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Announcement of Introduction of Restricted Stock Remuneration Plan

Kajima Corporation (the “Company”) hereby announces that, at the Board of Directors’ Meeting held today, it reviewed its executive remuneration plan and resolved to introduce a restricted stock remuneration plan (the “Plan”). A proposal concerning the Plan is to be submitted to the 122nd Ordinary Stockholders’ Meeting scheduled on June 25, 2019 (the “Stockholders’ Meeting”). Details of the Plan are described below.

1. Purpose, etc. of introduction of the Plan

(1) Purpose of introduction of the Plan

The Plan is introduced to enhance motivation of the Company’s Directors (excluding Outside Directors; the “Targeted Directors”) to contribute to an increase of the stock value and corporate value of the Company by sharing the benefit and risk of stock value fluctuation with stockholders as a remuneration plan to allot shares with restriction on transfer.

(2) Conditions for introduction of the Plan

Since monetary remuneration receivables are provided as remuneration in order to allot shares with restriction on transfer to the Targeted Directors, the introduction of the Plan is subject to approval of stockholders at the Stockholders’ Meeting to provide such remuneration. At the 108th Ordinary Stockholders’ Meeting held on June 29, 2005, it was approved that the amount of monthly remuneration paid to the Company’s Directors shall not exceed ¥60 million, while, at the 120th Ordinary Stockholders’ Meeting held on June 29, 2017, it was approved that the amount of annual bonuses paid to the Company’s Directors shall not exceed ¥300 million. At the Stockholders’ Meeting, the Company plans to seek the approval of our stockholders to set the total amount of monetary remuneration receivables granted to the Targeted Directors as remuneration related to shares with restriction on transfer at ¥300 million or less per year, in addition to the total amount of remuneration and bonuses paid to the Directors mentioned above, comprehensively taking into account factors such as the Targeted Directors’ contributions to the Company.

2. Overview of the Plan

(1) Allotment and payment of shares with restriction on transfer

Based on the resolution at the Board of Directors' Meeting, the Company provides monetary remuneration receivables to the Targeted Directors as remuneration related to shares with restriction on transfer, within the annual amount as described above. Shares with restriction on transfer are allotted to each Targeted Director by providing such monetary remuneration receivables to the Company in full amount through contribution in kind.

The amount to be paid in for shares with restriction on transfer shall be determined by the Board of Directors of the Company within the scope of an amount that is not particularly advantageous to the Targeted Directors to be granted such shares with restriction on transfer. It shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant resolution of the Board of Directors concerning the issuance or disposal of such shares (if no transaction is executed on such date, the closing price quoted as of the trading day immediately preceding the date shall be applied).

The above monetary remuneration receivables shall be provided to a Targeted Director, on the condition that the Targeted Director has consented to the above contribution in kind and has concluded the restricted stock allotment agreement including details defined in (3) below.

(2) Total number of shares with restriction on transfer

The upper limit of shares with restriction on transfer to be allotted in each fiscal year shall be 600,000 which is the total number of shares with restriction on transfer to be allotted to the Targeted Directors.

However, on or after the date of resolution of the proposal concerning the Plan, the total number of said shares with restriction on transfer may be adjusted within a reasonable scope when it becomes necessary to adjust the total number of shares with restriction on transfer to be allotted in the event of stock splits of the Company's common stock (including allotment of the Company's common stock without contribution), reverse stock splits, etc.

(3) Details of the restricted stock allotment agreement

Based on the resolution of the Board of Directors of the Company concerning the allotment of shares with restriction on transfer, the restricted stock allotment agreement to be concluded between the Company and each Targeted Director to whom shares with restriction on transfer shall be allotted shall include the following contents.

1) Details of transfer restriction

During the period from the grant date of the shares with restriction on transfer to the date when the Targeted Director retires from either post of the Company's Director or Executive Officer (the "Transfer Restriction Period"), the Targeted Directors to whom shares with restriction on transfer have been allotted may not dispose of such shares with restriction on transfer allotted (the "Allotted Shares") to third parties in any manner, including transfer to third parties, establishment of right of pledge, establishment of a security interest, advancement or bequest (the "Transfer Restriction").

2) Acquisition of shares with restriction on transfer without contribution

In the event that the Targeted Director to whom shares with restriction on transfer have been allotted retires from either post of the Company's Director or Executive Officer prior to the date immediately preceding the date for the first Ordinary Stockholders' Meeting arriving on or after the commencement date of the Transfer Restriction Period, the Company shall naturally acquire the Allotted Shares without contribution, except when there are legitimate reasons otherwise deemed justifiable by the Company's Board of Director.

In addition, the Company shall naturally acquire without contribution the Allotted Shares for which the Transfer Restriction has not been cancelled pursuant to the reasons for such cancellation described in 3) below when the Transfer Restriction Period stipulated in 1) above expires.

3) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction for all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Targeted Directors to whom shares with restriction on transfer have been allotted remain in their posts as the Company's Directors or Executive Officers up until the date of the first Ordinary Stockholders' Meeting arriving on or after the commencement date of the Transfer Restriction Period.

However, in the event that such Director leaves his or her post as the Company's Director or Executive Officer prior to the date immediately preceding the date of the first Ordinary Stockholders' Meeting arriving on or after the commencement date of the Transfer Restriction Period, and there are legitimate reason otherwise deemed justifiable by the Company's Board of Directors, the number of the Allotted Shares for which the Transfer Restriction is lifted and the timing of such lifting shall be adjusted within a reasonable scope as necessary.

4) Treatment in the event of organizational restructuring, etc.

During the Transfer Restriction Period, in the event that approval is given at the Stockholders' Meeting of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the Stockholders' Meeting of the Company is not required regarding the organizational restructuring, etc.) for proposals regarding merger agreements under which the Company becomes the non-surviving company, share exchange agreements or share transfer plans under which the Company becomes a wholly-owned subsidiary of another company, or any other proposals regarding organizational restructuring, etc., the Company shall, by resolution of the Board of Directors of the Company and prior to the date on which such organizational restructuring, etc. enters into force, lift the Transfer Restriction for the number of the Allotted Shares reasonably determined by taking into account the period from the commencement date of the Transfer Restriction Period to the day on which such organizational restructuring, etc. is approved.

In such cases, the Company shall naturally acquire without contribution any Allotted Shares for which the Transfer Restriction has not been lifted immediately after the Transfer Restriction has been lifted pursuant to the provisions above.

(Reference Information)

Subject to the stockholders' approval of the introduction of the Plan at the Stockholders' Meeting, the Company plans to introduce a restricted stock remuneration plan which shall be equivalent to the Plan for the Company's Executive Officers.

Disclaimer: This document is an English translation of the announcement titled "Announcement of Introduction of Restricted Stock Remuneration Plan" which is filed with Stock Exchanges in Japan on May 15, 2019. 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.