

How Kajima Creates Value

Part 1

Kajima consistently strives to create new value with the aim of enhancing the sustainability and evolvability of industry, economy, and life.



History of Kajima	7
Sources of Value Creation	9
Business Model	11
Value Creation Process	13



New Tomamae Winvilla Wind Farm (Hokkaido)

History of Kajima

A history of meeting the demands of the times: Our enterprising spirit

The history of Kajima extends back more than 180 years since its founding. We have pursued trailblazing initiatives that anticipated the needs of the times and have met the needs of society, thereby contributing to the development of Japan's industry and economy. This enterprising spirit is still passed down as our corporate culture as we continue to take on new challenges.



Color print showing the prosperity of the Ei-Ichiban Kan



Houraisha (completed in 1873, Tokyo)



Tanna Tunnel (completed in 1934, Shizuoka)



Ohmine Dam (completed in 1924, Kyoto)



Kasumigaseki Building (completed in 1968, Tokyo)



Skyscraper Town in Shinjuku Subcenter
(as of 1974, Tokyo)

1840-

Facing cultural enlightenment

Leadership in Western-style buildings

Kajima was founded in 1840 by Iwakichi Kajima, a carpenter who was successful enough to frequent the residences of daimyo in Edo. He expanded his business to Yokohama, where construction was booming as an open port under the Treaty of Amity and Commerce between Japan and the United States. Following the construction of the Ei-Ichiban Kan, which housed Yokohama's first foreign trading company, Kajima set precedents for Western-style buildings and became widely associated in the public mind with this style of buildings.

1880-

Establishing social infrastructure

Leadership in railways and dams

Iwazo Kajima, second-generation leader, established Kajima Gumi in 1880 and started a railway subcontracting business, taking the opportunity of the Tsuruga Line construction. He built a substantial reputation in the railway field and expanded into dam construction to meet the rapidly growing demand for electricity, including Japan's first concrete high dam, the Ohmine Dam, which contributed to Japan's development.

1960-

During Japan's post-war period of rapid economic growth

Leadership in skyscrapers

After completing the Kasumigaseki Building, Japan's first skyscraper, in 1968, Kajima built skyscrapers throughout the country and established trust in our leadership in the field. These construction technologies were developed mainly at the Kajima Technical Research Institute, which we established in 1949 as the first such facility in Japan's construction industry. We have answered calls for greater skyscraper safety by leading the world in the development of seismic damping in the 1980s, and other technologies.



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



Senayan Square
(development completed in 2015, Jakarta, Indonesia)



Shiki New Town (completed in 1988, Saitama)



Haneda Innovation City (completed in 2023, Tokyo)

▶ Page 51



Construction of Offshore Wind Farms at Akita Port and Noshiro Port (completed in 2023, Akita)



The GEAR (completed in 2023, Singapore)

▶ Page 76

1980-

In the face of globalization

Promoting overseas business

Kajima participated in the redevelopment of Little Tokyo in the city of Los Angeles in 1964 and entered the U.S. market. We established Kajima U.S.A. Inc. in the U.S., Kajima Europe Ltd. in the U.K., and Kajima Overseas Asia Pte. Ltd.* in Singapore in the 1980s. With the addition of Kajima Corporation (China) Co., Ltd., Chung-Lu Construction Co., Ltd., and Kajima Australia Pty Ltd., we are developing businesses that are rooted in local communities at our six regional bases.

* Now Kajima Asia Pacific Holdings Pte. Ltd.

2000-

The rise in urban renewal

Branching out into real estate development

The impetus for Kajima's full-scale entry into the development of large-scale mixed-use facilities was the development of Shiki New Town, a large housing project that began in 1971. In the 2000s, we began participating in urban renewal projects, including the Akihabara Crossfield and the Toranomon Towers Office & Residence. Since then, we have leveraged our technological skills and comprehensive capabilities as a general contractor-developer with design-build capabilities to develop attractive urban communities.

2020-

Aiming to achieve a more sustainable society

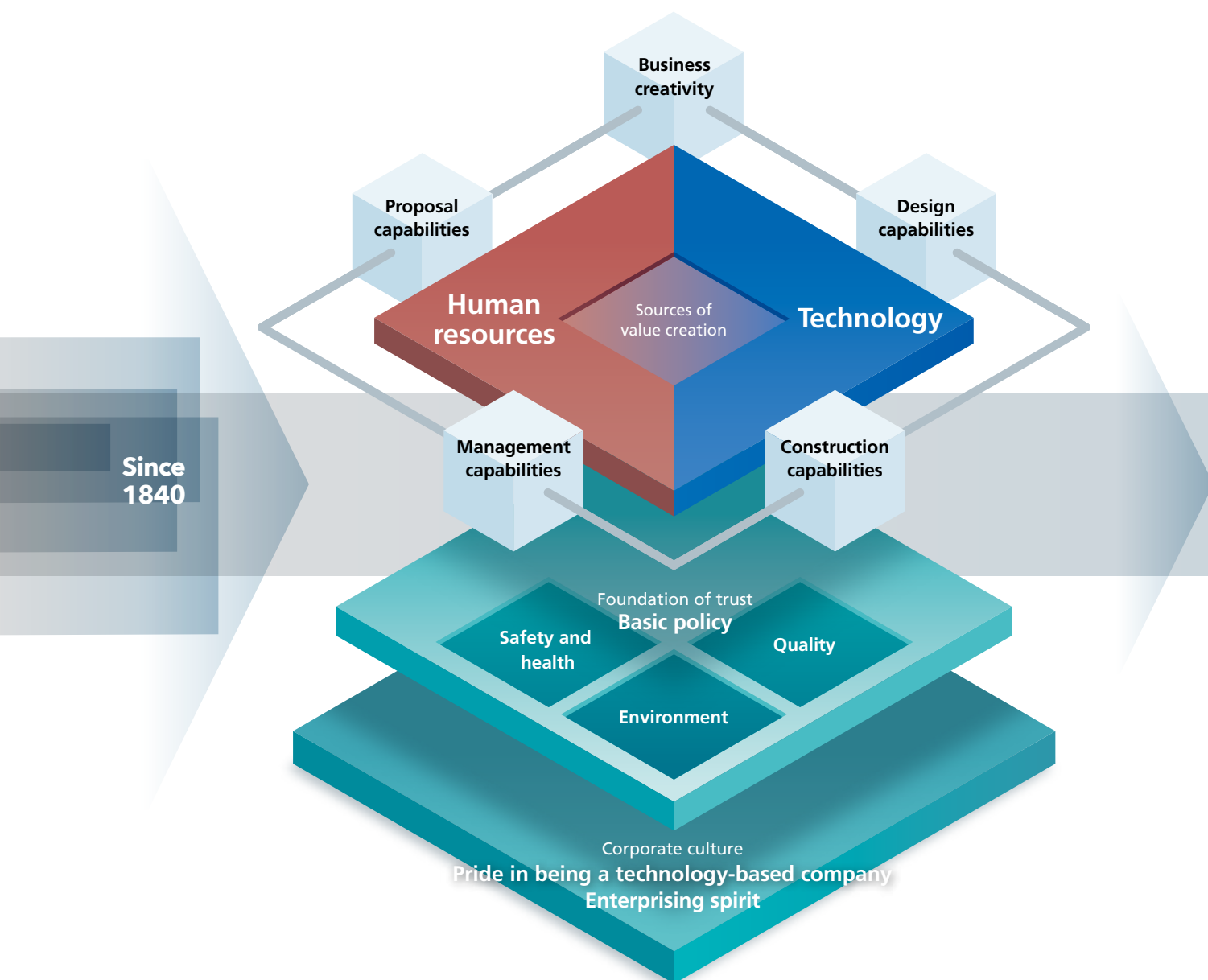
Opening up the future together with society and customers



We are working to build renewable energy generation facilities and production facilities, and develop carbon-neutral construction materials to address the growing need for environmental solutions, digitalization, and other essential services. Aligned with our new Medium-Term Business Plan, we are strengthening our core businesses, expanding our value chain, and investing in research and development, and promoting innovation to create new value and build a more sustainable future together with our customers and society.

Sources of Value Creation

Creating new value from human resources and technology

Since Kajima was founded, we have developed human resources and technology which are the sources of value creation, with a corporate culture of taking pride in being a technology-based company and having an enterprising spirit. We will continue to earn greater trust from society and customers by enhancing safety and health, the environment, and quality as the cornerstones of our corporate activities and creating new value.



-  **Business creativity** Our ability to generate business in collaboration with our network of customers and partners by applying construction technology capabilities and knowledge to real estate development
-  **Design capabilities** Our ability to provide advanced design and engineering technologies in fields including design, structure, and equipment
-  **Construction capabilities** Our ability to build high-quality structures even when this entails difficult construction and construction in which we have no track record, using our professional expertise, cutting-edge technologies, and supply chain
-  **Proposal capabilities** Our ability to propose optimal services by utilizing our understanding of customers' true needs, internal and external technology and knowledge, and our domestic and overseas networks
-  **Management capabilities** Our ability to coordinate many stakeholders including society, customers, and partner companies, and ensure success in our businesses

Forms of capital Kajima has accumulated throughout our history of over 180 years

Human capital

Diverse human resources who live up to trust

Diverse human resources with advanced specialist skills are playing active roles around the world in each phase of our construction value chain, living up to the trust of customers and other stakeholders.

Group employees **23,873**
(17,571 in Japan and 6,302 outside Japan)

Qualified personnel Professional engineers **854**
(Kajima Corporation only)
First-class architects **2,491**
First-class civil engineering works execution managing engineers **1,903**
First-class building operation and management engineers **2,669**

▶ P.89

Intellectual capital

Technologies to solve social and customer issues

As a technology-based company, Kajima develops and verifies new technologies and advanced construction methods. Kajima's many experienced engineers embody our technical prowess at actual construction sites. Rather than solely depending on our own resources, we also adopt superior technologies from outside Kajima by promoting the search for cutting-edge technologies, collaboration through open innovation, and efficient technology development.

Investment in R&D **¥110.0** billion
and digitalization for three years
(Medium-Term Business Plan)

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Number of patents registered / **241 / 236**
published

Research and Kajima Technical Research Institute
development centers The GEAR (Singapore)
Silicon Valley Office (U.S.)

▶ P.75

Financial capital

Strong financial foundation that supports growth

Our construction and real estate development businesses stabilize Group management and provide a sound financial foundation. These two businesses generate the cash flow that fuels investment for medium-term and long-term growth.

Total assets **¥3,135.1** billion

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Total investment **¥1,200.0** billion
(Medium-Term Business Plan) for three years

▶ P.35

Issuer credit rating **A+** (R&I)

Manufactured capital / Social and relationship capital

Structure for promoting businesses rooted in local communities

We actively communicate with many stakeholders including customers, local communities, and partner companies to build good relationships as we expand the range of business domains and the regions where we operate.

Partnerships with partner companies

Kajima Business Partners' Association Approx. **940**
member companies

▶ P.99

Rokueikai member companies Approx. **4,500**

Key business regions **27** countries and regions

Natural capital

Environmentally responsible business activities

We are committed to conducting our business activities in a manner that protects and restores natural capital, a finite resource. To achieve this, we quantitatively assess our environmental footprint and take proactive measures to mitigate its impact. Recognizing the interconnectedness and trade-offs among carbon neutrality, resource circularity, and nature positivity, we strive for a balanced approach.

Achieving carbon neutrality, circular economy, and nature positivity by 2050

Developing and using eco-friendly concrete

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Appropriate maintenance and management of Group-owned forests and use of harvested lumber

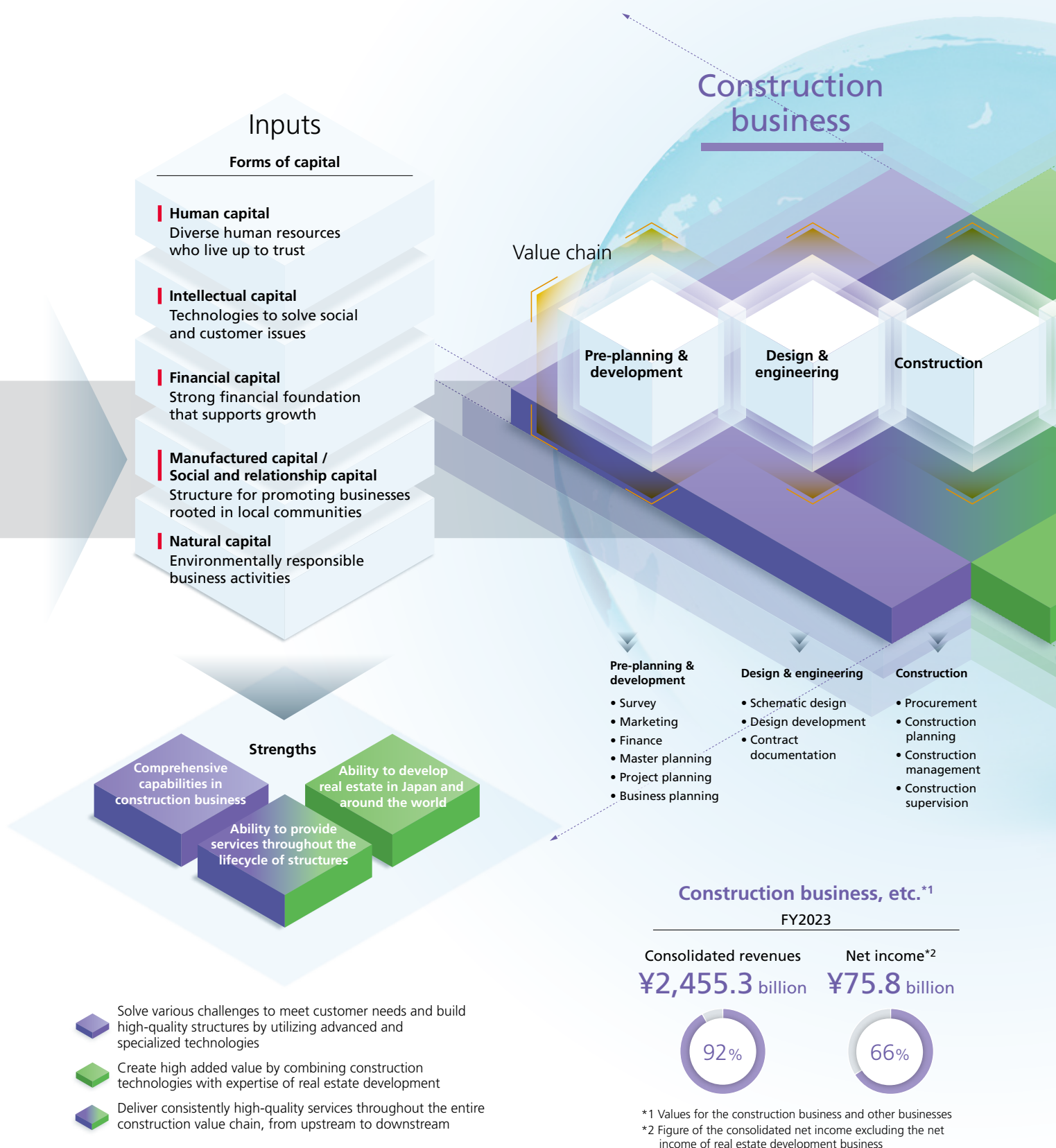
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Ecosystem maintenance and improvement and blue carbon generation through seaweed and seagrass beds restoration technology

Business Model

Providing high value-added services from our value chain through the construction and real estate development businesses around the world

The Kajima Group has built a global construction value chain by leveraging its accumulated forms of capital. We are making it possible to provide diverse services that add high value by generating many benefits through the promotion of our construction and real estate development businesses.



Real estate development business

Operation & management

Operation & management

- Building management
- Asset management
- Facilities management
- Property management
- Liquidation
- Securitization
- Energy services

Maintenance & renovation

Maintenance & renovation

- Maintenance
- Renewal/Renovation

Real estate development business

FY2023

Consolidated revenues

¥209.7 billion

Net income*³

¥39.1 billion

8%

34%

*³ The net income is a control value before adjusting internal transactions, etc.

Business development leveraging our global network

The Kajima Group global network is capable of providing services beyond national and regional boundaries. Through it we build greater trust with our customers and partners and expand business opportunities.



Strengthening technical capabilities and creating new value through collaboration with partners

Collaborating with partners who possess outstanding technologies and expertise drives the creation of new technologies and businesses, enhancing the services we provide to society and customers while expanding our offerings.

Technology development

- Automated construction technology
- Cutting-edge digital technology
- Development of eco-friendly materials
- Joint research on optimal construction methods

Business creation

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

Fostering synergies through the integration of construction and real estate development

By collaborating across our construction and real estate development businesses, we generate significant business and financial synergies, enhance value for our stakeholders, and drive sustainable growth for the Kajima Group.

Construction business Built-to-order/labor-intensive business

Construction technology

Construction capabilities

Network

Kajima brand (creditworthiness)

Contributions to society and customers

- Accelerating and bringing higher added value to businesses
- Providing quality and environmental technologies that meet needs
- Realizing functional town planning
- Optimizing the entire lifecycle of buildings

Sustainable growth of the Kajima Group

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

Real estate development business

Capital-intensive investment business (short-term turnover-type/long-term holding-type)

Real estate development expertise

Real estate information

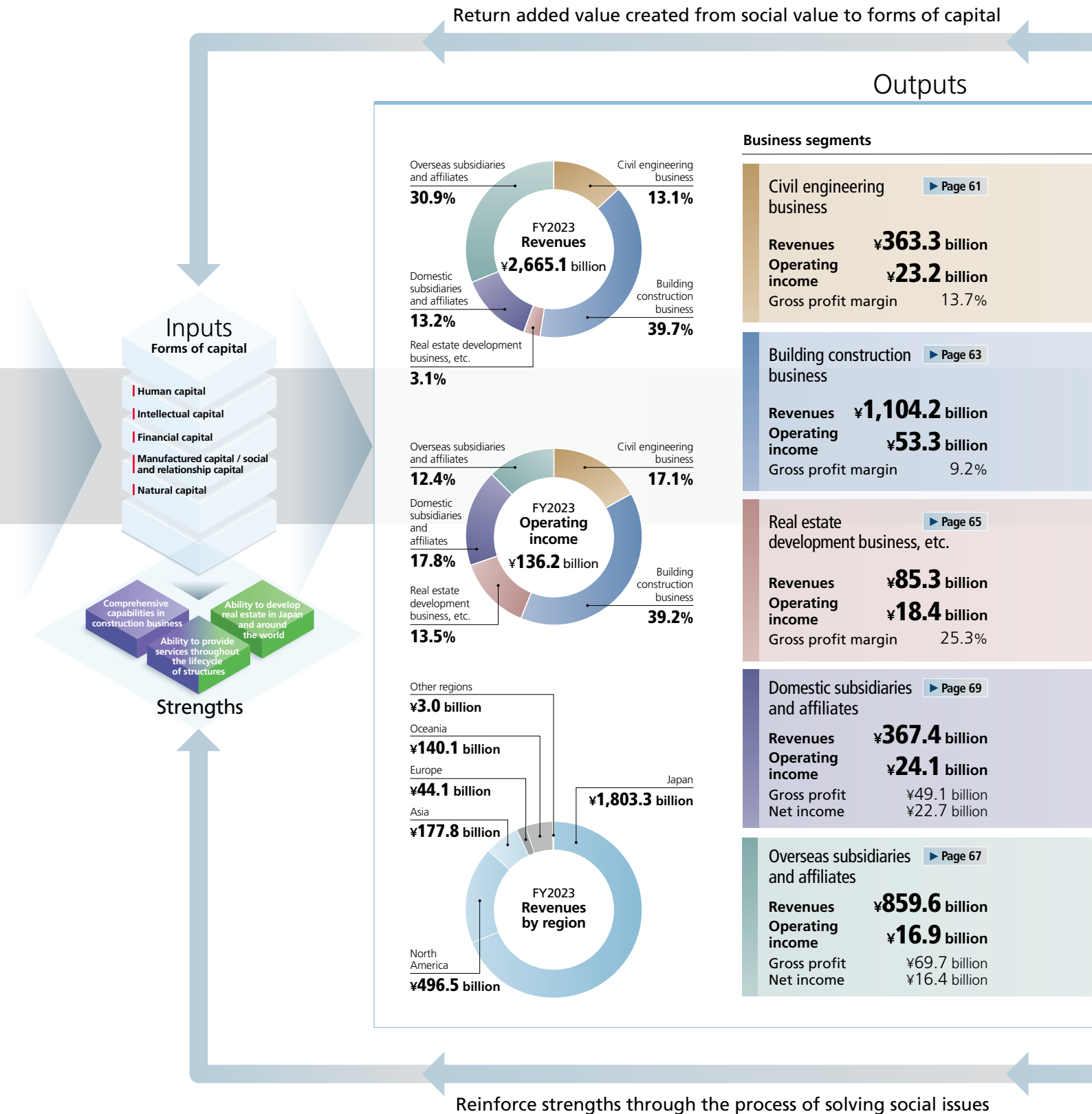
Network

Proactive business promotion

Value Creation Process

Leveraging our capital for a sustainable future

The Kajima Group creates economic value as well as social and environmental value that benefits society and the environment through corporate activities based in construction and real estate development. This leads to the sustainable growth of our Group and society.



Outcomes

Employing and nurturing diverse human resources and giving them full play

	FY2020	FY2023
Group employees	18,905	23,873
Employees working at overseas subsidiaries and affiliates	5,786	6,302

Cooperating with partner companies and external partners in skill transfer, development of cutting-edge technologies, and other activities

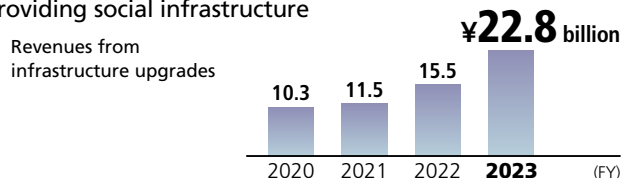
	FY2020	FY2023
Number of Kajima Meisters	499	550
Number of patents registered	231	241

Creation of positive impacts on Kajima and society through businesses

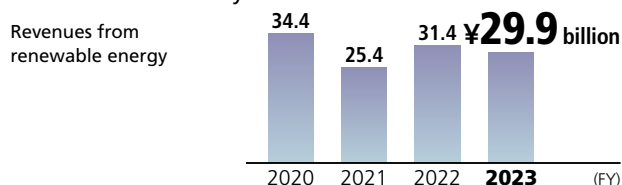
Pursuing a balance between growth investment and returns

	FY2020	FY2023
Cash dividends per share	¥54	¥90
Dividend payout ratio	28.0%	37.7%
	FY2018 to FY2020	FY2021 to FY2023
Growth investment	¥518.0 billion	¥950.0 billion

Safe, resilient town planning and providing social infrastructure



Promoting migration to a carbon neutral society



Breakdown

