

Fundamental Stance on Corporate Governance

The Kajima Group “strives to continually advance its business operations and contribute to society” under its management philosophy. Our objective is to earn the trust and regard of all stakeholders, including shareholders, customers business partners, local communities and employees.

In addition, the Kajima Group is assiduously working on compliance and corporate social responsibility (CSR) in line with the basic policies of “focus on client orientation” and “ensure corporate ethics” of our Medium-Term Business Plan for the three-year period ending March 31, 2009.

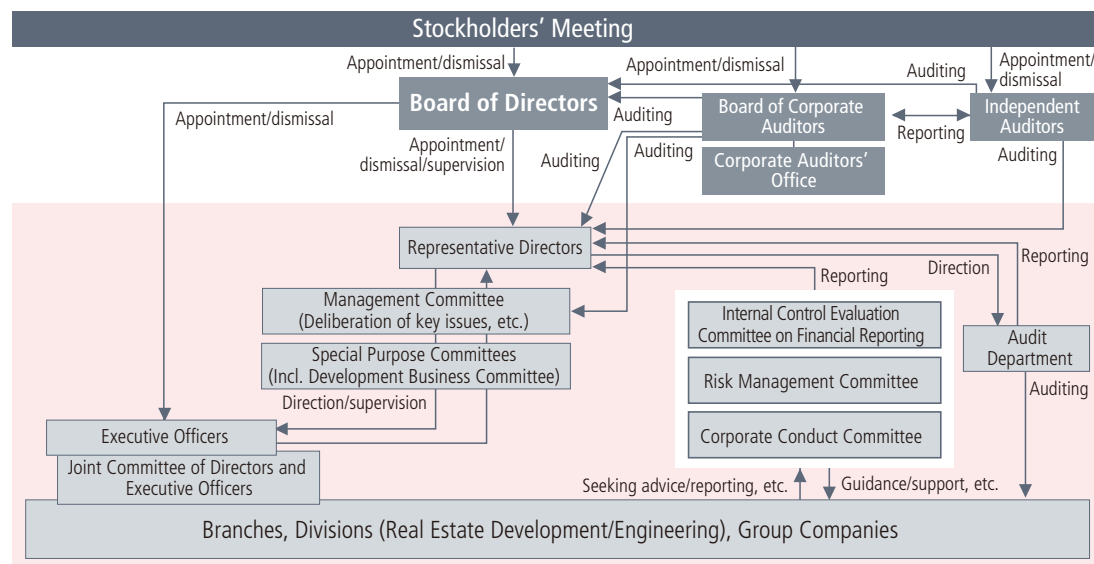
Corporate Governance System

In June 2005, as a company under a corporate auditor system, we implemented an executive officer system to separate the functions of management and supervision from execution, to strengthen these functions, and to enhance the efficiency and speed of management. In addition, we maintained and upgraded our internal management system to prevent violations of laws and regulations and other misconduct, as well as inappropriate and illegal accounting practices.

Corporate Management System for Supervision and Execution

In principle, the Board of Directors meets once a month to discuss and decide upon key issues involving basic management policies, issues for which board resolutions are legally required, and other important management issues. In addition, the Board of Directors supervises business execution and confirms the progress of management plans.

CORPORATE GOVERNANCE STRUCTURE



The Management Committee, consisting of directors, some of the corporate auditors and executive officers, discusses and reports on key management issues. The Joint Committee of Directors and Executive Officers, consisting of directors, corporate auditors and executive officers, familiarizes participants with the resolutions and reports of the Board of Directors and the Management Committee, while reporting on and evaluating the state of business execution.

The chairman of Kajima Corporation presides over the Board of Directors, while the president of Kajima Corporation presides over the Management Committee and the Joint Committee of Directors and Executive Officers. This creates a system under which the chairman is responsible for decision-making and supervision and the president is responsible for overall business execution.

Audit System

The Board of Corporate Auditors consists of five corporate auditors, including three external auditors with legal and accounting backgrounds. Each corporate auditor attends the Board of Directors meetings and other important meetings to audit the propriety and suitability of business execution by directors. The external auditors have no vested interest in Kajima other than attorney fees. The appointment of auditors with legal and accounting backgrounds strengthens the auditing function.

The Audit Department handles internal audits independently of our in-house divisions and departments and audits the propriety of accounting practices and business activities at Kajima and its affiliated companies. Independent auditors, with no vested interest in Kajima, conduct impartial and unbiased audits. Corporate auditors, the Auditing Department and independent auditors cooperate closely in working to raise the effectiveness and efficiency of audits.

Internal Control System to Ensure Appropriate Execution of Business

While assiduously promoting compliance and managing risks in conducting businesses in an appropriate and efficient manner, we are working to enhance our internal management (internal control) system. For example, for the purpose of implementing the Internal Control Reporting System (commenced in April 2008) with the aim of ensuring the reliability of financial accounting, we have introduced the Kajima Group Code of Conduct, the Corporate Ethics Reporting System and other internal rules and regulations. We have also established the Corporate Conduct Committee, Risk Management Committee and Internal Control Evaluation Committee on Financial Reporting.

Information Disclosure

To promote communication with stakeholders, we publish the Kajima CSR Report, annually covering a wide array of information on the Group's environmental and social activities, and provide corporate information by updating our website, and publishing the Annual Report, various company brochures, and other materials.

Moreover, the IR Group in the Corporate Planning Department energetically conducts investor and public relations activities that disclose timely and appropriate corporate information. In particular, the IR Group works to support highly transparent corporate management by holding meetings with institutional investors and securities analysts on an individual and group basis.