Corporate Overview

September 2026

SHIMIZU CORPORATION

Key Points of the Financial Results

Summary

Financial Results for FY2025

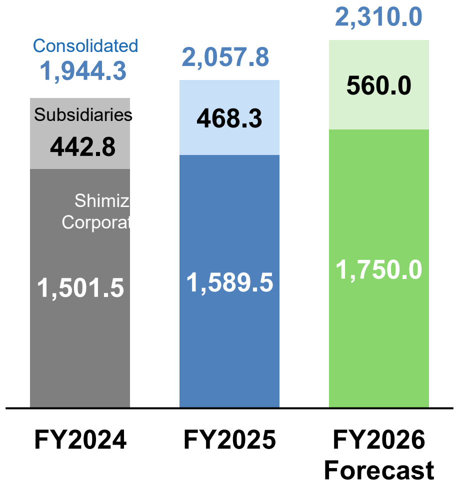
- Net sales increased by 113.4 billion yen, driven by steady progress in domestic architectural construction and civil engineering projects, and the inclusion of results from two overseas construction subsidiaries acquired through M&A in the previous fiscal year.
- Operating income increased by 47.6 billion yen, driven by improved profitability in non-consolidated domestic architectural construction projects and at domestic and overseas construction subsidiaries.
- Net income increased by 60.6 billion yen, due to the inclusion of 87.9 billion yen gains from the sale of security holdings.
- The annual dividend is 72 yen, an increase of 34 yen.

Full-Year Forecast for FY2026 (Revised on July 30)

- Following the recognition of an amount equivalent to negative goodwill, the full-year forecasts for Ordinary income and Net income have been revised by 35.5 billion yen.
- Net sales is expected to increase by 252.1 billion yen, driven by large-scale domestic architectural construction projects reaching their peak, and the inclusion of results from Aomi Construction Co., Ltd., which was acquired through M&A.
- Operating income is expected to increase by 34.3 billion yen, driven by improved profitability of the ongoing projects resulting from securing change orders for domestic architectural construction projects.
- Net income is expected to increase by 38.8 billion yen, as the recording of an amount equivalent to negative goodwill offset a significant decrease in gains from the sale of securities holdings.
- The annual dividend is expected to be 77 yen, an increase of 5 yen compared to the previous fiscal year.

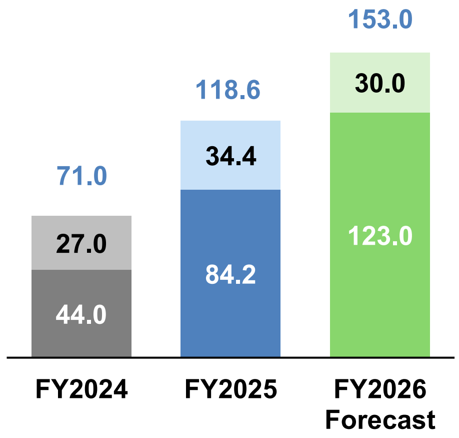
Consolidated Net Sales (Full-year)

(Billions of yen)



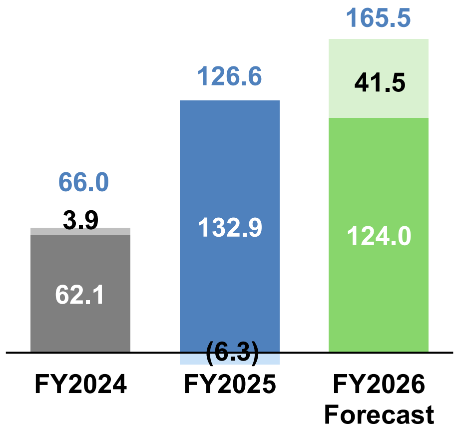
Consolidated Operating Income (Full-year)

(Billions of yen)



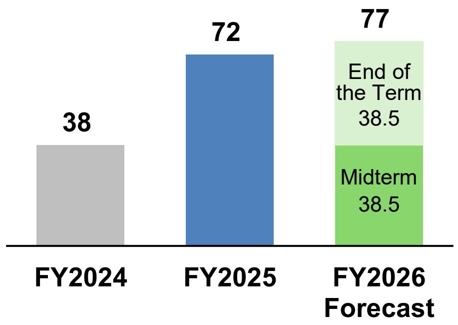
Consolidated Net Income (Full-year)

(Billions of yen)



Annual Dividends (per share)

(yen)



Construction Business Environment

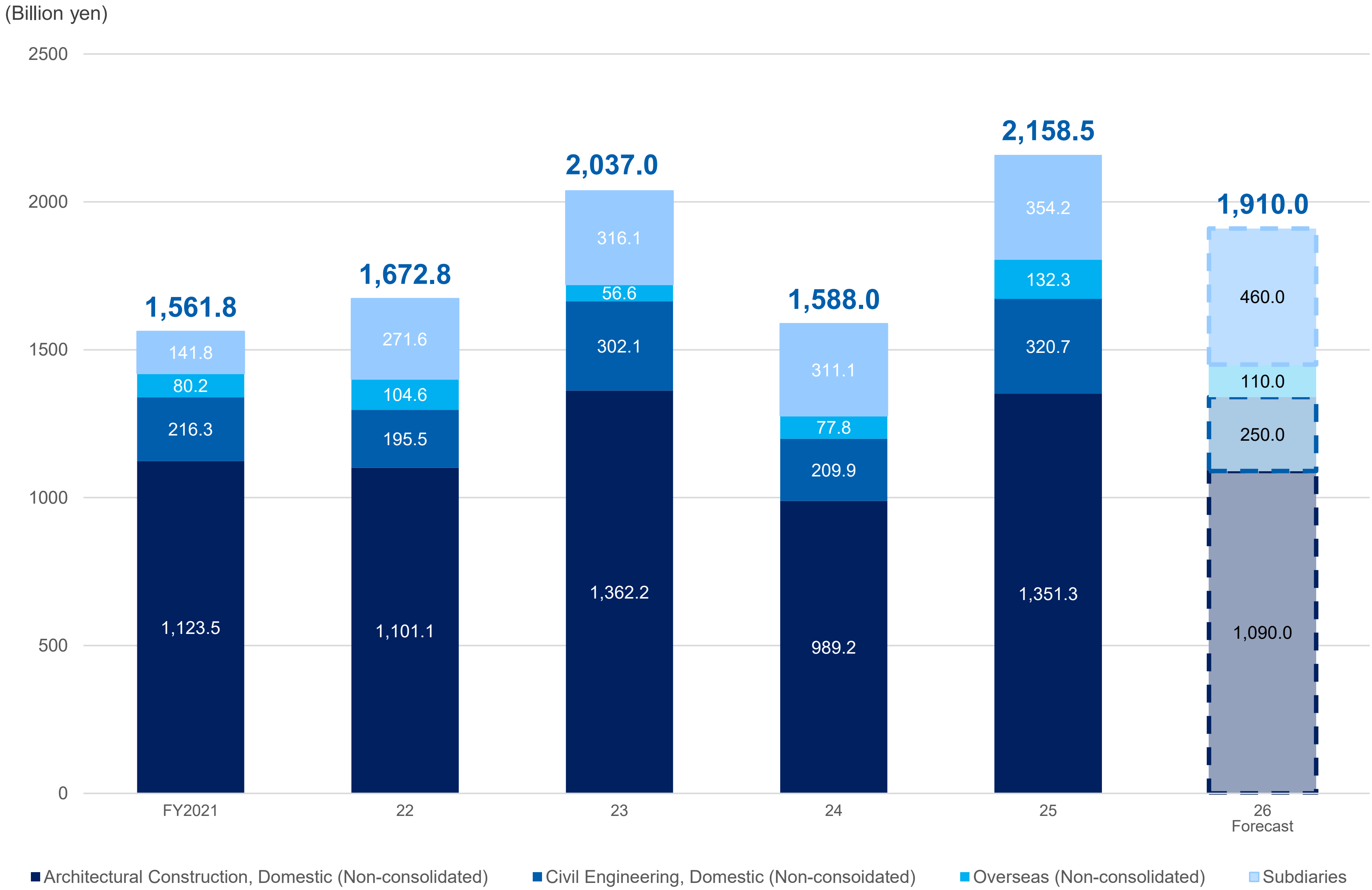
Japan

- Private-sector architectural investment is expected to remain firm due to large-scale redevelopment in major metropolitan areas.
- Strong corporate earnings are expected to continue to drive high capital investment and demand for building renovations, such as energy-saving measures for domestic production bases.
  New factories are expected across industries, especially semiconductors, automobiles, industrial robots, pharmaceuticals, and food products.
- Large-scale data center investment is booming in Tokyo and Kansai due to data usage and AI demand.
  Luxury hotel investment is strong due to inbound demand.
- Government construction investment is firm due to flood control, aging infrastructure, government building renovation.
  Future investment is expected in defense and disaster prevention facilities.
  The National Resilience Plan will also be implemented for disaster prevention and mitigation against major earthquakes and heavy rains.
- Despite recent firmness, attention is needed for global economic slowdown risks (the deteriorating situation in the Middle East, as well as U.S. tariff policies, etc.).
- For construction industry, due to increased large-scale construction projects and labor shortages, equipment subcontractors are extremely busy, leading to project reconsideration and orders being turned down.
  Close attention must be paid to these effects.

Overseas

- Projects related to growth areas, such as data centers and semiconductor-related projects, are expected to come on stream.
- Regionally, the business environment remains strong in Southeast Asian countries, India, and North America.
- Regarding infrastructure investment, including Official Development Assistance (ODA), solid demand is expected, primarily in target emerging economies.

Trend in Construction Orders Received (consolidated)



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

Note

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Financial Results and Segment Performances

FY2025 Financial Results (Shimizu Corporation and Subsidiaries)

(Billions of Yen)	Consolidated			Shimizu Corporation			Subsidiaries		
	FY2024 Result	FY2025 Result	Increase (Decrease)	FY2024 Result	FY2025 Result	Increase (Decrease)	FY2024 Result	FY2025 Result	Increase (Decrease)
Net Sales	1,944.3	**2,057.8**	113.4	1,501.5	**1,589.5**	88.0	442.8	**468.3**	25.4
Construction Contracts	1,696.0	**1,845.3**	149.2	1,381.9	**1,489.6**	107.6	314.1	**355.7**	41.6
Real Estate and Other	248.3	**212.5**	(35.8)	119.5	**99.9**	(19.6)	128.8	**112.6**	(16.2)
Total Gross Profit	10.1% 195.4	**12.5% 258.0**	62.6	8.8% 132.4	**11.3% 179.5**	47.0	63.0	**78.5**	15.6
Construction Contracts	9.3% 157.8	**11.8% 218.6**	60.7	7.9% 109.1	**10.6% 157.5**	48.4	48.7	**61.1**	12.3
Real Estate and Other	15.1% 37.5	**18.6% 39.4**	1.8	19.4% 23.2	**21.9% 21.9**	(1.3)	14.3	**17.5**	3.1
S, G & A Expenses	124.4	**139.4**	14.9	88.3	**95.2**	6.8	36.1	**44.2**	8.1
Operating Income	3.7% 71.0	**5.8% 118.6**	47.6	2.9% 44.0	**5.3% 84.2**	40.2	27.0	**34.4**	7.4
Ordinary Income	3.7% 71.6	**5.9% 122.3**	50.6	3.4% 51.6	**6.1% 96.3**	44.7	20.0	**26.0**	5.9
Net Income Attributable to Shareholders of the Corporation	3.4% 66.0	**6.2% 126.6**	60.6	4.1% 62.1	**8.4% 132.9**	70.8	3.9	**(6.3)**	(10.2)
Ratio of Net Income to Owners' Equity (ROE)	7.6%	**13.8%**	6.2pt						
(Reference) Net Income per Share (Yen)	94.80	186.68		89.24	196.02				
Construction Business Orders Awarded	1,588.0	**2,158.5**	570.5	1,277.0	**1,804.5**	527.5	311.0	**354.0**	43.0

***The figures for subsidiaries are presented by subtracting Shimizu Corporation's figures from the consolidated figures.**

FY2025 Overview of Financial Results

- Consolidated net sales for FY2025 increased by 113.4 billion yen, driven by steady progress in domestic architectural construction and civil engineering projects, and the inclusion of results from two overseas construction subsidiaries acquired through M&A in the previous fiscal year.

- Consolidated gross profit increased by 62.6 billion yen compared to the previous fiscal year, driven by improved profitability in non-consolidated domestic architectural construction projects and domestic and overseas construction subsidiaries, as well as the impact of subsidiaries acquired through M&A.

- Non-consolidated profit margin on construction contracts for domestic architectural construction projects improved by 2.7 percentage points from the previous fiscal year to 10.6% (10.8% for architectural construction and 9.6% for civil engineering), driven by improved profitability of projects currently in progress as well as a continuing trend of improved profitability at the time of order received.

- Consolidated operating income was 118.6 billion yen, an increase of 47.6 billion yen from the previous year.

- Consolidated net income was 126.6 billion yen, an increase of 60.6 billion yen compared to the previous year, as a result of recording 87.9 billion yen in special gains from the sale of security holdings, etc.

1Q FY2026 Financial Results (Shimizu Corporation and Subsidiaries)

(Billions of Yen)	Consolidated				Shimizu Corporation			Subsidiaries		
	FY2025/1Q Result	FY2026/1Q Result	Increase (Decrease)	Progress	FY2025/1Q Result	FY2026/1Q Result	Increase (Decrease)	FY2025/1Q Result	FY2026/1Q Result	Increase (Decrease)
Net Sales	441.7	**482.8**	41.0	20.9%	346.7	**375.3**	28.5	95.0	**107.5**	12.5
Construction Contracts	391.3	**438.8**	47.5	21.3	322.9	**359.3**	36.3	68.4	**79.5**	11.2
Real Estate and Other	50.4	**43.9**	(6.5)	17.9	23.7	**15.9**	(7.8)	26.7	**28.0**	1.3
Total Gross Profit	10.8% 47.5	**11.0% 53.2**	5.7	17.5	9.8% 33.8	**10.2% 38.4**	4.6	13.7	**14.8**	1.1
Construction Contracts	9.2% 36.0	**10.8% 47.4**	11.3	17.6	8.1% 26.3	**10.3% 37.0**	10.7	9.7	**10.4**	0.6
Real Estate and Other	22.7% 11.4	**13.3% 5.8**	(5.6)	16.7	31.6% 7.5	**8.7% 1.3**	(6.1)	3.9	**4.5**	0.5
S, G & A Expenses	30.2	**33.9**	3.6	22.4	20.6	**22.7**	2.0	9.6	**11.2**	1.6
Operating Income	3.9% 17.2	**4.0% 19.2**	2.0	12.6	3.8% 13.1	**4.2% 15.7**	2.5	4.1	**3.5**	(0.5)
Ordinary Income	4.2% 18.4	**11.5% 55.6**	37.1	30.3	6.2% 21.4	**6.2% 23.4**	1.9	(3.0)	**32.2**	35.2
Net Income Attributable to Shareholders of the Corporation	2.5% 11.1	**11.4% 55.2**	44.1	33.4	4.7% 16.2	**6.6% 24.9**	8.6	(5.1)	**30.3**	35.5
(Reference) Net Income per Share (Yen)	16.33	81.36			23.91	36.70				
Construction Business Orders Awarded	699.8	**516.3**	(183.5)	27.0	601.7	**382.9**	(218.8)	98.1	**133.4**	35.3

***The progress rate indicates the progress rate against the revised performance forecast.**
***The figures for subsidiaries are presented by subtracting Shimizu Corporation's figures from the consolidated figures.**

1Q FY2026 Overview of Financial Results

- **Consolidated net sales for the first quarter of FY2026 increased by 41.0 billion yen compared to the same period of the previous year, due to the steady progress in domestic construction and civil engineering projects.**

- **Consolidated gross profit increased by 5.7 billion yen compared to the same period of the previous year, driven by higher gross profit from construction contracts, despite a decline in gross profit from the real estate and other due to the absence of property sales recorded in the same period of the previous year.**

- **Non-consolidated profit margin on construction contracts improved by 2.2 percentage points from the same period of the previous year to 10.3%. Profitability improved in both architectural construction and civil engineering projects, driven by additional and modified construction work, and is progressing steadily towards the full year target of 12.7%.**

- **Consolidated ordinary income increased by 37.1 billion yen compared to the same period of the previous year to 55.6 billion yen, mainly due to the recognition of 35.5 billion yen in negative goodwill equivalent included in equity in earnings of affiliates following the inclusion of Seiwa Building Co., Ltd. as an equity-method affiliate.**

- **Consolidated net income was 55.2 billion yen, an increase of 44.1 billion yen compared to the same period of the previous year, as a result of recording a gain of 11.7 billion yen on the sale of security holdings as extraordinary income.**

FY2026 Financial Forecast (Shimizu Corporation and Subsidiaries)
- Comparison with Previous Fiscal Year Result

(Revised on July 30)

(Billions of Yen)	Consolidated			Shimizu Corporation			Subsidiaries		
	FY2025 Result	FY2026 Forecast	Increase (Decrease)	FY2025 Result	FY2026 Forecast	Increase (Decrease)	FY2025 Result	FY2026 Forecast	Increase (Decrease)
Net Sales	2,057.8	**2,310.0**	252.1	1,589.5	**1,750.0**	160.4	468.3	**560.0**	91.7
Construction Contracts	1,845.3	**2,065.0**	219.6	1,489.6	**1,660.0**	170.3	355.7	**405.0**	49.3
Real Estate and Other	212.5	**245.0**	32.4	99.9	**90.0**	(9.9)	112.6	**155.0**	42.3
Total Gross Profit	12.5% 258.0	**13.2% 305.0**	46.9	11.3% 179.5	**12.9% 225.0**	45.4	78.5	**80.0**	1.5
Construction Contracts	11.8% 218.6	**13.1% 270.0**	51.3	10.6% 157.5	**12.7% 210.0**	52.4	61.1	**60.0**	(1.1)
Real Estate and Other	18.6% 39.4	**14.3% 35.0**	(4.4)	21.9% 21.9	**16.7% 15.0**	(6.9)	17.5	**20.0**	2.5
S, G & A Expenses	139.4	**152.0**	12.5	95.2	**102.0**	6.7	44.2	**50.0**	5.8
Operating Income	5.8% 118.6	**6.6% 153.0**	34.3	5.3% 84.2	**7.0% 123.0**	38.7	34.4	**30.0**	(4.4)
Ordinary Income	5.9% 122.3	**7.9% 183.5**	61.1	6.1% 96.3	**7.4% 129.0**	32.6	26.0	**54.5**	28.5
Net Income Attributable to Shareholders of the Corporation	6.2% 126.6	**7.2% 165.5**	38.8	8.4% 132.9	**7.1% 124.0**	(8.9)	(6.3)	**41.5**	47.7
(Reference) Net Income per Share (Yen)	186.68	243.72		196.02	182.57				
Construction Business Orders Awarded	2,158.5	**1,910.0**	(248.5)	1,804.5	**1,450.0**	(354.5)	354.0	**460.0**	106.0

***The figures for subsidiaries are presented by subtracting Shimizu Corporation's figures from the consolidated figures.**

FY2026 Financial Forecast (Shimizu Corporation and Subsidiaries)
- Comparison with Previous Forecast (May 12)

(Revised on July 30)

(Billions of Yen)	Consolidated			Shimizu Corporation			Subsidiaries		
	Forecast for May 2026	Forecast for July 2026	Increase (Decrease)	Forecast for May 2026	Forecast for July 2026	Increase (Decrease)	Forecast for May 2026	Forecast for July 2026	Increase (Decrease)
Net Sales	2,310.0	**2,310.0**	—	1,750.0	**1,750.0**	—	560.0	**560.0**	—
Construction Contracts	2,065.0	**2,065.0**	—	1,660.0	**1,660.0**	—	405.0	**405.0**	—
Real Estate and Other	245.0	**245.0**	—	90.0	**90.0**	—	155.0	**155.0**	—
Total Gross Profit	13.2% 305.0	**13.2% 305.0**	—	12.9% 225.0	**12.9% 225.0**	—	80.0	**80.0**	—
Construction Contracts	13.1% 270.0	**13.1% 270.0**	—	12.7% 210.0	**12.7% 210.0**	—	60.0	**60.0**	—
Real Estate and Other	14.3% 35.0	**14.3% 35.0**	—	16.7% 15.0	**16.7% 15.0**	—	20.0	**20.0**	—
S, G & A Expenses	152.0	**152.0**	—	102.0	**102.0**	—	50.0	**50.0**	—
Operating Income	6.6% 153.0	**6.6% 153.0**	—	7.0% 123.0	**7.0% 123.0**	—	30.0	**30.0**	—
Ordinary Income	6.4% 148.0	**7.9% 183.5**	35.5	7.4% 129.0	**7.4% 129.0**	—	19.0	**54.5**	35.5
Net Income Attributable to Shareholders of the Corporation	5.6% 130.0	**7.2% 165.5**	35.5	7.1% 124.0	**7.1% 124.0**	—	6.0	**41.5**	35.5
Construction Business Orders Awarded	1,910.0	**1,910.0**	—	1,450.0	**1,450.0**	—	460.0	**460.0**	—

35.5 billion yen in negative goodwill equivalent included in equity in earnings of affiliates following the inclusion of Seiwa Building Co., Ltd. as an equity-method affiliate.

***The figures for subsidiaries are presented by subtracting Shimizu Corporation's figures from the consolidated figures.**

FY2026 Overview of Forecast

(Revised on July 30)

- Consolidated net sales for FY2026 is expected to be 2,310.0 billion yen, an increase of 252.1 billion yen from the previous fiscal year. This increase is driven by the peak construction season for large-scale domestic architectural construction projects and the inclusion of the financial results of Aomi Construction Co., Ltd., which was acquired through M&A.

- Consolidated gross profit is expected to increase by 46.9 billion yen compared to the previous fiscal year, driven by an anticipated improvement in the profitability of domestic architectural construction projects.

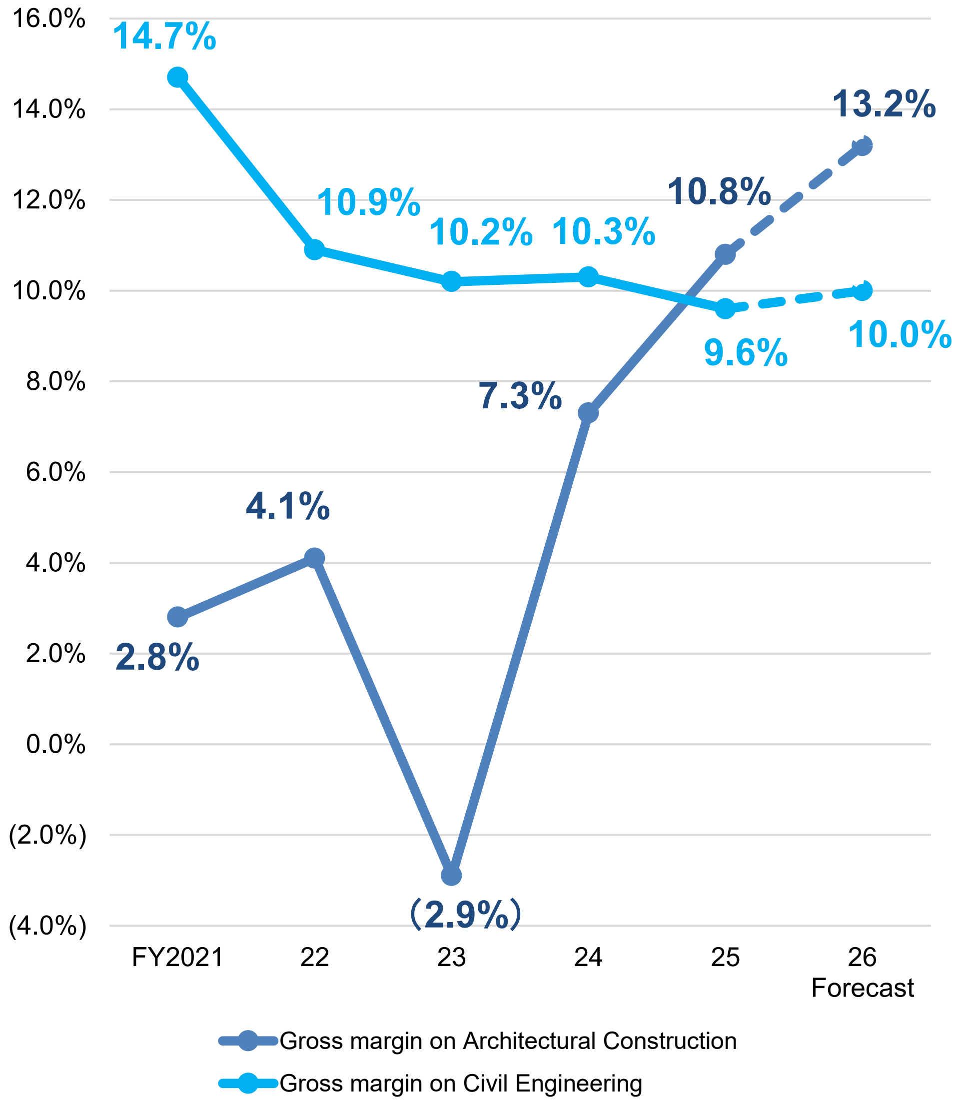
- Non-consolidated profit margin on construction contracts is expected to be12.7% (13.2% for architectural construction and 10.0% for civil engineering), an improvement of 2.1 percentage points from the previous fiscal year, reflecting improved profitability of our current projects, driven by factors such as securing additional and modified construction work in the domestic architectural construction projects.

- Consolidated operating income is expected to be 153.0 billion yen, an increase of 34.3 billion yen from the previous fiscal year.

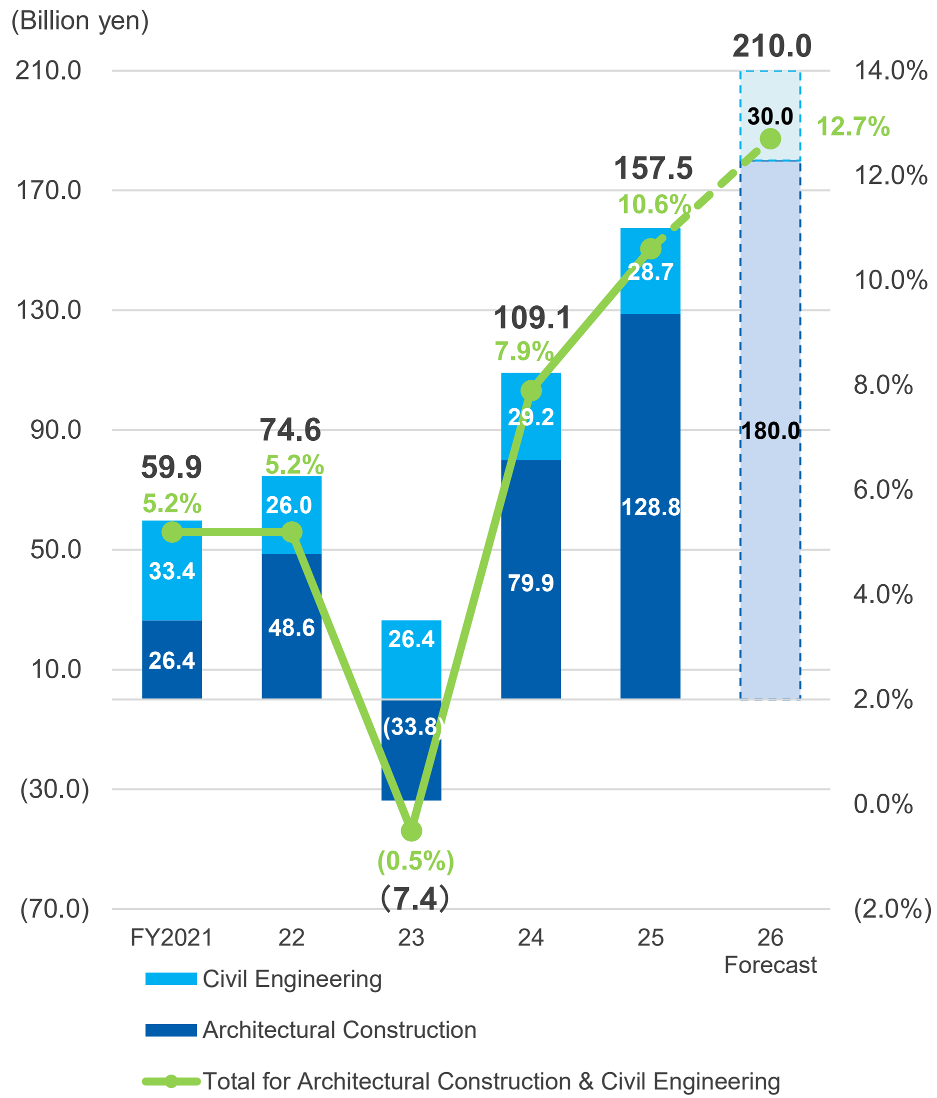
- Consolidated net income is projected at 165.5 billion yen, reflecting the inclusion of an amount equivalent to negative goodwill of 35.5 billion yen in equity in earnings of affiliates, as well as a gain of 49.0 billion yen from the sale of securities holdings as extraordinary income. Although gains on the sale of shares are expected to decrease, operating income is projected to increase and negative goodwill will be recognized, resulting in an increase of 38.8 billion yen compared to the previous fiscal year.

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

Gross margin on construction contracts for Architectural Construction & Civil Engineering



Total gross profit and gross margin on construction contracts (total for Architectural Construction & Civil Engineering)



(Topics) Accelerating Research and Development of “Physical AI”

With the aim of addressing labor shortages and improving productivity and safety, we have launched initiatives to deploy various types of robots on-site.

Humanoid Robot

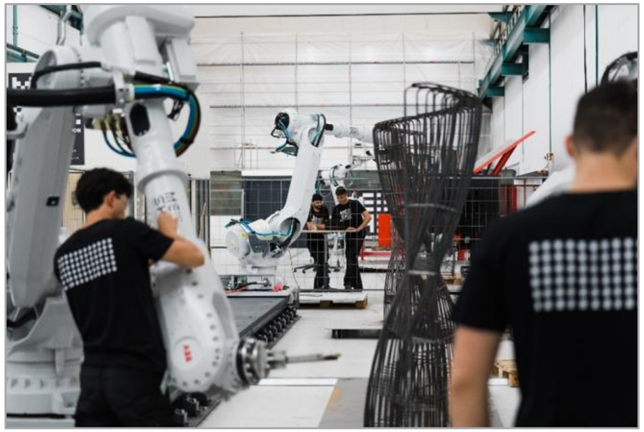
- Conventional robots could only perform pre-programmed movements and were often dedicated to a single task. In contrast, AI robots are expected to be used as general-purpose machines capable of handling multiple tasks.
- Given the nature of construction sites—where the environment changes constantly as work progresses and manual labor accounts for a large portion of the work—we have turned its attention to humanoid robots, which have high potential to replace these tasks.
- Going forward, we will engage in collaboration with Sony Corporation and other companies to advance the practical application of AI robots specifically designed for the construction industry.

A humanoid robot on the site patrol

Press Release, July 8, 2026
https://www.shimz.co.jp/en/company/about/news-release/2026/2026027.html

MESH AG

- We are investing in MESH AG, a university-spun-off startup from ETH Zurich.
- Through collaboration with this company, which owns automated control software for robotic arms, we are introducing “Physical AI” into part of our construction production process.
- We aim to transform the construction supply chain by automating a series of tasks such as the processing, handling, assembly, tying, and welding of rebar.



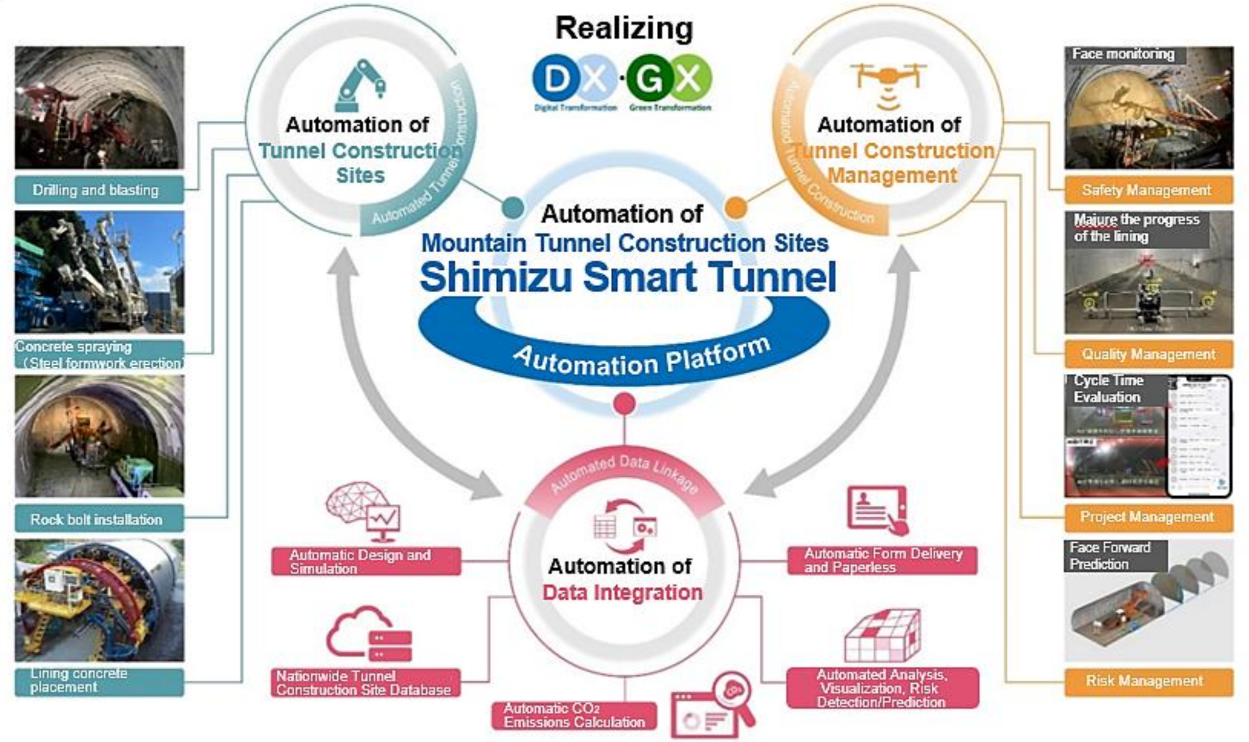
The company develops and sells software for automated control of rebar processing and assembly.

Press Release, June 12, 2026 (only in Japanese)
https://www.shimz.co.jp/company/about/news-release/2026/2026020.html

(Topics) Construction Systems Utilizing AI and ICT

Use of ICT
(Shimizu Smart Tunnel)

- The Ministry of Land, Infrastructure, Transport and Tourism is promoting “i-Construction 2.0,” a productivity improvement initiative based on three pillars: automation of “construction,” “construction management,” and “data integration.”
- Shimizu Smart Tunnel is a mountain tunnel construction system that integrates automation technologies for tunnel sites in accordance with i-Construction 2.0, aiming to improve on-site productivity and safety.



Tunnel Construction System Utilizing ICT and Robotics (Example)

Use of AI
(Smart Dozer)

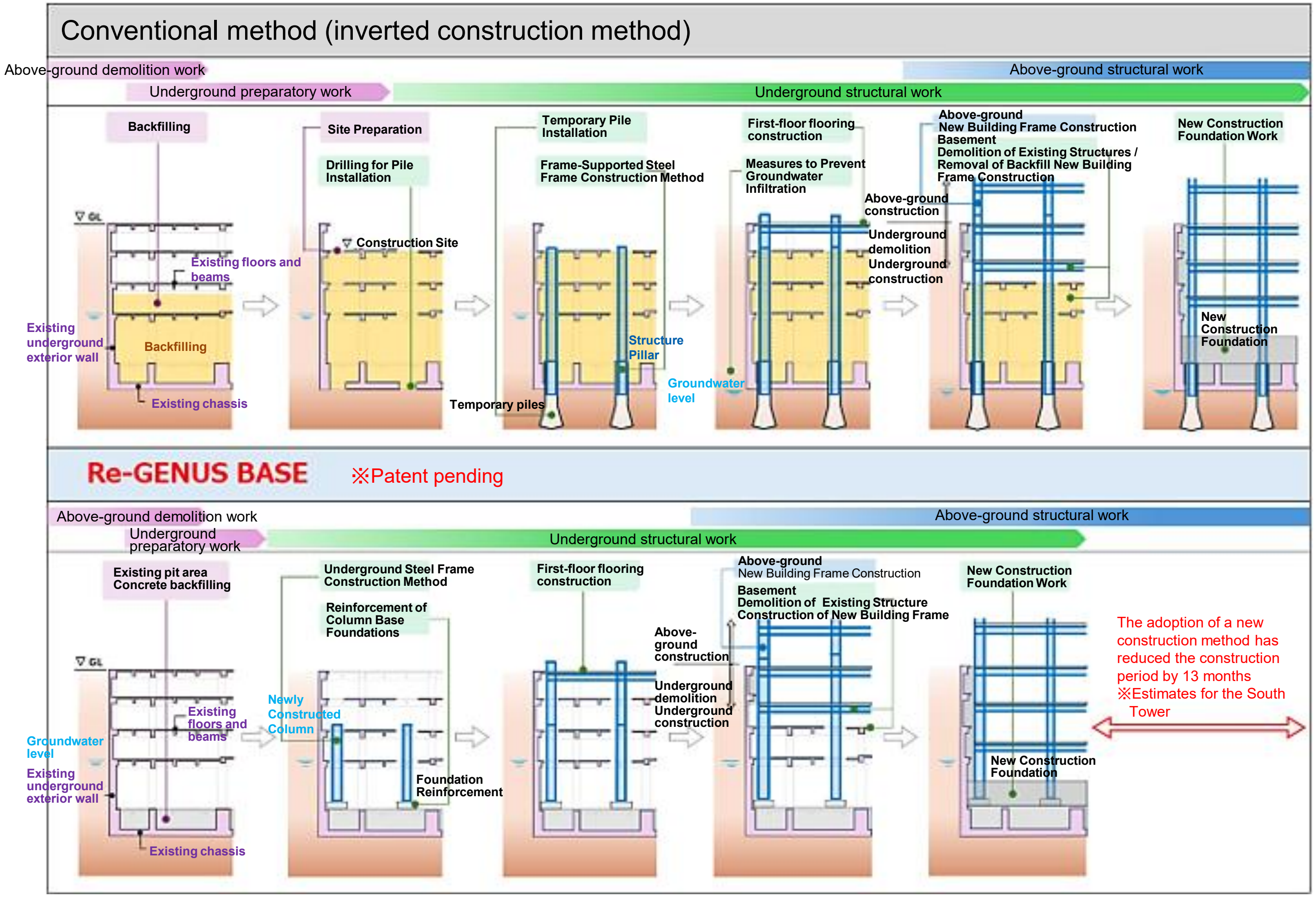
- The system consists of a bulldozer equipped with sensors for environmental awareness and AI for autonomous control, as well as a construction control unit (master system) that sends work instructions to the bulldozer in accordance with the construction plan.
- We have recently succeeded in leveling approximately 2,400 square meters of riverbed. We also successfully completed a demonstration project involving the detection and leveling of soil and sand piles.

Demonstration Project (Leveling a Pile of Soil and Sand)

(Topics) Utilizing Existing Stock to Shorten the Construction Period for Skyscraper Rebuilds by more than a year

We developed and implemented "Re-GENUS BASE," a new underground construction method that uses existing underground structures as temporary work during skyscraper redevelopment in metropolitan area, reducing construction period and environmental impact. In the South Tower (tentative name) project of the Uchisaiwaicho1-Chome district South Zone first class urban area redevelopment project, this method shortened the construction period by 13 months.

Comparison of the New Method and the Conventional Method



Rendering of the South Tower

Press Release, February 10, 2026 (only in Japanese)
https://www.shimz.co.jp/company/about/news-release/2026/2025038.html

Note

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

Sales and Income Trends

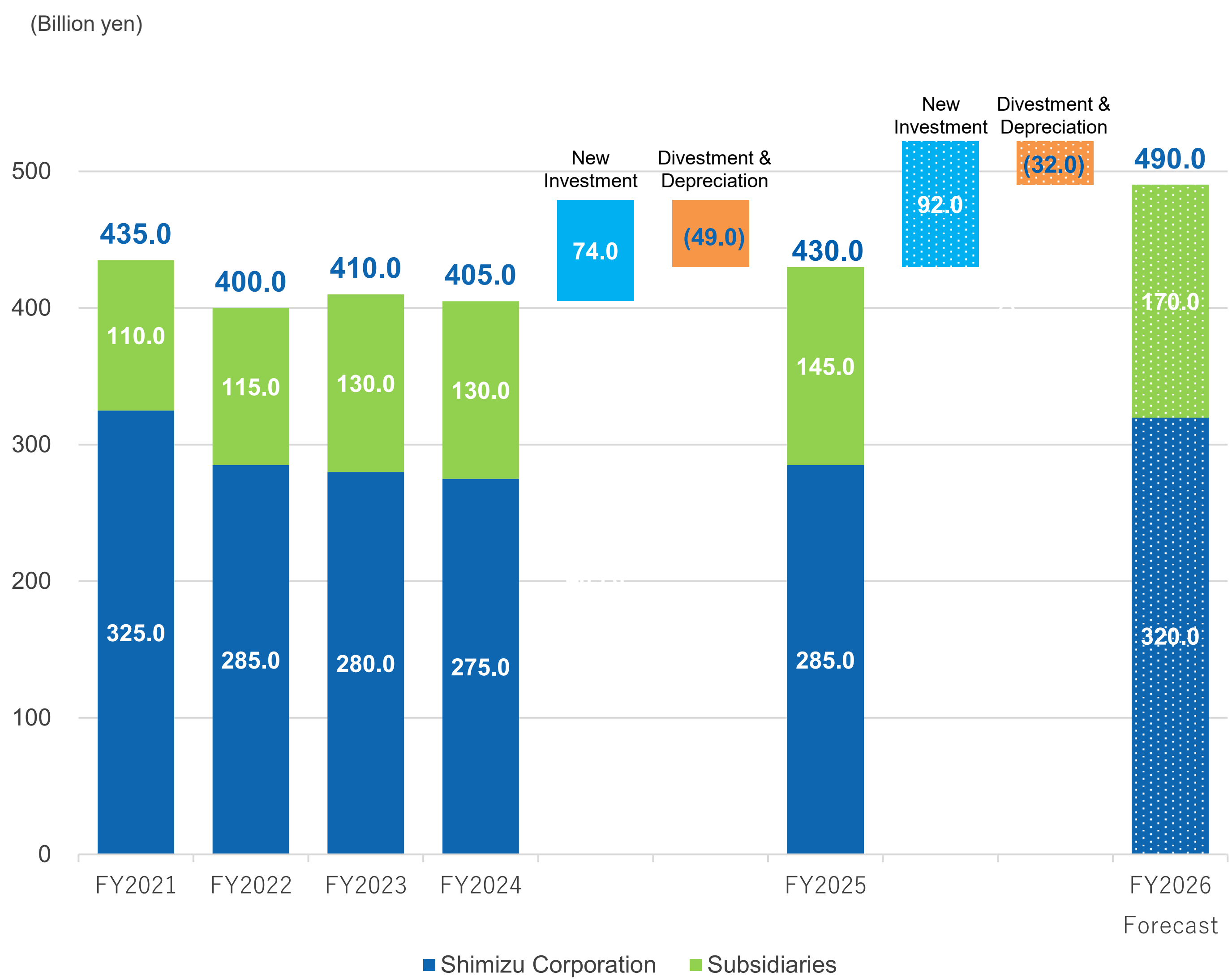
(Million yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	83,346	89,040	82,610	53,569	53,152
Segment income (Operating income)	47,831	38,141	27,581	16,863	16,734

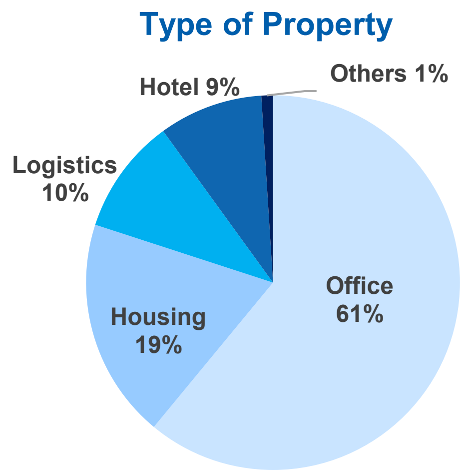
**Instead of owning developed rental properties,
we conduct an efficient and capital turnover-based real estate development business
by selling properties to external parties as appropriate
and investing the proceeds from the sale in new development projects.**

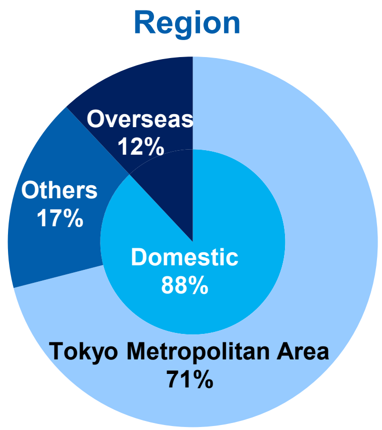
Real Estate and Other：Status of Real Estate Development Business (consolidated)

Real Estate Development Business: Assets Balance



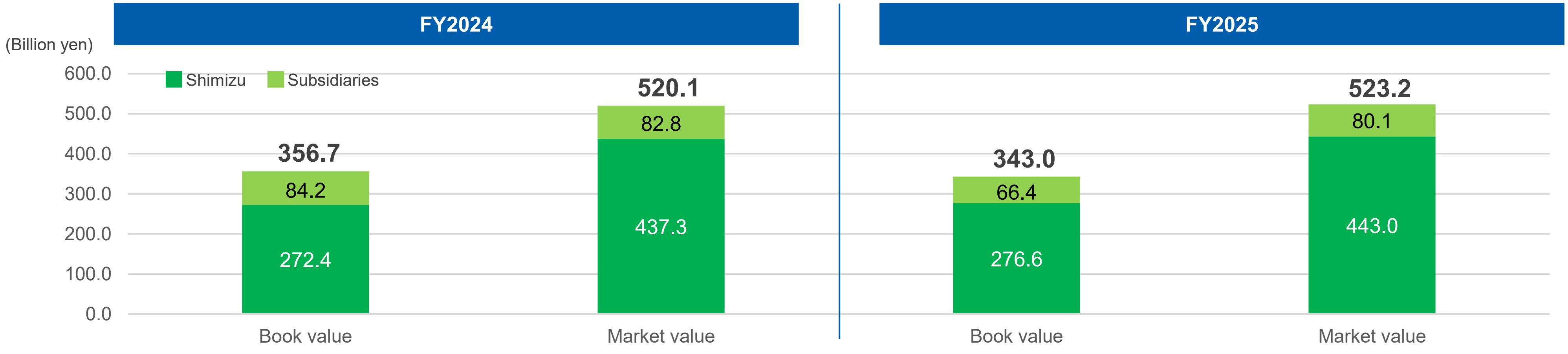
FY2025
Breakdown of Real Estate Development Business: Asset Balance





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

Balance of Real Estate for Leasing



Profit and Loss on Real Estate for Leasing

(Million yen)

	FY2024	FY2025
Net sales in leasing business	35,812	36,138
Profit in leasing business	10,335	9,883

(Topics) Our In-House Logistics Facility “S·LOGI Matsubara”

A large-scale, multi-tenant logistics facility with a double ramp, spanning 7,000 tsubo (approx. 23,140 square meters) per floor, located on a rare, large-scale, leveled site in the Kansai region

Features

- Prime Location

  ・Located within 10 km of downtown Osaka
  ・Right next to the Hanshin Expressway and Kinki Expressway on- and off-ramps

- Promoting Initiatives in Renewable Energy, Energy Conservation, and Energy Generation

  ・We will cover 100% of our electricity consumption with green power generated from renewable energy sources.
  ・Solar panels installed on the building’s roof.
  ・We are using green power generated from renewable energy sources, such as solar and biomass, supplied by Smart Eco Energy Co., Ltd., our wholly owned subsidiary engaged in the retail electricity business.

(Topics) Participating in “Gourmet Xchange,” the development of one of Singapore's largest logistics facilities for food-related companies

Through our local subsidiaries, MJR Investment (MJRI) and Shimizu Investment (Asia) (SIA), we are participating in the “Gourmet Xchange” project—a development of logistics facilities for sale to food-related companies in Singapore’s Kallang district—in collaboration with CapitaLand Development, a major Singaporean real estate developer, and other partners.

Exterior rendering

Image of the interior of the building (truck loading bay)

“Central Plaza,” facing the commercial district

Press Release, April 10, 2026 (only in Japanese)
https://www.shimz.co.jp/company/about/news-release/2026/2026004.html

(Topics) Development in Arlington County, Virginia: Investment in the Large-Scale Residential Rental Development Project "NOVEL Arlington"

Through U.S. subsidiaries, Mitsubishi Estate New York, Inc. and Shimizu Realty Development (U.S.A.), Inc. , we are participating in the "NOVEL Arlington" rental housing development project in Arlington County, Virginia, comprising a total of 530 units.

Rendering of the completed project

Press Release, January 27, 2026 (only in Japanese)
https://www.shimz.co.jp/company/about/news-release/2026/2025051.html

Real Estate and Other : Offshore Wind Power Initiatives

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 self-propelled and capable of loading multiple wind turbine components at once, enabling construction with high efficiency and short construction period. We have already accumulated a wealth of know-how and experience in the construction of 2 domestic projects and 4 projects in Taiwan chartered vessels.

- In the offshore wind power construction market, we aim to become a leader in offshore wind power facility construction and create new revenue streams. We will vigorously advance efforts to realize a decarbonized society, aiming to make renewable energy a mainstay power source as outlined in the Japan's new Strategic Energy Plan.

- 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 2028, until then, we plan to implement chartering for overseas projects.

Advantages of owning own SEP vessel

- "BLUE WIND," a self-propelled SEP vessel with one of the world's largest loading and crane capacities, was completed in October 2022.

- 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.

- Furthermore, by owning our own SEP vessels, we can not only achieve performance results in wind turbine construction but also acquire the know-how needed to operate and manage these vessels.

Hai Long 2 Offshore wind farm construction project (Taiwan)

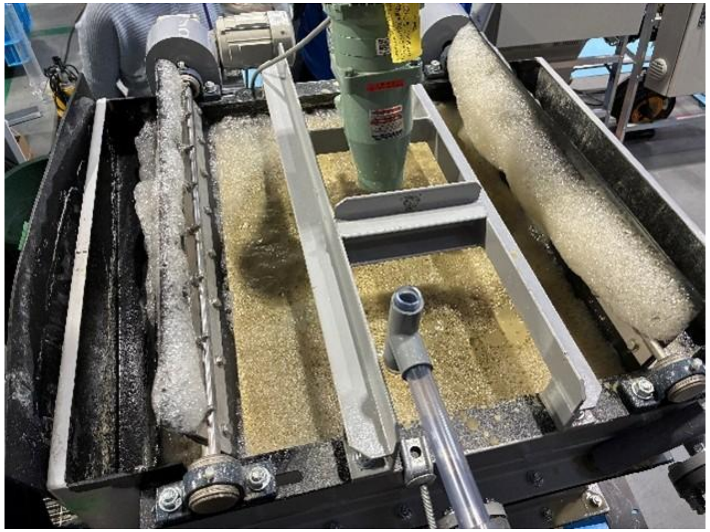
(Topics) Establishment of a Remediation Technology for PFAS-Contaminated Soil Composed Primarily of Cohesive Soil

- PFAS is a general term for organofluorine compounds.
  Due to their water- and oil-repellent properties, heat resistance, and corrosion resistance, they have been used in a wide range of everyday products, such as waterproof clothing, food packaging materials, cosmetics, foam fire extinguishing agents, and pesticides; however, once released into the natural environment, they hardly degrade at all.
  In recent years, due to concerns about their effects on human health, their persistence in the natural environment, and their environmental impact on ecosystems, efforts to regulate their manufacture and use are gaining momentum worldwide.

- While we had already established a treatment method for PFAS-contaminated soil consisting primarily of sandy soil, we have now developed a remediation technology that applies the foam adsorption properties of PFAS to PFAS-contaminated soil consisting primarily of clay, which was previously difficult to clean. Based on the results of laboratory tests, we succeeded in removing more than 98% of the PFAS content from the target soil and recovering more than 95% of it as remediated soil.

- Going forward, we will establish a small-scale plant in Texas, U.S., and begin plant-scale technology demonstration starting in September 2026, taking a significant step toward commercialization.


Bubble-Rising Separation Tester


Float-and-Separation Unit

Press Release, June 24, 2026 (only in Japanese)
https://www.shimz.co.jp/company/about/news-release/2026/2026023.html

02

Capital Management Policy and Shareholder Returns

Cash Allocation

Investments for sustained growth and continuing return to shareholders

Cash-in

Operating cash flow

*Before deduction of R&D expenses and investments related to talent development
*Excluding sales of rental real estate properties and others

¥190 billion

Sales of rental real estate properties

¥170 billion

Sale of held securities

*Reduce the proportion of security holdings to 20% or less of consolidated net assets by the end of FY2026

Cash-out

Cash-out		<2024-2026> Investment Amount (3 years)	Description
Investing for Growth	Human resources	¥40 billion	• Acquire and nurture highly capable talent • Implement DE&I initiatives. Promote employees' well-being
	Productivity improvement & R&D	¥85 billion	• Develop cutting-edge technologies and machinery • Invest in digital-related fields
	Real estate development	¥200 billion	• In Japan: Diversify assets • Overseas: Shift to real estate development-and-sales/development business model
	Green energy development	¥30 billion	• Expand renewable energy generation business • Develop new energy sources such as hydrogen utilization
	New business & others	¥5 billion	• Invest in new business and ventures • Invest in space and ocean programs, and sustainable green business
	Total	**¥360 billion**	
	<Not included> Investment to further increase corporate value (M&A, etc.)		
Return to Shareholders	Dividend		Maintain a consolidated dividend payout ratio of roughly 40% (Minimum divident ¥20 per share)
	Share buybacks		Continuation of share buybacks using funds generated by sales of held securities

Results are on the next page

Set new target in November 2024.
Less than 20% by the end of FY2025 (end of March 2026)
(one year ahead of schedule)
Less than 10% by the end of FY2026 (end of March 2027)
continue reduction even after achieving target

Target revised in May 2026
Less than 20% by the end of FY2027
(or 10% including not sold but agreed to be sold)
Less than 10% by the end of FY2029 and continue the reduction after achieving the target ratio

Progress of Investment Plan

This page details the progress of the investment plan up to FY2025, as outlined on the previous page (Cash Allocation).

(Billion Yen)

	Mid-Term Business Plan 〈2024-2026〉			Progress Total as of the end of March 2026	FY2025 Performance	FY2024 Performance
		Description	Investment Amount (3 years)			
Investing for Growth	Human resources	• Acquire and nurture highly capable talent • Implement DE&I initiatives. Promote employees' well-being	40.0	33.2	25.8	7.4
	Productivity improvement & R&D	• Develop cutting-edge technologies and machinery • Invest in digital-related fields	85.0	69.4	48.7	20.7
	Real estate development	• In Japan: Diversify assets • Overseas: Shift to real estate development -and-sales/development business model	200.0	113.0	74.0	39.0
	Green energy development	• Expand renewable energy generation business • Develop new energy sources such as hydrogen utilization	30.0	16.9	15.1	1.8
	New business & others	• Invest in new business and ventures • Invest in space and ocean programs, and sustainable green business	5.0	2.4	1.4	0.9
	Total		360.0	235.0	165.2	69.8
	Investment to further increase corporate value (M&A, etc.)	・Tender offer to make The Nippon Road Co., Ltd. a wholly-owned subsidiary. ・Acquisition of overseas high-end interior construction companies and Aomi Construction Co., Ltd., etc.	[Not included]	89.7	71.7	18.0

Growth Investment (M&A Track Record)

Aomi Construction Co., Ltd. （released on January 29, 2026）

- **We have subscribed to a Third-Party Allotment of new shares from Aomi Construction Co., Ltd., and made the company a consolidated subsidiary (March 2026).**
- **The company became a wholly owned subsidiary following share repurchase and cancellation (June 2026).**

Company Overview

Name	Aomi Construction Co., Ltd.
Location	Tokyo, Japan
Title and name of the representative	Tomoyuki Kawabe President, Representative Director
Establishment	1925
Business description	・Services (planning, design, construction, supervision, consulting) for marine and onshore civil engineering, ground improvement, dredging and reclamation, and regional/urban/ marine development ・Planning, design, and construction of environmental improvement and pollution prevention projects ・Investigation and development of mineral, energy, and marine resources
Sales/ operating income	36,191 million yen/2,292 million yen (FY2025)
Number of employees	393 (as of March 2026）

Purpose of the M&A

- Aomi Construction has high technical capabilities and achievements in each field, with marine and onshore civil engineering, and ground improvement as its main businesses.
- Through this transaction, we aim to integrate Aomi Construction Co., Ltd.'s management expertise and resources as a construction contractor into our civil engineering business and the offshore wind power field, which is expected to experience significant market growth in the future. Furthermore, we will work as a unified group to realize further synergies and drive business expansion.

Schedule

(1) Board of directors resolution date	January 29, 2026
(2) Investment agreement execution date	January 29, 2026
(3) First Third-Party Allotment payment date	March 30, 2026
(4) Second Third-Party Allotment payment date	June 30, 2026

Growth Investment (M&A Track Record)

American Engineering Corporation (released on March 5, 2026)

- **We acquired all shares of American Engineering Corporation , a U.S.-based construction company with integrated capabilities spanning in design, construction, and maintenance of HVAC, electrical, and fire protection systems, and operating across the Asia-Pacific region, including Guam, making it a wholly owned subsidiary (September 2026).**

Company Overview

Name	American Engineering Corporation
Location	Okinawa, Japan
Title and name of the representative	Kenneth Mark Exsterstein, President
Establishment	1964
Business description	・Construction, civil engineering, electrical engineering, installation of machinery, designing/ implementing/ managing other related works ・Facility maintenance ・IT solutions ・Procurement services for US goods and materials
Sales	Approx. 50 billion yen (Fiscal year ended December 2025)
Number of employees	1,204 (as of April 2025)

Purpose of the M&A

- Headquartered in Okinawa, the company operates throughout the Asia-Pacific region, including Guam, and possesses the technical expertise to provide comprehensive services ranging from new construction to the design, installation, and maintenance of HVAC, electrical, and fire protection systems.
- By leveraging the company's know-how, experience, and network, we aim to achieve synergies across the entire group. We will drive growth both domestically and internationally by strengthening our capabilities in construction projects for U.S. military bases in Japan and Guam, as well as IT infrastructure projects, particularly data centers for foreign-capital clients.

Schedule

- Full share acquisition and wholly owned subsidiary conversion, September 2026 (planned)

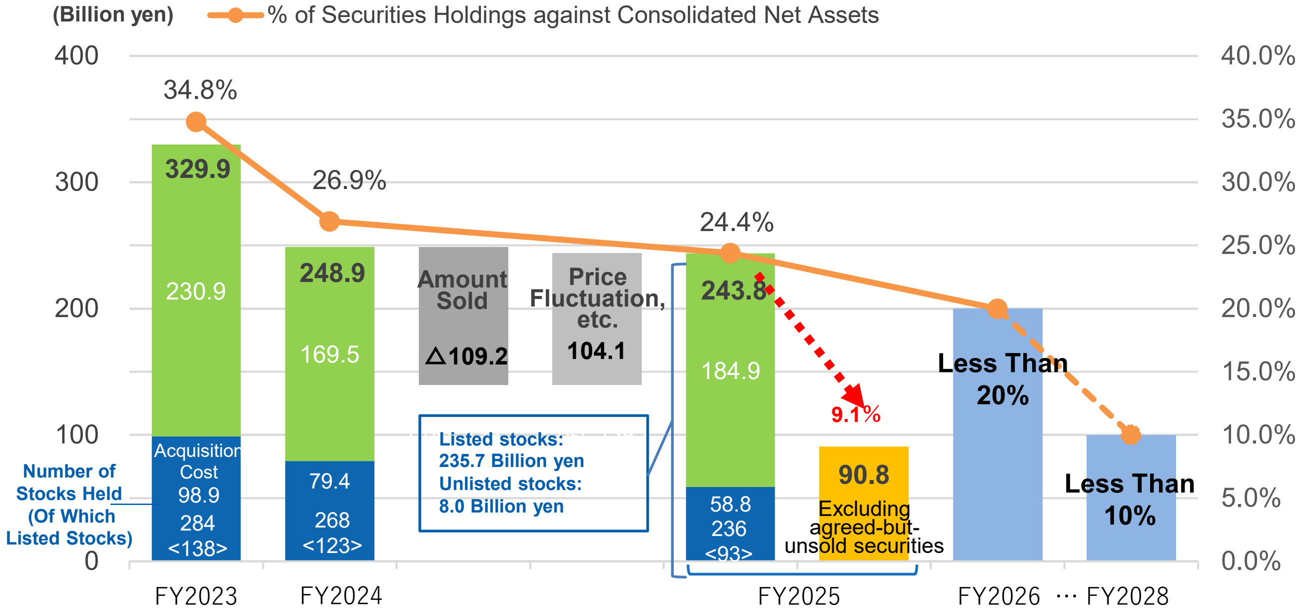
Reduction of Security Holdings

Reduction of Securities Holdings

<Change of Reduction Schedule>
Ratio of securities holdings against consolidated net assets
Less than 20% by the end of FY2027 (or 10% including not sold but agreed to be sold)
Less than 10% by the end of FY2029 and continue the reduction after achieving the target ratio

Discussions with shareholders regarding the reduction of Securities Holdings are advancing steadily. We have achieved to reduce the ratio of securities holdings excluding not sold but agreed to be sold against consolidated net assets to less than 10%.

Balance of Security Holdings



Status of Reduction Agreements

(as of March 31, 2026) (Billion yen)

Balance of policy-held shares as of the end of March 2026 (①)	243.8
Consolidated net assets as of March 31, 2026 (②)	1,001.1
Ratio to consolidated net assets (① ÷ ②)	24.4%
Balance of shares for which a sale agreement has been reached but not yet sold (57 shares) (③)	153.0
Balance excluding securities for which a sale agreement has been reached but which have not yet been sold (④ = ① − ③)	90.8
Ratio to consolidated net assets (④ ÷ ②)	**9.1%**

■Disposal of Listed Stocks

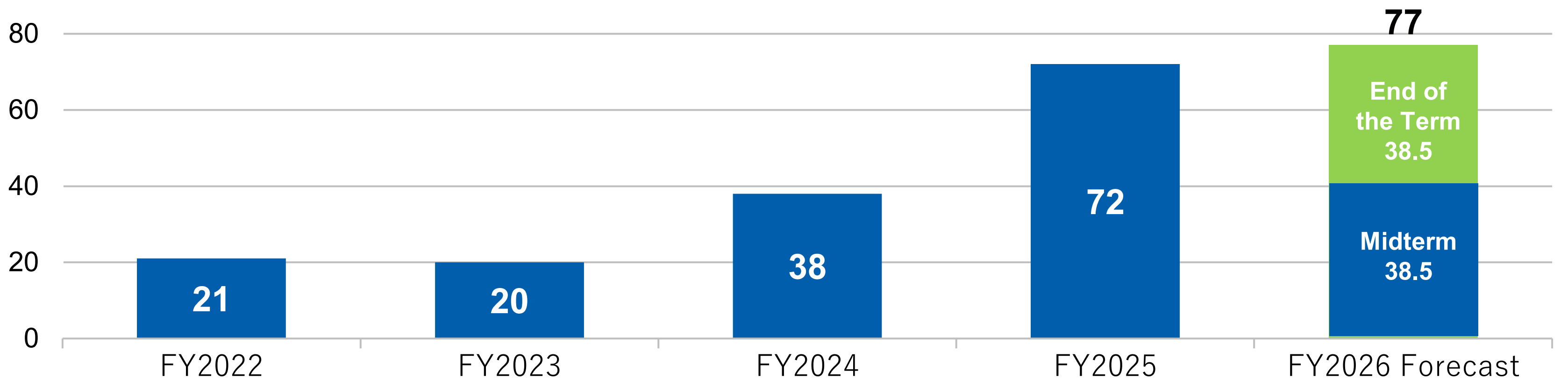
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Scheduled sales (of which in FY 2026)
Number of Listed Stocks Sold	10	10	18	18	21	16	31	39	57 (46)
Amount Sold (Billion yen)	12.2	16.8	19.7	12.8	26.3	62.1	58.6	109.1	153.0 (64.6)

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

Shareholder Return

- Our basic policy is to strengthen our financial position—the foundation for long-term growth—and to maintain 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%. Note that the negative goodwill gain recognized in fiscal year 2025 and the amount equivalent to negative goodwill in fiscal year 2026 are non-cash gains recognized in the consolidated financial statements and are therefore excluded from net income for dividend calculations.
- We will continue the purchase of treasury stocks using the proceeds from the sale of its securities holdings as funding, while taking into account funding needs for investing for growth activities such as M&A.
  In fiscal year 2026, we are currently conducting a 10 billion yen purchase of treasury stocks (August 2026–December 2026).

Dividend per Share (Yen)



*No revision to the dividend forecast

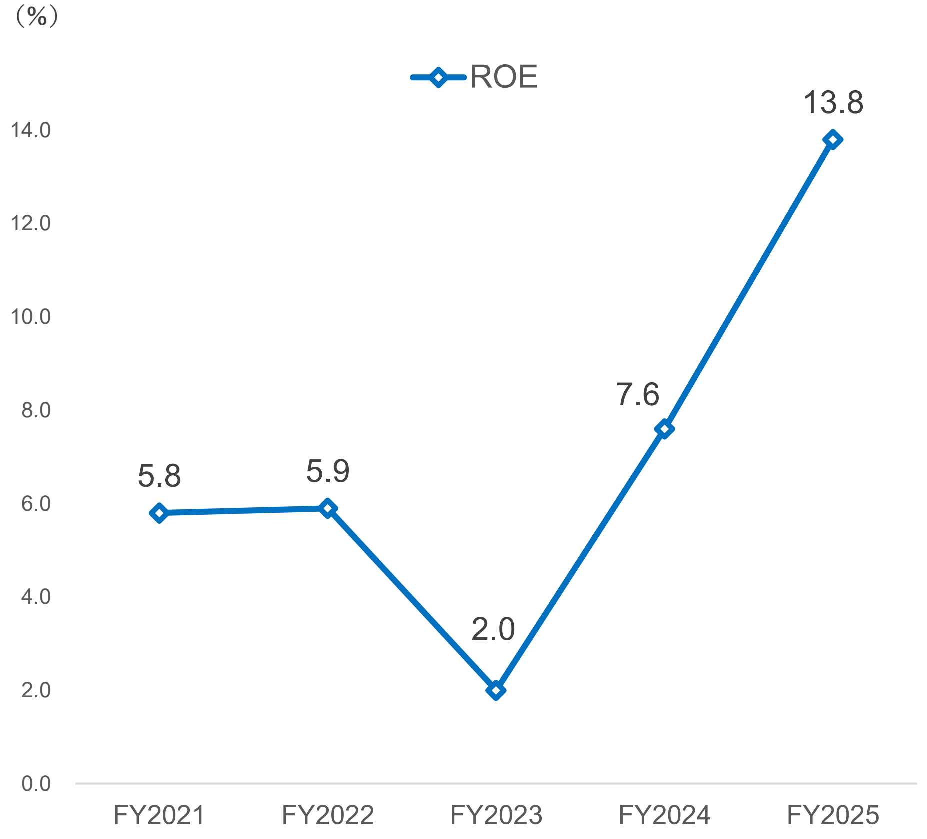
	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
Consolidated Net Income per share (Yen)	66.29	23.57	94.80	186.68	**243.72**
Consolidated Dividend Payout Ratio (%)	31.7	84.9	40.1	*1 38.6	*2 **31.6**
Purchase of Treasury Stocks (Billions of Yen)	—	25.4	34.5	10.0	**10.0**
Total Payout Ratio (%)	31.7	233.0	92.0	46.5	**37.6**

*1 The consolidated dividend payout ratio, excluding the 5.9 billion yen negative goodwill gain, is 40.5%.
*2 The consolidated dividend payout ratio, excluding the 35.5 billion yen equivalent to negative goodwill, is 40.2%.

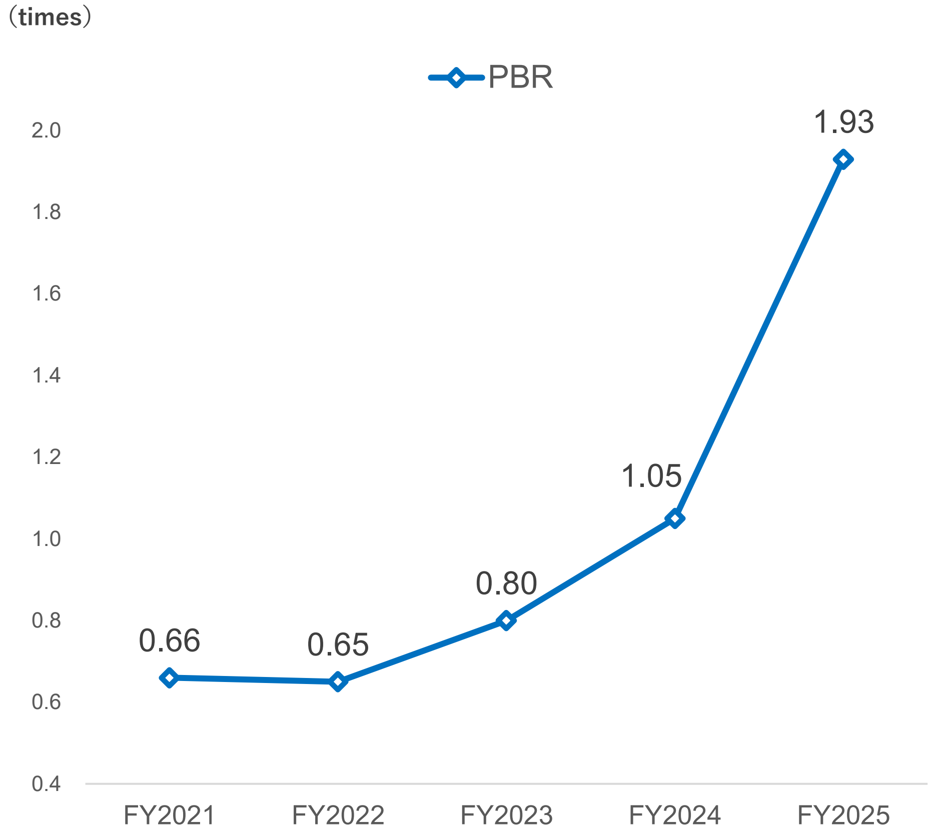
Trends in ROE and PBR

As a result of various initiatives, ROE and PBR have improved

ROE Trends



PBR Trends



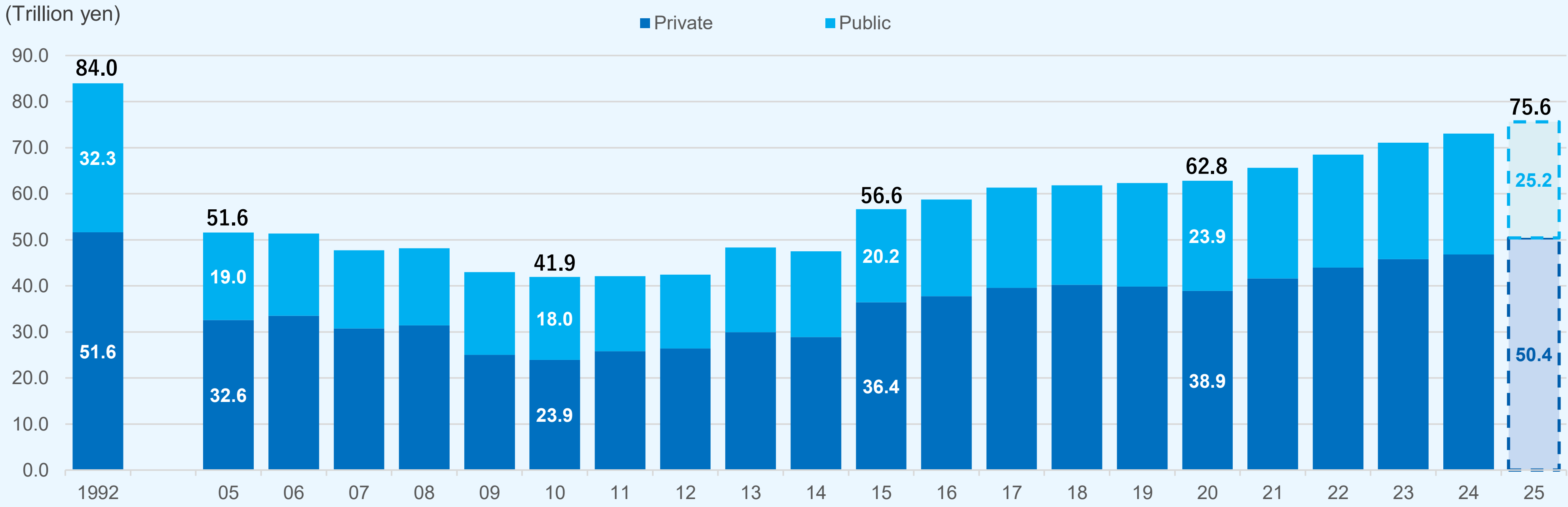
03

Current Status and issues 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.



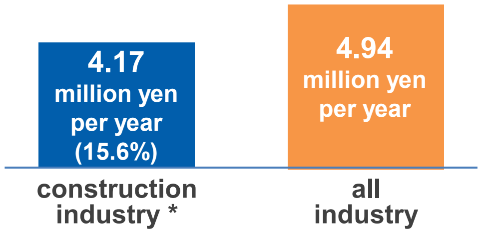
*FY2023 and FY2024 are estimates, FY2025 is a forecast.*The amount of government construction investment related to restoration and recovery from the Great East Japan Earthquake is expected to be 1.5 trillion yen in FY2011 and 4.2 trillion yen in FY2012.
*As of fiscal 2015, the amount of investment in 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.

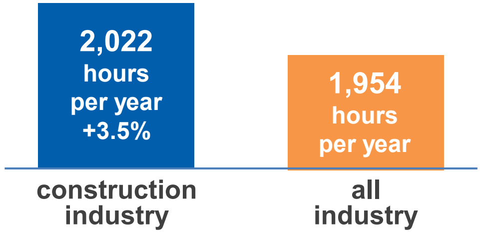
① Generally, wages in the construction industry are lower than those in other industries, and working hours are longer, making it difficult to secure labors.

Wages



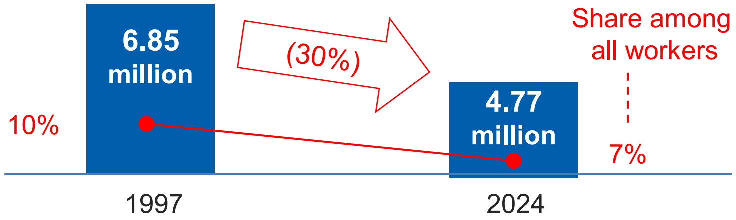
*Wages are "production worker" values
Source: Ministry of Health, Labor and Welfare, Basic Survey on Wage Structure (2022)

Working hours



Source: Monthly Labor Survey, Ministry of Health, Labor and Welfare (2022)

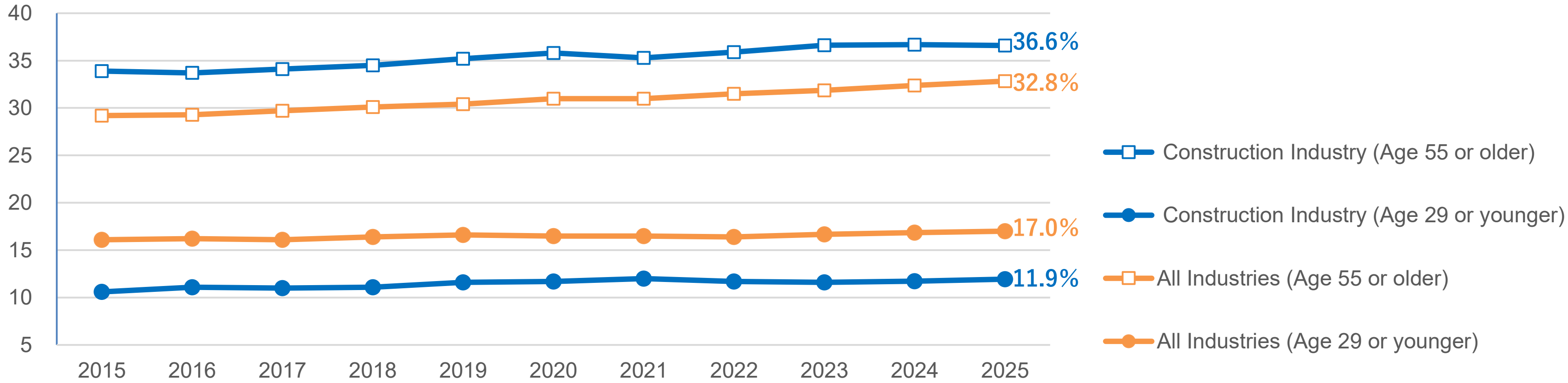
Number of construction workers



Source: Ministry of Land, Infrastructure, Transport and Tourism calculations based on the Ministry of Internal Affairs and Communications' Labor Force Survey

② The Aging of the Construction Workforce Is Progressing

Average of January to October for 2023
Source: "Price Index for Construction Materials," Japan Construction Price Survey Institute



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 continuing our efforts to improve working conditions—such as establishing a two-day weekend at construction sites and raising wage levels—in order to attract new, young employees.

Our Achievements in Promoting Two Days Off a Week

FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
60%	65%	66%	74%	86%	92%

*Excluding construction sites where special circumstances apply, such as disaster recovery efforts

Standard for the number of days closed:
Closed 8 days every 4 weeks: 104 days a year
※Based on Japan Federation of Construction Contractors‘ standards

Support for the acceptance of technical interns at partner companies, primarily those affiliated with the Kanekikai Group

As part of our efforts to promote the active participation of foreign workers in the construction industry, we are providing support to partner companies in accepting technical intern trainees.

*Kanekikai is our partner company organization in Japan

Shimizu Takumi Training Center

Established in July 2020 as a center for recruiting and training skilled workers, who are essential to construction sites.

Exterior view of Takumi Training Center

Robot operation training

Our Initiatives (Improving Productivity)

Key Initiatives at Construction Sites

3D Surveying Using Drones

It is possible to instantly calculate earthwork volumes using point cloud data obtained from a survey.

Robots

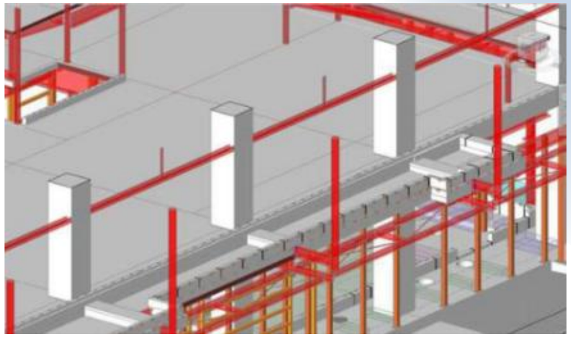
Welding robot, Robo-Welder

Semi-dry fireproof coating spray robot, Robo-Spray II

P.15 features topics related to “Research and Development of Physical AI”

Improving Productivity

BIM/CIM



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

ICT Construction Equipment

Use satellite data and other sources to determine the location of construction machinery and notify the machine operators.

P.15 features topics related to “Use of ICTand AI”

(For reference) Summary of JFCC Pamphlet for Explanation to Customers 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.

Possibility of material price hikes

Customer ← Contractor

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.*

*The public order is obligated to respond to the consultation.

Discussions on changes to the contract price and construction period in accordance with the "Method of Change"

Customer ⇄ Contractor

Strive for Sincere Consultations

In December 2025, following the full implementation of the Workforce-related Three Acts (the Act on Promoting Quality Assurance in Public Works, the Construction Business Act, and the Act for Promoting Proper Tendering and Contracting for Public Works) and other developments, the necessary amendments were made to the Standard Terms and Conditions for the Contract Agreement for Private Construction Projects.

① **Addition of items to be specified in the breakdown of contract payment**
In addition to statutory welfare expenses, include material costs, labor expenses, occupational safety and health expenses, and contributions to the Construction Workers' Retirement Fund.

② **Introduction of a new commitment clause regarding the payment of labor expenses, etc.**
To ensure the effectiveness of the "Standards for Labor Expenses," a new commitment clause (regarding representations and disclosures related to the proper payment of labor expenses and wages) has been established.

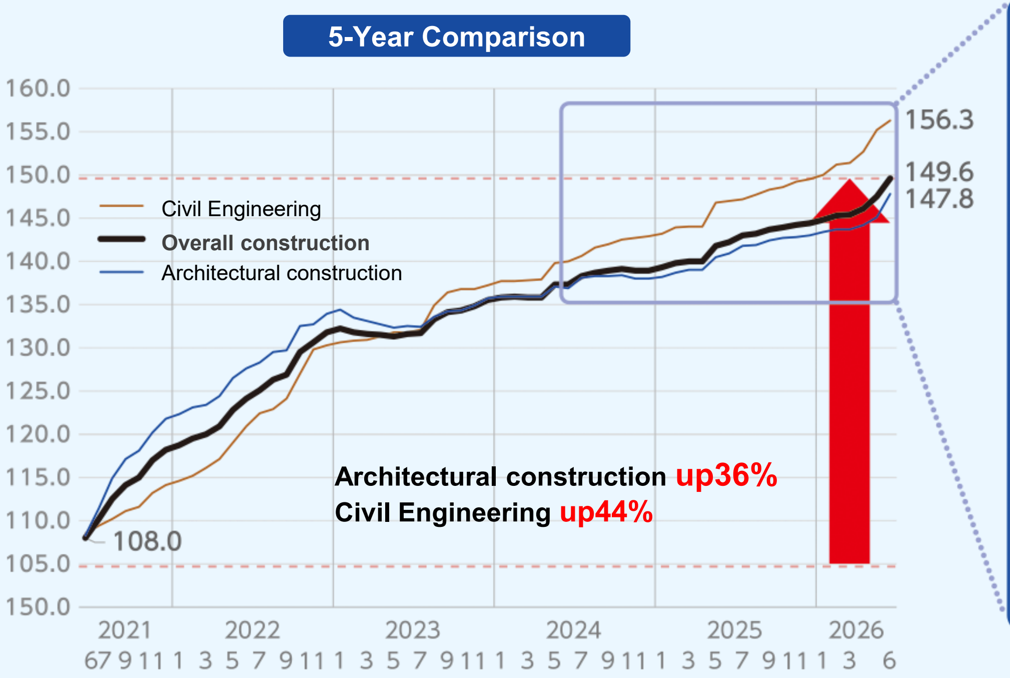
③ **Addition of Provisions Regarding Contract Amendments**
- **Addition of provisions regarding cases in which a request for contract modification may be made.**
- **Addition of provisions regarding requests for having consultations and good-faith consultations.**
- **Addition of provisions regarding the method for modifying the contract price.**

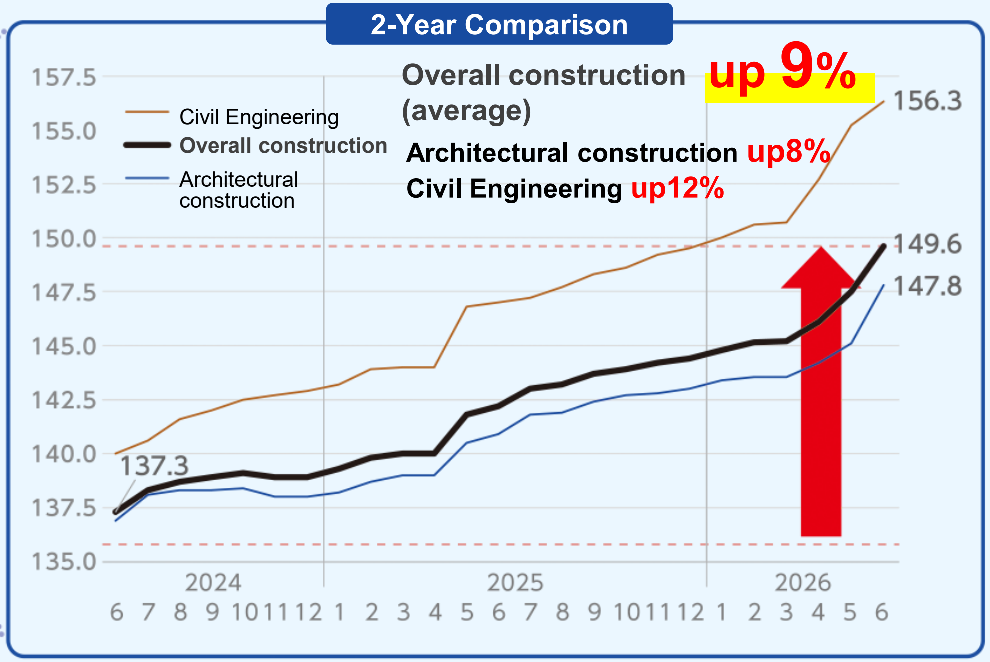
(For reference) Summary of JFCC Pamphlet for Explanation to Customers of Private Sectors (Material Price Trends)

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 June 2021～June 2026 (As of July 2026) (2015 average = 100)

Overall construction (average) Material prices up **39%**

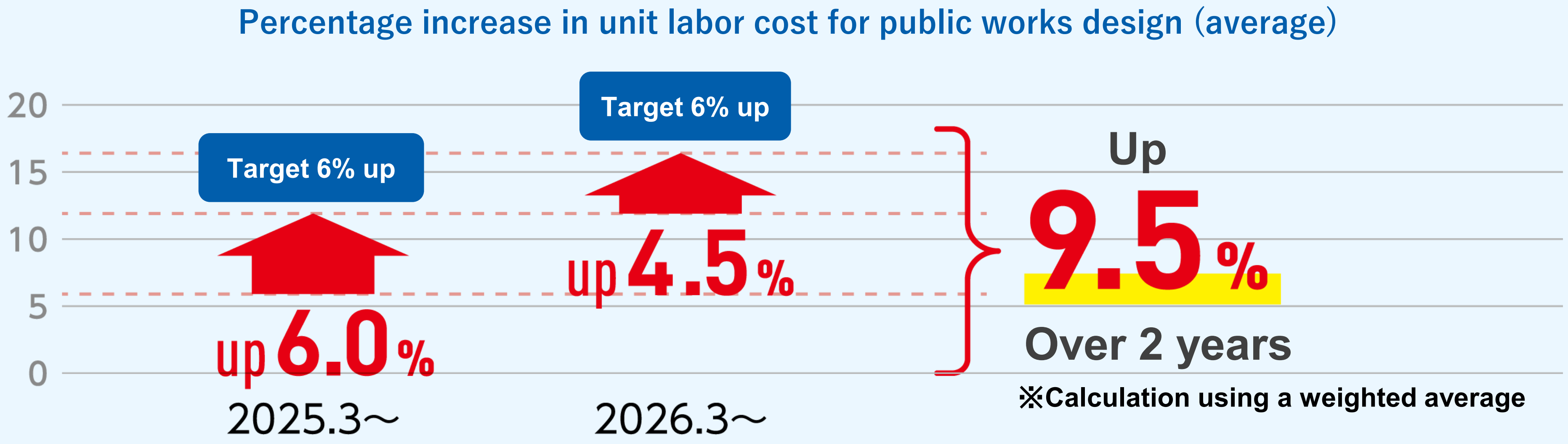




- Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (Quarterly Edition, July 2026—Summer Edition)" pamphlet, and were prepared independently by the Company.

Summary of JFCC Pamphlet for Explanation to Customers of Private Sectors (Labor Cost Trends)

Wages for skilled construction workers at construction sites have increased for 14 consecutive years, supported by the government's wage hike policy and higher unit labor costs.



Assuming that the labor cost ratio is 30%, over the past 2 years, due to soaring labor costs, **the cost of all construction work has increased by 2.9%** ※Calculation using a weighted average

Assuming that material costs account for 50–60% and labor expenses account for 30%, over the past two years, due to soaring construction material prices and rising labor expenses, **the overall (average) cost of construction has increased by 7.3-8.2%** (including temporary work and expenses)(Civil engineering : 8.7–9.8% increase; architectural construction : 6.8–7.6% increase)

- Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (July 2026 Edition)" pamphlet, and were prepared independently by the Company.

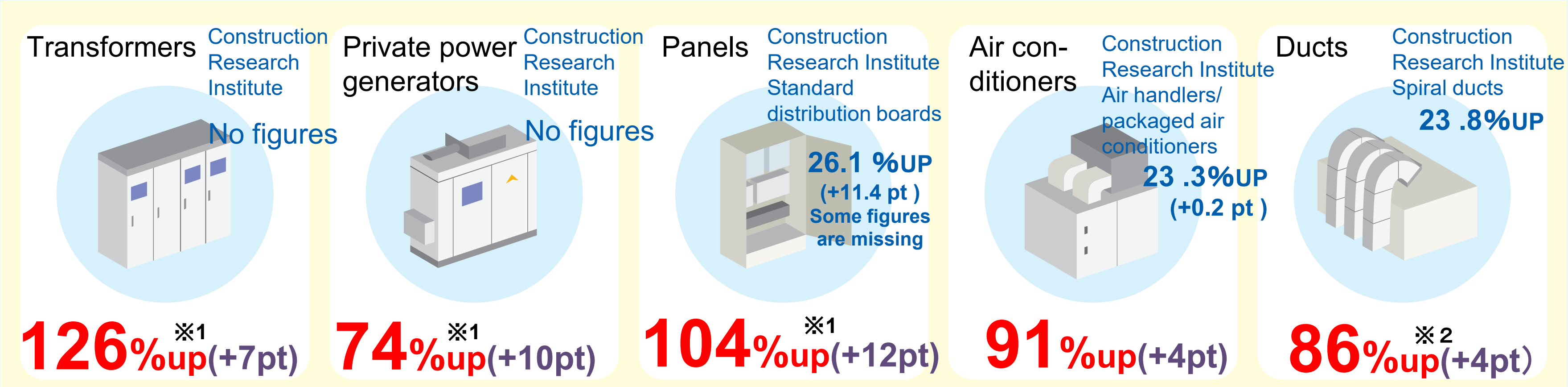
(For reference) Summary of JFCC Pamphlet for Explanation to Customers of Private Sectors (Facility Construction Cost Trends)

Current status of rising facility construction costs

- In recent years, driven by the reshoring of manufacturing, there has been vigorous factory construction across the country. Concurrently, large-scale projects and data center construction in major metropolitan areas and regional cities are underway. As a result, the supply and demand balance for facility construction projects has become tight nationwide, leading to a sharp rise in the prices of materials and equipment as well as construction costs. Compounded by the escalating tensions in the Middle East, this has resulted in delivery delays and a suspension of new orders.

- Since large-scale buildings and similar structures often utilize custom-made equipment, prices for some items have risen sharply, deviating from the average trends in 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 2026. *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 2026.
( ) is the increase or decrease from the Autumn 2025 edition.

*Source: “Current Status of Rising Facility Construction Costs (Spring 2026)” by the Japan Federation of Construction Contractors

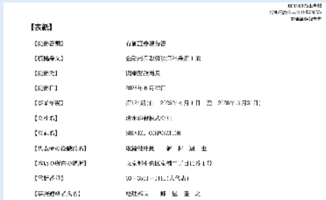
Links

Investor Relations

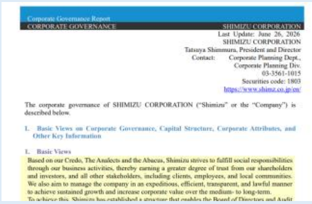
Mid-Term Business Plan〈2024－2026〉

Financial Results

Annual Securities Report (Japanese only)

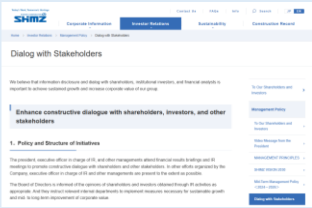


Corporate Governance Report



Corporate Report

Dialog with Stakeholders



Sustainability

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.