# Supplemental Materials regarding Issuance of Zero Coupon Convertible Bonds due 2031, Issuance of Zero Coupon Convertible Bonds due 2033 and Share Buybacks

September 24, 2026

SHIMIZU CORPORATION

# Overview

| Item | Zero Coupon Convertible Bonds due 2031 | Zero Coupon Convertible Bonds due 2033 |
|---|---|---|
| Issuer | Shimizu Corporation | |
| Securities Offered | Bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai)* | |
| Offering Market | Overseas markets, mainly in Europe and Asia (excluding the United States) | |
| Maturity | 5 years | 7 years |
| Amount Issued | 50 billion yen | 50 billion yen |
| Resolution Date | September 24, 2026 (Thu) | September 24, 2026 (Thu) |
| Pricing Date | Between September 24, 2026 (Thu) and<br>AM 8:00 (JST) on September 25, 2026 (Fri) | Between September 24, 2026 (Thu) and<br>AM 8:00 (JST) on September 25, 2026 (Fri) |
| Closing Date | October 13, 2026 (Tue) | October 13, 2026 (Tue) |
| Maturity Date | October 14, 2031 (Tue) | October 13, 2033 (Thu) |
| Coupon | 0.0% | 0.0% |
| Offer Price | 103.0% | 103.0% |
| Issue Price | 100.5% | 100.5% |
| Redemption Price | 100.0% | 100.0% |
| Ancillary Terms | Contingent Conversion (CoCo) (150% of applicable Conversion Price<br>until 1 year before the maturity/<br>130% of applicable Conversion Price<br>until 3 months before the maturity)<br>Acquisition Option (cash settlement) | Contingent Conversion (CoCo) (150% of applicable Conversion<br>Price until 1 year before the maturity/<br>130% of applicable Conversion Price<br>until 3 months before the maturity)<br>Acquisition Option (cash settlement) |
| Use of Proceeds | Approximately 90 billion yen towards M&As such as the transaction to make American Engineering Corporation (Okinawa) a wholly-owned subsidiary<br>Approximately 10 billion yen towards the repurchase of shares of common stock of the Corporation | |
| Share Buybacks | Planned purchase through ToSTNeT-3 on the day following the Resolution Date.<br>(Aggregate purchase amount 10 billion yen / Total number of shares to be purchased 4.25 million shares)<br>Limit on Share Buybacks: In connection with the additional acquisition above, the aggregate purchase amount has been increased from ¥10 billion to ¥20 billion<br>(Purchase period: August 17, 2026 ~ December 30, 2026) | |
| Lock-up | For the Corporation / For a period Beginning on the Pricing Date and ending 180 calendar days after the Closing Date | |

# Background and Purpose of Issuance of CBs

**While implementing the growth strategy under its Mid-Term Business Plan toward "SHIMZ VISION 2030," the Corporation is securing funds for growth investments related to M&As, one of the key pillars of the growth strategy, and strengthening capital efficiency and shareholder returns through Convertible Bonds (CBs) structured to discourage conversion.**

## Background of the Funding

### Securing funds for growth investments related to M&As toward "SHIMZ VISION 2030"

- The Corporation has set creating a stronger business foundation for continued growth as its basic policy, and is working to further strengthen the profitability of its construction business and to broaden its business portfolio under the Mid-Term Business Plan <2024-2026> to realize the long-term vision "SHIMZ VISION 2030."
- The Corporation views M&A as one of the key pillars of its mid- to long-term growth strategy and actively evaluates and executes such opportunities separately from its total growth investment allocation of 360 billion yen aimed at sustainable growth under the Mid-Term Business Plan <2024-2026>.
- During the current Mid-Term Business Plan, the Corporation has completed several M&A transactions, including American Engineering Corporation (Okinawa), and will further enhance the Group's competitiveness through M&A that contributes to improving profitability and strengthening construction capabilities.

## Merchantability of CBs

### Strategic funding through CBs structured to discourage conversion and mitigate dilution at low cost

- As the CBs are zero-coupon bonds and will be issued over par, no interest costs are incurred on a cash basis. This enables the Corporation to minimize financing costs.
- In addition, by incorporating CoCo and acquisition option (cash settlement), the CBs are structured to reduce the likelihood of conversion into common shares, with due consideration for existing shareholders.
- Furthermore, the Corporation will absorb the hedging sales of its shares by certain overseas institutional investors acquiring CBs by share buybacks through ToSTNeT-3, thereby mitigating the short-term impact on the supply and demand of its shares. In addition, by using the proceeds from the issue of the CBs to fund an additional ¥10 billion in share buybacks, the Corporation aims to further improve ROE, EPS, and other key financial metrics.

# Mid-to Long-Term Growth Strategies

- **With a focus on capital efficiency and the further enhancement of corporate value, under its Mid-Term Business Plan <2024–2026>, the Corporation evaluates and executes M&A under a separate budget in addition to growth investments. The net proceeds from this offering will be allocated to M&A and the share buybacks.**

| | FY 2023 | FY 2024 | FY 2025 | FY 2026 | … | FY 2030 |
|---|---|---|---|---|---|---|
| Mid- to Long-term Strategies | Mid-Term Business Plan 〈2019-2023〉 | Mid-Term Business Plan 〈2024-2026〉 | | | | SHIMZ VISION 2030 |
| | An upfront investment period to establish new earnings platforms | A Stronger Business Foundation for Continued Growth<br>Building a Stronger Business Foundation and dynamically expanding business in order to contribute to a sustainable future | | | | A "Smart Innovation Company" that creates new value through transformation & taking on challenges |

Strengthening our Business Foundations | Business Strategies | Global Strategies | Capital Policy/ Investing for Growth

**Growth Strategies**

## Investing for Growth

### Cash Allocation Plan for FY 2024–2026

| | |
|---|---|
| **Investing for Growth Total 360 billion yen** | • Growth investments, including the acquisition and development of highly skilled talent, the development of cutting-edge technologies and machinery, investment in digital-related fields, real estate development in domestic and overseas, and the expansion of renewable energy power generation projects<br>• Invested 235 billion yen by the end of March 2026 |
| **Separate budget above** | • Investment budget for M&A to further enhance corporate value<br>• Our most recent M&A transactions mainly include the followings |

**THE NIPPON ROAD CO., LTD.**
Wholly owned subsidiary in October 2025

**AOMI CONSTRUCTION CO.,LTD.**
Wholly owned subsidiary in June 2026


**American Engineering Corporation (AEC)**
wholly owned subsidiary in September 2026

## Management Conscious of Cost of Capital

### Toward Improving PBR

| | |
|---|---|
| **Improve ROE** | • Improve profitability<br>• Improve capital efficiency<br>• Promote growth investment |
| **Improve PER** | • Enhance shareholder return, etc. |

### Status of share buybacks for FY 2026

- To improve capital efficiency, the Corporate resolved in July 2026 to purchase its own shares for up to 10 billion yen (purchase period : from August 17, 2026 to December 30, 2026)
- Through this CB financing, the Corporation plans to conduct an additional share buybacks of up to 10 billion yen.

**Use of Proceeds**

**Proceeds for M&A Transactions, Including Making AEC a Wholly Owned Subsidiary (Approximately 90 billion yen)**

**Proceeds for the Share Buybacks (Approximately 10 billion yen)**

# Disclaimer

This material has been prepared as a supplemental material to the press releases titled "Notice Concerning Issuance of Zero Coupon Convertible Bonds due 2031 and Zero Coupon Convertible Bonds due 2033," "Notice Concerning Expansion of Limit on Share Buybacks and Status of Share Buybacks" and "Notice Concerning the Share Buybacks through Off-Auction Own Share Repurchase Transaction (ToSTNeT-3)" which was announced by Shimizu Corporation (the "Corporation") on September 24, 2026. This material does not constitute an offer of, or the solicitation of an offer to purchase or subscribe for the Bonds or the shares of common stock of the Corporation in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Corporation (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state, and may not be offered or sold within the United States, and any such Securities may not be offered or sold within the United States, absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Corporation and such prospectus will contain detailed information about the Corporation and its management, as well as financial statements. No public offering of the Securities will be made in the United States.