

April 8, 2005

## KAJIMA CORPORATION Notice of Planned Reforms on Corporate Management Structure

This is to notify that the Board of Directors of Kajima Corporation has duly ratified and adopted the following resolution regarding the planned reforms on the corporate management structure comprised of the reform of the Board as well as the introduction of the “Executive Officer” system, subject to the approval at the Annual Stockholders Meeting scheduled in June where the revision of the relevant sections of the Articles of Incorporation is required.

The reform aims (a) to enhance the decision-making and supervising function of the Board by reducing the number of Directors as well as (b) to secure the system where the officers will be able to focus on the execution of their assignments by introducing the “Executive Officer” system. Specific names of the candidates for the Directors and the Executive Officers will be announced at a later date.

### **1. Reform of the Board:**

The Articles of Incorporation will be revised so that the authorized number of Directors will be reduced from “55 or less” to “20 or less”. The reform aims to re-activate the Board, thereby expediting the process of making decisions on the managerial issues as well as enhancing the function of the Board to supervise the execution of the business assignments. The term of office for any Director will remain unchanged as two years.

### **2. Introduction of “Executive Officer” system:**

The newly instituted “Executive Officers” will be elected by the Board and held responsible for the execution of their business assignments as the officers charged with specific tasks or departments/divisions. Those Executive Officers will focus on the specific business tasks charged by the Board and strive to improve the process of executing their business assignments in a more expeditious and more efficient manner. The term of office for those Executive Officers will be one year. Some Directors may concurrently assume certain Executive Officer positions.

### **3. Reforms on decision-making organizations:**

“Management Committee” and “Joint Committee of Directors and Executive Officers” will be installed in addition to the Board of Directors and the Board of Corporate Auditors currently available.

“Management Committee” will be comprised of Directors and *certain* Executive Officers where critical managerial issues will be reported and decided upon.

“Joint Committee of Directors and Executive Officers” will be comprised of Directors and *all* Executive Officers where those issues resolved at the Board of Directors and/or at the “Management Committee” will be notified and the status of the execution of the business assignments will be evaluated.

The Board of Directors will be chaired by Chairman, whereas the “Management Committee” and “Joint Committee of Directors and Executive Officers” will be both chaired by President, where the former will be held responsible for the decision-making and supervising function, while the latter is held accountable for executing the business assignments.

#### **4. Organizational Reforms:**

In addition to the planned corporate management reforms, International Division, Tokyo Branch and Corporate Headquarters will be realigned respectively, aiming for better operating results overseas and in Tokyo Metropolitan construction business as well as for higher functionality of the Corporate Headquarters, all of which will serve to improve the profitability of Kajima Corporation.

The planned organizational reform is as outlined in the attachment.

Further information is available at:

Mr. Takashi Monma

Director

General Manager

Corporate Planning Department, Corporate Planning Division

Kajima Corporation

2-7, Motoakasaka 1-chome,

Minato-ku, Tokyo 107-8388, Japan

Telephone (03) 3404-3311; International 81-3-3404-3311

Facsimile (03) 3746-7052; International 81-3-3746-7052

## **ATTACHEMENT: OUTLINE OF PLANNED ORGANIZATIONAL REFORMS**

The following organizational reforms will be made as an integral part of the corporate management reform.

Creation of the new organizational structure, from the medium-to-long-term perspective, combining the top-priority restructuring of overseas business organization in Japan, reinforcement of the competitive position in the still-booming Tokyo Metropolitan construction market as well as the realignment of the organization to promote the company-wide R&D efforts will serve to ensure that the proposed corporate management reform will achieve higher profitability.

### **(1) Creation of “Department for Overseas Group Companies” and “Overseas Branch”**

Objective: Restructuring of overseas business organization in Japan

Realignment: Current “International Division” will be divided into “Department for Overseas Group Companies” and “Overseas Branch” to be newly created. “Department for Overseas Group Companies” will be held responsible for providing instructions, guidance and support to as well as for monitoring the performance of the overseas subsidiaries and affiliated companies. “Overseas Branch” will serve as one of the branch offices, totally responsible and authorized for controlling contract awards, construction as well as profit and loss resulting from overseas projects assumed by the parent.

### **(2) Creation of “Tokyo Metropolitan Business Division”, “Tokyo Civil Engineering Branch” and “Tokyo Architectural Construction Branch”**

Objective: Reinforcement of the competitive position in the Tokyo Metropolitan construction market

Realignment: Current “Tokyo Branch” will be realigned as “Tokyo Metropolitan Business Division” to have “Tokyo Civil Engineering Branch” and “Tokyo Architectural Construction Branch” to be newly installed under its umbrella.

### **(3) Creation of “Research and Technology Development Division”**

Objective: Reinforcement of the organization to promote the company-wide R&D efforts

Realignment: Current “Intellectual Property and License Department”, “Technical Research Institute” and “Kobori Research Complex” will be consolidated to “Research and Technology Development Division” to be newly created.

**(4) Realignment of “Corporate Planning Division”**

Objective: Reinforcement of the corporate planning and controlling function for the consolidated group management

Realignment: Current “Office of Corporate Strategy” and “Corporate Planning Department” will be realigned as “Office of General Planning”, “Corporate Planning Department” and “Corporate Management Department”.

**(5) Creation of “Administration and Human Resource Division” and “Center for Shared Administrative Services”**

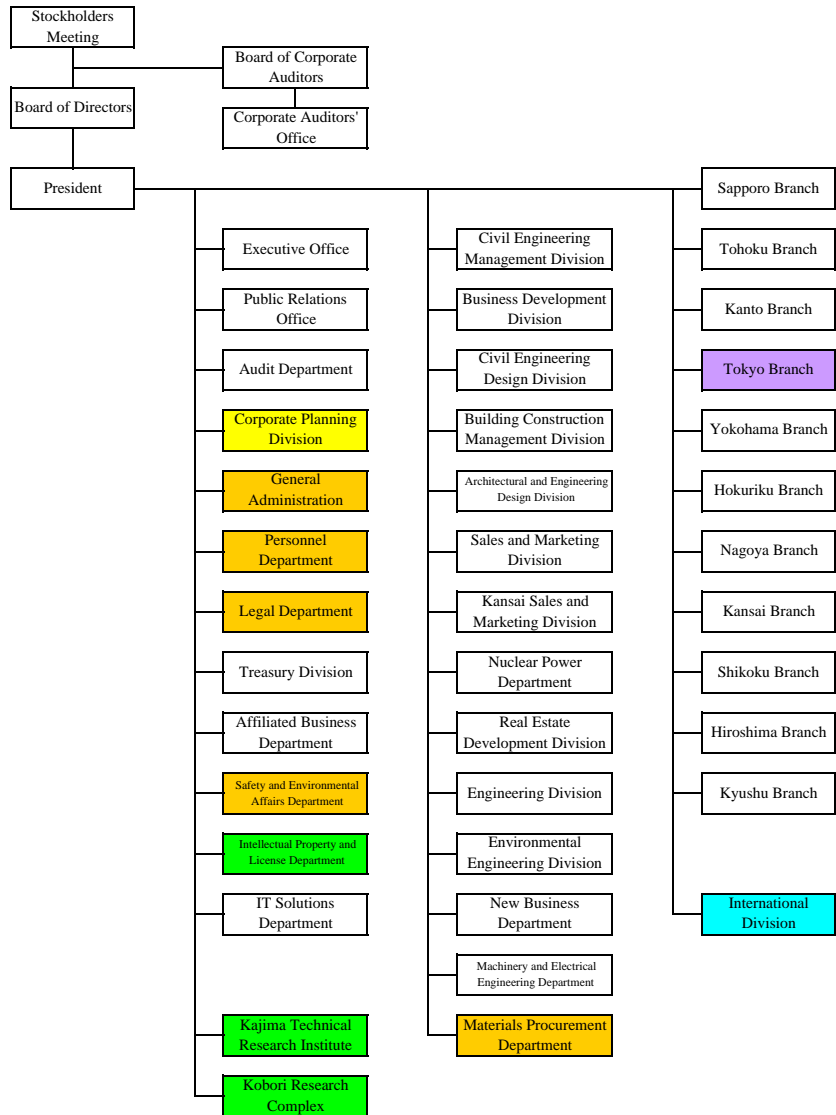
Objective: Consolidation and reinforcement of the core support services and functions

Realignment: Current “General Administration Department”, “Legal Department”, “Personnel Department”, “Safety and Environmental Affairs Department” and “Materials Procurement Department” will be consolidated to “Administration and Human Resource Division”. Services severally provided by the current “General Administration Department”, “Personnel Department”, “Treasury Division” and “IT Solution Department” will be transferred and consolidated to the newly created Center for Shared Administrative Services.

*Note:* Center for Shared Administrative Services was already installed and made effective on April 1, 2005.

# OUTLINE OF ORGANIZATIONAL REFORMS

**Current** (As of March 2005)



**Planned** (After June 2005)

