



# SHIMIZU CORPORATE REPORT

2025

Today's Work, Tomorrow's Heritage





### Corporate Slogan

## Today's Work, Tomorrow's Heritage

The word “heritage” in the overseas version of the corporate slogan has the familiar ring of world heritage. It essentially means traditional principles, value, and quality.

We perform our work with integrity and a strong sense of responsibility.

We take pride in our work as contributing members of society, and as professionals, and we know that we must build works that will leave a tangible heritage to the next generation.

We have cultivated what Shimizu stands for throughout our history and will continue to create new history.

This slogan expresses the message that we want people around the world to understand.

It is our resolute pledge to reflect that attitude in the performance of all processes, and in the individual conduct and actions of each and every employee.

### Credo

## The Analects and the Abacus

### Management Principles

**With devotion and a spirit of innovation,  
we work to create value that exceeds expectations  
and contribute to a sustainable tomorrow**



# Foreword to the Shimizu Corporate Report 2025

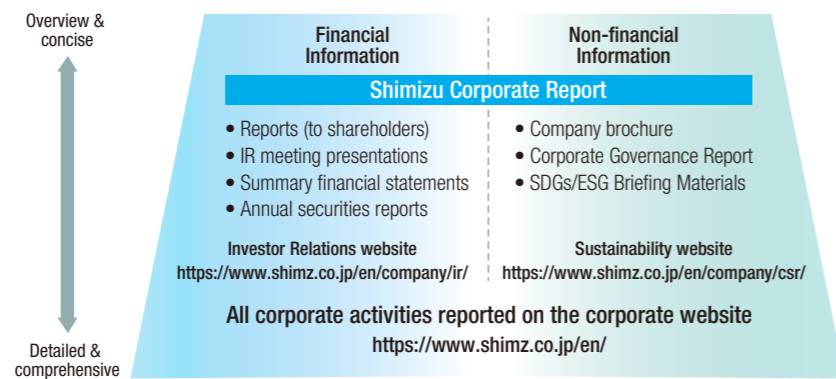
The Shimizu Corporate Report provides our management principles and strategies, as well as our initiatives in sustainability management and corporate governance so that our various stakeholders can better understand the Shimizu Group.

## Multi Stakeholder Relations

We believe that building mutual trust through open dialogue and collaboration with all stakeholders is essential. We work to ascertain the problems of the company through client feedback, shareholder and investor engagement, dialog with subcontractors, and communication with employees. We are also committed to the timely and appropriate disclosure of important information.

Reference Pages for All Stakeholders			
	● MESSAGE FROM THE PRESIDENT ▶ P.10- ● SUSTAINABILITY ▶ P.63-	● VALUE CREATION ▶ P.17- ● GOVERNANCE ▶ P.90-	● SPECIAL CONTENTS: Shimizu's Monozukuri ▶ P.32-
Stakeholder	Main Activities	Description	
Clients	Business activities	Provide value that exceeds the client's expectations, rather than simply accurately assessing the client's needs	
	Customer satisfaction survey	Meet directly with the client three months and again two years after construction has been completed and listen to what they have to say	● Leading the Way: Shimizu's Journey ▶ P.6- ● SHIMIZU'S BUSINESS ▶ P.48-
	Website	Provide information on a timely basis	
Shareholders and Investors	Shareholders' Meeting	Held annually in June	
	Financial Results Presentation	Future forecasts, etc. explained to analysts and institutional investors	● Business Overview ▶ P.8- ● Progress of the Mid-Term Business Plan <2024-2026>, DX Strategy, and Smart Innovation Ecosystem NOVARE ▶ P.22- ● SHIMIZU'S BUSINESS ▶ P.48-
	Meetings for overseas institutional investors	Hold meetings with institutional investors in Europe, U.S., and Asia, and other regions	
	IR events	Offer tours of job sites, company facilities and other locations in Japan and overseas	
Employees	Internal reports	Published 10 times a year	● Materiality Issue, Progress of the Mid-Term Business Plan <2024-2026>, DX Strategy, and Smart Innovation Ecosystem NOVARE ▶ P.20-
	Town hall-style meetings	Direct talks between the President and employees in Japan and overseas every year	● Roundtable Discussion: President and Outside Directors ▶ P.63-
	Union activities	Discuss labor relations and work environment	● Message from Chairman of the Board and Representative Director ▶ P.101-
	Family Day event	An event held for the family members of employees	
Subcontractors	Kanekikai	Our partner company organization, with 12 branches nationwide	● SHIMIZU'S BUSINESS ▶ P.48- ● Human Rights, Strengthening the Supply Chain ▶ P.85-
	Successor education & training	An initiative to secure the next generation of workforce	● Message from Chairman of the Board and Representative Director ▶ P.101-
Members of the Local Community	Briefings to explain construction projects to local residents	Held to explain construction projects before construction begins	
	Job site tours	Report the status of progress on construction	
	Social contribution activities	Local events and active volunteer participation	● SHIMIZU'S BUSINESS ▶ P.48- ● Contributions to Society ▶ P.88
Government and Administrative Agencies	BCP (Business Continuity Plan) response	Rapid response to government requests during an emergency	
External Organizations	Activities in collaboration with NPOs and NGOs	Work together to solve social problems	

## Information Disclosure System



### Reporting Organizations

- Head office, branches and group companies in Japan and overseas
- Numerical results reflect activities of the head office, domestic branches and sales offices.

### Reporting Timeframe

Mainly fiscal year ended March 31, 2024 (April 2024 to March 2025), includes some activities from earlier and later time periods

### Guidelines for Reference

- International Integrated Reporting Framework, IFRS (International Financial Reporting Standards Foundation)
- Sustainability Reporting Standards, GRI (Global Reporting Initiative)
- Environmental Reporting Guidelines 2018, Ministry of the Environment

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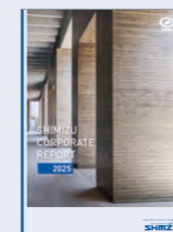
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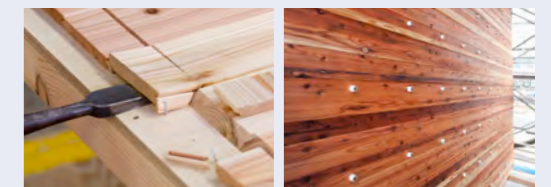
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### About the front cover



Concrete columns built using the tongue and groove formwork method are installed in a row within the piloti area on the first floor of our head office. This method uses cedar boards as concrete formwork, imprinting the wood's natural grain and color onto the concrete during the casting process.



Handcrafted cedar board processing by our Tokyo Mokkoujou Arts & Crafts Furnishings team

## Leading the Way: Shimizu's Journey

Since our founding by Kisuke Shimizu I in 1804, we have upheld the principles of “sincere monozukuri (craftsmanship)” and “customer first.”

For over 220 years since our founding, we have continued to embrace challenges with the enterprising spirit passed down through generations, creating value that anticipates the future and contributing to the creation of a sustainable world.



Shimizu's Journey  
(Japanese only)

### 1804~

**Developing from a master carpenter into a contracting business for civil engineering and construction**

When the port of Yokohama opened, Kisuke Shimizu I worked on mastering the techniques of Western-style architecture and took on the challenge of new building construction. Later, we worked on learning the latest construction techniques and created a contracting business for civil engineering and construction suited to modern society.



**1868** **Tsukiji Hotel**  
Japan's first authentic Western-style hotel. In addition to its financing and construction, the company managed the hotel after its completion.



**1872** **First National Bank**  
Japan's first bank building construction. The innovative design is characterized by a blend of Western-style architecture with traditional architectural elements.

### 1910~

**Modernizing the organization and creating technological innovation**

Reorganizing the company from a sole proprietorship to a corporate structure. We introduced large construction machinery and innovated the Company's production technology.



**1929** **Mitsui Main Building**  
Beginning of full-scale mechanized construction (photo courtesy of Mitsui Bunko Public Interest Incorporated foundation)



**1936** **Yahagi Suiryoku Yasuoka Hydroelectric Power Station**  
Our first challenge in undertaking a full-scale dam construction project. It turned into a battle against the forces of nature.

### 1950~

**Establishing a general construction business**

Once the period of rapid economic growth began, the volume of construction work increased dramatically. We established a general construction business to handle any field in construction and civil engineering.



**1964** **National Indoor General Stadium Main Gymnasium**  
Achieved a column-free space with an unprecedented wire-suspended roof structure.



**1964** **Tokaido Shinkansen Shizuoka Station Elevated Bridge**  
Participation in a national transportation infrastructure development project to connect East and West Japan

### 1970~

**Promoting globalization and diversification of business**

Shimizu diversified its management by expanding overseas and entering the development business to survive the low-growth period triggered by the Oil Shock.



**1990** **Makuhari Techno Garden**  
Large-scale intelligent building complex with an advanced building management system and R&D functions forming the core of the Makuhari New City Center Project



**1993** **Ngee Ann City (Singapore)**  
A complex ordered by a local company. The stately exterior makes it a landmark on Orchard Road.

### 2000~

**Creating value that exceeds client expectations**

We accelerated the development of technologies related to the environment and disaster prevention and mitigation to solve social issues such as global warming and the risk of natural disasters.



**2006** **Bai Chay Bridge (Vietnam)**  
A giant 903-meter cable-stayed bridge over Ha Long Bay, a World Natural Heritage site. Various wind protection measures were implemented to address the challenges of regions prone to frequent typhoons.



**2007** **Changi Airport Terminal 3 (Singapore)**  
A terminal in a key economic hub of Southeast Asia. The method of lifting up steel frame trusses measuring 300 meters wide and 215 meters deep, was a first in the world



**2010** **Tokyo International Airport D-runway**  
Large-scale offshore runway featuring hybrid structure of reclaimed land and pier, uncommon around the world (photo courtesy of Haneda re-expansion D runway JV)



**2013** **GINZA KABUKIZA**  
A theatre and high-rise office building complex fusing traditional Japanese technology with cutting-edge technology (photo courtesy of Shochiku Co., Ltd., Kabukiza-Co., Ltd.)

### 2020~

**Aiming to realize a sustainable future society**

Focused on the development of production systems utilizing ICT such as BIM/CIM\* and robots. Additionally, with the goal of building a decarbonized society, we actively worked on creating buildings that utilize wood-based materials.

\*Building/Construction Information Modeling, Management



**2022** **Ishikawa Prefectural Library**  
The standout feature is the large open space with a skylight, created through meticulous planning and careful construction. The interior features extensive use of locally sourced wood.



**2022** **Michino Terrace Toyosu**  
A pioneering Smart City model utilizing advanced technology. It includes offices, hotels, and an urban-style roadside station.



**2024** **Asahan No.3 Hydroelectric Power Plant (Indonesia)**  
A multi-disciplinary project involving a 10.9 km tunnel, an underground power station, and shaft construction. Actively leveraging ICT technologies, including BIM models.



**2024** **Sotetsu/Tokyu Shin-yokohama line, Shin-Yokohama Station, etc.**  
Making full use of digital tools, we have improved productivity and achieved more efficient and advanced construction management.

▶ P.38



**2023** **left:Azabudai Hills Residence A right:Azabudai Hills Mori JP Tower**  
One of Japan's largest redevelopment projects, integrating a diverse range of urban functions—including housing, offices, and cultural and commercial facilities—within a setting rich in greenery.



**2023** **Nyuzen Offshore Wind Power Farm**  
Constructed using our self-propelled SEP vessel BLUE WIND. An EPC project that manages design, procurement, and construction as a single package.



**2023** **Preservation and Repair Work on Romon Gate of Aso Shrine**  
Rebuilt the gate, which was completely destroyed in the 2016 Kumamoto earthquake. The materials were repaired wherever possible and reused.



**2025** **BLUE FRONT SHIBAURA (TOWER S)**  
The first tower of the twin towers with a view of the Tokyo Bay area. The first application of our proprietary vibration control technology, BILMUS.

▶ P.32

1804

1910

1950

1970

2000

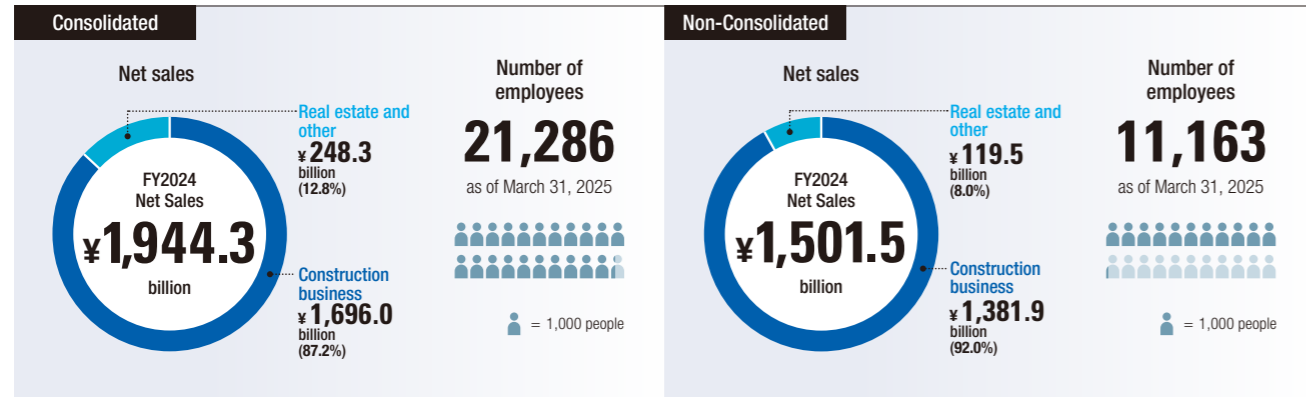
2020

Present

## Business Overview

To adapt flexibly to changes in the social environment and pursue dynamic business growth, we are actively implementing strategies tailored to the unique characteristics of our seven businesses in the two fields of Construction and Real estate & other.

We continue to actively implement strategies tailored to the business environment and business characteristics of the moment in order to firmly meet the needs of our clients while fulfilling our social responsibility as a sustainable company.



Construction business

**Building Construction**

▶ P.48

We are engaged in the planning, design, construction, operation, and maintenance of a wide range of buildings, including offices, factories, schools, and hospitals. As a company with its origins in temple and shrine carpentry, we have an extensive track record in temples, shrines, and traditional architectural construction. At the same time, we are pursuing the evolution of our monozukuri through the use of digital technology.

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**Civil Engineering**

▶ P.50

We are engaged in the new development and renovation of social infrastructure—including tunnels, bridges, dams, urban civil engineering projects, and energy facilities. We are contributing to safe, secure, and abundant living for everyone, while also addressing the issues of aging infrastructure and carbon neutrality.

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**Overseas Construction**

▶ P.52

Our full-scale overseas expansion began in the 1970s. We have a track record of construction in more than 60 countries. Currently, we have a presence in 24 cities around the world. We deliver unique value to client facilities and national basic infrastructure alike, leveraging the technical and proposal skills we have cultivated as a general construction company.

Real estate and other

**Investment and Development  
(Real Estate Development)**

▶ P.54

We are actively expanding our real estate development business both in Japan and overseas, focusing on a diverse portfolio that includes offices, logistics facilities, hotels, and residential properties. From land acquisition to facility development, and from operation to sale after completion, we carry out business activities that fully leverage Group synergy.

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**Engineering**

▶ P.56

We are strategically focusing on the EPC business to expand and stabilize Group profits, leveraging the technology and expertise we have cultivated over the years across four core areas: energy, environmental purification, plant and ICT. We provide optimal solutions tailored to our clients' needs both in Japan and overseas.

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**Green Energy Development**

▶ P.58

We develop renewable energy solutions such as solar, biomass, and wind power generation, along with battery storage and green electric power solutions through electric power retail business, to offer zero-carbon solutions that meet the diverse needs of our clients, while contributing to the achievement of a zero-carbon society and carbon neutrality.

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**Frontier**

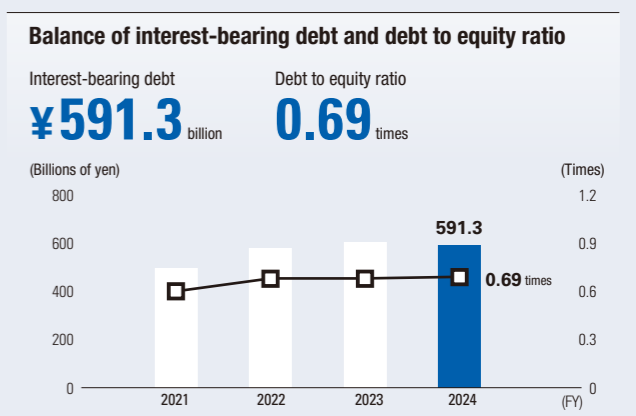
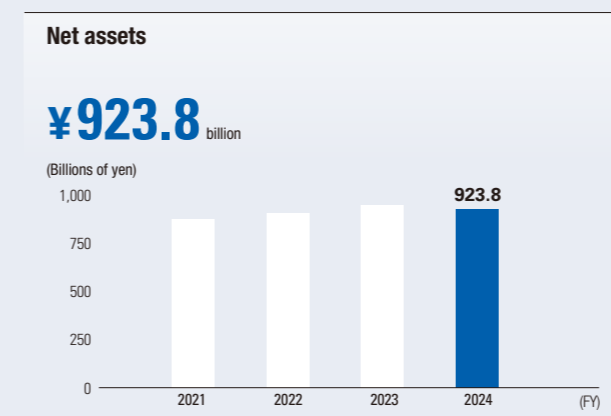
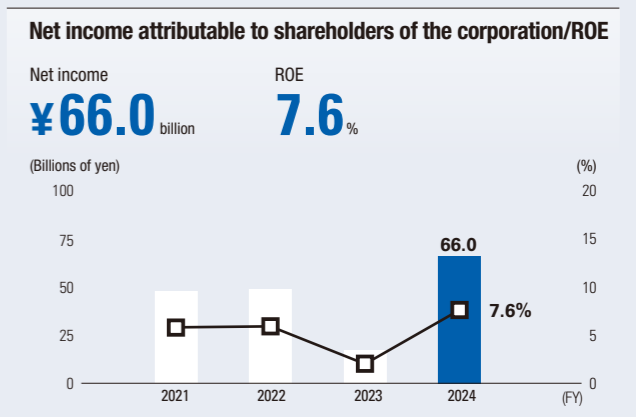
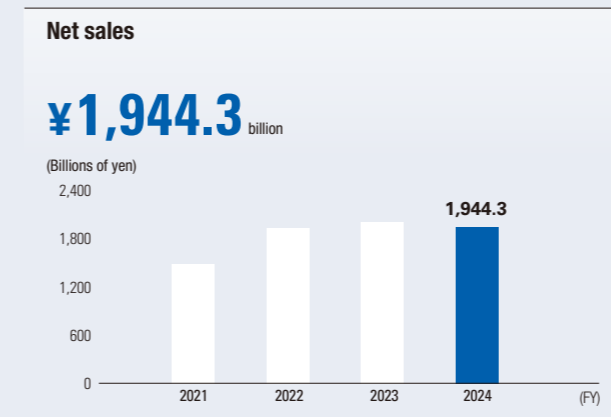
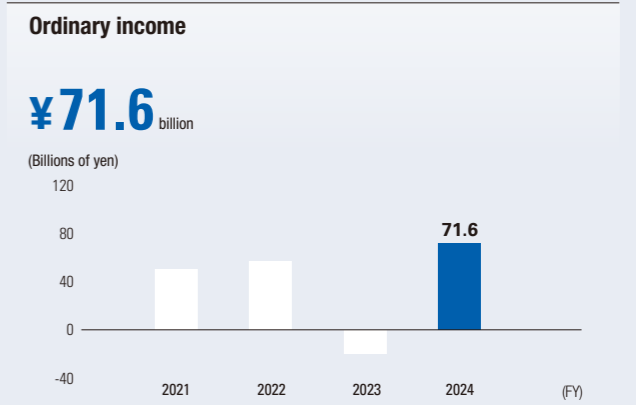
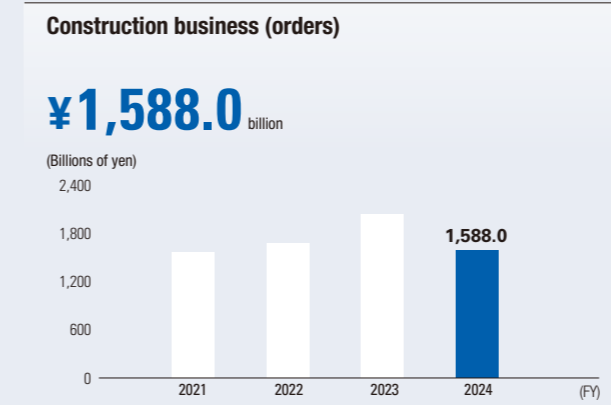
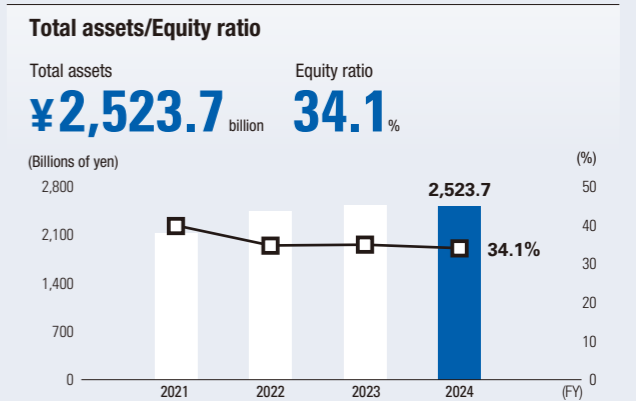
▶ P.59

In space field, our goal is to offer comprehensive services covering both physical and virtual, from launching small rockets to building lunar infrastructure. Meanwhile, in ocean field, we are developing new markets and business models by leveraging maritime spaces.

## Financial Highlights

### Overview of Fiscal 2024 Business Results (Consolidated)

The Group's net sales decreased 3.0% from the previous fiscal year to 1,944.3 billion yen due to a decrease in completed construction and real estate and other. Operating income was 71.0 billion yen (versus a loss of 24.6 billion yen in the previous year), and ordinary income was 71.6 billion yen (versus a loss of 19.8 billion yen in the previous year), mainly due to an increase in gross profit on completed construction, reflecting a recovery in the profitability of domestic construction projects, despite a decrease in gross profit on real estate and other. Net income attributable to shareholders of the corporation increased 284.6% from the previous period to 66.0 billion yen as a result of extraordinary gains, including a gain on sales of fixed assets resulting from the sale of security holdings.



## Message from the President



In the background is the NOVARE Academy

**We are committed to establishing the Shimizu brand by going back to the origins and advancing together with our stakeholders toward a sustainable society.**

President and Representative Director

*Tatsuya Shimmura*

### Introduction

I'm Tatsuya Shimmura, and I assumed the role of President and Representative Director of Shimizu Corporation in April 2025. While respecting the history and traditions Shimizu has cultivated over its more than 220-year history, I will work together with our management team and employees to embody our founding spirit and our corporate credo, The Analects and the Abacus. By earnestly responding to the demands of society and continuing to embrace challenges, we will strive to consistently deliver value that exceeds the expectations of our stakeholders.

"Calm in adversity and composed in success" — this is my personal motto. It reflects an attitude of calmly discerning the essence of things in difficult times and maintaining composure without arrogance in times of success. Although the construction industry and the environment surrounding our company are changing rapidly, I will lead the company with this mindset, pursuing both Shimizu's continued growth and the realization of a sustainable society.

### Message from the President Upon Taking Office

**With the establishment of the Shimizu brand through a going back to the origins as our new starting point, we will pass on our history, traditions, and the trust we have earned to the next generation.**

When I took office as President, I defined "establishing the Shimizu brand by going back to the origins" as the new starting point for management. With over 220 years of history and tradition and the deep trust we have earned from our clients and stakeholders, we are firmly committed to passing this legacy on to the next generation.

As I made courtesy visits to many of our clients following the leadership transition, I was once again struck by the strong expectations and deep trust placed in the Shimizu brand. The Shimizu brand is not just a name, it is the very embodiment of the trust we have built through our uncompromising commitment to quality, safety, cost, and process, and through sincere monozukuri (craftsmanship).

In order to safeguard and further refine this brand, I believe we must go back to the origins. This means staying true to the values we have upheld since our founding: sincere monozukuri (craftsmanship), an enterprising spirit, and the philosophy represented by The Analects and the Abacus. At the same time, it means responding astutely to advances in technology and evolving social values, and continuing to create value that leads the times.

Under the banner of "establishing the Shimizu brand by going back to the origins," we will move forward with determination, striving to become a company that delivers even greater trust and inspiration built on the solid foundation of our history, traditions, and trust.

### Achieving the Mid-Term Business Plan <2024–2026>

**We are creating a stronger business foundation to solidify the Group's continued growth.**

As the execution plan for our Group Long-Term Vision SHIMZ VISION 2030, we have formulated the Mid-Term Business Plan <2024–2026>, with creating a stronger business foundation for continued growth as its basic concept. We positioned FY2024, the first year of the plan, as a new starting point for a stronger business foundation, and have made companywide efforts to improve profitability and ensure product quality.

To strengthen our management foundation, we will pursue two key pillars: first, the growth of our core assets—talent and organizational capabilities; and second, the evolution of sustainability management through cross-functional collaboration. These dual drivers will enhance our strategic execution capabilities.

At Shimizu, we are proud to have many employees who embody the values we have upheld since our founding, the philosophy represented by The Analects and the Abacus, and a spirit of collaboration built on deep expertise. To unlock even more of this potential, we are realigning our organizational structure with our management strategy and promoting talent management by visualizing employee experience and skills to ensure optimal placement. In tandem, we are also considering revisions to our personnel system to support fair evaluations based on roles and responsibilities.

To improve cross-functional collaboration, we are driving companywide initiatives by linking six key functions across the organization: marketing, technology development and intellectual property, digitalization, globalization, supply chain, and Group management. These efforts include strengthening management and business systems through data-driven decision making and our DX Advance Digital Contractor program, and building a strong supply chain. By tackling cross-functional challenges that cannot be resolved by individual

## Message from the President

departments alone, we aim to deepen sustainability management that fulfills our corporate responsibilities while creating opportunities for growth.

In our construction business, which is central to our business strategies, we are working to improve profitability and rebuild our construction system into one that highlights the appeal of Monozukuri. Specific actions include tightening pre-order reviews to ensure profitability-focused decisions, promoting front-loading to support high-accuracy construction planning, and boosting cost competitiveness. Through our steadfast commitment to quality, safety, cost, and schedule, we are further strengthening the competitiveness of our construction operations.

In our non-construction businesses (Real Estate Development, Engineering, Green Energy Development, Building Life Cycle, and Frontier), we are closely monitoring changes in the business environment and steadily executing key strategies in line with each business policy to achieve sustained growth.

As part of our Global Strategies, we introduced an Overseas In-House Company System at our directly managed overseas offices in FY2024, with the goal of enabling autonomous management at each location. This reform is helping us establish a truly independent operational structure. In parallel, we are pursuing external growth through alliances and M&A, focusing primarily on ASEAN countries and North America. In line with this approach, we made Grandwork Interior Pte Ltd, an interior construction firm in Singapore, a subsidiary in November 2024, and Cross Management Corp., a U.S.-based renovation and interior construction firm, a Group company in February 2025, thereby supporting local market development and the creation of new business opportunities.

These initiatives contributed to FY2024 results of 1,944.3 billion yen in net sales (down 3% year on year), 71.0 billion yen in operating income (a major turnaround from the previous year's 24.6 billion yen operating loss), and 66.0 billion yen in net income attributable to shareholders of the corporation (up 285% year on year). This significant rebound from our first operating loss since listing was driven in part by improved construction profitability, and we view it as tangible progress in building a stronger business foundation. Still, we recognize that we are not yet fully recovered and will continue to focus our full efforts on executing our business strategies and further improving performance.

As a strategic investment for continued growth, we have planned a total investment of 360.0 billion yen over three years. FY2024 investments totaled approximately 70.0 billion yen, representing about 20% of the total plan. We will continue to monitor changes in the business environment and pursue timely investments that



contribute to increasing corporate value.

To ensure all employees understand and align with the Mid-Term Business Plan <2024–2026>, our management team has been holding briefings and dialogue sessions across the company. These sessions serve as platforms for sharing everyday challenges, insights, and ideas for improvement, helping each employee take ownership and translate it into action.

The Mid-Term Business Plan <2024–2026> is more than a policy, it is our compass for shaping the company's future. To improve its effectiveness, we will continue fostering open dialogue and continuous improvement across the organization, building on a solid business foundation to achieve sustainable growth.

### Achieving Continued Growth

**We aim to drive innovation by delivering ideas and initiatives that go beyond our clients' expectations and imagination.**

Shimizu Group aims to become a Smart Innovation Company by 2030. We will create new value and contribute to a safe, healthy, and sustainable future for everyone by transforming and challenging ourselves beyond construction and engaging in co-creation for Smart Innovation.

Despite ongoing increases in construction costs, large-scale development projects are being planned across Tokyo and regional cities. At the same time, demand is expected to grow steadily for disaster preparedness in response to more severe natural disasters driven by extreme weather and climate change, as well as for the renewal and reinforcement of aging social infrastructure. While the global economic outlook remains uncertain, the construction market as a whole is expected to remain strong.

However, looking beyond 2030, the domestic market is expected to continue contracting as the population declines. In response, a shift will be needed from the conventional model-build a new building and demolish it- to new business models aligned with evolving societal and client needs, such as increased demand for renewal and renovation projects that make better use of existing stock. At Shimizu, we are committed to responding flexibly and swiftly to these changes by accurately assessing future shifts in the business environment while aligning with the long-term visions set forth by national and local governments.

At this turning point, to remain as a chosen company, depends on our ability to create and deliver value that surpasses the expectations of our clients and society. While acknowledging that construction is fundamentally a contract-driven business, we are guided by the Choukensetsu mindset (▶ P.19), a commitment to pursuing true innovation through unconventional thinking and proactive engagement with the market.

One specific example of these efforts is our development of per- and polyfluoroalkyl substances (PFAS) decontamination technology, which builds on our proprietary soil purification methods. Since FY2021, we have advanced this technology, and in June 2024, we conducted a controlled test and successfully removed approximately 99% of PFAS from actual contaminated soil samples collected in the United States. Moving forward, we plan to establish a small-scale facility in the U.S. to conduct demonstration testing at real-world plant scale.

BLUE WIND, our self-propelled SEP vessel completed in October 2022, boasts one of the world's largest loading capacities and crane performances. Since FY2023, it has played a key role in multiple offshore wind turbine construction projects, including chartered work, steadily building a strong track record. We will continue to leverage BLUE WIND as a core asset in offshore wind power projects both in Japan and abroad.

In March 2025, we held the Choukensetsu Forum, where employees from Japan and overseas showcased a wide range of advanced initiatives focused on tackling the fundamental needs and challenges of society and our

## Message from the President

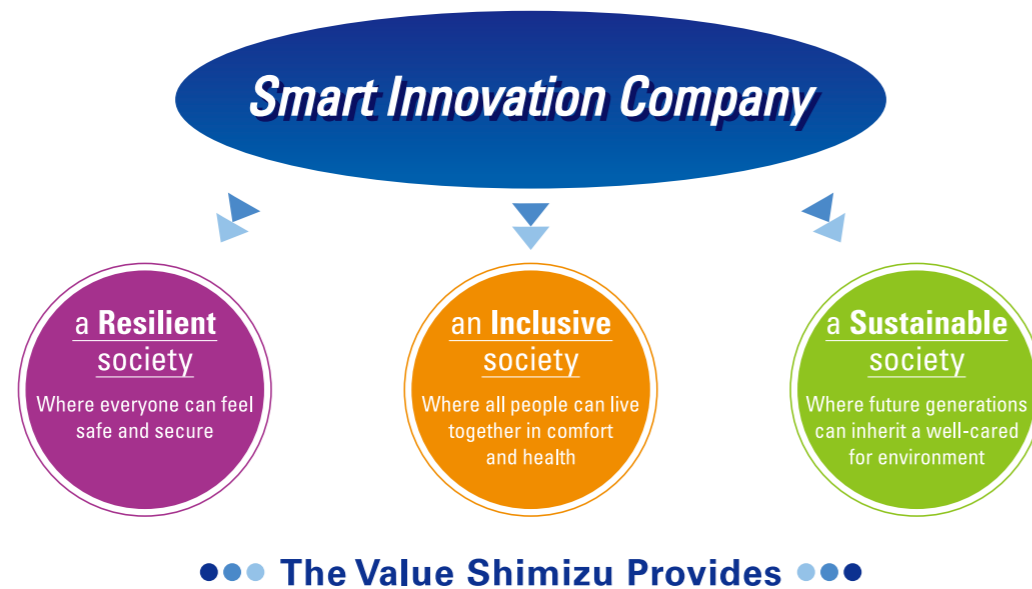
clients. In parallel, Smart Innovation Ecosystem NOVARE, our newly established platform for nurturing next-generation innovation, has seen active use, further raising innovation awareness throughout the company.

We will continue to foster this Choukensetsu mindset throughout the entire company, further strengthening our initiatives and efforts to enable more employees to unleash their creativity and become the starting point for bringing new value to society.

Amid constant change, Shimizu Group remains steadfast in its commitment to progress, not by settling for the status quo, but by anticipating the future needs of our clients and society, creating new value beyond expectations, and driving continued growth.



### SHIMZ VISION 2030



SHIMZ VISION 2030  
<https://www.shimz.co.jp/en/company/about/strategy/pdf/shimzvision2030.pdf>

### Message to Our Stakeholders

**Shimizu Group values dialogue and collaboration with all stakeholders as we strive to enhance corporate value, advance the construction industry, and create a sustainable and better future.**

Although our price-to-book ratio (PBR) currently exceeds 1 and our market capitalization remains above 1,000 billion yen, we will not become complacent. We are committed to making continuous efforts to further enhance our corporate value.

Our medium- to long-term goal is to achieve a return on equity (ROE) of 10% or higher. To this end, we will focus not only on enhancing the profitability of our construction business, but also on improving capital efficiency, beginning with the proactive reduction of security holdings. We are also committed to ensuring that these efforts are properly recognized by the market through continuous dialogue with stakeholders, including robust investor relations activities, and by consistently delivering shareholder returns.

Looking ahead, we believe it is important not only to communicate tangible results, but also to proactively share our future vision and the journey of our challenges through various channels. As President, I will take on the role of our top salesperson, delivering clear and timely messages internally and externally, while visiting job sites myself and build trust and mutual understanding.

To support the sustainable growth of the construction industry, we are placing strong emphasis on securing and nurturing the next generation of talent. Alongside deepening our partnerships with subcontractors such as the Kanekikai, we are also advancing initiatives that foster interest in construction among young people, such as education support programs in collaboration with universities and high schools.

Much like how children find joy in building sandcastles or stacking blocks into towers, the thrill of monozukuri is a fundamental human instinct. We are committed to sharing the true appeal of the construction industry, rooted in that same creative joy, with the next generation and society at large, with both accuracy and passion. At the same time, as the shortage of skilled labor becomes increasingly severe, we will take the lead in addressing the issue by sincerely advancing the acceptance of foreign construction workers and expanding their opportunities to contribute.

Driven by our belief in creating “Today’s Work, Tomorrow’s Heritage,” we aspire to remain a company truly valued by our clients and society where every employee works with pride and a deep sense of purpose. We will continue to embrace future-focused challenges while cherishing open dialogue and collaboration with all our stakeholders.

Thank you in advance for your continued support.

# Value Creation

We will create new value and contribute to a safe, healthy and sustainable future for everyone by transforming and challenging ourselves beyond construction and co-creating with diverse partners.

In the background is Shimizu Corporation Headquarters Entrance

- 1 Management Capital & Strengths ..... P.17
- 2 Value Creation Process ..... P.18
- 3 Materiality Issue ..... P.20
- 4 Progress of the Mid-Term Business Plan (2024-2026) ..... P.22
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- 6 Smart Innovation Ecosystem NOVARE ..... P.30

## Management Capital & Strengths (as of March 31, 2025)

We are working to expand our financial and non-financial management capital by focusing on the efficient management of the six types of capital forming our business foundation. Based on this, we will integrate three kinds of innovation, namely business structure, technology, and talent, to contribute to the enhancement of corporate value and solving social issues as a Smart Innovation Company.

**Shimizu's Strengths** >>> **Professional talent responding to diverse needs** | **Trust of clients based on superior technological capabilities and wealth of experience** | **National and international networks support for all operations**

Human capital			Financial capital	
Number of employees	First-class Licensed Architects*	Professional Engineers*	Shareholders' equity	Equity ratio
<b>21,286</b>	<b>2,014</b>	<b>812</b>	<b>860.1</b> billion yen	<b>34.1</b> %
First-class Registered Construction Execution Managing Engineers*	First-class Civil Engineering Works Execution Managing Engineers*		Total assets	Debt to equity ratio
<b>2,878</b>	<b>1,465</b>	<small>* Shimizu Corporation (non-consolidated)</small>	<b>2,523.7</b> billion yen	<b>0.69</b> times

Among all our management capitals, we place the highest priority on human capital, recognizing the skills, knowledge, and experience of our employees as the foundation of our competitiveness and growth. With a strong team of engineers, primarily in construction-related fields, we have a framework in place to meet a wide range of needs. We are also proactively developing talent in fields beyond construction.

We are investing to strengthen the profitability of our Construction Business and to broaden our business portfolio. Funding is secured through a combination of internal capital and interest-bearing debt. At the same time, to account for the risks of investing in new businesses and other ventures, we aim to maintain a sound financial foundation by managing our equity ratio and debt-to-equity ratio as financial KPIs.

Monozukuri (superb craftsmanship) capital				Intellectual capital	
Main branches/offices*	Number of Group companies	Cities in other countries where permanent offices have been opened	R&D investment*	Number of patents held*	
<b>12</b> branches <b>69</b> offices	<b>158</b> companies	<b>24</b> cities <small>* Shimizu Corporation (non-consolidated)</small>	<b>20.3</b> billion yen	<b>2,334</b> <small>* Shimizu Corporation (non-consolidated)</small>	

With branches and offices covering all prefectures in Japan and overseas offices, we have a client-oriented Monozukuri (Craftsmanship) system in place. As for manufacturing-related facilities, we own and operate Tokyo Mokkoujou Arts & Crafts Furnishings. We also own and operate one of the world's largest SEP vessels. We are also working to expand our business by strengthening collaboration and mutual support across our group companies.

We established the Institute of Technology in 1944, as the industry's first R&D organization. Guided by our commitment to be known for our technology, we will continue to adapt to evolving needs and create new value. Established in 2023, NOVARE Lab drives innovation while actively pursuing the development and acquisition of diverse intellectual capital.

Social and relational capital		Natural capital	
Number of Kanekikai members	Non-certified foreign formwork usage rate (Targeting zero by 2030)	2023	2024
<b>1,264</b> companies		<b>45</b> %	<b>37</b> %

Since our founding, we have earned trust by putting our clients first and delivering with integrity. Kanekikai, our subcontractor network, has been a trusted partner on this journey since its founding in 1889. Together, like two wheels of a cart, we will continue to tackle key challenges such as passing down technical expertise and securing the next generation of skilled workers.

As part of our nature-related financial disclosures launched in FY2024 under the TNFD\*1 recommendations, we have set targets with a focus on timber, a key form of natural capital essential to the construction industry. To support a nature-positive future by 2030, we are advancing sustainable practices in the use of formwork plywood.

\*1 Taskforce on Nature-related Financial Disclosures

# Value Creation Process

Credo | **The Analects and the Abacus**  
 Management Principles | **With devotion and a spirit of innovation, we work to create value that exceeds expectations and contribute to a sustainable tomorrow**

The long-term vision | **SHIMZ VISION 2030**  
 In the long-term vision SHIMZ VISION 2030, the Shimizu Group has defined its vision for 2030 as becoming a Smart Innovation Company that creates value that anticipates the times by continually transforming and challenging ourselves beyond construction and co-creating with diverse partners.

## OUTCOME

Medium- to long-term social value

For realizing a sustainable future society



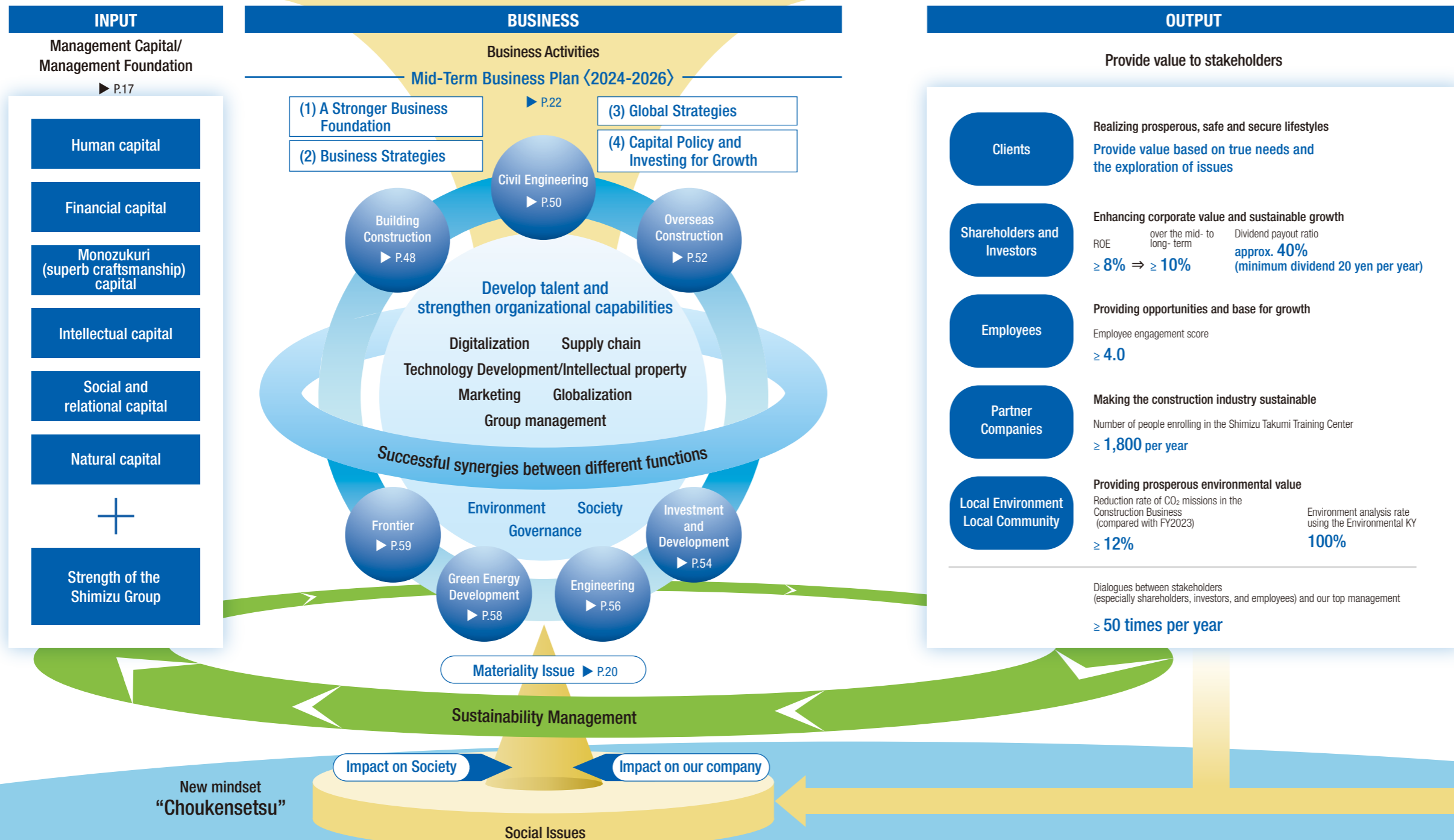
- Strong and resilient infrastructure
- Disaster prevention/mitigation technologies
- Extend the life of buildings and infrastructure



- ICT in urban development
- Provide built-environments that enhance health, and well-being
- Expand the fields of human activity to oceans and space



- Energy-saving, energy creation and ZEB (zero energy building)
- Renewable energy and carbon neutrality
- Conserve natural environment and biodiversity



**"Choukensetsu"** refers to the new mindset shared and applied by Shimizu Group employees.

This mindset is rooted in the traditions and technologies that have shaped Shimizu's 220-year history, the founding spirit, and the corporate credo, "The Analects and the Abacus (Ethics and Economics)." It is based on the idea of actively exploring the essential needs and challenges faced by our clients and society. To address these needs and resolve challenges, we will collaborate beyond existing business and organizational boundaries and work with external partners. In this way, the Shimizu Group aims to grow alongside its clients and society by offering a range of services, including construction, and providing new value.

# Materiality Issue

We engage in business activities with a strong awareness of social and environmental sustainability. We specified new materiality issues considering recent social trends. We aim to achieve SHIMZ VISION 2030, our new long-term vision, and our Mid-Term Business Plan <2024–2026> while also enhancing corporate value and contributing to achievement of the sustainable development goals (SDGs) by implementation of these materiality.

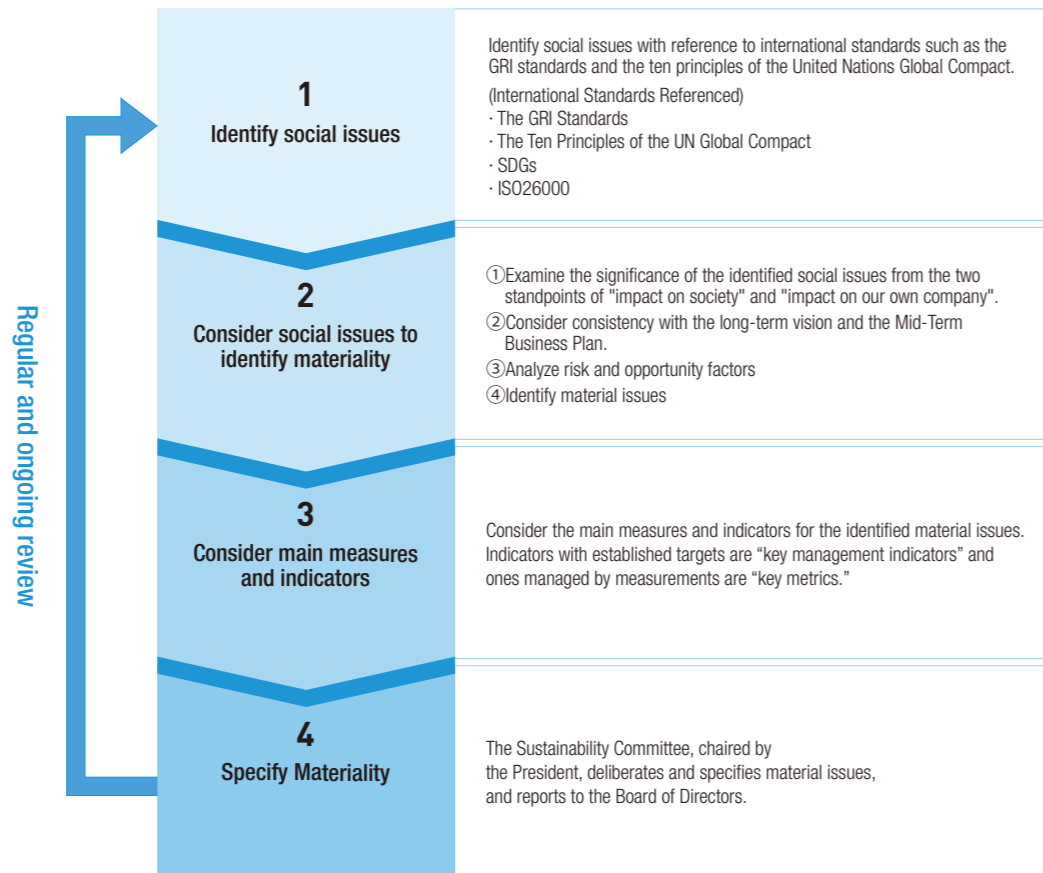
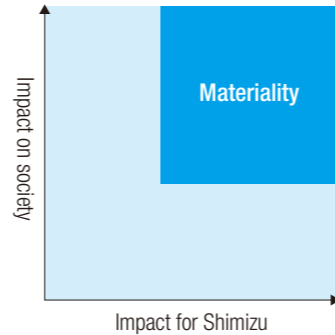
## What is Materiality

Materiality is defined as "important issues that need to be addressed in sustaining our business model in order to achieve sustainable growth and increase corporate value over the medium to long term."

## Process for Assessing Materiality

We identified our materiality in 2022. We have formulated major measures and metrics/targets for realization of these KPI, and we disclose our performance against them. Furthermore, we conduct annual reviews based on social trends and alignment with our management strategy. In FY2024, we conducted a review in line with our Mid-Term Business Plan <2024-2026>. In FY2025, we plan to review the importance of social issues in response to changing social conditions and to begin preparations for mandatory disclosures under the SSBJ\*, which will be phased in starting in FY2027.

\*Sustainability Standards Board of Japan  
An organization that sets sustainability disclosure standards in Japan



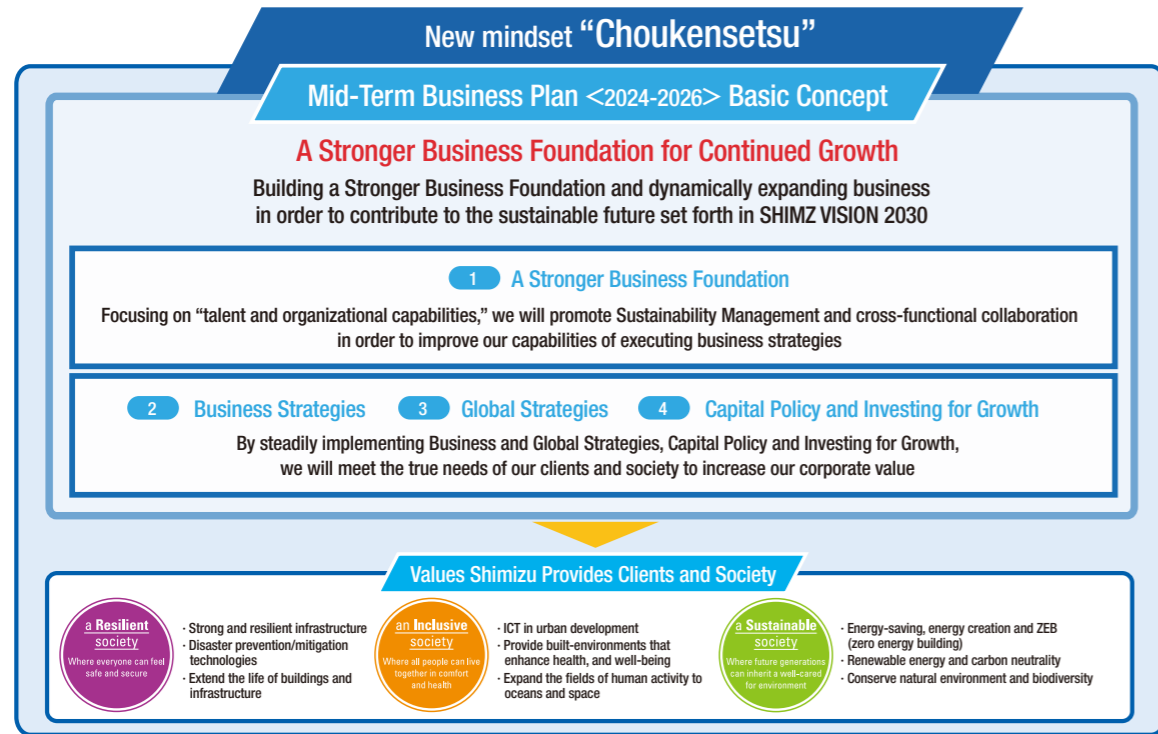
Materiality Issue  
<https://www.shimz.co.jp/en/company/csr/materiality/>

\* Non-financial KPIs outlined in the Mid-Term Business Plan <2024–2026>

Category/Related SDGs	Materiality	Main Measure	Key Management Indicator/ Key Metric	FY2024 Target (Target FY)	FY2024 Actual	Reference Page	
Activities that contribute to society through business	1. Realizing a resilient society where everyone can feel safe and secure	Building resilient social infrastructure	Disaster prevention and mitigation response	Number of disaster prevention and mitigation projects undertaken	—	Building Construction : 41 Civil Engineering : 5	▶ P.44 ▶ P.48-51
			Status of disaster recovery (in case of when a large-scale)	—	(Building Construction) Addressed facility damage assessments following earthquakes in the Bungo Channel and Hyuga-nada (Civil Engineering) Responded to the Noto Peninsula Earthquake and heavy rainfall in Oki-Noto		
		Increasing longevity of buildings and infrastructure	Response to increase longevity of buildings and infrastructure	Number of orders received for renovation work	—	350	
	2. Realizing an inclusive society where all people can live together in comfort and health	Building comfortable cities	Providing comfortable spaces and services using digital technologies	Number of DX-Core introductions and project proposals	—	Total number of introductions: 28 Number of project proposals: 97	▶ P.28-29 ▶ P.48-49 ▶ P.56-57
		Responding Well-being needs	Provide built-environments that enhance health and Well-being	Number of projects contracted for Well certification	7 or more projects (2024)	7	
	3. Realizing a sustainable society where future generations can inherit a well-cared for environment	Decarbonization	CO <sub>2</sub> emissions reduction in all business activities	Reduction in CO <sub>2</sub> emissions from the construction business (vs. FY2017)	12% or more (2026)	5.9 % (Provisional figure)	▶ P.54-55 ▶ P.58 ▶ P.70-79
				Reduction in Scope 1 + Scope 2 CO <sub>2</sub> emissions (vs. FY2023)	12%(2026) 61%(2025) 100%(2050)	5.0 % (Provisional figure)	
			Promotion of ZEB creation/conversion	Number of properties that obtain ZEB certification	—	27 (cumulative: 61)	
		Resource recycling	Renewable energy promotion/popularization	Renewable energy generated in the operation business	300MW, cumulative (2030)	82.6 MW, cumulative (Single FY results: 5.8 MW)	
			Pursuit of 4R activities (Reduce, Reuse, Recycle, Recover)	Final disposal rate of construction by-products	3.0% or less (2030)	2.5%	
Promotion/popularization of wooden architecture			Number of projects using wood and hybrid wooden construction	—	4 (cumulative: 12)		
The corporation's business and management activities	4. Promoting a sincere approach to monozukuri (superb craftsmanship)	Living in harmony with nature (Preserving biodiversity)	Promotion of green infrastructure	Environment analysis rate using the Environmental KY	100% (2026)	Conducted app development and awareness-raising activities (implementation rate not tracked)	▶ P.34-43 ▶ P.86-87
		Preventing environmental pollution	Strict environmental compliance	Number of serious environmental incidents	0 (2024)	0	
		Enhancing productivity	Production process reform in the construction business	Progress toward automation and labor savings in the construction business	—	(Building Construction) • Introduced welding and fireproof coating spray robots (Civil Engineering) • Deployed labor-saving equipment for bridge bearing replacement on expressway viaducts (approx. 60% reduction in labor) • Applied material jetting-type 3D printing technology to on-site construction • Enhanced the Blast Master automatic borehole drilling angle control system for blasting excavation in mountain tunnels	
	5. Creating new technologies and value that is ahead of the times	Ensuring product quality	Identifying Quality Needs by activating communication with clients	Company-wide rollout of client satisfaction surveys	—	154 projects rolled out	▶ P.30-31 ▶ P.44-45
		Strengthening supply chains	Promoting CSR Procurement	CSR Procurement Guidelines initiatives indicators	4.0 (2024)	3.7	
		Occupational safety and health	Improvement in health & safety management and pursuit of activities to prevent occupational accidents	LTI (lost time injury) Frequency Rate	0.57 or less (2024)	0.76	
	6. Developing human resources responsible for the next generation and pursuing of job satisfaction	Developing cutting-edge technology	Pursuit of technological development aimed at a sustainable society where all people can feel safe and secure and live-in comfort	R&D expenses	18.5 billion yen (2024)	21.2 billion yen	▶ P.28-29 ▶ P.50-56 ▶ P.89
		Creating new business models	Galvanizing open innovation	Status of business alliances with other companies and other areas	—	(NOWARE) • Cross-company initiatives for business and technology innovation (33) • New technologies and businesses developed in collaboration with universities, research institutes, and other industries (10) • Investments and support activities via SHIMZ NEXT and co-creation with startups and VCs (66)  (BU) • Signed a tripartite partnership agreement with Yoron Town and Kagoshima University (value creation, human resources development, business development, etc.) • Signed a business partnership agreement with Okinoshima Town in Shimane (for sustainable regional revitalization)	
		Creating rewarding and attractive workplaces	Change in awareness and behavior through dialogue and visualization of issues through surveys	Engagement score	4.0 or more (2026)	3.6	
		Diversity, Equity & Inclusion	Promoting Diversity	Percentage of women in management positions	6% or more (2026 Year) 10% or more (2030 Year)	4.9%	
7. Building a business base on the foundation of "The Analects and the Abacus"	Nurture diverse talents willing to take on challenges and co-create	Professional education based on management strategies	Progress on strategies contributing to development of leaders	—	• Launched leadership development programs tailored by age group • Implemented a company-sponsored study abroad program		
			Percentage of industry-qualified engineers	Maintain 80% or more (2026)	81.6%		
	Respecting human rights	Conducting due diligence on human rights	Progress on human rights due diligence	Nurturing DX Specialists	120 specialists trained and assigned to all divisions (2026)	47	
				Conducting due diligence on human rights	—	• Conducted compliance training for partner companies • Conducted traceability surveys on formwork timber and granite	
Thorough legal and ethical compliance	Thorough risk management	Thorough risk management	Number of serious legal violations	0 (2024)	0		
			Number of serious information security incidents	0 (2024)	0		
		Progress of practical project training based on The Analects and the Abacus	—	• Implemented corporate ethics training for executives (twice a year) • Implemented compliance training for all employees (including e-learning)	▶ P.97-98 ▶ P.100		

## Progress of the Mid-Term Business Plan (2024-2026)

In May 2024, the our Group announced its Mid-Term Business Plan (2024-2026), which will cover the three-year period from fiscal 2024 to fiscal 2026. In fiscal 2024, which was positioned as “a year of new beginnings toward a stronger business foundation,” the Shimizu Group has made a group-wide effort to tackle management challenges, such as improving profitability and ensuring quality. From April 2025, under a new management structure, we will continue to steadily implement the four pillars of the Mid-Term Business Plan (2024-2026): 1) A Strong Business Foundation, 2) Business Strategies, 3) Global Strategies, and 4) Capital Policy and Investing for Growth to enhance the Shimizu Group’s corporate value and achieve sustainable growth.



Mid-Term Business Plan (2024-2026)  
<https://www.shimz.co.jp/en/company/about/strategy/pdf/policy2024.pdf>

### 1 A Stronger Business Foundation

In improving our strategy execution, we will develop talent and strengthen organizational capabilities, the two critical elements of our business foundation, as well as promoting Sustainability Management and fortifying cross-functional capabilities.

#### Progress and Future Direction

**1-1 Talent Development and Organizational Capabilities Improvement** ..... Supporting employee growth to nurture diverse talent willing to take on challenges and co-create

In building a Stronger Business Foundation, “the growth of talent and organizational capabilities” aims to rebuild the human resource management structure in alignment with management/business strategies. To that end, we are taking action such as the revision of personnel systems, the visualization of skills and aptitudes, the introduction of unified administration systems, and the improvement of human resource development measures. By providing our employees with growth opportunities and experiences, as well as systems and frameworks for this purpose, we aim to develop “diverse talent willing to take on challenges and co-create,” and gain stronger “competent talent,” “organizational culture,” and “managerial capability,” the core of our business foundation.

**1-2 Improve Cross-functional Collaboration / Refine Sustainability Management** ..... Increasing cross-functional collaboration to build a stronger business foundation, Sustainability Management - balancing socially responsibility and cultivating business opportunities

As an initiative to enhance the coordination of six functions that we emphasize in the Mid-Term Business Plan, we are promoting cross-functional dialogues and deeper investigations on issues that could not be solved by a single department. We will continue to strive for flexible and agile coordinated functions and to practice our Sustainability Management that balances fulfilling of corporate social responsibility and the exploration of business opportunities.

#### Non-financial KPI

Non-financial KPI	FY2024 Results	Targets for FY2026
Employee engagement score	3.6	≥ 4.0
Percentage of industry-qualified engineers	81.6%	Maintain 80% or more
Percentage of women in managerial positions*1	5.6%	≥ 6% (≥ 10% by 2030)
Percentage of employees with disabilities	2.53%	≥ 2.7%
Nurturing DX Specialists	47	120 specialists trained and assigned to all divisions
Reduction rate of CO <sub>2</sub> emissions in the Construction Business (compared with FY2023)	5.9%*2	≥ 12%
Environment analysis rate using the Environmental KY*3	App development and awareness promotion for relevant staff	100%
Number of people enrolling in the Shimizu Takumi Training Center	2,484	≥ 1,800 per year
Dialogues between stakeholders (especially shareholders, investors, and employees) and our top management	115 times	≥ 50 times per year

\*1 As of April 1, 2025 \*2 Tentative values before obtaining third-party guarantees \*3 A tool to visualize the natural environment surrounding the project site on the map and understand/assess it

### 2 Business Strategies

- Establishing business policies that provide strategic direction for each line of business,
- Building up our business portfolio by expanding each business segment according to its business policy.

#### Progress and Future Direction

We will optimize our business portfolio by addressing and taking action on material issues and matters under priority initiatives.

Business portfolio	Business policies	Major Challenges/Strategic Initiatives for Each Line of Business
<b>Improve profitability</b> Construction	Pursue new technologies and maintain quality Restructure the construction system / processes Enhance ability to engage promising segments / area markets	<b>Construction</b> • Focus more on front-loading and execute accurate construction plans • Concentrate on promising segments, areas or markets, and focus more on higher profit margins on awards • Control of construction project volume in line with processing capacity • Establish a collaborative construction system encompassing supply chain to address possible market changes
<b>Increase revenue and business stability</b> Real Estate Development Engineering	Expand current business and take on new, promising market segments by developing innovative technologies and obtaining know-how	<b>Real Estate Development</b> • Diversify asset portfolio and business methods • Increase added-value through stronger intra-Group collaboration and the introduction of renewable energy to secure more revenue opportunities • Steadily implement new global investment business strategies <b>Engineering</b> • Steady orders for large plant projects and improved profitability • Response to offshore wind power construction projects and chartering business for the SEP vessel BLUE WIND • Demonstration test on soil purification technology for PFAS-contaminated soil • Expansion of the use of the building OS, DX-Core
<b>Expand business scale</b> Green Energy Development Building Life Cycle	Continue investment to expand business scale Become a DX/GX solution partner	<b>Green Energy Development</b> • Accurately understand growth markets for further business expansion • Expand the electricity retail business and ensure stable revenues by actions including adding new clients from outside the Group • Strengthening non-FIT project development and other initiatives to expand the scale of renewable energy generation projects and enhance profitability <b>Building Life Cycle</b> • Develop and implement long-term, group-optimized business policies and strategies under the new organization.
<b>Establish sustainable business models</b> Frontier	Continue to invest for growth Establish firm, sustainable business models	<b>Frontier</b> • Steadily promote commercialization of our space and ocean programs

### 3 Global Strategies

We plan to adopt strategies optimized for each country and aim for each region to be self-determining.

#### Progress and Future Direction

In Global Strategies, with the aim of achieving sustainable and stable business operations that are rooted in the countries where we operate, the Shimizu Group has introduced an internal company system for overseas branch offices. By enhancing the governance of our overseas offices and transferring authority in accordance with their capabilities, we will promote the evolution of global operational platforms that support the management of our offices. In November 2024, the Shimizu Group made Grandwork Interior Pte Ltd, an interior fit-out company in Singapore, a subsidiary. In February 2025, the Group made Cross Management Corp., a U.S. renovation and interior fit-out company, a group company (▶P.53). Our policy is to promote alliances and M&As that contribute to business reinforcement and expansion, as part of our growth strategy of the Global Business.

Progress of the Mid-Term Business Plan (2024-2026)

4 Capital Policy and Investing for Growth

We aim to implement a capital policy focused on achieving financial goals, managing the cost of capital, and optimizing stock performance. We will continue to invest in talent and business development for sustained growth.

Overview of Fiscal 2024 Business Results

In fiscal 2024, the Japanese economy continued showing a moderate recovery due to the expansion of inbound demand and other factors, under the improvement of employment and income environment. However, a downward risk in the economy arising from continued price hikes in Japan and international instabilities, had a widespread impact on business activities and people's lives.

In the construction industry, public sector investment remained firm and private-sector capital investment showed signs of recovery. On the supply side, however, the business environment remained challenging due to the higher prices of construction materials, energy and labor.

Under these circumstances, Shimizu Corporation and its subsidiaries (the Shimizu Group) reported net sales of ¥1,944.3 billion, down 3.0% year on year, due to a decrease in completed construction contracts and sales from real estate development and other businesses.

Operating income reached ¥71.0 billion (compared to a loss of ¥24.6 billion in the previous fiscal year) and ordinary income was ¥71.6 billion (compared to a loss of ¥19.8 billion in the previous fiscal year), mainly due to an increase in gross profits from construction contracts on account of a rebound in the profitability of architectural construction in Japan, and despite a decrease in gross profits in the real estate development and other businesses. Net income for the current fiscal year increased 284.6% from the previous year to ¥66.0 billion as a result of profits from sales of investment securities recorded as special gains.

Financial Targets, Financial KPI

Mid-Term Business Plan (2024-2026)					Financial KPI
(Billion yen)	FY2024 Results		FY2025 Forecast		
Total net sales	1,944.3	1,910	1,890		
Construction Business	1,696	1,710	1,600		ROE ≥ 8%
Development Business & others	248.3	200	290		Equity ratio ≥ 35%
Gross profit	10.1% 195.4	11.1% 212	12.2% 230		Debt-to-equity ratio (D/E ratio) Within 1.0
Construction Business	9.3% 157.8	10.4% 177	10.3% 165		Dividend payout ratio Approx. 40% (Minimum dividend ¥ 20 per share)
Development Business & others	15.1% 37.5	17.5% 35	22.4% 65		
Operating income	71	78	100		
Ordinary income	71.6	73	95		
Net income	66	75	70		

Mid- to long-term (period of the next Mid-Term Business Plan)

ROE ≥ 10%  
Equity ratio ≥ 40%  
Debt-to-equity ratio (D/E ratio) ≤ Approx. 0.7 X



Cash Allocation

Cash-in	Cash-out	Investment Plan (As of the end of March 2025)
<b>Operating cash flow</b> *Before deduction of R&D expenses and investments related to talent development *Excluding sales of rental real estate properties and others <b>¥ 190 billion</b>	<b>Mid-Term Business Plan (2024-2026)</b> Description   Investment Amount (3 years)	
<b>Sales of rental real estate properties</b> <b>¥ 170 billion</b>	<b>Human resources</b> <ul style="list-style-type: none"> <li>Acquire and nurture highly capable talent</li> <li>Implement DE&amp;I initiatives. Promote employees' well-being</li> </ul> ¥ 40 billion	<b>¥ 7.4 billion</b>
<b>Sale of held securities</b> * New target set in November 2024. 20% or less by the end of FY2025 (end of March 2026) (one year ahead of schedule) 10% or less by the end of FY2026 (end of March 2027); continue reduction even after achieving target	<b>Productivity improvement &amp; R&amp;D</b> <ul style="list-style-type: none"> <li>Develop cutting-edge technologies and machinery</li> <li>Invest in digital-related fields</li> </ul> ¥ 85 billion	<b>¥ 20.7 billion</b>
	<b>Real estate development</b> <ul style="list-style-type: none"> <li>In Japan: Diversify assets</li> <li>Overseas: Shift to real estate development-and-sales/development business model</li> </ul> ¥ 200 billion	<b>¥ 39.0 billion</b>
	<b>Green energy development</b> <ul style="list-style-type: none"> <li>Expand renewable energy generation business</li> <li>Develop new energy sources such as hydrogen utilization</li> </ul> ¥ 30 billion	<b>¥ 1.8 billion</b>
	<b>New business &amp; others</b> <ul style="list-style-type: none"> <li>Invest in new business and ventures</li> <li>Invest in space and ocean programs, and sustainable green business</li> </ul> ¥ 5 billion	<b>¥ 0.9 billion</b>
	<b>Total</b> ¥ 360 billion	<b>¥ 69.8 billion</b>
	<Not included> Investment to further increase corporate value (M&A, etc.)	<b>¥ 18.0 billion</b>

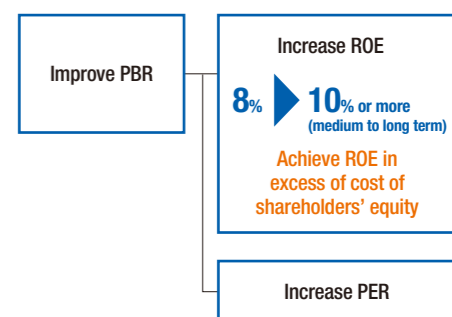
Implementing Management that is Conscious of the Cost of Capital and Stock Price

1 Improvement of Profitability

Targeting consolidated operating income of 100 billion yen in FY2026, we have set ROE of "8% or more" as a KPI, and aims to achieve "10% or more" in the medium to long term

Transformation into a highly profitable business structure

- Strengthening our ability to identify promising markets.
- Continue to make decisions on orders with emphasis on profitability, as profitability at the time of order receipt is improving.
- Improvement of quality assurance, cost improvement, and process control through production process reforms.



2 Investing for growth (M&A)

If there are projects that contribute to improving the profitability of the Group as a whole, such as strengthening the construction system or the foundation of the global business, we will actively implement them separately from the investment plan in the Medium-Term Business Plan (2024-2026)

Grandwork Interior Pte Ltd (Singapore) became our subsidiary in November 2024  
Cross Management Corp. (U.S.) became our subsidiary in February 2025

▶ P.53

Progress of the Mid-Term Business Plan (2024-2026)

3 Improve Capital Efficiency

- Reduction of construction-related advances (improvement of payment terms)

- Facilitate sales of rental real estate, etc.

Assumes sales of more than 170 billion yen over 3 years

Accelerate using private REITs and selling existing properties after value-added

- Reduction of Security Holdings

Policy on Securities Holdings

When there is a necessity from the viewpoint of business development, the Company acquires and retains shares of clients and business partners to strengthen and maintain relationships. Acquisition of major securities is determined by the Board of Directors, taking comprehensive consideration of benefits to the Company, acquisition cost, risk of share price changes, and other factors. The Board of Directors examines the necessity of securities holdings for individual stocks each year, taking into consideration its economic rationality, including cost and risk of holding them, and business development benefits. Based on such examination, shares that have become dilutive in terms of significance to our operations, are disposed while confirming relationships with business partners.

Status of Reduction of Securities Holdings

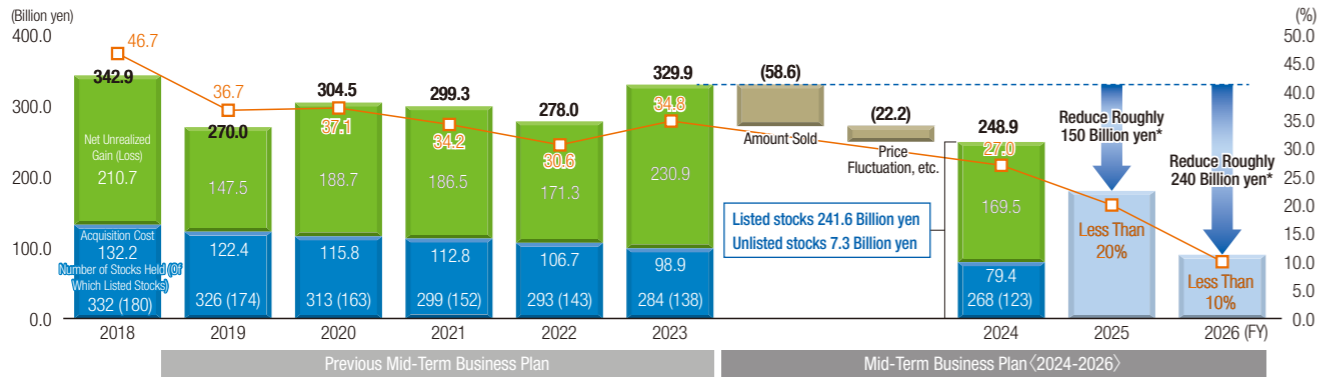
At the Board of Directors' Meeting held on November 12, 2024, we have decided to move up the target date of the existing reduction goal (to reduce the ratio of the outstanding amount of securities holdings to consolidated net assets to less than 20% by the end of March 2027) by one year to the end of March 2026, so that we can accelerate the implementation of "management that is conscious of cost of capital and stock price". We have also established a new goal of reducing the ratio of the outstanding amount of securities holdings to consolidated net assets to less than 10% by the end of March 2027.

The Company sold shares of 31 listed companies during fiscal 2024 (including shares of which part of the holdings were sold). The proceeds were 58.6 billion yen. From fiscal 2018 to fiscal 2024, the total number of listed companies of which the Company sold its holdings was 91 (including shares of which part of the holdings were sold). The proceeds were 208.6 billion yen. As a result, the number of listed companies the Company held shares in decreased from 187 as of the end of March 2018 to 123 as of the end of March 2025.

As of the end of March 2025, the ratio of the outstanding amount of securities holdings to consolidated net assets is 27.0%.

**Reduction target**  
 Ratio of security holdings against consolidated net assets  
 Less than 20% by the end of March 2026 (one year ahead of schedule)  
 Less than 10% by the end of March 2027, and continue the reduction after achieving the target ratio

Balance of Security Holdings



Disposal of Listed Stocks

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Agreed Disposals (Expected) [expected in FY2025]
Number of Listed Stocks Sold	10	10	18	18	21	16	31	41 [27]
Amount Sold (Billion yen)	12.2	16.8	19.7	12.8	26.3	62.1	58.6	130.0 [70.0]

Note: The number of sold stocks includes partial sales of the same stock over several years.

4 Enhance Shareholder Return

- Purchase and Cancellation of Treasury Shares

- In FY2023, we repurchased 25.4 billion yen of its own shares and retired all treasury shares (44,838,300 shares) acquired through market purchases in FY 2019 and FY 2021 on May 12, 2023.
- In FY2024, we repurchased 34.5 billion yen of its own shares and retired all treasury shares (26,986,900 shares) acquired through market purchases in FY2023 on November 29, 2024.
- In FY2025, We plan to repurchase 10.0 billion yen of its own shares.
- We intend to continue to use proceeds from the sale of security holdings as a source of funds, while taking into consideration the replacement of funds for large-scale construction projects and the status of investments for the future.

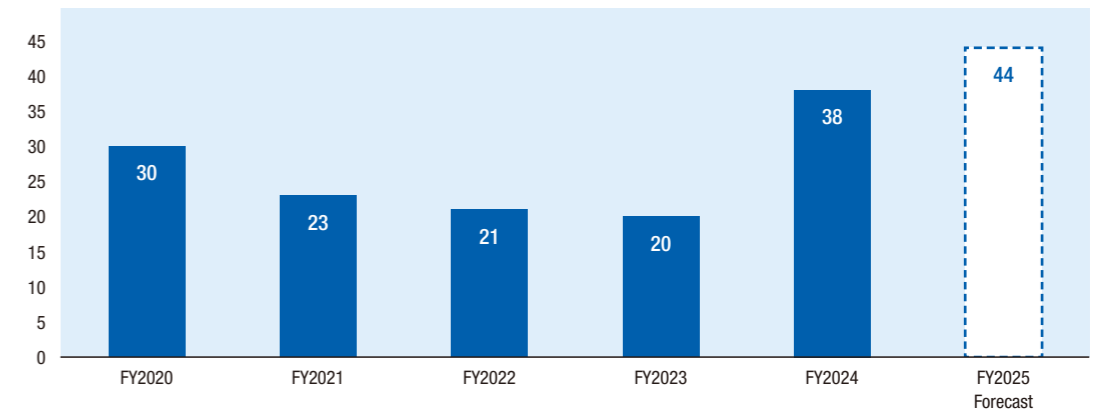
Purchase of treasury shares

	FY2019	FY2021	FY2023	FY2024	FY2025 Forecast
(Billion yen)	20.0	20.0	25.4	34.5	10.0

- Dividend

- Our basic policy is to strengthen our financial position as a foundation for long-term development and to pay stable dividends. The minimum dividend per share is set at 20 yen per share, and profits earned through growth are to be returned at a consolidated dividend payout ratio of 40%. However, we have raised our consolidated dividend payout ratio from 30% to 40% in FY2023.

Dividends per share, JPY



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Forecast
Net income per share (JPY)	101.17	64.09	66.29	23.57	94.80	109.92
Dividends per share (JPY)	30	23	21	20	38	44
Dividend payout ratio (%)	29.7	35.9	31.7	84.9	40.1	40.0
Total return ratio (%)	29.7	77.5	31.7	233.0	92.0	53.4

## DX Strategy

### Initiating the Development of DX Talent and the Establishment of a Data Utilization Platform Under the Mid-Term DX Strategy <2024-2026>

Through innovations in business structure, technology, and talent, we aim to become a Smart Innovation Company that delivers new value to society. To achieve this, we have developed our Mid-Term DX Strategy <2024-2026>. This strategy aims to maximize the company's overall capabilities in value creation by improving cross-functional collaboration through DX. Our employees' mindset focuses on actively exploring the essential needs and challenges of our clients and society, and providing new value that goes beyond the boundaries of existing businesses and organizations, under the concept of "Choukensetsu." Building on our Mid-Term DX Strategy, we plan to apply the digital infrastructure and organizational culture we've developed to the practice of "Choukensetsu," with the goal of evolving further as a Digital General Contractor.

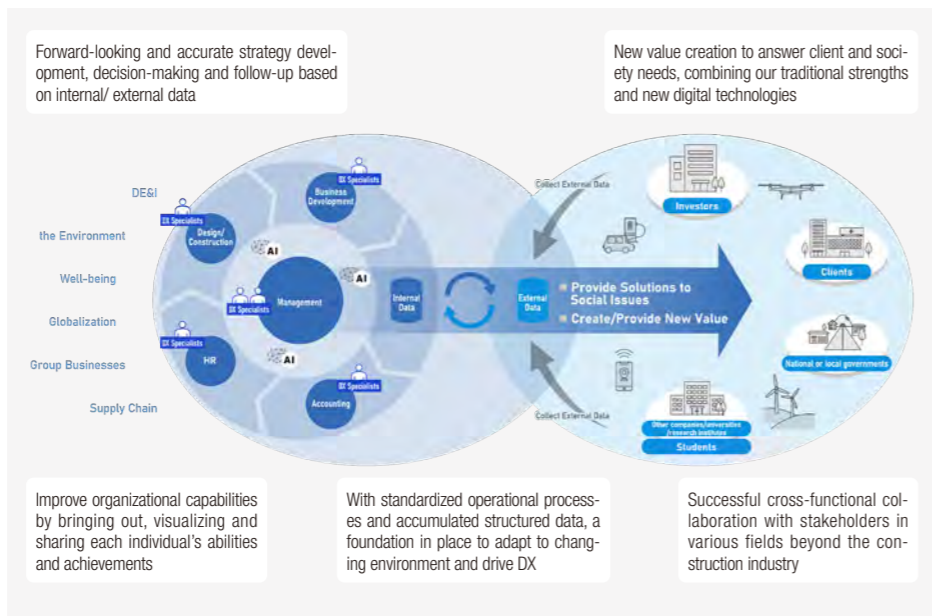


**Takeshi Sekiguchi**  
Executive Vice President and Director  
Executive Vice President and  
Executive Officer  
In charge of Information Management  
Director, DX Management Office

### Overview of the Mid-Term DX Strategy <2024-2026>

#### Shimizu's DX Goals <2030>

We will advance the standardization of business processes and the accumulation of structured data, building a solid foundation for DX promotion. By utilizing both internal and external data, we will formulate strategies and decide policies with a forward-thinking approach. Also, by visualizing the capabilities of our talent, we will transform into a company that can better harness the strengths of each individual. Looking ahead, we will accelerate collaboration across industries, precisely address client needs, and create new value through the collective strength of the Shimizu Group.



#### Mid-Term DX Strategy <2024-2026> Goals and Priority Measures

To achieve our envisioned goals, we have set strategic objectives such as executing work process revamp by standardizing the flow of data across the organization, and adopting management with the maximum Use of data by integrating operational and market data. In order to realize these goals, we are focusing on three key measures: establishing cross-organizational DX driver, Nurture/Hire Requisite DX Talent, and building a resilient IT foundation. We are actively working toward these targets.



### Progress on the Mid-Term DX Strategy <2024-2026>

#### Management with the Maximum Use of Data

##### Introducing Generative AI Services That Integrate Shimizu's Data

As the first step toward management with the maximum use of data, we began the introduction and operation of the generative AI service Lightblue Assistant in April 2025. Lightblue Assistant incorporates Retrieval-Augmented Generation (RAG). This allows information such as company rules, business manuals, and relevant laws and regulations—data not included in the Large Language Model (LLM)—to be searched and referenced from an external knowledge base, enabling accurate and reliable responses in specialized areas. By sharing the created RAG with relevant stakeholders, we can enhance accuracy through user feedback and regular updates to the knowledge base. Moving forward, we aim to further enhance the integration between the generative AI service and internal documents and introduce new features such as drawing interpretation.



Examples of RAG registered in Lightblue Assistant

#### Nurturing and Hiring DX Talent

##### Launch of Shimizu Digital Academy "DX Specialists Training Program"

The Shimizu Digital Academy, which opened in April 2024, is offering our unique talent development program, designed to cultivate digital talent in three stages. In October 2024, the DX Specialists Training Program (LV 3) was launched, offering three course options: the DX Producer who searches for the issues our clients and society are facing and plan/present a new way to solve them, the DX Technical Planner who uses data and AI to create a new system to revolutionize the work process, or the IT Technical Planner who has specialized knowledge of digital technology and designs a system. Our goal is to train 120 individuals over the three years from FY2024 to FY2026 and place them across all departments. We are actively working toward this goal.



Lecture at Shimizu Digital Academy

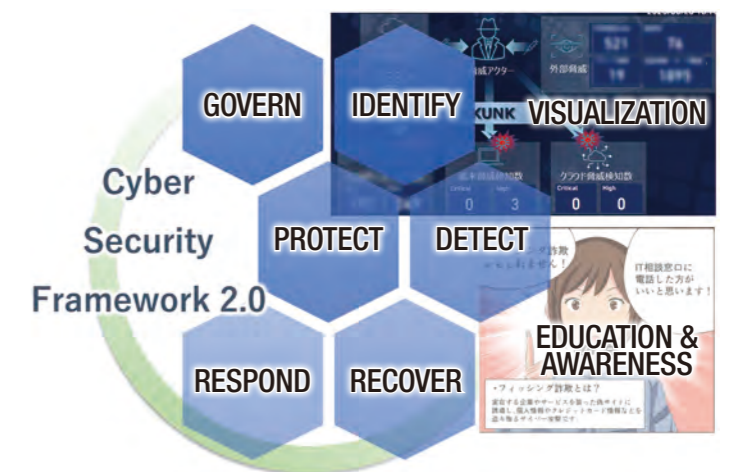


Overview of Shimizu Digital Academy

#### Building an IT Infrastructure That Is Resilient to Changes in the Environment

##### Creating a Three-Year Information Security Plan and Enhancing the Monitoring Capabilities

Cybersecurity measures are becoming more critical as part of corporate governance. We conduct third-party assessments based on the NIST Cybersecurity Framework 2.0 and has developed a three-year information security plan. The plan highlights key measures such as strengthening the cybersecurity hygiene environment, protecting the supply chain including group companies, transitioning to a zero-trust architecture, and enhancing the visibility of overall security. We see security not as a hindrance but as a guardrail to safely accelerate business. By building a global platform that supports the entire Group, we are focused on further strengthening risk management.



Implementation cycle based on the NIST Cybersecurity Framework 2.0

## A New Platform to Drive Innovation Activities

Smart Innovation Ecosystem



### Becoming a Smart Innovation Company

To uncover the essential needs of clients and society and deliver diverse forms of value, NOVARE promotes innovation across business structure, technology, and talent. These efforts are supported by active communication both within and outside the organization, along with initiatives that foster co-creation.

In the area of business structure, we are supporting 16 projects focused on new business creation, while also advancing commercialization by assisting four startups launched through our Corporate Venturing (CV) Program. In the area of technology, we are nurturing 14 internally proposed, technology-driven projects, while also incorporating external innovations through SHIMZ NEXT, our acceleration program, and by adopting technologies from startups backed by our CVC investments. Recognizing that innovation in talent is our most critical long-term challenge, we are conducting a range of training programs and events to cultivate an innovation-driven mindset.

Through co-creation with internal and external partners and by driving corporate transformation that fosters a steady flow of bold ideas, we are committed to realizing our vision of becoming a Smart Innovation Company.

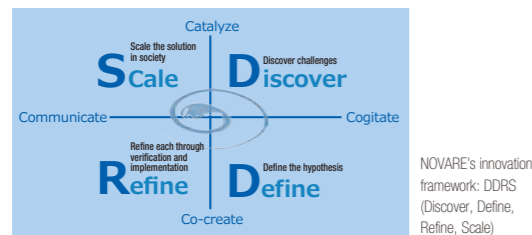


**Masanobu Onishi**

Executive Vice President  
Executive Conductor, NOVARE,  
In charge of Business Innovation

### NOVARE Open Innovation Platform

NOVARE's role as an open innovation platform is structured around four stages with tailored support provided at each phase: Discover (identify challenges), Define (develop hypotheses), Refine (verify and implement), and Scale (deploy in society). Among these initiatives, NOVARE LINKS, launched in FY2024, serves as a platform that connects internal and external stakeholders to spark innovation from both in-house and outside challenges and ideas. By welcoming employee proposals and responding swiftly and flexibly through a cross-functional structure, we aim to cultivate a culture of innovation that engages every employee.



NOVARE's innovation framework: DDPS (Discover, Define, Refine, Scale)

Since December 2024, we have been inviting employees to submit challenges and ideas, with a focus on five key areas: (1) Sustainability, (2) Resources & Energy, (3) Well-being, (4) Digital Transformation (DX), and (5) Globalization. Employees are uncovering seeds of innovation across a wide range of themes, inspired by the social issues they observe, things they want to improve, and everyday challenges close to home. Proposals submitted are reviewed by NOVARE LINKS on a rolling basis, with the goal of driving high-impact innovation by combining internal and external technologies and expertise to move ideas toward proof of concept and commercialization.



The latest NOVARE LINKS external co-creation partners are now displayed inside the building.

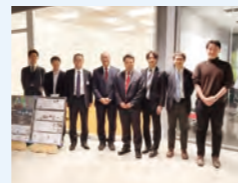
### Talent Development



#### Holding of NOVARE Boot Camp

To develop innovation-driven talent and accelerate business structure innovation, we offer the NOVARE Boot Camp, a short-term, intensive training program. Aimed primarily at employees in their late 20s to early 40s, the program consists of 12 sessions over a three-month period. It equips participants with a broad range of business skills, including crafting intrapreneurial visions and purposes, conducting data analysis and market estimation, generating ideas, and refining presentation techniques. We also invite external experts to deliver a variety of lectures that contribute to driving innovation in technology and business structure and regularly hold pitch events both inside and outside the company. These initiatives support the development of innovation-driven talent with a long-term perspective, looking 50 to 100 years into the future.

### Comprehensive Partnership Activities with Waseda University



#### Promoting a wide range of collaborative activities

In March 2024, we signed a comprehensive partnership agreement with Waseda University aimed at achieving a carbon-neutral society. Centered on NOVARE, we are advancing initiatives under the following four frameworks:

- 1) Personnel exchange, including the dispatch of researchers
- 2) Academic exchange integrating the humanities and sciences, including seminars and collaborative events
- 3) Joint research and development of advanced technologies, including the creation of next-generation spatial environments
- 4) Entrepreneurship support

### Corporate Venturing Program (Entrepreneur Recruitment Program)

Since launching our Corporate Venturing (CV) program in FY2023 to support entrepreneurship, we have established four venture companies through the initiative.

- (1) **Roca Japan Inc.** (founded in March 2024)  
This platform connects highly skilled Japanese artisans with clients across the globe. By bringing the value of traditional crafts into modern life, it adds richness and elegance to everyday living.
- (2) **DO CHANGE Co., Ltd.** (founded in March 2024)  
The company seeks to bring its patented technology for processing waste insulated wire into practical use, with the goal of eliminating pollution from the open burning of insulated wires and transforming waste into valuable resources.
- (3) **ShelterOne Co., Ltd.** (founded in April 2025)  
A disaster-prevention startup committed to achieving zero disaster-related deaths by rapidly deploying self-sufficient, comfortable temporary shelters within 48 hours of a disaster. The company is working to develop an information system that standardizes and streamlines shelter setup and operations, which currently differ by municipality. Leveraging Shimizu Corporation's network of subcontractors, the plan is to build large-scale stockpile bases nationwide and implement centralized management of emergency equipment and materials.



Disaster preparedness drill at a temporary shelter in Minami-Suwa, Nagano Prefecture, on March 21, 2025



Isao Kojima CEO

- (4) **Sekonare Co., Ltd.** (founded in June 2025)  
Offers an app-based service that digitally streamlines coordination and scheduling at construction sites. The system is currently being tested at Shimizu Corporation's construction sites.

### Launch of External Training Initiative at NOVARE Academy

NOVARE Academy is an enhanced training facility that builds on the former Monozukuri Training Center, originally opened in 2017 in Kiba, Koto Ward, by expanding both its scale and curriculum. The training programs are built around the core concepts of "see," "touch," and "try it yourself." The full-scale mockups feature components like steel beams for hands-on practice with final tightening of high-strength bolts and actual building safety systems, enabling trainees to experience fire alarm-triggered disaster response simulations. At the same time, to enhance productivity, the program also offers training in digital construction management techniques, such as cost control and inspection methods integrated with VR, adapted to the skill level of each trainee.

Beginning in FY2025, we launched external training as a commercial offering. We are already receiving training requests from civil engineering and construction firms, infrastructure companies, developers, and construction staffing agencies. We are committed to enhancing the technical skills of construction professionals both within and beyond our organization.

### NOVARE Archives and Former Shibusawa Residence Now Open to the Public

As of April 2025, the NOVARE Archives and the former Shibusawa Residence are open to the public every Thursday, except on the third Thursday of each month and company holidays. Both locations require advance reservations. Due to high demand, access to the former Shibusawa Residence is offered through a paid guided tour selected by lottery. Featuring the former Shibusawa Residence, which is the only remaining structure built by Kisuke Shimizu II, and showcasing valuable historical materials from our founding, both locations serve as platforms for sharing the history of Japan's construction industry development, the richness of construction culture, and the beauty of monozukuri (craftsmanship), all while embodying our corporate culture that cherishes the corporate credo of The Analects and the Abacus. Featuring an intricate diorama of the Yoyogi National Gymnasium that replicates its complex construction process, along with a series of finely crafted models under the theme "Shimizu: Embracing Challenges," the exhibit has earned high praise from visitors of all ages, from schoolchildren to seniors, for its powerful presentation and rich collection of materials.

### SHIMZ NEXT (Business Co-creation Program), CVC



#### Shimizu Corporation Business Co-creation Program

In collaboration with a diverse range of partners, we are driving the creation of new businesses and the evolution of existing ones through open innovation.

In 2020, we launched a corporate venture capital (CVC) fund with a budget of 10 billion yen over 10 years to invest in startups and venture capital firms both in Japan and abroad to enhance existing businesses and cultivate new business domains.

#### Key Investments

- (1) **Open Space** (FY2021) Offers remote monitoring solutions powered by 360° camera technology. Aims to build a comprehensive platform for the construction industry.
- (2) **LIGHTBLUE** (FY2021) Implemented the large language model (LLM) product "Lightblue Assistant" across the entire company. Also markets "Kawasemi," a vehicle-mounted safety monitoring camera system for construction machinery jointly developed with our company.
- (3) **Gorlem** (FY2024) Offers a CO<sub>2</sub> emissions calculation system tailored specifically for the construction industry. Jointly developed "SCAT," a platform that automatically calculates CO<sub>2</sub> emissions based on finalized estimate data.
- (4) **Apprecia Capital** (FY2025) A venture capital firm focused on sustainability in the European market. A strategic partner for accessing the latest insights on European sustainability startups and collaborating on business co-creation.



Hands-on bar arrangement inspection training using full-scale mockups



Scene from the public opening

## SPECIAL CONTENTS

# Shimizu's Monozukuri

The spirit of “sincere monozukuri (craftsmanship)” has been handed down through our company. This impels us to use our proven technological expertise and commitment to quality and safety in crafting buildings and structures, delivering value above and beyond the expectations of society and our clients. In this Special Content feature, we use specific examples to illustrate our monozukuri approach.

### Special Content 1-1 The Construction Site

# BLUE FRONT SHIBAURA TOWER S

**BLUE FRONT SHIBAURA is a project for the integrated development of office, hotel, commercial and residential space, set to transform the Tokyo Bay area.**

Here, we are replacing the Hamamatsucho Building (the former Toshiba Building) with twin towers TOWER S (completed in February 2025) and TOWER N (due to complete in FY2030).

This large-scale mixed-use development, around 230 meters high and containing roughly 550,000 square meters of floor space on a 4.7-hectare site, housing office, hotel, commercial and residential space, will serve as a “link” between the Tokyo Bay area and the city center.

We mustered our collective strength to successfully complete the first of the towers as a major milestone in bringing this huge project to fruition.

1 The Construction Site ..... P.32

2 Health and Safety/Quality ..... P.40

3 Technology Development ..... P.44

#### Project outline

Location	1-1-1, Shibaaura, Minato Ward, Tokyo
Site area	40,104.29m <sup>2</sup>
Construction period (Phase I)	October 1, 2021 - February 28, 2025
Client	Nomura Real Estate Development Co., Ltd.
Design	Maki and Associates; Shimz DESIGN; Oye Arup & Partners Japan Ltd.; Nikken Sekkei Ltd.

#### Building outline

Purpose	Office, hotel, retail, hospitality, services and car parking space (Phase I)
Architectural structure	Steel frame, steel reinforced concrete (SRC), and reinforced concrete (RC)
Footprint	28,365.67m <sup>2</sup>
Floor space	267,424.57m <sup>2</sup>
Floor area ratio	Phase I & II 550,596.26m <sup>2</sup>
Floors	1,120 %
Height	TOWER S (Phase I) 3 below ground, 43 above ground, 2-story penthouse 228.88 m (Phase I)

#### Civil engineering project outline (infrastructure development)

Location	1-chome, Shibaaura, Minato Ward, Tokyo
Construction period (Phase I)	June 28, 2019 - December 31, 2025
Design and supervision	Shimizu Corporation
Structure and scale	Road infrastructure (4 municipal roads, 1 Tokyo metropolitan road) Bridge construction (1 river bridge, 1 canal bridge) Parkland and floating pier/promenade development (1 each)

#### Civil engineering project outline

(east-west walkway to JR Hamamatsucho Station South Exit)	
Location	Minato Ward, Tokyo (JR Hamamatsucho Station South Exit)
Construction period	April 14, 2021 - July 31, 2026
Client	East Japan Railway Company
Design and supervision	JR East Consultants Company
Structure and scale	3-span continuous steel plate deck plate girder bridge Deck: girder length 79.3 m; steel weight 317 tons Foundation: abutment A 455 tons; abutment B 133 tons; pier P3 63 tons; pier P4 39 tons

BLUE FRONT SHIBAURA TOWER S (at center)  
To south (at left): Seavans N Building  
To north (at right): Hamamatsucho Building (former Toshiba Building)



Special Content 1-1 The Construction Site

# We are working on this large mixed development project in Shibaura, Tokyo hand-in-hand with our client.

## Monozukuri That Leverages Shimizu's Unique Collective Strength

The unique features of Maki and Associates' basic design of the building are the views afforded by an aluminum curtain wall constructed using 18-meter span external columns and special glass, and a three-tiered setback profile on the building's east and west faces. To achieve these features, the structural planning was undertaken by our Design Div. at the working design stage, employing our BILMUS vibration control technology for the first time in Japan and using floor trusses at the three levels where the pillars shift location to give the stepped profile. Our Design and Construction Technology Div., Engineering Headquarters and Institute of Technology worked together with our on-site team to overcome the issues in such a highly complex building structure.

Our Civil Engineering Headquarters took charge of infrastructure provision between the building and Hamamatsucho Station, with the construction and civil engineering teams working in close alignment to progress the project. This integrated approach enabled us to deliver a high-quality building to the client as planned in the overall construction schedule and we see it truly as a work of art born of our collective strength.



Satoshi Yagi  
Project Director



## Design

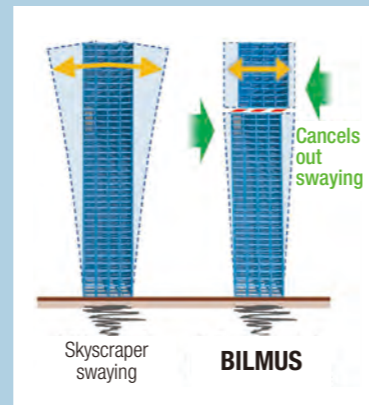
We marshalled our design and construction expertise to create a masterpiece for future generations with global starchitect Fumihiko Maki.

### Monozukuri Through Collaboration

Very large projects require participation from many architects, engineers and designers. We have progressed this project hand-in-hand with many other architects, engineers and designers in addition to basic designer Maki and Associates. Our firm provided the pivotal axis for this collaboration, managing a thousand and one minute collaborations from design of the overall building design, through interiors for the shared areas of the office space and commercial spaces, down to signage, in order to marry function with design. Our monozukuri has achieved a holistic work of art out of a myriad parts.

### Building Itself as Vibration Control System Halves Swaying

Our newly developed BILMUS vibration control technology has enabled a building that is both highly disaster-proof and has the freedom of design permitted by a far smaller number of pillars than conventionally used in skyscrapers. The distinctive characteristic of the BILMUS system is that the building itself functions as a vibration control system, making it highly resistant to swaying without the installation of any damping devices. This will reduce swaying particularly on the higher floors, which house a luxury hotel, by half compared with conventional skyscrapers, greatly reducing the risk of falling furniture or appliances and of interior and exterior damage. This helps enhance the value of our product.



BILMUS minimizes swaying

### A Design to Maximize the Potential of the Site

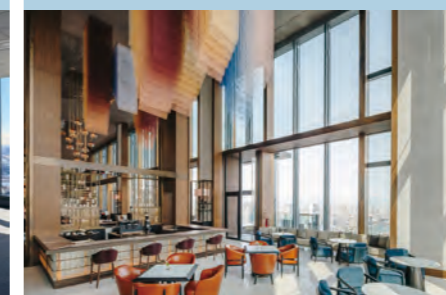
A skyscraper facing Tokyo Bay offers views unparalleled in the city center. We aimed to make the most of this advantage by using airflow windows for adjusting the air-conditioning to improve thermal insulation, with the system responsive not only to solar radiation outside the building but also controlled by environmental sensors that monitor the flow of people in the building. We developed a window blind control system that controls the angle of the slats for installation on some floors. This, together with the use of radiation cooling, has lowered the building's carbon footprint while making the most of the spectacular views, with the technology also supporting the drive for higher office worker productivity.



A typical office view

### Full Hotel Support Through Project Management plus Interior Design

The top floors will house Japan's first Fairmont Hotel. To accommodate this luxury hotel brand at a high level, we provided a full support package supplementing our normal design and construction with hotel project management team. The project management team worked hand-in-hand with Fairmont at virtually every stage, from the formation of an initial design team, encompassing overseas designers, to the final preparations for opening, smoothing the project's way forward. This has delivered a world class hotel that is both designer quality and highly lucrative.



The hotel's open and airy lobby and lounge

### Supplying ICT Solutions for a Luxury Hotel

We supplied Fairmont Tokyo with suitably high-end hotel ICT solutions. We developed ICT services for hotel guests that meet the Fairmont brand's technology and quality standards and are also distinctively Japanese. By building on and localizing systems that other foreign luxury hotel chains have implemented in Japan, we were able to deliver a system optimized in both functionality and cost. Building the system called for negotiations with this overseas hotel group's IT department and the smooth coordination of the multitude of designers and the construction teams involved in building the hotel. We undertook everything from IT consulting through construction management and design supervision.



A typical hotel room

Construction

Shimizu's celebrated monozukuri, combining architectural, civil engineering and digital knowhow, delivers quality, precision and efficiency in Shibaura, where the land, sea and air meet.



Removal of Excavated Soil by Boat

The site road runs alongside the Shibaura Canal. We negotiated the construction of a canal pier with the Tokyo Metropolitan Government Bureau of Port and Harbor, enabling us to take advantage of this to remove excavated soil from the site by boat. Dump trucks brought excavated soil to a small boat moored alongside the pier, which took it to a large vessel anchored in Tokyo Bay for transport to the final disposal site. The use of this marine transportation in parallel with conventional land transportation enabled us to remove up to 4,500 tons of excavated soil a day from the site, dramatically curtailing this process. Ultimately, 104,600 tons of soil, 40% of the total, was removed from the site by boat, with this more efficient transportation also reducing the environmental burden.



A temporary pier enabled transportation of excavated soil away from site by boat

Constructing Basement Floor First Enabled More Efficient Materials Transportation

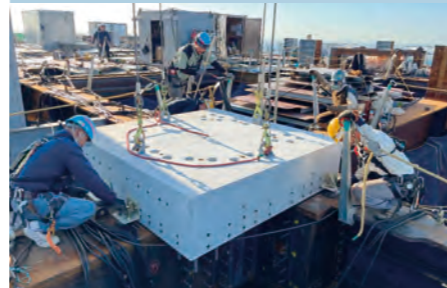
After completing excavation for the underground levels, we constructed the first-floor slab, allowing us to work simultaneously on the below- and above-ground structures, using a two-step construction method. When constructing the first-floor slab first, it is usual to leave an opening in the slab for lowering materials to the underground construction area and to use manpower to move them horizontally to where they are needed, which is quite labor-intensive. In this project, we preconstructed sections of floor to serve as a passageway for materials transportation on the first and second basement floors, enabling more efficient vehicular transportation. As a result, the construction of the basement structure, using 4,800 tons of rebars, 84,000 square meters of formwork and 32,000 cubic meters of concrete, took only around five-and-a-half months, shorter than it usually would.



Preconstructed floor for basement materials transportation

Speed and Precision in Constructing Earthquake-Proof Base-Isolation System 170 meters Above Ground

Constructing a base isolation system is complicated, requiring a multitude of processes; even more so in a skyscraper requiring such a system 170 meters or so above ground. A crucial issue was how to maintain the precision of the building frame while reducing the length of time needed to construct the frame of the base isolation system. The solution we came up with was that after we finished building the steel frame for the office floors, we installed the upper part of the base isolation system, manufactured off site, on top of the steel frame. This reduced the volume of work done on site and greatly reduced base isolation system structural construction time. This shortened overall construction time by around six weeks and achieved a margin of error in base isolation system installation at 170 meters or so above ground of just ±2 millimeters.



Installing precast base isolation layer on the steel frame

18-Meter External Column Spans to Maximize the Views

So that the building could feature open views from the office space, we used 18-meter external column spans in standard areas, employing cantilever beams projecting by up to 18.6 meters, with no corner pillars. Given the difficulty of maintaining structural precision and the absence of any precedent for such large spans in a skyscraper, we had all related departments brainstorm issues. We were meticulous in planning steel frame construction, pre-calculating the downward deflection of girders by the weight of poured concrete slabs and intentionally cambering girders upward. Thanks to carefully checking structural precision at every step of construction, we were able to create a high-quality, high-precision building with scenic views intact.



View of the 18-meter span external columns on the first floor

Proactive Use of Construction Robots

Lifting materials and equipment in skyscraper construction is very labor-intensive given the huge volumes and range of materials and the increasing distances involved as a building grows higher. On this project, we used automated conveying robots and temporary elevators during the night for lifting plasterboard and fire resistive covering material to reduce the amount of manpower required. This sharply reduced the loads that the temporary elevators needed to lift during the day, easing the transportation of construction workers and raising productivity on the site as a whole. With shortages of skilled workers for steel frame welding and fire-resistant coating a concern, we used this project as a test bed for the welding robot and fire-resistant coating robot we are developing, which has greatly spurred technology development in both areas.



Experimental use of our fire-resistant coating robot

Integrated Network Design and Construction

We designed, built and installed an integrated network for collating data pertaining to the range of equipment in the building and utilizing data needed for the future to make the building easier to manage and use. Providing an optimized integrated network required coordination with the many makers of building equipment and the vendors that install it to ascertain the bandwidth, network redundancy, security measures and access restrictions required. This integrated network has realized "digital spaces and services provision," one of the cornerstones of our SHIMZ Digital General Contractor 2.0 strategy.



External view of completed building

Infrastructure Development

We had to manage 24 peripheral construction sites alongside the TOWER S construction site. This included reconstruction of the Shinshibaura Bridge and Furukawa Bridge, construction of a Tokyo metropolitan road intersection and four new Minato Ward municipal roads, relocation of a ward park, construction of a floating pier, sewerage installation and the construction of new earthquake-proof revetments. This involved design talks with more than 30 partners, including Minato Ward government as well as waterway, harbor, railway, metropolitan expressway and maritime organizations, and the extremely difficult process of progressing design and construction in parallel. Reconstruction of the Class B Furukawa river revetments was particularly demanding due to the confined construction space and height restrictions as well as the need to minimize disruption to the metropolitan expressway and Shinkansen line. Our team had to work round-the-clock using the Gyropress Method™.

We also had to install an east-west walkway to the South Exit of JR Hamamatsuchō Station between the JR and Shinkansen lines underneath and the overhead Monorail. We used a tower crane and 750-ton crawler crane to install the 79.3-meter-long girder in the confined space above the rail lines and below the Monorail in a narrow 115-minute time window after the last train.

\* Gyropress Method™ is a rotatory method for driving steel tubular piles with cemented carbide blades on the end into the ground, jointly developed by Nippon Steel Corporation and Giken Ltd.



Gyropress use in revetment reconstruction



Walkway girder installation above the rail lines

East Japan Railway Company Photography cooperation

Special Content 1-2 The Construction Site

# Sotetsu/Tokyu Shin-Yokohama Line, Shin-Yokohama Station, etc.

The new Shin-Yokohama Station on the Sotetsu/Tokyu Shin-Yokohama Line opened in March 2023. We successfully completed the long-term project that spanned over more than 10 years, and by actively incorporating ICT into construction, we contributed to the advancement of civil engineering technology and society.



Construction Overview	
Location	2 Shin-Yokohama, Kohoku-ku, Yokohama
Client	Japan Railway Construction, Transport and Technology Agency
Design and supervision	Japan Railway Construction, Transport and Technology Agency
Construction period	[Civil engineering]: February 2013 - May 2024 [Architecture]: May 2019 - February 2023
Structure/size	[Civil engineering] Total length: 249 m Excavation width: 12.5 to 25 m; excavation depth: 33 m Steel-reinforced continuous underground wall (utilized for the main structure): 17,813 m <sup>2</sup> Excavated soil volume: 143,406 m <sup>3</sup> ; pavement covering: 5,030 m <sup>2</sup> Structural concrete: 28,490 m <sup>3</sup> [Architecture] Reinforced concrete, steel B4-2F Building: 669 m <sup>2</sup> Floor area: 22,900 m <sup>2</sup>

## Direct connection between Sotetsu and Tokyu establishes regional railway network

The Sotetsu/Tokyu Shin-Yokohama Line is a new connecting line that links about 10 km from Hazawa Yokohama-kokudai Station on the Sotetsu-JR direct line to Hiyoshi Station on the Tokyu Toyoko Line. Of the two new stations opened along this section, our joint venture was responsible for the construction of Shin-Yokohama Station. The opening of this line has established a wide-area railway network connecting central Kanagawa Prefecture and central Tokyo, which is expected to reduce travel time, decrease the number of transfers, and improve overall railway convenience.

## Large-Scale Excavation Project to Build a Station Building Directly Beneath the Yokohama Circular Line 2

A large-scale excavation project was conducted, creating a work zone on the heavily trafficked Circular Line 2 and constructing the station building directly beneath it. One of the most critical aspects of underground station construction is the precise creation of a steel wall that serves both as the station's structural wall and as a retaining wall for the surrounding ground. A total of 780 steel-reinforced continuous wall components, each 40 meters long, were divided into four 10-meter sections and installed underground through continuous day-and-night operations carried out over two years. Furthermore, due to the urban construction environment, it was necessary to build a complex-shaped structure in areas where many buried utilities were densely and intricately located. By incorporating digital twins (a virtual model that accurately reproduces the structure in digital form) from the construction planning stage and conducting detailed design and simulations in 3D space, we were able to achieve efficient construction management. These efforts contributed to the advancement of civil engineering technology and society, leading to our receipt of the 2024 Japan Society of Civil Engineers Technology Award (Group-1).



Steel-reinforced continuous underground wall components installed along Circular Line 2

## Striving to Visualize and Enhance Site Management by Fully Leveraging Digital Tools

We used digital twins to run construction simulations and provided the results back to the site, enabling highly precise construction management. This digital space was shared with stakeholders through the cloud, streamlining information sharing, and the construction was carried out under a management system that integrated all stakeholders. Additionally, we actively leveraged various ICT technologies, including VR, AR, and remote management, to enhance productivity. These efforts were awarded the Excellence Award at the Ministry of Land, Infrastructure, Transport and Tourism's 2021 i-Construction Grand Prize, which recognizes initiatives that enhance construction site productivity through the use of innovative technologies.



Entire station building modeled in BIM in-house

## Successfully Completed Challenging Construction Project with Numerous Coordination Issues

As the construction work was carried out within the structure built by the civil engineering team, it was necessary to measure the actual dimensions of the structure and revise the construction drawings accordingly. We used digital twins to run construction simulations and provided the results back to the site, enabling highly precise construction management. To ensure a high-quality finish when placing concrete deep underground in a long, horizontal space, all parties involved collaborated and shared ideas to refine the approach. The steel framework for the core of the wall was assembled in an extremely confined space, using mini cranes and aerial work platforms to get the job done. Furthermore, the lifting of materials through floor openings using a ground-installed crane included lifting other equipment like electrical systems, air conditioning, elevators, and track construction. Although coordinating with other companies was challenging, the project was successfully completed thanks to the cooperation of all stakeholders.



Station platform

## A Project Carrying Forward Various Thoughts and Aspirations

This project was a challenging one, but we successfully reached completion. In this long-term project lasting over 10 years, I, as the third-generation director, took on the large-scale excavation work on a busy main road, carrying forward the baton passed down from previous directors. We thoroughly enforced safety and quality management policies, overcoming challenges as a unified team, while also actively embracing the integration of the latest DX technologies. This achievement earned us the 2024 Japan Society of Civil Engineers Technology Award and the 2021 i-Construction Grand Prize, and I believe it marks a significant step in pioneering the future of the construction industry.



**Yoshitane Satake**  
Project Manager

Special Content 2 Health & Safety/Quality Health & Safety

# Initiatives in Health & Safety

In production activities, safety is prioritized above all.

We aim to raise safety awareness across the entire Shimizu Group in our daily business activities, fostering a safety culture.

By cultivating a safety culture, we protect the lives and health of workers and build the future of the construction industry.

As a monozukuri-driven company, we strive for continuous growth by delivering safe, high-quality buildings and infrastructure that earn the trust of our clients and inspire society. To achieve this, we must uphold the basic principles of health and safety management—respect for human life and human beings—and work toward the complete elimination of occupational accidents through effective initiatives. With the introduction of overtime work limit regulations in April 2024, the construction industry has begun transforming into a more hopeful and appealing field, driven by greater efficiency, higher productivity, improved working conditions, and a shift toward a full five-day workweek. To build a brighter future for the construction industry, the entire Shimizu Group is committed to strengthening safety awareness, fostering a strong safety culture, and achieving the ideal of “Today’s Work, Tomorrow’s Heritage” with zero occupational accidents.



**Taizo Tsukada**  
Managing Officer  
Director, Safety & Environment Div.

## Challenges in the Construction Industry

The number of fatalities from occupational accidents in the construction industry in Japan has decreased by 90% over the past 50 years since the implementation of the Industrial Safety and Health Act in 1972, but recently, the decline has slowed. Additionally, there has been an increase in occupational accidents due to factors such as physical decline associated with the aging of workers, acceptance of new entrants to the industry to address the labor shortage, and increasing natural disaster risks like heavy rain. The COVID-19 pandemic weakened communication, reduced safety management to a formality, and lowered risk sensitivity, resulting in serious accidents like falls, which must be urgently addressed.



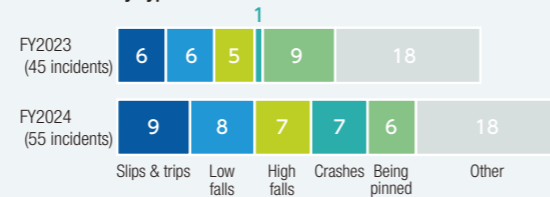
Dialogues between the Director of Safety & Environment Div. and local staff at an overseas worksite

Overseas, we are working on improving safety management levels similar to those in Japan, despite differences in regulations, safety awareness, and management methods. The Safety & Environment Division also visits local sites and engages in dialogue with staff to overcome site-specific challenges and improve overall safety management levels. Understanding the strengths and weaknesses unique to overseas sites provides valuable opportunities to discover areas for improvement in domestic safety management, enhancing both sides through mutual learning. Regardless of location, we will continue to foster a safety culture that prioritizes safety across the entire organization.

## Accident Situation at Shimizu

In FY2024, there were six fatalities in total at Shimizu both in Japan and overseas due to occupational accidents, the highest in recent years. Furthermore, the number of incidents leading to more than four days of leave has increased, and we were far from meeting our KPI target of a frequency rate of 0.57, leaving significant challenges unresolved this year. Furthermore, according to the breakdown by type of accident, falls and collapses continue to be the most common types of incidents, and we are deeply concerned by the clear impact of safety management becoming a mere formality and the decline in risk sensitivity as contributing factors to these accidents.

### Breakdown by Type of Accident



\* Low falls: Falling from a height of less than two meters  
\* High falls: Falling from a height of two or more meters

## Health & Safety Promotion Conference

On June 17, 2025, just before National Safety Week, the Health & Safety Promotion Conference was held at the Main Hall of the Bunkyo Civic Hall, co-hosted with the National Federation Conference for Accident Prevention for Subcontractors. President called on all worksite stakeholders to adopt a sense of ownership, emphasizing the belief that protecting the lives and health of oneself and colleagues is crucial, and encouraged running the PDCA cycle with smooth communication. He also urged departments, worksites, business owners, and foremen to enhance the risk sensitivity of each worker and promote activities that encourage them to take ownership of accidents and disasters.



Health & Safety Promotion Conference was joined by about 1,800 participants

## President's Safety Patrol

At Shimizu, during the annual National Safety Week and National Occupational Health Week, the president and group-wide Safety & Environment Committee members carry out job site safety patrols. They review the progress of construction projects and assess the safety measures in place at job sites. In addition to making sure work procedures and basic rules are followed, they also remind workers to take thorough measures to prevent heatstroke. By speaking directly to the worksite stakeholders, we communicate the executives' personal commitment to respecting human life and the dignity of individuals. In 2025, they visited construction sites for building construction and civil engineering projects in Tokyo under the jurisdiction of the Tokyo Branch and the Tokyo Civil Engineering Branch.



President Shimamura visiting the construction site

## Opening of a Safety Dojo to Train Shimizu Safety Leaders

We have opened a safety dojo utilizing NOVARE and the Shimizu Takumi Training Center to train Shimizu Safety Leaders. This training differs from traditional classroom-based safety education, focusing on hands-on training to reform safety awareness and enhance risk sensitivity. The training has two main objectives: first, after completing the course, participants return to their work sites and apply what they have learned as Shimizu Safety Leaders to daily safety management activities. Next, participants are instilled with a strong sense of mission to build the future of safety themselves and contribute to developing the next generation of Shimizu Safety Leaders. We hope this training will greatly help improve the safety management levels at worksites.



Hands-on training at the Safety Dojo

## Kamewarigo Hands-On Training to Improve Risk Sensitivity

Recent reductions in occupational accidents have, paradoxically, led to decreased risk sensitivity among workers in the construction industry, hindering efforts to eliminate accidents. Since May 2020, the Risk Sensitivity Vehicle Kamewarigo has been in operation as part of our initiative to improve risk sensitivity. Over the past three years, we have conducted over 400 risk sensitivity training sessions at more than 150 worksites and partner companies, reaching about 7,000 participants. We will continue to travel nationwide to help make danger personal for workers.



"Kamewarigo" Mobile Safety Dojo

## Taking Ownership of Accidents and Disasters

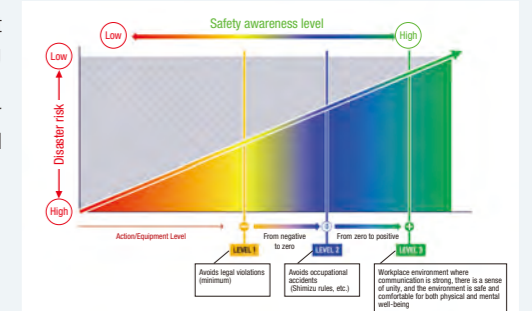
Through the promotion of activities aimed at taking ownership of accidents and disasters, we seek to reform the mindset of everyone working on the site. Occupational accidents are never someone else's issue. By recognizing accidents that occur at other sites as their own, each person takes proactive steps to reflect on the causes and preventive measures. The work group then establishes and acts on goals to prevent similar incidents, striving to improve risk sensitivity. Furthermore, during periods such as National Safety Week, we assess the implementation of taking ownership of accidents and disasters and work to standardize the approach by sharing successful examples across the organization.



Initiatives at the site

## Health & Safety Activities – From Zero to Positive

In collaboration with our subcontractors, we will continue to create a work environment that fosters well-being, based on strong principles and high-quality communication, while enhancing safety awareness and work engagement. Our goal is not only to follow laws and rules, but, as illustrated in the table on the right, to move from zero to positive, striving to achieve Level 3 in our health & safety activities, and continuing to deliver safety-conscious monozukuri to society and our clients.



Health & safety activities from zero to positive



Initiatives in Health & Safety  
<https://www.shimizu.co.jp/en/company/csr/safety/>

Special Content 2 Health & Safety/Quality Quality

# Initiatives in Ensuring Quality

Quality is the foundation of our business. As a manufacturing company with over 220 years of history, our focus is on how we can meet the expectations of our clients and society. We would like to share our commitment to Shimizu Quality.

## Achieving Shimizu Quality: Flawless Quality Management

Quality management means creating what is required, and the key is for each individual to take ownership, ensuring that there are no gaps in management. As the saying goes, "the site is a living thing," and since conditions on-site change constantly, timely and flexible action is necessary. By returning to the fundamentals of monozukuri, we will thoroughly implement flawless quality management while ensuring quality through strong process management. We will continue to value our core principles of "Customer First" and "Sincere Monozukuri (Craftsmanship)," and with passion and dedication, we will create Shimizu Quality through teamwork between the site, line staff, and our subcontractors.

## "Quality Day" Held as Part of Companywide Activities

As part of our efforts during Quality Month in 2024, we held a Quality Day event on November 1st at Shimizu Hall on the second floor of our headquarters. To protect quality, which is the foundation of our business, the goal was not only to pass down lessons learned from past defects but also to reassess the current state of quality management. During the event, the quality management departments newly established last October from each branch reported on their activities over the past year, and President Inoue (at the time) provided a closing review. The Quality Day event will serve as a catalyst for revitalizing our quality management activities and improving quality awareness among all employees.



A scene from Quality Day

## Quality Policy

We have established quality policies for our building Construction, civil engineering, and engineering businesses, to earn the trust and satisfaction of our clients.

### Building Construction Business

Shimizu provides technology and services clients trust and are satisfied with by accurately ascertaining the value clients expect, and manufacturing with optimal quality while maintaining with optimal quality while maintaining a dedication to quality by all employees through the entire process from sales to maintenance and preservation.

### Civil Engineering Business

All employees approach monozukuri (craftsmanship) with an attitude of humility and sincerity. They actively take personal responsibility for providing structures of outstanding quality that exceed the expectations of clients and society. This earns trust in and satisfaction with Shimizu as the continuing partner of choice and contributes to society.

### Engineering Business

By carefully integrating Shimizu's expert technical skills into the process of fulfilling our customers' needs, we build environments and buildings that offer exceptional value in terms of business potential, functionality, longevity, and regulatory compliance. We comply with the ISO 9001:2015 standard, the international standard for quality management systems, in accomplishing this and work to increase customer satisfaction and earn the trust of our customers.

## Initiatives in Each Business Division

### Building Construction Business

#### Preventive Quality Management through Branch Quality Management Department Inspections

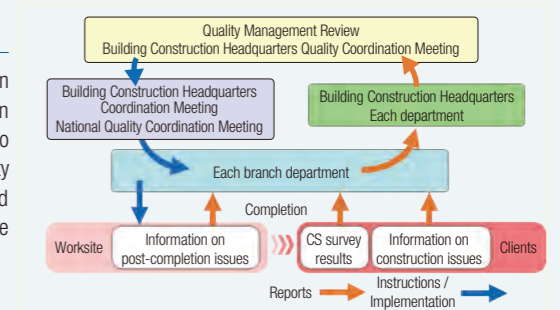
To meet our clients' needs, it is essential that each site consistently integrates our technology and expertise into the building while continuously following proper quality management processes. Our Quality Management System defines the fundamental processes related to construction, but in addition, the quality management departments at our branches perform site inspections and take necessary actions, such as providing guidance or temporarily halting work, based on actual operational conditions. With a third-party perspective, we systematically implement preventive quality management, which includes identifying risks as the construction progresses.



Branch Quality Management Department inspection

#### Ensuring Effective Report Lines and Prompt Internal Sharing of Quality-Related Information

Emerging quality issues are managed centrally using a dedicated system. All registered information is reviewed by the Quality Management Department in the Building Construction Planning Division and cross-checked with information from Sales. Based on the significance, it is reported to management as needed, and organizational responses are determined through monthly quality meetings. High-utility information is shared with operational staff, and as required, it is incorporated into company standards and related systems to continually enhance the overall quality level of the company.



Flow of reporting and deployment of quality-related information

### Civil Engineering Business

#### Providing Excellent Quality Based on a Proactive Approach to Monozukuri (Craftsmanship)

Civil engineering projects encompass many types of work, including dams, tunnels, bridges, and shields. In the Civil Engineering Business, we cultivate strong engineers with high technical skills, sound judgment, and broad knowledge through a variety of educational programs. Experienced engineers leverage the latest technologies to carry out their work.

Moreover, in civil engineering, we are committed to enhancing the construction process quality through organizational efforts, including the implementation and follow-up of quality management systems at each site by the construction departments, and technical support for quality issues and technical discussions by specialized departments. Additionally, heads of quality selected at each branch, in the role of acting branch directors, ensure there are no management issues within the organization, thereby preventing the recurrence of major past quality defects. Through these initiatives, we are dedicated to delivering high-quality structures that exceed our clients' expectations.

#### Quality Conference – Ensuring We Never Forget Past Major Quality Issues

In the Civil Engineering Business, we hold the Quality Conference every year to commit to preventing the recurrence of past major quality defects and to ensure that we never forget them.

At last year's 20th edition of the conference, we re-emphasized the importance of the 20 conferences held so far, with the theme that everyone must take personal responsibility in preventing quality defects. All civil engineering staff across the company gathered to share this important message.



Award ceremony for the Concrete Structure Contest at the Quality Conference

### Engineering Business

#### Building in Quality That Earns Client Trust

We consistently build in and manage quality in accordance with an ISO 9001-compliant QMS for all phases of a project, from planning and design to construction and maintenance. By listening to client feedback and collaborating with internal and external project members, we leverage the collective strength of Shimizu to provide the optimal solution to meet our clients' needs quickly. In addition to earning client trust, we aim to maximize the future value of our facilities.



Quality and Customer Satisfaction  
<https://www.shimz.co.jp/en/company/csr/quality/>

Special Content 3 Technology Development

# Cutting-Edge Technologies Supporting Safety and Quality

We are focused on technology development that combines high-quality manufacturing with improved productivity, creating value that exceeds society expectations.

By addressing diverse social issues and anticipating future technological needs, we contribute to building a sustainable future society.

With the increasing risks posed by climate change, such as wind and flood damage, the threat of major earthquakes, and social issues including the growing shortage of workers in the construction industry, technology development is needed to ensure the safety of communities and businesses against natural disasters, while combining high-quality manufacturing with productivity improvement. To address these challenges and other evolving social needs with speed, we have established a company-wide technology strategy, steadily applying developed technologies to real business operations, and engaging in cutting-edge research and development with a medium- to long-term view, all aimed at solving our clients' problems.



**Shuji Kakegawa**  
Managing Officer  
Director, Institute of Technology

## Ensuring Safety amid Natural Disasters

### BCP-Map\* Supports Disaster Response Efforts by Estimating the Potential Damage to Building Complexes Immediately Following an Earthquake

Following a major earthquake, assessing and sharing information about the disaster across a wide area becomes extremely difficult. BCP-Map evaluates and aggregates the potential damage to building complexes within approximately 10 minutes of an earthquake, categorizing them as high, medium, or low risk. It assists disaster response efforts such as prioritizing response areas and optimally allocating relief supplies, speeding up and streamlining BCP response. This evaluation method was developed based on research conducted by Shimizu Corporation after the Great East Japan Earthquake, analyzing the damage to over a thousand buildings and their relationships with factors such as structure, number of floors, and year of design. In addition to aggregating and displaying data based on zooming and shrinking, the map, it also allows for searching and displaying the potential damage of individual buildings.

\* BCP-Map is a registered trademark of Shimizu Corporation in Japan.

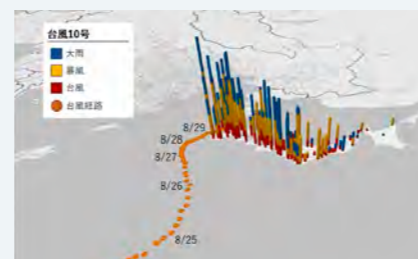


Evaluation and aggregation results based on the Cabinet Office's assumed earthquake intensity distribution for the Nankai Trough Earthquake

### Pinpoint-Timeline\* Supports Pre-disaster Actions for Wind and Flood Damage

The Pinpoint-Timeline is a system that helps create and implement disaster prevention timelines, aiming to ensure safety and minimize damage in disaster-prone areas. Incorporating expert knowledge, the system makes it easy for disaster management personnel to create tailored timelines based on specific conditions and ensures they can reliably execute the timeline as a disaster approaches. Based on localized weather data and facility information, the system automatically notifies users of specific disaster prevention actions for a particular time and place. The progress of these measures can be shared with all relevant stakeholders, enabling quick and thorough disaster prevention actions.

\* Pinpoint-Timeline is a registered trademark of Shimizu Corporation in Japan.



Alert notifications for nationwide construction site maintenance during approach of Typhoon No. 10 (Shanshan) in 2024

#### Message from the Pinpoint-Timeline developers

**Aiming to provide support for disaster prevention actions that are easy to understand and can be executed quickly by anyone**

Through four years of trial operations at sites nationwide, we have continuously refined the system. At smaller sites with limited staff, checking weather forecasts continuously can be challenging. However, this system allowed us to implement preventive measures in advance, and the positive feedback we've received has been very encouraging. In the future, we will expand the system's capabilities to offer flexible disaster prevention solutions tailored to different facility types and locations.

Institute of Technology  
Center for Safety and Reliability  
Engineering  
Disaster Resilience Grp.  
(From left in the photo)

**Masanobu Hasebe,**  
**Aya Saito,**  
**Natsuki Hasegawa**



## Ensuring Quality and Improving Productivity

### ACF Method\* Reduces Overtime and Ensures High-Quality Concrete

The Advanced Concrete Finish method (ACF method) activates the cement hydration reaction (where cement reacts with water to harden) by adding admixtures to ready-mix concrete trucks on-site, allowing for precise control over the concrete's setting time.

By reducing the extended setting time of concrete in cold weather or regions, it frees workers from working late into the night and helps prevent issues such as bleeding (water accumulation after pouring) and surface cracking due to delayed setting, ultimately contributing to improved quality. At the wind turbine foundation construction site, using this method for concrete work on inclined surfaces allowed us to start finishing work about one hour after pouring, cutting the work completion time by more than four hours compared to traditional methods. Furthermore, the risk of settlement cracking on the inclined surfaces, which is typically high, was greatly minimized.

\* The Advanced Concrete Finish method (ACF method) was developed in collaboration with Denka Company Limited. Additionally, the name of the method is a registered trademark of Shimizu Corporation in Japan.



The first application at Nakasato Wind Project (photo provided by Studio Quaria)

### Improving Productivity Through 3D Printing

#### A Japan first Applying Material Extrusion-Type 3D Printed Structures to Actual Construction

In 2020, we developed a fiber-reinforced cement composite material called LACTM\* for practical use of construction 3D printing which contributes to improving productivity. We have since applied it to both architecture and civil engineering projects. In 2023, we developed a new version of LACTM, adding coarse aggregates to create Structural LACTM, which was first applied to a parking lot roof structure. In this project, we challenged ourselves to create arch-shaped beam components, placing rebar between the printed layers. The components with gradually changing cross-sections were directly printed by carefully controlling the nozzle speed. We also used Structural LACTM for the formwork of columns, reducing material usage and achieving a more rational design by minimizing member cross-sections. Structural LACTM is the first 3D printing material in Japan to receive certification from the Minister of Land, Infrastructure, Transport and Tourism. It offers performance equal to or greater than traditional concrete and can be used for primary building structures. This certification allows it to be used without the need for individual ministerial approvals, broadening the scope of 3D printing applications.

\* LACTM is a registered trademark of Shimizu Corporation in Japan.



Parking lot roof structure (Smart Innovation Ecosystem NOVARE)

#### A Japan first On-Site Construction of Structural Components with Material Jetting 3D Printers

In 2024, we developed a new 3D printing technique that uses compressed air to spray cement-based materials through a nozzle to create 3D shapes. With this method, we can directly construct components that match or exceed the structural performance of conventional reinforced concrete by spraying the printed material around pre-placed rebar.

In October 2024, we applied this technology on a real project, directly constructing 2-meter-high column component with a 0.4 m<sup>2</sup> cross-sectional area on-site. The time required from material spraying to surface finishing was 2 hours and 50 minutes per unit. Using this approach, we confirmed about a 40% reduction in construction time compared to traditional methods, which require concrete pouring, formwork assembly, and scaffolding. Additionally, the absence of wooden formwork helps to reduce environmental impact.



Construction at Nippon Steel Corporation's Setouchi Works, Hanshin Area (Sakai)

#### Message from the 3D printing developers

##### Revolutionizing construction sites with 3D printing

Since 2018, we've been developing and implementing this technology in real-world projects. This innovation is expected to address the construction industry's skilled labor shortages and environmental challenges, creating new value as a transformative tool. We remain committed to further advancements and social implementation to deliver even greater value.

Institute of Technology  
Center for Social System  
Engineering  
Infrastructure Engineering Grp.  
(From left in the photo)  
**Ryu Kikuchi,**  
**Shinya Yamamoto,**  
**Hiroki Ogura,**  
**Hiroyuki Abe**



Institute of Technology  
<https://www.shimzu.co.jp/en/company/about/sit/>

# SHIMIZU'S BUSINESS

For each line of business, we have established business policies that provide key strategies. By expanding each business segment according to there key strategies, we aim to build up our business portfolio.



Expo 2025 Osaka, Kansai, Japan, Grand Ring (Konohana Ward, Osaka City)

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# Building Construction

Contributing to the achievement of SDGs through business activities



Photo: Provided by Kinki Regional Development Bureau, Ministry of Land, Infrastructure and Transport

Expo 2025 Osaka, Kansai, Japan (Left: Japan Pavilion Right: Joint Pavilion Iida Group x Osaka Metropolitan Univ.) (Konohana Ward, Osaka City)

## With an unwavering dedication to monozukuri, we aim to deliver buildings that exceed client expectations and enhance the competitiveness of our Building Construction Business.

In the Building Construction Business, we aim to achieve sustainable growth by continuing to deliver genuine value, even in an uncertain market environment, through a deeper commitment to technology and quality, and by addressing the evolving and fundamental needs of both clients and society. To achieve this, we are continuously working to identify promising markets, enhance our responsiveness, secure projects with a strong focus on profitability, and restructure our production framework. By harnessing ICT and AI, we will drive our business forward in close coordination with our group companies and supply chain partners.



**Yoshito Tsutsumi**

Executive Vice President and Representative Director  
Executive Vice President and Executive Officer Director, Building Construction Headquarters, in charge of Productivity Improvement, Nuclear Business, Building Construction Headquarters, and Smart city, Executive Project Director, TOKIWABASHI PROJECT, of the Corporation

## Key Strategies

We will focus on initiatives to pursue technology and quality in the Building Construction Business and realization of a sustainable construction industry.

### 1. Accelerating the shift towards a highly profitable business structure

- Proper order volume management and order acceptance decisions that prioritize profitability by clarifying policies for each project
- Securing quality and safety, the foundation of monozukuri, and improving the accuracy of cost and process management

### 2. Rebuild a production system that allows the pursuit of the appeal of monozukuri

- Further improving site capabilities through the active use of digital technology and strategic allocation of talent
- Improving the ability to carry out projects that involve group companies and the supply chain
- Further cultivation of DE&I (Diversity, Equity & Inclusion)
- Securing reasonable construction periods with eight days site closed every four-week plus extra days

### 3. Identify promising markets and enhance adaptability

- Apply our capabilities and technologies in taking on super large-scale projects
- Scaling the Building Life Cycle (BLC) Business
- Expansion of orders through proposals that leverage both traditional and cutting-edge technologies (environment, disaster prevention, wooden architecture, smart cities, nuclear power, etc.)
- Building sales and order acceptance strategies in line with the local economy

### Strength

- Delivering reliability and satisfaction to meet client needs
- Comprehensive strength backed by talent with devotion and a spirit of innovation as well as technological diversity
- Competitive edge in winning contracts that comes from our nationwide sales base, extensive track record, and advanced proposal capabilities
- Development of advanced technical skills that continue to evolve, including high-rise buildings, semi-conductors, and data centers
- Project execution driven by strong group collaboration and a robust supply chain

### Measures to Resolve Current Issues

- Managing appropriate business volume and ensuring profit levels
- Achievement of contract terms that result in a fairer sharing of risk
- Ensuring safety and quality through meticulous management
- Securing a workforce for the future through further improved treatment and development of skilled workers
- Promoting diverse work styles, attracting top human resources, and enhancing cross-functional collaboration within the organization

## TOPICS

### Shimizu Achieves the Highest Level of WELL Certification—A First in the Chukyo Region

Completed in March 2024, the Nagoya Shimizu Fukoku Seimei Building is a sustainable office designed for a regional urban setting. The protruding external lattice is designed so that each section supports the others, with structural innovations at the joints helping to streamline construction and reduce labor. It is also designed with future regional needs in mind, enabling it to adapt to changing construction methods and usage patterns in line with societal shifts.

Our Nagoya Branch, located on the 10th and 11th floors, became the first in the Chukyo region to earn the highest WELL Certification\* rating of Platinum. In addition to enhancing space efficiency and productivity, the office supports employee well-being. The atrium lounge connecting the two floors fosters communication and collaboration.

We remain committed to advancing architecture that reflects the needs of the times and contributing to the creation of a sustainable society.

\*WELL Certification: An international standard that evaluates and certifies spaces based on their impact on human health and well-being



NAGOYA SHIMIZU-FUKOKU BUILDING(Nagoya City, Aichi)  
Front exterior (left), open-ceiling lounge (right)

### Office Re-Novation: Evolving Workspaces That Stand the Test of Time

Dai-ichi Life Hibiya First is a landmark building with a rich history, originating from the Dai-ichi Life Building constructed by Shimizu Gumi in 1938. An expansion and renovation was carried out by our company in 1995, and in 2024, we once again took on both the design and construction for its latest renovation.

Guided by the concept of a “Connected Well-being Office,” the latest renovation transformed the building into a headquarters designed to coexist harmoniously with its tenants. Through strategic changes, such as relocating the entrance and floor core, reconfiguring floor layouts, repurposing existing materials, and introducing nature-inspired design, we created a space that honors the original design while delivering a new level of experiential value. With its focus on environmental sustainability and contributions to the local community and society, the building is expected to serve as a space that connects generations with a forward-looking perspective.

We will continue to leverage our extensive construction track record and advanced technology in renovation work to meet a wide variety of needs.

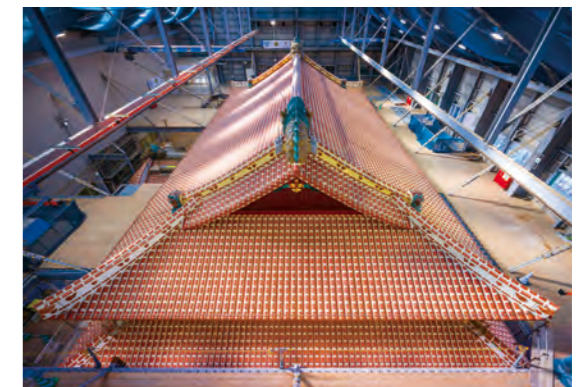


Dai-ichi Life Hibiya First(Chiyoda-ward, Tokyo)  
Front exterior (left) Workplace (right)

### Recreating the Iconic Deep “Ryukyu Red” of Shuri Castle

At the main hall of Shuri Castle, now under restoration by our joint venture, full-scale application of the final exterior coat, using paint pigmented with Kushimagiri Bengara, is underway.

To shield the main hall from Okinawa’s intense sun and hot, humid climate, the topcoat uses a specially formulated paint, combining heat- and water-resistant bengara pigment with tung oil to prevent moisture and leakage. The pigment used in the original structure—unidentified during the Heisei-era restoration—has now been determined, and through extensive studies and testing, we are working to faithfully recreate the rich, deep hue of “Ryukyu Red.” Notably, 30% of the painting team consists of young workers in their 20s who are actively learning and carrying on traditional techniques. We will continue to pass on our traditional architectural techniques, which are our roots, to the next generation. Additionally, we will contribute to the preservation, repair, and restoration of cultural heritage by utilizing the expertise we have developed.



Shurijo Castle Main Hall Reconstruction Project (Naha City, Okinawa), finish coating



Using Digital Technology to Dissect the Important Cultural Properties of Daihonzan Eiheiji Temple!  
— Creating a Digital Twin of Temple Building Construction Using Precise Point Cloud Surveying

<https://www.shimz.co.jp/en/company/about/news-release/2024/2024004.html>

# Civil Engineering

Contributing to the achievement of SDGs through business activities



Construction of the Kojo overbridge No. 2 in the Shin-minamata Station precincts and three other works (Minamata City, Kumamoto Prefecture), with bridge erection across the Kyushu Shinkansen using the launching erection method

**In the Civil Engineering Business, we contribute to the realization of safe, secure, and abundant living for everyone through the development of social infrastructure such as roads, railways, and water and sewer systems.**

We will address society's demands for disaster prevention and mitigation, as well as national resilience, in response to the increasing frequency and severity of natural disasters. At the same time, we will appropriately respond to the dynamic changes in the environment surrounding the Civil Engineering Business, including measures to manage aging infrastructure and initiatives to achieve carbon neutrality. We will build a stable revenue base and develop social infrastructure under a system of reliable quality control and safety management. We will strive to meet the construction needs of society and our clients and solve their problems by developing and implementing new technologies and expanding our business into new fields.



**Kentaro Ikeda**

Executive Vice President and Representative Director  
Executive Vice President and Executive Officer  
Director, Civil Engineering Headquarters,  
In charge of Safety & Environment

## Key Strategies

Initiatives to pursue technology, quality and profit improvement in the Civil Engineering Business and realization of a sustainable construction industry

### 1. Build a stable revenue base

- Enhance the capabilities of sales, design-build organizations
- Make order acceptance decisions based on business activities that emphasize profitability and stricter pre-order screening
- Ensure strict quality and safety management and enhance the precision of cost and process control

### 2. Build a production system that allows the pursuit of the appeal of monozukuri

- Boost the number of civil engineers and systematically develop talent to establish a reliable production system
- Improve site capabilities through strategic allocation of talent by specific job category and field
- Improve productivity through the promotion of technological development using ICT and AI, and their early implementation and establishment at sites
- Improve the ability to carry out projects that involve group companies and the supply chain
- Increase work efficiency by securing a reasonable construction period with eight plus days off every four weeks and utilizing ICT and AI

### 3. Strengthen the ability to address promising markets with the aim of improving profitability

- Contribute to national resilience through the construction of high-quality infrastructure
- Roll out development technologies and expand orders in the infrastructure renewal market
- Improve the technological competitiveness of facilities related to renewable energy

### Strength

- Accumulate an extensive track record of construction in large-scale, high-difficulty projects
- Realize high quality through advanced construction technology and a reliable production system
- Achieve high productivity through efficient construction and management using ICT
- Contribute to the field of renewable energy, such as wind and hydroelectric power generation
- Collaborate with group companies in large-scale expressway renewal

### Measures to Resolve Current Issues

- Secure the revenue base through the continuous receipt of orders for large-scale, high-difficulty projects
- Maintain and build a reliable production system by securing and developing outstanding talent
- Further utilize ICT and AI, and develop/implement labor-saving and automation technologies
- Accumulate technical skills in the field of offshore wind power and expand orders
- Achieve synergy through strengthened collaboration with group companies

## TOPICS

### SC Premium Belt Conveyor: Fully Operational in the Asuwagawa Dam Construction

We are advancing the on-site implementation of the SC premium belt conveyor, a dam concrete transport system, which contributes to improving productivity in dam construction projects. The SC premium belt conveyor is a sealed, suspended belt conveyor system that transports materials in a bag-like conveyor belt. This system efficiently delivers concrete from the batch plant to the dam site while preventing material separation. It boasts a transport capacity of up to 280 m<sup>3</sup> per hour when installed on a 45-degree incline, offering 2.8 times the capacity of traditional fixed cable cranes. It has currently been introduced for the main construction of the Asuwagawa Dam and is being operated in accordance with site conditions.

We will contribute to disaster prevention and mitigation in the region and to increasing national resiliency while ensuring safety and aiming for the earliest possible completion of the dam.



SC premium belt conveyor installation (Ikeda-cho, Imadate-gun, Fukui Prefecture)

### Toward Restoring Blue Skies over the Nihonbashi Bridge: Removal of Expressway Entrance and Exit Bridge Beams Completed

The Tokyo Metropolitan Expressway Inner Circular Route, which spans over the Nihonbashi River, has been in use for over 60 years and has sustained significant damage due to heavy usage. To address this, in collaboration with the surrounding redevelopment plans under the National Strategic Special Zone urban regeneration project, the underground conversion project from Edobashi Junction to Kandabashi Junction has commenced. We undertook the removal and replacement of bridge pier foundations to make way for future underground tunnels, as well as the removal of the entrance and exit ramps of the Gofukubashi and Edobashi.

The construction site was located next to an active expressway and directly above the Nihonbashi River, with boats passing below and landmarks like the Nihonbashi Bridge nearby. Despite these challenging conditions, the project was successfully completed through innovations such as piloting the new deck slab Cool Cut method\* and using a barge to suspend and lower removed large steel bridge beams in single blocks.

We will continue to contribute to the advancement of safe and reliable infrastructure renewal.

\*A method for horizontally cutting concrete bridge deck slabs to improve the efficiency of the removal process.



Removing a steel bridge beam by suspending and lowering it with the use of a barge (Chuo Ward, Tokyo)



Completion of bridge beam and bridge pier removal

### Contributing to the Development of Mountain Tunnel Excavation Technology: Completion of the Takimurozaka Tunnel

The Takimurozaka Tunnel is part of the National Route 57 Takimurozaka Road, a key section of the Naka-Kyushu Odan Road. We were responsible for the construction of the main tunnel (2,679 m long) and escape tunnel (3,069 m long) in the western section (Sakanashi Lot). Construction began in 2018, and we implemented Shimizu Smart Tunnel technology, incorporating the AI Cycle Automatic Judgment System and Heavy Machinery Collision Risk Reduction System to streamline the excavation process. The former improved the efficiency of construction management, while the latter ensured safety through effective coordination between workers and machinery, earning the Mukaidono Safety Award. For the tunnel lining, we used one of Japan's largest precast concrete linings, overcoming both process and safety challenges. The project was successfully completed and continues to contribute to the development of mountain tunnel excavation technology.



One of the largest precast linings in Japan (intermediate pump room) (Aso City, Kumamoto Prefecture)



Business Topics  
Dreaming of New Energy  
Shaping the Future of Large Onshore Wind Turbines  
<https://www.shimz.co.jp/en/topics/civil/item05/>



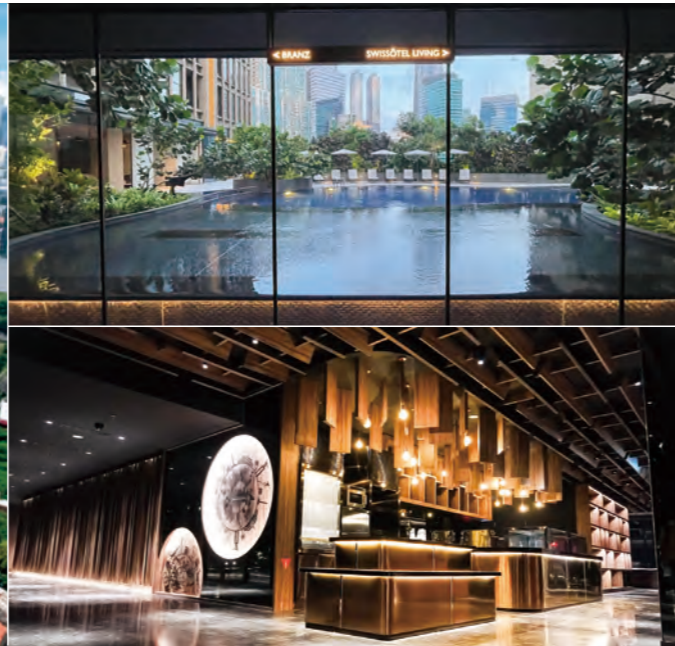
Business Topics  
Building the Future with Renovashi  
Bridge Renewal Initiatives  
<https://www.shimz.co.jp/en/topics/civil/item06/>

# Overseas Construction

Contributing to the achievement of SDGs through business activities



Left/Upper right: BRANZ Mega Kuningan and Swissotel Living Jakarta Mega Kuningan (Indonesia)



Lower right: Swissotel Living Jakarta Mega Kuningan Lobby (Indonesia)

**By strengthening our business foundation in each country and expanding our business areas, we will deliver more regionally tailored solutions to a wider range of clients, more quickly.**

We have been involved in a variety of construction projects across 66 countries worldwide. Main regions we are focusing on now are Asia, North America, and Africa. We are currently working on revitalizing our business platforms in various countries. While supporting regional offices to become self-determining, we are introducing a new structure, “company,” at our directly operated regional offices. This is allowing us to evolve into a system that can swiftly meet our clients’ needs on the ground. To expand our business areas and strengthen profitability, we are also accelerating alliances and M&As. In FY2024, we brought two construction companies from Asia and North America into the Group. The Shimizu Group will continue its journey to deliver valuable services to societies and clients in each country.



**Hitoshi Fujita**  
Senior Managing Officer  
Director, Global Business  
Headquarters

## Key Strategies

Enhancing our business platform and sustainable and stable business development appropriate for each country and region

### 1. Enhancing business platform by making each regional office self-determining

- Empower regional offices based on the structure of each office
- The governance structure appropriate for each region, business and organization
- Innovate headquarters functions to support the network of empowered regional offices

### 2. Sustainable and stable business development appropriate for each country and region

- Business activities based on local needs, with a careful evaluation of risks and profitability
- Enhancing efforts on ODA projects through stronger collaboration with both internal and external partners
- Accelerating external growth while ensuring the sustainability and growth of overseas subsidiary operations

### 3. Diversify revenue sources by harnessing the Group's collective strength

- Expand fee businesses such as CM and consulting
- Pursue synergy with process EPC/renewable energy/environmental remediation and other businesses
- Strengthen collaboration with Real Estate Investment and Development Business

### Strength

- A proven track record and trust built up in many countries
- Diverse proposal capabilities based on technical capabilities, design-build expertise, and others
- Abundant global talent to support each country and region
- Proactive initiatives for WELL certification and ZEB

### Measures to Resolve Current Issues

- Concentrate management resources on sectors and markets with high growth potential
- Provide flexible client support via each regional office
- Propose in-depth solutions by leveraging organizational capabilities
- Ensure and improve construction quality

## TOPICS

### Identifying Global Trends and Meeting Clients' Needs (Building Construction)

We are involved in numerous architectural projects, with a focus on Asia and North America. The projects span a wide range of sectors, including office buildings, production and logistics facilities, as well as data centers and semiconductor-related facilities, which are in high demand worldwide, and medical and research facilities that require exceptional architectural performance. Building on our past results and trust, we continue to support the capital investments of Japanese clients while also actively expanding our services to local and multinational companies. We meet the needs of all clients by collaborating closely with local partners. In terms of organizational structure, we are simultaneously strengthening governance and making regional offices self-determining. By harnessing Shimizu's full capabilities, we will continue to evolve into a corporate group that delivers locally tailored solutions quickly.



Daikin Vietnam Headquarter Building / Daikin Air Tower (Vietnam)

### Contributing to Infrastructure Construction in Asia and Africa (Civil Engineering)

Infrastructure supports our daily lives and economic activities. We have managed numerous projects across Asia and Africa. In 2024, Vietnam's first subway, the Ho Chi Minh City Urban Railway Line 1, began operations. We are currently working on the Philippines' first subway and the extension of the North-South Line of the Jakarta MRT\* in Indonesia. We are also making a return to Nepal after 30 years. There, we are establishing and upgrading water supply facilities in the southeastern region. In Africa, with a base in Nairobi, Kenya, we are involved in infrastructure construction across West and East Africa. In 2025, we entered Tanzania, where we were awarded the port development project on the shores of Lake Tanganyika in the west. While continuing to contribute to each country through infrastructure development, we will focus on the deployment of Japanese technology and expertise, and the employment and development of local human resources.



Metro Manila Subway CP101 (Philippines)

\* MRT stands for Mass Rapid Transit.

### Expanding Our Business Domain in Asia and the United States

As part of our growth strategy, we are strengthening profitability and expanding our business areas through alliances and M&As, with a focus on North America and Southeast Asia. In November 2024, we welcomed Grandwork Interior Pte Ltd, a high-end fit-out company headquartered in Singapore, and in February 2025, we welcomed Cross Management Corp., an alterations and interiors construction company based in the United States, into the Shimizu Group. By bringing both companies into the Group as subsidiaries, we have expanded the services available to our clients and enhanced our ability to meet diverse needs. Moving forward, we will continue to advance collaboration with our partners to provide comprehensive solutions in the construction sector across various countries.



Minamoto Kitchoan New York Fifth Avenue Building (USA), completed in collaboration with Cross Management.



News Release  
U.S. Alterations and Interiors Company “Cross Management Corp.”  
Joins Shimizu's Family as a Subsidiary

<https://www.shimz.co.jp/en/company/about/news-release/2025/2024066.html>



News Release  
Awarded Contract for Renovation Project for Kigoma Port,  
a trading hub in West Tanzania

<https://www.shimz.co.jp/en/company/about/news-release/2025/2024062.html>



News Release  
Singapore Interior Construction Company “Grandwork  
Interior Pte Ltd” Joins Shimizu's Family as a Subsidiary

<https://www.shimz.co.jp/en/company/about/news-release/2024/2024048.html>

# Investment and Development (Real Estate Development)

Contributing to the achievement of SDGs through business activities



Exterior rendering of S-LOGI Matsubara (Matsubara City, Osaka Prefecture)



Nagoya Shimizu Fukoku Seimei Building (Nagoya City, Aichi Prefecture)

**To respond flexibly to the changing business environment, we will advance a real estate development business that generates stable revenue through both leasing and sales. We aim to build an optimal portfolio by leveraging the technology and collective strength of the Shimizu Group.**

Aiming to establish a real estate value chain and expand our stock business through group collaboration, Shimizu Real Estate Asset Management Corporation (SRA) has been actively managing private REITs and private funds, and the asset portfolio is steadily growing.

We will continue to prioritize sustainable management in our business planning while also pursuing new growth fields and reforming our business promotion structure to expand our businesses and enhance our earnings power.



**Kounari Yotsumoto**

Executive Officer  
Director, Investment and Development Div.

## Key Strategies

**Aiming to build an optimal portfolio by leveraging the technology and comprehensive capabilities of the Shimizu Group, promote real estate development business that generates stable earnings**

### Domestic

- Expanding business domains and diversifying assets by pursuing new growth fields
- Promote value-add investments in existing buildings
- Increase the value of real estate brands such as i-MARK, S-LOGI, and VIEQU
- Extend the real estate value chain through intra-Group collaboration
- Create new business models by adopting innovative funding methods
- Add more functions and expand regions through business alliance and M&A
- Advancing sustainability management that balances social responsibility with business opportunities

### Overseas

■ Create projects based on newly developed investment strategies and business models

[Asia and North America]

- Executing investments in new development projects by strengthening partnerships with business partners

■ Re-examine and expand our real estate investment portfolio. Increase our presence in focused areas and enhance profitability.

### Strength

- Extensive domestic and international sales network built over the course of more than 220 years.
- Collective strength of a general contractor (architecture, civil engineering, engineering, group companies)
- Cutting-edge technologies in the DX, Smart City, environmental, and BCP fields
- Ownership of investment advisory firms that contribute to the expansion of recurring revenue model businesses in real estate

### Measures to Resolve Current Issues

- Generate new deals by matching sales information from a wide range of clients
- Take on properties of varying sizes and grades through collaboration within the Group
- Further collaboration with business partners for localization overseas
- Develop business from the perspective of sustainability management, leveraging environmental technology and expertise
- Promote utilization of external funds through private REITs and promote a cyclical real estate business

## TOPICS

### Construction of In-House Developed Logistics Facility S-LOGI Matsubara Begins

The construction of our in-house developed logistics facility, S-LOGI Matsubara, in Matsubara City, Osaka Prefecture, began in November 2024. This four-story, multi-tenant logistics facility will have plates of approximately 23,000m<sup>2</sup> per floor and features a double rampway, allowing large vehicles to directly access each floor. The facility will also provide amenities in the shared spaces, including an unmanned convenience store and a cafeteria, ensuring a comfortable working environment for employees. In terms of sustainability, the facility has earned the highest ZEB (Net Zero Energy Building) certification. Furthermore, the facility will be powered entirely by green electricity sourced from renewable energy. This includes the full electricity generated by solar panels installed by our Green Energy Headquarters, as well as green power from solar, biomass, and other renewable sources supplied by our wholly owned subsidiary, Smart Eco Energy Co., Ltd. (SEE.), which is engaged in the Retail Electricity Business.



S-LOGI Matsubara Construction Site (Matsubara City, Osaka Prefecture)

Schedule  
Completion: May 2026

\* The information provided is accurate at the time of publication but is subject to change.

### The Royal Park Hotel Maihama Resort Tokyo-Bay Set to Open in 2026

The name of the hotel, part of the joint project tentatively named the Maihama Hotel Project, developed in collaboration with a special-purpose company established by Mitsubishi Estate Co., Ltd., has been decided as "The Royal Park Hotel Maihama Resort Tokyo-Bay." It will be operated by Mitsubishi Estate Hotels & Resorts Co., Ltd. It is scheduled to open in February 2026. Its 750 rooms make it one of the largest in the area, and it is located within walking distance of a large theme park and about a five-minute drive from JR Maihama Station. Designed with families and groups in mind, the hotel will primarily feature rooms for four people, with some rooms accommodating up to six people. The interior design will balance excitement with functionality and environmental sustainability. By integrating design-build, investment, and development, we aim to secure profits through real estate development and management while also being environmentally friendly (acquiring ZEB Oriented certification). We also hope to contribute to the local tourism industry and strengthen our relationships with the various companies involved in hotel development and operations.



The Royal Park Hotel Maihama Resort Tokyo-Bay (Urayasu City, Chiba Prefecture)

Left: Exterior rendering

Right: Lobby rendering

Schedule  
Completion: October 2025  
Opening: February 2026

\* The information provided is accurate at the time of publication but is subject to change.

### Value Improvement Strategy for Acquired Properties

In April 2024, we acquired the Prime Suidobashi Building and completed value-improving construction in the first-floor common areas. The concept was to transform the simple passageway into a bright, comfortable space with diverse seating options, completely overhauling the space's design. Additional improvements include the installation of a lounge for tenants, automated entrance doors, and updates to plumbing. The new entrance has a bright, open feel, and the enhanced convenience and comfort have been well received by tenants. We will continue to actively pursue value-improving projects, not only for new developments but also to increase the sustainability of existing buildings.



Inside the Prime Suidobashi Building (Chiyoda Ward, Tokyo)

Completion: February 2025

# Engineering

Contributing to the achievement of SDGs through business activities



Construction of wind turbines at the Abukuma Wind Farm (along the ridgeline spanning four municipalities: Tamura City, Okuma Town, Namie Town, and Katsurao Village in Fukushima Prefecture)

**We support the creation of a zero-carbon society and the development of safe, secure, and healthy living environments through engineering. This includes GX using renewable energy facilities and DX through the shift to smart buildings and towns.**

We aim to expand earnings by pursuing new opportunities in the four core fields of energy, environmental purification, plants, and information, while stabilizing revenue through sustained and strengthened growth. We will also strive to utilize the potential of these divisions without limiting ourselves to the existing framework to cultivate new businesses and create value that exceeds the expectations of society and our clients.



**Yutaka Shimizu**  
Executive Officer  
Director, Engineering Headquarters

## Key Strategies

**By focusing on renewable energy, environmental purification, and plants for advanced/strategic products, as well as DX solutions, we have successfully expanded our business scale.**

### 1. Accurate understanding of growth markets and strategic initiatives to expand business scale

- Secure orders for domestic and overseas wind power generation projects amid intensifying competition
- Engagement with clients on engineering from the early stages of projects to provide value that exceeds expectations, leading to increased orders

### 2. Stabilization of earnings through business activities that are conscious of the appropriate business volume and portfolio

- Strengthen the sales and execution system through external collaboration with companies in different industries, venture companies, and others
- Secure talents in a way that is not affected by changes in employment conditions or unexpected inflation

### 3. Maintain a growth trajectory and promote expansion into growing domains

- Engage in strategic business development that makes the most of our advantages in each field, including energy, environmental purification, plants, and DX
- Strengthen the process EPC business, expand the SEP chartering business, and commercialize PFAS purification technology as part of promoting the Global Business

### Strength

- A track record of domestic construction using self-propelled SEP vessels and experience in large wind turbine installations in the chartering business
- Plant turnkey orders for pharmaceuticals, food, chemicals, semiconductors, etc.
- Developing purification technologies to address environmental contamination from new substances in groundwater and soil
- Engage in a DX solutions business that addresses facility use and client needs

### Measures to Resolve Current Issues

- Engage in EPC development of offshore wind power through optimal operation of our self-propelled SEP vessels
- Promotion of plant engineering utilizing digital twin
- Implement efforts to clean up PFAS pollution in Japan and overseas.
- Expanding data-driven business through the use of building OS (DX-Core)

## TOPICS

### Plant Field

#### Advancements and Diversification in Food Factory Initiatives

We provide turnkey engineering services that comprehensively take into account the production facilities and buildings of factories involved in the food, pharmaceuticals, semiconductors, and other industries. At a food microorganism production plant, we partnered with the client to build advanced production systems compliant with FSSC 22000, enabling high-level quality control. We will make proposals to optimize the value of facilities by making continuous use of the "Growing Factory.\*"

\*Optimization system for production facilities using Digital Twin



Ikeda Tohka Industries Minoshima Plant – Cultivation Equipment (Fukuyama City, Hiroshima Prefecture)

### Energy Field

#### Expanding Revenue through BLUE WIND SEP Vessel Chartering Business

In the offshore wind farms sector, following our installation of 8 MW turbines in Japan, we chartered the BLUE WIND for two projects in Taiwan, where large-scale turbine installation is moving ahead of Japan. We refined our large-scale wind turbine installation technology. Onshore, we completed wind farms such as the Abukuma Wind Farm, featuring forty-six 3.2 MW turbines—among the largest in Japan—and the Katsurao Wind Farm, with five 3.2 MW turbines.



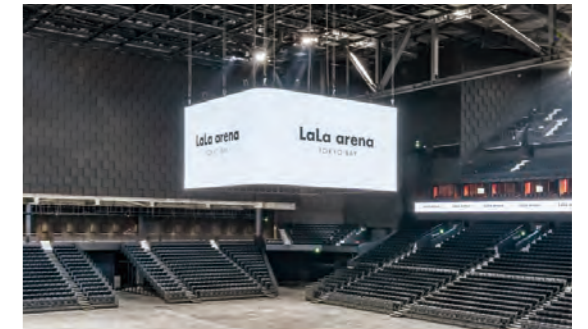
Bubble curtain of Yunlin Offshore Wind Farm construction project (chartered) (Taiwan)

### ICT Field

#### Tailored Facility Solutions for Client Needs

We delivered video and audio systems for a large arena with a seating capacity for over 10,000 people, enabling dynamic productions for events, including sports and concerts.

In the area of digital transformation (DX), we completed verification of outpatient workflow optimization using the "eyeMIRU" system for medical facilities and have launched external sales. We are also continuing to develop DX solutions tailored to production and educational facilities.



LaLa arena TOKYO-BAY center vision (Funabashi City, Chiba Prefecture)

### Environmental Purification Field

#### PFAS Contaminated Soil Purification Testing Conducted in Japan and Overseas

We are conducting on-site remediation trials both in Japan and overseas to verify the effectiveness of our proprietary soil-washing technologies for PFAS-contaminated groundwater and soil. Additionally, we successfully discovered and isolated a new bacterial strain capable of remediation in brackish and seawater environments, advancing our R&D efforts. We remain committed to developing environmentally friendly purification technologies and applying them to real-world projects.



Floatation device (illustration)



News Release  
Effectiveness of Shimizu PFAS Soil Remediation Technology confirmed in the U.S.  
<https://www.shimizu.co.jp/en/company/about/news-release/2024/2024019.html>

# Green Energy Development

Contributing to the achievement of SDGs through business activities



Yamanashi Otsuki Solar Power Plant (Otsuki City, Yamanashi Prefecture)

# Frontier

Contributing to the achievement of SDGs through business activities



Kairos No. 2 rocket, a small rocket for satellite launch



GREEN FLOAT II

We will contribute to achieving carbon neutrality in society by providing green energy.

We aim to contribute to the sustainable development of the Earth and humanity through continued growth investment in frontier domains and the establishment of viable business models.

## Renewable Energy Power Generation Business

We are actively involved in renewable energy generation, including solar, biomass, small-scale hydro, and wind power, as well as storage battery projects. In Otsuki City, Yamanashi Prefecture, we operate a non-FIT solar power plant on company-owned land, providing clients with carbon-free electricity.

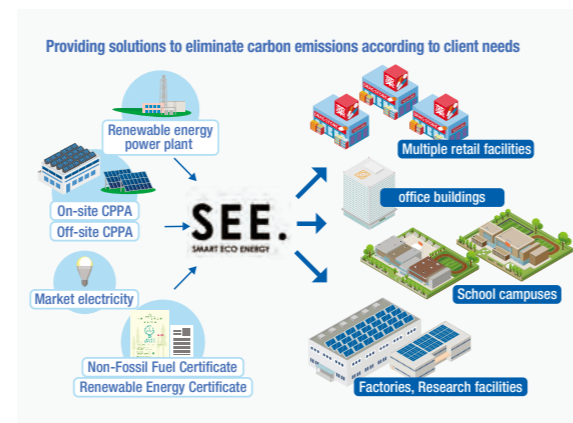
We are participating in efforts to decarbonize the Tokyo Waterfront area by promoting the use of hydrogen. We are helping to realize a carbon-neutral society by advancing the implementation of hydrogen co-firing boilers for district heating, using hydrogen storage alloy tanks jointly developed with the National Institute of Advanced Industrial Science and Technology.



Hydro Q-BiC hydrogen storage alloy tank (inside the Aomi Minami Plant of Tokyo Rinkai Heat Supply Corporation, Tokyo)

## Providing Green Electric Power Solutions

SEE. provides green electricity generated by non-FIT renewable energy sources, such as solar and biomass power plants, along with renewable energy certificates representing the environmental value of non-FIT energy. Its efforts contribute to the realization of a sustainable, decarbonized society that prioritizes environmental responsibility. The company also provides customized decarbonization solutions to meet the diverse needs of its clients, including commercial facilities with multiple locations, school campuses, factories, research facilities, and office buildings, supporting their environmental management goals.



Diverse decarbonization solutions of SEE.

## Space Program: Further Promoting Businesses Utilizing Satellite Data

In addition to our involvement in rocket launch-related business and lunar soil simulant sales, we are expanding services that use proprietary satellite positioning analysis technology to automatically measure structural displacements with high accuracy and low cost—particularly useful in construction and infrastructure monitoring. We are also collaborating with our investee companies, Synspec Inc. and ArkEdge Space Inc., combining their satellite technologies with our data analysis capabilities to develop solutions that contribute to a safer and more resilient society.

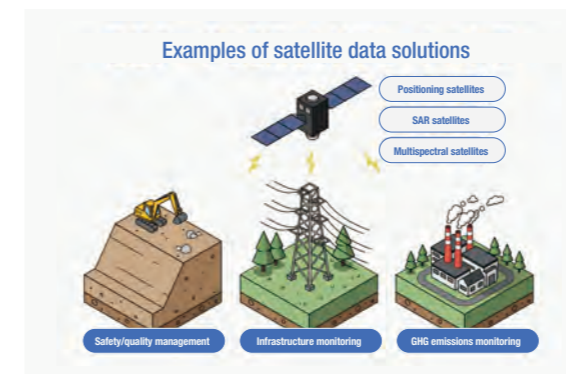


Illustration of satellite data positioning analysis

## Ocean Program: Activities for the Realization of GREEN FLOAT

To address global social issues like rising sea levels due to global warming and land shortages caused by urban population concentration, we are proposing "Float City," a sustainable city floating on the sea with minimal environmental impact both safely and comfortably. To achieve this goal, we will focus on developing technology and creating markets through proof-of-concept experiments with small floating structures. As pioneers in marine city development, we will contribute to the sustainable development of the Earth and humanity by promoting a "Green City" that makes use of the sea.



Demonstration facility (Marine Forest)



**Business Topics**  
 Shimizu Corporation is the Only Japanese Company Taking Part in "Floating Future," a Research Project into Floating City Solutions Underway in the Netherlands  
<https://www.shimz.co.jp/en/topics/frontier/item02/>

# Group Management

Contributing to the achievement of SDGs through business activities



## We intend to build a Group management structure that is both flexible and fast-moving.

The Shimizu Group has 129 subsidiaries, including overseas entities, and 29 affiliated companies. These companies operate various businesses, such as construction, development, engineering, and green energy development.

While keeping capital alliances and M&As in view, we are working to maximize synergy across the Group and promote the flexible deployment of talents. At the same time, by strengthening collaboration and mutual coordination based on smooth communication, we aim to foster unity across the Group and achieve sustained growth and improved performance.



**Takao Haneda**  
Executive Vice President and Executive Officer  
In charge of Group Companies

## Key Strategies

Promoting Group management for sustainable growth and new business domain creation by maximizing Group synergy

### 1. Enhance competitiveness and profitability by promoting growth strategies at each group company

- Improve consolidated profitability by optimizing independent management and group synergy
- Promote new business development through expansion of talents
- Ensure quality in the services provided by each company, which is the source of competitiveness and profitability

### 2. Strengthen management foundation for steady business development in each business segment

- Promote M&A to acquire talents and technological/business expertise, diversify the revenue base, and expand the fields of activity
- Enhance intra-group collaboration and information sharing to improve Group solutions

### 3. Promote digitalization to improve productivity and strengthen talent management capabilities to secure and develop talent

### 4. Strengthen Sustainability Management at group companies and reform the corporate culture to combine the Analects and the Abacus (Ethics and Economics) and enterprising Spirit



Group Companies  
<https://www.shimz.co.jp/en/company/about/group/>

## TOPICS

## The Nippon Road Co., Ltd.

### High-Speed Oval Track Project Awarded in Thailand

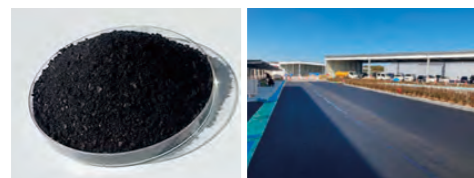
Thai Nippon Road, a local subsidiary of Nippon Road, received an order from Thailand's Ministry of Industry's Thai Industrial Standards Institute to build a high-speed oval test track at the Automotive and Tire Testing, Research and Innovation Center (ATTRIC). The track\* will be approximately 4 km in total length, including about 3 km of banked pavement. It will be Thailand's first full-scale automotive test course with banked turns. ATTRIC is a certification facility for automotive products within the ASEAN region. Since 2018, Thai Nippon Road has worked on several elements of the facility, including noise-testing surfaces, four specialized road types, and access bridges. Leveraging 35 years of experience in Thailand and Nippon Road's advanced technical expertise, the company will continue to contribute to the country's infrastructure development.



4 km test course with Thailand's first full-scale banked turns

\* This is a special type of road surface used to evaluate the high-speed durability and safety of automobiles.

### Commercializing Biochar Ascon, an Environmentally Conscious Asphalt Material



Left: Biochar mixed with asphalt  
Right: Application example at NIPPON ROAD Tsuchiura Techno BASE (Tsuchiura City, Ibaraki Prefecture)

Nippon Road has developed and commercialized Biochar Ascon, a new type of road paving material that uses biochar with CO<sub>2</sub> fixation benefits. Biochar Ascon combines Nippon Road's asphalt mixing technology with Shimizu Corporation's experience using biochar in concrete. It replaces conventional sand and stone powder in asphalt mix with forest-derived biochar. This allows for carbon-neutral production with net-zero CO<sub>2</sub> emissions, and depending on the amount of biochar used, it can even achieve carbon-negative results, where more CO<sub>2</sub> is fixed than emitted during production.

## SC Machinery Corp.

### Crane Assist Now in Operation

SC Machinery has developed Crane Assist, a crane collision warning system that utilizes a Global Navigation Satellite System (GNSS), and has begun deploying it at multiple Shimizu Corporation construction sites. Crane Assist uses high-precision 3D coordinate data to detect the position and angle of the crane boom in real time and alerts the operator to potential collisions. This helps reduce the risk of crane-to-crane collisions on job sites where multiple cranes operate simultaneously.



Display showing operation of six crawler cranes (Capable of displaying a bird's-eye view of the entire cranes from above)



New construction elevator SEC-5000RS

### Development of the SEC-5000RS Heavy-Duty Construction Elevator

SC Machinery, Shimizu Corporation, and Sansei Kenki have jointly developed the SEC-5000RS, one of Japan's largest construction elevators with a maximum payload of 5.0 tons. By expanding the car floor area of the elevator to 1.6 times that of a standard 3.0-ton elevator and equipping it with a variable-speed function based on load capacity, we have achieved the highest vertical transportation performance in Japan. In addition, by separating the drive unit from the elevator car, we have reduced noise and vibration, improving ride comfort for users. The elevator is slated for installation at the new construction site of the Torch Tower, which will be the tallest building in Japan.

## FaB-Tec Japan Corporation

### Winner of Innovation of the Year at The constructsteel Awards 2024

At The constructsteel Awards 2024, hosted by constructsteel under the World Steel Association, FaB-Tec Japan's work on the Ohibashi-Nishi Viaduct was recognized with the Innovation of the Year award, which honors excellence in engineering and technology. To minimize traffic disruption during construction, an innovative method was used that integrated the girder and two piers into a single unit, then lifted and installed the entire structure at once using a multi-axle transporter. This approach greatly improved workability and shortened installation time for an overnight completion, which led to the award.



Multi-axle transporter installation between P1 and P2 of Ohibashi-Nishi Viaduct (commissioned by the Chugoku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism)

## MARUHIKO WATANABE CONSTRUCTION, Inc.

### Construction of Hardball Baseball Field in Moerenuma Park

Moerenuma Park, a beloved green space for Sapporo residents, was developed as a core facility of the city's Green Belt Ring Plan, which connects parks and green spaces across urban areas. Maruhiko Watanabe Construction was responsible for building a hardball baseball field within the park, which was originally designed by renowned sculptor Isamu Noguchi. Given the site's history as a former waste landfill, the foundation was designed to avoid penetrating waste layers, and special attention was paid to mitigating ground subsidence. As a Group company based in Hokkaido, Maruhiko Watanabe Construction continues to support the development and revitalization of the local community.



Baseball field at Moerenuma Park (Sapporo City, Hokkaido Prefecture)

		Net sales in FY2024 (Millions of yen)		
Major Domestic Group Companies	Operations Related to Construction	THE NIPPON ROAD CO., LTD. Group	Road construction and paving work	164,294
		SHIMIZU BLC Co., Ltd.	Building renewal and management business	73,624
		FaB-Tec Japan Corporation	Steel frame and bridge fabrication contract work	44,720
		SC Machinery Corp.	Construction machinery rentals	34,892
		MILX Corporation	Sales and lease of construction equipment and materials and insurance brokerage business	31,102
		MARUHIKO WATANABE CONSTRUCTION, Inc.	Building construction contract work	28,542
		Daiichi Setsubi Engineering Corporation	Building facility construction contract work	17,579
		Nihon Kensetsu Co. Ltd.	Building construction contract work	14,927
		SC PRE-CON CORP.	Manufacture, sale, and construction of precast concrete products	6,133
		PD SYSTEM CORPORATION	Building design and management	5,684
		FIELD FOUR DESIGN OFFICE Co., Ltd.	Interior and landscaping design and supervision work	441
		Shimizu Comprehensive Development Corporation	Real estate development business, building management business, and lease brokerage business	34,246
		Shimizu Real Estate Asset Management Corporation	Investment management	407
		MINATO JISHO CORPORATION	Real estate sales business and real estate leasing business	499
Operations Related to Real Estate	Total Office Partner, Inc.	Management of Shimizu Corporation office buildings, public relations and advertising, clerical work, and personnel dispatch business	8,798	
	Ohsaki Research Institute, Inc.	Research, development, contracting, and consulting for analysis methods required to design nuclear structures and other special structures	522	

		Net sales in 2024 (Millions of yen)		
Major Overseas Group Companies	Operations Related to Construction	Shimizu North America LLC	Building construction contract work (Canada, U.S., Mexico)	16,203
		Shimizu Vietnam Co., Ltd.	Building construction contract work (Vietnam)	15,141
		Shimizu Corporation (China) Ltd.	Building construction contract work (China)	9,083
		Thai Shimizu Co., Ltd.	Building construction contract work (Thailand)	9,027
		PT Shimizu Bangun Cipta Kontraktor	Building construction contract work (Indonesia)	6,300
		Shimizu Corporation India Pvt. Ltd.	Building construction contract work (India)	6,113
		Shimizu Philippine Contractors, Inc.	Building construction contract work (Philippines)	3,395
		Grandwork Interior Pte Ltd	Interior fit-out work (Southeast Asia)	— ▶P.53
		Cross Management Corp.	Renovation and interior fit-out company (U.S.)	— ▶P.53
		Operations Related to Real Estate	Shimizu Realty Development (U.S.A.), Inc.	Real estate development business, real estate investment business (U.S.)
	Shimizu Investment (Asia) Pte. Ltd.	Real estate development business, real estate investment business (Southeast Asia)	104	
Operations Related to Engineering	Perigon International Inc.	Manufacturing facility engineering services (U.S.)	845	

# Sustainability

Our company's credo is "The Analects of Confucius and the Abacus," and based on this philosophy, We engage in business activities, not only for our company, but also with a strong awareness of the sustainability of society and the environment.

In the background is NOVARE Hub

- 1 Environment ..... P.70
- 2 Social ..... P.80
- 3 Governance ..... P.90

## Roundtable Discussion: President and Outside Directors

### Exploring the Essence of Sustainability Management—Shimizu's Current Position and Future Outlook

Shimizu has a history spanning 221 years. At the heart of Shimizu's journey are its founding spirit and the principles of The Analects and the Abacus. As the world changes and the need for sustainability management and solutions to social issues grows, how will Shimizu honor its traditions while taking on the challenge of shaping a more sustainable future? Top management and outside directors came together to share their views on where Shimizu stands today in its sustainability journey and where it is headed.



Yoshiki Higashi Senior Managing Officer In charge of Sustainability × Tamotsu Iwamoto Director × Mayumi Tamura Director × Tatsuya Shimmura President × Yumiko Jozuka Director × Junichi Kawada Director

### Sustainability Management Of Shimizu

**Higashi** As a construction company, our mission is to help build the foundations of society and support better living for all. To do that, both our industry and Shimizu itself must be sustainable. Our dedication to the founding spirit and our corporate credo, The Analects and the Abacus, lies at the very heart of Shimizu's approach to sustainability. To begin, I would like to hear your perspectives on how you view our business philosophy up to now.

**President** Since our founding 221 years ago, we have remained true to the principles that define us: customers first, sincere monozukuri (craftsmanship), spirit of the household car-

pent, and spirit of innovation.

Every time I meet with clients as president, I feel the deep sense of trust built over many years. I believe this trust is founded on our consistent commitment to working closely with clients, sincerely tackling their challenges, and our unwavering dedication to delivering value. It is because every single employee has worked diligently and sincerely in their respective roles that Shimizu stands where it does today.

**Iwamoto** The reason our company has endured for so long is likely rooted in our steadfast commitment to the founding spirit. Shimizu is a company known for its integrity and sincerity; not

## Roundtable Discussion: President and Outside Directors



Our dedication to tackling our clients' challenges head-on, and our constant pursuit of delivering true value is the foundation of trust.

**Tatsuya Shimmura**  
President

only in serving clients, but also in building strong, trustworthy relationships with business partners.

**Tamura** Being sincere is just as important as being earnest. It is only through sincerity that a company can maintain our commitment to doing what needs to be done, rather than focusing on maneuvering skillfully or playing politics. I believe that, in the long run, this mindset fosters a deep sense of trust and reassurance among Shimizu's clients.

**Kawada** The company has consistently maintained a customers first approach. While generating profit is certainly important for any company, I firmly believe earning and maintaining the trust of society is even more essential.

**Iwamoto** Beyond the company's founding principles, I believe its commitment to CSV\* management—balancing economic and social value—was also shaped by having Eiichi Shibusawa serve as an advisor during the Meiji era.

\*CSV stands for Creating Shared Value.

**Jozuka** While many companies are now embracing sustainability management, it has long been a core part of Shimizu's approach. It is extremely valuable that the company has consistently taken thoughtful steps to embed this mindset throughout the organization.

Whenever I visit a construction site and speak with employees, I am struck by the earnest dedication of both the younger staff and seasoned professionals. I believe this spirit is the result of the values the company has worked so hard to instill over the years.

**President** Thank you. As President, hearing that makes me very happy.

**Iwamoto** I strongly feel that our employees possess a deep sense of attachment and pride toward the company. I believe that the feelings of each and every one of these employees serve as the driving force behind our efforts to improve and develop the company.

**Kawada** I agree. It is clear that Shimizu's employees genuinely care about the company and truly enjoy their work. The employees have a deeply rooted awareness that their work contributes to society, and I believe this mindset fosters a positive cycle that fuels the company's energy and momentum.

**Tamura** I believe that stems from the company's trust in its employees and its commitment to supporting their growth. I hope the company will continue to boldly embrace the future with a spirit of challenge, guided by its corporate credo The Analects and the Abacus, always discerning what is right and what must be done, and trusting in the growth of both the company and its people.

## Global Trends

**Higashi** In recent years, as perspectives on sustainability have diversified, negative views and cautious movements have also begun to emerge. In the United States, some companies are reevaluating their ESG and sustainability policies. Given this situation, how do you view the significance of our company continuing to promote sustainability management?

**Jozuka** I see the pushback against ESG and sustainability in the United States is temporary. ESG will continue to grow as a global trend, including in Europe. Sustainability is essential to the growth of both businesses and society, so I believe it is crucial for Shimizu to deepen its understanding and turn that understanding into action.

**Tamura** I believe sustainability management is not an end in itself, but a means. If the company were to lose sight of that, it would risk falling into a negative cycle of superficial efforts, so-called ESG-washing, where the focus is only on appearances or hitting numerical targets, without real substance or meaningful impact on profits.

**Iwamoto** The company's DNA, cultivated and handed down through generations, is something it must continue to uphold, no matter how the times may change. That is a core value it must never lose sight of.

**President** I agree. It is important that we stay grounded in a clear vision of the kind of company we want to be, rather than reacting to short-term changes in the external environment. While adapting to the times is important, I believe we must remain steadfast in upholding the values that should never change.

**Higashi** At IR and SR meetings, I often hear questions like, "Sustainability may involve tackling social issues, but how does it contribute to corporate earnings?" Sustainability efforts may not always yield immediate results, but I'd like to hear your thoughts on why it is important to stay committed over the long term.

**President** Corporate value cannot be measured solely by financial performance, so I believe sustainability should not be discussed based solely on economic rationality. We view social issues not just as challenges for our company, but as broader concerns facing Japan, the international community, and the planet. We place great importance on how we, as a company, can contribute. I believe it is essential to clearly communicate the significance of these efforts and values to our stakeholders and to proactively share our message.

**Tamura** Diversity is vital to sustainability management, but efforts such as promoting women's participation take time before meaningful results become visible. Looking ahead, I want the company to be a place where everyone with the drive to succeed has opportunities, regardless of age, gender, or nationality. I believe that kind of inclusive environment—where diverse perspectives are freely shared—is what sparks true innovation. I personally hope to support and observe the development of such a corporate culture over the long term.

**Kawada** While many sustainability-related KPIs are based on international benchmarks, Japan's leading companies have long pursued the sustainable growth of business and society, even before the concept of sustainability became widely recognized. I



Sustainability is essential to the growth of both businesses and society. What matters most is deepening our understanding and turning it into action.

**Yumiko Jozuka**

## Roundtable Discussion: President and Outside Directors

believe this is something the company should continue to uphold as part of its broader pursuit of happiness. Building on that

### Business Development and Challenges

**Higashi** Next, please share your thoughts on the future direction and challenges for our company as we advance our sustainability management.

We are currently pursuing a range of forward-looking initiatives, including the development of our environmental vision and the advancement of hydrogen-related technologies. With that in mind, we would like to hear your thoughts on what will be essential to ensure sustainable business development moving forward, as well as any current challenges or areas in need of improvement.

**President** To start, I believe it is essential to steadily implement initiatives in line with the policies we have already announced, including our environmental vision. Hydrogen-related technologies have yet to reach widespread adoption, and overcoming a range of technical challenges remains necessary. In our offshore wind power business, which utilizes our self-propelled SEP vessel, I believe a key challenge lies in establishing effective mechanisms for accurately identifying the needs of clients and society as we work toward future business expansion.

**Kawada** One of the reasons decarbonization efforts have been slow to gain traction is the associated rise in costs. Energy providers are striving to lower costs to encourage wider adoption, but for example, renewable diesel (biodiesel) currently costs three to four times more than conventional diesel fuel.

Since April of this year, the company has begun including the

foundation, I believe Shimizu should establish its own unique KPIs to drive more practical and effective initiatives.

cost of introducing green electricity, one of the additional expenses at its construction sites, as part of its construction costs. It also plans to begin treating biodiesel costs as part of construction costs in the near future, with the aim of raising environmental awareness among employees. Concrete initiatives are already being rolled out step by step. I believe that thoroughly planning and executing initiatives on the ground is a critical component of effective sustainability management.

**Iwamoto** Personally, I see overseas expansion as essential for future growth, but earning genuine recognition from local communities is something that will likely take decades. That said, I believe such long-term commitment is essential if the company is to pursue overseas expansion and ensure continued sustainable growth.

**Tamura** I agree. Shimizu needs to actively lay the groundwork for expanding its business overseas. While domestic construction demand remains strong for now, it is expected to decline in the future due to a shrinking population, which is why I believe the company should begin taking action now.

**Jozuka** I agree, as relying solely on the domestic market carries risks. The company has strong technological capabilities, and I believe it can put that strength to use as it expands into international markets. At the same time, I believe it is vital for the company as a whole to embrace a global mindset where

Initiatives to raise environmental awareness among employees is a critical component of effective sustainability management.

**Junichi Kawada**



individuals from diverse departments, expertise, and experiences can share ideas and contribute actively, both in Japan and abroad, regardless of age, gender, or nationality.

Shimizu is also taking on the challenge of creating new businesses, and it is the employees' ideas that are the driving force behind those efforts. To harness those ideas, I believe it remains essential to foster a workplace where younger employees feel comfortable speaking up. Since the organization tends to operate in silos, it is important that the company continues fostering a culture of open communication across departments where everyone feels free to share their ideas.

**Iwamoto** Breaking down organizational barriers is no easy task, but I believe it is important that the company begins approaching its work with a company-wide perspective.

**President** Yes. We will keep that firmly in mind and approach it with intention.

**Tamura** I also hope you will approach the domestic labor shortage with a greater sense of urgency by actively pursuing technological innovation, leveraging AI, and driving DX initiatives to achieve operational automation. On top of that, I believe you should strengthen your public relations efforts to further raise the company's visibility in society.

**President** I agree. Given our serious-minded corporate culture, we sometimes hesitate to share our efforts externally, thinking they may not warrant public attention. But I believe we should actively promote the work we are doing outside the company. I also believe that clearly communicating the outcomes of initiatives driven by the Choukensetsu mindset—both internally and externally—will help further accelerate innovation across the company. We are committed to continuously evolving as we work toward creating new value.



Alongside global expansion, we encourage proactive efforts in leveraging AI and DX.

**Mayumi Tamura**

### Embedding Sustainability Management and Fostering to Take Our Own Initiatives

**Higashi** One of the key challenges I face in my role as sustainability lead is ensuring that sustainability management is fully embedded across the workforce. For instance, while I believe the Group's environmental vision is well-designed, the reality is that some employees are not even aware it exists. While we are making progress with various initiatives on the operational front, I feel that the management's thinking and overarching direction are not being clearly communicated down to the frontline. What kinds of strategies or efforts do you think are needed to

effectively embed sustainability management throughout the organization?

**Iwamoto** I believe it is essential that employees see the Mid-Term Business Plan and various visions as personally relevant, truly understanding how they connect to their own roles and applying that understanding in their day-to-day work. To achieve that, the company needs initiatives and systems that encourage each employee to take ownership.

**Kawada** On the topic of taking ownership, I was recently

## Roundtable Discussion: President and Outside Directors

reading a document from the Agency for Natural Resources and Energy that mentioned a committee focused on addressing challenges related to biofuel refueling. The document highlighted a demonstration experiment using large construction machinery at the Torch Tower construction site, which is currently being built by Shimizu. I believe it is important that the company actively communicates, both externally and internally, that it is making meaningful investments in these kinds of advanced initiatives.

**Tamura** I agree. I believe that leveraging internal communication tools like the intranet and company newsletters to increase opportunities for employees to naturally engage with company initiatives is essential to fostering to take ownership. I believe that regularly sharing information and creating an environment where employees can openly exchange ideas will help advance the integration of sustainability management throughout the organization.

**Jozuka** Shimizu has compiled ideas like The Analects and the Abacus into booklets distributed to all employees, and I believe

### Expectations of and Message to Employees

**Higashi** When sharing the company's vision with employees, I believe it is important to create opportunities for dialogue. In those moments, the key to fostering deeper understanding and empathy is to frame the message from the perspective of each individual—not from the company's point of view. To close, could you share what you expect from our employees as we continue on the path toward sustainable growth?

**President** Sustainability management is not something only



this has been effective in raising awareness of the core principles of sustainability. I also believe it is effective to clearly communicate examples of how internal operations, especially those directly related to employees, contribute to sustainability. Doing so can prompt individuals to reflect on how their own work can make a difference.

**President** Exactly. It is just as important to communicate internally as it is to share information externally. For instance, when we receive an award, we can promote it broadly across the company, or explain technical terms in simple language; there are many ways we can make our messages more accessible and easier for everyone to understand.

Sustainability management is something we've been committed to for many years, and it remains a vital approach for creating long-term business value in the years ahead. I hope all employees will come to understand the spirit and philosophy behind sustainability management through their business activities.

executives strive for. It is something that employees and management must work on together, as one team. When employees take ownership of sustainability and put it into practice through their daily work and business activities, it becomes the foundation for shaping our future and earning the trust of our clients. At the heart of it all is the Shimizu brand, which we've built over many years, and I hope to work together with all of you to further strengthen its value.

Investing in people helps create an environment where employees truly feel valued and supported by the company.

**Tamotsu Iwamoto**

When sharing the Company's vision, it is essential to engage in dialogue and frame the message around each individual employee.

**Yoshiki Higashi**



**Iwamoto** This does not mean that every employee needs to fully grasp the terms "sustainability" or "sustainability management." What truly matters is that the daily work and way of thinking naturally align with the principles of sustainability management. A company is not a standalone entity; it is made up of each and every one of its employees. That is why the growth of each individual employee is what ultimately drives the growth of the entire company. In that sense, I believe it is essential for the company to continue investing in its people and to foster an environment through various initiatives where employees truly feel that the company believes in and expects something from them.

**Kawada** Shimizu has the ability to contribute to society's progress by delivering value, beginning with construction and extending beyond. I hope every employee will take on their work with a strong sense of confidence and pride. While you may not explicitly use the word "sustainability," its philosophy is embedded in the corporate credo, management principles, and long-term vision. I believe that as each employee fully understands and steadily puts these into practice through their daily work, Shimizu will naturally grow into a truly sustainable company. I encourage everyone to move forward with a positive and proactive mindset.

**Tamura** While investment from the company is important, it is equally vital that employees take initiative and actively consider how they can contribute. Both sides play a crucial role. It is important to have the courage to take initiative and step forward unconstrained by conventional boundaries as Shimizu moves toward the direction it is aiming for. I believe that this kind of mindset fosters greater confidence, pride, fulfillment, and a true sense of accomplishment.

**Jozuka** The most crucial element of sustainability management is the growth of our human resources. I hope the company will continue to enhance its support for developing our people, including creating a comfortable working environment, fostering a workplace with a sense of purpose, and providing training opportunities. On that foundation, I want all employees to seriously consider what they can achieve within the Shimizu framework and how they will advance their careers.

**Higashi** Today, we had the privilege of hearing valuable insights and messages from our outside directors. To close, we would now like to invite the President to share a few words.

**President** I believe the first step is helping employees realize that the work they do every day is already a part of sustainability management.

Our goal is to establish a strong and enduring Shimizu brand, and to do that, going back to the origins is key. In other words, I see grounding ourselves in our founding spirit and the teachings of The Analects and the Abacus as the very essence of sustainability management. I hope that conviction will be shared by all of our employees and that we can work together to further elevate the value of the Shimizu brand.

# Environment

## The Group aims to achieve a sustainable society by 2050.

The vision for achieving a zero-carbon society, a resource recycling society, and a society that coexists harmoniously with nature is steadily taking root within the Group, and we have begun making tangible progress on each initiative. We are also working to foster a sense of personal ownership among officers and employees and to share the mission to be undertaken and the issues to be addressed through reform.

### TOPICS

#### Opinion Exchange Meeting on the Environmental Vision

Beginning in July 2024, we held opinion exchange meetings on the environmental vision at 12 branches across the country. This initiative is designed to explore the direction and challenges involved in achieving the Group's environmental vision, SHIMZ Beyond Zero 2050, and to promote the implementation of effective measures. The participants consisted of branch executives and selected young employees, with the event held in two sessions: one in the first half and one in the second. The first half began with the Environmental Strategy Office presenting the Company's environmental policies and initiatives, followed by the branch sharing its own environmental efforts. The session concluded with an exchange of views between the two sides. In the second half, a workshop was held for young employees to discuss environmental issues within their own work and explore potential solutions, helping them gain a deeper understanding of the environmental vision. In March 2025, a cross-departmental meeting was held where workshop participants from each branch formed teams based on their areas of responsibility. Through these discussions, they were able to identify common challenges and gain awareness of differences in initiatives across regions. We will continue to create opportunities that foster shared understanding and new collaboration across departments and generations. These efforts will help raise environmental awareness among employees and strengthen our ability to advance initiatives company-wide.



Nagoya Branch Opinion Exchange Meeting on the Environmental Vision

#### Nature-Based Hands-On Environmental Education

To promote understanding of the importance of nature conservation and restoration, along with the Group's environmental vision, SHIMZ Beyond Zero 2050, we conduct company-wide environmental education aimed at developing human resources who can independently identify and address environmental issues in their daily work. In FY2024, we introduced experiential training to deepen learning, supplementing our existing classroom-style programs such as group training and e-learning. The program was conducted at three locations near Tokyo and attended by 30 head office employees. The program featured outdoor nature experiences that engaged the five senses, along with workshops focused on exploring environmental issues. The post-program survey showed strong positive feedback, with many participants noting that "experiencing nature firsthand deepened my understanding" and that it was "a valuable opportunity to see environmental issues as personally relevant." Overall, about 90% of participants expressed satisfaction with the training. Looking ahead, we plan to expand participation beyond Head Office employees to include staff at branches and project sites, further advancing the development of environmentally conscious human resources.



1. Immersive nature experience engaging all five senses  
 2. Classroom session on local environmental challenges  
 3. Outdoor workshop in a natural setting 4. Personal environmental pledges by all participants

### Message from the Director in Charge

#### A Sustainable Future Society for the Next Generation

With global issues like climate change, resource depletion, and biodiversity loss becoming increasingly severe, efforts to address these challenges are gaining momentum both in Japan and around the world. Although some have begun to reconsider the direction of ESG and sustainability, there is no change in the fact that these remain urgent social challenges.

Our rich lifestyles and business activities are built on a large amount of natural capital, including fossil fuels, minerals, and ecosystems—but they also have a significant impact on nature. Within our Group, it is essential that every individual takes this to heart and remains steadfast in addressing environmental issues as a central pillar of our management approach.

To leave a sustainable future for generations to come, we will move swiftly to implement measures that address urgent challenges. At the same time, we will foster personal ownership of environmental issues through internal dialogue and education, laying the groundwork for the generations to come.



Mika Kaneko

Managing Officer  
 Director, Environmental Strategy Office,  
 Deputy Director, Corporate Planning Div.

#### Initiatives to Achieve the Group's Environmental Vision SHIMZ Beyond Zero 2050

The Group is implementing and expanding various activities to achieve a zero-carbon society, a resource recycling society, and a society that coexists harmoniously with nature.

To help realize a zero-carbon society, we have set short-, medium-, and long-term targets for each emissions category: for Scope 1, we are expanding the use of biofuels with the aid of public subsidy programs; for Scope 2, we are rolling out renewable energy use for construction electricity nationwide; and for Scope 3, we are working to improve the environmental performance of completed buildings—such as through ZEB—and to transition investment and development properties to renewable electricity. In preparation for anticipated regulations by the Ministry of Land, Infrastructure, Transport and Tourism, we are steadily building systems and operational frameworks for the LCA\*1 of buildings and structures.

To help realize a resource recycling society and achieve zero final disposal of waste from our business activities by 2050, we are actively promoting 4R initiatives at work sites. Guided by the concept of resourcing, treating demolished buildings as valuable resources and rebuilding with recycled materials, we are advancing efforts such as recycling glass and aluminum from demolition sites into new building materials, and promoting material recycling through advanced sorting of plastic waste. We are also pursuing a range of research and development initiatives for resource recycling, using back-casting from our vision for 2050.

To achieve a nature-positive future by 2030 and a society that coexists harmoniously with nature by 2050, we are taking various initiatives to restore the blessings of nature to the local community. This is based on our independently developed business concept of Green Infrastructure + (PLUS). Starting in FY2024, we began disclosing information under the TNFD framework, including our analysis of how our business value chain depends on and impacts natural capital, the risks and opportunities involved, and the strategies we have developed to address them. In

FY2025, we are advancing initiatives such as the use of sustainable plywood formwork, implementation of "Environmental KY"\*, and surveys on procured items.

The Group aims to achieve its environmental vision by taking a comprehensive view of environmental issues from the three perspectives of carbon neutrality, resource recycling, and coexistence with nature while also considering potential synergies and trade-offs among them.

\*1 LCA (Life Cycle Assessment): A method for quantitatively evaluating environmental impacts across all stages of a building's life cycle, from resource extraction, material production and transportation, and on-site operations, to building use, future renovation, demolition, and disposal.



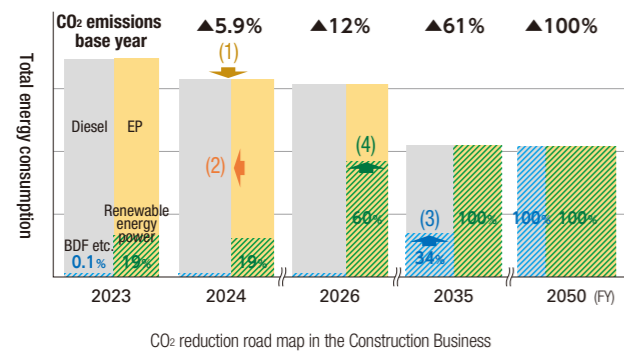
SHIMZ Beyond Zero 2050  
[https://www.shimz.co.jp/beyondzero/index\\_en.html](https://www.shimz.co.jp/beyondzero/index_en.html)

## Initiatives to Realize a Zero-carbon Society

### CO<sub>2</sub> Emissions Reduction in the Construction Business

As part of our Mid-Term Business Plan (2024-2026), we have designated the CO<sub>2</sub> emissions reduction rate in construction operations as a non-financial KPI, with a target of reducing emissions by 12% or more by 2026 compared to 2023. We are actively working toward this goal. Our reduction targets for 2035 and 2050 are aligned with the 1.5°C pathway defined by the Science Based Targets initiative (SBT).

Achieving these targets will require: (1) enhancing energy productivity, (2) electrifying heavy machinery, (3) decarbonizing fuels, and (4) transitioning construction electricity to renewable energy. (1) is expected to yield secondary benefits through the advancement of ICT and robotics. For (2), we are currently testing electric machinery at model construction sites to address challenges such as charging time and continuous operation duration. Details on our specific initiatives for (3) and (4) are provided in the next section.



### Adoption of Biofuels for Construction Machinery

To reduce direct emissions from fossil fuel combustion, which account for 70% of CO<sub>2</sub> emissions in our Construction Business, we began introducing alternative fuels with lower CO<sub>2</sub> output than diesel in FY2022. We started with alternative fuels that are easier to implement at work sites, such as B10 (a blend of 10% biofuel and diesel) and GTL (a fuel derived from natural gas). We then expanded the use of blended biofuels with greater CO<sub>2</sub> reduction benefits and have now introduced 100% pure biofuel, which brings our own Scope 1 emissions down to zero. Introducing biofuels comes with several challenges, including limited supply, higher costs compared to diesel, and regulatory hurdles, such as the need for administrative procedures to operate on public roads when using 100% pure biofuel, which cannot be mixed with diesel.



Introduction of 100% pure biofuel in the construction work for the Expo 2025 Osaka, Kansai, Japan (utilizing subsidies from Osaka Prefecture)

Meanwhile, local governments are rolling out various subsidy programs to promote the use of biofuels and help overcome these challenges. We are actively participating in these initiatives, working together with local governments to address challenges and promote the wider adoption of biofuels. While we are currently introducing biofuels primarily at work sites in the Tokyo metropolitan area, we plan to expand this effort nationwide, working in collaboration with subcontractors and clients to promote broader adoption.



Demonstration underway at the Torch Tower work site under the Tokyo Metropolitan Government's subsidy program to promote commercialization of biofuel use

### Nationwide Rollout of Renewable Energy for Both Construction and Office Electricity Usage

Beginning in FY2025, all electricity used at newly launched domestic work sites will be sourced from renewable energy. To date, renewable energy has accounted for just over 30% of electricity used at work sites. By accelerating the adoption of renewable electricity at newly launched sites, we aim to eliminate Scope 2 emissions (CO<sub>2</sub> emissions from electricity use) at work sites by FY2030. Scope 2 emissions in FY2030 are projected to decrease by approximately 60,000 tons compared to FY2023. The introduction costs are accounted for as construction costs, and we plan to expand similar initiatives to work sites overseas and within Group companies in the future. We are also promoting the use of renewable energy for office electricity, which has already been implemented at our Head Office and at branches such as Tohoku and Hokuriku.

### CO<sub>2</sub> Reduction During the Manufacturing Stage of Construction Materials

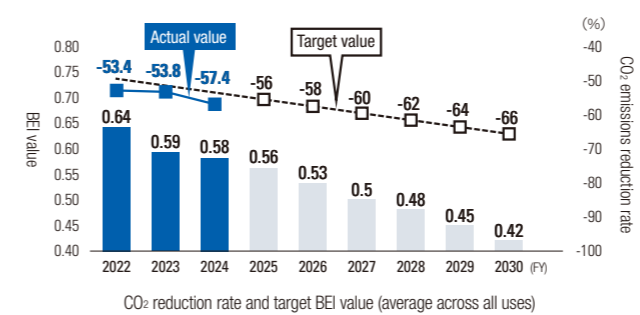
We are advancing the development and adoption of carbon removal technologies to reduce CO<sub>2</sub> emissions from concrete and other materials, which represent a significant portion of Scope 3-1 emissions (those generated during the material manufacturing stage) in the construction industry. Alongside SUSMICS-C, which uses biochar made from woody biomass (sawdust) as a blended material to fix atmospheric CO<sub>2</sub> absorbed during tree growth into concrete as stable carbon, we are expanding the series with SUSMICS-A for asphalt, SUSMICS-G for ground improvement, and SUSMICS-S for backfill materials.

### Reduction of CO<sub>2</sub> Emissions During Building Operation and Promotion of ZEB Creation/Conversion

Reducing CO<sub>2</sub> emissions during building operation requires lowering the Building Energy Index (BEI) value, as defined under the Act on the Improvement of Energy Consumption Performance of Buildings. At AEON Mall Toyokawa, which we designed and built, we achieved Japan's first ZEB Ready certification for a large-scale shopping center, while at Kawakita General Hospital, we realized the first ZEB Oriented certification for an acute care hospital in Tokyo. We have also achieved ZEB certification at our Hokuriku Branch and NOVARE Hub.

We have also developed an AI-powered ZEB design tool that automatically generates proposals for achieving ZEB, enabling us to support client-specific proposals from the early stages of building planning.

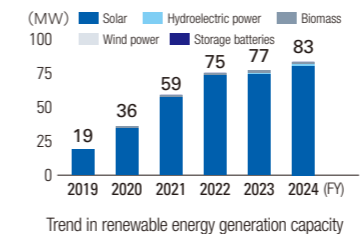
As a result of these energy-efficient design initiatives, we achieved a BEI of 0.58, exceeding the FY2024 target of 0.59, and reduced CO<sub>2</sub> emissions by 57.4%, surpassing the target of 54%.



### Renewable Energy Promotion/Popularization

#### ► Our Decarbonization Initiatives in the Green Energy Business

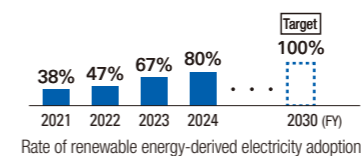
We are actively developing renewable energy power generation projects, including solar, biomass, and hydroelectric, and as of the end of FY2024, we operate power plants nationwide with a combined generation capacity of approximately 83 MW.



#### ► Our Decarbonization Initiatives in the Investment and Development Business

For domestic properties owned by the Investment and Development Division\*, we aim to achieve 100% use of renewable energy-derived electricity by FY2030. In partnership with Smart Eco Energy (SEE.), one of our Group companies, we are contributing to decarbonization.

\* Office and logistics facilities in which we hold a stake of 50% or more and have authority over electricity supply and demand management



## Climate-related Financial Disclosures based on The Task force on Climate-related Financial Disclosures (TCFD) Recommendation



Our Group recognizes the impact of climate change on our business as a critical management issue. We have established a governance structure for climate-related matters, analyze both risks and opportunities, develop strategies and manage risks accordingly, and pursue initiatives guided by clear metrics and targets. We have been disclosing this information since 2020 and updating it each year.

### Governance

The Sustainability Committee deliberates on climate-related policies, key initiatives, and the content of disclosures. Important matters are reported to the Board of Directors, under a structure that enables the Board to provide oversight. Policies and other measures based on the committee's deliberations are also communicated across the entire company and to Group companies.

### Risk Management

Through our company-wide risk management system and processes, we identify climate change risk as one of our key risks and strive to minimize environmental business risks, starting with climate change, while maximizing related opportunities. As part of climate change risk management, the Sustainability Committee sets CO<sub>2</sub> reduction targets for business activities, defines specific measures to achieve them, and conducts regular monitoring of CO<sub>2</sub> emissions.

Through this risk management approach, we will continue to address the growing diversity, geographic spread, and severity of climate change-related risks.

### Metrics and Targets

To evaluate and manage the impact of climate-related risks on our business, we use total CO<sub>2</sub> emissions as a key indicator and have set medium- to long-term CO<sub>2</sub> reduction targets based on SBT\*. Since our current targets are aligned with the WB2.0°C goal (well below 2°C), we have revised our targets in line with the 1.5°C goal as shown in the table below and are currently pursuing re-certification under the SBT framework.

\* Science Based Targets (SBT): Greenhouse gas reduction targets aligned with scientific knowledge to help limit the rise in global average temperature to below 1.5°C.

### CO<sub>2</sub> Reduction Targets and Results (Domestic and International Consolidated) (Unit: t-CO<sub>2</sub>)

Scope	Base Year Emissions	Actual Emissions	Target Annual Emissions		
	FY2023	FY2024	FY2024	FY2035	FY2050
Scope1+2	325,340	309,046*2	310,328 (-4%)	127,696 (-61%)	0*3 (-100%)
Scope3 (Category1+11*)	9,451,379	Calculating	-	5,818,505 (-38%)	0*3 (-100%)

\*1 Scope3 Category1: (Purchased Products/Services) CO<sub>2</sub> emissions at manufacturing plants for construction materials, etc.  
Scope3 Category11: (Use of sold products) CO<sub>2</sub> emissions during operation of buildings that Shimizu has designed and built

\*2 Provisional figures before obtaining third-party guarantees

\*3 The SBT target is a 90% reduction. Remaining emissions will be offset through Carbon Dioxide Removal (CDR) technologies.

## Climate-related Financial Disclosures based on The Task force on Climate-related Financial Disclosures (TCFD) Recommendation

### Strategy

The following are the key updates from last year.

- We added the NZE2050 scenario, which aims to limit the rise in global temperatures to below 1.5°C by the end of this century compared to pre-industrial levels, to our transition scenarios.
- We reviewed the projected level and timing of impacts based on the analysis of the above scenario and the latest domestic and international developments.
- Added details on our contribution to emissions reduction

The table below lists the items identified as having a high level of impact based on the results of our scenario analysis. “Tightening of regulations aimed at achieving a zero-carbon society” may pose a significant medium-term risk by reducing demand for new buildings. At the same time, they also present a short- to mid-term opportunity through the “growing need for energy-saving buildings.” The “growing need for renewable energy” presents a major business opportunity, and we are actively involved in constructing both offshore and onshore wind power facilities.

“Rise in average summer temperatures” pose serious challenges, including worsening working conditions, a deepening shortage of skilled labor, and increased risk of occupational accidents. In response, we are working to improve the labor environment through initiatives such as labor-saving measures using robots at sites, enhanced productivity, and work style reforms. “More frequent and severe weather-related disasters” calls for stronger disaster preparedness in temporary structure plans and operations at sites, as well as closer collaboration with suppliers. At the same time, we believe it is crucial to foster client understanding, especially regarding material and labor shortages and potential project delays, through engagement with industry associations. To support “stronger policies on reinforcing national resilience,” we are not only intensifying our efforts to win infrastructure development projects, but also building a flexible system capable of responding swiftly to reconstruction needs in the event of frequent disasters.

### Risks and Opportunities (excerpts focusing on factors and measures with major impact)

	Cause	Impact on Business	Degree of Impact**	Timing of Impact**	Shimizu's Response (Excerpt)
Transition	Risks Tightening of regulations aimed at achieving a zero-carbon society	• New regulations targeting buildings with high environmental impact are introduced, leading to higher construction costs for new buildings and a decline in demand. At the same time, rising demand for renovations and related services will require an organizational structure capable of meeting these needs.	↓ ↓ ↓	Medium term	• Established the BSP business to oversee facility operation services • Strengthened sales efforts for renovation projects • Human resource development for building management (utilizing the technical training center of a Group company) • Delivered high-performance environmentally friendly buildings with a focus on cost efficiency
	Opportunities Growing need for energysaving buildings	• Demand will increase for new ZEB buildings and energy-saving renovation projects.	↑ ↑ ↑	Short to medium term	• Pursue ZEB design and construction • Add value to existing buildings based on Shimizu's record in sustainability renovation <sup>3</sup>
Transition	Opportunities Growing need for renewable energy	• Business related to renewable energy will expand. • Demand for construction of renewable energy facilities will increase.	↑ ↑ ↑	Short to medium term	• Promoted renewable energy businesses such as solar, wind, biomass, geothermal, and small-scale hydropower • Supply low-carbon electric power through the electricity retail business • Utilized proprietary SEP vessel BLUE WIND for the construction of large-scale offshore wind farms • Developed and deployed a tower crane for constructing large onshore wind turbines
	Risks Rise in average summer temperature	• The problematic shortage of skilled workers will worsen due to deterioration in the outdoor working environment. • Heatstroke and other health hazards will increase, mainly for workers who work outdoors.	↓ ↓ ↓	Medium term	• Use robots, ITC, AI, and other technologies to reduce the number of workers needed and increase productivity at job sites • Improve the working environment through workstyle reforms, heatstroke prevention measures, etc.
Physical	Risks More frequent and severe weather-related disasters	• Damage to suppliers makes it difficult to procure materials, labor, and other resources. • In addition to hindering operations at work sites, the risk of causing harm to third parties also increases.	↓ ↓ ↓	Short to medium term	• Strengthened collaboration with suppliers, focusing on Group companies and subcontractors • Considered disaster prevention measures, including those for third parties, in temporary structure plans for construction
	Opportunities Stronger policies on reinforcing national resilience	• Infrastructure construction, maintenance, and building renovation construction to prevent flooding and torrential rain and wind damage will increase.	↑ ↑ ↑	Short to medium term	• Fortify activities to obtain orders in the infrastructure maintenance business • Established a flexible structure to respond to reconstruction demand in the event of frequent disasters

\*1 Degree of Impact: Number of arrows indicates degree of impact \*2 Timing of impact are short term: 3 years or less; medium term: more than 3 years and up to 10 years; long term: more than 10 years.  
\*3 Refers to the renovation of existing buildings mainly to improve environmental performance, BCP performance, and health and comfort.

### Financial Value of Emissions Reductions and Reduction Contributions

The table on the right shows the financial value of achieving CO<sub>2</sub> reduction targets through the Scope 1 and Scope 2 reduction measures we are promoting under defined targets. We also estimated the financial value of our contribution to emissions reductions based on comparisons between the energy saving performance of our design-build projects and standard buildings, as well as between electricity generated by our wind power facilities and fossil fuel-based electricity.

### Financial Value of Reductions and Reduction Contributions

	Case	Monetary conversion (millions of yen)
Scope 1 and 2 emissions reduction (vs. FY2023)	If the 2024 target is achieved	273
	If the 2035 target is achieved	4,072
Reduction contribution (FY2024 result)	Promotion of energy-efficient buildings	12,655
	Construction of wind power facilities	103,937

Note: Carbon price set at 140 USD per ton of CO<sub>2</sub> (exchange rate: 1 USD = 150 yen)



Climate-related Financial Disclosures based on The Task force on Climate-related Financial Disclosures (TCFD) Recommendation  
<https://www.shimizu.co.jp/en/company/csr/environment/tcfd/>

## Initiatives to Realize a Society that Coexists Harmoniously with Nature

### Green Infrastructure + (PLUS)

Guided by the Green Infrastructure + (PLUS) concept, the Shimizu Group is helping build a more sustainable society and stronger local communities. We aim to enhance green infrastructure, which harnesses nature's diverse functions, by integrating it with our technologies and expertise, thereby bringing the rich benefits of nature back to local communities. Creating a society that coexists harmoniously with nature starts with halting the loss of natural ecosystems.

During the renovation of the Atsugi City Culture Hall in Kanagawa Prefecture, we completed construction in harmony with the house swift, a bird species listed on the Kanagawa Prefecture Red List. Although the original plan called for removing the bird nests, an investigation later confirmed that the species is of significant ecological value to the region. With guidance from experts, the renovation work proceeded with careful monitoring to ensure that noise, vibration, paint odors, and crane operations would not affect the birds. As a result, all the house swifts remained in the area, and successful breeding was confirmed on three occasions. With renovation and renewal projects expected to rise in the coming years, we will continue to protect and restore the blessings of nature by applying our technologies and expertise, such as Environmental KY, which assesses natural conditions from upstream project stages, and UE-Net, which supports the creation of ecosystem networks.



House swift

### Open Workshop for Community Co-creation

In March 2025, we held an open research forum on Green Infrastructure Community Co-creation at Smart Innovation Ecosystem NOVARE. In its second iteration, the forum featured one of our co-creation case studies and facilitated dialogue with local stakeholders on creating new value through collaboration between companies and communities.

The event featured 23 speakers, including our employees, local civic groups, NPOs, and municipal staff, and drew over 200 participants in total, both in person and online. During the cross-talk session, we shared the outcomes of regional co-creation activities centered on our flagship projects—the Saisei-no-Mori Urban Biotope at the Institute of Technology and the Yatsubori no Shimizu Yatsu. We also introduced public-private efforts to develop and certify green spaces at Smart Innovation Ecosystem NOVARE, as well as community garden initiatives carried out in partnership with NPOs. These topics were discussed in an open dialogue that included online participants.

Survey feedback included comments such as, “I gained insights that could guide how to expand efforts into local communities,” and “I came to understand how vital information sharing and mutual learning are for advancing regional co-creation.”

We view the creation of spaces for dialogue with local communities where companies and regional stakeholders can deepen their

understanding of one another's values, activities, and challenges as a vital opportunity. Building on the insights gained through this forum, we will continue putting regional co-creation into practice and contribute to the realization of a society where people and nature coexist in harmony.



Open workshop

### Certified as a Site Coexisting with Nature and the First Recipient of SITES Certification in Japan

First Half of 2024, Yatsubori no Shimizu Yatsu was officially certified as a Site Coexisting with Nature. Sites Coexisting with Nature is an initiative by the Ministry of the Environment to certify areas where biodiversity is being conserved. Some of these certified areas are registered in an international database.

In addition, the Saisei-no-Mori Urban Biotope, certified as a Site Coexisting with Nature in 2023, was awarded Japan's first Gold certification under SITES for Existing Landscapes, an internationally recognized third-party certification system for sustainable land development. We will continue actively pursuing third-party certifications to highlight and communicate the value of green spaces developed through corporate involvement.

### Preserving Water Resources at Yatsubori no Shimizu Yatsu

Located in the Inbanuma watershed, Yatsubori no Shimizu Yatsu has been undergoing continuous restoration as a wetland-based form of green infrastructure since April 2021. Inbanuma is a well-known lake that has suffered from water quality deterioration due to eutrophication. At Shimizu Yatsu, nitrogen levels in the water are reduced through the slow circulation of spring water, creating a denitrification effect. By making use of underutilized areas like Shimizu Yatsu and maximizing nature's ecosystem services, such as water purification and watershed-based flood management, we can help restore healthy water cycles in local communities.

Water is essential not only for the wood used in our operations, but also as a vital resource for everyday life. Guided by the Green Infrastructure PLUS concept, we will continue working to conserve water resources and help build a society that lives in harmony with nature.



Rice planting at Shimizu Yatsu

# Nature-related Financial Disclosures based on The Task force on Nature-related Financial Disclosures (TNFD) Recommendations



## Governance

The Sustainability Committee reviews and deliberates on nature-related policies, priority initiatives, and disclosure practices. Matters of particular importance are reported to the Board of Directors, which oversees them through an established supervisory framework. Initiatives and measures developed through committee deliberations are shared across the entire company and with all group companies.

Furthermore, the Group has established the Shimizu Basic Human Rights Policy, which applies to all officers and employees, including those of our Group companies. In addition to encouraging support for this policy among our supply chain partners, we have also established an external whistleblowing hotline for subcontractors.

Under the recognition that collaborating with local communities is important to minimize nature-related risks and implement effective conservation and restoration measures, we are actively working to engage with communities surrounding our construction sites and business locations.

## Strategy

We develop and execute our strategies based on a thorough assessment of key nature-related issues across our business value chain. This includes prioritizing responses based on the volume of procured items, conducting business partner surveys for key procurement categories, and identifying risks and opportunities and summarizing our responses through scenario analysis, as outlined in the table below.

In the upstream portion of our value chain, we view the use of sustainable concrete formwork plywood as a critical issue and have set a target of eliminating uncertified foreign-made plywood by 2030. Through initiatives like opinion exchanges with subcontractors and manufacturers, as well as domestic wood trials at our own construction sites, the use of non-certified foreign-made plywood fell from 45% last fiscal year to 37%, according to a survey of subcontractors.



Trial use of domestic wood at one of our construction sites

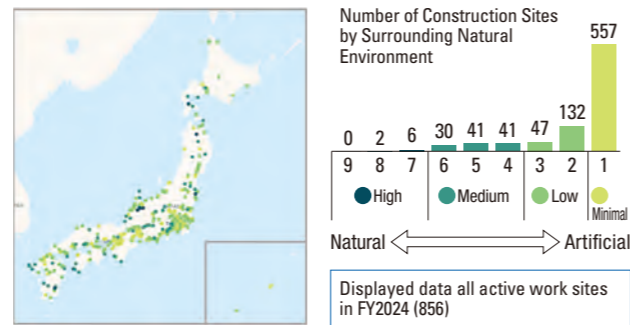
## Progress on concrete formwork plywood

Formwork type	FY2023 Results	FY2024 Results	FY2030 Target
Foreign-made plywood (certified)	52%	58%	—
Foreign-made plywood (non-certified)	45%	37%	0%
Domestic plywood	3%	4%	—
Non-plywood materials	1%	1%	—

In our direct operations, we recognize the impact of land-use changes caused by construction on terrestrial ecosystems as a key issue. To address this, we have worked to enhance and embed our original “Environmental KY initiatives,” which assess the natural environment around construction sites.

Environmental KY is an initiative grounded in the mitigation hierarchy — avoidance, reduction, restoration, and offset— that enables early identification of nature-related issues during the business development stage, helping to manage risks and uncover opportunities for ecological restoration. Using this tool, we mapped all active work sites in FY2024 according to the surrounding level of naturalness (see figure below) and identified 18 priority sites for focused action. At these work sites, we ensure that construction is carried out in accordance with the established conditions, including environmental impact assessments, while avoiding any significant impact on natural capital.

In the downstream value chain, reducing construction by-products and promoting recycling are key to minimizing natural resource use and reducing our impact on nature. Examples are provided in the following section, Initiatives for a Resource Recycling Society.



Visualization of our work sites by surrounding naturalness (operating in FY2024)

## Scenario Analysis Results (excerpt of high impact risks and opportunities)

	Cause	R: Risks O: Opportunities	Degree of Impact*1	Timing of Impact*2	Shimizu's Response
Upstream	Demand for traceability and environmental	O Securing an advantage through new technology	↑↑↑	Short to medium term	· Development of new technologies for recycled and new construction materials
	Difficulty and instability in obtaining construction materials (disasters and resource depletion)	O Rebuilding and strengthening the supply chain and securing an advantage through new technology	↑↑↑	Medium to long term	· Relationship building with suppliers (CSR procurement questionnaires) · Development of new technologies for recycled and new construction materials
Direct operations	Tight restrictions on land modification and a fundamental review of land use	R Decrease in new construction demand	↓↓↓	Long term	· Investment in new construction domains (e.g. BLUE WIND) · Improvement of technical skills to address advanced land use
Downstream	Strong demand for recycling, including regulation of total emission	R Tight restrictions from design stage	↓↓↓	Long term	· By-product management using Shin-Kan-Tasu · Thorough implementation of 4R activities from the design and construction stage anticipating future building demolition and removal
		O Demolition technology directly ties into construction skills	↑↑↑	Long term	· Cultivation and active adoption of recycling routes

\*1 Degree of Impact: Number of arrows indicates degree of impact \*2 Timing of impact are short-term: 3 years or less; medium-term: more than 3 years and up to 10 years; long-term: more than 10 years

## Impact and Risk Management

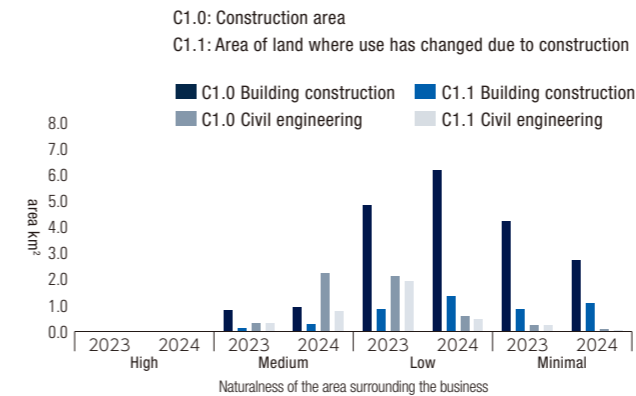
Below is an outline of our process for managing nature-related issues. Nature-related risks, including those associated with climate change, are reviewed alongside other key risks by the Risk Management Committee, which is chaired by the President.

## Management Process for Nature-related Issues

Range of Business	Management Item	Management Technique
Upstream	Nature-related risks over the supply chain in general	CSR procurement questionnaires
	Important issues (concrete formwork)	Efforts for formwork plywood
Direct operations	Identification of priority locations Nature-related risks Opportunities for restoration of nature	Environmental KY Company-wide non-financial KPIs (Rate of environmental analysis with Environmental KY)
Downstream	Construction by-products	Construction by-products management system Shin-Kan-Tasu

## Metrics and Targets

As indicators linked to our material issues, we track the area of our construction sites under C1.0 “Total Spatial Footprint” and aggregate land use changes caused by construction under C1.1 “Extent of Land Use Change.” As in the previous fiscal year, the majority of our building and civil engineering projects were conducted in areas with low or minimal naturalness, resulting in a relatively small extent of land alteration compared to the total construction area.



# Initiatives to Realize a Resource Recycling Society

## Resource recycling society

To help realize a resource recycling society, we are preparing for real-world implementation with a phased transition to a circular economy (CE) in mind. We have started implementing specific initiatives that reduce natural resource consumption by recycling construction waste for reuse in building materials.

## Recycling Plate Glass from High-Rise Buildings

We successfully implemented material recycling by processing waste plate glass from the demolition of a super high-rise building into raw material for new glass products. Recycling waste plate glass from demolished buildings remains a major challenge, and in most cases, it is crushed on-site and ultimately landfilled. At the demolition site for the Uchisaiwai-cho 1-chome Gai-ku Minami-area Category 1 Urban Redevelopment Project, roughly 90% of the approximately 340 tons of exterior glass removed from the demolished building was taken out as intact sheets and sent to a recycling facility. At the recycling facility, non-glass materials such as sealants were removed, and the remaining glass was finely crushed and processed into cullet. The processed cullet was then supplied to AGC Inc.'s glass manufacturing plant, where it underwent real-furnace testing to verify its quality as raw material. Cullet that passed the test was used in the production of new plate glass. Looking ahead, we will actively promote the material recycling of waste plate glass, particularly through the demolition of super high-rise buildings that generate large volumes of construction waste.

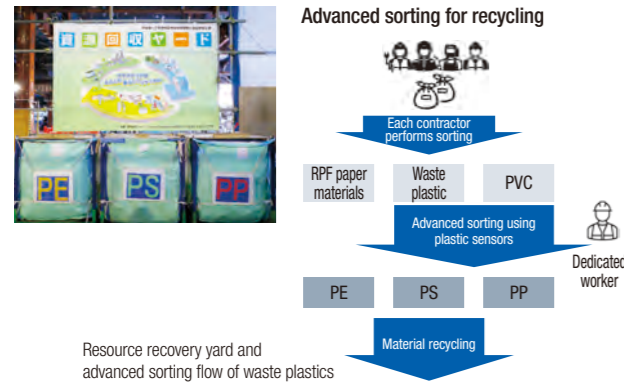


## Material Recycling of Waste Plastic

We have developed a material recycling system that enables plastic waste from work sites to be carefully sorted on-site by resin type and sold as recycled material. Until now, waste plastics have primarily been processed through thermal recycling, which involves incineration to recover heat energy. The key feature of this scheme is the role of a dedicated waste management specialist, known as the Green Master, who handles all site waste. Using a plastic sensor, they sort a wide variety of waste plastics by material, such as polyethylene, polypropylene, and polystyrene, and identify recyclable materials that can be resold as valuable resources. This initiative was first implemented at the work site of the Nihonbashi 1-chome Naka-area, Category 1 Urban Redevelopment Project. If material recycling

## Initiatives to Realize a Resource Recycling Society

of waste plastics, which make up 30 to 40 percent of industrial waste from large-scale construction sites, becomes more widespread, it will significantly advance the realization of a resource recycling society.



### Collection of Multiple Item Types Using the Wide-Area Certification System

We promote the use of the Region-wide Certification System (manufacturer recycling). We collect construction waste such as gypsum board and urethane materials, including offcuts, from our work sites and ensure they are properly recycled by manufacturers certified by the Minister of the Environment. Gypsum board, in particular, is collected at transfer hubs using Nippon Express Co., Ltd.'s dedicated NRBOX containers and then shipped directly to the manufacturer for recycling. Beginning in FY2024, we standardized transport rules for offcuts of materials like rock wool sound-absorbing panels and glass wool using the NRBOX system. This mixed-load collection scheme was implemented at the Dai-ichi Life Kyobashi Kino Terrace work site. Moving forward, we plan to expand this initiative to other work sites and collaborate with other companies on rotational collection, helping to promote resource recycling across the construction industry.



Collection status via dedicated containers

### Shimizu Meguri-no-mori

In Japan, coniferous trees such as cedar and cypress planted after World War II are now reaching maturity. To ensure forest resources can continue to be sustainably used as building materials, new reforestation efforts and proper forest management are essential.

Shimizu Meguri-no-mori is our initiative to promote a circular approach to timber use (harvesting, using, planting, and cultivating) rather than simply purchasing and consuming wood as a corporate customer. It aims to secure sustainable timber resources in anticipation of growing demand for wood construction and wood buildings. In collaboration with local forestry professionals, maintenance work following reforestation is led by our employees and construction workers from our subcontractors. Launched in 2022 in Kawaba Village, Gunma Prefecture, the initiative has so far included three rounds of tree planting and two rounds of forest cultivation. Cedar harvested from the site was also used to produce CLT for the construction of our new Tokyo Mokkajou Arts & Crafts Furnishings.

In 2025, we began the second phase of the initiative in Gujo City, Gifu Prefecture. Following Gifu Prefecture's Forest Development in Collaboration with Companies initiative, we are deepening ties with the local community through a partnership agreement with the city and local forestry operator Furukawa Ringyo.

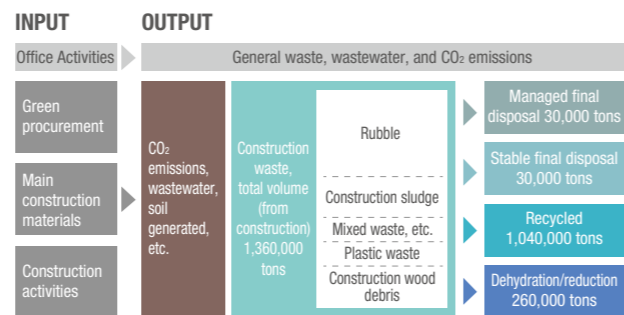
Over the coming decades, the trees will reach maturity and be harvested for use as building materials in our construction projects.



Tree planting activities in Gujo City (with participation from local junior high school students)

### Material Flow

The following diagram shows the general material flow in FY2024. Detailed information is provided in the Environmental Performance Data on our corporate website.



FY2024 Material flow (Summary, Shimizu Corporation non-consolidated)



**Environmental Performance Data**  
<https://www.shimz.co.jp/en/company/csr/environment/data/index.html#material>

## Initiatives to Prevent Environmental Pollution

### Measures to Address Sudden Localized Downpours (Guerrilla Rainstorms)

Climate change is causing localized heavy rainfall to become more frequent and intense. This has raised concerns about the runoff of turbid water containing sediment and oil from construction sites, prompting us to implement preventive measures. At sites where sudden downpours may pose serious risks to human life and the environment, we have established a rule requiring the appointment of a weather officer and the use of real-time resources, such as Weathernews Inc.'s guerrilla downpour contents, to support on-site monitoring and response.

When a sudden downpour is forecasted at a construction site or in upstream areas, the site manager is responsible for halting operations and taking advance measures to prevent materials or pollutants on the site from being washed out by the heavy rain. At the same time, the growing intensity of rainfall is not something that can be managed by construction site measures alone. We are committed to minimizing potential damage through continuous communication with neighboring communities and project owners.

### Promoting Certification for Asbestos Pre-surveyors of Structures

Following revisions to the Air Pollution Control Act and the Ordinance on Prevention of Health Impairment due to Asbestos, it is now legally mandated to properly assess the presence of asbestos in any demolition or

renovation work involving buildings or structures. For building construction projects starting on or after October 1, 2023, a pre-construction survey must be conducted by a certified Inspector of Buildings Containing Asbestos Construction Materials. Starting January 1, 2026, projects involving structures will require a pre-construction survey by a newly established category of specialist: a certified Structure Asbestos Pre-Surveyor.

We have actively promoted certification for Inspector of Buildings Containing Asbestos Construction Materials and have built a strong track record of developing qualified personnel through in-house seminars and training programs.

Looking ahead, we will also focus on certification for Structure Asbestos Pre-Surveyors to comply with the legal revision taking effect in 2026. In May 2025, we hosted an in-house seminar at our Head Office and plan to hold several more sessions in the future. These initiatives are pioneering within related industries such as construction and plant engineering, and they also respond to societal demands. We will continue to actively develop qualified human resources and promote certification acquisition, contributing to legal compliance and the delivery of safe, secure construction projects.



Asbestos seminar

## Environmental data

		FY2022 Results	FY2023 Results	FY2024 Results	Target (Target FY)	
Decarbonization	CO <sub>2</sub> emissions reduction in all business activities	Reduction in CO <sub>2</sub> emissions from the Construction Business (vs. FY2023)	—	—	5.9%*2	≥ 12% (2026)
		Reduction in Scope1 + Scope2 CO <sub>2</sub> emissions (vs. FY2023)	—	—	5%*2	61% (2035) 100% (2050)
		Usage of diesel alternative fuels for on-site heavy machinery	65kL	170kL	275kL*2	—
	On-site renewable electricity usage (percentage)	24GWh (23%)	31GWh (19%)	27GWh (19%)*2	—	
	Promotion of ZEB creation/conversion	Number of properties that obtain ZEB certification	13 (cumulative total of 17)	17 (cumulative total of 34)	27 (cumulative total of 61)	—
Renewable energy promotion/popularization	Renewable energy generated in the operation business	75MW	77MW	82.6MW	300 MW, cumulative (2030)	
	Percent of owned investment and development properties renewable energy has been introduced in	47%	67%	80%	100% implementation (2030)	
Resource recycling	Pursuit of 4R activities (Reduce, Reuse, Recycle, Recover)	Final disposal rate of construction by-products	3.1%	3.3%*1	2.5%	< 3% (2030)
		Final disposal rate of waste plastics	20.2%	20.9%*1	16.5%	≤ 15% (2030)
Promotion/popularization of wooden architecture	Number of projects using wood and hybrid wooden construction	3 (cumulative total of 4)	4 (cumulative total of 8)	4 (cumulative total of 12)	—	
	Environment analysis rate using the Environmental KY	—	—	*3	100% (2026)	
Coexistence with nature	Promotion of green infrastructure	Cumulative number of participants in the restoration activities at Yatsubori no Shimizu Yatsu	151	211	230	—
Preventing Environmental Pollution	Strict environmental compliance	Number of serious environmental incidents	0	0	0	0 (2025)

\*1 Decline in performance rate due to an increase in the number of projects    \*2 Provisional figures before obtaining third-party guarantees  
 \*3 App development and efforts to raise awareness and understanding among responsible personnel

# Social

Organizational capabilities improvement is the key to becoming a Smart Innovation Company.  
By practicing human capital management nurture diverse talent willing to take on challenges and co-create, we will create value that is ahead of our times, and help realize a society where people can enjoy prosperity and happiness.

## TOPICS

### DX talent resources

To create value that exceeds expectations and respond to the increasingly diverse needs of clients and society in a fast-changing world, it is essential for the entire organization to fully harness data and digital technologies, and to continuously drive innovation in both business processes and business models.

To foster DX talent capable of leading this kind of transformation, we launched the Shimizu Digital Academy in April 2024. The academy offers a structured three-step program designed to systematically develop digital human resources through a phased approach.

As STEP 1, we provide e-learning and other training programs aligned with the DX Literacy Standards developed by the Ministry of Economy, Trade and Industry, aiming to raise the digital literacy of all executives and employees across the organization. As STEP 2, we support motivated individuals in obtaining qualifications related to the DX Promotion Passport recommended by the Digital Literacy Council, helping them build more advanced digital capabilities.

STEP 3 focuses on cultivating DX Specialists who will take the lead in planning and driving digital transformation initiatives. As part of our Mid-Term Business Plan, we have set a KPI to train 120 individuals over three years through FY2026 and assign them across all departments.

STEP1		Digital Literacy e-Learning Graduates	
STEP1	Digitally Literate Employees	15,839	
	Digital Literacy Assessment Participants	4,125	
STEP2		Participants in the data utilization workshop	DX Promotion Passport Qualification Holders
STEP2	Digitally Competent Employees	Total 938	IT Passport: 280
			G Certification: 390
			Data Scientists Certification: 24
STEP3		Total	Completed Courses
STEP3	DX Specialists	47	DX Producer: 24
			DX Technical Planner: 23

As of March 31, 2025

These individuals will include DX Producers, who lead the planning of digital transformation initiatives, and DX Technical Planners, who drive the use of data and AI. In FY2024, 47 participants from 21 departments joined the program, which culminates in comprehensive exercises on planning proposals and data analysis, followed by a final presentation session to showcase their achievements. We have also put in place a framework to support participants' ongoing development after the training through Project Based Learning (PBL).

We will continue to strengthen our foundation for sustainable management by fostering and supporting the growth of DX talent.



1. DX Technical Planner Course lecture 2. Presentation of results 3. DX Specialists Training students

### NOVARE Academy

We have positioned NOVARE Academy as a core training hub to help Shimizu Group talent returns to the roots of monozukuri (craftsmanship) and rigorously pursue the core values of quality and safety through hands-on, practical education programs.

#### Quality education initiatives

We emphasize experiential training that lets participants see, touch, and try for themselves using full-scale mockups and the latest digital technologies. Through practical, site-oriented programs such as steel frame quality control, ultrasonic flaw detection, and hands-on experience with final tightening of high-strength bolts, each engineer gains a strong sense of quality awareness and autonomy. We also use past cases of serious defects as learning materials to help prevent recurrence and foster a lasting culture of quality.

#### Enhancement of safety education

We strengthen on-site safety awareness and leadership by combining hazard experience programs, leadership training, and VR-based disaster simulations. We place strong emphasis on improving communication with workers to foster greater psychological safety on-site.

#### Promotion of cross-departmental training

We promote cross-departmental training across building construction, civil engineering, facilities, and design, creating opportunities for engineers from diverse disciplines to collaborate on problem-solving. In the Digital Learning Zone (DLZ), we use BIM and XR technologies to conduct digital construction management and on-site simulations, promoting the transfer and sharing of on-site knowledge and expertise.



1. Experiential training with full-scale mockups 2. Learning from past projects  
3. Verifying construction management methods using digital tools  
4. Technical training programs for group companies

Head office visitors	2,633	Visitors from branches	401
Group company visitors	572	Employees participated in nationwide training programs	3,706

(As of March 31, 2025)

#### Roll-out across the entire Group

NOVARE Academy also serves as a training hub for technical staff from group companies and support personnel nationwide, helping to strengthen technical capabilities across the entire Group. Through NOVARE Academy, we are committed to passing down Shimizu's spirits of monozukuri (craftsmanship) and innovation to the next generation, with the goal of achieving sustainable growth and contributing to society.

## Message from the Director in Charge

### The Essence of Human Resources Strategy in Times of Transformation

The construction industry is undergoing a major transformation, driven by both digital innovation and the need to solve pressing social issues. At the heart of this transformation is people.

Our goal goes beyond simply improving skills. We aim to develop talent who embraces change as an opportunity and continually rise to new challenges. Those who can skillfully harness digital technologies, stay firmly committed to quality and safety, and turn cultural and value differences into strengths through collaboration will be the driving force behind building a sustainable future.

What truly matters is creating an environment where every employee regardless of nationality, gender, or work style feels empowered to work in a way that is authentic to who they are. Instead of enforcing a one-size-fits-all image of talent, we offer diverse career paths that leverage each individual's strengths and uniqueness, supporting their growth through ongoing dialogue. This human-centered approach is what empowers our globally expanding organization to continuously strengthen its capacity for innovation.

The mission of the construction industry is to support communities around the world by building the social infrastructure that underpins daily life. Fulfilling that mission requires more than just technical expertise, it demands an organizational culture that respects human rights and harnesses diversity as a source of strength. We are fully committed to bringing this vision to life through our human resources strategy.



Kazumi Sato

Executive Officer  
Vice Executive Conductor, NOVARE,  
Director, HR Strategy Dept., Corporate Planning Div.,

### From Mid-Term Business Plan (2024-2026) A Stronger Business Foundation 1-1 Talent Development and Organizational Capabilities Improvement



## Developing talent and organizational capabilities

### Implementation of Strategy-Oriented HR Management and Restructuring the HR Management System

Believing that people are the true source of our competitive edge, we place talent development and organizational capabilities improvement at the heart of our management foundation. To build a human resources portfolio aligned with our business strategy, we are undertaking a comprehensive restructuring of our HR management system. This includes revising our personnel policies to promote diversity and a supportive work environment, implementing a talent management system, and reorganizing our human resources development framework. By strategically enhancing our HR function, we are systematically recruiting, developing, and placing the talent needed to achieve our business goals while creating an environment where every employee can reach their full potential. At the same time, we are working to boost employee motivation and encourage continuous learning and growth, driving greater organizational vitality and productivity.

#### Global HR Managers Meeting

We held the Global HR Managers Meeting to strengthen collaboration between the head office and our overseas locations. Fourteen HR managers from around the world gathered in Japan to join their counterparts from the head office in discussing shared HR challenges and engaging in group work based on case studies. Looking ahead to future Global Strategies and making regional offices self-determining, we will support business growth and contribute to improving sustainable corporate value by building a strong, cross-border HR network.



Appearance of meeting attendees

### Developing a quality organization

#### Dialogue and Surveys

To create a workplace where employees find real meaning in their work, we are enhancing engagement through ongoing dialogue and surveys. We use pulse and engagement surveys to identify organizational issues, while initiatives like 1-on-1 meetings and team dialogue sessions help build trust and foster both individual and team growth. Under the Mid-Term Business Plan <2024–2026>, we introduced a new key metric, the engagement score, which not only measures individual fulfillment at work but also emphasizes stronger collaboration within and across teams. This is quantitatively assessed through engagement surveys conducted companywide. With an ambitious goal of reaching a score of 4.0 by FY2026, we recorded a result of 3.6 for FY2024.

Engagement item	Through FY2024	Through FY2026		
Employee satisfaction scores	Job satisfaction	3.7	Average of the six indicators <b>3.6</b>	
	Health and well-being	3.6		
	Trust within the workplace	3.7		
Relationship metrics	Collaboration within the workplace	3.6		Our goal is to achieve an average score of <b>4.0</b> or higher across all six indicators.
	Co-creation across departments	3.6		
	Alignment with the vision and company policy	3.2		

Employee engagement score

#### How 1-on-1 Meetings Influence Job Satisfaction

An internal survey conducted in FY2023 revealed that employees who reported higher satisfaction with 1-on-1 meetings also tended to have higher employee satisfaction scores. These findings suggest that opportunities for dialogue, such as 1-on-1 meetings, are effective in boosting individual employee engagement. Building on these insights, we will strengthen our focus on dialogue-driven initiatives to drive ongoing improvements in employee engagement.

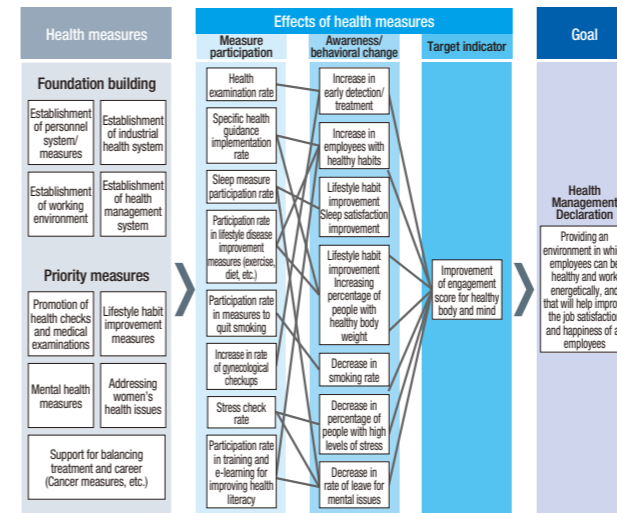
Satisfaction with 1-on-1 meetings	Number of responses	Employee satisfaction indicators		
		Job satisfaction	Health and well-being	Trust within the workplace
Very satisfied	1,217	<b>4.43</b>	<b>4.49</b>	<b>4.54</b>
Satisfied	3,637	3.84	3.94	3.97
Neutral	2,009	3.31	3.50	3.46
Dissatisfied	366	3.01	3.23	3.03
Very dissatisfied	132	2.54	2.85	2.21
Not implemented	2,873	3.36	3.59	3.45
Overall average	10,234	3.62	3.78	3.74

Relationship between satisfaction with 1-on-1 meetings and employee satisfaction scores (based on an internal survey conducted in FY2023)

### Investment on talent and career autonomy

#### Health Management

To promote employee health, we have built a companywide structure led by the Health Management Committee and are continuously implementing initiatives focused on sleep, nutrition, and exercise to improve health literacy. We have also established a system for providing personalized health support by assigning occupational health staff, such as industrial physicians, health counselors, and psychologists, to the head office and all branches, and conducting on-site consultations at each worksite. Through these efforts, we are working to support the physical and mental well-being of our employees while strengthening the foundation for sustainable organizational management.



Health Management Strategy Map

#### Diversification of Recruitment Methods

To attract talent with diverse knowledge and experience, we have expanded beyond traditional hiring methods by introducing year-round recruitment, employee referrals, and alumni hiring programs. By diversifying our recruitment methods, we are expanding our reach to highly specialized professionals and untapped mid-career human resources while also fostering a corporate culture where every employee takes an active role in the hiring process.

	FY2022	FY2023	FY2024
Number of employees	11,083	11,212	11,364
Of this, number of career recruit	3,350	3,430	3,523
Above ratio	30.2%	30.6%	31.0%

\* As of April 1 of each year

#### Expansion of the Job Challenge Program

In the third round of the Job Challenge Program in FY2024, we expanded the scope beyond just new businesses and newly established departments. As a result, the number of transfers through the program rose to 49, about 4.5 times more than in the first round. Moving forward, we will continue to actively offer diverse opportunities, starting with this program, for every employee to develop their skills and pursue varied career paths.



#### Expansion of Open-type Training

To support employees in taking charge of their own career development, we are expanding in-house open recruitment training. The externally conducted Business Skills Training program launched in FY2023 is set to expand its participant capacity to over 100 by FY2025. Starting in FY2024, we also launched a new online video learning service to offer employees convenient access to knowledge and skills directly applicable to their work. Additionally, by permanently providing business skills video content on our internal training platform, we are fostering an environment where employees can take initiative in their learning anytime, supporting ongoing personal growth.

#### In-house open recruitment business skills training



#### Company-Sponsored Study Abroad Program

Alongside the department-recommended study abroad program to universities in Japan and abroad, we introduced a Company-Sponsored Study Abroad Program in FY2022. This program broadly invites applications from within the company to support employees in taking charge of their own career development. Candidates chosen through a strict selection process, including document screening and interviews, study at universities in Japan or abroad (such as MBA programs), where they develop advanced management and business skills, build networks with diverse talent, and broaden their perspectives and strategic outlook. Through these learning opportunities, we are fostering next-generation leaders with a global outlook and strengthening the talent foundation that underpins our company's sustainable growth.

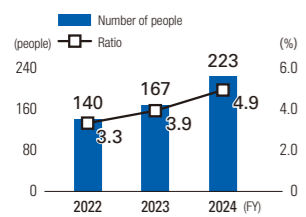
## DE&I (Diversity, Equity & Inclusion)

### Promoting the Advancement of Women

Since establishing the Diversity Promotion Office in 2009, Shimizu has established a work environment that makes it easy for a diverse range of talent to work, and is considering and enhancing many policies related to promoting the advancement of women.

Now in its third year, the Shin Diversity Activities initiative saw top management visit 14 divisions nationwide to promote the theme of The Appeal of Management Roles. Group work revealed a gap in perceptions between female employees and management. Drawing on feedback from female employees through this initiative, we launched a Women's Leadership Training program in FY2023 for prospective management candidates. The program combines external coaching and hands-on learning to foster a mindset of growth and a willingness to take on new challenges. We are also driving cultural transformation across the organization by hosting a company-wide Diversity Forum open to all employees.

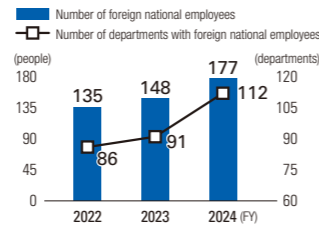
#### Women in management positions



### Support for Foreign National Employees

As of April 2025, we employ 194 foreign nationals representing 25 different countries. To support foreign national employees, we provide a comprehensive training program aligned with each stage of their career, from discussion meeting for prospective hires and retreat-style training with their direct supervisors to follow-up training in their fourth year. These programs are designed to promote smooth workplace integration, cross-cultural understanding, and career growth. In parallel with these talent development efforts, we are fostering an inclusive workplace by respecting diverse cultures and customs, such as installing a prayer room at our head office and labeling cafeteria menus to reflect religious and dietary considerations. These initiatives have helped improve employee retention.

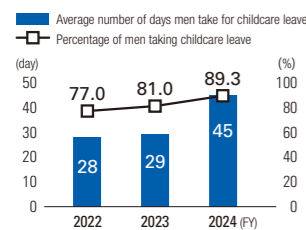
#### Foreign national employees



### Simultaneously working and raising children

We are committed to building a workplace where all employees, regardless of gender, can successfully balance work and childcare responsibilities. Childcare leave among male employees has seen steady progress, with both the uptake rate and the number of days taken continuing to rise. In FY2024, we are supporting greater involvement in childcare by launching new initiatives, including an experiential workshop for fathers called the Understanding Babies Seminar. In response to employee feedback, we introduced a fertility treatment support program in FY2023, helping to boost employee engagement while also addressing the broader social challenge of declining birthrates.

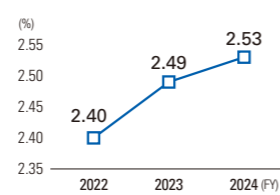
#### Childcare leave



### Advancement of Employees with Disabilities

To support the success of employees with disabilities, we host the Challenge Forum, an opportunity for their voices to be heard and reflected in management decisions. In FY2024, we hosted a briefing and dialogue session at NOVARE to share the Mid-Term Business Plan <2024-2026> with employees with disabilities. Fifty-seven employees from across Japan participated, gaining valuable insight into the company's business strategy through active discussions with the Corporate Planning Department and a tour of cutting-edge facilities. We are working to create an environment where employees with disabilities can reach their full potential by actively providing growth opportunities while also ensuring barrier-free workplaces and reasonable accommodations.

#### Percentage of employees with disabilities



### Family Events

Promoted by Keidanren, Family Day is an initiative designed to raise awareness about the importance of supporting children and families as a shared responsibility across society. To give employees' families a chance to better understand our work and workplace environment and for employees to reconnect with their families, we hosted the Let's Go Again This Year! Family Day 2024 at our head office. Twelve divisions exhibited booths, attracting 127 groups and a total of 436 employees and their family members.

In 2024, we also introduced the NOVARE Family Tour, offering visits to the former Shibusawa Residence, Archives, and Hub located within NOVARE. With many employees' parents joining, the event offered a meaningful opportunity to experience NOVARE's theme of "Smart Innovation Ecosystem." Over the course of two days, 300 people took part in the event.



### Systems Supporting a Comfortable Work Environment

To help employees perform at their best, we offer flexible work options, such as flextime, staggered shifts, and telework, that support balancing work with childcare, caregiving, and medical treatment while promoting greater job satisfaction by freeing work from time and location constraints.

Especially for office employees managing childcare, caregiving, or medical treatments, we have implemented a flextime system without core hours, allowing them to balance work and personal needs more comfortably through a highly flexible work schedule.

## Human Rights

### Human Rights Due Diligence

From the perspective of business sustainability, we are promoting human rights due diligence initiatives to identify, prevent, and mitigate negative impacts on human rights. So far, we have conducted surveys on accepting foreign technical intern trainees and taken steps like providing subcontractors with training to raise awareness of key points to keep in mind. In addition, regarding granite and wood (formwork plywood), which international agencies have identified as products possibly involving forced or child labor, we conducted a traceability survey to check for any human rights violations throughout the entire supply chain, from raw material extraction to project office delivery. The survey found no evidence of any human rights violations.

### Respect for Human Rights Overseas

To prevent and reduce human rights risks for overseas skilled workers, we conducted human rights-focused e-learning in February 2025 for all employees at overseas sites, covering topics like the prohibition of forced labor, child labor, and human trafficking. Additionally, we confirm that contracts with subcontractors include provisions prohibiting forced and child labor.

### Promoting Understanding of LGBTQ+

To foster understanding of LGBTQ+ issues, we provide training for employees and HR staff. Additionally, in FY2024, we updated our personnel policies to broaden the definition of spouse to include same-sex and common-law partners, expanding eligibility for benefits related to company housing, childcare, nursing care, and more. Building on these initiatives and by fostering a workplace environment that embraces diversity, we were awarded the highest honor, "Gold," in the PRIDE Index 2024, a recognition of corporate and organizational efforts supporting LGBTQ+ inclusion, in November 2024.



"Gold," in the PRIDE Index 2024



Promoting the Advancement of Women  
<https://www.shimz.co.jp/en/company/about/diversity/women/>



Promoting the Advancement of Employees Who are Foreign Nationals  
<https://www.shimz.co.jp/en/company/about/diversity/foreigner/>



Employment and Active Advancement of People with Disabilities  
<https://www.shimz.co.jp/en/company/about/diversity/challenged/>



Family Day  
<https://www.shimz.co.jp/en/company/about/diversity/wlb/familyday/>

## Human Rights

### Addressing Harassment

Following the Shimizu Group's Basic Human Rights Policy, we provide a hotline that allows officers and employees to consult external specialists about harassment and other workplace concerns. All information shared through the hotline is kept strictly confidential, and employees will not face any disadvantages for seeking help. If users request specific solutions, we confirm their wishes and then take necessary and appropriate actions based on input from the experts, ensuring that all information provided remains strictly confidential.

Additionally, we provide human rights awareness training covering topics such as harassment for all officers and employees throughout the Group, including subsidiaries.

### AI and Human Rights

Acknowledging both the opportunities and risks of AI, we established the Shimizu Group Basic AI Policy to advance the responsible use of AI technologies. The policy commits to respecting human rights in AI applications by working to eliminate bias and discrimination and ensuring fairness. We uphold individual dignity and rigorously protect rights including privacy.

Shimizu Group Basic AI Policy

1. Human-centered AI use	4. Ensuring safety
2. Respect for human rights	5. Ensuring accountability and transparency
3. Legal compliance and protection of rights	6. Establishing an AI governance framework and developing talent



**Human Rights Initiatives**  
<https://www.shimizu.co.jp/en/company/csr/human/>

## Strengthening the Supply Chain

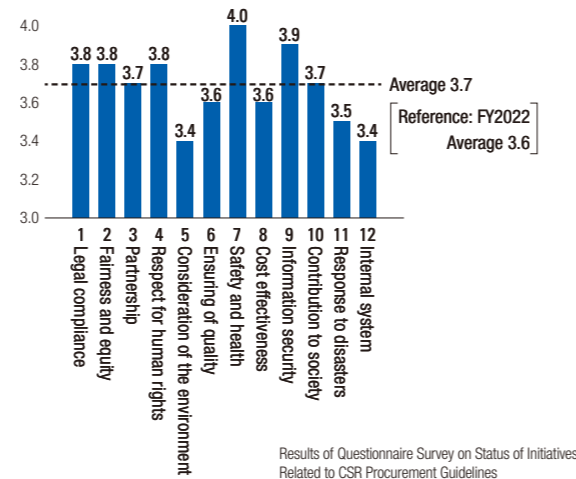
### Promoting CSR Procurement

The Shimizu Group views establishing a sustainable supply chain as a critical management priority and regards subcontractors as good partners. Guided by this philosophy, we have established the Shimizu Group CSR Basic Procurement Policy to define the Group's fundamental approach.

### Shimizu Group CSR Basic Procurement Policy

1. Compliance with laws, regulations, and company rules, and respect for social norms
2. Fair, equitable, and good-faith transactions
3. Building good partnerships with suppliers
4. Respect for human rights
5. Consideration for the environment
6. Quality and delivery assurance
7. Promoting health and safety
8. Pursuing reasonable costs
9. Ensuring information security
10. Contributions to society
11. Disaster response

Following this policy, we established the Shimizu Group CSR Procurement Guidelines to encourage subcontractors to advance CSR efforts, including legal compliance, respect for human rights, environmental stewardship, and quality assurance. Additionally, we ask subcontractors to urge their partners to adopt practices aligned with these guidelines, fostering CSR awareness across the entire supply chain. In FY2024, we surveyed 1,028 subcontractors to assess the status of their CSR initiatives. Drawing on these results, we showcase outstanding initiatives as best practices and offer advice and guidance to subcontractors needing improvement, continuously striving to elevate CSR standards throughout the entire supply chain.




**CSR Procurement**  
<https://www.shimizu.co.jp/en/company/csr/procurement/>

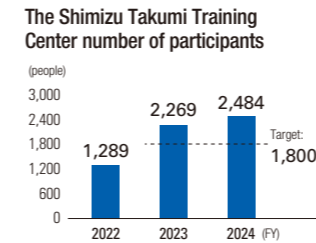
### Example Initiatives

Below are examples of initiatives based on our Basic Policy on CSR Procurement.

#### Basic Policy 3. Building Good Partnerships with Suppliers The Shimizu Takumi Training Center

We operate the Shimizu Takumi Training Center, an education and training facility dedicated to developing and securing skilled workers, in partnership with Kanekikai, an organization representing our subcontractors. In addition to onboarding programs for new entrants, the center offers a wide range of training programs tailored to each individual's work experience and skill level. Specifically, the center strengthens the expertise of skilled workers through programs such as skill enhancement training, multi-skilled worker development, and hands-on training in productivity improvement tools. In FY2024, there were 2,484 participants.

By positioning the Shimizu Takumi Training Center as a platform for securing and developing skilled workers, we aim to strengthen and expand the entire supply chain and, in doing so, contribute to enhancing the appeal of the construction industry and promoting its long-term sustainability.



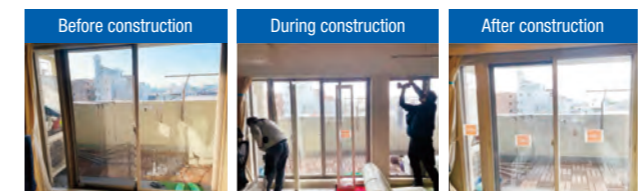
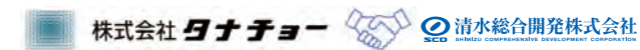
Participants in the training for new employees

\* Targets set from FY2023 onwards

#### Basic Policy 5. Consideration for the Environment

##### Expanding the Use of Functional Glass as Part of Our Efforts to Achieve Carbon Neutrality

Shimizu Comprehensive Development Corporation, which oversees our real estate business, is working in partnership with Tanacho & Co., Ltd. to promote the installation of insulated windows in the condominium properties it manages. By adding interior windows to existing frames to efficiently enhance insulation performance, the initiative helps reduce CO<sub>2</sub> emissions.



Condominium window upgrades for improved insulation

#### Contributing to CO<sub>2</sub> Reduction Through the Renewable Energy Certificate Program

Smart Eco Energy Co., Ltd., a wholly owned subsidiary of Shimizu, has obtained Green Power Generation Facility Certification for a solar power system installed on the roof of a factory owned by Yamanashi Kentetsu Co., Ltd. This certification enables Yamanashi Kentetsu to extract the environmental value from the electricity it generates and consumes, and issue it in the form of a Renewable Energy Certificate\*.

This framework allows each party involved in certificate transactions to contribute to CO<sub>2</sub> reduction in their respective roles.

\* Renewable Energy Certificate: A certificate that quantifies the environmental value of electricity generated from renewable energy sources such as wind, solar, and biomass.



Solar power installation at Yamanashi Kentetsu's factory

We will continue collaborating with our partner companies to advance initiatives that contribute to achieving a zero-carbon society.

#### Basic Policy 10. Contributions to society

##### Promotion of the Construction Career Up System (CCUS)

The Construction Career Up System (CCUS) is a digital platform developed through public-private collaboration that serves as a common foundation for the construction industry, enabling centralized management of each skilled worker's employment history and qualifications. With the exception of sites involving confidentiality or other special circumstances, we have completed CCUS registration at all of our work sites.

We will continue to promote registration and use of the system to help improve working conditions for skilled workers and support their smooth career development.



**Together with Our Suppliers**  
<https://www.shimizu.co.jp/en/company/csr/partner/>

## Contributing to Society

### Basic Principles

Shimizu actively contributes to society and local communities as a corporate citizen. By doing so, we help preserve the abundance of the earth and create a future society in which all people on it can live with happiness. Our activities are rooted in The Analects and the Abacus (Ethics and Economics), which contains the basic principles for managing our business; our corporate slogan, Today's Work, Tomorrow's Heritage.

Based on the basic philosophy described above, We have specified four areas for key initiatives aimed at contributing to society: 1) Earth and the Environment, 2) Education, 3) Culture and Arts, and 4) Social Inclusion. We are actively engaging in activities that contribute to local communities in these four areas.

We have also endorsed Keidanren's 1% (One-Percent) Club program and support its activities. Furthermore, we are promoting a wide range of social contribution activities, including support for the Social Welfare Corporation Shimizu Foundation, which is deeply tied to the Company, and the housing research foundation JUSOKEN, as well as a grant-in-aid program by Shimizu Foundation.

### Matsusaka Isedera Nature "AI" Land

Since FY2008, the Mie Sales Office of our Nagoya Branch has maintained a forest conservation agreement with Isedera-cho in Matsusaka City, Mie Prefecture, and has been actively engaged in ongoing forest development activities in partnership with the local community. As of March 2025, a total of 71 activities had been conducted, with participation from over 3,600 people. This initiative supports forest revitalization through thinning and tree planting, while also contributing to the local community by creating environments where residents can connect with nature, such as the development of walking trails.



Participants in the forest development activities

### Shimizu Open Academy

The Institute of Technology hosts the Shimizu Open Academy, a public lecture series designed to foster a deeper appreciation of construction technologies and share the joy of making things with the next generation of youth and the general public. Since its launch in 2008, the program has welcomed approximately 62,000 participants. Through a wide range of programs that make use of the Institute of Technology's experimental facilities, we offer young people free opportunities to explore and deepen their interest in the field of construction.

This initiative has been widely recognized for its social impact—receiving

the Excellence Award at the Japan Mécénat Awards 2023 organized by the Association for Corporate Support of the Arts, and in FY2024, earning the Excellence Award (Large Enterprise Category) at the Excellent Company Taiken Award, presented by the Ministry of Education, Culture, Sports, Science and Technology for companies that promote youth experiential learning.



Technical tour at the Institute of Technology

the Excellence Award at the Japan Mécénat Awards 2023 organized by the Association for Corporate Support of the Arts, and in FY2024, earning the Excellence Award (Large Enterprise Category) at the Excellent Company Taiken Award, presented by the Ministry of Education, Culture, Sports, Science and Technology for companies that promote youth experiential learning.

### Parasports Experience Events

In collaboration with the non-profit organization STAND, we have been organizing "Start with Fun! 'Sports for All' Parasports Experience Events" at various locations across Japan since 2014. By March 2025, the program had been held 21 times, giving over 2,400 children, primarily elementary school students, the opportunity to experience the excitement of para-sports, while also advancing educational activities that foster greater understanding of an inclusive society.



Children trying out wheelchair basketball

### Installing Donation-Based Vending Machines

Donation-based vending machines have been installed at our Head Office as well as at multiple branches and construction sites, with proceeds donated to organizations dedicated to supporting children and protecting the environment. Our Head Office has also introduced a matching gift program, where the company matches employee donations to the Fund to Support Children's Futures, allowing employees and the company to jointly contribute to solving social challenges. In August 2024, the Children and Families Agency presented a letter of appreciation for these efforts, awarded by former Minister of State for Special Missions Ayuko Kato.



Letter of appreciation presented for our support of the Fund to Support Children's Futures

## Social Data

		FY2022	FY2023	FY2024		
Health	Promote/prevent	Regular health checkup participation rate	100%	100%	100%	
		Stress check participation rate	80.8%	77.9%	87.1%	
		Uterine cancer screening rate*1	Women aged 20 and over	56.7%	56.8%	55.9%
		Breast cancer screening rate*1	Women aged 40 and over	84.2%	81.9%	82.6%
	Condition maintenance	Smoking rate	Men	25.3%	23.2%	23.6%
			Women	8.6%	6.5%	5.8%
		Continuation rate of treatment for high-risk individuals	Blood pressure	94.0%	92.9%	93.4%
			Blood sugar	92.9%	92.4%	92.1%
			Lipids	77.3%	78.1%	80.6%
		Status of employee health literacy*2	80.6%	80.8%	79.3%	
Obesity rate [BMI 25 and over]	Age 40 and over	38.7%	38.6%	39.5%		
Work styles	Use of systems	Percentage of men taking childcare leave	77.0%	81.0%	89.3%	
		Average number of days men take for childcare leave*3	28	29	45	
		Percentage of women taking childcare leave	100%	100%	98.6%	
		Average number of days women take for childcare leave	402	381	370	
		Number of employees taking child nursing leave	278	385	403	
		Number of employees taking nursing care absence	4	6	6	
		Number of employees taking nursing care leave*4	2	107	164	
Growth	Providing growth opportunities	Total investment in human resource development and training (million yen)	760	928	1,002	
		Training cost per employee	¥70,078	¥84,757	¥89,761	
	Utilization of growth opportunities	Number of personnel transfers through the Job Challenge Program	11	13	49	
		Number of participants in in-house open recruitment business skills training	-	30	80	
DE&I	Building a diverse organization	Number of employees	Total (men and women)	10,845	10,949	11,163
			Men	8,980	8,954	9,023
			Women	1,865	1,995	2,140
		Percentage of female employees	17.2%	18.2%	19.2%	
		Number of new graduate hires*5	Total (men and women)	361	333	380
			Men	258	227	276
			Women	103	106	104
		Percentage of female new graduate employees	28.5%	31.8%	27.4%	
		Number of career hires	Total (men and women)	85	167	209
			Men	61	102	130
	Women		24	65	79	
	Percentage of female career hires	28.2%	38.9%	37.8%		
	Number of foreign national employees	135	148	177		
Number of departments with foreign national employees	86	91	112			
Providing fair opportunities	Number of managers*5	Total (men and women)	4,180	4,313	4,525	
		Men	4,040	4,146	4,302	
		Women	140	167	223	
	Percentage of female managers*5	3.3%	3.9%	4.9%		
	Number of newly appointed managers*5	Total (men and women)	188	226	294	
		Men	173	196	237	
	Women	15	30	57		
Percentage of newly appointed female managers*5	8.0%	13.3%	19.4%			
Gender pay gap*6	All employees	62.2%	64.9%	63.6%		
	Regular employees	61.7%	64.5%	63.5%		
	Non-regular employees	66.9%	69.1%	63.1%		
	Percentage of employees with disabilities*7	2.40%	2.49%	2.53%		
Supply Chain	Strengthening the Supply Chain	Results of the CSR Procurement Guidelines Implementation Survey	Overall average score (out of 5 points)	3.6	-	3.7
		The Shimizu Takumi Training Center	Number of participants	1,289	2,269	2,484
Social contribution	Social contribution activities	Shimizu Open Academy	Number of participants	1,269	2,157	2,118
			Cumulative number of participants*8	58,229	60,386	62,504
		Para-sports experience events	Number of participants	200	270	240
		Cumulative number of participants*9	1,930	2,200	2,440	

Unless otherwise noted, figures are non-consolidated for Shimizu Corporation (Japan, Head Office) as of the end of each fiscal year. \*1: Rates for uterine and breast cancer screenings represent those who were screened within the past two years. \*2: Percentage of employees who answered "motivated to improve lifestyle habits" or "already taking action" in the health checkup questionnaire. \*3: Including taking Shimizu's unique paid paternity leave. \*4: Nursing care leave has been treated as paid leave since August 2023. \*5: Figures for new graduate hires and manager appointments are as of April 1 of each fiscal year. \*6: Percentage for female managers and gender pay gaps are affected by headcount and workforce composition (no gender-based differences in appointment criteria or pay structure). \*7: Average for each fiscal year. \*8: Cumulative total since FY2008. \*9: Cumulative total since FY2014.

# Governance



## Initiatives to Improve Governance

Based on our Credo, The Analects and the Abacus, we strive to fulfill social responsibilities through our business activities, thereby earning a greater degree of trust from our shareholders and investors, and all other stakeholders, including clients, employees, and local communities. We also aim to manage the company in an expeditious, efficient, transparent, and lawful manner to achieve sustainable growth and increase corporate value over the medium to long term.

To achieve this, we have established a structure that enables the Board of Directors and Audit & Supervisory Board Members to appropriately supervise and audit the performance of duties, based on separation of the management strategy decision-making function from the execution of duties function. Concurrently, our basic policy on corporate governance is for our directors, executive officers, audit & supervisory board members, and employees to practice compliance management based on high ethical standards.

### Main Changes in Corporate Governance

December 2018	<b>Establishment of Nomination &amp; Compensation Committee</b> Established the Nomination & Compensation Committee comprised mainly of Non-executive Directors, including Outside Directors, to ensure fairness and transparency in decisions on the selection, dismissal, evaluation, and compensation of Directors and Executive Officers (committee chair is Non-executive Director)
June 2019	<b>Further Increase number of Outside Directors</b> Increased the number of Outside Directors from two to three and the number of female Directors from one to two
June 2019	<b>Change in Director Term</b> The term of office of Directors was shortened from two years to one year to clarify the management responsibility of Directors during the fiscal year, to build a management structure for quickly addressing changes in the business environment, and to further enhance corporate governance.
April 2020	<b>Partial Revision of Executive Officer System</b> Strengthened the business execution function by clarifying business execution responsibilities Strengthened the management supervision function by increasing the percentage of Non-executive Directors
February 2021	<b>Change to Composition of Nomination &amp; Compensation Committee</b> Reduced the number of internal members by one and changed the composition to a majority of Outside Directors (three of the five members are Outside Directors)
February 2021	<b>Introduction of Third-Party Evaluation of Effectiveness of Board of Directors</b> Analysis by a third party (attorney) was added to self-assessments (based on discussions between all Directors and all Audit & Supervisory Board Members) starting in 2020
June 2021	<b>Further Increase in Number of Outside Directors</b> Number of Outside Directors increased from three to four, making Outside Directors account for more than one-third of the Board of Directors (Nomination & Compensation Committee now consists of six members, including four Outside Directors)
April 2025	<b>Change in the Method of Calculating Performance-Linked Compensation</b> Method of calculating earnings coefficient used in calculations of performance-linked compensation clarified to strengthen management incentives (Evaluation values for non-financial KPIs under Mid-Term Business Plan now reasonably incorporated in addition to measuring achievement of targets such as ordinary income and order profitability)

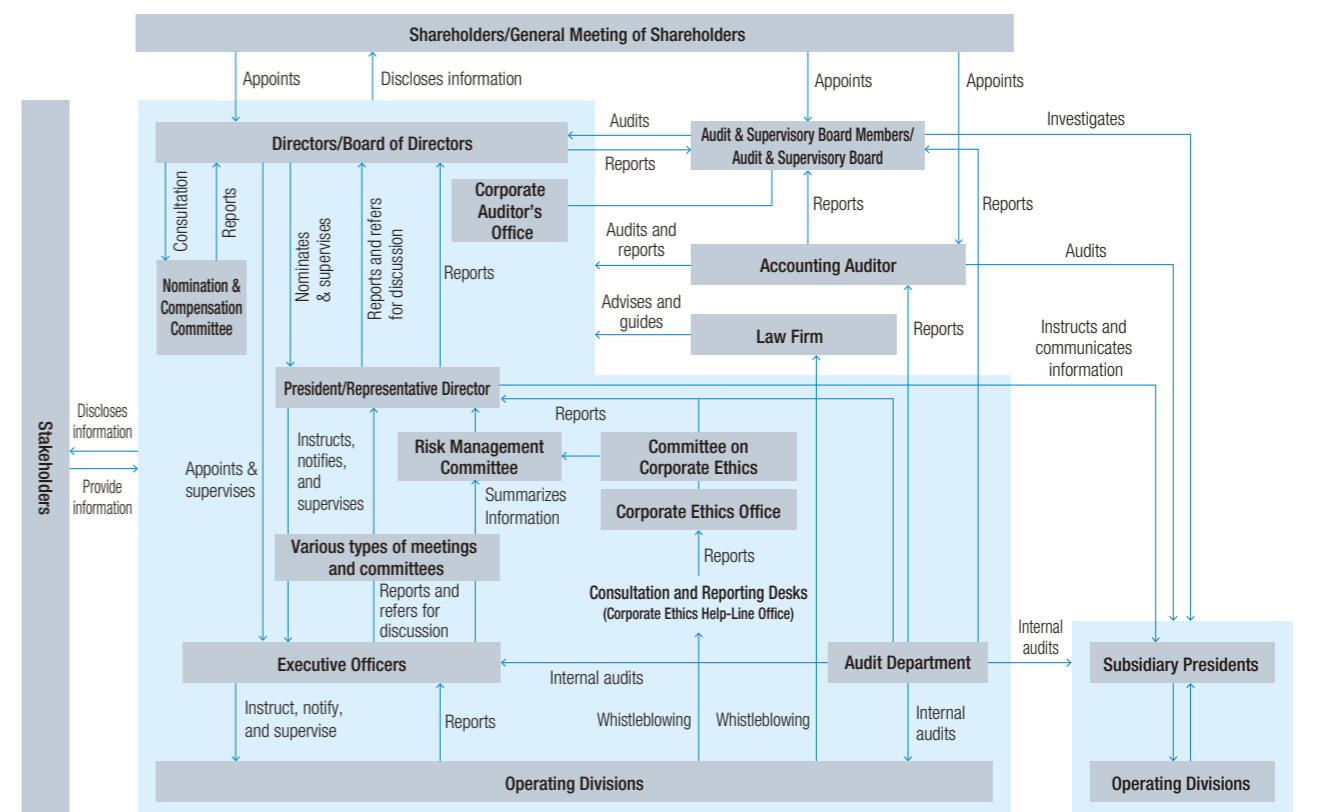
### Overview of the Corporate Governance Structure

We have adopted the structure of a company with an Audit & Supervisory Board. We have chosen this system based on the belief that we have established a system to supervise and oversee management from an objective and neutral perspective. This was achieved by limiting the number of directors and introducing an executive officer system to clearly separate the management strategy decision-making and oversight functions from the business execution function, by taking steps to encourage energetic debate at the Board of Directors, and by electing outside directors, other non-executive directors, and outside Audit & Supervisory Board members who maintain a high degree of independence. The concrete structure and implementation status are detailed below.

- One-third or more of the Board of Directors elected are outside directors to strengthen management supervision function, and to promote more energetic debate by the Board of Directors.
- Outside directors and other non-executive directors and outside Audit & Supervisory Board members use their extensive experience and sophisticated insight based on their individual career histories to oversee and supervise management and provide necessary advice as appropriate.
- We established a structure mainly consisting of the head office administrative departments to provide timely information and other materials to assist outside directors and other non-executive directors in performing their management supervisory duties (including tours of offices, job sites, etc.).

- The relevant divisions provide guidance on the Company in general, description of its businesses, and other relevant information to new outside directors and outside Audit & Supervisory Board members.
- Audit & Supervisory Board members audit all duties performed by directors from a fair and impartial perspective.
- The Audit & Supervisory Board Members Office was established as the dedicated organization to support Audit & Supervisory Board members. This office secures the necessary support staff to enable more effective audits by Audit & Supervisory Board members.
- Audit & Supervisory Board members improve the effectiveness of management supervision by attending important meetings and obtaining sufficient information from officers and employees without delay.
- When a Board of Directors meeting is held, the Board of Directors administrative office and other divisions provide explanations in advance to the outside directors, non-executive directors, and Audit & Supervisory Board members.
- Outside directors and other non-executive directors regularly exchange opinions with the chairman and president. They also exchange opinions with outside Audit & Supervisory Board members.
- Regular Outside Officers Meetings are held for outside directors and outside Audit & Supervisory Board members, and regular Outside Directors and Audit & Supervisory Board Members Meetings are held for outside directors and all Audit & Supervisory Board members to facilitate the exchange of opinions.

Corporate Governance Structure of Shimizu Corporation (Including Overview of Internal Control System)



**Main Governing Bodies Established by Shimizu**

(including discretionary committees and other meeting formats)

**Board of Directors**

The Board of Directors holds meetings once a month as a rule, and as needed. It makes decisions on matters specified in laws and regulations and the Articles of Incorporation as well as other important matters, and supervises the execution of duties. The Articles of Incorporation specifies 12 as the maximum number of directors. These directors consist of executive directors who are highly knowledgeable in each area of our business and non-executive directors, some of whom are outside directors with extensive expertise and experience in their respective specialties. The Chairman and Representative Director serves as the chair of the Board of Directors.

(Main Agenda Items)

Election of directors; organizational reform; establishment, revision or repeal of company regulations; formulation and supervision of management policies and strategies; monitoring of progress and growth strategies of each business; risk management; sustainability matters such as climate change and human resources development; feedback on dialogue with investors; reduction of securities holdings; and revision of the standards for referral to the Board of Directors.

**Audit & Supervisory Board**

The Audit & Supervisory Board meets once a month as a rule, and additionally as necessary. It makes decisions on audit policy, audit plans, auditing methods, and other important audit matters, and deliberates on necessary matters concerning audits. The Articles of Incorporation sets the number of Audit & Supervisory Board members at a maximum of five, including three outside Audit & Supervisory Board members. The chair of the Audit & Supervisory Board is an Audit & Supervisory Board member chosen through discussion by the Audit & Supervisory Board.

**Nomination & Compensation Committee**

We have established a Nomination & Compensation Committee to ensure fairness and transparency in the selection and dismissal of directors, Audit & Supervisory Board members and executive officers, as well as evaluation and compensation of directors and executive officers. The members of this committee consist of five non-executive directors (four outside directors and one non-executive internal director) and one executive director. The committee is chaired by a non-executive director elected every year from among the members.

(Main Agenda Items)

Creation of personnel appointments for and individual evaluations of directors and executive officers, total amount and individual bonuses for officers, individual monthly compensation for the next fiscal year, succession plans, and review of related regulations.

**Risk Management Committee**

Our Risk Management Committee ascertains and analyzes risks that would have a serious impact on our corporate group, which consists of Shimizu and its subsidiaries. It also determines key items of risk management, and follows up and reports to the Board of Directors. The President and Representative Director serves as the chair of the committee and one standing Audit & Supervisory Board member also attends committee meetings.

**Committee on Corporate Ethics**

We have established the Committee on Corporate Ethics to determine company-wide policies on strict compliance with corporate ethics, laws and regulations, and deploy and follow up on compliance. The committee is also tasked with collecting all information on serious incidents involving wrongdoing as well examining ways to prevent incidents and recurrence and issuing directions to accomplish that. The President and Representative Director serves as the chair of the committee. One full-time Audit & Supervisory Board member and one outside expert (an attorney) also attend committee meetings.

**Executive Officers Council**

We have established an Executive Officers Council to communicate important matters and policies decided by the Board of Directors to executive officers and provide instructions to them. The President and Representative Director serves as the chair of this council and members consist of executive directors (other than the chair) and executive officers. Two full-time Audit & Supervisory Board members also attend council meetings.

**Evaluating the Effectiveness of the Board of Directors**

Our Board of Directors evaluates the overall effectiveness of the Board of Directors once a year.

A summary of the evaluation method and results for fiscal 2024 are provided below:

**Evaluation Method**

All directors and Audit & Supervisory Board members complete a survey (including anonymous entries and open answers). A self-analysis is performed through discussion by all directors and all Audit & Supervisory Board members at Board of Directors meetings, based on an analysis by a third party (attorney).

Period covered	April 2024 to March 2025
Dates performed	Board of Directors meetings on March 7, March 26, and April 25, 2025
Main items evaluated	Board of Directors composition/operations, management strategy/management supervision function, corporate ethics/risk management, response to sustainability issues, process of determining nomination/compensation, human resource development, communication between outside directors and management, dialogue with shareholders/investors, etc.

**Summary of Evaluation Results**

Conclusion: The Shimizu Board of Directors evaluated and determined the Board of Directors as a whole to be operating effectively.

**Status of response to issues indicated in the last evaluation of effectiveness in FY2023 (covering April 2023 to March 2024)**

The Board of Directors has made consistent efforts to resolve issues and make improvements as follows. The Board of Directors will continue to strive for further improvement.

**1. Monitoring and supervision of the progress of the Mid-Term Business Plan by the Board of Directors**

- Strengthen monitoring of how the Mid-Term Business Plan and the annual Operation Plan are linked, how it is adopted across the Company and its progress.
  - Holding explanatory meetings/group meetings for better understanding and achievement of the Mid-Term Business Plan. Opinions of the participants shared at the Board of Directors. Implement follow-up measures to ensure better understanding of the Mid-Term Business Plan and better incorporation into the annual Operation Plan.

**2. The Board of Directors to check that management resources are appropriately distributed**

- Further discussions on business portfolio taking into account medium to long term growth.
  - Gather all Directors at offsite meetings, and hold discussions on precedents of business portfolio optimization. Have in-depth discussions on growth strategies for each line of business at the Board of Directors.

**3. Sharing the deliberation status, etc. of the Nomination and Compensation Committee at the Board of Directors**

- The Board of Directors to check the deliberation process of the Nomination and Compensation Committee in addition to its result.
  - The deliberation process and discussion details of the Nomination and Compensation Committee, outline of succession planning and other implementation matters to be shared at the Board of Directors.

**4. Expanded disclosure of non-financial information**

- Expanded information disclosure related to risk management and sustainability.
  - Review risk management process and items, continue discussions on disclosure details for better disclosure. Early information disclosure based on the TCFD and TNFD recommendations.

**Major issues identified in the effectiveness evaluation.**

- Hold in-depth discussions on business portfolio optimization to enhance corporate value**
  - Hold more in-depth discussions on growth strategies for each line of business considering the cost of capital at the Board of Directors, clearly define roles of each line of business in a company-wide scheme to enhance corporate value
- Further improve internal control and risk management systems in order to realize teachings of our Credo, the Analects and the Abacus, in our operation**
  - Establishing a reporting system where details of risky projects are more promptly reported. Creating a more systematic reporting system where the progress and completion of the responses can be shared.
- Enhance the communication between our senior management and Outside Directors/Outside Auditors**
  - Provide more opportunities for our senior management and Outside Directors/Outside Auditors to talk to each other in person outside the Board of Directors meeting.

**Future Initiatives**

Based on the results of the evaluation of the effectiveness of the Board of Directors, we aim to enhance the effectiveness of the Board of Directors and further expand and reinforce corporate governance through the PDCA cycle to improve on issues.

**Overview of the Corporate Governance Structure (as of June 27, 2025)**

Item	Description
Organizational form	Company with an Audit & Supervisory Board
Number of Directors	11 (maximum of 12 permitted)
Director term	1 year
Number of female Directors	2
Number of Non-Executive Directors	5 (including 4 independent Directors)
Number of Independent Directors	4
Number of Audit & Supervisory Board Members	5 (maximum of 5 permitted)
Number of Independent Audit & Supervisory Board Members	3
Name of Accounting Auditor	Ernst & Young ShinNihon LLC

**Election of Outside Directors and Outside Audit & Supervisory Board Members**

Appointed Outside Directors (as of June 27, 2025)

Name	Independent Officer	Important Concurrent Positions	Reasons for Appointment	Meeting Attendance During FY2024
Tamotsu Iwamoto	○	Outside Director of XEBIO Holdings CO., LTD.	Tamotsu Iwamoto possesses abundant experience and a high level of knowledge through his many years in corporate management as a corporate executive of a listed company, and uses these attributes to supervise the management of the Company from an objective and neutral position. Therefore, the Company determines that he is qualified as an outside director.	Board of Directors meetings: 16 / 16 (100%)
Junichi Kawada	○	—	Junichi Kawada possesses abundant experience and a high level of knowledge through his many years in corporate management as a corporate executive of a listed company, particularly in the areas of compliance and corporate governance in corporate group management, and uses these attributes to supervise the Company's management from an objective and neutral position. Therefore, the Company determines that he is qualified as an outside director.	Board of Directors meetings: 15/16 (93.8%)
Mayumi Tamura	○	Outside Audit & Supervisory Board Member of Kyowa Kirin Co., Ltd. Outside Director of LIXIL Corporation	Mayumi Tamura possesses abundant management experience and a high level of knowledge on financial/accounting matters from her many years working at global companies, and uses these attributes to supervise the Company's management from an objective and neutral position. Therefore, the Company determines that she is qualified as an outside director.	Board of Directors meetings: 16/16 (100%)
Yumiko Jozuka	○	Outside Director of Tokyu Fudosan Holdings Corporation Chairman of Japan Institute for Women's Empowerment & Diversity Management Outside Director of Sojitz Corporation	Yumiko Jozuka has accumulated experience and knowledge through many years of involvement in health, labour and welfare administration and, in particular, has expert knowledge and experience related to diversity, empowerment of women, working style reform and human resource development, and uses these attributes to supervise the Company's management from an objective and neutral position. Therefore, the Company determines that she is qualified as an outside director.	Board of Directors meetings: 16/16 (100%)

Appointed Outside Audit & Supervisory Board Members (as of June 27, 2025)

Name	Independent Officer	Important Concurrent Positions	Reasons for Appointment	Meeting Attendance During FY2024
Kaoru Ishikawa	○	Director of Kawamura Gakuen Director of The Society for Promotion of Japanese Diplomacy Outside Director of SMK Corporation Director of Mitsubishi UFJ Foundation	Kaoru Ishikawa has played a leading role in the field of diplomacy for many years, and has abundant experience and knowledge as a diplomat and expertise on international relations and sustainability field, and uses these attributes to supervise the Company's management from an objective and neutral position and from a global perspective. Therefore, the Company determines that he is qualified as an outside audit & supervisory board member.	Board of Directors meetings: 16/16 (100%) Audit & Supervisory Board: 14/14 (100%)
Toshie Ikenaga	○	Outside Director of SOHGO SECURITY SERVICES CO., LTD. (ALSO) Director of National Hospital Organization	Through many years of involvement in government administration, Toshie Ikenaga has been active in many fields, including analysis of economic conditions and policy issues, running a local government organization as Vice-Governor of Shiga Prefecture, and promoting diversity, and she has academic knowledge and wide-ranging experience and insight into economics and management, and uses these attributes to supervise the Company's management from an objective and neutral position. Therefore, the Company determines that she is qualified as an outside audit & supervisory board member.	Board of Directors meetings: 16/16 (100%) Audit & Supervisory Board: 14/14 (100%)
Ko Shikata	○	Professor of Faculty of Law, Chuo University	Ko Shikata has contributed to maintaining and improving a safe and secure society, including cybersecurity, through his many years of involvement in police administration. He has also worked in policy research and education and support as a university professor, has academic knowledge and broad experience and knowledge of the legal and policy field, and uses these attributes to supervise the Company's management from an objective and neutral position. Therefore, the Company determines that he is qualified as an outside audit & supervisory board member.	Board of Directors meetings: 16/16 (100%) Audit & Supervisory Board: 14/14 (100%)

**Support Structure for Outside Directors and Outside Audit & Supervisory Board Members**

We have established a system to provide information to facilitate supervision of management by outside directors and other non-executive directors in performing their duties. The administration departments in the head office play the main role in providing this information in a timely manner. The Corporate Auditor's Office was established as a dedicated organization to support Audit & Supervisory Board members. A sufficient

number of staff members have been secured to assist outside Audit & Supervisory Board members. When a Board of Directors meeting is held, materials are distributed in advance and the Board of Directors administrative office and other divisions provide explanations in advance to the outside directors and the outside Audit & Supervisory Board members.

**Policy on Determining Officer Compensation**

The remuneration of each Director of the Company, which consists of a fixed-amount monthly salary that is the base salary and performance-based compensation that comprises bonuses and compensation exclusively for purchasing shares of the Company, is decided through deliberations of the Nomination and Compensation Committee, which is made up of a majority of Outside Directors and is chaired by a Non-executive Director, and which was established to evaluate the performance of Directors and decide on their remuneration in a fair and transparent manner, based on a resolution passed at the Board of Directors. Non-Executive Directors including Outside Directors and Audit & Supervisory Board Members are paid only fixed-amount monthly salary for the purpose of enhancing their supervisory function of management. We, at a Board of Directors' Meeting held on February 24, 2021, resolved regulations for executives' remuneration that set forth the policy for determining the remuneration of each Director. Its outline is provided below.

**Policy on Base Salary**

Of the remuneration, etc. of Directors of the Company, the fixed-amount monthly salary that is the base salary is a maximum total of 90 million yen a month (including a maximum of 10 million yen for Outside Directors) pursuant to a resolution passed at the 117th Annual General Meeting of Shareholders held on June 27, 2019. As of the closing of the 117th Annual General Meeting of Shareholders, the number of Directors was 12 (including 3 Outside Directors). Remuneration for Audit & Supervisory Board Members is a maximum total of 13 million yen a month pursuant to a resolution passed at the 89th Annual General Meeting of Shareholders held on June 27, 1991 and is decided through discussions at Audit & Supervisory Board. As of the closing of the 89th Annual General Meeting of Shareholders, the number of Audit & Supervisory Board Members was 4.

**Policy on Performance-based Compensation**

Of the remuneration, etc. of Directors of the Company, bonuses that are performance-based compensation is a maximum total of 500 million yen a year based on a resolution at the 118th Annual General Meeting of Shareholders held on June 26, 2020, and the Nomination and Compensation Committee deliberates on whether or not a bonus shall be paid and on what amount shall be paid.

The bonus amount is calculated according to the following method based on consolidated net income, the final results of the Group's business activities for a business year. The "performance coefficient" used to calculate the bonus amount has been updated at the Board of Directors' Meeting held on January 31, 2025 considering a proposal for deliberation presented by the Nomination and Compensation Committee to make it more clearly defined and provide management more incentives. The new coefficient is applied from the fiscal year starting on April 1, 2025.



Criteria for Assessing Independence of Outside Directors and Outside Audit & Supervisory Board Members  
<https://www.shimizu.co.jp/en/company/ir/management/governance/pdf/151224e.pdf>

**(Method of calculating individual performance-based compensation [bonuses])**

Consolidated performance\*<sup>1</sup> x Performance coefficient\*<sup>2</sup> x Positional index\*<sup>3</sup> x Individual evaluation coefficient\*<sup>4</sup> = Individual bonus\*<sup>5</sup>

\*1. Consolidated net income for the current fiscal year (Net income attributable to shareholders of the Company)

\*2. The Nomination and Compensation Committee determines the earnings coefficient using ordinary income which represents the result of basic business development of the Company and an achievement rate against the targets set for the fiscal year of awards profitability of the construction business, a leading indicator of the business results for coming fiscal years, as main evaluation items. Other items are selected from non-financial KPIs from the Mid-Term Business Plan and added by the Nomination and Compensation Committee based on priority in terms of enhancing mid-to-long term corporate value and objectivity of evaluation. The Nomination and Compensation Committee then considers whether or not there is any material violation of laws and decides the earnings coefficient based on the evaluation value derived by weighted average of each item.

\*3. An index determined for each Director's position

\*4. The Nomination and Compensation Committee determines individual evaluation indices based on the results of evaluations of the level of achievement of targets set for each director based on interviews with Executive Directors at the beginning and end of the fiscal year. (Evaluation indices range from 65% to 135%)

The multifaceted evaluations cover the short-term performance of each director in addition to their level of contribution to achieving the targets of the Mid-Term Business Plan, their efforts to strengthen the management base, their contributions to sustainability, and their performance as directorships.

Notably, only the non-executive directors of the Nomination and Compensation Committee Members make decisions regarding executive director evaluations.

\*5. To encourage the further sharing of values with shareholders and increase corporate value over the medium to long term, an amount corresponding to 20% of the bonus as performance-based compensation, shall be deemed to be compensation for purchasing the Company's shares, and each Director shall contribute this remuneration to the Executives' Shareholding Association, which shall acquire the Company's shares. The Company's shares that are acquired in this way shall continue to be held for the duration of the Director's tenure and for a fixed period of time after resignation.

**Matters Concerning Delegation of Decisions on Compensation, etc.**

We have established a Nomination & Compensation Committee which consists of a majority of outside directors and is chaired by a non-executive director, to ensure fair and transparent evaluation and compensation of directors and officers through deliberation by the committee based on the resolution of the Board of Directors. The Nomination & Compensation Committee reviewed compensation for last fiscal year ended March 31, 2025 and discussed the base monthly salary and the amount to be paid as bonuses for each director according to the evaluation of the performance of each director, based on the Rules on Officer Compensation. The committee determined the compensation to be in line with policy determined by the Board of Directors.

Director and Audit & Supervisory Board Member Compensation (FY2024)

Officer Category	Total Compensation (¥ millions)	Total Compensation by Compensation Type (¥ millions)			Number of Eligible Officers
		Monthly Salary (12 months)	Bonus	Of Which, Compensation for Acquiring Company Shares	
Directors (excluding Outside Directors)	837	620	217	41	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	64	64	—	—	3
Outside Officers	102	102	—	—	7

Establishment and Operation Status of Internal Control Systems

We have established a system of internal controls and the Board of Directors makes decisions on the Basic Policy on Establishing a System of Internal Controls to ensure proper operation of the company.

An overview of the operational status of internal control systems in fiscal 2024 is provided below.

Compliance System	<ul style="list-style-type: none"> <li>(1) We provide ongoing education and training to officers and employees to ensure strict compliance.</li> <li>(2) We have established three whistleblowing hotlines, the Corporate Ethics Help-Line Office, the Harassment Contact Point, and the External Contact Point, based on the internal whistleblowing system and familiarized employees with them. The operating status is reported to the Corporate Ethics Committee, the Risk Management Committee, the Audit &amp; Supervisory Board, and the Board of Directors.</li> <li>(3) The Corporate Ethics Committee meets twice a year. It rolls out measures aimed at strict compliance with corporate ethics and laws and regulations to the entire company and follows up on implementation.</li> </ul>
Risk Management System	<ul style="list-style-type: none"> <li>(1) The Risk Management Committee meets twice a year. It identifies and analyzes risks that would have a serious impact on the corporate group, which consists of Shimizu and its subsidiaries, and determines the key items of risk management. It follows up on implementation and reports to the Board of Directors.</li> <li>(2) To confirm communication lines and the initial response to large earthquakes, we hold regular earthquake disaster drills (twice a year) and ask business partners and local residents and others to participate.</li> <li>(3) For overseas safety risks, we collect information on hazards based on the Outline of Countermeasures for Overseas Emergency. As necessary, we also strengthen the security structure, issue warnings to relevant people, and limit overseas travel.</li> <li>(4) To firmly establish information security measures and make sure that everyone understands them, we provide ongoing education and training to officers and employees, share information with relevant divisions, and respond swiftly when a problem occurs.</li> </ul>
Systems to Ensure Proper Operation of the Shimizu Group	<ul style="list-style-type: none"> <li>(1) Shimizu holds two meetings a year to share information between the President of Shimizu and the presidents of group subsidiaries. We manage important items related to operational execution at subsidiaries through the Subsidiary Management Regulations.</li> <li>(2) The Audit Department performs internal audits of subsidiaries based on the audit plan. Proper operational execution by subsidiaries is also monitored by dispatching auditors and other means.</li> </ul>
System for Ensuring Effectiveness of Audits by Auditors	<ul style="list-style-type: none"> <li>(1) The Audit &amp; Supervisory Board Members Office is an organization dedicated to assisting the Audit &amp; Supervisory Board. It is staffed with three full-time employees.</li> <li>(2) An Audit &amp; Supervisory Board member designated by the Audit &amp; Supervisory Board attends important meetings such as the Chief Executives' Meeting, the Division Directors' Meeting, Risk Management Committee meetings, and Corporate Ethics Committee meetings.</li> </ul>

Risk Management

The Shimizu Group works to ensure continuous and stable development of our business by mitigating risks and minimizing potential losses. We achieve this by identifying various risks we face in operations or other business activities, and appropriately managing them. In the Mid-Term Business Plan (2024-2026), we have set "refine sustainability management" as one of our goals, and we are seeking to "take risks while properly risk-hedging."

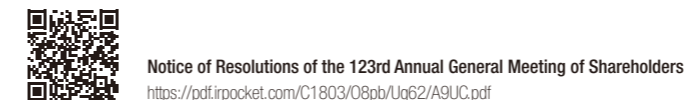
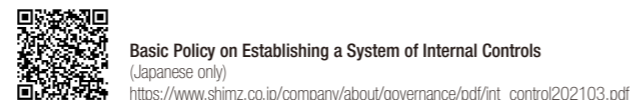
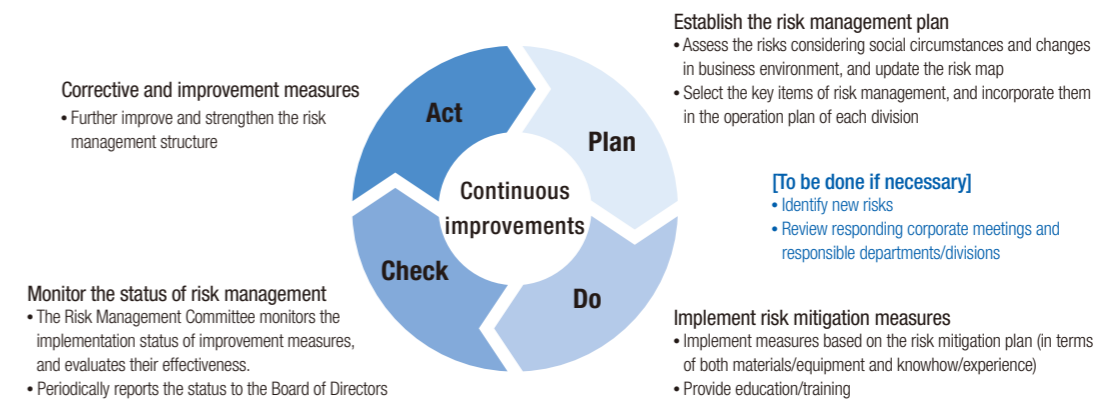
Risk refers to all factors that hinder us from achieving our business objectives when managing the business of the Shimizu Group from the following perspectives.

- Factors that may cause direct or indirect economic loss to the Shimizu Group
- Those that may disrupt or suspend the continuation of the Shimizu Group's business
- Those that may harm the Shimizu Group's reputation and damage its brand image

Risk management system based on PDCA cycle

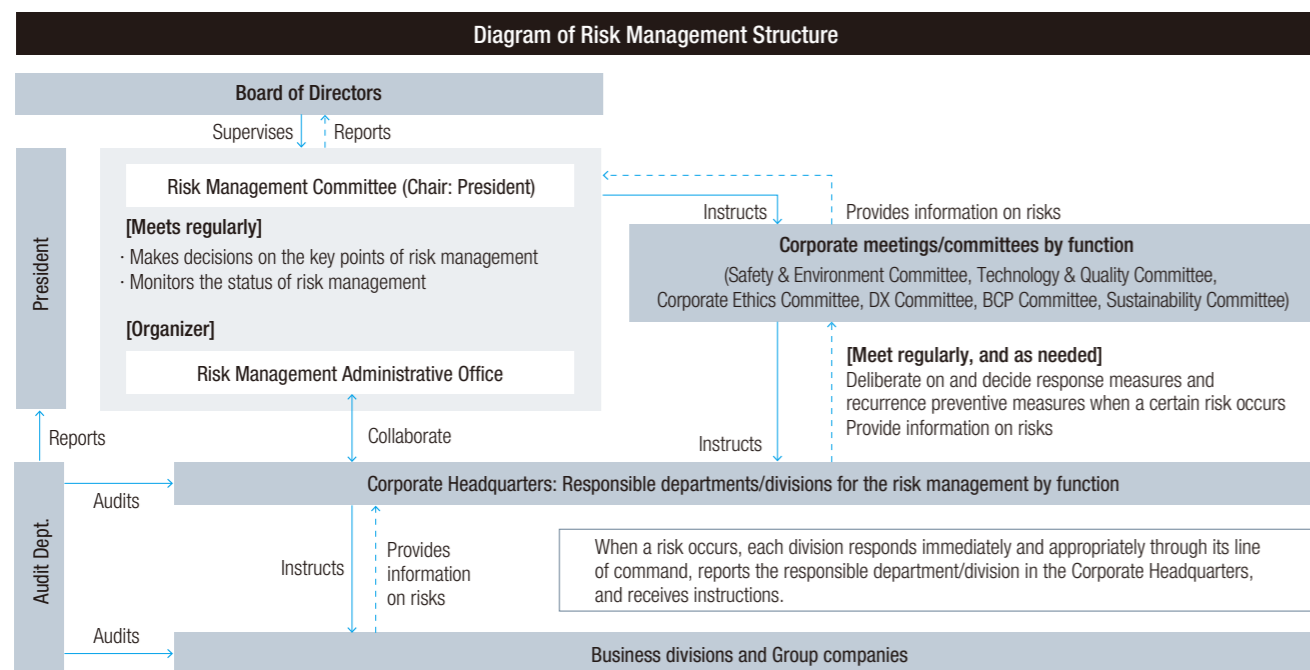
Risk Management Structure and Risk Management Process

The Shimizu Group annually executes the below risk management process based on the Risk Management Regulations under the leadership of the Risk Management Committee chaired by the President and strives to further improve and strengthen its risk management structure. In addition, recognizing that the relevant risks and issues are wide-ranging, fluid, and volatile, we add new potential risks to our list as necessary and review our risk management structure, response policies, and others.



## Risk Management

### Risk Management Structure (According to the Risk Management Regulations)

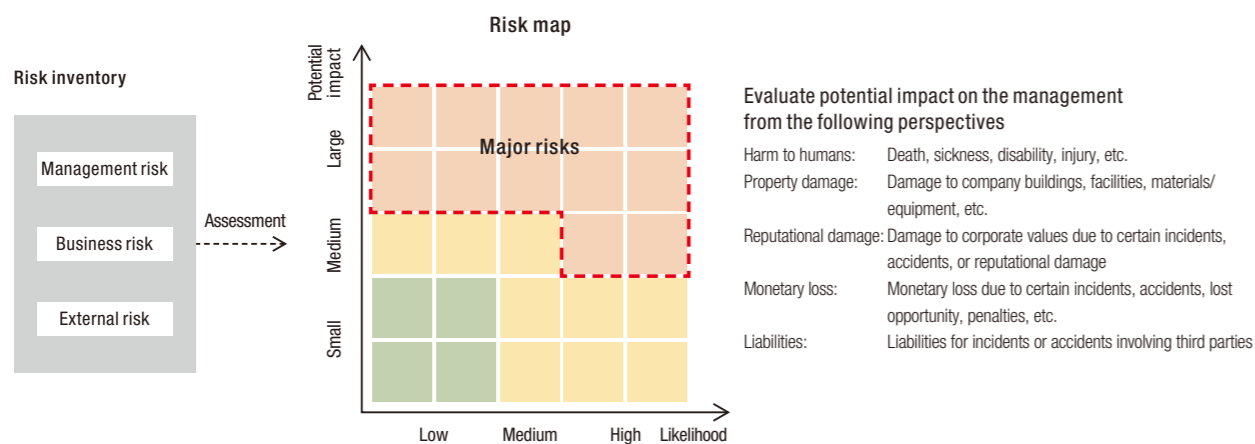


### Evaluate the Potential Impact and Likelihood of Occurrence of Each Identified Risk

The Shimizu Group creates and updates the "risk map" with one axis showing the "potential impact on the business" and the other axis showing the "likelihood of occurrence," based on the risk assessment done by the relevant departments/divisions.

The "potential impact on the business" is assessed from the viewpoints of harm to humans, property damage, reputational damage, monetary loss, and liabilities. The level of impact on our business and operations in case a certain risk materializes and develops into an incident, is

comprehensively evaluated from quantitative and qualitative perspectives. For the "likelihood of occurrence," the likelihood of a certain risk actually occurring and developing into an incident is evaluated in these categories: an incident which may occur annually, an incident which may occur once in several years, an incident which may occur once in a decade, and an incident we have never experienced before. When we evaluate various risks, we refer to the past incidents and seek to assess them considering the worst-case scenario for the Company.



## Group Governance

### Other Special Circumstances which May Have a Material Impact on Corporate Governance

#### (1) Approach to Group Management and Policies

The Shimizu Group has established the Mid-Term Business Plan <2024-2026> with the basic concept of "A Stronger Business Foundation for Sustained Growth" to increase our corporate value and achieve the SDGs. Following this Plan with a new mindset of "Choukensetsu," we will create an environment where every member of our team can take on challenges to realize their dreams and provide value exceeding the expectations of clients and society. We continue to work to build a flexible and speedy group management structure and strengthen governance with respect to group management.

The Company has THE NIPPON ROAD CO., LTD. as a listed subsidiary (equity ratio: 88.33%) and has a stake in Property Data Bank, Inc. (equity ratio: 24.02%) a listed affiliate. We will periodically review the rationality of maintaining listing of listed Group companies, and appropriately disclose the rationality of our decision and the governance structure of listed Group companies from the perspective of maximizing the corporate value of the Group.

#### (2) Making THE NIPPON ROAD CO., LTD. a Wholly Owned Subsidiary

With respect to THE NIPPON ROAD CO., LTD. (the "Subsidiary"), as part of a series of transactions aimed at making the Subsidiary a wholly owned subsidiary, we conducted a takeover bid (the "Takeover Bid") pursuant to the Financial Instruments and Exchange Act from May 15, 2025 to June 25, 2025, and settled the Takeover Bid on July 2, 2025. As a result, our ownership ratio of voting rights in the Subsidiary reached 88.33% on that date. Following procedures to make us the sole shareholder, the Subsidiary's shares will be delisted from the Tokyo Stock Exchange in accordance with applicable delisting standards and procedures. The Subsidiary's business areas include the construction business, primarily paving work, along with the manufacturing and sales of paving materials and co-creation businesses, which are closely aligned with our own operations. By making the Subsidiary a wholly owned subsidiary, we aim to realize synergy in business activities and further strengthen corporate governance and integrated management.

#### (3) Meaning of having a listed affiliate and a policy on securing the effectiveness of the governance structure

As of March 31, 2025, we have a stake in Property Data Bank, Inc. (equity ratio: 24.02%, the "Affiliate").

The Affiliate was listed on the Mothers section of the Tokyo Stock Exchange (currently, Tokyo Stock Exchange Growth) on June 27, 2018, to enhance its neutrality, independence, and social credibility, and it continues to be listed on the stock exchange. The Affiliate was established in October 2000 through our Corporate Venturing System. It provides the

"@property" service which supports the operation and management of real estate and facilities mainly in Japan. We position it as an operation related to services in our Group.

The executive structure of the Affiliate is determined based on its voluntary judgment. However, only when we dispatch executives, the decision is made after prior consultation with or reporting to us.

With regard to the nomination of management personnel, it is important to nominate candidates from the viewpoint of whether they contribute to enhancing the corporate value of the Affiliate. We believe it is necessary for us to collaborate with the Affiliate while ensuring that they select candidates from an independent standpoint, in order to enhance the effectiveness of their governance.

Currently, two Executive Directors from the Company are appointed, and one Outside Director is dispatched from the Company to serve at the Affiliate. However, the terms and conditions of transactions, such as those regarding the cloud services between the Affiliate and us, are the same as those for other users. In addition, the proportion of sales and purchases from us and our subsidiaries in the Affiliate is insignificant. We intend to keep the equity in the Affiliate to maintain its status as our affiliate.

## Compliance

### Code of Corporate Ethics and Conduct and Internal Corporate Structure

#### Code of Corporate Ethics and Conduct

We have adopted The Analects and the Abacus, which contains the teachings of Eiichi Shibusawa, as our corporate credo. We base our business activities on the conviction that our company's business will always prosper if we pursue ethics and economic gain simultaneously, or in other words, if we do good work that delights the community and our customers and is grounded in a strong sense of ethics. In this era of strong demand for corporate social responsibility, we have established the Code of Corporate Ethics and Conduct to ensure that all officers and employees thoroughly understand The Analects and the Abacus and demonstrate it in their daily actions. We are committed to enforcing corporate ethics, including compliance with laws and regulations.

#### Establishment of Internal Corporate Structure

We provide education and training to ensure strict implementation and practical operation of the Code of Corporate Ethics and Conduct by officers and employees. We have also appointed an officer in charge of corporate ethics, established a Committee on Corporate Ethics, the Corporate Ethics Office, the Corporate Ethics Help-Line Office, and an internal whistleblowing system.

#### Proper Management of Personal Information

In addition to establishing the Privacy Policy, we have appointed a Corporate Personal Information Protection Administrator to promote appropriate measures for the proper management of personal information, including individual numbers (the "My Number" system).

#### Internal Whistleblowing System

The Shimizu Group has established an internal whistleblowing system allowing officers and employees of Shimizu, subsidiaries, and subcontractors to consult about or report various compliance issues, including bribery and fraudulent accounting practices.

Under this system, a Corporate Ethics Help-line Office, a Harassment Consultation Desk, and an External Consultation Desk staffed by outside attorneys have been established as Consultation and Reporting Desks (Compliance Hotlines). Reports submitted to these desks are thoroughly investigated, and appropriate measures are taken as needed. We ensure that whistleblowers are not subjected to any adverse treatment.

#### Initiatives Aimed at Strengthening Compliance

We implement various measures that will help cultivate an ethical mindset and contribute to strict compliance among Group officers and employees, so that they put the spirit of our corporate credo, The Analects and the Abacus, into practice in their actions.

**Top management will lead by example in cultivating an ethical mindset and strict compliance.**

1. Corporate ethics training for executive management (including management of Group companies)
2. Compliance training for employees (including e-learning)

**Make sure that everyone understands the code of conduct on bidding for construction projects (mainly for Shimizu and construction-related subsidiaries)**

We conduct training and interviews for officers and employees to ensure thorough awareness of the code of conduct as well as interviews by outside attorneys and other experts as necessary on a case-by-case basis.

## Governance Data

		FY2022	FY2023	FY2024
Ethics and information security	Thorough risk management	Number of serious legal violations	0	0
		Number of serious information security incidents	0	0
Number of Directors and Audit & Supervisory Board Members	Number of Directors (including Outside Directors)	July 2022	10	9
		July 2023	9	9
	Male	July 2022	2	2
		July 2023	2	2
	Female	July 2022	2	2
		July 2023	2	2
Number of Audit & Supervisory Board Members	Male	4	4	
	Female	1	1	
Attendance rate of Board of Directors meetings	Director	FY2022	FY2023	FY2024
	Audit & Supervisory Board Member	100%	98.4%	99.4%
		96.5%	98.8%	100%



Code of Corporate Ethics and Conduct  
<https://www.shimizu.co.jp/en/company/about/governance/pdf/202005e.pdf>



Tax Policy  
<https://www.shimizu.co.jp/en/company/csr/tax/>

## Message from Chairman of the Board and Representative Director



In the background is Former Shibusawa Residence in NOVARE

## Challenging to Create a Sustainable Future

### Kazuyuki Inoue

Chairman of the Board and Representative Director

In April 2025, I passed the presidency to the new president, Tatsuya Shimmura. Looking back on my nine years as president, I witnessed dramatic shifts both in Japan and abroad. As society's and our clients' needs grew more complex and diverse, the industry faced surging construction demand while also grappling with labor shortages and rapidly escalating construction costs at a pace few could have imagined. In terms of our business performance, we posted a record-high net income in FY2018. However, just five years later in FY2023, due to a sudden change in the business environment, we recorded our first operating loss since listing. It truly felt like navigating through troubled waters each day, with little visibility into what lay ahead. To continue moving forward amid such turbulent times, I focused on driving corporate transformation and increasing corporate value as a challenge for the future by consistently distinguishing between what must remain unchanged and what must evolve, and by making bold, decisive choices.

The philosophy of The Analects and the Abacus taught has long been woven into the fabric of our corporate culture. The antimonopoly violation in October 2018, which resulted in a guilty verdict, marked a turning point. It reaffirmed our belief that all executives and employees must fully embrace the teachings of The Analects and the Abacus. In May 2019, we formally adopted these teachings as our corporate credo, elevating them from their previous role as our basic management philosophy. I view this decision as a defining turning point for our company. The Analects and the Abacus is based on the concept of contributing to society through ethically sound corporate activities and, as a result, earning a fair profit to develop the company's business further. It reflects values that resonate strongly with the principles of sustainability management. We regard this as a timeless principle that must never be altered and will ensure it is passed on firmly to future generations.

As part of our medium- to long-term growth strategy, we have actively pursued unprecedented challenges in both scale and scope. These include tackling large-scale, high-difficulty projects, constructing the world's largest self-propelled SEP vessel, executing alliances and M&A

to strengthen and expand our businesses, establishing NOVARE and advancing technological development and DX initiatives to create new value.

While some of these initiatives may take time to deliver results or returns, I believe they have laid a strong foundation for our long-term sustainable growth. To continue delivering value that exceeds the expectations of society and our clients, building on the foundation we have laid, nothing is more important than the mindset each and every executive and employee brings to their daily work. The Choukensetsu mindset a term I coined myself, serves as a guiding banner for the entire company, uniting us as we work together to steadily realize the vision of what Shimizu aspires to be. Guided by the Choukensetsu mindset, we will drive behavioral change, not only in our day-to-day work but also in how we engage with society and our clients. At the same time, we will transform into an organization that fully embodies the enduring spirit of what makes Shimizu unique.

As Chairman, I will continue to play a key role in top-level client engagement and, through external activities, including involvement in business and industry circles and social contribution activities, I will support efforts to build a more sustainable future. As Chairman of the Board of Directors, I will also dedicate myself to further strengthening our corporate governance to achieve sustainable growth and enhance medium- to long-term corporate value while actively supporting the business leadership of the President and Executive Officers. United as one Group, we remain committed to pursuing fulfillment of our corporate slogan, "Today's Work, Tomorrow's Heritage." We sincerely ask for the continued support and encouragement of all our stakeholders.

Directors (As of July 1, 2025)



**Kazuyuki Inoue**  
Chairman of the Board and Representative Director



**Tatsuya Shimmura**  
President and Representative Director  
President and Executive Officer



**Kentaro Ikeda**  
Executive Vice President and Representative Director  
Executive Vice President and Executive Officer  
Director, Civil Engineering Headquarters,  
In charge of Safety and Environment



**Takeshi Sekiguchi**  
Executive Vice President and Director  
Executive Vice President and Executive Officer  
In charge of Engineering Business,  
Director, Green Energy Headquarters,  
In charge of Information Management  
Director, DX Management Office



**Yoshito Tsutsumi**  
Executive Vice President and Representative Director  
Executive Vice President and Executive Officer  
Director, Building Construction Headquarters  
In charge of Productivity Improvement  
Nuclear Business, Building Construction  
Headquarters and Smart City  
Executive Project Director, TOKIWABASHI PROJECT



**Yoshiki Higashi**  
Senior Managing Officer and Representative Director  
Senior Managing Officer and Executive Officer  
In charge of Administrative Functions,  
Director, Corporate Planning Div.,  
In charge of Sustainability and Human Resources



**Noriaki Shimizu\*1**  
Director

Outside Directors (As of July 1, 2025)



**Tamotsu Iwamoto\*2**  
Director



**Junichi Kawada\*2**  
Director



**Mayumi Tamura\*2**  
Director



**Yumiko Jozuka\*2**  
Director

Audit & Supervisory Board Members (As of July 1, 2025)



**Hiroshi Kobayashi**  
Audit & Supervisory Board Member  
(standing)



**Tomohiko Hirayama**  
Audit & Supervisory Board Member  
(standing)



**Kaoru Ishikawa\*3**  
Audit & Supervisory Board Member  
(part time)



**Toshie Ikenaga\*3**  
Audit & Supervisory Board Member  
(part time)



**Ko Shikata\*3**  
Audit & Supervisory Board Member  
(part time)

Outside Audit & Supervisory Board Members (As of July 1, 2025)



Management Team  
<https://www.shimz.co.jp/en/company/about/officer/>

\*1 Director Noriaki Shimizu is a Non-Executive Director and head of the Nomination and Compensation Committee.  
\*2 Directors Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura and Yumiko Jozuka are outside directors.  
\*3 Audit & Supervisory Board Members Kaoru Ishikawa, Toshie Ikenaga and Ko Shikata are outside auditors.

Director Skills Matrix

The Corporation identified skills (knowledge, experience, and abilities) necessary to respond quickly to changes in the business environment and to achieve sustainable growth and medium- to long-term improvement in corporate value as below. The Corporation aims to maintain the appropriate size and diversity of the Board of Directors and also to optimize the Board of Directors as a whole and maximize its functions by organically combining skills of each director.

Name	Expertise (skills particularly expected, four items at maximum)									
	The Analects and the Abacus & Sustainability	Corporate Management	Human Resource Development & DE&I	Global Experience	DX (Digital Transformation)	Production & Technology	Sales & Marketing	Finance & Accounting	Legal Affairs & Risk Management	
Kazuyuki Inoue	●	●	●			●	●			
Tatsuya Shimmura	●	●		●		●	●			
Kentaro Ikeda	●	●		●	●	●				
Takeshi Sekiguchi	●	●			●	●	●			
Yoshito Tsutsumi	●				●	●	●		●	
Yoshiki Higashi	●	●	●					●	●	
Noriaki Shimizu	●				●	●	●			
Tamotsu Iwamoto	●	●	●	●					●	
Junichi Kawada	●	●	●				●		●	
Mayumi Tamura	●		●	●				●		
Yumiko Jozuka	●		●	●					●	

\* The Corporation's Credo "The Analects and the Abacus" and "Sustainability" are both philosophies that underlie sustainable management, and we consider these qualities as requirements for directors (common skills).  
\* Expertise presents a maximum of four skills particularly expected of skills possessed by each of the director, with ● marks, and does not represent all the knowledge and expertise possessed by the candidates.  
\* Each of these skill categories has been determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.

The definition of each skill is as follows:

Skills	Definition
Common skills	The Analects and the Abacus & Sustainability
	• Abilities to formulate policies for sustainability management that fulfills both corporate social responsibility and the pursuit of business opportunities and to supervise business execution, pursuant to the spirit of the Corporation's Credo "The Analects and the Abacus," which should be engraved in mind
	Corporate Management
	• Experience of representative director or executive director at a listed company
	Human Resource Development & DE&I
	• Experience in human resource operations, such as human resource development and the formulation of human resource strategies, or in the promotion of measures related to human resources and DE&I
	Global Experience
	• Expertise in international situations or overseas working experience
Expertise	DX (Digital Transformation)
	• Experience in DX promotion in the business areas, such as building construction, civil engineering, and engineering • Experience in the promotion of management and business with data-driven and DX approaches
	Production & Technology
	• Expertise in production and technologies based on construction site work experience • Expertise in the development of production technologies
	Sales & Marketing
	• Experience in the formulation and implementation of sales and marketing strategies that utilize knowledge and connections based on experience in sales activities
	Finance & Accounting
	• Expertise in finance and accounting, or experience of CFO at other companies
	Legal Affairs & Risk Management
	• Expertise in laws, or experience in risk management operations

## Executive Officers (As of July 1, 2025)

## ■ President

## Tatsuya Shimmura

## ■ Executive Vice Presidents

## Kentarō Ikeda

Director, Civil Engineering Headquarters,  
In charge of Safety and Environment

## Takeshi Sekiguchi

In charge of Engineering Business,  
Director, Green Energy Headquarters,  
In charge of Information Management,  
Director, DX Management Office

## Yoshito Tsutsumi

Director, Building Construction Headquarters,  
In charge of Productivity Improvement,  
Nuclear Business, Building Construction  
Headquarters and Smart City,  
Executive Project Director, TOKIWAHASHI  
PROJECT

## Masanobu Onishi

Executive Conductor, NOVARE,  
In charge of Business Innovation,  
Director, Emerging Frontiers Div.

## Takao Haneda

Director, Corporate Ethics Office,  
In charge of General Affairs,  
Legal Affairs, Risk Management and  
Group Companies

## ■ Senior Managing Officers

## Yoshiki Higashi

In charge of Administrative Functions,  
Director, Corporate Planning Div.,  
In charge of Sustainability and Human  
Resources

## Kouichi Yamashita

In charge of Kansai Area,  
Director, Kansai Branch,  
Director, Yumeshima (Osaka) Project

## Kojiro Shimizu

Director, Tokyo Branch

## Takefumi Saito

Deputy Director, Civil Engineering  
Headquarters,  
Director, Tokyo Civil Engineering Branch

## Hideo Yokoyama

Director, Business Development & Marketing  
Headquarters

## Toshihide Suenaga

In charge of Building Construction Sales &  
Marketing, Kansai Area, Business  
Development & Marketing Headquarters and  
Sales & Marketing, Yumeshima (Osaka)  
Project

## Hitoshi Fujita

Director, Global Business Headquarters

## ■ Managing Officers

## Tomoaki Harada

Director, Construction Technology Div.,  
Building Construction Headquarters,  
In charge of Procurement, Building  
Construction Headquarters,  
Technology and Intellectual Property

## Akinobu Sakao

Director, Nagoya Branch

## Mitsuo Morii

Assistant Director, Tokyo Branch

## Hiroyuki Fujimoto

Director, Design Div., Building Construction  
Headquarters

## Mika Kaneko

Director, Environmental Strategy Office,  
Deputy Director, Corporate Planning Div.

## Toshiyuki Nakahara

Director, Business Development & Marketing  
Div. - Civil Engineering, Business Development  
& Marketing Headquarters

## Kazuya Osako

Director, International Civil Engineering Div.,  
Global Business Headquarters

## Haruhiko Washimi

In charge of Investment and Development,  
Deputy Director, Global Business  
Headquarters

## Takuya Ito

In charge of Sales & Marketing, Business  
Development & Marketing Headquarters,  
Deputy Director, Global Business  
Headquarters,

## Toru Noda

In charge of Technology, Civil Engineering  
Headquarters

## Naruki Ohashi

Director, Tohoku Branch

## Shuji Kakegawa

Director, Institute of Technology

## ■ Executive Officers

## Kazuyuki Oki

Director, International Div., Global Business  
Headquarters

## Katsuyoshi Yuhara

Director, Kyushu Branch

## Yasuhiro Takenaka

Director, Hokkaido Branch

## Michiho Yamaguchi

In charge of Finance & Accounting and  
Investor Relations

## Shigeru Matsumoto

Director, Building Construction Planning Div.,  
Building Construction Headquarters,  
General Conductor, NOVARE Academy

## Junichiro Kakuno

Director, Hokuriku Branch

## Mohi U. Ahmed

Director, Business Innovation Unit

## Shunsuke Oka

Director, Business Development & Marketing  
Div. 1 - Building Construction, Business  
Development & Marketing Headquarters

## Yutaka Shimizu

Director, Engineering Headquarters

## Hideyuki Tominaga

Director, Yokohama Branch

## Naoki Iwagaki

Director, Hiroshima Branch

## Nobuyoshi Kikuchi

Deputy Director, Corporate Planning Div.

## Kazumi Sato

Vice Executive Conductor, NOVARE,  
Director, HR Strategy Dept., Corporate  
Planning Div.,

## Toru Aoki

Director, Mechanical & Electrical Div., Building  
Construction Headquarters

## Osamu Nakagawa

Senior Project Director of Nihonbashi  
1-Chome Central District Project, Tokyo  
Branch

## Kazu Miyata

Director, Civil Engineering Technology Div.,  
Civil Engineering Headquarters

## Takayuki Kawasaki

In charge of Civil Engineering Kansai Area and  
Civil Engineering, Yumeshima (Osaka) Project  
Headquarters

## Yasuhide Yamada

In charge of Environment & Energy, Corporate  
Planning Div.

## Kounari Yotsumoto

Director, Investment and Development Div.

## Yoshiro Kobayashi

Director, Business Development & Marketing  
Div. 2 - Building Construction, Business  
Development & Marketing Headquarters,  
Director, Chubu Business Development &  
Marketing Div., Business Development &  
Marketing Headquarters

## Kentarō Nakagawa

Deputy Director, Design Div., Building  
Construction Headquarters, In charge of  
Structure

## Eiichi Shinma

Deputy Director, Design Div., Building  
Construction Headquarters

## Yoshihisa Sonoki

Director, Shikoku Branch

## Osamu Shibata

Assistant Director, Tokyo Branch

## Takayuki Himono

Director, Chiba Branch

## Ichiro Nokubo

Deputy Director, Global Business  
Headquarters

## Hiroaki Oda

Deputy Director, Business Development &  
Marketing Div. - Civil Engineering, Business  
Development & Marketing Headquarters

## Taizo Tsukada

Director, Safety & Environment Div.

## Independent Opinion



## Keisuke Takegahara

Professor, National Graduate Institute for Policy Studies

Joined the Japan Development Bank (now the Development Bank of Japan) in 1989. After serving as the General Manager of the Environment & CSR Department, Executive Officer and Deputy General Manager of the Industrial Research Division, as well as Manager of Sustainability Management in the Corporate Planning Department and Executive Director of the Research Institute of Capital Formation, he has been in his current position since July 2024.

\* He has provided objective, expert opinions for the Shimizu Corporate Report (formerly known as the Shimizu CSR Report) every year since 2012.

The Shimizu Corporate Report 2025 highlights the first year of the company's Mid-Term Business Plan <2024–2026>, which focuses on executing the strategies outlined in its long-term vision, SHIMZ VISION 2030, to become a Smart Innovation Company. While continuing to serve as a communication tool that shares a broad range of activities with multiple stakeholders, the report places stronger emphasis on the narrative of their strategies for realizing the long-term vision. Throughout the report, there is a clear intent to foster dialogue through transparent information disclosure.

The message from new company president Tatsuya Shimmura encapsulates the essence of this approach. In the introduction, he outlines his commitment as the new president, declaring that establishing the Shimizu brand through a return to the company's origins will serve as the starting point of his leadership. His message is that maintaining and refining the Shimizu brand, built on a deep commitment to quality, safety, cost, and schedule, and earning trust through sincere craftsmanship, requires both the organization and its people to return to their roots and reaffirm their sense of purpose. It comes across as a persuasive assessment of the challenges ahead, grounded in his own experience and insights gained through internal and external dialogue. This return to the company's origins reflects a perspective unique to Shimizu, one that equates looking back with recognizing the value of the technologies and intangible assets built over more than 220 years of tradition. It serves as a renewed reminder of the importance of honoring the founding spirit while adapting to an ever-changing external environment and continually delivering value that exceeds expectations, capturing the true significance of the “Choukensetsu” mindset.

The report goes on to note that, as part of progress under the Mid-Term Business Plan, business performance has returned to a recovery path. While building a stronger business foundation by enhancing human capital and advancing functional coordination across the organization, the report highlights achievements in improving profitability in the core Construction Business and optimizing the business portfolio. Notably, it underscores the importance of company-wide dialogue driven by senior management throughout this process. It is clear that management is placing importance on dialogue to embed the Mid-Term Business Plan, formulated under a strong sense of crisis, into the organization as something everyone takes ownership of. This emphasis is equally apparent in the outlook for the future. Looking ahead to 2030, the message from the president anticipates a steady construction market in the near term but goes further to highlight the need to explore new business models that address evolving client needs, from scrap-and-build to the active

utilization of existing building stock. Dialogue is what enables Shimizu to accurately grasp diversifying client needs and create value that exceeds expectations. Human resources and organizational strength are what make this possible. This clearly underscores Shimizu's long-term value creation scenario and its driving force while also bringing the nature of this report into sharp relief.

The special content “Shimizu's Monozukuri,” which builds on this theme, clearly illustrates what returning to their origins truly means and stands out as the highlight of this issue. The feature covers two cases: the BLUE FRONT SHIBAURA TOWER S, a large-scale project, and the Sotetsu/Tokyu Shin-Yokohama Line, Shin-Yokohama Station, etc. The first case highlights efforts at every stage from design to construction, emphasizing that the project could only be realized through tightly coordinated activities, offering a clear example of the comprehensive capabilities that set Shimizu apart. The second case offers a contrasting perspective, showcasing Shimizu's strengths through its ability to embrace technological innovations, symbolized by the use of digital tools, during a lengthy construction period, and through its sustained, company-wide commitment, captured in the concept of the “baton” passed from team to team. Both cases effectively highlight the core strengths Shimizu seeks to reaffirm, presenting them in a way that is easy to grasp, even for stakeholders who cannot see what lies behind the construction fences.

The newly introduced roundtable discussion between top management and outside directors also left a strong impression. Centered on the theme of sustainability management, the dialogue revisits the continuity of Shimizu's founding philosophy and leads to future business development, including overseas expansion, presenting a thoughtful, in-depth exchange. Ultimately, the way the roundtable discussion itself is designed to serve as a message to employees feels both intentional and refreshingly original. Given its aim to engage a wide range of stakeholders, this report represents a clear step forward in both completeness and overall quality. The value creation section's focus on growth strategies, capital policy, and initiatives to improve the price-to-book ratio is a timely and well-placed addition. Looking ahead, there is strong anticipation for deeper insights into how this perspective connects with non-financial information, such as the DX strategy and the human resources strategy embodied by NOVARE.

## Ten-Year Highlights (Consolidated)

Shimizu Corporation and its subsidiaries  
Years ended March 31, 2016 through 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025	
									Millions of Yen (unless otherwise indicated)		Thousands of U.S. Dollars (unless otherwise indicated)	
<b>For the year:</b>												
Construction orders awarded	¥1,477,049	¥1,565,928	¥1,608,266	¥1,816,023	¥1,318,739	¥1,252,078	¥1,561,898	¥1,672,866	¥2,037,093	¥1,588,007	<b>\$10,641,339</b>	
Net sales	1,664,933	1,567,427	1,519,435	1,664,960	1,698,292	1,456,473	1,482,961	1,933,814	2,005,518	1,944,360	<b>13,029,288</b>	
Operating income	94,668	128,835	121,373	129,724	133,894	100,151	45,145	54,647	(24,685)	71,030	<b>475,983</b>	
Ordinary income	95,501	131,197	124,130	133,957	137,986	105,465	50,419	56,546	(19,834)	71,664	<b>480,225</b>	
Net income attributable to shareholders of the Corporation	59,322	98,946	84,978	99,668	98,977	77,176	47,761	49,057	17,163	66,015	<b>442,372</b>	
Net income per share of common stock (yen and U.S. dollars)	¥75.61	¥126.11	¥108.31	¥127.04	¥128.31	¥101.17	¥64.09	¥66.29	¥23.57	¥94.80	<b>\$0.64</b>	
Cash dividends per share of common stock (yen and U.S. dollars)	¥16.00	¥26.00	¥26.00	¥36.00	¥38.00	¥30.00	¥23.00	¥21.00	¥20.00	¥38.00	<b>\$0.25</b>	
Ordinary dividends (yen and U.S. dollars)	¥10.00	¥10.00	¥14.00	¥14.00	¥20.00	¥20.00	¥20.00	¥21.00	¥20.00	¥38.00	<b>\$0.25</b>	
Special dividends (yen and U.S. dollars)	¥6.00	¥16.00	¥12.00	¥22.00	¥18.00	¥10.00	¥3.00	—	—	—	—	
Dividends payout ratio (%)	21.2	20.6	24.0	28.3	29.6	29.7	35.9	31.7	84.9	40.1	<b>40.1</b>	
ROE (%)	12.4	18.8	13.9	14.4	13.6	10.0	5.8	5.9	2.0	7.6	<b>7.6</b>	
Net cash provided by (used in) operating activities	38,335	143,668	82,879	(14,933)	170,557	80,674	77,772	83,842	(21,253)	159,094	<b>1,066,103</b>	
Net cash provided by (used in) investing activities	(14,051)	(34,654)	(30,938)	(52,652)	(115,745)	(113,954)	(89,308)	(52,434)	(5,358)	7,813	<b>52,359</b>	
Net cash provided by (used in) financing activities	9,199	(65,375)	(26,124)	(42,404)	68,732	(42,710)	19,634	65,635	(23,972)	(71,102)	<b>(476,464)</b>	
Cash and cash equivalents at end of year	274,167	315,803	341,158	229,978	352,722	276,321	287,134	386,750	339,240	438,144	<b>2,936,031</b>	
<b>At year-end:</b>												
Net assets	485,655	576,879	656,330	735,242	736,412	821,446	875,172	907,277	948,059	923,809	<b>6,190,507</b>	
Total assets	1,722,936	1,688,197	1,780,943	1,860,794	1,904,934	1,908,674	2,128,356	2,448,010	2,538,769	2,523,771	<b>16,911,959</b>	
Net assets per share of common stock (yen and U.S. dollars)	¥612.70	¥728.78	¥829.58	¥929.72	¥957.56	¥1,068.74	¥1,116.89	¥1,150.70	¥1,243.88	¥1,260.48	<b>\$8.45</b>	
Interest-bearing debt	392,482	340,010	338,264	319,400	441,315	422,688	495,140	577,271	603,189	591,352	<b>3,962,693</b>	
Equity ratio (%)	27.9	33.9	36.5	39.2	38.3	42.7	38.7	34.8	35.0	34.1	<b>34.1</b>	
Debt to equity ratio (times)	0.82	0.59	0.52	0.44	0.60	0.52	0.60	0.68	0.68	0.69	<b>0.69</b>	

Notes: 1. Yen amounts have been rounded down to the nearest million.

2. U.S. dollar amounts have been translated at the exchange rate of ¥149.23 to U.S.\$1, the approximate rate prevailing at March 31, 2025.

3. The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the fiscal year ended March 31, 2019. Accordingly, Total assets and Equity ratio for the fiscal year ended March 31, 2018 are represented in accordance with the aforementioned standard, etc.

4. The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant Guidances effective from the fiscal year ended March 31, 2022.

## Consolidated Balance Sheets

Shimizu Corporation and its subsidiaries  
As at March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2024	2025	2025
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	¥270,256	¥294,162	\$1,971,203
Notes and accounts receivable—trade	903,841	832,043	5,575,577
Marketable securities	69,000	144,000	964,953
Real estate for sale	12,881	9,149	61,309
Costs on uncompleted construction contracts	42,980	41,405	277,463
Costs on uncompleted real estate development projects	29,015	31,875	213,599
Other inventories	4,061	3,819	25,594
Other current assets	140,520	162,877	1,091,451
Less: Allowance for doubtful accounts	(1,877)	(2,275)	(15,251)
Total current assets	1,470,680	1,517,057	10,165,901
<b>Non-Current Assets:</b>			
Tangible fixed assets:			
Buildings and structures	413,013	415,184	2,782,175
Machinery, vehicles, tools, furniture and fixtures	194,889	202,521	1,357,107
Land	289,275	284,728	1,907,984
Construction in progress	6,206	13,175	88,288
Less: Accumulated depreciation	(264,801)	(286,906)	(1,922,577)
Total tangible fixed assets	638,582	628,702	4,212,978
Intangible fixed assets	22,215	34,041	228,115
Investments and other assets:			
Investment securities	373,014	299,507	2,007,019
Deferred tax assets	13,154	22,427	150,286
Net defined benefit asset	—	842	5,646
Other investments	23,142	23,153	155,153
Less: Allowance for doubtful accounts	(2,021)	(1,961)	(13,141)
Total investments and other assets	407,290	343,969	2,304,964
Total non-current assets	1,068,089	1,006,714	6,746,058
Total assets	¥2,538,769	¥2,523,771	\$16,911,959

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2024	2025	2025
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Notes and accounts payable—trade	¥377,767	¥399,883	\$2,679,642
Short-term borrowings	242,147	243,576	1,632,223
Current portion of non-recourse borrowings	30,954	28,815	193,095
Current portion of bonds payable	20,000	30,000	201,031
Advances received on uncompleted construction contracts	152,741	165,457	1,108,739
Deposits received	123,192	148,586	995,689
Warranty reserve	4,179	4,140	27,743
Reserve for expected losses on construction contracts in process	125,791	103,999	696,906
Other current liabilities	111,620	83,923	562,378
Total current liabilities	1,188,396	1,208,382	8,097,451
<b>Non-Current Liabilities:</b>			
Bonds payable	125,000	126,000	844,334
Long-term borrowings	131,890	132,362	886,971
Non-recourse borrowings	53,196	30,597	205,036
Deferred tax liabilities	2,200	2,027	13,585
Deferred tax liabilities for revaluation reserve for land	17,135	17,011	113,993
Net defined benefit liability	38,748	42,424	284,286
Other non-current liabilities	34,142	41,156	275,794
Total non-current liabilities	402,313	391,579	2,624,000
Total liabilities	1,590,709	1,599,962	10,721,451
<b>NET ASSETS</b>			
<b>Shareholders' Equity:</b>			
Common stock, no par value			
Authorized: 1,500,000 thousand shares			
Issued: 743,676 thousand shares as at March 31, 2024, and			
716,689 thousand shares as at March 31, 2025	74,365	74,365	498,326
Additional paid-in capital	43,586	43,586	292,075
Retained earnings	586,761	612,186	4,102,302
Less: Treasury stock, at cost 34,346 thousand shares as at March 31, 2025	—	(36,903)	(247,294)
Less: Treasury stock, at cost 29,349 thousand shares as at March 31, 2024	(27,506)	—	—
Total shareholders' equity	677,206	693,234	4,645,410
<b>Accumulated Other Comprehensive Income:</b>			
Net unrealized gain (loss) on other securities, net of taxes	164,048	119,404	800,137
Deferred gain (loss) on hedging, net of taxes	(178)	67	455
Revaluation reserve for land, net of taxes	24,746	22,868	153,245
Foreign currency translation adjustments	5,855	10,077	67,530
Remeasurements of defined benefit plans	16,861	14,423	96,655
Total accumulated other comprehensive income	211,332	166,842	1,118,024
<b>Non-controlling Interests</b>	59,520	63,732	427,072
Total net assets	948,059	923,809	6,190,507
Total liabilities and net assets	¥2,538,769	¥2,523,771	\$16,911,959

## Consolidated Statements of Income

Shimizu Corporation and its subsidiaries  
For the year ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2024	2025	2025
<b>Net Sales:</b>			
Construction contracts	¥1,753,155	¥1,696,021	\$11,365,150
Real estate development and other	252,363	248,339	1,664,138
	2,005,518	1,944,360	13,029,288
<b>Cost of Sales:</b>			
Construction contracts	1,717,495	1,538,157	10,307,291
Real estate development and other	198,510	210,749	1,412,243
	1,916,006	1,748,906	11,719,534
<b>Gross profit:</b>			
Construction contracts	35,659	157,864	1,057,858
Real estate development and other	53,853	37,590	251,895
	89,512	195,454	1,309,754
<b>Selling, General and Administrative Expenses</b>	114,198	124,423	833,770
<b>Operating income (loss)</b>	(24,685)	71,030	475,983
<b>Non-Operating Income (Expenses):</b>			
Interest and dividend income	7,485	9,565	64,096
Interest expenses	(5,673)	(6,016)	(40,317)
Foreign exchange gain (loss)	4,175	(2,664)	(17,857)
Other, net	(1,136)	(250)	(1,678)
<b>Ordinary income (loss)</b>	(19,834)	71,664	480,225
<b>Special Gains (Losses):</b>			
Gain on sales of fixed assets	56,103	40,535	271,634
Loss on sales of fixed assets	(57)	(307)	(2,058)
Loss on devaluation of investment securities	(815)	(327)	(2,193)
Impairment loss on fixed assets	(1,699)	(3,208)	(21,503)
Other special losses	(173)	—	—
<b>Income before income taxes</b>	33,522	108,356	726,104
<b>Provision for Income Taxes:</b>			
Current	41,043	31,274	209,571
Deferred	(28,301)	6,696	44,874
	12,742	37,971	254,446
<b>Net Income</b>	20,779	70,385	471,658
<b>Net Income attributable to non-controlling interests</b>	3,616	4,370	29,285
<b>Net Income attributable to shareholders of the Corporation</b>	¥17,163	¥66,015	\$442,372

## Consolidated Statements of Comprehensive Income

Shimizu Corporation and its subsidiaries  
For the year ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2024	2025	2025
<b>Net Income</b>	¥20,779	¥70,385	\$471,658
<b>Other Comprehensive Income:</b>			
Net unrealized gain (loss) on other securities, net of taxes	42,232	(44,651)	(299,211)
Deferred gain (loss) on hedging, net of taxes	(376)	246	1,651
Revaluation reserve for land, net of taxes	—	(486)	(3,258)
Foreign currency translation adjustments	2,751	4,644	31,124
Remeasurements of defined benefit plans	17,744	(2,125)	(14,245)
Share of other comprehensive income of associates accounted for using equity method	(63)	15	100
Total other comprehensive income	62,287	(42,357)	(283,838)
<b>Comprehensive Income</b>	¥83,067	¥28,028	\$187,820
Comprehensive income attributable to:			
Shareholders of the Corporation	¥78,768	¥22,916	\$153,564
Non-controlling interests	4,298	5,111	34,255

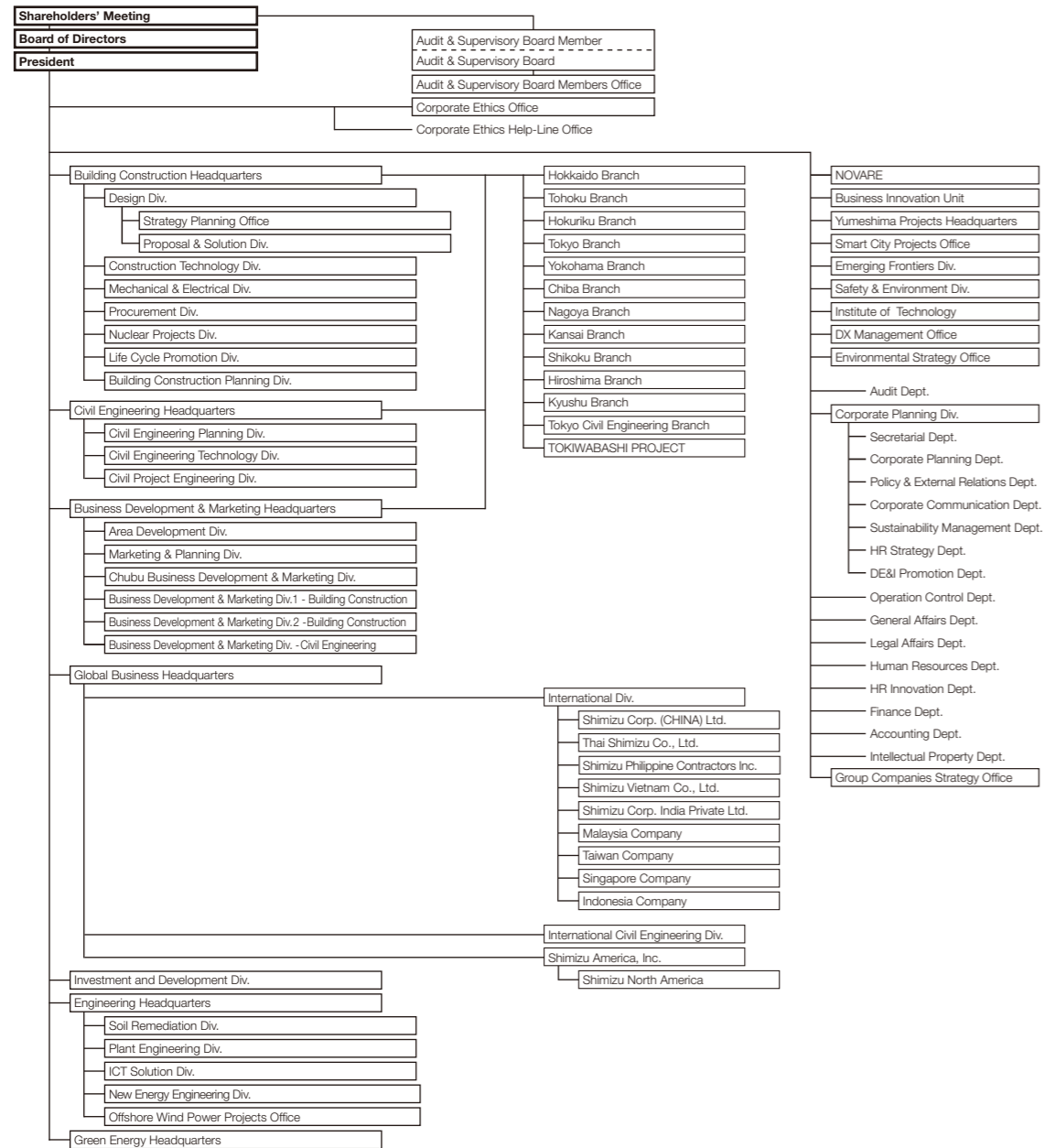
## Consolidated Statements of Cash Flows

Shimizu Corporation and its subsidiaries  
For the year ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2024	2025	2025
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes	¥33,522	¥108,356	\$726,104
Adjustments for:			
Depreciation and amortization	30,256	33,478	224,339
Impairment loss on fixed assets	1,699	3,208	21,503
Increase (decrease) in allowance for doubtful accounts	526	315	2,114
Increase (decrease) in reserve for expected losses on construction contracts in process	60,328	(21,792)	(146,033)
Increase (decrease) in net defined benefit liability	1,991	(164)	(1,101)
Loss (gain) on sales of fixed assets	(942)	(945)	(6,333)
Loss (gain) on valuation of investment securities	815	327	2,193
Loss (gain) on sales of investment securities	(55,103)	(39,283)	(263,241)
Interest and dividend income	(7,485)	(9,565)	(64,096)
Interest expenses	5,673	6,016	40,317
(Increase) decrease in notes and accounts receivable—trade	(56,983)	79,031	529,592
(Increase) decrease in real estate for sale	15,098	18,946	126,959
(Increase) decrease in costs on uncompleted construction contracts	1,758	1,752	11,741
(Increase) decrease in uncompleted real estate development projects	372	(3,626)	(24,300)
(Increase) decrease in other inventories	(528)	250	1,679
Increase (decrease) in notes and accounts payable—trade	(53,014)	15,604	104,566
Increase (decrease) in advances received on uncompleted construction contracts	(1,297)	11,803	79,098
Other, net	36,756	(12,107)	(81,136)
Subtotal	13,445	191,606	1,283,968
Interest and dividends received	7,468	9,680	64,866
Interest paid	(5,577)	(6,056)	(40,587)
Income taxes paid	(36,590)	(36,135)	(242,144)
Net cash provided by (used in) operating activities	(21,253)	159,094	1,066,103
<b>Cash Flows from Investing Activities:</b>			
Acquisition of tangible fixed assets	(57,697)	(34,076)	(228,347)
Proceeds from sales of tangible fixed assets	3,047	3,055	20,475
Acquisition of marketable securities and investment securities	(7,405)	(7,686)	(51,509)
Proceeds from sales of marketable securities and investment securities	62,149	59,917	401,513
Acquisition of shares of subsidiaries resulting in change in scope of consolidation	(2,297)	(10,360)	(69,424)
Other, net	(3,155)	(3,036)	(20,347)
Net cash provided by (used in) investing activities	(5,358)	7,813	52,359
<b>Cash Flows from Financing Activities:</b>			
Net increase (decrease) in short-term borrowings	12,946	(33,921)	(227,311)
Proceeds from long-term borrowings	20,313	56,000	375,259
Repayments of long-term borrowings	(22,175)	(23,731)	(159,028)
Proceeds from non-recourse borrowings	3,315	6,435	43,128
Repayments of non-recourse borrowings	(8,568)	(33,640)	(225,426)
Proceeds from issuance of bonds	15,000	31,000	207,733
Redemption of bonds	—	(20,000)	(134,021)
Purchase of treasury stock	(25,484)	(34,520)	(231,327)
Dividends	(17,643)	(16,856)	(112,957)
Other, net	(1,676)	(1,867)	(12,512)
Net cash provided by (used in) financing activities	(23,972)	(71,102)	(476,464)
<b>Effect of exchange rate changes on Cash and Cash Equivalents</b>	3,075	3,097	20,759
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	(47,509)	98,903	662,757
<b>Cash and Cash Equivalents at beginning of year</b>	386,750	339,240	2,273,274
<b>Cash and Cash Equivalents at end of year</b>	¥339,240	¥438,144	\$2,936,031

The accompanying notes are an integral part of these financial statements.

## Corporate Organization (as of July 1, 2025)



## Corporate Information/Investor Information (as of March 31, 2025)

### Corporate Information

Corporate Name	SHIMIZU CORPORATION
Date of Establishment	1804
Capital	¥74,365 million
Total Employees (consolidated)	11,163
Main Business	Contracting for building, civil engineering, machinery and other construction works; Research, planning, study, evaluation, diagnosis, soil analysis, surveying, design, supervision, management and consulting in connection with construction works; Research, planning, design, supervision, management and consulting in connection with regional development, urban development, ocean development, space development, resources and energy development, and environment improvement; Purchase, sale, letting, brokerage, management, appraisal and consulting of real estate; Construction, sale, letting and caretaking of residential houses and other kinds of buildings and development and sale of land;
Net Sales (consolidated)	¥1,944.3 billion (FY2024)

### Investor Information

Total Number of Shares Authorized	1,500,000,000
Total Number of Shares Issued	716,689,413
Exchanges Listed on	Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market
Number of Shareholders	58,084 (decrease of 5,767 from March 31, 2024)
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation

### Major shareholders

Shareholder	Number of shares held (Thousands of Shares)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	98,295	14.41
SHIMIZU & CO., LTD.	82,730	12.12
Shimizu Foundation	38,767	5.68
Custody Bank of Japan, Ltd. (Trust Account)	34,873	5.11
Employee's Stock Ownership Plan	17,463	2.56
Housing Research Foundation JUSOKEN	17,420	2.55
Fukoku Mutual Life Insurance Company	13,552	1.99
STATE STREET BANK AND TRUST COMPANY 505001	13,016	1.91
JP MORGAN CHASE BANK 385632	10,058	1.47
Sumitomo Realty & Development Co., Ltd.	10,000	1.47

Note: Percentage of total is calculated excluding treasury stocks (34,346,010 shares).

## External evaluations & Participation in Initiatives

### Inclusion in ESG Index Awards related



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### Awards related to ESG and others

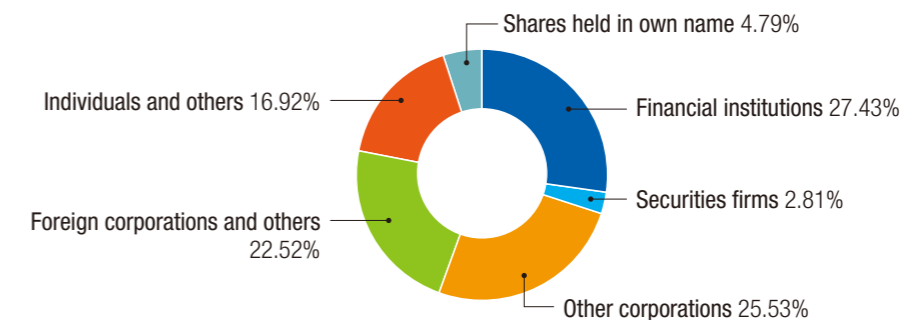


### United Nations Global Compact



Shimizu became a participant signatory in of the UN Global Compact in March 2013.

### Shareholders Ratio (Percentage of owned shares)





**SHIMIZU CORPORATION**  
<https://www.shimz.co.jp/en/>



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