



Corporate Overview

May 2025

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01

Performance and Business Environment

Construction Business Environment

Japan

- Private-sector building investment is expected to remain firm, due to continued large-scale redevelopment in the Tokyo metropolitan area and other major cities.
- In addition, strong corporate earnings are expected to continue to drive high levels of capital investment and the strengthening of domestic production bases to ensure economic security.
New and additional factories are expected to be built in a wide range of industries, particularly in semiconductors, automobiles, industrial robots, pharmaceuticals, and food products.
- Data center investment appetite is active in the Tokyo metropolitan area and Kansai area.
As for hotels, inbound demand has led to strong investment in particularly luxury hotels.
- Government construction investment is expected to be firm for flood control, measures for aging infrastructure, and reconstruction of government buildings, as well as for defense and disaster prevention-related facilities in the future.
In addition, the government plans to implement the National Resilience Plan, which includes disaster prevention and mitigation measures to address disaster risks such as major earthquakes and torrential rains.
- Thus, while investment has remained firm in the recent past, close attention must be paid to the slowdown in the global economy due to the global trade contraction caused by the tariff policy of the U.S. Trump administration, the downside risk of exports and production in the manufacturing sector, and the postponement of factory projects due to the ongoing appreciation of the yen.
- In the construction industry, equipment subcontractors are extremely busy due to an increase in large-scale construction projects and labor shortages, and some are reviewing or postponing projects.

Overseas

- Projects related to growth areas, such as data centers and semiconductor-related projects, are expected to come on stream. However, the future investment decisions of companies may be affected by developments in negotiations among governments regarding tariffs and other issues.
- With regard to infrastructure investment, including Official Development Assistance(ODA), although there has been a slowdown in some areas, projects continue to come on stream, especially in the emerging economies that we target.

FY2024 Financial Results (consolidated)

(Billion yen)

	FY2024 Results (Decrease)		FY2023 Results (Decrease)		Increase (Decrease)	Percentage Increase(Decrease)
Net sales	1,944.3		2,005.5		(61.1)	(3.0)
Completed construction	1,696.0		1,753.1		(57.1)	(3.3)
Real estate and other	248.3		252.3		(4.0)	(1.6)
Gross profit	10.1%	195.4	4.5%	89.5	105.9	118.4
Completed construction	9.3%	157.8	2.0%	35.6	122.2	342.7
Real estate and other	15.1%	37.5	21.3%	53.8	(16.2)	(30.2)
Operating income	3.7%	71.0	(1.2%)	(24.6)	95.7	—
Ordinary income	3.7%	71.6	(1.0%)	(19.8)	91.4	—
Net income attributable to shareholders of the corporation	3.4%	66.0	0.9%	17.1	48.8	284.6

FY2024 Financial Results (non-consolidated)

(Billion yen)

	FY2024 Results		FY2023 Results (Decrease)		Increase (Decrease)	Percentage Increase(Decrease)
Net sales	1,501.5		1,577.9		(76.3)	(4.8)
Completed construction	1,381.9		1,434.9		(53.0)	(3.7)
(Building construction)	1,099.2		1,174.9		(75.6)	(6.4)
(Civil engineering)	282.6		260.0		22.6	8.7
Real estate and other	119.5		142.9		(23.3)	(16.4)
Gross profit	8.8%	132.4	2.0%	32.0	100.3	313.2
Completed construction	7.9%	109.1	(0.5%)	(7.4)	116.5	—
(Building construction)	7.3%	79.9	(2.9%)	(33.8)	113.8	—
(Civil engineering)	10.3%	29.2	10.2%	26.4	2.7	10.5
Real estate and other	19.4%	23.2	27.6%	39.4	(16.2)	(41.1)
Operating income	2.9%	44.0	(3.2%)	(50.1)	94.1	—
Ordinary income	3.4%	51.6	(2.4%)	(37.4)	89.1	—
Net income	4.1%	62.1	0.7%	11.6	50.5	435.4

FY2024 Overview of Financial Results

- Consolidated net sales for FY2024 decreased by 3.0% due to the reaction to the concentration of the peak period of digestion in several large construction projects in the previous fiscal year.
- Consolidated gross profit increased by 105.9 billion yen from the previous year due to improved profitability of construction projects at domestic construction subsidiaries, in addition to the improvement of non-consolidated results.
- Non-consolidated profit margin on completed construction contracts improved by 8.4% to 7.9% (7.3% for construction projects and 10.3% for civil engineering projects) from the previous fiscal year, when profitability got worse on several large projects, as the trend of improving profitability at the time of order receipt continued.
- Consolidated operating income was 71.0 billion yen, an increase of 95.7 billion yen from the previous year.
- Consolidated net income was 66.0 billion yen, an increase of 48.8 billion yen from the previous year, as a result of recording 39.3 billion yen in special gains from the sale of security holdings, etc.

FY2025 Forecast (consolidated)

(Billion yen)

	FY2025 Forecast		FY2024 Results		Increase (Decrease)	Percentage Increase(Decrease)
Net sales	1,910.0		1,944.3		(34.3)	(1.8)
Completed construction	1,710.0		1,696.0		13.9	0.8
Real estate and other	200.0		248.3		(48.3)	(19.5)
Gross profit	11.1%	212.0	10.1%	195.4	16.5	8.5
Completed construction	10.4%	177.0	9.3%	157.8	19.1	12.1
Real estate and other	17.5%	35.0	15.1%	37.5	(2.5)	(6.9)
Operating income	4.1%	78.0	3.7%	71.0	6.9	9.8
Ordinary income	3.8%	73.0	3.7%	71.6	1.3	1.9
Net income attributable to shareholders of the corporation	3.9%	75.0	3.4%	66.0	8.9	13.6

FY2025 Forecast (non-consolidated)

(Billion yen)

	FY2025 Forecast		FY2024 Results		Increase (Decrease)	Percentage Increase(Decrease)
Net sales	1,470.0		1,501.5		(31.5)	(2.1)
Completed construction	1,370.0		1,381.9		(11.9)	(0.9)
(Building construction)	1,115.0		1,099.2		15.7	1.4
(Civil engineering)	255.0		282.6		(27.6)	(9.8)
Real estate and other	100.0		119.5		(19.5)	(16.4)
Gross profit	9.9%	146.0	8.8%	132.4	13.5	10.3
Completed construction	9.1%	125.0	7.9%	109.1	15.8	14.5
(Building construction)	9.0%	100.5	7.3%	79.9	20.5	25.7
(Civil engineering)	9.6%	24.5	10.3%	29.2	(4.7)	(16.1)
Real estate and other	21.0%	21.0	19.4%	23.2	(2.2)	(9.6)
Operating income	3.6%	53.0	2.9%	44.0	8.9	20.4
Ordinary income	3.9%	58.0	3.4%	51.6	6.3	12.2
Net income	5.0%	73.0	4.1%	62.1	10.8	17.5

FY2025 Overview of Forecast

- Consolidated net sales for FY2025 are expected to be 1,910 billion yen, the same level as the previous year.
- Consolidated gross profit increased by 16.5 billion yen from the previous year due to expected improvement in profitability of domestic construction projects.
- Non-consolidated profit margin on completed construction contracts is expected to improve by 1.2% from the previous year to 9.1% (9.0% for construction projects and 9.6% for civil engineering projects), due to steady improvement in profitability of projects in hand, despite the lingering impact of large projects for which a reserve for expected losses on construction contracts was recorded in previous years.
- Consolidated operating income is expected to be 78.0 billion yen, an increase of 6.9 billion yen from the previous year.
- Consolidated net income is expected to increase by 8.9 billion yen from the previous year to 75.0 billion yen, with the recording of 46.0 billion yen in special gains from the sale of security holdings, etc.

Improving Profitability (Our Construction Business)

- For large-scale construction projects, we are making careful decisions in case of taking orders, not only to ensure profitability, but also to ensure an appropriate construction period of closed 8 days every 4 weeks plus α , and to secure a system for digestion, including the supply chain.
- In the quotation stage, the most recent material prices and procurement status are reflected in the quoted price, and it is added that if any material price hikes occur after the quotation is submitted and before the contract is closed, they will be reflected in the contract price and construction schedule, as necessary.
- At the contracting stage, we ensure that contracts are concluded under terms and conditions that include an inflation adjustment clause and a clause allowing the contractor to change the construction period, etc., so that changes in the contract price or construction period due to material price hikes or delivery delays during the construction period can be accepted.
- We will promote productivity improvement and cost reduction through promotion of technology development utilizing ICT, AI and construction robots, etc.
- The situation of material price hikes and delivery delays is beyond the level that can be handled by individual companies. So, the public and private sectors are working together to set appropriate contract prices that reflect transaction prices for equipment construction costs in addition to labor, raw material, and energy costs, and to ensure appropriate construction schedules.
(See next page and beyond.)

Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Government/ Industry-wide Movement)

In order to make the construction industry a sustainable industry, it is urgent to strengthen the securing of labor and to pass on higher material and labor prices to customers.

(1) The Japan Federation of Construction Contractors (JFCC) decided a “Declaration for Securing Appropriate Construction Periods”.

July 2023, the start of the 2024 problem (overtime cap) was approaching, the industry as a whole took action to ensure appropriate construction schedules.

(2) The government demands that the customer accept a reasonable price pass-on and construction period.

In November 2023, the Cabinet Secretariat and the Japan Fair Trade Commission released “Guidelines for Price Negotiations for Appropriate Price Shifting of Labor Costs”. The guidelines set forth a course of action for both the customer and contractor.

“Actions to be taken/behaviors required as a customer”

- Ensure appropriate price pass-on throughout the supply chain
- Be at the negotiating table when requested.

“Actions to be taken/behaviors required as a contractor”

- The contractor offers the price they wish.

(3) The Central Construction Industry Council of the Ministry of Land, Infrastructure, Transport and Tourism revised the “Standards for Construction Periods”.

In March 2024, the Council recommends that customers cooperate in setting construction period that comply with overtime regulations and do not encourage violations of those regulations, including the correction of long working hours and the realization of two-days off per week.

(4) Part of “the Act for Partial Revision of the Construction Industry Law and the Act for Promoting Proper Tendering and Contracting for Public Works” comes into effect.

In December 2024, a notice was sent to private sector customer organizations requesting that they establish measures to facilitate contract modification discussions based on the basic understanding that the parties involved in construction work are partners, and to ensure their effectiveness, request that customers understand and take appropriate action.

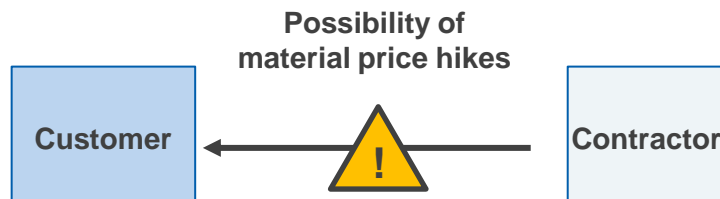
Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Revision of Laws)

In December 2024, a law to partially revise the Construction Industry Law and other laws came into effect to realize a sustainable construction industry and to secure the labors of the industry.

Facilitate discussions on price pass-on of material price hikes and changes in construction schedules due to difficulties in obtaining materials, etc.

Rules for “before” contracts

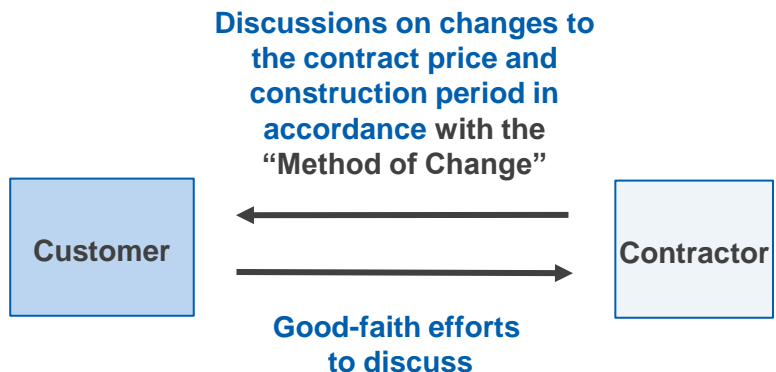
- Clarify the “method of change” of the contract price, etc. due to a sharp rise in the price of materials as a statutory item in the contract.
- The Contractor is obligated to notify the customer of “information on the possibility” of material price hikes.



When material price hikes become apparent

Rules for “after” contracts

- The contractor who has given a pre-contract notice may consult with the customer regarding changes in the price and construction period.
- The customer is obligated to make a good-faith effort to respond to the consultation.*

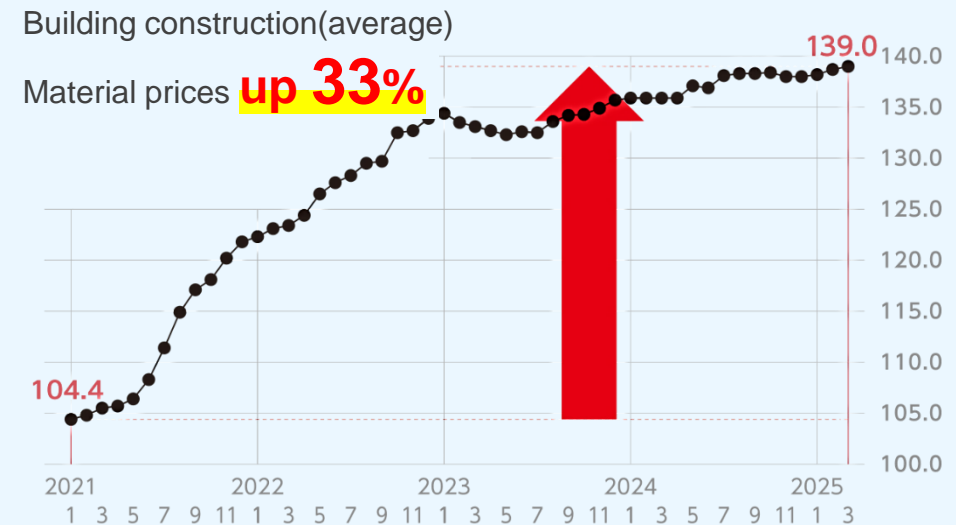
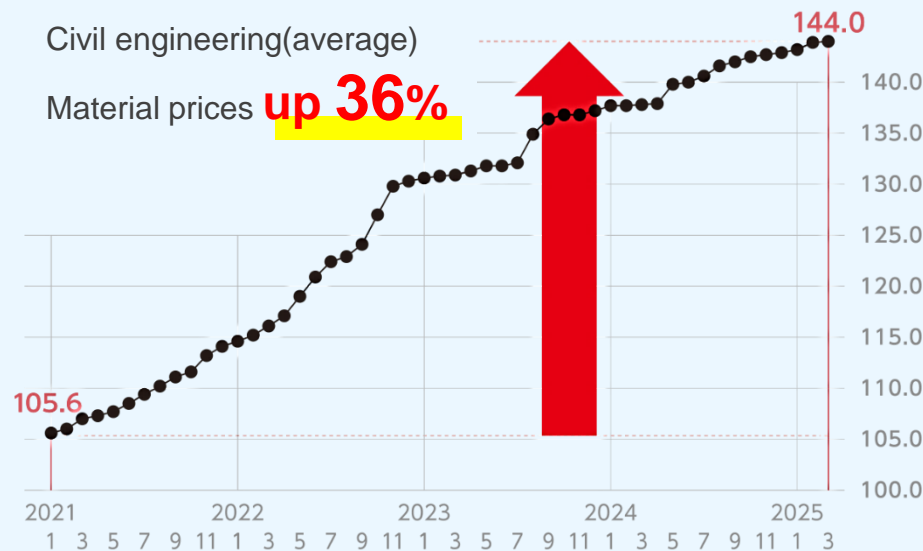


Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Material Price Trends)

Global shortages of raw materials, crude oil and other energy sources, and the yen's depreciation caused prices of construction materials to soar.

Material prices in Tokyo January 2021 ~ March 2025 (As of March 2025) (2015 average = 100)

Overall construction (average) Material prices up **34%**



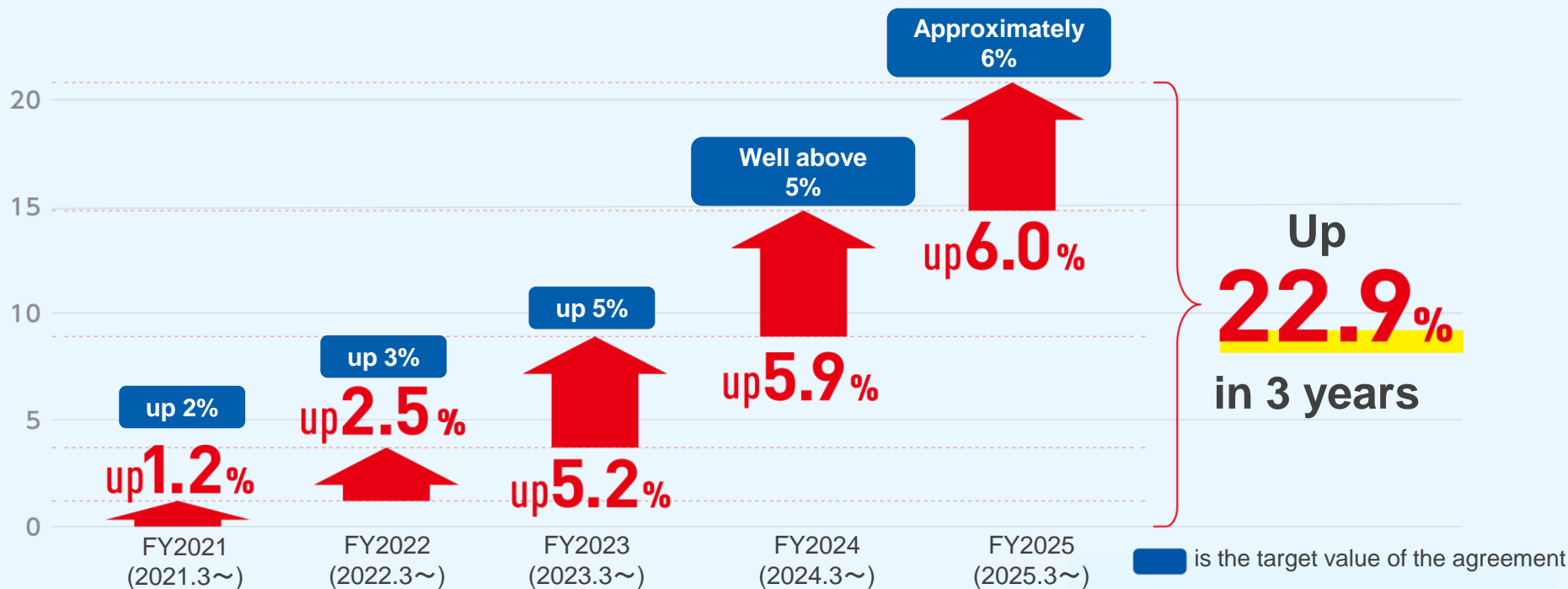
Assuming that the material cost ratio is 50-60%, over the past 50 months, due to soaring material and other costs,
the average cost of all construction work has increased by 17-20%

- Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (April 2025 Edition)" pamphlet, and were prepared independently by the Company.

Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Labor Cost Trends)

Wages for skilled construction workers at construction sites have also increased in response to the government's wage hike policy and higher unit labor costs.

Percentage increase in unit labor cost for public works design (average)



Assuming that the labor cost ratio is 30%, over the past 49 months, due to soaring labor costs, **the cost of all construction work has increased by 6.9%**

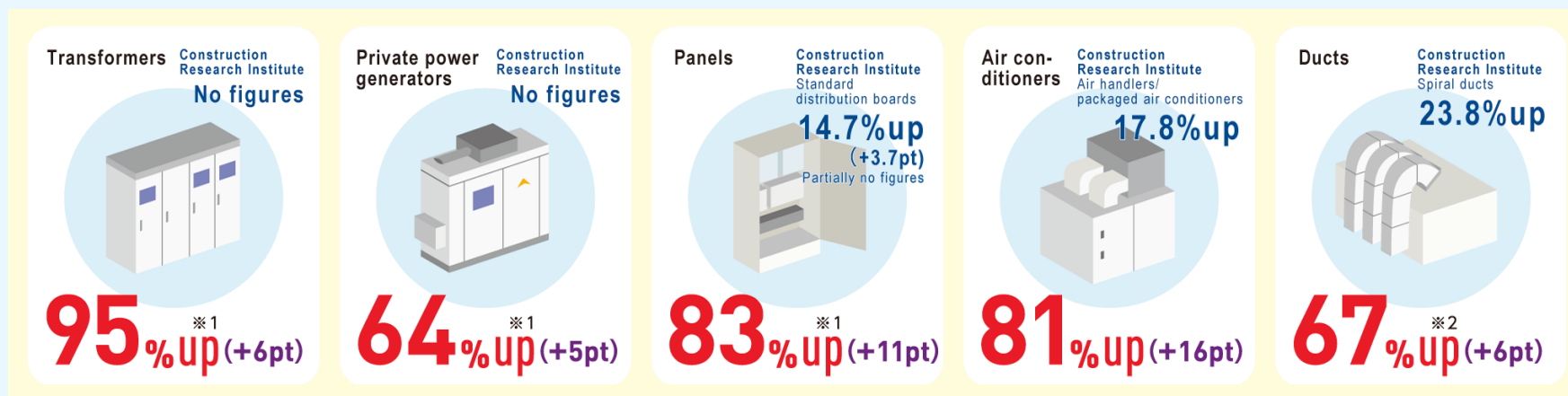
• Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (April 2025 Edition)" pamphlet, and were prepared independently by the Company.

Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Facility Construction Cost Trends)

Current status of rising facility construction costs

- In recent years, plant construction has been active in Japan as the manufacturing industry has recovered. At the same time, large-scale projects and data center construction in metropolitan and regional cities have been underway, resulting in a tight supply and demand situation for some facility construction projects, which, in turn, has led to soaring prices of materials, equipment, and construction as well as construction delays.
- Many custom-built pieces of equipment are used in large-scale buildings and other works. Prices for some of these have soared very high, not following the trend of average material prices.

■ Example rate of increase of facility construction costs in large-scale buildings



Note 1: The figures in red above represent the average rate of price increases among 12 major construction companies (*1 is for 11 companies) for the relevant equipment (such as custom-built items) based on a comparison of prices in December 2020 and March 2025. *2 includes labor cost for installation work.

Note 2: The figures in blue above represent the price increase rates (simple average for each item) in the consumer price index for similar or comparable equipment (general-purpose) in December 2020 and March 2025.

() is the increase or decrease from the Autumn 2024 edition.

*Source: "Current Status of Rising Facility Construction Costs (Spring 2025)" by the Japan Federation of Construction Contractors

Real Estate and Other : Status of Real Estate Development Business (consolidated)

Sales and Income Trends

(Million yen)

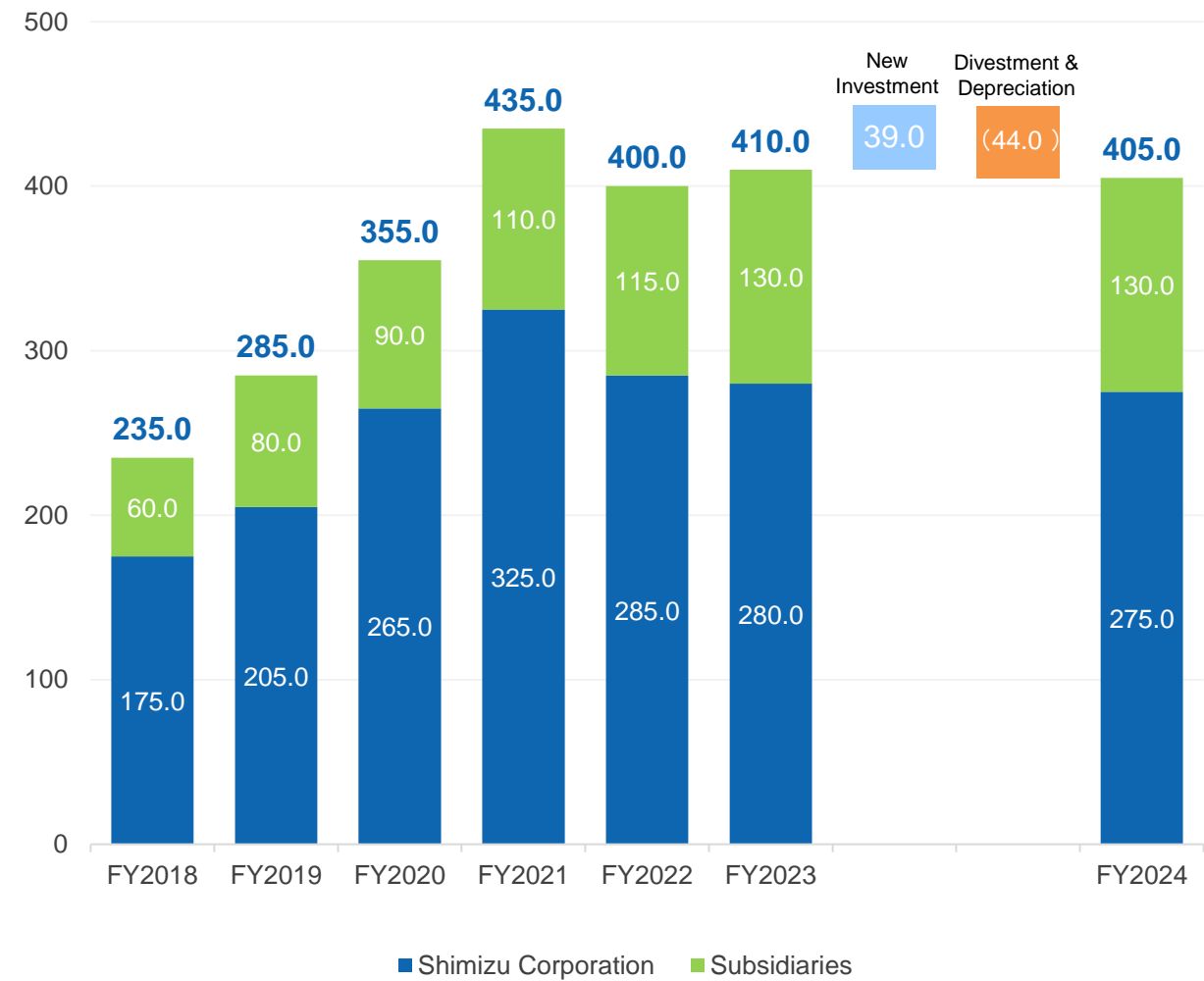
	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	45,625	83,346	89,040	82,610	53,569
Segment income (Operating income)	14,993	47,831	38,141	27,581	16,863

Instead of owning developed rental properties,
we conduct an efficient and capital turnover-based real estate development business
by selling properties to external parties as appropriate
and investing the proceeds from the sale in new development projects.

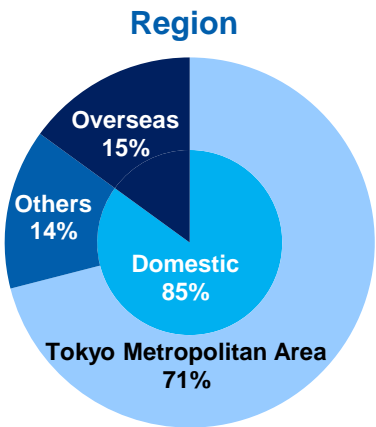
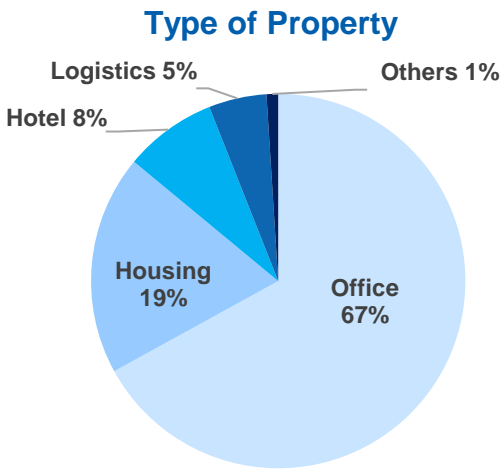
Real Estate and Other : Status of Real Estate Development Business (consolidated)

Investment and Development Business Assets Balance

(Billion Yen)

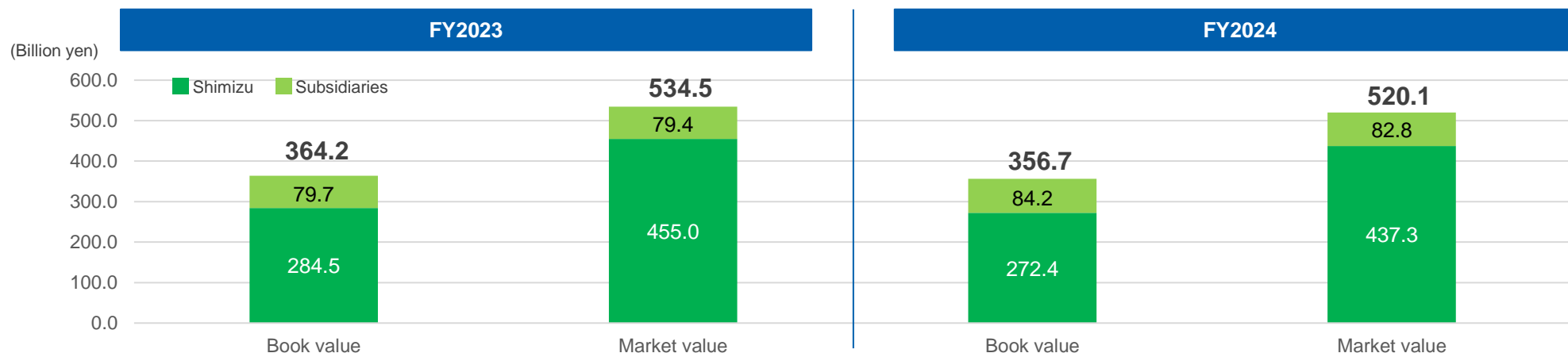


FY2024 Breakdown of development project asset balances



Real Estate and Other : Status of Real Estate Development Business (consolidated)

Balance of Real Estate for Rental



Profit and loss on real estate for leasing

(Million yen)

	FY2023	FY2024
Net sales in leasing business	35,583	35,812
Profit in leasing business	10,234	10,335

Real Estate and Other : Status of Real Estate Development Business (Use of Private REIT)

Utilization of Unlisted Open End Private REIT Shimizu Private REIT, Inc.

- Launched private REIT centered on the Company's properties to expand recurring revenue model businesses in real estate, from January 2023.
- This private REIT is a general one that invests mainly in offices and logistics facilities. The portfolio consists primarily of the Company's development properties that combine environmental performance and BCP functions.
The current asset size is approximately 70 billion yen, and the company plans to increase its asset size to approximately 100 billion yen within a few years.
- We seek to improve capital efficiency and further grow the real estate development business by reinvesting proceeds from the sale of properties to the private REIT in new development properties.



YOKOHAMA i-MARK PLACE



S.LOGI Niiza West

Real Estate and Other : Offshore Wind Power Initiatives (Use of SEP vessel)

Owns One of the world’s Largest SEP vessels, “BLUE WIND”

- “BLUE WIND,” a self-propelled SEP vessel with one of the world’s largest loading and crane capacities, was completed in October 2022.
- From FY2023, construction of offshore wind turbines off the coast of Nyuzen- machi, Toyama Prefecture and at Ishikari Bay New Port in Hokkaido (construction of 8 MW wind turbines, the largest in Japan), and two chartered vessels to Taiwan.
A third chartered project started from March 2025 in Taiwan.
- We will use our SEP vessel for overseas projects, mainly in Taiwan, and then use it for domestic projects.

Future pipeline (image)

Projects, etc.	FY2023		FY2024		FY2025		FY2026		FY2027		FY2028		FY2029		FY2030	
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half
Off the coast of Nyuzen-machi, Toyama (already implemented)	↔															
Ishikari Bay New Port, Hokkaido(already implemented)	↔															
Taiwan, etc. (chartered ship)			→													
General Domestic marine areas (Round 2, 3 projects, etc.)							→									



Ishikari Bay New Port Offshore Wind Farm
Constructed by our self-propelled SEP vessel “BLUE WIND”

Real Estate and Other : Offshore Wind Power Initiatives

Aiming to Capture the Top Share in the Domestic Market for Construction of Offshore Wind Farms

Initiative policy

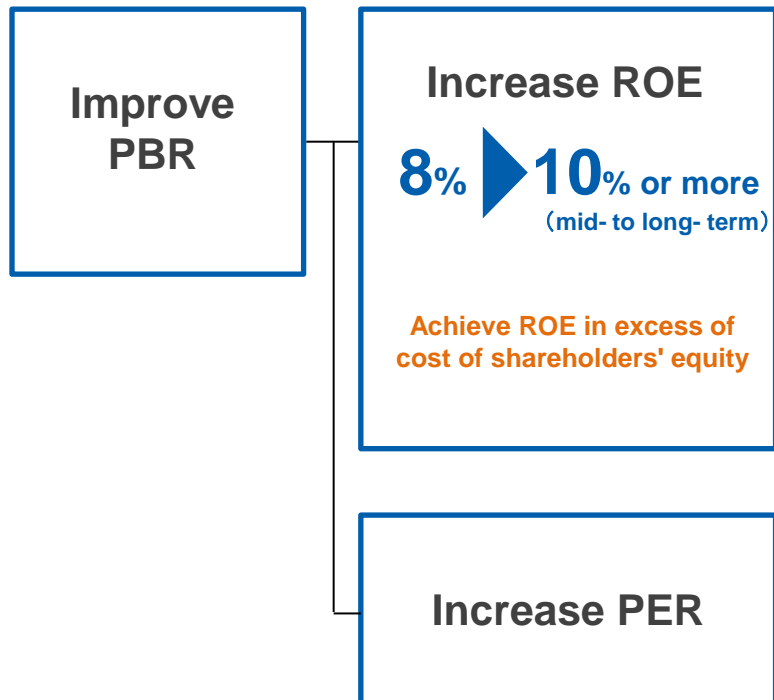
- We are aiming to capture the top share of the domestic market for the construction of offshore wind power generation facilities by taking advantage of the superiority of our high-performance SEP vessel.
Our SEP vessel is capable of carrying multiple wind turbine components at one time, enabling construction with high efficiency and short construction period.
We have already accumulated a wealth of know-how and experience in the construction of two domestic projects and two Taiwan chartered vessels.
- In the offshore wind power construction market, which is estimated to exceed 5 trillion yen by 2030, we aim to become the top runner in the construction of offshore wind power generation facilities, creating new sources of revenue and strongly promoting initiatives to realize a decarbonized society.
- In the future, we plan to work mainly on projects in general domestic marine areas that have been decided based on the Renewable Energy Marine Area Utilization Act. Since the construction of these round projects is not expected to start until 2027 or later, until then, we will charter our SEP vessel for overseas projects in cooperation with Fred Olsen Ocean of Norway, with whom it has established a cooperative system.

Advantages of owning own SEP vessel

- There are few SEP vessels in the world that can handle the increasingly large size of wind turbine construction. In the European market, where the offshore wind power generation business is ahead, companies are responding by increasing the crane capacity of their vessels for construction, but the demand remains high, so even if we wanted to charter a vessel from Europe, it would be difficult to secure such a charter.
- By owning its own SEP vessels, we have already acquired expertise in vessel operation and management. We will be able to execute a reliable ship allocation plan based on its construction experience, thereby increasing the competitiveness of its orders.
- By possessing all the know-how related to the construction of offshore wind power facilities (e.g., wind turbine construction, vessel operations, etc.) in-house, we can respond to the diversified requirements from our customer orders ourselves.

Initiatives to Improve PBR

Initiatives to improve PBR centered on Growth Strategy, Capital Policy, and Shareholder Return



1. Improvement of capital efficiency

- 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. Investment 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

M&A Achievements

In FY2024, two M&As were conducted overseas

Grandwork Interior Pte Ltd (released November 8, 2024)

Acquired all shares of Grandwork Interior Pte Ltd (“Grandwork”), a high-end interior construction company based in Singapore, and made it a subsidiary.

Grandwork is an interior decoration company established in Singapore in 1996 and has the largest share of the high-end interior decoration market in Singapore. The acquisition of Grandwork as a subsidiary is intended to enter new businesses, expand business in ASEAN, and acquire global management human resources.

Business Activities	Interior fit-out and furniture manufacturing
Establishment	April 1996
Revenue	97 million SGD (FY2023)
Number of Employees	543 (as of the end of September 2024)

Cross Management Corp. (released February 27, 2025)

Acquired 51% of the shares of Cross Management Corp. (“CMC”), a renovation and interior construction company based in New York, U.S., through Shimizu America, Inc.

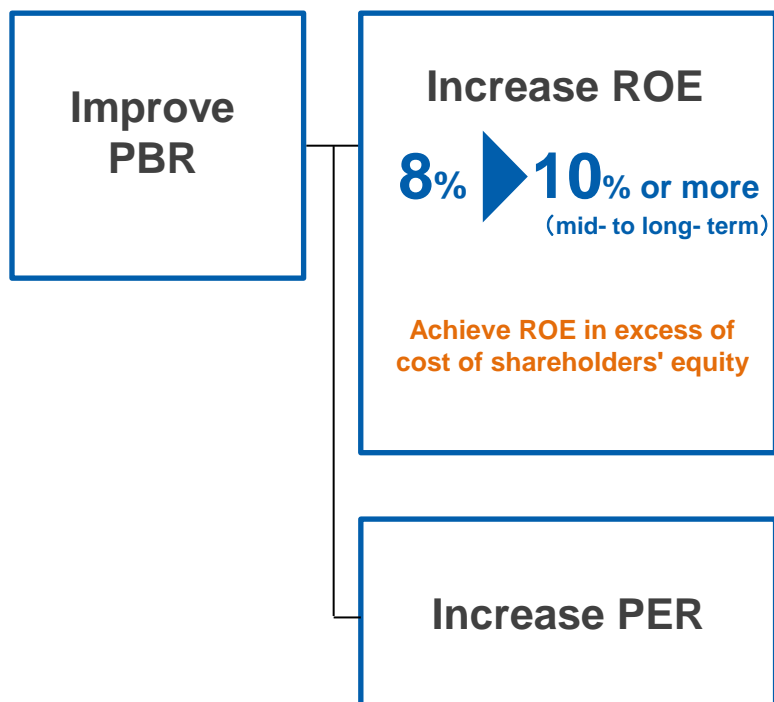
CMC, founded in 2003 in Manhattan, NY, is a construction company specializing in renovations and interior work.

The conversion of CMC into a group company is intended to strengthen and expand our efforts in the renovation and interior work market for existing buildings, a growing segment of the construction market in mature countries.

Business Activities	Construction (specializing in Alterations and Interiors)
Establishment	June 2003
Revenue	128 million USD (FY2023)
Number of Employees	51 (as of the end of July 2024)

Initiatives to Improve PBR

Initiatives to improve PBR centered on Growth Strategy, Capital Policy, and Shareholder Return



3. Improvement of capital efficiency

- The ratio of security holdings to consolidated net assets will be reduced to 20% or less by the end of March 2026 and to 10% or less by the end of March 2027, and will continue to be reduced after achieving the target.

Sales of 150 billion yen by the end of March 2026 and 240 billion yen by the end of March 2027 at the stock price level as of the beginning of FY2024 are required.

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

4. Active shareholder returns (dividends + share buybacks)

- Continuous share buybacks using proceeds from the sale of security holdings.

34.5 billion yen of treasury shares repurchased in FY2024
Plans to repurchase 10.0 billion yen of treasury shares in FY2025

- Dividends are linked to profit growth, with a target consolidated dividend payout ratio of 40% (Total return ratio of FY2024 is forecasted to be 92.0%).
- The minimum dividend is set at (20 yen per share per year) as a stable dividend.

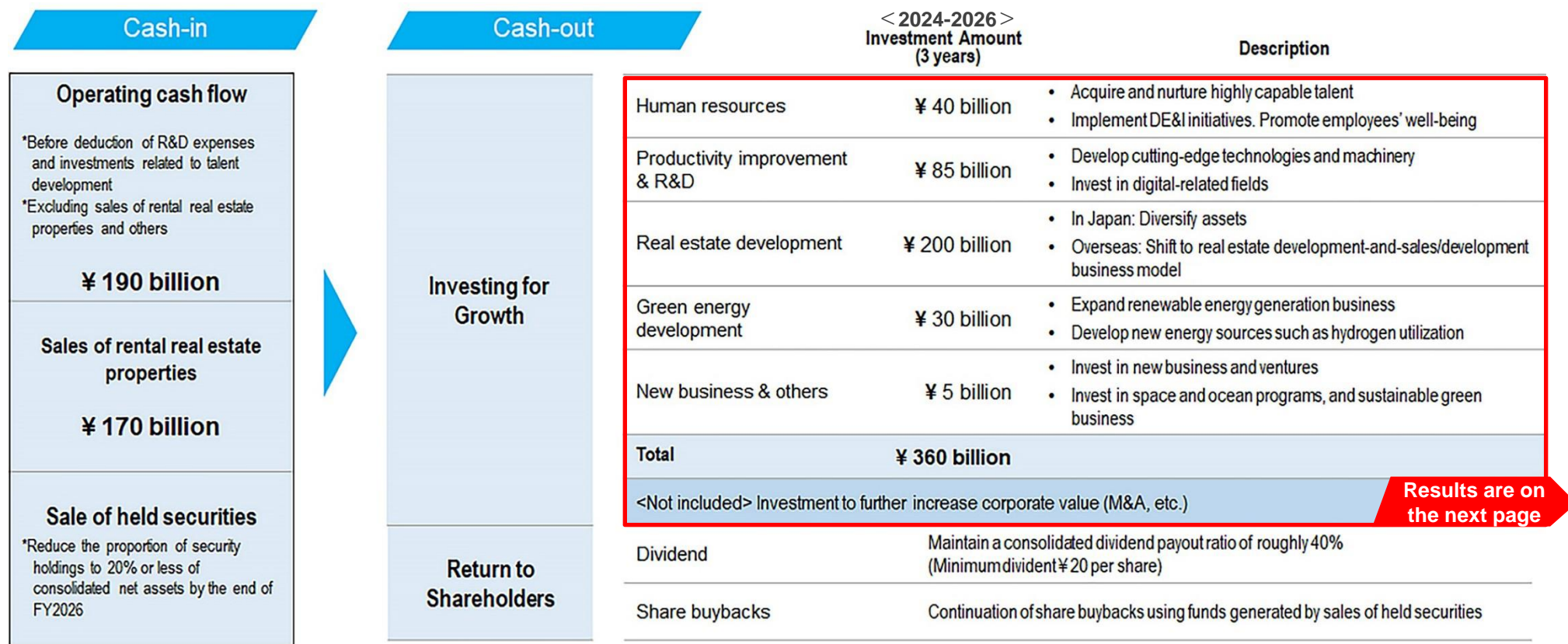
Note

02

Capital Management Policy and Shareholder Returns

Cash Allocation

Investments for sustained growth and continuing return to shareholders



Results are on the next page

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

Progress of Investment Plan

This page describes the progress of the investment plan for FY2024

Investing for Growth	Mid-Term Business Plan 〈2024-2026〉			Investment Plan (progress)
	Description		Investment Amount (3 years)	
	Human resources	<ul style="list-style-type: none"> Acquire and nurture highly capable talent Implement DE&I initiatives. Promote employees' well-being 	¥ 40 billion	▶ ¥ 7.4 billion
	Productivity improvement & R&D	<ul style="list-style-type: none"> Develop cutting-edge technologies and machinery Invest in digital-related fields 	¥ 85 billion	▶ ¥ 20.7 billion
	Real estate development	<ul style="list-style-type: none"> In Japan: Diversify assets Overseas: Shift to real estate development-and-sales/development business model 	¥ 200 billion	▶ ¥ 39.0 billion
	Green energy development	<ul style="list-style-type: none"> Expand renewable energy generation business Develop new energy sources such as hydrogen utilization 	¥ 30 billion	▶ ¥ 1.8 billion
	New business & others	<ul style="list-style-type: none"> Invest in new business and ventures Invest in space and ocean programs, and sustainable green business 	¥ 5 billion	▶ ¥ 0.9 billion
Total			¥ 360 billion	▶ ¥ 69.8 billion
Investment to further increase corporate value (M&A, etc.)			<ul style="list-style-type: none"> Acquisition of overseas interior construction companies, etc. 	¥ 18.0 billion

Reduction of Security Holdings

Progress on Reduction

- We are accelerating the reduction to achieve the new reduction target set in November 2024.
- In FY2024, we sold 31 listed stocks (including partial sales), for a total sale amount of 58.6 billion yen.
The total number of listed stocks we sold from FY2018 to FY2024 was 91 (including partial sales) for a total sale amount of 208.6 billion yen.
- As a result, the number of listed stocks decreased from 187 at the end of March 2018 to 123 at the end of March 2025.
- The ratio of security holdings to consolidated net assets will decline from 34.8% (as of March 31, 2024) to 27.0% (as of March 31, 2025).
- The agreed-upon sale amount is 130 billion yen, and we are planning to sell 70 billion yen in FY2025.

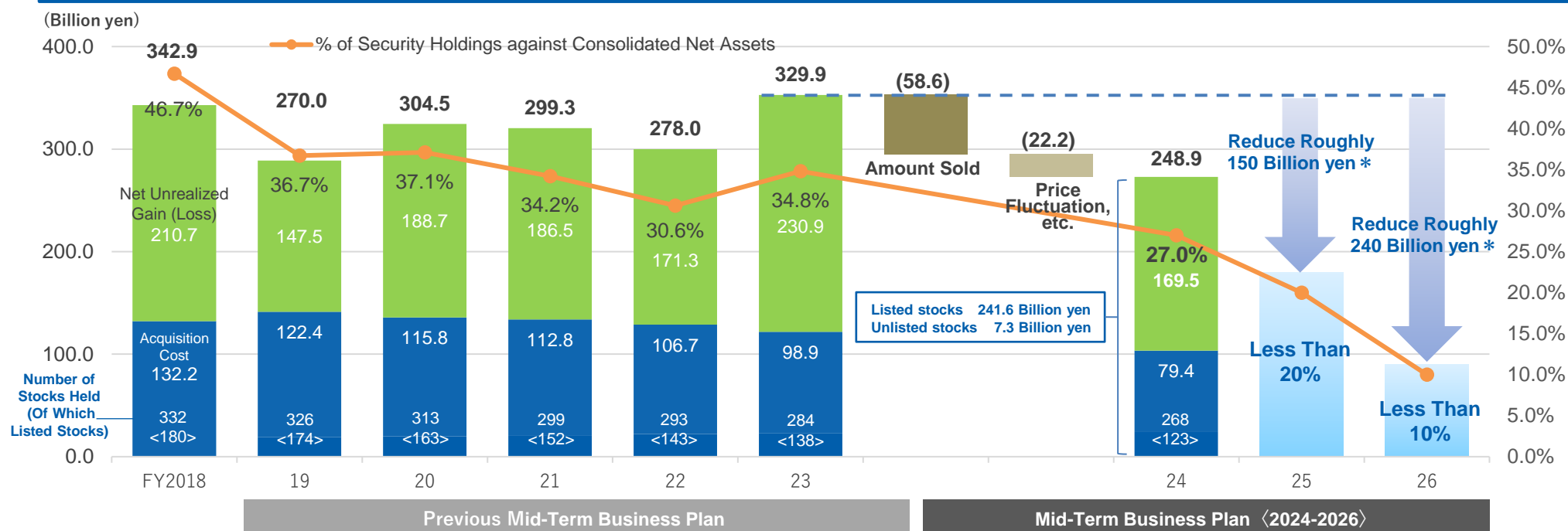
(See next page for details.)

Reduction of Security Holdings

Progress on Reduction

Reduction target Ratio of security holdings against consolidated net assets
Less than 20% by the end of March 2026
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)
Number of Listed Stocks Sold	10	10	18	18	21	16	31	[expected in FY2025]
Amount Sold (Billion yen)	12.2	16.8	19.7	12.8	26.3	62.1	58.6	41 [27]
								130.0 [70.0]

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

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

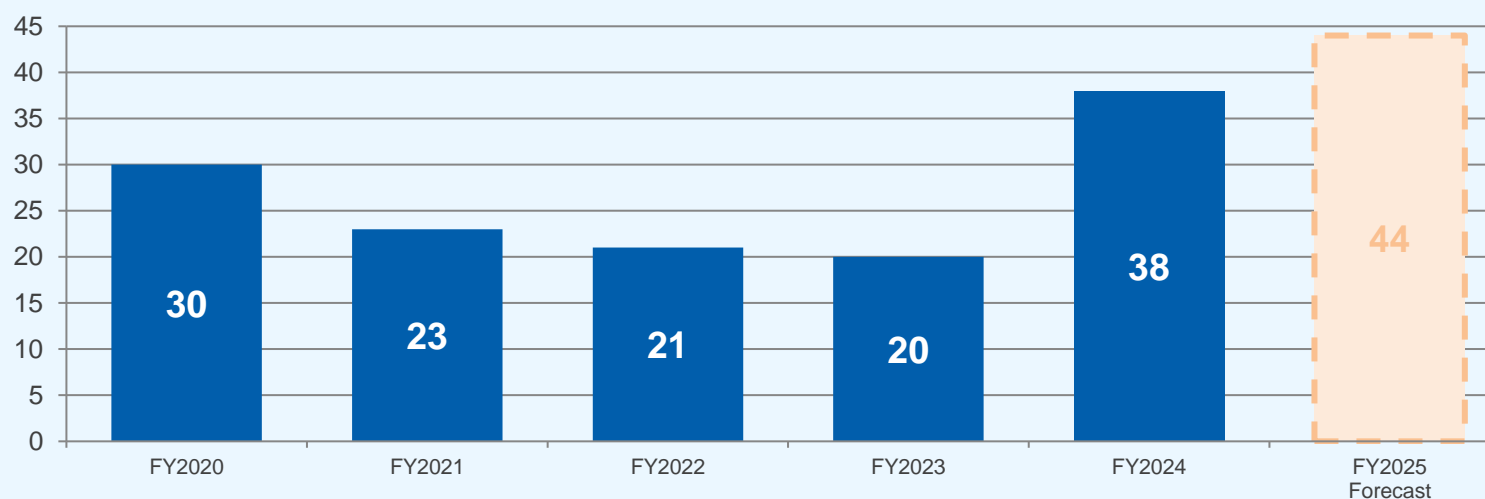
(Billion yen)

FY2019	FY2021	FY2023	FY2024	FY2025 Forecast
20.0	20.0	25.4	34.5	10.0

Trend in Dividends (consolidated)

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

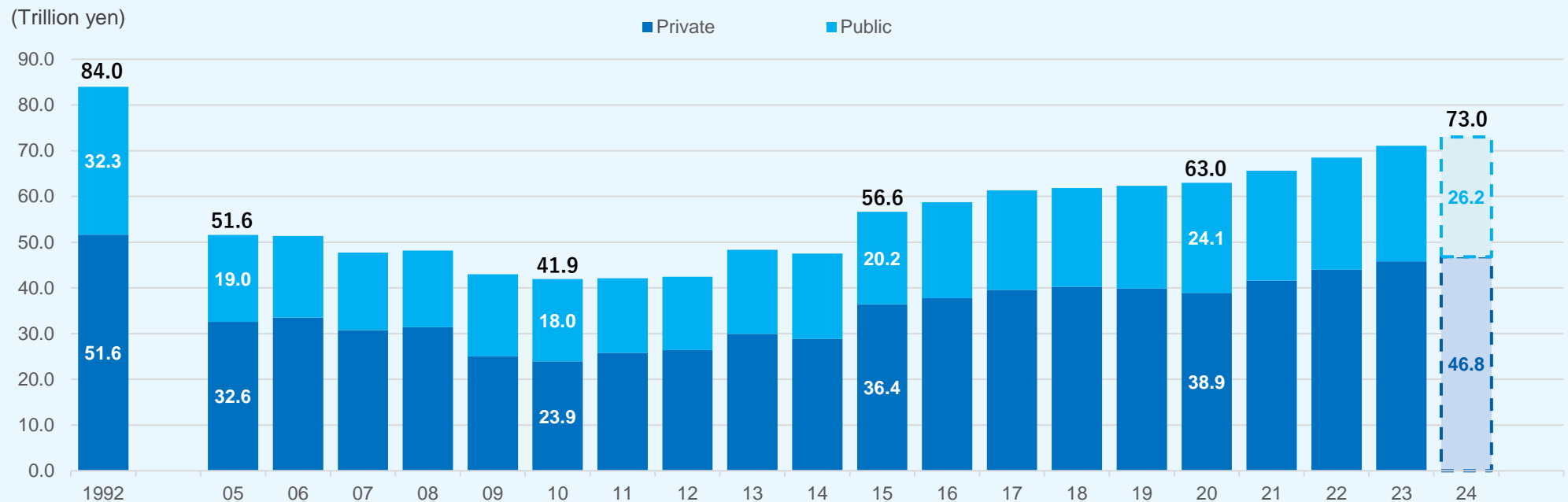
Note

03

Current Status of the Domestic Construction Industry and Our Initiatives

Domestic Investment in Construction

- Construction investment peaked at 84 trillion yen in FY1992 and has been on a downward trend since then, but has been on an upward trend due to reconstruction demand following the Great East Japan Earthquake in 2011 and a recovery in private investment.
Current situation in the construction sector, capital investment is expected to remain at a high level, especially in the manufacturing sector.
Large-scale redevelopment projects centered on the Tokyo metropolitan area are also expected to continue.
- In the civil engineering sector, construction investment is expected to remain at the current level of around 60-70 trillion yen due to the implementation of the National Land Stabilization Plan, including disaster prevention and mitigation measures, as well as flood control and aging infrastructure measures.



*FY2022 and FY2023 are estimates, FY2024 is a forecast.*The amount of government construction investment related to restoration and recovery from the Great East Japan Earthquake is expected to be 1.5 trillion yen in FY2011 and 4.2 trillion yen in FY2012.

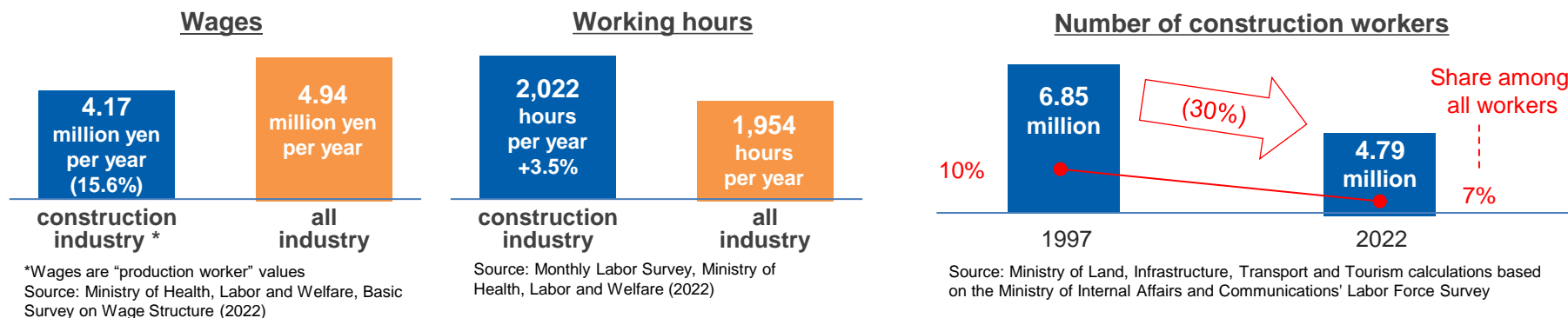
*As of fiscal 2015, the amount of investment in construction repairs (renovation and remodeling) is included in the amount of construction investment.

*The graph was created by Shimizu based on *Trends in Construction Investment*, a digital handbook for the construction industry by the Japan Federation of Construction Contractors.

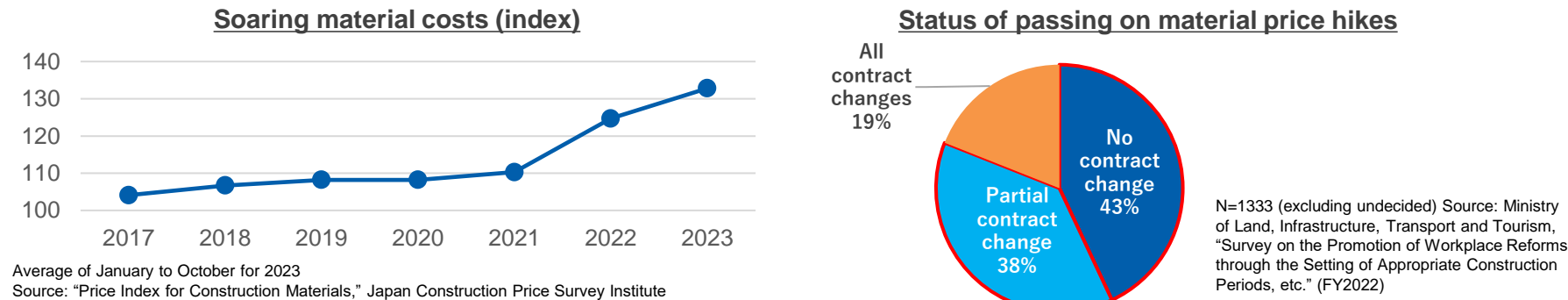
Construction Industry Issues

*Contents from JFCC Pamphlet for Explanation to **Customer's** in Private Orders.
*All graphs are based on sources provided by the Company and are prepared independently by the Company.

① Generally, wages in the construction industry are lower than those in other industries, and working hours are longer, making it difficult to secure labors.



② Failure to pass on material price hikes appropriately, putting pressure on labor costs



③ Regulations on upper limits on over time with penalties begin to be applied from April 2024.

Direction of Improvement

Comprehensive efforts to improve compensation, price passing on, work style reforms, and productivity improvement will improve working conditions and help secure labors of the workforce.

Our Initiatives (Improving Benefits of Skilled Construction Workers)

We are making efforts to improve benefits to secure new young employees, including two days off per week at construction sites and raising wage levels.

Promotion of two days off per week

Status of Job Site Closures

	Closed 8 days
FY2022	66%
FY2023	74%
FY2024	77%

Standard for the number of days closed:
Closed 8 days every 4 weeks: 104 days a year

Company-wide Goals for a two days off a week

FY2020	2021	2022	2023	2024	2025
Jobsites closed 8 days every 4 weeks					
50% or higher					
100%					

*Excluding jobsites with special circumstances such as disaster recovery and the competition venues for the Tokyo Olympics and Paralympics.

Status of Construction Career Up System (CCUS)



Activities at the entrance gate of a construction site

The Construction Career Up System, a system the government and private sector jointly developed, launched in earnest in April 2019. The aim is to improve benefits for skilled workers and improve their skills by storing the work histories and qualifications of skilled workers in a system using industry standard rules via IC cards distributed to skilled workers. This is to create an environment in which skilled workers can receive benefits according to their abilities and experience by utilizing the system so that we can secure workers for the construction industry into the future.

Our Initiatives (Construction Worker Entry, Retention, and Skill Development)

Shimizu Takumi Training Center

We believe that in addition to securing and retaining new labors, education and training to improve their skills and productivity are essential to establish a sustainable construction production system. As such, the Takumi Training Center opened in July 2020.

It is run jointly with Kanekikai , our partner companies.

The participants are mainly skilled workers belonging to member companies.

We provide construction technicians with education and training curriculum tailored to their career and skill level through training for new hires, skill improvement training, and multi-skilled worker development training.

We also develop and verify tools to improve productivity.

KPIs for Sustainability Management in the Mid-Term Business Plan 〈2024 – 2026〉

Target for FY2026: 1,800 or more students in FY2026.

Result of FY2024: 2,484 students

<Main Curriculum>

Various training programs tailored to each employee's years of experience

Training in operation of productivity improvement tools, robots, etc.

Training for multi-skilled workers

Qualification training



Exterior view of Takumi Training Center



Robot operation training

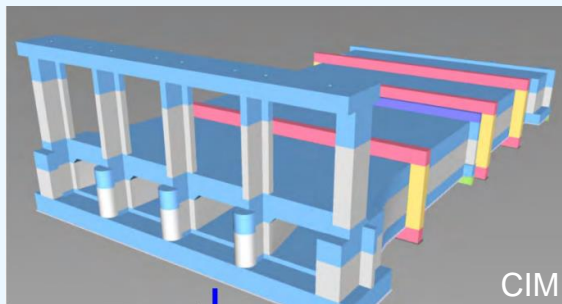


Multi-skills development training

Our Initiatives (Improving Productivity①)

Main initiatives at construction sites

Utilization of BIM/CIM



Enables early decision-making, consensus building, and understanding of construction procedures

3D measurements using drones and other technology

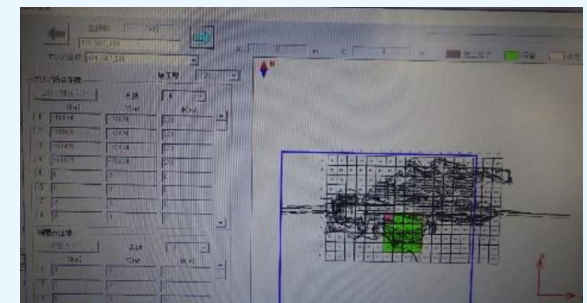


Laser Scanner



Enables instantaneous calculation of soil volume using point cloud data obtained from surveying

Use of ICT construction machinery



Measures the position of construction equipment using satellite and other information and notifies the operator

Our Initiatives (Improving Productivity②)

Digital construction

A construction 3D printer, Shimz Robo-Printer

We developed the Shimz Robo-Printer, a construction 3D printer that supports on-site printing. We conducted a demonstration at the construction site of our own facility, Smart Innovation Ecosystem NOVARE opened in Shiomi, Koto-ku, Tokyo. We expect this technology to enable batch printing of large laminates and eliminate the cost of transporting components.



On-site 3D printing construction

Robots related

Efforts to improve efficiency and work environment

As part of our efforts to improve productivity, we have developed a variety of robots. "Robo-Spray," a semi-dry fireproofing spraying robot, "Robo-Carrier," which automatically transports materials, and "Robo-Welder," which welds while checking the shape of the welding part like a human arm, is currently in use at construction sites.



Semi-Dry Fireproof Covering Spraying Robot
"Robo-Spray"



"Robo-Welder" welding steel columns



"Robo-Carrier" improves material transport efficiency

Our Initiatives (Improving Productivity③)

Tunnel construction system utilizing ICT and robots (example)

Blast Master

A 3D scanner that measures the amount of extra excavation and a computer system that suggests optimal blasting patterns make it possible to efficiently perform blasting excavation in mountain tunnel construction. This system can minimize excess excavation, such as excavation beyond the planned cross-sectional area.

The system can be operated by non-experienced technicians, contributing greatly to productivity improvement on site.

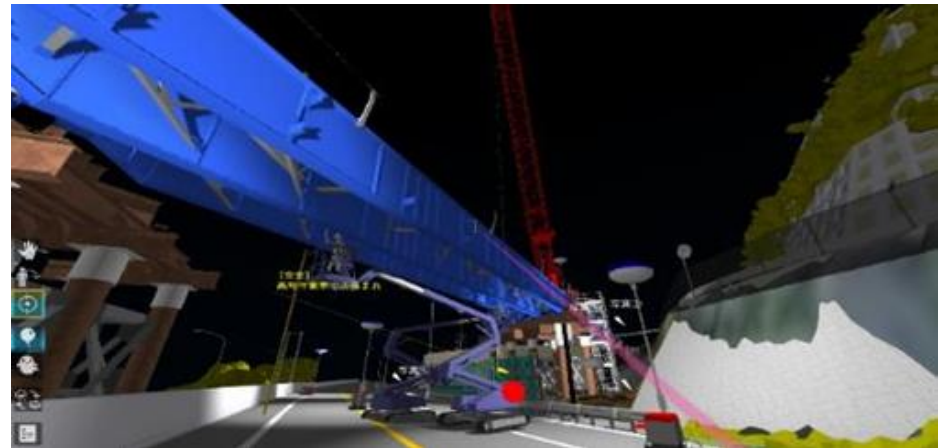


Blast Master Operation Status

3D simulation

Intensive construction work in tunnels is generally carried out within a limited period of time, with several days of nighttime closure of traffic.

The construction period will be delayed by one year if the scheduled construction period is missed. Therefore, the construction procedures will be precisely reproduced using a 3D construction simulation before the construction, and we will take all possible measures to prepare for the construction work.



Simulation by VR space

04



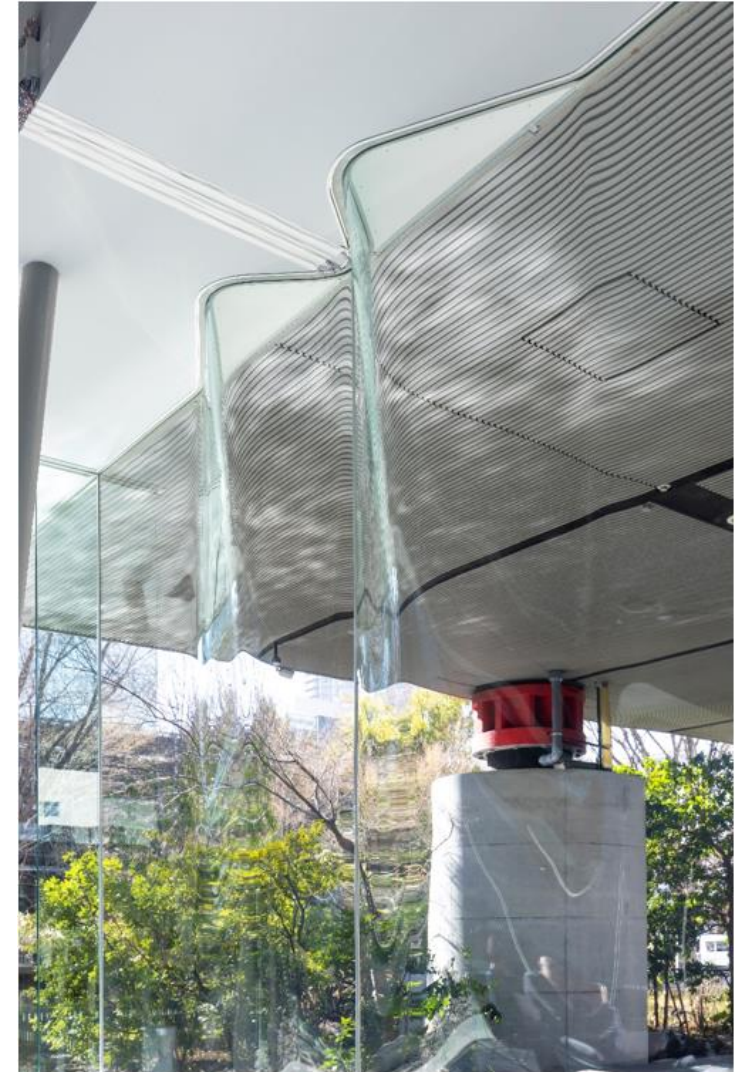
Topics

First Adoption of Technique for Curved Glass Facades

Developed a glass facade with a high design quality that incorporates 3D free-form surfaces and installed it at the entrance of our Institute of Technology (Etchujima, Tokyo).

We make proposals to related parties with the aim of adopting the technique for curved glass facades for entrances to large-scale facilities and facades of commercial facilities where many people enter and leave the building.

- Overseas, the complexity of architectural facade design has become more pronounced since the late 2010s
- ▼
- We were the first company in Japan to begin research and development of glass facades incorporating free-form curved surfaces, and developed the “3D Glass Screen Construction Method.”
- ▼
- This method dramatically improves the degree of freedom of glass façade design. The earthquake resistance and workability of the glass, which had been a concern, have also been cleared, and the method was fully applied to the renovation work this time.



*Up to 300 mm of unevenness.

Hydrogen Energy Initiatives

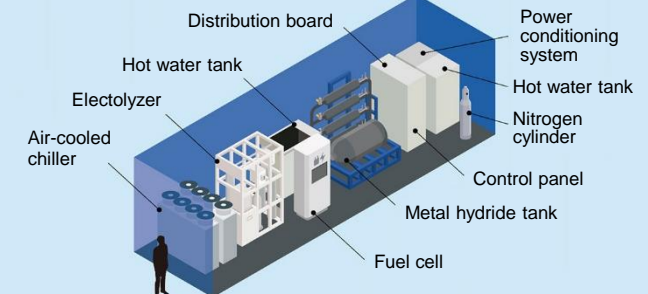
Building-attached hydrogen energy utilization system “Hydro Q-BiC”

- A building-attached hydrogen energy utilization system that converts surplus electricity from renewable energy into hydrogen, stores it in an elementary storage alloy, and then extracts the hydrogen to generate electricity as needed.
- Hydrogen can be used safely and effectively on a small scale, depending on the situation, such as daily life and disasters (BCP support).
- Space-saving “Hydro Q-BiC Lite” is implemented at the NTT Pavilion at the Expo 2025 Osaka, Kansai, Japan.



Hydro Q-BiC Lite Basic Configuration

Equivalent of 40ft container

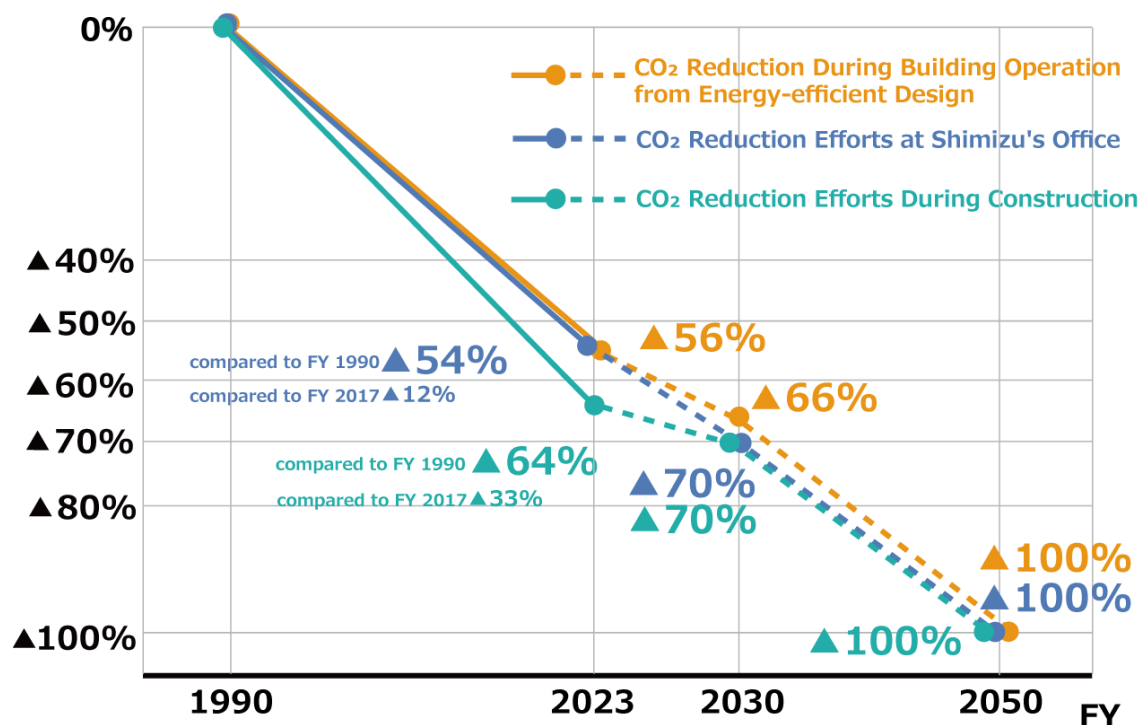
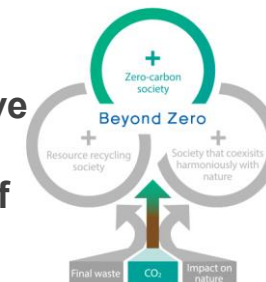


Hydrogen energy utilization system "Hydro Q-BiC Lite"

Efforts to Reduce Total CO₂ Emissions/ Natural Environment Assessment

Ecological Mission 2030-2050

- We have set mid- to long-term targets for CO₂ emissions reduction under the “Ecological Mission 2030-2050,” and have set targets “During Construction” “Shimizu’s Office” and “Building Operation from Energy-efficient Design” with the entire company working to achieve these targets.
- Based on the Group's environmental vision “SHIMZ Beyond Zero 2050,” we have set a goal of zero CO₂ emissions by FY2050.



【CO₂ Reduction Efforts During Construction】

- FY 2023 Results : 190,000 tons of CO₂ emissions
Reduction of 64%
compared to FY 1990
- FY 2024 Goal : **Reduction of 62%**
compared to FY 1990

【CO₂ Reduction Efforts at Shimizu's Office】

- FY 2023 Results : 8,000 tons of CO₂ emissions
Reduction of 54%
compared to FY 1990
- FY 2024 Goal : **Reduction of 56%**
compared to FY 1990

【CO₂ Reduction During Building Operation from Energy-efficient Design】

- FY 2023 Results : 45,000 tons of CO₂ emissions
Reduction of 56%
compared to FY 1990
- FY 2024 Goal: **Reduction of 54%**
compared to FY 1990

As for the base year, the year 1990 was used as the base year in accordance with the Kyoto Protocol adopted at COP3.

*Adds comparison to FY2017, when the Group received SBT certification.

Nature-Related Financial Disclosures based on The Task force on Nature-Related Financial Disclosures (TNFD) Recommendation



In June 2024, we disclosed nature-related financial information based on the TNFD Final Recommendations (Subject: construction, real estate investment, and solar power generation business among renewable energy projects)

Approach to information disclosure based on TNFD Recommendations

April 1, 2021	Establishment of Environmental Strategy Office
June 1, 2021	Shimizu Group Environmental Vision SHIMZ Beyond Zero 2050 formulated
February 6, 2023	Participation in TNFD Forum
September 18, 2023	TNFD Final Proposal released
January 12, 2024	TNFD Early Adopter Registration
June 24, 2024	On our website Based on TNFD final recommendations disclosure of nature-related financial information

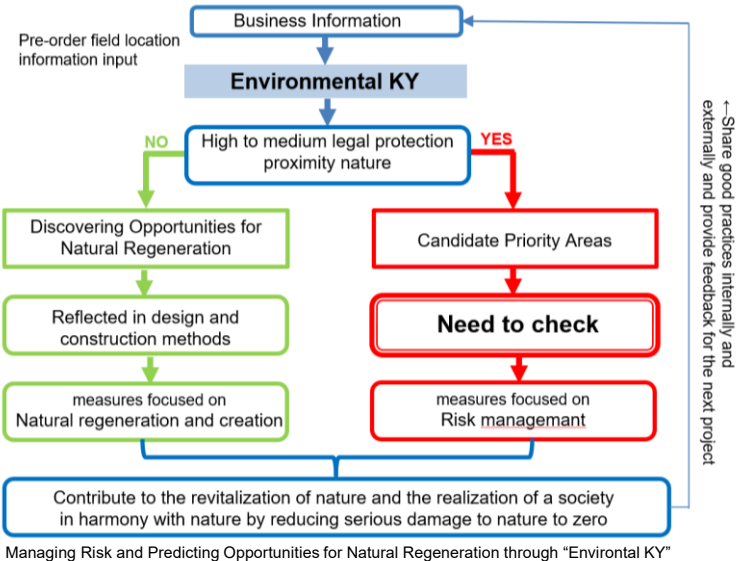


Nature-Related Financial Disclosures based on The Task force on Nature-Related Financial Disclosures (TNFD) recommendation
<https://www.shimz.co.jp/en/company/csr/environment/tnfd/index.html>

Of the identification of critical issues in operations within the TNFD strategy, Identification of critical issues in direct operations

Assessing the current state of the natural environment and predicting opportunities for conservation and restoration using “Environmental KY”

As part of our efforts to achieve nature positivity, we believe it is important to confirm the current status of the natural environment at the construction site in the sales stage, and to make business decisions based on consideration of the impact on nature. We set a target of “100% implementation rate of environment analysis using the Environmental KY (hazard prediction and opportunity forecasting) by FY2026” as a non-financial KPI.



Promoting the Advancement of Women

Shin Diversity Activities

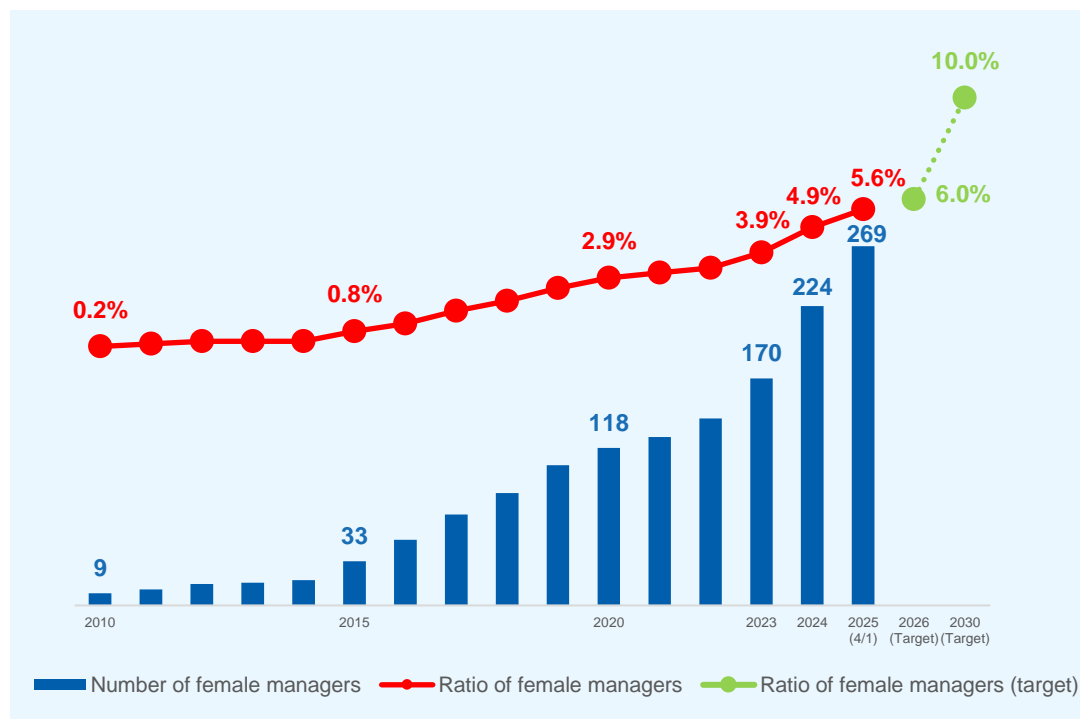
- Shin Diversity activities will focus on bridging the gender gap starting in 2022.
- The chairman/president and female directors/auditors will visit each branch office to discuss the awareness of female employees who aspire to management positions and their supervisors, and to create and implement action plans.



Shin Diversity Activities

Ratio of Female Managers

- Set a target for the number of female managers as a KPI from 2011.
- As of April 1, 2025, the number of female managers is 269, and the ratio 5.6%.
- We aim to achieve “6% or more by FY2026 and over 10% or more by FY2030” as a percentage of the total number of managerial positions.



Sustainability Management Initiatives

As global social issues such as climate change and human rights issues become more apparent and serious, it is essential for companies to manage their businesses with sustainability in mind in order to achieve long-term growth. We will promote sustainability to fulfill our social responsibilities and explore business opportunities.

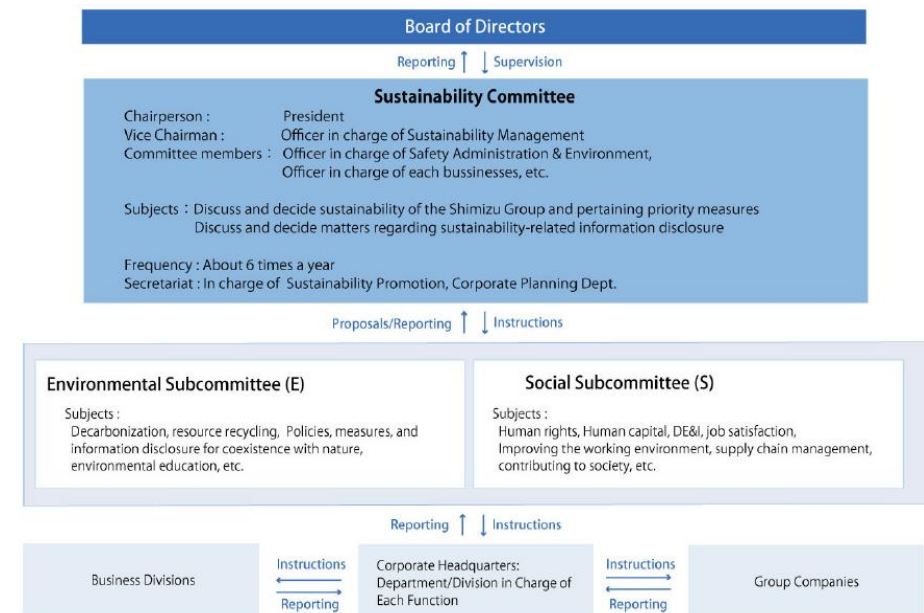
Sustainability Promotion Structure

We established the Sustainability Committee (chaired by the President) to formulate and roll out company-wide measures relating to sustainability, and follow-up of these measures in each division. The committee reports the results of deliberations which significantly impacts managements to the Board of Directors, in line with the governance structure.

We established the Environmental Subcommittee and Social Subcommittee as subordinate organizations of the Sustainability Committee and put in place a system to give instructions to or receive reports from separate divisions and departments performing related functions.

<Main matters deliberated and reported during the second half of Fiscal 2024>

- Implementation of renewable energy for electricity used for construction, decarbonization measures at work sites
- Recycling of uniform associated with the introduction of new uniform design
- Measures to improve employees engagement
- General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children
- Traceability investigation (granite, formwork wood)
- CSR procurement guidelines



Note

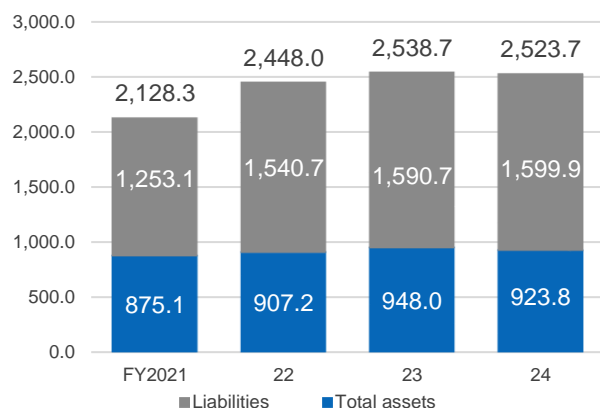
05

Financial Highlights

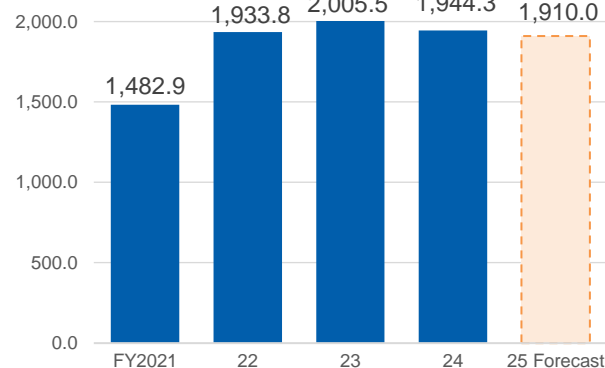
Total Assets and Operating Results (consolidated)

(Billion yen)

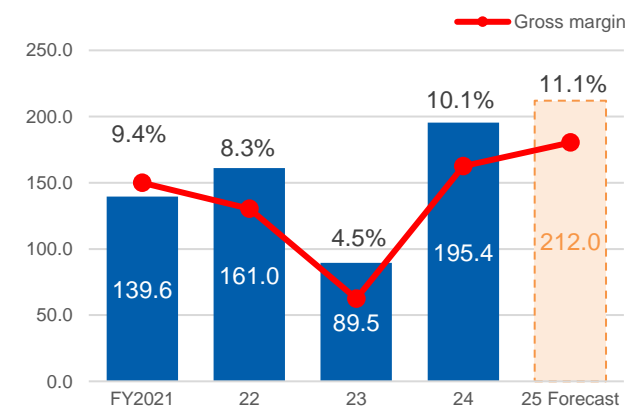
Total assets



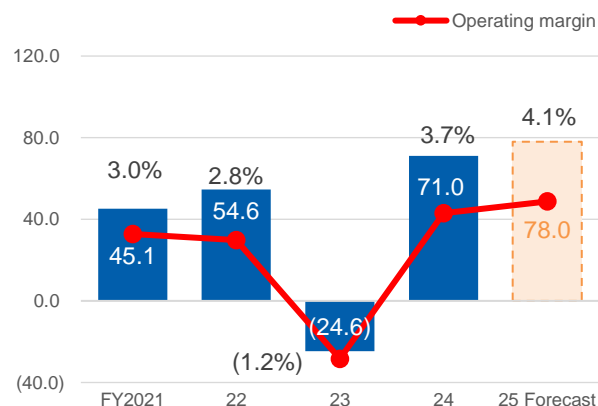
Net sales



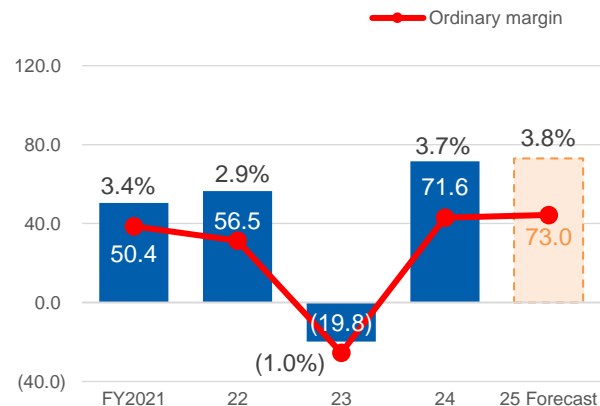
Gross profit



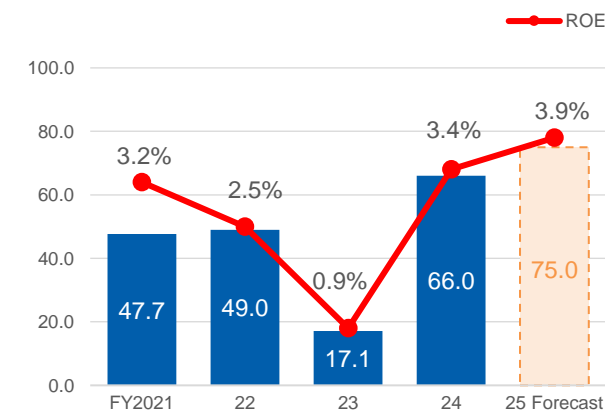
Operating income



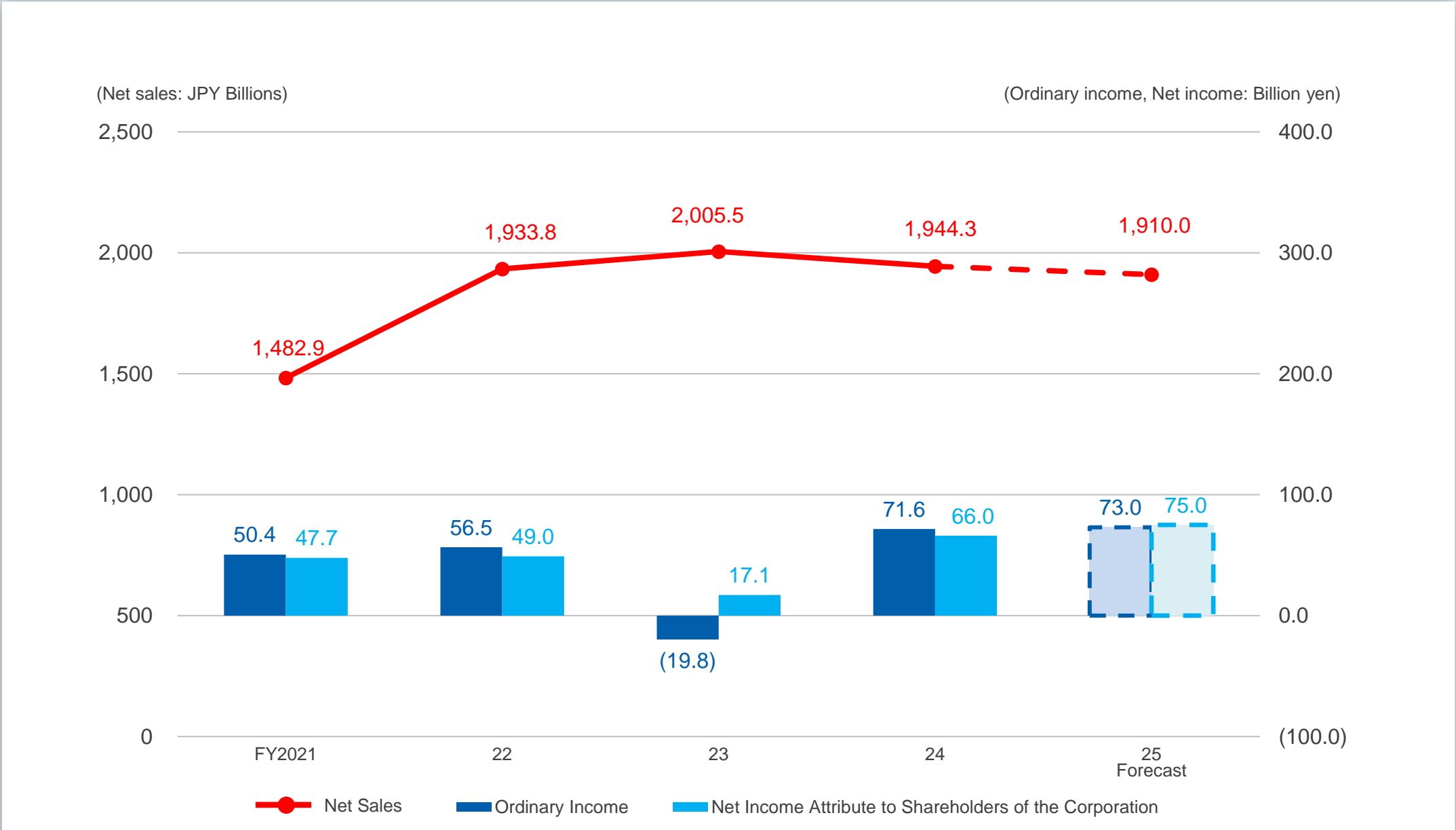
Ordinary income



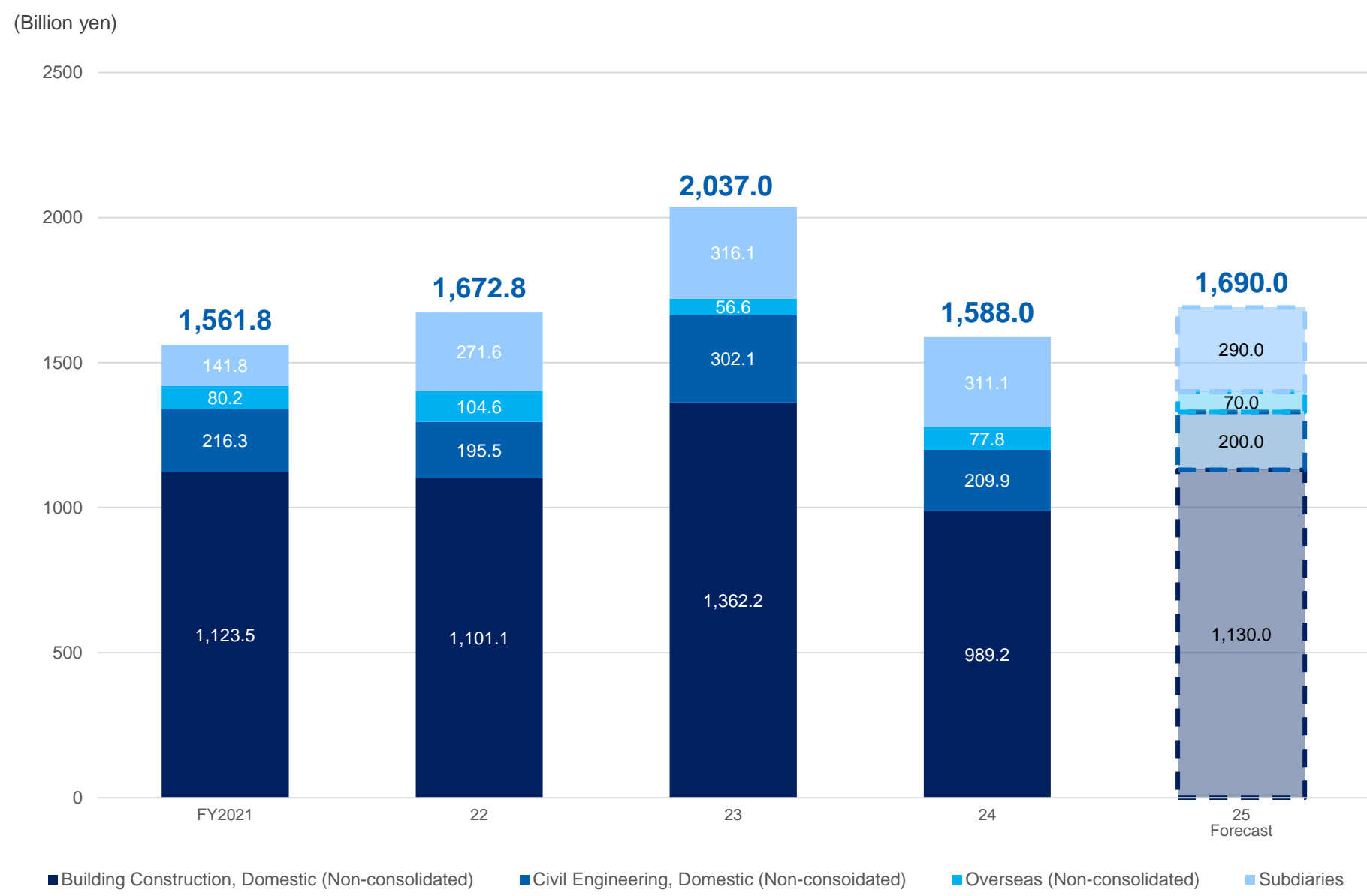
Net income attributable to shareholders of the Corporation



Trend in Net Sales, Ordinary Income & Net Income (consolidated)



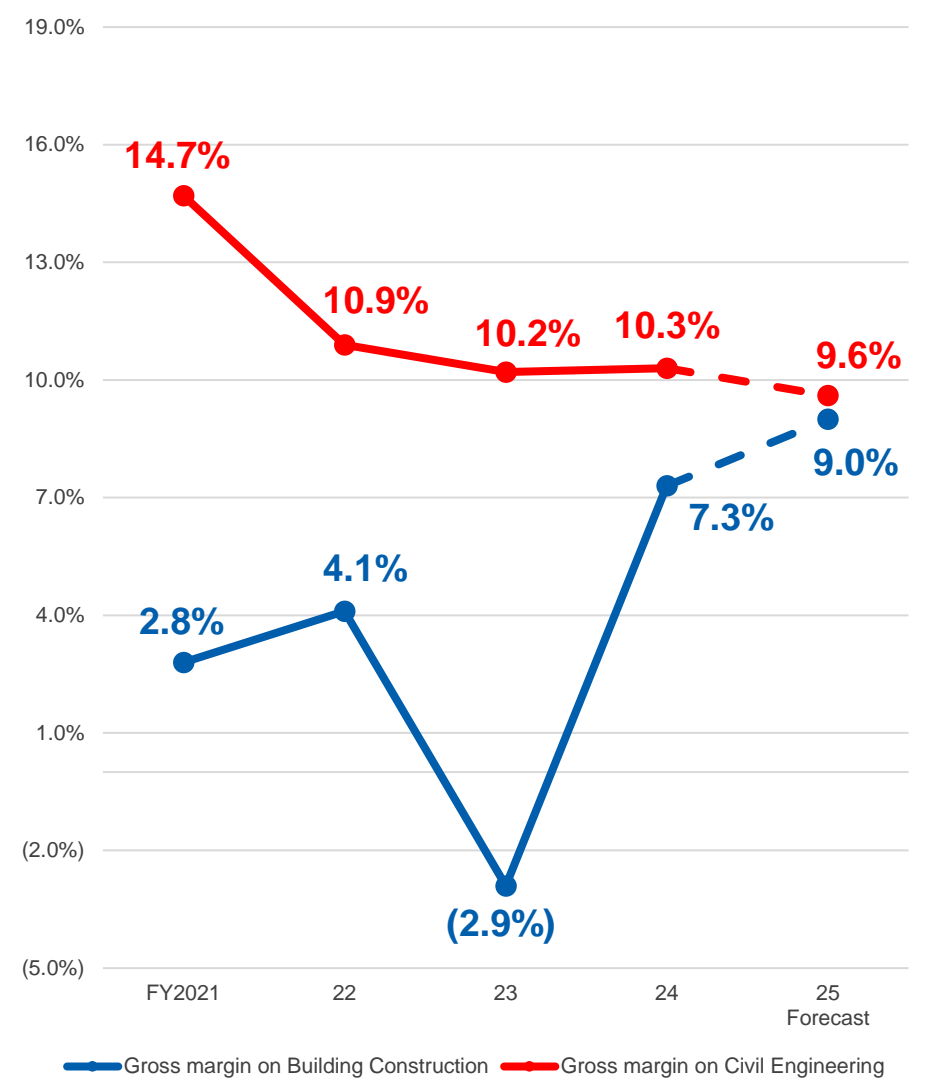
Trend in Construction Orders Received (consolidated)



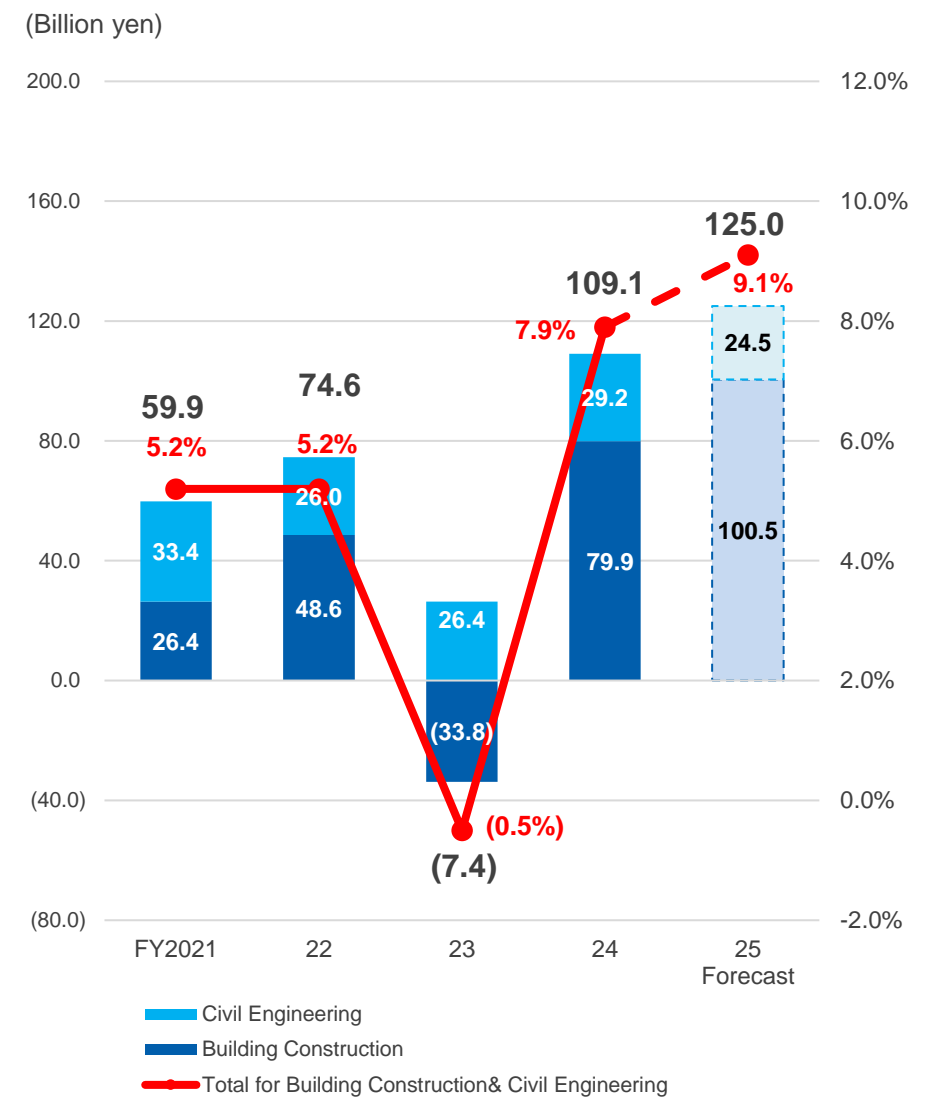
*The figures for subsidiaries show the amount after subtraction of non-consolidated orders received from consolidated orders received.

Trend in Gross Profit & Gross Margin on Completed Construction (non-consolidated)

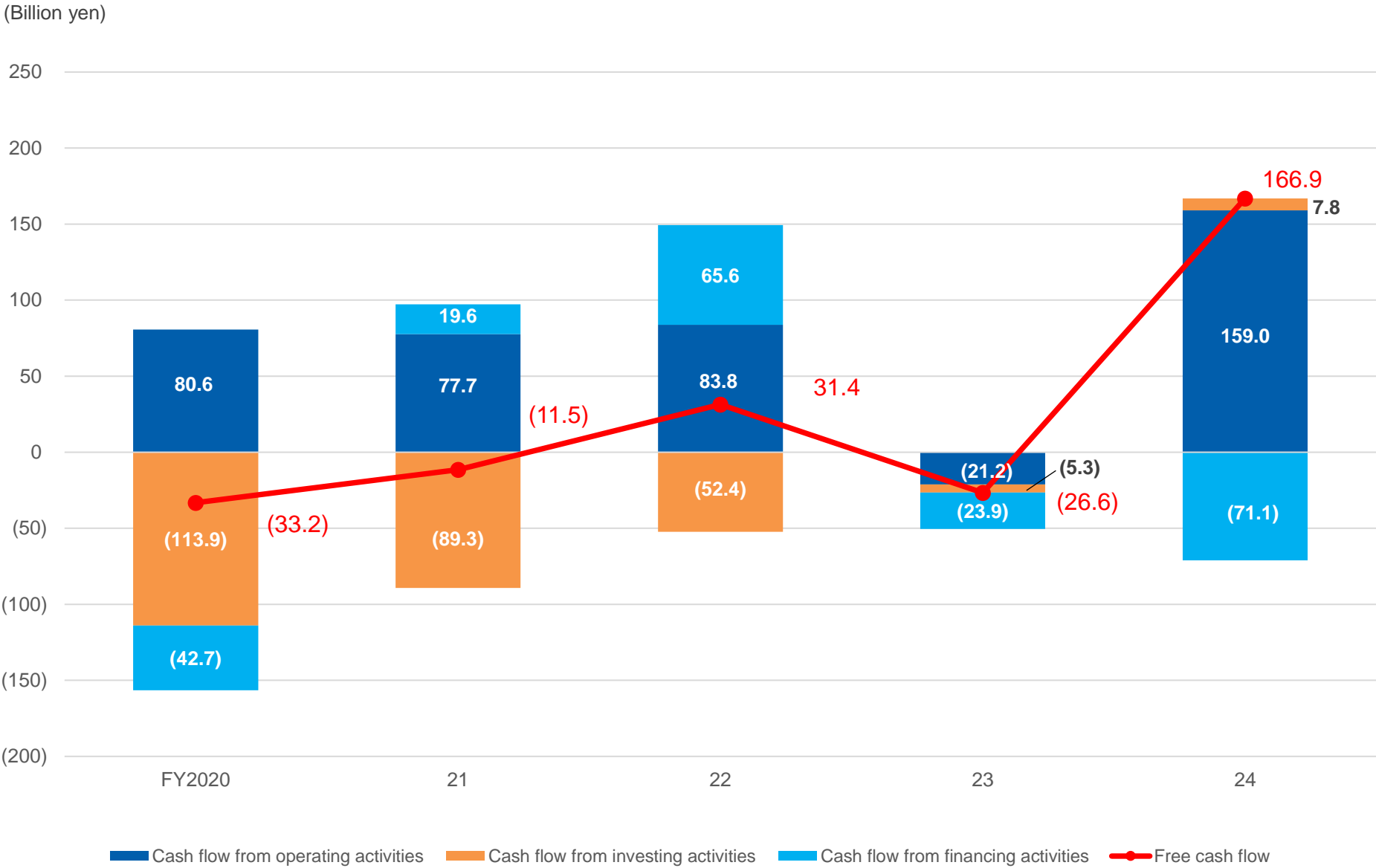
Gross margin on completed construction for Building Construction & Civil Engineering



Total gross profit and gross margin on completed construction (total for Building Construction & Civil Engineering)



Cash Flows (consolidated)



Note on forecasts:

The performance targets and forecasts in this document reflect judgments by management based on information available at the time this document was compiled. These targets and forecasts are subject to various risks and uncertainties.

Various factors may result in significant divergence from performance targets and other figures indicated in this document.