



# Corporate Overview

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July 2026

# Key Points of the Financial Results

## Summary

### Financial Results for FY2025

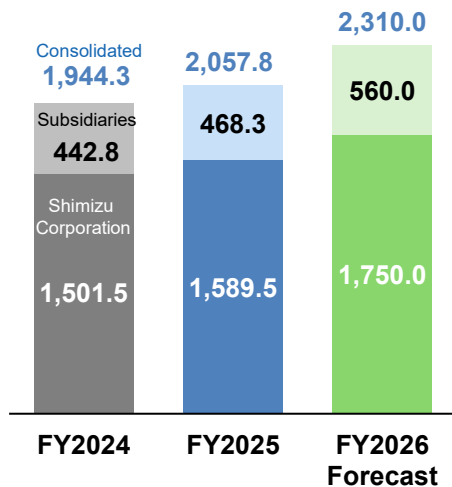
- Net sales increased by 113.4 billion yen, driven by steady progress in domestic architectural construction and civil engineering projects, and the inclusion of results from two overseas construction subsidiaries acquired through M&A in the previous fiscal year.
- Operating income increased by 47.6 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

- 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 3.3 billion yen, as the increase in operating income will offset a significant decrease in gains from the sale of security holdings.
- The annual dividend is expected to be 77 yen, an increase of 5 yen.

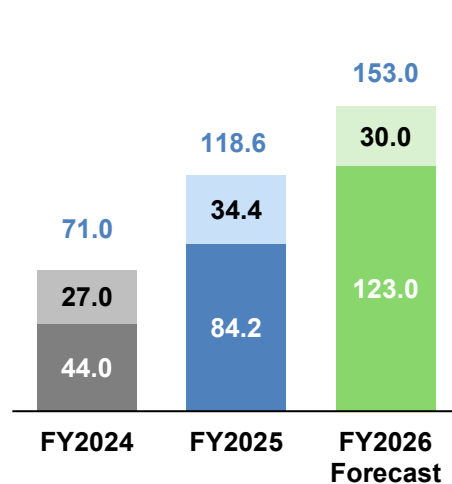
### Consolidated Net Sales (Full-year)

(Billions of yen)



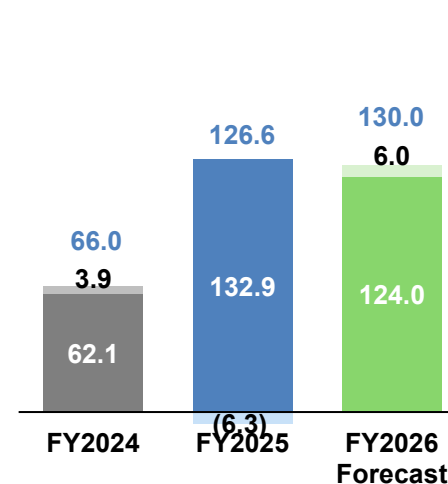
### Consolidated Operating Income (Full-year)

(Billions of yen)



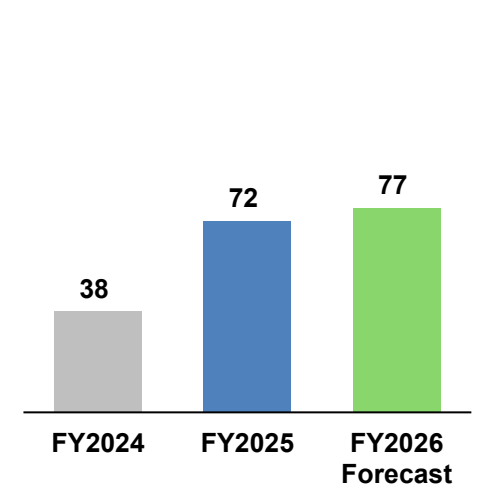
### Consolidated Net Income (Full-year)

(Billions of yen)



### Annual Dividends (per share)

(yen)



# Construction Business Environment

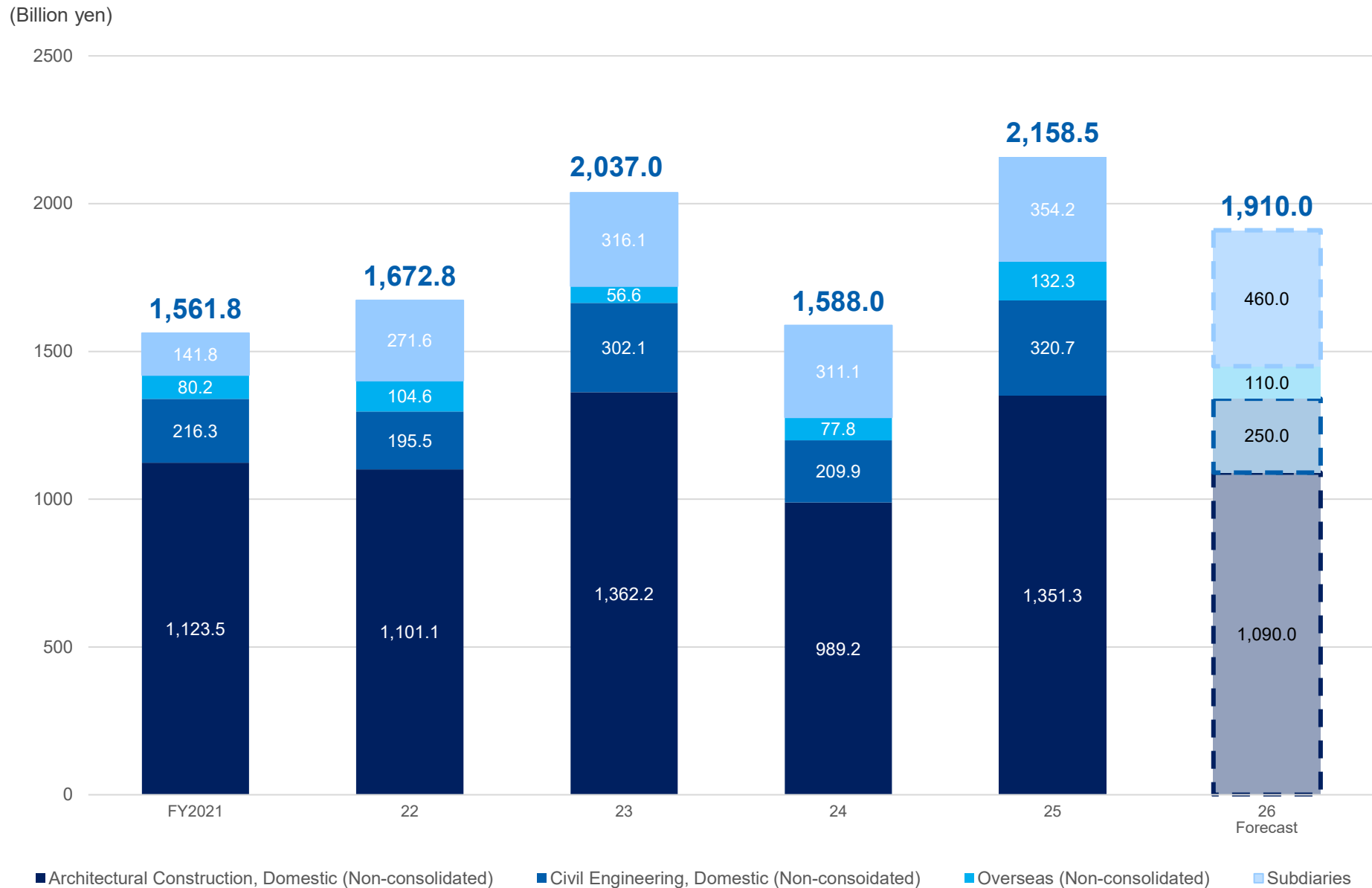
## Japan

- 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.
- Investment in Japan remains strong, but with global uncertainty now the norm, we must carefully monitor its impact on the construction industry—specifically regarding interest rates and private investment trends.
- 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.

# Major Orders Projects (nonconsolidated) - FY2025

Client		Project Name
Architectural Construction	Chuo-Nittochi Co., Ltd.	New construction of Building A for Uchisaiwaicho 1-Chome district South Zone first class urban area redevelopment project
Architectural Construction	Akasaka 7-Chome 2nd District Urban Redevelopment Association	New construction of buildings for Akasaka 7-Chome 2nd District Type 1 Urban Redevelopment Project
Architectural Construction	Ministry of Health, Singapore	Part A: MAIN CONTRACT WORKS FOR THE REDEVELOPMENT OF ALEXANDRA HOSPITAL AT ALEXANDRA ROAD (QUEENSTOWN PLANNING AREA); AND PART B: CONTINGENCY WORKS CONTRACT 1 – OUTPATIENT
Civil Engineering	Central Japan Railway Company	Chuo Shinkansen Oi Tunnel No.2, etc. Project
Civil Engineering	Ministry of the Environment	Construction for acceptance, sorting and storage for Okuma District Interim Storage, 2025-2028

# Note

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## Financial Results and Segment Performance

# Performance Results (Shimizu Corporation and Subsidiaries)

(Billion yen)

(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)
<b>Net Sales</b>	1,944.3	<b>2,057.8</b>	113.4	1,501.5	<b>1,589.5</b>	88.0	442.8	<b>468.3</b>	25.4
<b>Construction Contracts</b>	1,696.0	<b>1,845.3</b>	149.2	1,381.9	<b>1,489.6</b>	107.6	314.1	<b>355.7</b>	41.6
<b>Real Estate and Other</b>	248.3	<b>212.5</b>	(35.8)	119.5	<b>99.9</b>	(19.6)	128.8	<b>112.6</b>	(16.2)
<b>Total Gross Profit</b>	10.1% 195.4	<b>12.5%</b> <b>258.0</b>	62.6	8.8% 132.4	<b>11.3%</b> <b>179.5</b>	47.0	63.0	<b>78.5</b>	15.6
<b>Construction Contracts</b>	9.3% 157.8	<b>11.8%</b> <b>218.6</b>	60.7	7.9% 109.1	<b>10.6%</b> <b>157.5</b>	48.4	48.7	<b>61.1</b>	12.3
<b>Real Estate and Other</b>	15.1% 37.5	<b>18.6%</b> <b>39.4</b>	1.8	19.4% 23.2	<b>21.9%</b> <b>21.9</b>	(1.3)	14.3	<b>17.5</b>	3.1
<b>S, G &amp; A Expenses</b>	124.4	<b>139.4</b>	14.9	88.3	<b>95.2</b>	6.8	36.1	<b>44.2</b>	8.1
<b>Operating Income</b>	3.7% 71.0	<b>5.8%</b> <b>118.6</b>	47.6	2.9% 44.0	<b>5.3%</b> <b>84.2</b>	40.2	27.0	<b>34.4</b>	7.4
<b>Ordinary Income</b>	3.7% 71.6	<b>5.9%</b> <b>122.3</b>	50.6	3.4% 51.6	<b>6.1%</b> <b>96.3</b>	44.7	20.0	<b>26.0</b>	5.9
<b>Net Income Attributable to Shareholders of the Corporation</b>	3.4% 66.0	<b>6.2%</b> <b>126.6</b>	60.6	4.1% 62.1	<b>8.4%</b> <b>132.9</b>	70.8	3.9	<b>(6.3)</b>	(10.2)
<b>Ratio of Net Income to Owners' Equity (ROE)</b>	7.6%	<b>13.8%</b>	6.2pt						
(Reference) Net Income per Share (Yen)	94.80	186.68		89.24	196.02				
<b>Construction Business Orders Awarded</b>	1,588.0	<b>2,158.5</b>	570.5	1,277.0	<b>1,804.5</b>	527.5	311.0	<b>354.0</b>	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 period 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 from the previous year, as a result of recording 87.9 billion yen in special gains from the sale of security holdings, etc.

# FY2026 Performance Forecast (Shimizu Corporation and Subsidiaries)

## - Comparison with FY2025 Result

(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)
<b>Net Sales</b>	2,057.8	<b>2,310.0</b>	252.1	1,589.5	<b>1,750.0</b>	160.4	468.3	<b>560.0</b>	91.7
<b>Construction Contracts</b>	1,845.3	<b>2,065.0</b>	219.6	1,489.6	<b>1,660.0</b>	170.3	355.7	<b>405.0</b>	49.3
<b>Real Estate and Other</b>	212.5	<b>245.0</b>	32.4	99.9	<b>90.0</b>	(9.9)	112.6	<b>155.0</b>	42.3
<b>Total Gross Profit</b>	12.5% 258.0	<b>13.2%</b> <b>305.0</b>	46.9	11.3% 179.5	<b>12.9%</b> <b>225.0</b>	45.4	78.5	<b>80.0</b>	1.5
<b>Construction Contracts</b>	11.8% 218.6	<b>13.1%</b> <b>270.0</b>	51.3	10.6% 157.5	<b>12.7%</b> <b>210.0</b>	52.4	61.1	<b>60.0</b>	(1.1)
<b>Real Estate and Other</b>	18.6% 39.4	<b>14.3%</b> <b>35.0</b>	(4.4)	21.9% 21.9	<b>16.7%</b> <b>15.0</b>	(6.9)	17.5	<b>20.0</b>	2.5
<b>S, G &amp; A Expenses</b>	139.4	<b>152.0</b>	12.5	95.2	<b>102.0</b>	6.7	44.2	<b>50.0</b>	5.8
<b>Operating Income</b>	5.8% 118.6	<b>6.6%</b> <b>153.0</b>	34.3	5.3% 84.2	<b>7.0%</b> <b>123.0</b>	38.7	34.4	<b>30.0</b>	(4.4)
<b>Ordinary Income</b>	5.9% 122.3	<b>6.4%</b> <b>148.0</b>	25.6	6.1% 96.3	<b>7.4%</b> <b>129.0</b>	32.6	26.0	<b>19.0</b>	(7.0)
<b>Net Income Attributable to Shareholders of the Corporation</b>	6.2% 126.6	<b>5.6%</b> <b>130.0</b>	3.3	8.4% 132.9	<b>7.1%</b> <b>124.0</b>	(8.9)	(6.3)	<b>6.0</b>	12.2
(Reference) Net Income per Share (Yen)	186.68	191.40		196.02	182.57				
<b>Construction Business Orders Awarded</b>	2,158.5	<b>1,910.0</b>	(248.5)	1,804.5	<b>1,450.0</b>	(354.5)	354.0	<b>460.0</b>	106.0

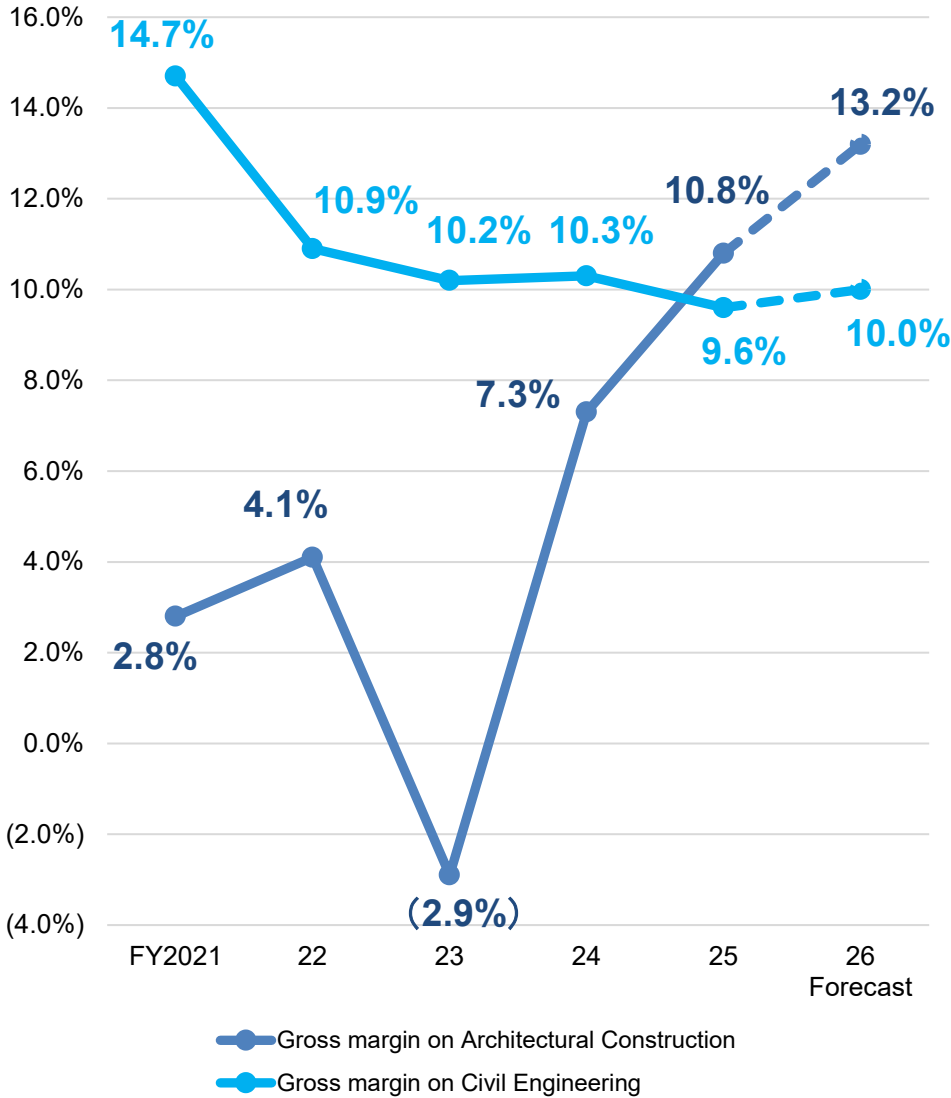
\*The figures for subsidiaries are presented by subtracting Shimizu Corporation's figures from the consolidated figures.

# FY2026 Overview of Forecast

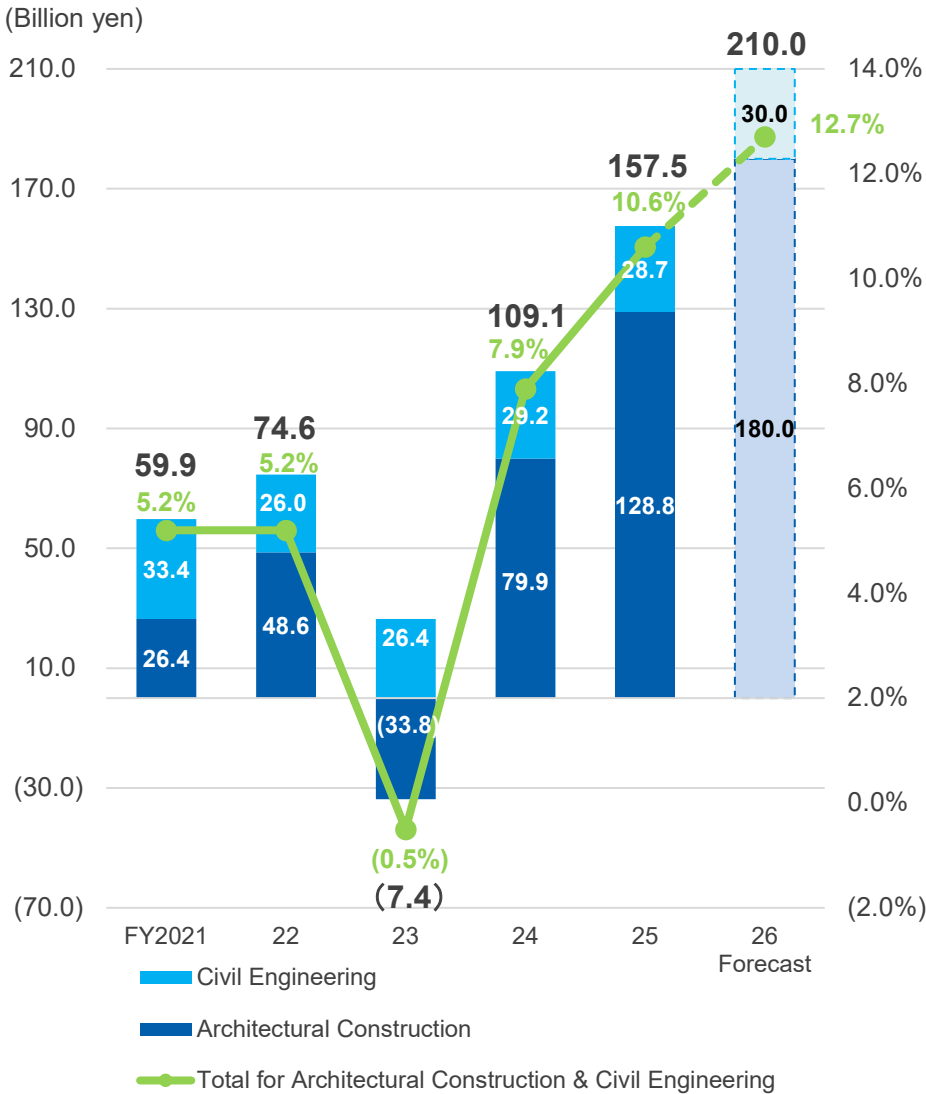
- Consolidated net sales for FY2026 are expected to be 2,310.0 billion yen, an increase of 252.1 billion yen from the previous fiscal year. This increase is driven by the peak construction season for large-scale domestic architectural construction projects and the inclusion of the financial results of Aomi Construction, which was acquired through M&A.
- Consolidated gross profit increased 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 be 12.7% (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 project, 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 year.
- Consolidated net income for the current period is expected to be 130.0 billion yen, including 49.0 billion yen in gains on the sale of security holdings recorded as extraordinary income. Although gains on the sale of shares are expected to decline, operating income is projected to increase, resulting in a 3.3 billion yen increase 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



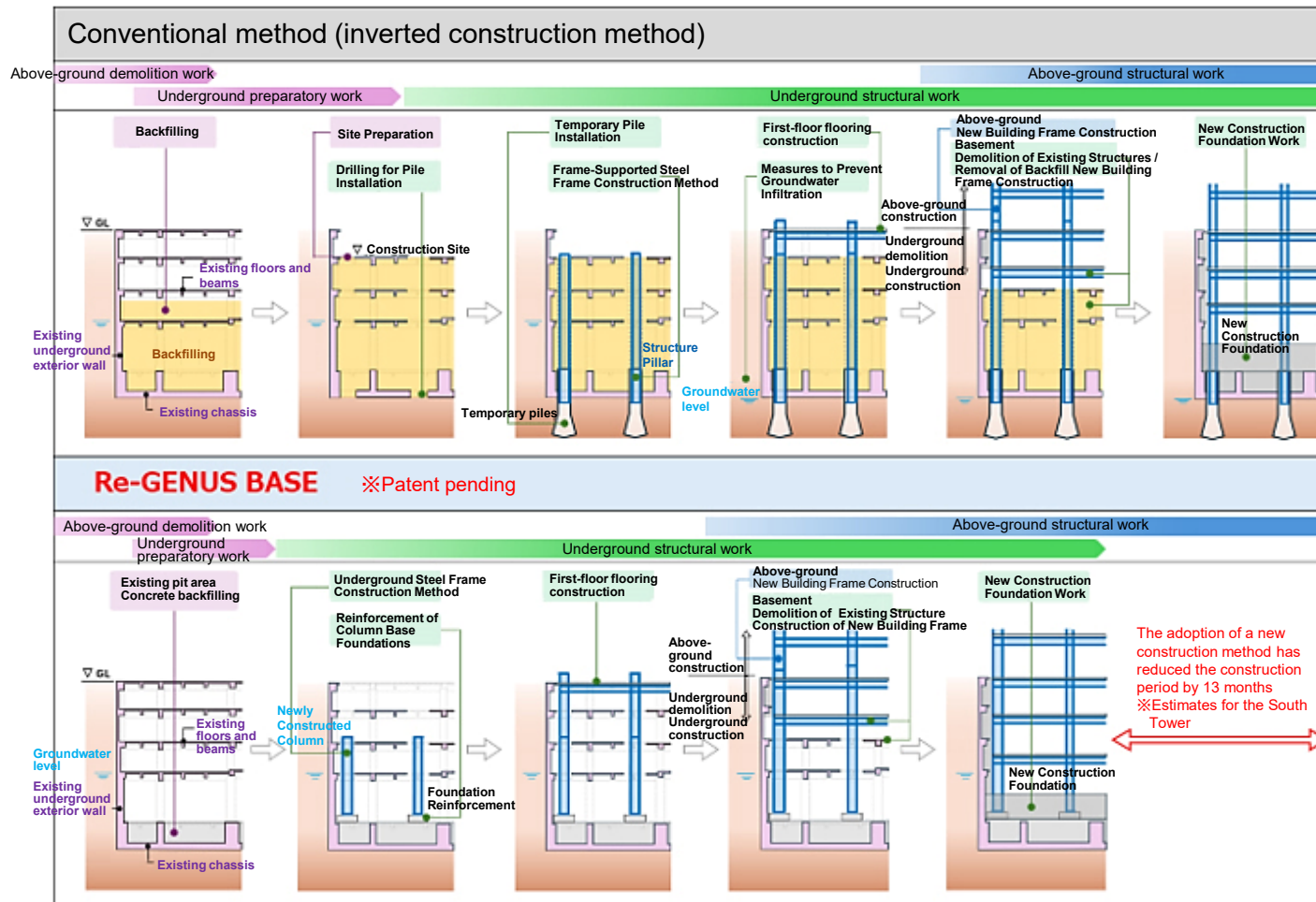
Total gross profit and gross margin on construction contracts (total for Architectural Construction & Civil Engineering)



# (Topics) 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

# (Topics) Construction Systems Utilizing AI, ICT, and Robotics

## Use of AI (Smart Dozer)

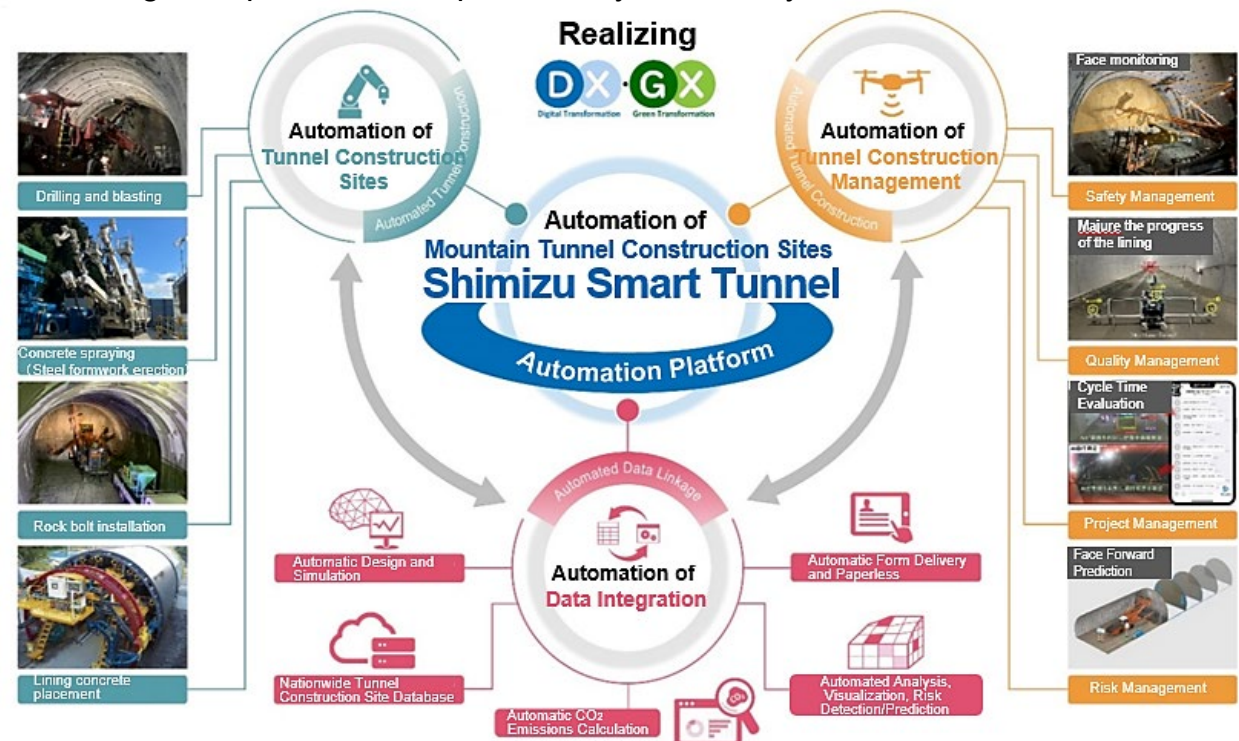
- The system consists of a bulldozer equipped with sensors for environmental awareness and AI for autonomous control, as well as a construction control unit (master system) that sends work instructions to the bulldozer in accordance with the construction plan.
- We have recently succeeded in leveling 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)

## Promoting Automation at Mountain Tunnel Construction Sites (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 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)

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

## Sales and Income Trends

(Million yen)

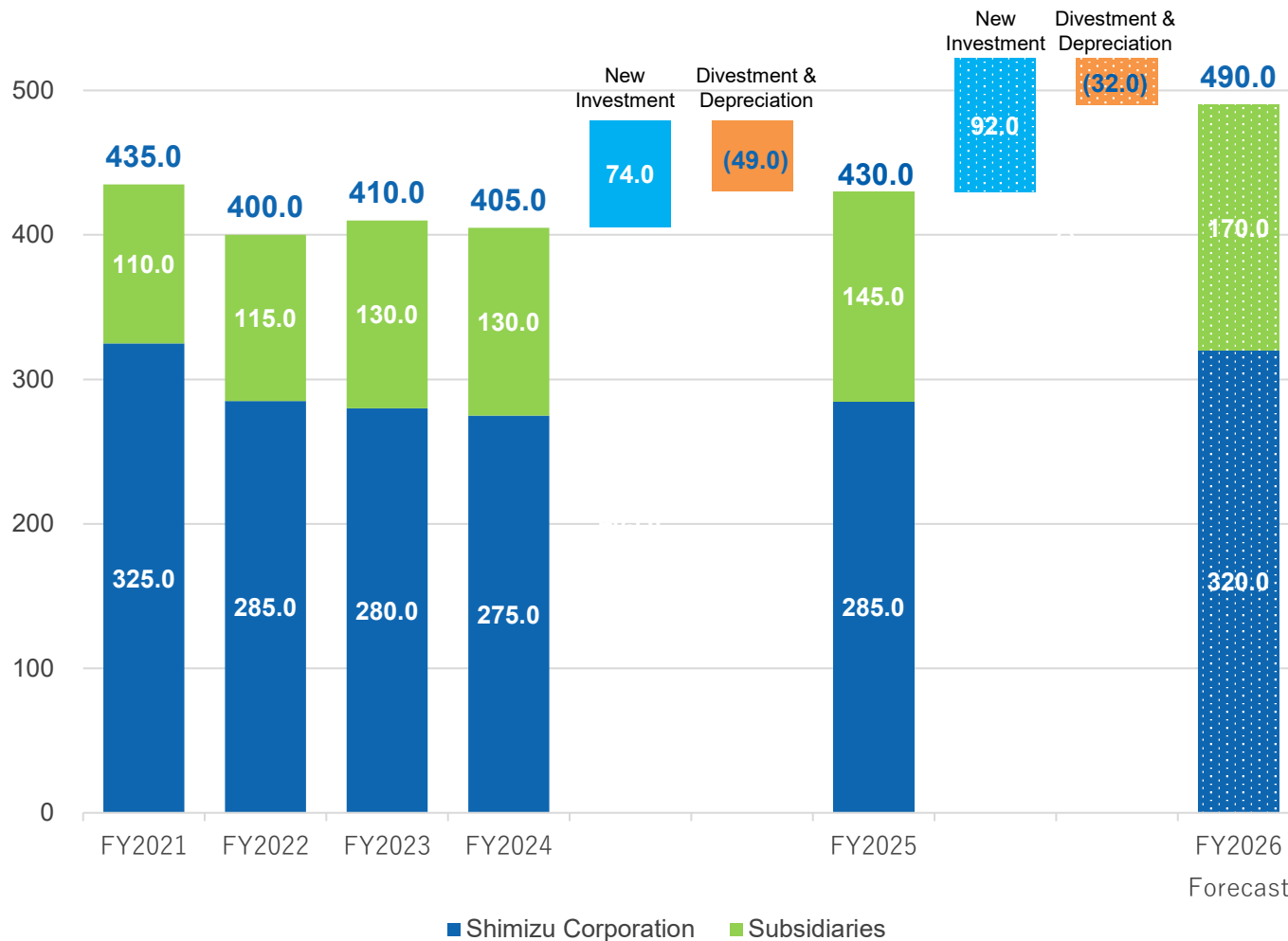
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Net sales</b>	<b>83,346</b>	<b>89,040</b>	<b>82,610</b>	<b>53,569</b>	<b>53,152</b>
<b>Segment income (Operating income)</b>	<b>47,831</b>	<b>38,141</b>	<b>27,581</b>	<b>16,863</b>	<b>16,734</b>

**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)

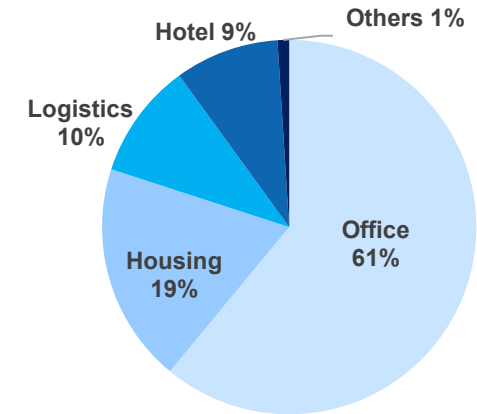
## Investment and Development Business Assets Balance

(Billion yen)

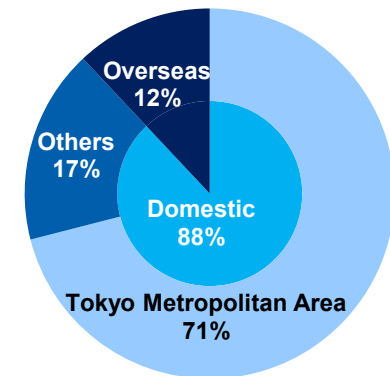


### FY2025 Breakdown of development project asset balances

#### Type of Property

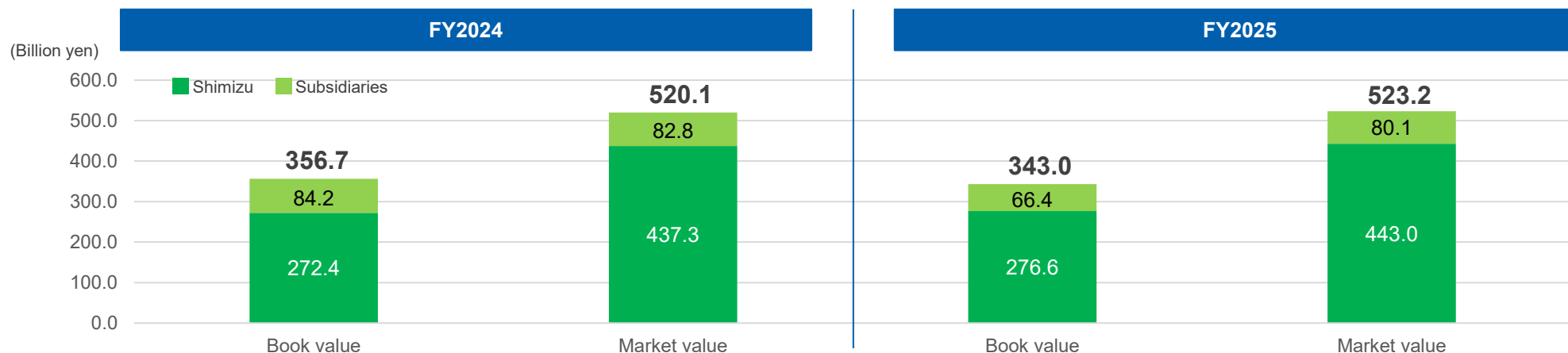


#### Region



# 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

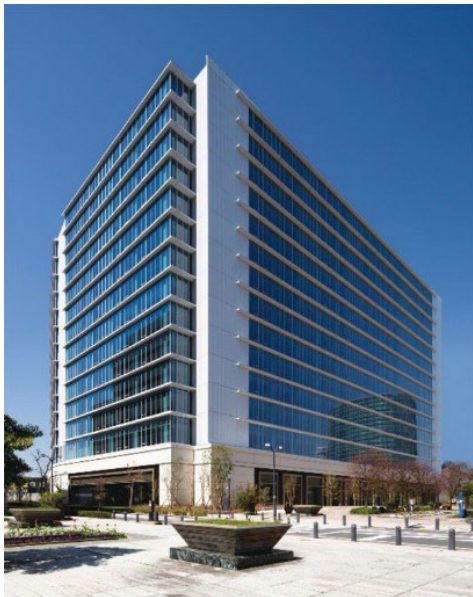
(Million yen)

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

# 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 77.1 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

# (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 plan to cover 100% of our electricity consumption with green power generated from renewable energy sources.
  - Solar panels installed on the building’s roof.
  - We plan to use 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.



Rendering of the S·LOGI Matsubara

# (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

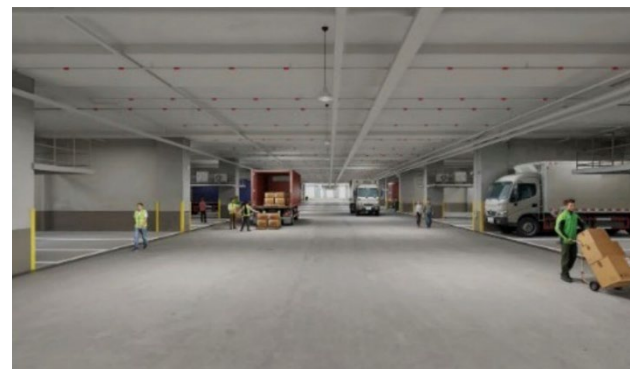


Image of the interior of the building (truck loading bay)



“Central Plaza,” facing the commercial district

# (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

# Note

# 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.
- Since FY 2023, following offshore wind turbine construction projects in Toyama Prefecture's Nyuzen offshore area and Hokkaido's Ishikari Bay New Port (involving the installation of Japan's largest 8MW turbines), we are chartering our SEP vessel for three projects in Taiwan. And the most recent charter involved installing 14MW turbines.
- We will continue to 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)	←																	
Overseas chartering (Taiwan, etc.)			→															
General Domestic marine areas (Round 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 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 two domestic projects and three projects in Taiwan chartered vessels.
- 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 offshore wind power construction market, we aim to become a leader in offshore wind power facility construction and create new revenue streams. 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 plan to implement chartering for overseas projects.

### 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 our own SEP vessels, we have acquired not only wind turbine installation experience and track record but also operational expertise in vessel management. This accumulated know-how enables reliable execution of construction plans, enhancing our competitiveness in securing contracts.
- Our expertise in offshore wind power facility construction (foundation and turbine installation, vessel operations, etc.) enables us to flexibly and comprehensively address the diverse requirements of our clients.

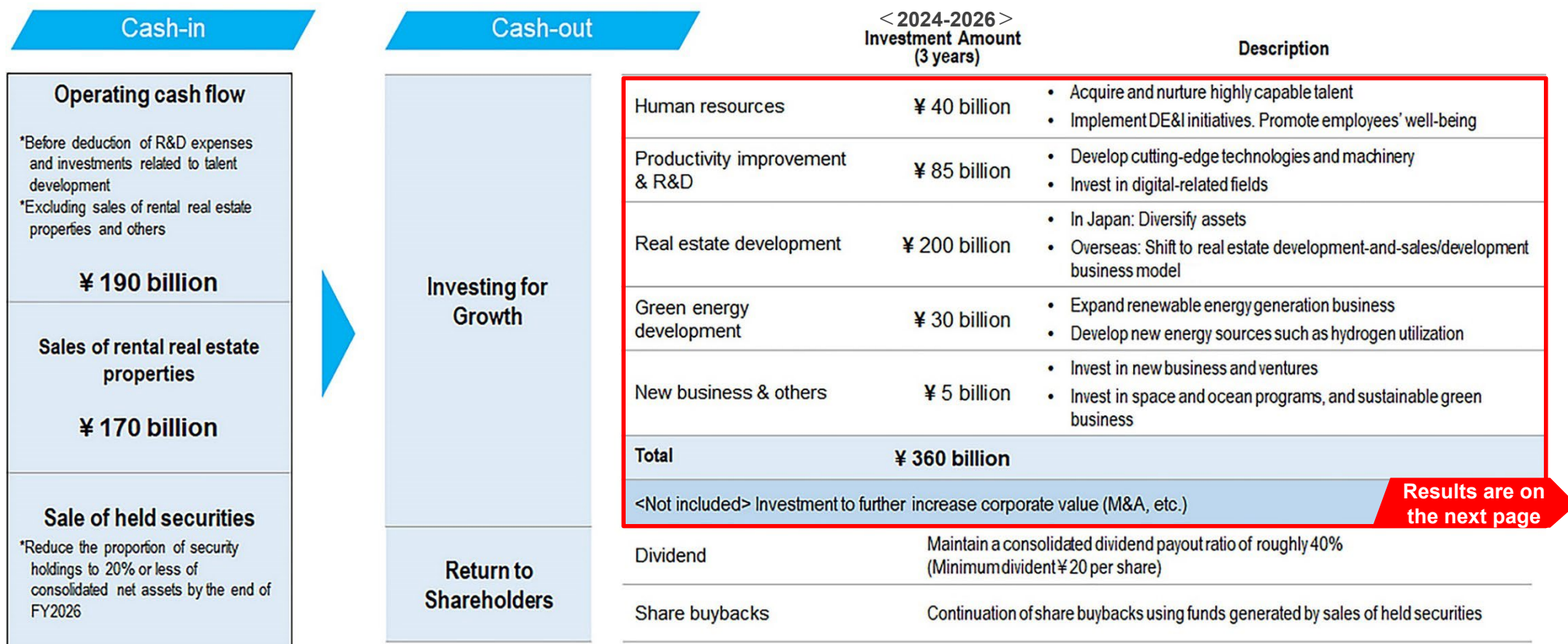
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## Capital Management Policy and Shareholder Returns

# Cash Allocation

## Investments for sustained growth and continuing return to shareholders



**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		
	Description	Investment Amount (3 years)	Total as of the end of March 2025	FY2025 Performance	FY2024 Performance
Investing for Growth	<b>Human resources</b> <ul style="list-style-type: none"> <li>Acquire and nurture highly capable talent</li> <li>Implement DE&amp;I initiatives. Promote employees' well-being</li> </ul>	40.0	33.2	25.8	7.4
	<b>Productivity improvement &amp; R&amp;D</b> <ul style="list-style-type: none"> <li>Develop cutting-edge technologies and machinery</li> <li>Invest in digital-related fields</li> </ul>	85.0	69.4	48.7	20.7
	<b>Real estate development</b> <ul style="list-style-type: none"> <li>In Japan: Diversify assets</li> <li>Overseas: Shift to real estate development -and-sales/development business model</li> </ul>	200.0	113.0	74.0	39.0
	<b>Green energy development</b> <ul style="list-style-type: none"> <li>Expand renewable energy generation business</li> <li>Develop new energy sources such as hydrogen utilization</li> </ul>	30.0	16.9	15.1	1.8
	<b>New business &amp; others</b> <ul style="list-style-type: none"> <li>Invest in new business and ventures</li> <li>Invest in space and ocean programs, and sustainable green business</li> </ul>	5.0	2.4	1.4	0.9
	<b>Total</b>	<b>360.0</b>	<b>235.0</b>	<b>165.2</b>	<b>69.8</b>
	<b>Investment to further increase corporate value (M&amp;A, etc.)</b> <ul style="list-style-type: none"> <li>Tender offer to make The Nippon Road Co., Ltd. a wholly-owned subsidiary.</li> <li>Acquisition of overseas high-end interior construction companies and Aomi Construction Co., Ltd., etc.</li> </ul>	[ 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 (completed in March 2026).
- Following the repurchase and cancellation of treasury shares by Aomi Construction Co., Ltd., the company became a wholly owned subsidiary (June 30, 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	<ul style="list-style-type: none"><li>· Services (planning, design, construction, supervision, consulting) for marine and onshore civil engineering, ground improvement, dredging and reclamation, and regional/urban/ marine development</li><li>· Planning, design, and construction of environmental improvement and pollution prevention projects</li><li>· Investigation and development of mineral, energy, and marine resources</li></ul>
Sales/ operating income	36,191 million yen/2,292 million yen (FY2025)
Number of employees	393 (as of March 2026)

### Purpose of Subscription to the Third-Party Allotment

- 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 (Okinawa) ( released on March 5, 2026 )

- We have decided to acquire all shares of American Engineering Corporation (Okinawa), a U.S.-registered construction company operating in the Asia-Pacific region (e.g., Guam). This acquisition will make it a wholly owned subsidiary, leveraging its expertise in comprehensive HVAC, electrical, and fire protection system services, from new construction to maintenance.

### Company Overview

Name	American Engineering Corporation (Okinawa)
Location	Okinawa, Japan
Title and name of the representative	Kenneth Mark Exsterstein, President
Establishment	1964
Business description	<ul style="list-style-type: none"><li>· Construction, civil engineering, electrical engineering, installation of machinery, designing/ implementing/ managing other related works</li><li>· Facility maintenance</li><li>· IT solutions</li><li>· Procurement services for US goods and materials</li></ul>
Sales	Approx. 50 billion yen (Fiscal year ended December 2025)
Number of employees	1,204 (as of April 2025)

### Purpose of complete subsidiary acquisition

- 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

- The share acquisition is scheduled within this fiscal year (planned).

# Reduction of Security Holdings

## Reduction of Securities Holdings

### <Change of Reduction Schedule>

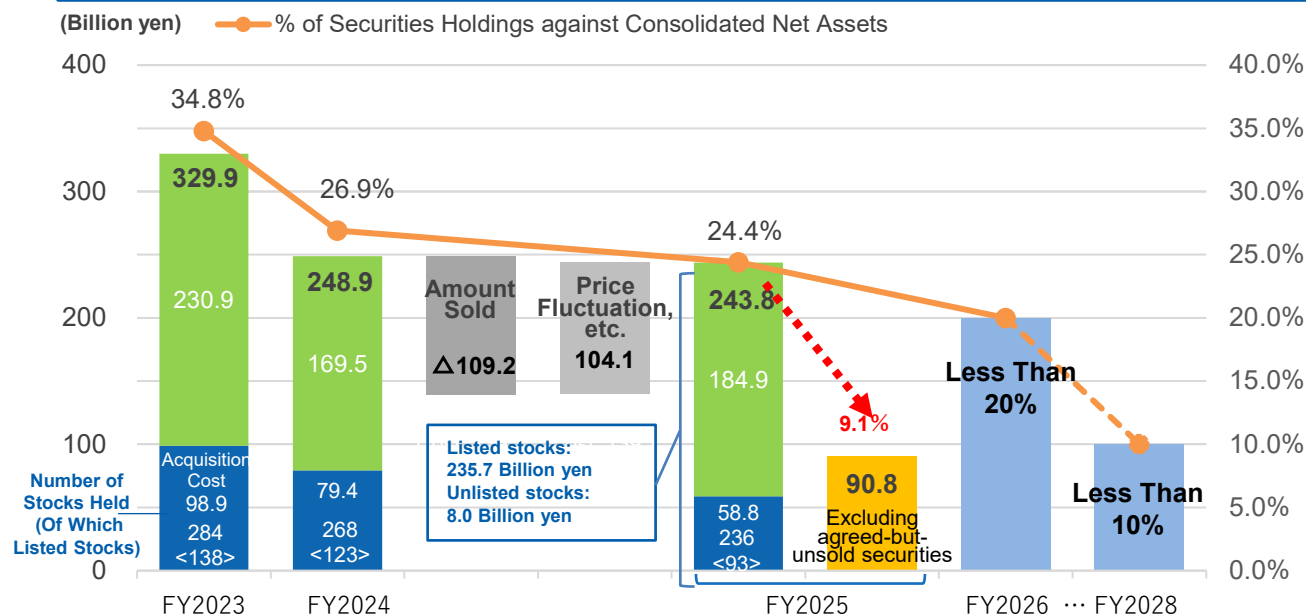
#### Ratio of securities holdings against consolidated net assets

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
<b>Ratio to consolidated net assets (④ ÷ ②)</b>	<b>9.1%</b>

## Disposal of Listed Stocks

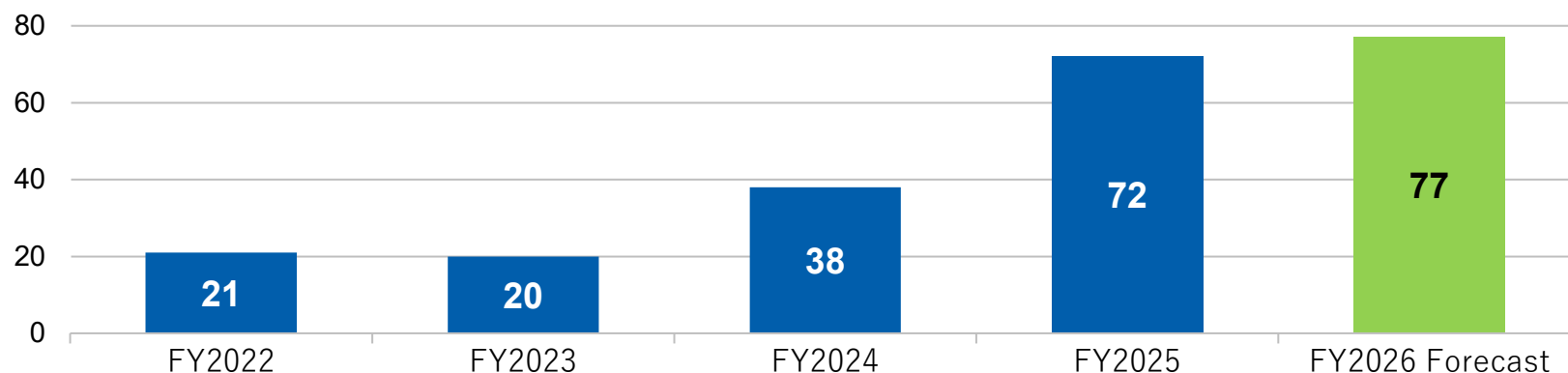
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Scheduled sales (of which in FY 2026)
Number of Listed Stocks Sold	10	10	18	18	21	16	31	39	57 (46)
Amount Sold (Billion yen)	12.2	16.8	19.7	12.8	26.3	62.1	58.6	109.1	153.0 (64.6)

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 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%.
- As Gain on negative goodwill for FY2025 recognized in the Net Income attributable to shareholders of the Corporation is a profit resulting from consolidated accounting treatment that does not generate any cash income, is deducted from Net Income attributable to shareholders of the Corporation when calculating dividends.

## Dividend per Share (Yen)



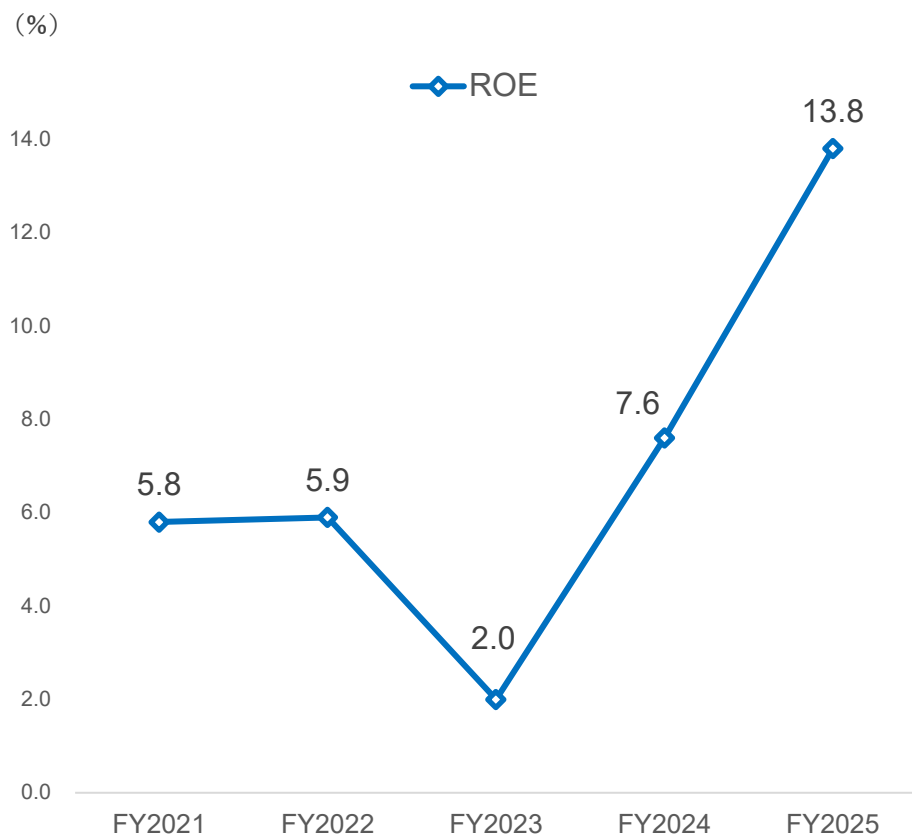
	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
<b>Consolidated Net Income per share (Yen)</b>	66.29	23.57	94.80	186.68	<b>191.40</b>
<b>Consolidated Dividend Payout Ratio (%)</b>	31.7	84.9	40.1	38.6*	<b>40.2</b>
<b>Purchase of Treasury Stocks (Billions of Yen)</b>	—	25.4	34.5	10.0	—
<b>Total Payout Ratio (%)</b>	31.7	233.0	92.0	46.5	<b>40.2</b>

\*Consolidated dividend pay out ratio deducting 5.9 billion yen of Gain on negative goodwill is 40.5%.

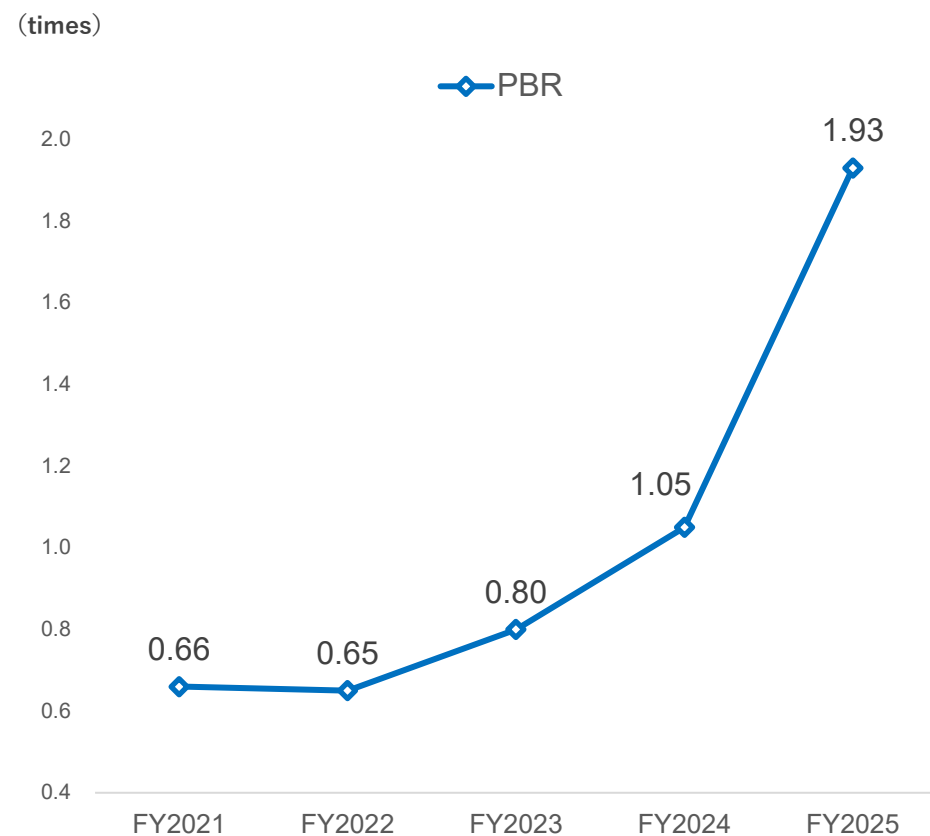
# Trends in ROE and PBR

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

## ROE Trends



## PBR Trends



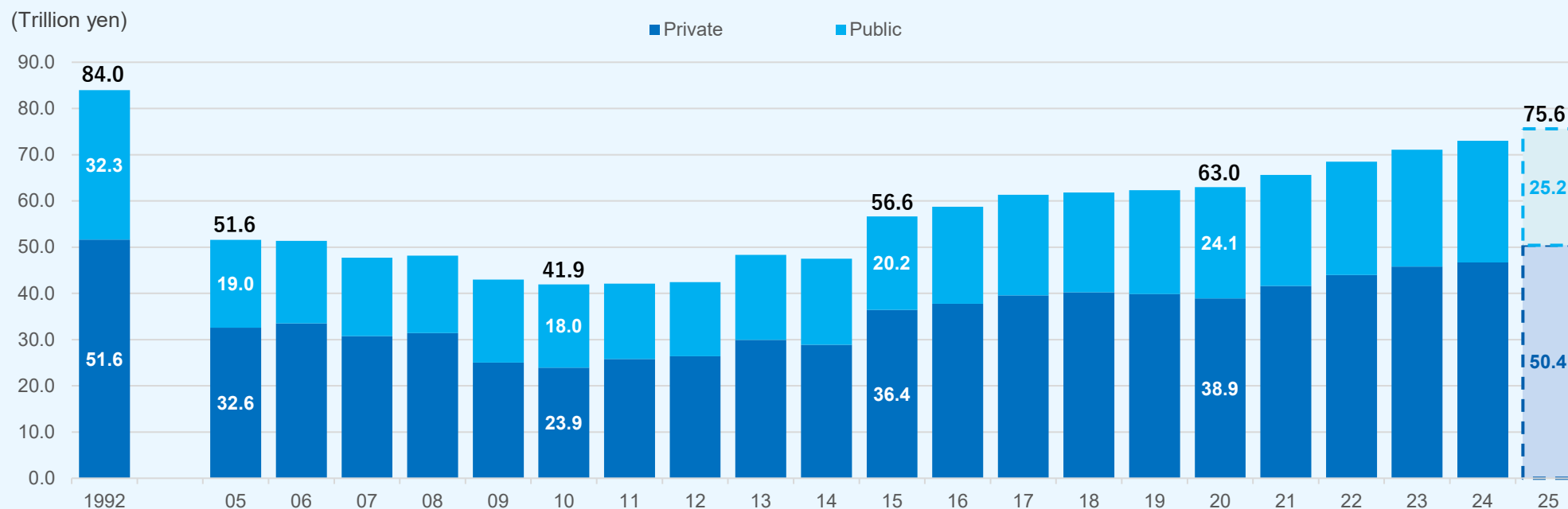
# 03

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## 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.

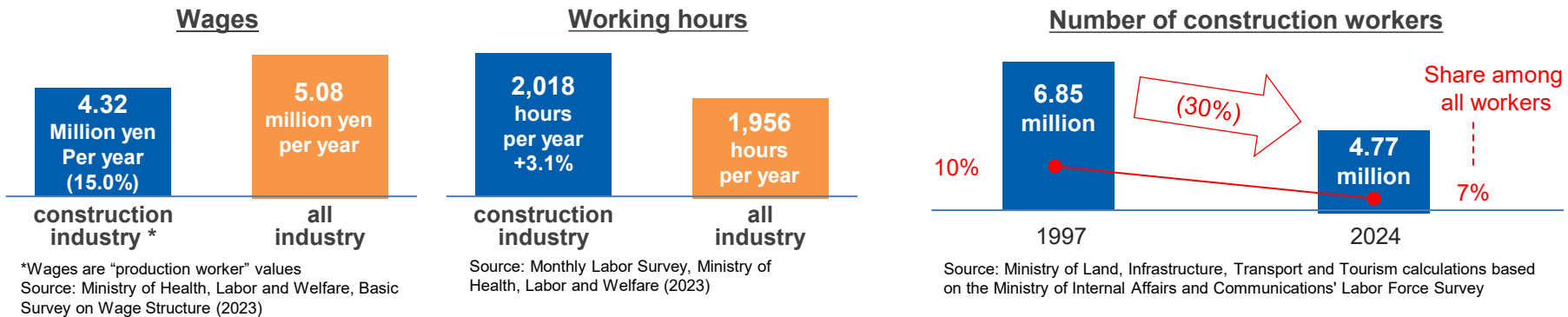
\*The graph was created by Shimizu based on *Trends in Construction Investment*, a digital handbook for the construction industry by the Japan Federation of Construction Contractors.

# Construction Industry Issues

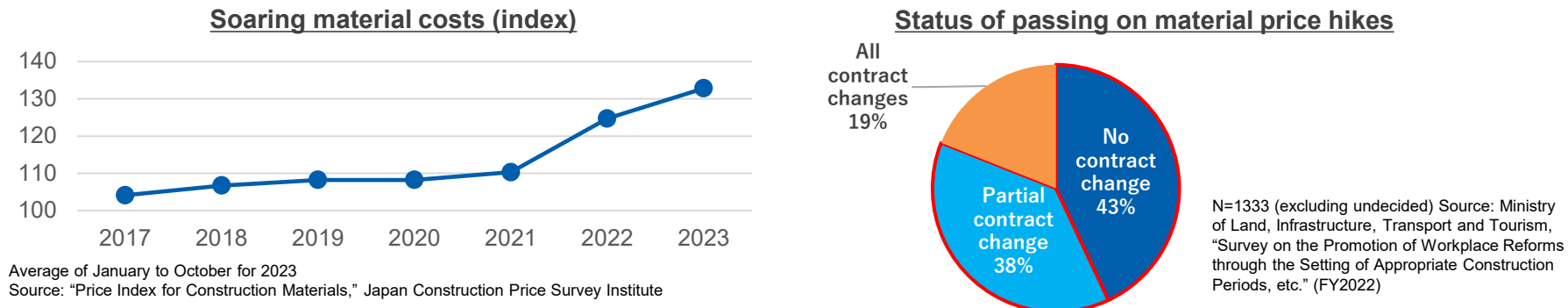
\*Contents from JFCC Pamphlet for Explanation to Customer's in Private Orders.

\*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.



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.

## Our Goals and Achievements in Promoting a two days off per week

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
<b>Goal</b>	Jobsites <b>closed 8 days every 4 weeks or more</b>						
							100%
<b>Achievement Rate</b>	60%	65%	66%	74%	86%	92%	—

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

\*Excluding construction sites with special circumstances, such as those related to disaster recovery, the Tokyo Olympic and Paralympic venues, etc.

### 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

### 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.



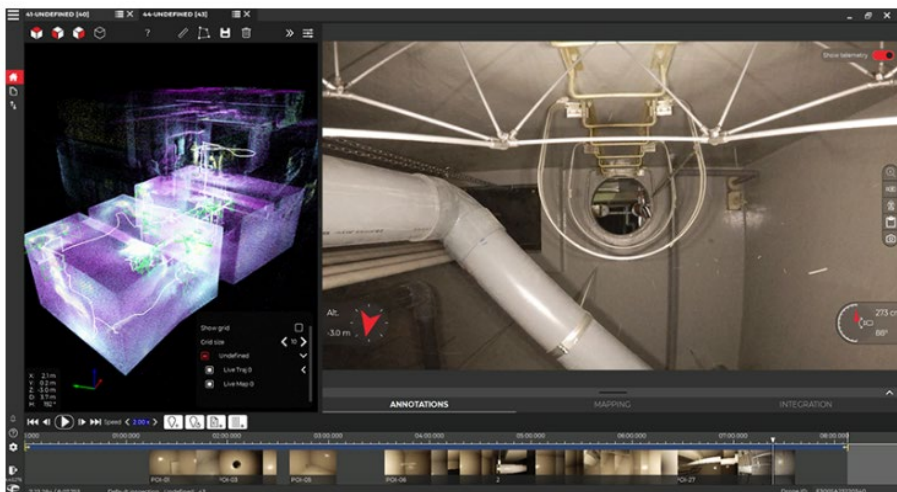
\*Kanekikai is our partner company organization in Japan

# Our Initiatives (Improving Productivity)

## Drone utilization

### Using spherical drones for underground pit inspections

- To make the inspection work of underground pits more efficient, which is a heavy workload, we established a remote inspection method using spherical drones.
- When this method was tried out in the field, the inspection of underground pits, which previously took seven days, was completed in one day, and the number of workers was reduced from two to one.



Drone-assisted underground pit inspection

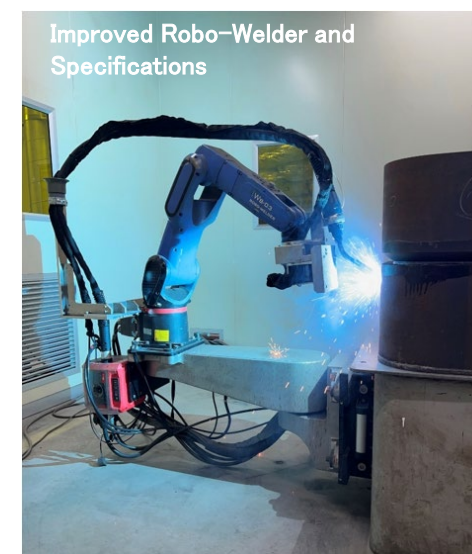
## Robots

### Efforts to improve efficiency and the working environment

- The left photo shows newly developed semi-dry fireproof coating spray robot Robo-Spray II. By semi-automating spraying operations, productivity has increased nearly three times compared to manual work.
- The right photo shows improved version of the welding robot Robo-Welder. It is equipped with a 7-axis system by mounting the robot arm on a rotating base (pivot-type base), doubling the working range.



Extended outriggers  
Robo-Spray II



[Robo-Welder undergoing testing]  
The silver part extending from the steel column is a rotating pedestal.

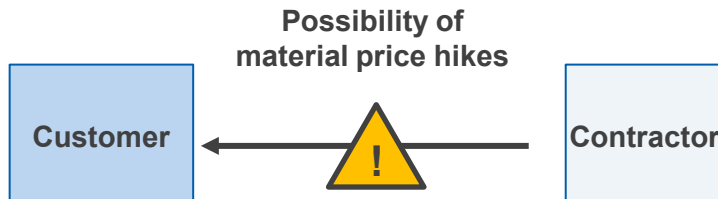
# (For reference) Summary of JFCC Pamphlet for Explanation to Customer's of Private Sectors (Revision of Laws)

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

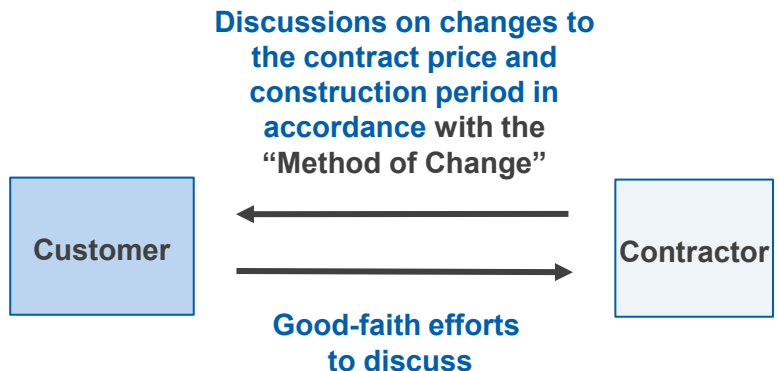
- Clarify the “method of change” of the contract price, etc. due to a sharp rise in the price of materials as a statutory item in the contract.
- The Contractor is obligated to notify the customer of “information on the possibility” of material price hikes.



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.\*



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

In December 2025, following the full implementation of the Third Set of Three Laws for the Succession of Construction Workers and other related measures, necessary amendments were made to the Standard Contract Terms for Private Construction Projects.

## **(1) Addition of items to be specified in the breakdown of contract costs**

In addition to statutory welfare expenses, add material costs, labor costs, occupational safety and health expenses, and contributions to the Construction Workers Retirement Allowance Fund.

## **(2) Introduction of new commitment clauses regarding the payment of labor costs, etc.**

To ensure the effectiveness of the “Standards for Labor Costs,” new commitment clauses (provisions regarding representations and disclosures related to the proper payment of labor costs and wages) have been introduced.

## **(3) Addition of Provisions Regarding Contract Amendments**

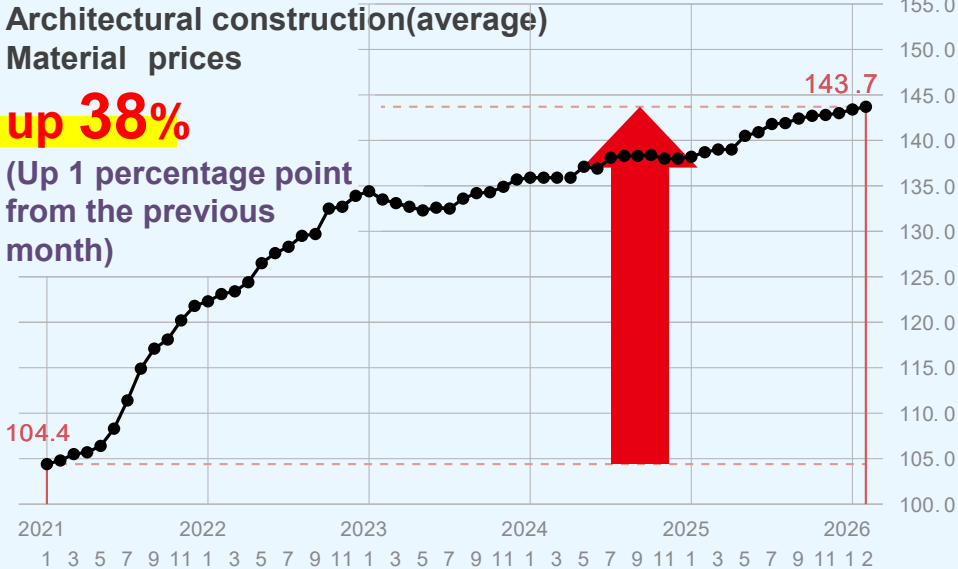
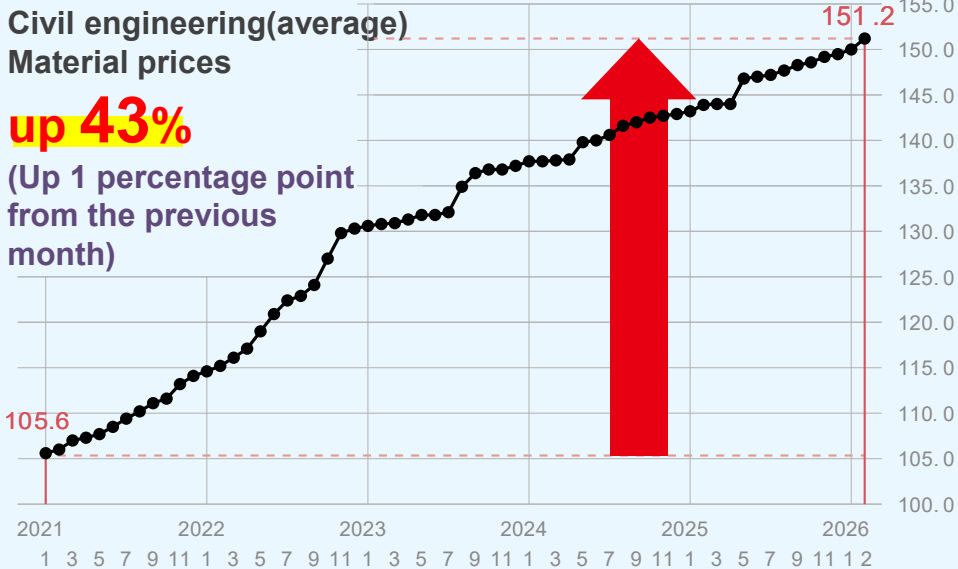
- Addition of circumstances under which a request for contract amendment may be made.
- Addition of provisions regarding requests for amendment negotiations and good-faith negotiations.
- Addition of provisions regarding the method for amending the contract price.

# (For reference) 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 ~ February 2026 (As of March 2026) (2015 average = 100)

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



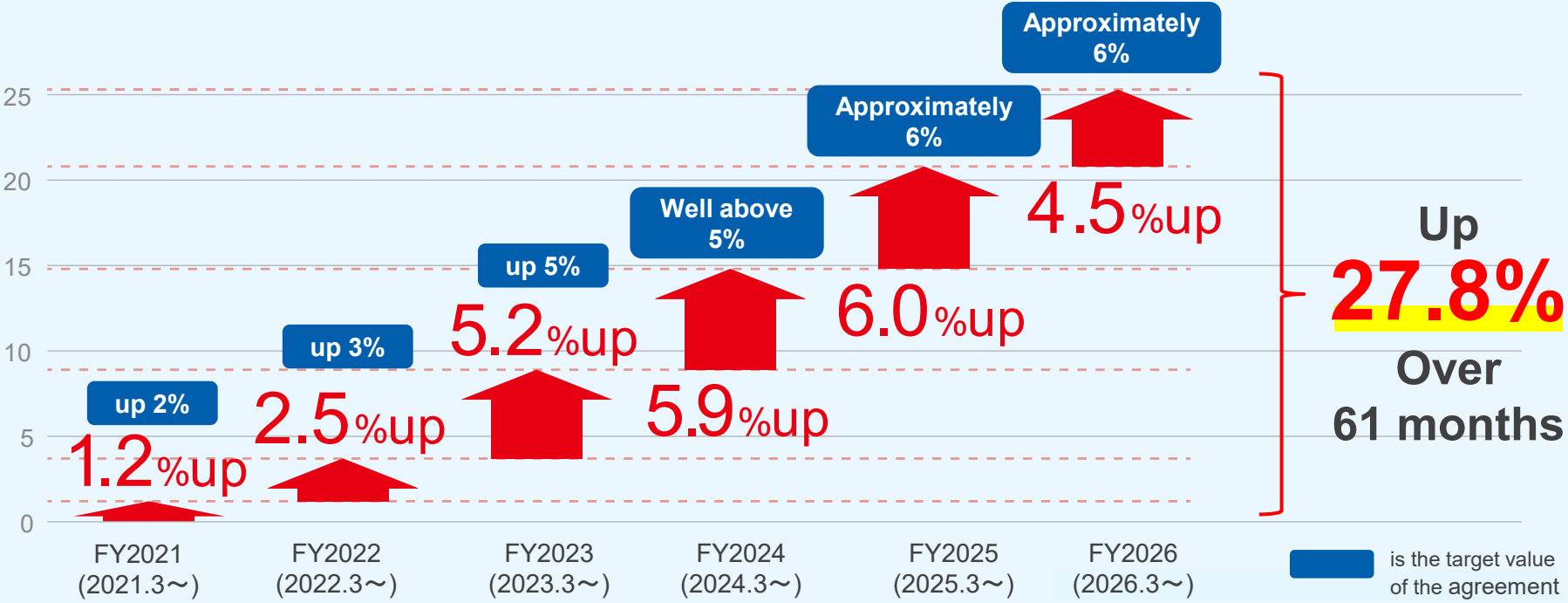
Assuming that the material cost ratio is 50-60%, over the past 61 months, due to soaring material and other costs, **the average cost of all construction work has increased by 19-23%**

• Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (March 2026 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 61 months, due to soaring labor costs, **the cost of all construction work has increased by 8.3%**

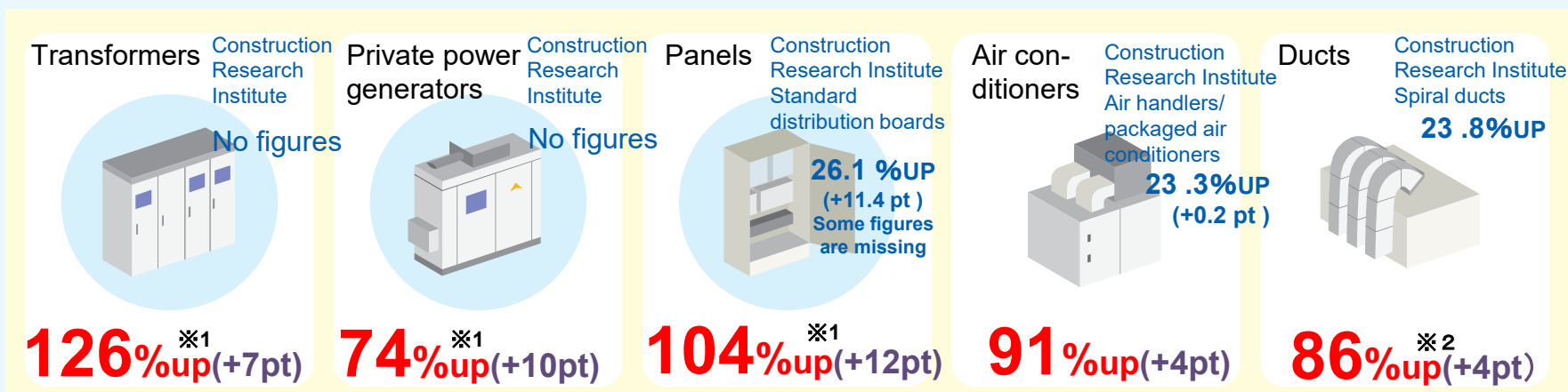
• Graphs are based on the Japan Federation of Construction Contractors Association's "Current Status of Soaring Construction Material and Labor Costs (March 2026 Edition)" pamphlet, and were prepared independently by the Company.

# (For reference) 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, 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.

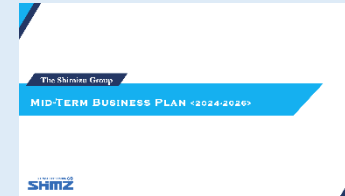
\*Source: "Current Status of Rising Facility Construction Costs (Spring 2026)" by the Japan Federation of Construction Contractors

# Links

## Investor Relations



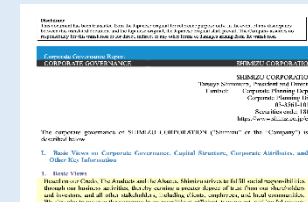
## Mid-Term Business Plan <2024 – 2026>



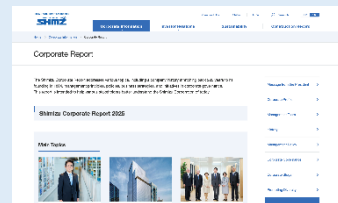
## Financial Results



## Corporate Governance Report



## Corporate Report



## 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.