

# Moving Forward with the Continuous Diversity and Change of Global Society

## Quality Structures Create Value that Lasts

The real global economy was severely impacted by the financial crisis that spread around the world after being triggered in the United States. Although several indicators are beginning to point to positive signs, the path to reviving the world's stagnant economy remains unclear. This state of affairs demonstrates the fundamental importance of the real economy. With this in mind, Kajima takes the stance that the role of the construction industry is to provide buildings and structures that offer true value and stand the test of time.

Japan's economic system has reached a mature stage of development, growing moderately after a period of rapid growth. In line with this, the objectives for social capital are shifting toward realizing a stock-based society. While the pursuit of quality remains vital as the starting point for making sound social infrastructure, we are also envisioning structures that can be used continuously for a long time—this is captured in the Japanese concept of *monozukuri*, meaning craftsmanship.

The construction industry's responsibility to cities, regions and the world is to provide sustainability, encompassing an array of areas including safety and dependability, social vitality, livelihoods, and the natural environment. As society continues to diversify and change, we believe that there is increasing importance for the industry to step up environmental management and CSR efforts in earnest.

## Building a Low-Carbon Society

The human race cannot survive without the benefits of diverse life forms. The issue posed by biodiversity is our very survival, which can only be assured by preserving, protecting, and coexisting with diverse life forms.

Since the industrial revolution, people have been using too much oil and coal for energy and manufacturing. For society to convert its economy to one that does not depend on carbon use, we at Kajima believe that innovation is the key.

Pursuing greater innovation, we are upgrading the Kajima Technical Research Institute as a base for pioneering R&D of next-generation technologies. Through steady efforts in research activities that accumulate our expertise, we are confident that we can achieve our environmental goals and contribute to the creation of a low-carbon society. In concrete terms, we set the target of reducing greenhouse gas emissions from construction by 50% by 2020, compared to the 1990 level, as part of our medium-term environmental objectives introduced in fiscal 2009.

## Raising the Construction Industry's Profile

Kajima intends to raise the profile of the construction industry, making it more attractive to the younger generation. To accomplish this, it is necessary for companies in the industry to individually establish fair and progressive market rules that ensure appropriate levels of profitability while incorporating thorough transparency, compliance, and CSR. At Kajima, we strongly believe in the importance of clearly communicating a vision for the future through active disclosure to the public.

“A vision for all eras” expresses our sense of purpose and responsibility to help create a sustainable society, as well as the value we place in gaining the respect of future generations for the work we do today. We understand that without the continued trust and confidence of society, our endeavors will be in vain.

In the previous year, one of Kajima's subsidiaries was found to have engaged in improper transactions, which adversely affected consolidated business results. We express our deepest apologies to all our stakeholders for any harm this regrettable incident may have caused. We take the matter with the utmost seriousness, and are implementing measures to prevent any further such occurrence. Moving forward, we will work to ensure that all corporate officers and employees observe strict self-discipline, while implementing rigorous internal controls throughout the entire Group.

### A Future Built On 170 Years of History

2009 marks Kajima's 170th year in business. Ever since Iwakichi Kajima set up shop in 1840 in the Masaki-cho district of Edo-Nakahashi (modern-day Tokyo), everyone in the company from the shop floor to management has played a part in making Kajima a pioneer in the industry.

A single thread weaves its way unbroken through the long years of Kajima's success, representing an attitude that lies at the core of who we are—the Kajima Corporate Philosophy. It states, "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." By nurturing employees and developing the company, we have always sought to foster the emergence of a new generation that knows greater perfection and happiness than our own.

Our forefathers thought of this as their household motto, and lived by it to earn the trust of society. It also finds concrete expression in Kajima's CSR Fundamentals. I also believe it is the driving force behind the rise of our traditions, corporate culture, and the Kajima brand.



### Working as a Member of Society

We are convinced that companies have the role of corporate citizens. As such, we must respond to society's expectations and demands with integrity, and strive to strengthen our bonds of trust.

This report on corporate social responsibility details a broad range of Kajima's activities, including efforts to establish and implement internal controls, promote work-life balance, provide training and pass on skills to the next generation, create a culture of safety, contribute to society, communicate with local communities, carry out resource recycling, engage in international cooperation on biodiversity, and develop together with its group companies will work strenuously to bring success in these CSR activities and initiatives. Your continued support is most sincerely appreciated.

*Mitsuyoshi Nakamura.*

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