

March 13, 2018

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**Announcement of a Change in the Number of Shares Constituting One Unit,
Consolidation of Shares, and Partial Amendments to the Articles of Incorporation**

Kajima Corporation (the “Company”), at the Board of Directors’ Meeting held today, adopted a resolution on: (1) partial amendments to its Articles of Incorporation concerning a change in the number of shares constituting one unit; and (2) the submission of a proposal for a share consolidation to the 121st Ordinary Stockholders’ Meeting of the Company, scheduled in June 2018 (hereinafter, the “Ordinary Stockholders’ Meeting”). The details are provided hereunder.

Details of the proposals, including the aforementioned proposal, to be submitted to the Ordinary Stockholders’ Meeting shall be decided at the Board of Directors’ Meeting to be held in May 2018.

1. Change in the Number of Shares Constituting One Unit

(1) Reason for change

Stock exchanges nationwide have announced the Action Plan for Consolidating Trading Units, which aims to unify the trading unit of common stock of listed domestic companies into 100 shares by October 1, 2018.

As being listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company shall respect this intention, and change the number of its shares constituting one unit from 1,000 shares to 100 shares.

(2) Content of change

The Company will change the number of shares constituting one unit from 1,000 shares to 100 shares.

(3) Effective date of change

October 1, 2018

(4) Conditions to change

This change is subject to approval of the proposal regarding “2. Consolidation of Shares” below at the Ordinary Stockholders’ Meeting to be held in June 2018.

2. Consolidation of Shares

(1) Objective of consolidation of shares

In connection with the change in the number of shares constituting one unit for the stock of the Company as stated in “1. Change in the Number of Shares Constituting One Unit” above, the Company will conduct a consolidation of shares in order to meet the requisite level of investment unit price, considering potential stock price movements in the future.

(2) Contents of consolidation

1) Type of shares to be consolidated

Common shares

2) Method and ratio of consolidation

On October 1, 2018, the Company will consolidate its shares held by shareholders who are recorded in the final shareholder register as of September 30, 2018, at a ratio of one share for every two shares.

3) Number of shares to be reduced by consolidation

Total number of shares issued before the consolidation (as of September 30, 2017)	1,057,312,022 shares
Number of shares to be reduced by the consolidation	528,656,011 shares
Total number of shares issued after the consolidation	528,656,011 shares

(Note) The “number of shares to be reduced by the consolidation” and the “total number of shares issued after the consolidation” are theoretical values calculated by multiplying the total number of shares issued before the consolidation by the ratio of consolidation of shares.

(3) Number of shareholders to be reduced by consolidation

The shareholder composition based on the register of shareholders as of September 30, 2017, is as follows:

	Number of shareholders (percentage)	Total number of shares (percentage)
Less than 2 shares	315 persons (0.6%)	315 shares (0.0%)
2 or more shares	54,418 persons (99.4%)	1,057,311,707 shares (100.0%)
Total	54,733 persons (100.0%)	1,057,312,022 shares (100.0%)

(Note) If the consolidation of shares is carried out based on the above shareholder composition, 315 shareholders who own less than two shares each (the total number of shares held by those shareholders is 315, collectively) will lose their status as shareholders. However, they may request for “Purchase of Shares Less than One Unit,” prior to the effective date of the share consolidation. Such shareholders are kindly requested to contact their securities companies or the administrator of shareholders register of the Company.

(4) Treatment of fractions less than one share

If fractions less than one share arise as a result of the consolidation of shares, the Company will dispose of such fractions in block, and distribute the proceeds of the disposition to the shareholders who had the fractions in proportion to the fractions attributed to them, pursuant to the provisions of Article 235 of the Companies Act.

(5) Total number of shares authorized to be issued on the effective date

In line with the decrease in the total number of shares issued due to the consolidation of shares, in order to optimize the total number of shares authorized to be issued, the Company will reduce the total number of shares authorized to be issued on the effective date (October 1, 2018) by the same ratio as the consolidation of shares (one half).

Total number of shares authorized to be issued before the change	Total number of shares authorized to be issued after the change (as of October 1, 2018)
2,500,000,000 shares	1,250,000,000 shares

(6) Conditions to consolidation of shares

The consolidation of shares will be subject to approval of proposals for the consolidation of shares as originally proposed at the Ordinary Stockholders' Meeting to be held in June 2018.

3. Partial Amendments to the Articles of Incorporation

(1) Reason for amendments

As stated in "1. Change in the Number of Shares Constituting One Unit" above, the Company shall amend Article 8 of the current Articles of Incorporation (Number of Shares Constituting One Unit) in order to change the number of shares constituting one unit from 1,000 shares to 100 shares. The Company shall also amend Article 6 of the current Articles of Incorporation (Total Number of Shares Authorized to be Issued) in order to implement the consolidation of shares, as stated in "2. Consolidation of Shares" above, and reduce the total number of shares authorized to be issued by the same ratio as the consolidation of shares.

The amendments to Articles 8 and 6 of the Articles of Incorporation are not subject to the resolution at the Ordinary Stockholders' Meeting, pursuant to the provisions of Article 182, Paragraph 2 and Article 195, Paragraph 1 of the Companies Act.

(2) Contents of amendments

Proposed amendments are as follows:

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
Article 6. Total Number of Shares Authorized to be Issued The total number of shares authorized to be issued by the Company shall be <u>2,500,000,000</u> .	Article 6. Total Number of Shares Authorized to be Issued The total number of shares authorized to be issued by the Company shall be <u>1,250,000,000</u> .
Article 8. Number of Shares Constituting One Unit The number of shares constituting one unit of shares of the Company shall be <u>1,000</u> .	Article 8. Number of Shares Constituting One Unit The number of shares constituting one unit of shares of the Company shall be <u>100</u> .

(3) Conditions to amendments

The amendments to the Articles of Incorporation will be subject to approval of proposals regarding "2. Consolidation of Shares" as originally proposed at the Ordinary Stockholders' Meeting to be held in June 2018.

4. Schedule of Change in the Number of Shares Constituting One Unit, Consolidation of Shares, and Partial Amendments of the Articles of Incorporation

Date of resolution at the Board of Directors' Meeting	March 13, 2018
Date of resolution of convocation of the Ordinary Stockholders' Meeting	May 2018 (scheduled)
Date of the Ordinary Stockholders' Meeting	June 2018 (scheduled)
Effective date of change of the number of shares constituting one unit	October 1, 2018 (scheduled)
Effective date of the consolidation of shares	October 1, 2018 (scheduled)
Effective date of partial amendments to the Articles of Incorporation	October 1, 2018 (scheduled)

(Note) Although the effective date of the change of the number of shares constituting one unit and the consolidation of shares will be October 1, 2018, as described above, the date when the trading unit on the Tokyo Stock Exchange and the Nagoya Stock Exchange to be changed from 1,000 shares to 100 shares will be September 26, 2018, in relation to the book-entry procedure after the trading of shares.

[Appendix]

(Reference) Questions and Answers regarding the Change in the Number of Shares Constituting One Unit and the Consolidation of Shares

(Reference)

Questions and Answers regarding the Change in the Number of Shares Constituting One Unit
and the Consolidation of Shares

Q1. What is a change in the number of shares constituting one unit?

A1. A change in the number of shares constituting one unit is a change in the number of shares that constitute a voting right at the Ordinary Stockholders' Meeting and in the number of shares that constitute a trading unit at a stock exchange. The Company will change the number of shares per share unit from 1,000 shares to 100 shares.

Q2. What is a consolidation of shares?

A2. A consolidation of shares is consolidating a number of shares to reduce the number of shares. The Company will consolidate two shares into one share.

Q3. What is the purpose of the change in the number of shares constituting one unit and the consolidation of shares?

A3. Stock exchanges nationwide have announced the Action Plan for Consolidating Trading Units, which aims to unify the trading unit of common stock of listed domestic companies into 100 shares to enhance the convenience of market participants including investors. As being listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company shall respect this intention, and change the number of its shares constituting one unit from 1,000 shares to 100 shares. In addition, the Company has decided to set the investment unit price (purchase price of one unit) at a level considered desirable by the stock exchanges (¥50,000 or more and less than ¥500,000), and shall conduct a share consolidation (every two shares will be consolidated into one share) in order to meet the requisite level of investment unit price, considering potential price movements in the future.

Q4. Due to the consolidation of shares, the number of shares held will decrease. Will this affect the asset value?

A4. Before and after the implementation of the consolidation of shares, there will be no change in the Company's assets or capital. Therefore, apart from market fluctuations or other factors, the asset value of the Company's shares held by the shareholders will not be affected. The number of shares held by shareholders will be reduced to one-half of the number prior to the consolidation. However, net asset value per share will multiply two-fold after consolidation. Theoretically, the price per share after consolidation will be two-fold of that before consolidation.

Q5. Will this affect dividends that the shareholders receive?

A5. Although share ownership will become one-half after the consolidation of shares, we will set the dividend per share, taking into account the ratio of consolidation (one-for-two) after the effective date of the consolidation of shares. Thus, apart from changes in performance results or other factors, the total dividends of each shareholder after the consolidation of shares will not be affected. However, dividends will not be paid on the fractional shares (of value less than one share) resulting from the consolidation of shares.

Q6. What will happen to share ownership and voting rights?

A6. Share ownership after the consolidation of shares will be the number of shares recorded in the latest shareholder register as of September 30, 2018, multiplied by one-half (any fraction less than one share shall be rounded off).

The number of voting rights will be one per 100 shares owned.

Specifically, share ownership and voting rights will be as follows before and after the effective date of the change in the number of shares constituting one unit and the consolidation of shares:

	Before effective date		After effective date		
	Share ownership	Voting rights	Share ownership	Voting rights	Fractional shares
Example 1	1,785	1	892	8	0.5
Example 2	1,000	1	500	5	None
Example 3	997	0	498	4	0.5
Example 4	200	0	100	1	None
Example 5	199	0	99	0	0.5
Example 6	1	0	0	0	0.5

If fractions less than one share are created due to the consolidation of shares (as in Example 1, 3, 5, and 6 above), the Company will dispose of all such fractional shares in block, and the proceeds will be distributed to the shareholders who held the fractional shares in proportion to the number of fractional shares they held. The Company plans to send a notice regarding the amount to be paid in early December 2018.

By making use of the system available for the purchase of their shares prior to the effective date of the consolidation of shares, shareholders may avoid the sale of their fractional shares. For specific procedures, please contact your securities company, or the administrator of shareholders register of the Company noted below if you do not have an account at a securities company.

If a shareholder owns just one share prior to the effective date of the consolidation of shares (falling under Example 6 above), all of his or her holdings will be reduced to fractional shares following the consolidation of shares, and such shareholders will lose their status as

shareholders. Understanding of such shareholders would very much be appreciated.

Q7. Can shares constituting less than one share unit be purchased even after the consolidation of shares?

A7. Stockholders who own shares less than one unit, which cannot be traded on the market, may request for purchase of shares less than one unit, subsequent to, and prior to the effective date of the consolidation of shares.

For specific procedures, please contact your securities company, or the administrator of shareholder registry of the Company noted below if you do not have an account at a securities company.

Q8. Do shareholders have to carry out any procedures?

A8. No special procedures are required.

Q9. Please tell us the specific schedule for your plans.

A9. The schedule is as follows:

March 13, 2018	Date of resolution at the Board of Directors' Meeting
Late June 2018	Ordinary Stockholders' Meeting (scheduled)
September 26, 2018	First day of trading using the 100 share unit
October 1, 2018	Effective date of the change in the number of shares constituting one unit, consolidation of shares, and partial amendments to the Articles of Incorporation
Early November 2018	Sending of share allocation notice (scheduled)
Early December 2018	Commencement of payment of disposal proceeds of fractional shares (scheduled)

[Inquiries]

If you have any query concerning the change in the number of shares constituting one unit or the share consolidation, please contact your securities company or the administrator of shareholders register of the Company as follows:

Administrator of shareholders register of the Company:	Sumitomo Mitsui Trust Bank, Limited
Contact information:	Stock Transfer Agency Business Planning Department Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku Tokyo, 168-0063 Japan Tel: 0120-782-031 (toll-free) Office hours: 9:00 am - 5:00 pm (Mon-Fri), except weekends and public holidays

Disclaimer: This document is an English translation of the announcement titled “Announcement of a Change in the Number of Shares Constituting One Unit, Consolidation of Shares, and Partial Amendments to the Articles of Incorporation” which was filed with Stock Exchanges in Japan on March 13, 2018. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.