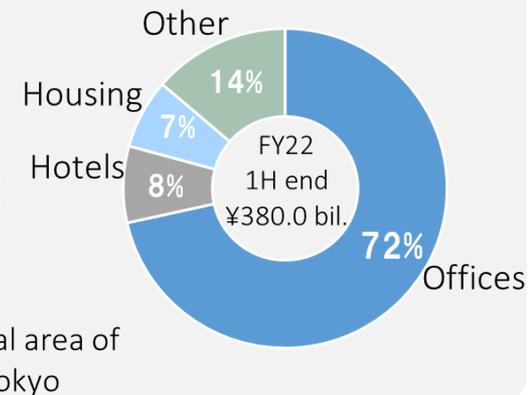
By sales and lease



By area

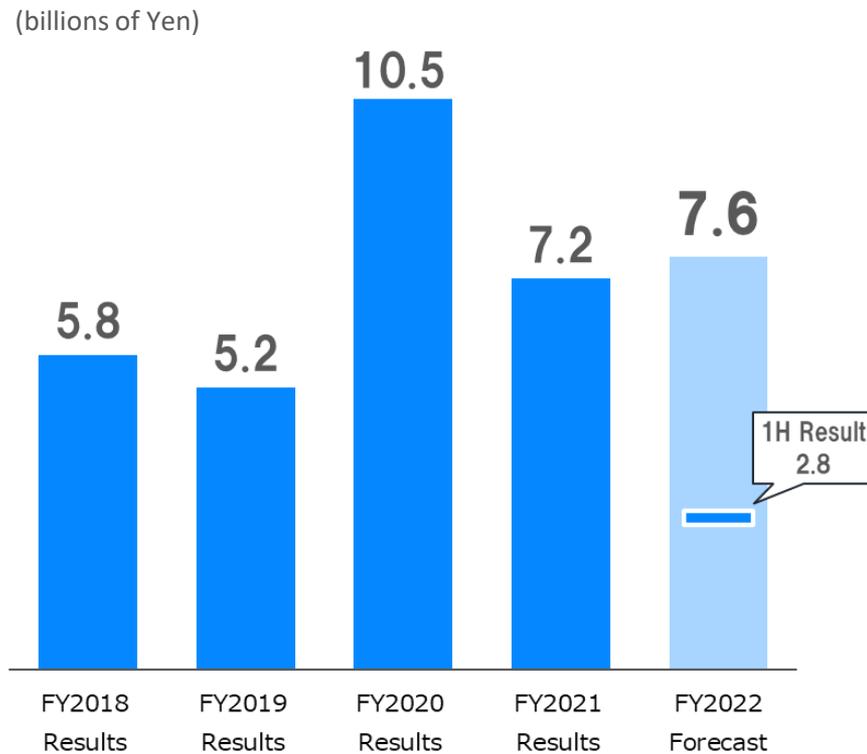


By use



1. Current Situation and Changes in the Domestic Real Estate Development Business

Domestic real estate development business net income

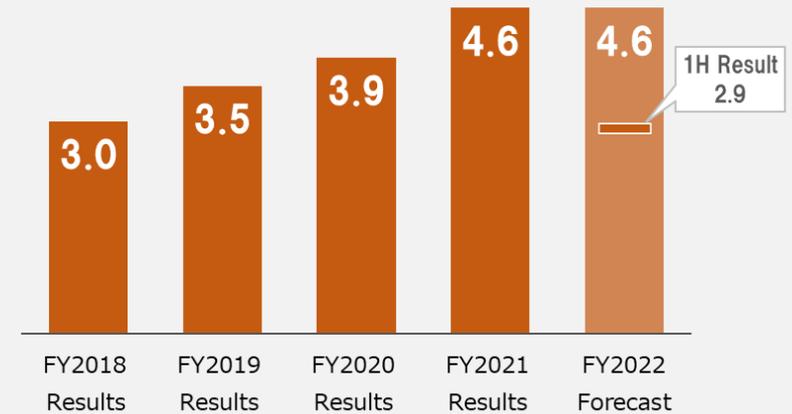


Figures are the sum of Kajima Corporation's development business and the net income of its development-related domestic affiliates.

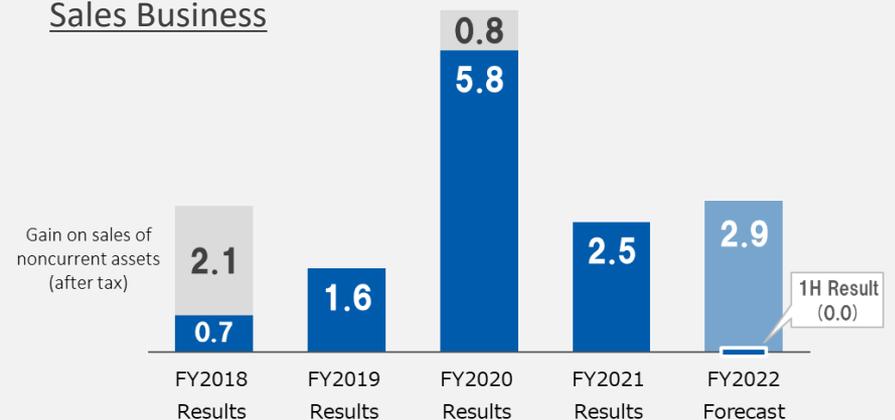
(Breakdown by Business Segment)

Leasing Business

(billions of Yen)



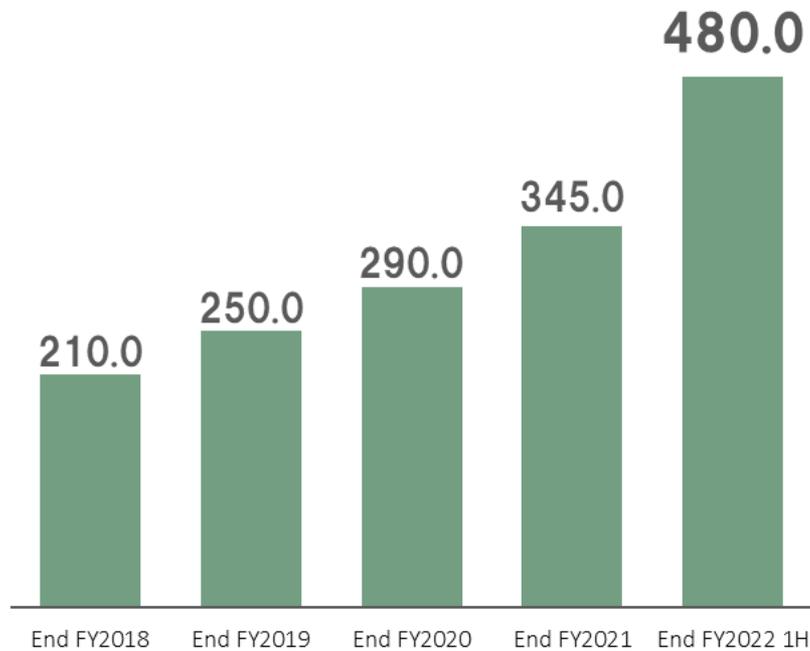
Sales Business



2. Current Situation and Changes in the Overseas Real Estate Development Business

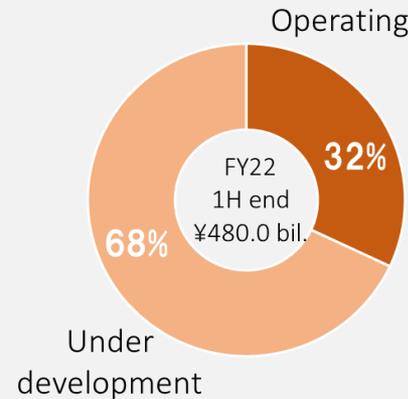
Changes in overseas real estate development assets

(billions of Yen)

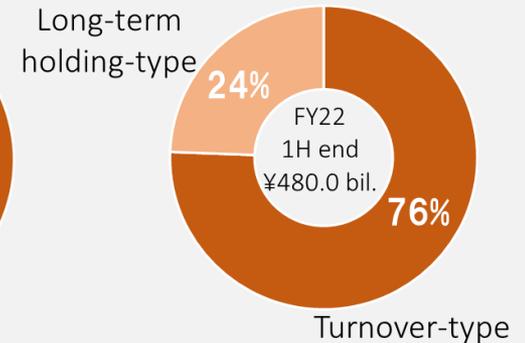


(Current situation of overseas real estate development assets)

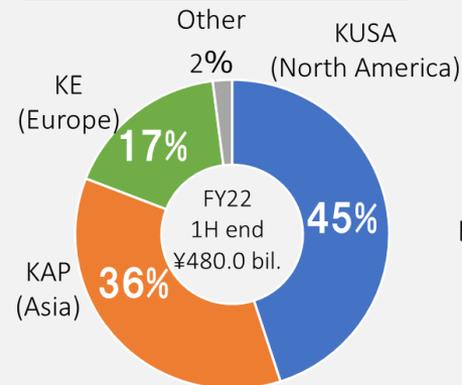
In-operation vs under development



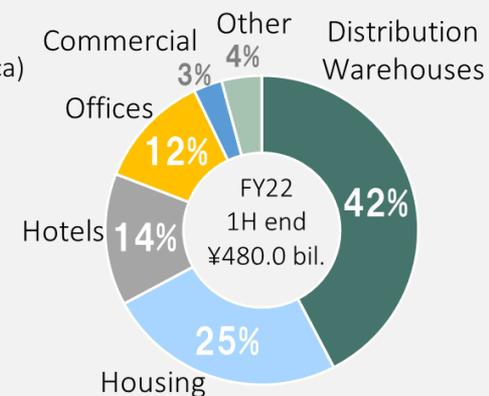
By holding period



By area

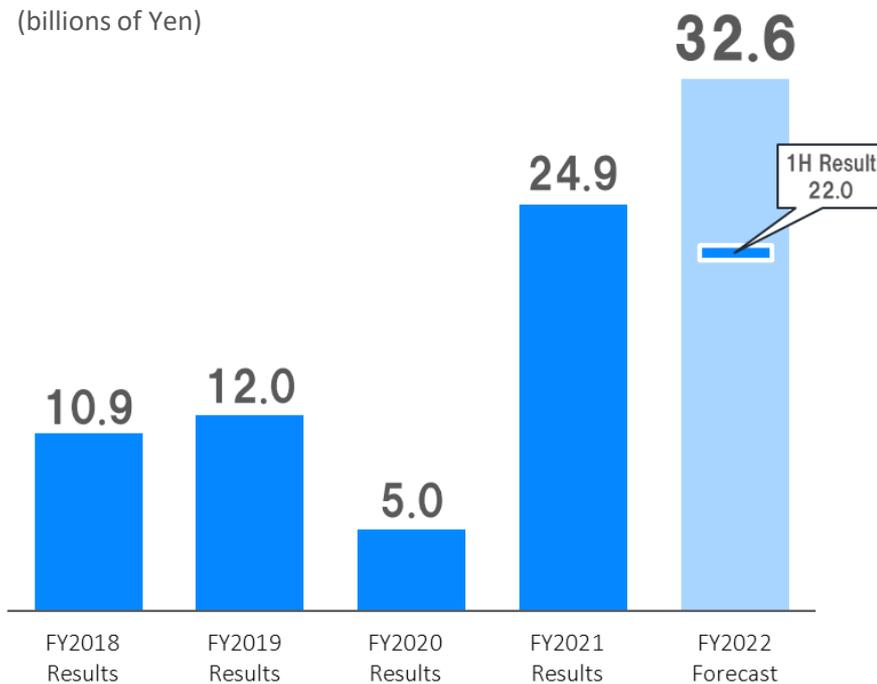


By use



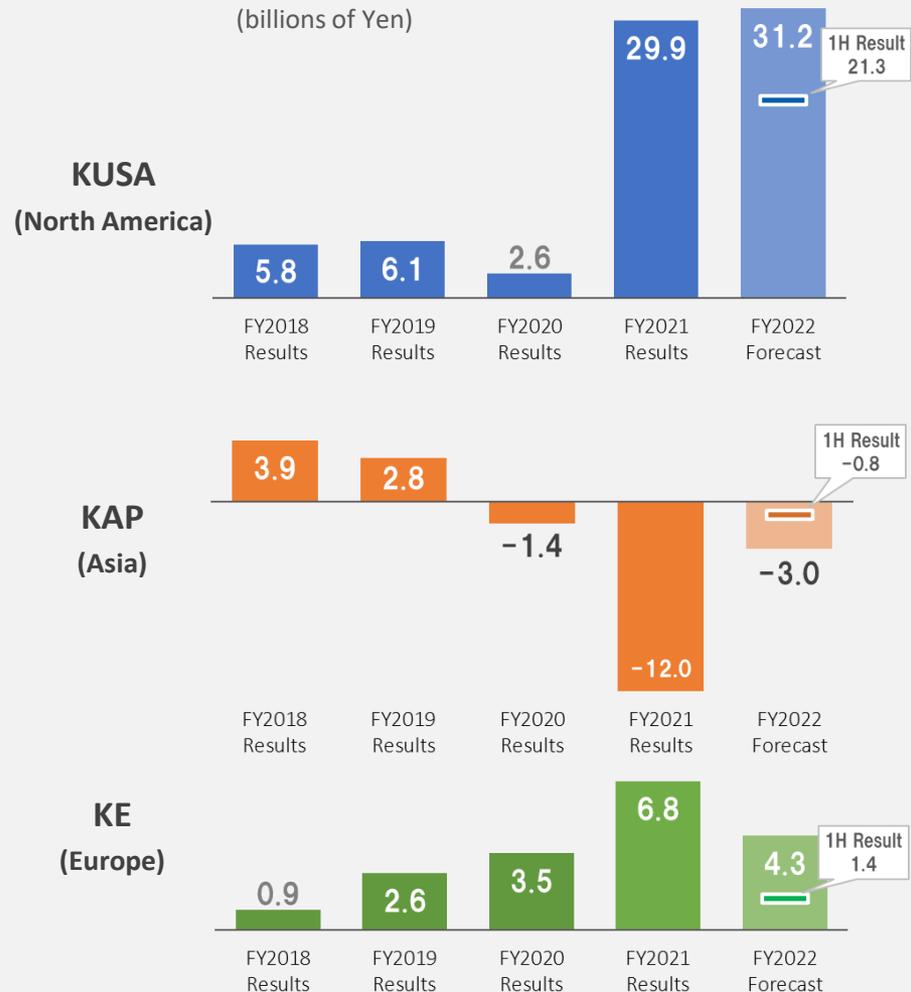
2. Current Situation and Changes in the Overseas Real Estate Development Business

Overseas real estate development business net income



Total of net income from real estate development business of each overseas subsidiary (before adjustment for internal transactions, etc.)

(Breakdown by Major Overseas Subsidiaries)



3. Main Projects Under Development

Major domestic development projects

Project Name	Primary Use	Location	Business Type	Total floor area	Completion
Yokohama Connect Square	Office and hotel	Kanagawa prefecture	Joint project	Approx. 121,700m ²	Jan-2023
Hilton Okinawa Miyakojima Resort	Hotel	Okinawa prefecture	Joint project	Approx. 28,500m ²	Feb-2023
Kyukan Hakata Ekimae 3-chome Project (tentative name)	Office	Fukuoka prefecture	Joint project	Approx. 7,800m ²	Apr-2023
Omiya Ward Sakuragicho Office Project	Office	Saitama prefecture	Joint project	Approx. 20,700m ²	May-2023
Haneda Innovation City (Phase II)	Office	Ota-ku, Tokyo	Joint project	Approx. 131,000m ²	Jun-2023
Kajima Nakasu Nakashimamachi Office Building (tentative name)	Office	Fukuoka prefecture	Independent project	Approx. 16,100m ²	Jun-2023
Park Tower Kachidoki South	Residential	Chuo-ku, Tokyo	Joint project	Approx. 181,000m ²	Aug-2023
HILLSIDE FOREST Yokohama Totsuka	Residential	Kanagawa prefecture	Joint project	Approx. 18,700m ²	Oct-2023
Sendai Chuo 3-chome Project (tentative name)	Office	Miyagi prefecture	Independent project	Approx. 11,800m ²	Feb-2025
Yokohama City Hall District Redevelopment Project	Office	Kanagawa prefecture	Joint project	Approx. 128,500m ²	FY2025
Hamamatsucho 2-Chome District Type 1 Urban Area Redevelopment Project	Residential, office and commercial	Minato-ku, Tokyo	Joint project	Approx. 74,000m ²	Dec-2026
New Chichibunomiya Rugby Stadium (tentative name) maintenance and operation business (Phase I)	Stadium	Minato-ku, Tokyo	Joint project	Approx. 69,000m ²	Dec-2027
Yaesu 2-chome Central Area Type 1 Urban Redevelopment Project	Office and Commercial	Chuo-ku, Tokyo	Joint project	Approx. 388,300m ²	FY2028
Tokyo Institute of Technology Tamachi Campus Redevelopment Project	Office, hotel and commercial	Minato-ku, Tokyo	Joint project	Approx. 250,200m ²	FY2030

Major overseas development projects

Project Name	Primary Use	Location	Business Type	Total floor area (number of projects)	Completion
Distribution warehouse development business in the U.S.	Logistics Facilities	United States	Partly joint projects	Approx. 2.45 mil. m ² (47)	2021.-2024
Woodleigh Development Project	Residential	Singapore	Joint project	Approx. 95,400m ²	2023
Distribution warehouse development business in Europe	Logistics Facilities	Europe	Joint projects	Approx. 1.08 mil. m ² (19)	2020-2027
Development and operation of student dormitories in Poland	Student dormitory	Poland	Joint projects	Approx. 90,000. m ² (11)	2014-2025

The total floor space is the figure for the entire project.



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Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. While every attempt has been made to ensure the accuracy of information, forecasts contained in this slides are based on the judgments made with information available as at November 10, 2022, and are subject to risks and uncertainties that may cause the actual results to vary.