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(Securities Code: 1803)

May 31, 2024

Dear Shareholders

Kazuyuki Inoue  
President and Representative Director  
SHIMIZU CORPORATION  
2-16-1 Kyobashi, Chuo-ku, Tokyo

### **Notice of the 122nd Annual General Meeting of Shareholders**

We hereby announce that the 122nd Annual General Meeting of Shareholders of SHIMIZU CORPORATION (the “Corporation”) will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet or in writing (by post) before the meeting. Please review the Reference Documents for the General Meeting of Shareholders set forth below and exercise your voting rights by 5:10 p.m. on Wednesday, June 26, 2024.

#### **Details**

**1. Date and Time:**

Thursday, June 27, 2024, at 10:00 a.m. (JST)

**2. Place:**

2-16-1 Kyobashi, Chuo-ku, Tokyo  
Shimizu Hall, 2nd Floor of the Head Office

**3. Purpose of the Meeting**

**Matters to be reported:**

**Following matters for the 122nd fiscal year (from April 1, 2023 to March 31, 2024)**

- a. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements of the Corporation
- b. Audit Reports of the Accounting Auditor on the Consolidated Financial Statements and Non-Consolidated Financial Statements of the Corporation
- c. Audit Report of the Audit & Supervisory Board on Business Report, Non-Consolidated Financial Statements and Related Supplementary Schedules of the Corporation, and Consolidated Financial Statements

**Matters to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Eleven (11) Directors

**Proposal 3:** Election of Two (2) Audit & Supervisory Board Members

#### 4. Exercising Voting Rights

We ask you to kindly exercise your shareholders' voting rights after examining the "Reference Documents for the General Meeting of Shareholders." You may exercise your voting rights by one of the following three methods.

##### By the internet

Please access the website for exercising voting rights by PC, smartphone, etc., and cast your vote for or against each proposal.

To be received no later than 5:10 p.m. on Wednesday, June 26, 2024 (JST)

##### In writing (By post)

Please return the enclosed Voting Form indicating your vote for or against each proposal.

To be received no later than 5:10 p.m. on Wednesday, June 26, 2024 (JST)

##### Attending the General Meeting of Shareholders

You are kindly requested to present the enclosed Voting Form to the receptionist if you attend the meeting in person.

**Date and Time of the General Meeting of Shareholders:** 10:00 a.m. on Thursday, June 27, 2024

1. If you exercise your voting rights both by the internet and in writing, only the vote by the internet will be treated as valid.
2. If you exercise your voting rights in writing, in cases where neither approval nor disapproval of a proposal is indicated, the Corporation will deem that you indicated your approval of the proposal.
3. If you intend to exercise your voting rights by proxy, one other shareholder who possesses voting rights may attend the meeting as your proxy. In the case of attendance by a proxy, your Voting Form, the proxy's Voting Form and a letter of proxy must be presented to reception.

#### 5. Electronic Delivery Measures

For this general meeting of shareholders, the Corporation provides the content of the Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on multiple websites. Please access these websites by using the internet addresses shown below to review the information.

The Corporation's website:

<https://www.shimz.co.jp/company/ir/library/report/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Access the TSE website shown above, enter "SHIMIZU CORPORATION" in "Issue name" or the Corporation's securities code "1803" in "Securities code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," review the information by selecting the button under "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting."

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\* Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Corporation, "Propriety Assurance Program for Business Operations and the Status of its Implementation" in the Business Report, "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and "Non-Consolidated Statement of Changes

in Net Assets” and “Notes to Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements are not provided in the these documents.

\* If revisions to the matters subject to measures for electronic provision arise, the details of the revisions will be posted on the Corporation’s website and the TSE website above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal 1: Appropriation of Surplus

The Corporation maintains a basic policy of strengthening our financial position to support long-term growth, as well as the stability of dividends, and sets a profit distribution policy with a target consolidated payout ratio of 40% with a minimum annual dividend of ¥20 per share.

Taking into account the above policy and earnings for the current fiscal year, we regret to announce that the annual dividend amount will be the minimum ¥20 per share. After deducting the mid-year dividend of ¥13.50 per share, the year-end dividend comes to ¥6.50 per share.

#### Matters regarding year-end dividend

- (1) Dividend allotment to shareholders and total amount thereof

Dividend per share of common stock of the Corporation:	¥6.50
Total amount of dividend:	¥4,643,121,418
  
- (2) Effective date of dividend:  
June 28, 2024

**Proposal 2: Election of Eleven (11) Directors**

The terms of office of the current directors will expire at the conclusion of this meeting. Accordingly, we propose to elect eleven (11) directors (including four (4) outside directors).

The candidates for directors are as follows:


No.	Name	Gender		Current position and areas of responsibility in the Corporation	Nomination and Compensation Committee Member	Attendance at the Board of Directors meetings
1	Yoichi Miyamoto	Male	<Reelection>	Chairman of the Board and Representative Director		100% (17/17)
2	Kazuyuki Inoue	Male	<Reelection>	President and Representative Director President and Executive Officer	●	100% (17/17)
3	Kentaro Ikeda	Male	<Reelection>	Executive Vice President and Representative Director, Executive Vice President and Executive Officer Director, Civil Engineering Headquarters, In charge of Safety Administration & Environment		100% (17/17)
4	Takeshi Sekiguchi	Male	<Reelection>	Executive Vice President and Director, Executive Vice President and Executive Officer In charge of Engineering Business, Director, LCV Headquarters, In charge of Information Management		100% (13/13)
5	Tatsuya Shinmura	Male	<New candidate>	Executive Vice President and Executive Officer Director, Building Headquarters, In charge of Productivity Improvement, Nuclear Business, Building Headquarters, and Smart City		–
6	Yoshiki Higashi	Male	<Reelection>	Senior Managing Officer and Representative Director In charge of Administrative Functions, Director, Corporate Planning Div., In charge of SDGs & ESG Promotion		100% (13/13)
7	Noriaki Shimizu	Male	<Reelection> <Non-executive Director>	Director	● (Chair)	100% (13/13)
8	Tamotsu Iwamoto	Male	<Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	94.1% (16/17)
9	Junichi Kawada	Male	<Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (17/17)
10	Mayumi Tamura	Female	<Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (17/17)
11	Yumiko Jozuka	Female	<Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (17/17)


\* \* The attendance at Board of Directors meetings shown for Takeshi Sekiguchi, Yoshiki Higashi and Noriaki Shimizu is their attendance after they assumed office as director on June 29, 2023.

\* For Nomination and Compensation Committee Members, the status of the candidates for reappointment is shown as of the date of posting of this convocation notice.


\* Non-executive Director: Focuses on supervising management and business execution without being in charge of business execution.


No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
1	 Yoichi Miyamoto (May 16, 1947)  <Reelection>  Attendance at the Board of Directors meetings 100% (17/17)	<p>July 1971      Joined the Corporation</p> <p>June 2003      Executive Officer, Director, HOKURIKU Branch of the Corporation</p> <p>April 2005      Executive Officer, Director, KYUSHU Branch of the Corporation</p> <p>June 2005      Managing Officer, Director, KYUSHU Branch of the Corporation</p> <p>April 2006      Senior Managing Officer, Director, KYUSHU Branch of the Corporation</p> <p>April 2007      Senior Managing Officer, in charge of Marketing &amp; Sales Promotion of the Corporation</p> <p>June 2007      President and Representative Director of the Corporation</p> <p>April 2016      Chairman of the Board and Representative Director of the Corporation (up to the present)</p> <p>[Significant concurrent positions outside the Corporation] Chairman of Japan Federation of Construction Contractors</p> <p>[Reasons for nomination as a candidate for Director] Yoichi Miyamoto has abundant experience and a high level of knowledge regarding the management and business activities of the Shimizu Group, having held the positions of President and Representative Director, and Chairman of the Board and Representative Director in turn. We judge that having him continue to leverage his experience in management will be optimal for realizing the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him to continue as a director.</p>	176,426
2	 Kazuyuki Inoue (October 3, 1956)  <Reelection>  Attendance at the Board of Directors meetings 100% (17/17)	<p>April 1981      Joined the Corporation</p> <p>April 2013      Executive Officer, Director, Marketing &amp; Sales Promotion Div. II, Building Headquarters of the Corporation</p> <p>April 2014      Managing Officer, Director, NAGOYA Branch of the Corporation</p> <p>April 2015      Senior Managing Officer, Director, NAGOYA Branch of the Corporation</p> <p>June 2015      Director, Senior Managing Officer, Director, NAGOYA Branch of the Corporation</p> <p>March 2016      Director, Senior Managing Officer, in charge of Marketing &amp; Sales Promotion of the Corporation</p> <p>April 2016      President and Representative Director of the Corporation</p> <p>April 2020      President and Representative Director, President and Executive Officer of the Corporation (up to the present)</p> <p>[Significant concurrent positions outside the Corporation] Vice Chair of the Board of Councilors of KEIDANREN (Japan Business Federation)</p> <p>[Reasons for nomination as a candidate for Director] Kazuyuki Inoue has abundant experience and a high level of knowledge regarding the management and business activities of the Shimizu Group, having held key positions in the construction business and in marketing &amp; sales. Since becoming President and Representative Director in April 2016, he has taken on responsibility for management and demonstrated strong leadership. In addition, he is currently directing the promotion of the Mid-Term Business Plan &lt;2024-2026&gt; toward the realization of our long-term vision “&lt;SHIMZ VISION 2030&gt;.” We judge that he is the most suitable as a driving force for the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him to continue as a director.</p>	112,642


No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
3	 <p data-bbox="290 882 475 943">Kentaro Ikeda (January 31, 1958)</p> <p data-bbox="331 969 464 994">&lt;Reelection&gt;</p> <p data-bbox="304 1028 491 1131">Attendance at the Board of Directors meetings 100% (17/17)</p>	<p data-bbox="528 262 639 286">April 1983</p> <p data-bbox="722 262 946 286">Joined the Corporation</p> <p data-bbox="528 297 639 322">April 2010</p> <p data-bbox="722 297 1158 347">Deputy Director, HOKURIKU Branch of the Corporation</p> <p data-bbox="528 358 639 383">April 2014</p> <p data-bbox="722 358 1214 430">Deputy Director, Civil Engineering Sales &amp; Marketing Div. II, Civil Engineering Headquarters of the Corporation</p> <p data-bbox="528 441 639 465">April 2015</p> <p data-bbox="722 441 1225 512">Director, Civil Engineering Sales &amp; Marketing Div. II, Civil Engineering Headquarters of the Corporation</p> <p data-bbox="528 524 663 548">January 2016</p> <p data-bbox="722 524 1225 618">Director, Civil Engineering Sales &amp; Marketing Div. II, Civil Engineering Headquarters, Director, Civil Engineering Planning Div., Civil Engineering Headquarters of the Corporation</p> <p data-bbox="528 629 639 654">April 2016</p> <p data-bbox="722 629 1222 748">Executive Officer, Director, Civil Engineering Sales &amp; Marketing Div. II, Civil Engineering Headquarters, Director, Civil Engineering Planning Div., Civil Engineering Headquarters of the Corporation</p> <p data-bbox="528 759 639 784">April 2018</p> <p data-bbox="722 759 1214 831">Managing Officer, Director, Civil Engineering Sales &amp; Marketing Div., Business Development &amp; Marketing Headquarters of the Corporation</p> <p data-bbox="528 842 639 866">April 2021</p> <p data-bbox="722 842 1214 913">Senior Managing Officer, Director, Civil Engineering Headquarters, in charge of Safety Administration &amp; Environment of the Corporation</p> <p data-bbox="528 925 639 949">June 2021</p> <p data-bbox="722 925 1225 1019">Senior Managing Officer and Representative Director, Civil Engineering Headquarters, in charge of Safety Administration &amp; Environment of the Corporation</p> <p data-bbox="528 1030 639 1055">April 2023</p> <p data-bbox="722 1030 1214 1180">Executive Vice President and Representative Director, Executive Vice President and Executive Officer, Director, Civil Engineering Headquarters, in charge of Safety Administration &amp; Environment of the Corporation (up to the present)</p> <p data-bbox="528 1191 1042 1216">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="528 1227 1225 1489">Kentaro Ikeda possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group, which he has gained through managing the civil engineering business and sales &amp; marketing operations. Currently, he supervises the civil engineering business as Director of Civil Engineering Headquarters and is working on the sustainable growth of the construction business, which is our core business. We judge his appointment to be appropriate for realizing the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him to continue as a director.</p>	47,841


No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
4	 <p data-bbox="288 801 501 860">Takeshi Sekiguchi (September 19, 1958)</p> <p data-bbox="331 891 461 913">&lt;Reelection&gt;</p> <p data-bbox="304 949 488 1055">Attendance at the Board of Directors meetings 100% (13/13)</p>	<p data-bbox="528 262 639 284">April 1984</p> <p data-bbox="719 262 943 284">Joined the Corporation</p> <p data-bbox="528 297 639 320">April 2011</p> <p data-bbox="719 297 1174 349">Manager, Plant Engineering Div., Engineering Headquarters of the Corporation</p> <p data-bbox="528 362 639 385">April 2014</p> <p data-bbox="719 362 1098 414">Deputy General Manager, Engineering Headquarters of the Corporation</p> <p data-bbox="528 427 639 450">April 2016</p> <p data-bbox="719 427 1161 495">Deputy General Manager, Engineering Headquarters, Manager, ICT Solution Div., Engineering Headquarters of the Corporation</p> <p data-bbox="528 508 639 530">April 2018</p> <p data-bbox="719 508 1206 560">Executive Officer, General Manager, Engineering Headquarters of the Corporation</p> <p data-bbox="528 573 639 595">April 2020</p> <p data-bbox="719 573 1206 624">Managing Officer, General Manager, Engineering Headquarters of the Corporation</p> <p data-bbox="528 638 639 660">April 2021</p> <p data-bbox="719 638 1214 705">Managing Officer, General Manager, Engineering Headquarters, Deputy Director, LCV Headquarters of the Corporation</p> <p data-bbox="528 719 639 741">April 2022</p> <p data-bbox="719 719 1225 786">Senior Managing Officer, in charge of Engineering Business, Director, LCV Headquarters, in charge of Information Management of the Corporation</p> <p data-bbox="528 799 639 822">June 2023</p> <p data-bbox="719 799 1225 889">Director, Senior Managing Officer, in charge of Engineering Business, Director, LCV Headquarters, in charge of Information Management of the Corporation</p> <p data-bbox="528 902 639 925">April 2024</p> <p data-bbox="719 902 1214 1037">Executive Vice President and Director, Executive Vice President and Executive Officer, in charge of Engineering Business, Director, LCV Headquarters, in charge of Information Management of the Corporation (up to the present)</p> <p data-bbox="528 1050 1038 1072">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="528 1086 1225 1346">Takeshi Sekiguchi possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group, which he has gained through managing engineering business operations. He is currently in charge of Engineering Business, leading efforts to establish a new profit base for the Shimizu Group as Director of the LCV Headquarters, and promoting digital strategy as Director in charge of Information Management. We judge his appointment to be appropriate for realizing the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him to continue as a director.</p>	46,904





No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
5	 <p>Tatsuya Shinmura (October 27, 1961)</p> <p>&lt;New candidate&gt;</p> <p>Attendance at the Board of Directors meetings –</p>	<p>April 1984      Joined the Corporation</p> <p>April 2010      Manager, Building Dept., HOKURIKU Branch of the Corporation</p> <p>April 2015      Manager, Construction Business Div. IV, TOKYO Branch, Building Headquarters of the Corporation</p> <p>April 2016      Deputy Director, TOKYO Branch of the Corporation</p> <p>April 2017      Executive Officer, Deputy Director, TOKYO Branch of the Corporation</p> <p>April 2018      Executive Officer, Director, Building Planning Div., Building Headquarters, Director, Production Management Div., Building Headquarters, Director, Monozukuri Training Center, Building Headquarters of the Corporation</p> <p>April 2019      Executive Officer, Director, YOKOHAMA Branch of the Corporation</p> <p>April 2021      Managing Officer, Director, NAGOYA Branch of the Corporation</p> <p>April 2023      Senior Managing Officer, Director, TOKYO Branch of the Corporation</p> <p>April 2024      Executive Vice President and Executive Officer, Director, Building Headquarters, in charge of Productivity Improvement, Nuclear Business, Building Headquarters, and Smart City (up to the present)</p> <p>[Reasons for nomination as a candidate for Director] Tatsuya Shinmura possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group, which he has gained through managing business operations of the construction business. Currently, he supervises the construction business in his role as Director of the Building Headquarters, and he is also working to improve the Shimizu Group's profitability and drive greater productivity in the construction business. We judge his appointment to be appropriate for realizing the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him as a director.</p>	23,831


No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
6	 <p data-bbox="292 837 448 896">Yoshiki Higashi (July 7, 1960)</p> <p data-bbox="331 925 459 952">&lt;Reelection&gt;</p> <p data-bbox="308 987 488 1088">Attendance at the Board of Directors meetings 100% (13/13)</p>	<p data-bbox="528 262 639 288">April 1983</p> <p data-bbox="528 295 639 322">June 2008</p> <p data-bbox="528 351 655 378">August 2011</p> <p data-bbox="528 407 639 434">April 2013</p> <p data-bbox="528 441 639 468">May 2016</p> <p data-bbox="528 521 639 548">April 2018</p> <p data-bbox="528 602 639 629">April 2020</p> <p data-bbox="528 683 639 710">April 2021</p> <p data-bbox="528 763 639 790">April 2022</p> <p data-bbox="528 844 639 871">April 2023</p> <p data-bbox="528 952 639 978">June 2023</p> <p data-bbox="528 1084 1038 1111">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="528 1120 1225 1417">Yoshiki Higashi possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group through his execution of business in accounting, finance, management planning, and the like. He is currently leading efforts to strengthen the business base as Director in charge of Administrative Functions and planning and promoting management strategy for the Shimizu Group as Director of the Corporate Planning Div. and Director in charge of SDGs &amp; ESG Promotion. We judge his appointment to be appropriate for realizing the Shimizu Group's sustainable development and increase in corporate value over the medium and long term, and we have therefore nominated him to continue as a director.</p>	65,181

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
7	 <p data-bbox="288 577 480 636">Noriaki Shimizu (October 11, 1972)</p> <p data-bbox="325 667 475 745">&lt;Reelection&gt; &lt;Non-executive Director&gt;</p> <p data-bbox="304 779 489 882">Attendance at the Board of Directors meetings 100% (13/13)</p>	<p data-bbox="528 262 639 286">April 1995</p> <p data-bbox="719 262 943 286">Joined the Corporation</p> <p data-bbox="528 297 632 322">June 2018</p> <p data-bbox="719 297 1225 367">General Manager, Sales &amp; Marketing Department, Civil Engineering Headquarters, Sales &amp; Marketing Headquarters of the Corporation</p> <p data-bbox="528 378 632 403">June 2020</p> <p data-bbox="719 378 1062 403">Auditor of SHIMIZU &amp; CO., LTD.</p> <p data-bbox="528 414 632 439">April 2022</p> <p data-bbox="719 414 1222 483">General Manager, 3rd Division of Civil Engineering, Civil Engineering TOKYO Branch of the Corporation</p> <p data-bbox="528 495 632 519">June 2023</p> <p data-bbox="719 495 1222 607">President and Representative Director of SHIMIZU &amp; CO., LTD. (up to the present) Director of the Corporation (up to the present)</p> <p data-bbox="528 618 1086 642">[Significant concurrent positions outside the Corporation]</p> <p data-bbox="528 642 1166 667">President and Representative Director of SHIMIZU &amp; CO., LTD.</p> <p data-bbox="528 678 1038 703">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="528 703 1225 954">Noriaki Shimizu possesses a high level of knowledge regarding the Company's business activities cultivated through his abundant experience in the civil engineering department, and has a long-term perspective that embodies the history, tradition, corporate culture and trust of the Company as a member of Shimizu's founding family, which bears the Company's 220-year history. We judge that he will be able to contribute to the Shimizu Group's sustainable development and increase in corporate value, and we have therefore nominated him to continue as a director.</p>	1,013,200

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
8	 <p>Tamotsu Iwamoto (September 25, 1950)</p> <p>&lt;Reelection&gt; &lt;Outside Director&gt; &lt;Independent Director&gt; &lt;Non-executive Director&gt;</p> <p>Attendance at the Board of Directors meetings 94.1% (16/17)</p> <p>Term of office served as Outside Director (at the conclusion of this meeting) 5 years</p>	<p>April 1974      Joined Ajinomoto Co., Inc.</p> <p>July 2001      President of AJINOMOTO VIETNAM Co., Ltd.</p> <p>June 2005      Corporate Executive Officer, General Manager, Human Resources Dept. of Ajinomoto Co., Inc.</p> <p>June 2009      Director, Corporate Vice President of Ajinomoto Co., Inc.</p> <p>June 2011      Director, Corporate Senior Vice President of Ajinomoto Co., Inc.</p> <p>June 2015      Representative Director, Corporate Executive Deputy President of Ajinomoto Co., Inc.</p> <p>June 2017      Senior Advisor of Ajinomoto Co., Inc. Outside Auditor of HOUSE FOODS GROUP INC.</p> <p>June 2019      Director of the Corporation</p> <p>June 2021      Outside Director of XEBIO HOLDINGS CO., LTD. (up to the present)</p>	7,059
		<p>[Significant concurrent positions outside the Corporation] Outside Director of XEBIO HOLDINGS CO., LTD.</p>	
		<p>[Reasons for nomination as a candidate for Outside Director, expected roles, etc.]</p> <p>Tamotsu Iwamoto possesses abundant experience and a high level of knowledge through his many years in corporate management as a corporate executive of a listed company. We judge that he is able to use these attributes to supervise the management of the Corporation from an objective and neutral position, and we have therefore nominated him to continue as an outside director. After he assumes office, the Corporation expects that he will utilize his experience in managing an overseas subsidiary to provide advice and contribute to strengthening the Global Strategy Division of the Corporation.</p>	
		<p>[Independence of the candidate]</p> <p>Tamotsu Iwamoto meets the standards for independence set out by the Tokyo Stock Exchange, on which the Corporation is listed, and the Standards regarding the Independence of Outside Officers set by the Corporation. The Corporation has therefore designated him as an independent director who will not have a conflict of interests with general shareholders and it submitted notification of this to the Tokyo Stock Exchange. If his reelection is approved, the Corporation will continue his registration as an independent director.</p> <p>Furthermore, although the Corporation has a transactional relationship with Ajinomoto Co., Inc. of which Tamotsu Iwamoto was Representative Director, Corporate Executive Deputy President until June 2017, the transaction amount with Ajinomoto Co., Inc. came to less than 0.1% of the Corporation's consolidated net sales for the most recent fiscal year. Accordingly, we believe that this relationship will have no effect on Tamotsu Iwamoto's independence as Outside Director.</p>	

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
9	 <p>Junichi Kawada (September 26, 1955)</p> <p>&lt;Reelection&gt; &lt;Outside Director&gt; &lt;Independent Director&gt; &lt;Non-executive Director&gt;</p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p> <p>Term of office served as Outside Director (at the conclusion of this meeting) 3 years</p>	<p>April 1978      Joined Nippon Oil Corporation (currently ENEOS Holdings, Inc.)</p> <p>June 2007      Executive Officer, General Manager, General Administration of Nippon Oil Corporation (currently ENEOS Holdings, Inc.)</p> <p>April 2010      Director, Senior Vice President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>June 2015      Director, Executive Vice President of JX Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>April 2017      Director, Executive Vice President of JXTG Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>June 2020      Trustee of ENEOS Holdings, Inc.</p> <p>June 2021      Director of the Corporation (up to the present)</p> <p>[Reasons for nomination as a candidate for Outside Director, expected roles, etc.]</p> <p>Junichi Kawada possesses abundant experience and a high level of knowledge through his many years in corporate management as a corporate executive of a listed company, particularly in the areas of compliance and corporate governance in corporate group management. We judge that he is able to use these attributes to supervise the Corporation's management from an objective and neutral position, and we have therefore nominated him to continue as an outside director. After he assumes office, the Corporation expects that he will provide advice and contribute to further enhancing and strengthening the corporate governance of the Shimizu Group.</p> <p>[Independence of the candidate]</p> <p>Junichi Kawada meets the standards for independence set out by the Tokyo Stock Exchange, on which the Corporation is listed, and the Standards regarding the Independence of Outside Officers set by the Corporation. The Corporation has therefore designated him as an independent director who will not have a conflict of interests with general shareholders and it submitted notification of this to the Tokyo Stock Exchange. If his reelection is approved, the Corporation will continue his registration as an independent director.</p> <p>Furthermore, although the Corporation has a transactional relationship with JX Holdings, Inc. (currently ENEOS Holdings, Inc.) of which Junichi Kawada was Director, Executive Vice President until June 2020, the transaction amount with JX Holdings, Inc. (currently ENEOS Holdings, Inc.) came to less than 0.1% of the Corporation's consolidated net sales for the most recent fiscal year. Accordingly, we believe that this relationship will have no effect on Junichi Kawada's independence as Outside Director.</p>	4,217

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
10	 Mayumi Tamura (May 22, 1960)  <Reelection> <Outside Director> <Independent Director> <Non-executive Director>  Attendance at the Board of Directors meetings 100% (17/17)  Term of office served as Outside Director (at the conclusion of this meeting) 5 years	<p>April 1983      Joined Sony Corporation (currently Sony Group Corporation)</p> <p>July 2002      Executive Officer of Johnson Diversey Corporation (currently CxS Corporation)</p> <p>December 2004      CFO of adidas Japan K.K.</p> <p>June 2007      Executive Officer, Senior Vice President and CFO of Seiyu Corporation</p> <p>May 2010      Executive Officer, Senior Vice President and CFO of Seiyu Corporation and Executive Officer, Senior Vice President and CFO of Walmart Japan Holdings GK. (currently Seiyu Holdings, Inc.)</p> <p>June 2015      Outside Auditor of Honda Motor Co., Ltd.</p> <p>June 2017      Outside Director, Audit and Supervisory Committee Member of Honda Motor Co., Ltd.</p> <p>                    Outside Director of Hitachi High-Technologies Corporation (currently Hitachi High-Tech Corporation)</p> <p>June 2019      Director of the Corporation</p> <p>March 2022      Outside Audit &amp; Supervisory Board Member of Kyowa Kirin Co., Ltd. (up to the present)</p> <p>June 2022      Outside Director of LIXIL Corporation (up to the present)</p>	7,141
		<p>[Significant concurrent positions outside the Corporation]            Outside Audit &amp; Supervisory Board Member of Kyowa Kirin Co., Ltd.            Outside Director of LIXIL Corporation</p>	
		<p>[Reasons for nomination as a candidate for Outside Director, expected roles, etc.]            Mayumi Tamura possesses abundant management experience and a high level of knowledge in the field of finance and accounting from her many years working at global corporations, and in recent years, she has the experience of working as an Outside Director at numerous listed companies. We judge that she is able to use these attributes to supervise the Corporation's management from an objective and neutral position, and we have therefore nominated her to continue as an outside director. After she assumes office, the Corporation expects that she will provide advice and contribute to further promoting sustainability management and strengthening the Global Strategy Division.</p>	
		<p>[Independence of the candidate]            Mayumi Tamura meets the standards for independence set out by the Tokyo Stock Exchange, on which the Corporation is listed, and the Standards regarding the Independence of Outside Officers set by the Corporation. The Corporation has therefore designated her as an independent director who will not have a conflict of interests with general shareholders and it submitted notification of this to the Tokyo Stock Exchange. If her reelection is approved, the Corporation will continue her registration as an independent director.</p>	

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
11	 Yumiko Jozuka (March 19, 1962)  <Reelection> <Outside Director> <Independent Director> <Non-executive Director>  Attendance at the Board of Directors meetings 100% (17/17)  Term of office served as Outside Director (at the conclusion of this meeting) 3 years	<p>April 1984      Joined the Ministry of Labor</p> <p>April 2001      Head of Pharmaceutical Office, General Coordination Division, Pharmaceutical Safety Bureau of Ministry of Health, Labour and Welfare</p> <p>July 2004        Director of Promotion Division, Gender Equality Bureau, Cabinet Office</p> <p>August 2007    Head of Work and Family Harmonization Division, Equal Employment, Children and Families Bureau of Ministry of Health, Labour and Welfare</p> <p>July 2010        Head of Social Welfare and War Victims' Relief Bureau, Welfare Promotion Division of Ministry of Health, Labour and Welfare</p> <p>May 2014        Councilor, Cabinet Bureau of Personnel Affairs, Cabinet Secretariat</p> <p>June 2016        Director-General, Social Welfare and War Victims' Relief Bureau of Ministry of Health, Labour and Welfare</p> <p>July 2018        Deputy Vice-Minister of Ministry of Health, Labour and Welfare</p> <p>July 2019        Director-General for Human Resources Development of Ministry of Health, Labour and Welfare</p> <p>June 2021        Outside Director of Tokyu Fudosan Holdings Corporation (up to the present)            Director of the Corporation</p> <p>April 2022        Director of Japan Legal Support Center (up to the present)</p> <p>June 2023        Chairman of Japan Institute for Women's Empowerment &amp; Diversity Management (up to the present)</p> <p>[Significant concurrent positions outside the Corporation]            Outside Director of Tokyu Fudosan Holdings Corporation            Director of Japan Legal Support Center            Chairman of Japan Institute for Women's Empowerment &amp; Diversity Management</p> <p>[Reasons for nomination as a candidate for Outside Director, expected roles, etc.]            Although Yumiko Jozuka does not have direct experience with corporate management other than as an outside director, she has accumulated experience and knowledge through many years of involvement in public labor and welfare administration and, in particular, has expert knowledge and experience related to diversity, empowerment of women, working style reform and human resource development. We judge that she is able to use these attributes to supervise the Corporation's management from an objective and neutral position, and we have therefore nominated her to continue as an outside director. After she assumes office, the Corporation expects that she will advise and contribute to further promote sustainability management.</p> <p>[Independence of the candidate]            Yumiko Jozuka meets the standards for independence set out by the Tokyo Stock Exchange, on which the Corporation is listed, and the Standards regarding the Independence of Outside Officers set by the Corporation. The Corporation has therefore designated her as an independent director who will not have a conflict of interests with general shareholders and it submitted notification of this to the Tokyo Stock Exchange. If her reelection is approved, the Corporation will continue her registration as an independent director.</p>	4,217

## Notes:

- None of the candidates for Directors have special interests in the Corporation.
- Of the candidates for directors, Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura and Yumiko Jozuka are candidates for outside directors.
- The Corporation has entered into a limited liability agreement with Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura and Yumiko Jozuka pursuant to the provisions of Article 427 Paragraph 1 of the Companies Act and Article 26 of the Articles of Incorporation. The maximum amount of the liability for damage based on said agreement is the minimum amount

of liability prescribed in laws and regulations. If their reelection is approved at this meeting, the Corporation plans to renew the agreement.

4. The Corporation has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers losses incurred by insureds, which includes Directors and Audit & Supervisory Board Members of the Corporation, from legally mandated amounts of indemnification and litigation expenses. (However, losses arising from cases where the insured has obtained personal gains or been granted benefits illegally are excluded.) If each candidate is elected and assumes office as director, the candidate will be included as an insured in the insurance policy.



**Reference [Director Candidate Skills Matrix]**

In order to respond quickly to changes in the business environment and to achieve sustainable growth and medium- to long-term improvement in corporate value, the Corporation aims to maintain the appropriate size and diversity of the Board of Directors and also to optimize the Board of Directors as a whole and maximize its functions by organically combining knowledge, experience, and abilities of each director.

No.	Name	Skills Particularly Expected (Knowledge, Experience, Capabilities, Etc.)									
		Common skills		Expertise							
		Understanding and implementing the Corporation's Credo "The Analects and the Abacus"	Sustainability	Corporate Management	Human Resource Development & Diversity	Global Experience	DX (Digital Transformation)	Production & Technology	Sales & Marketing	Finance & Accounting	Legal Affairs & Risk Management
1	Yoichi Miyamoto	●	●	●	●	●		●	●		
2	Kazuyuki Inoue	●	●	●	●	●		●	●		●
3	Kentaro Ikeda	●	●	●		●	●	●	●		
4	Takeshi Sekiguchi	●	●	●		●	●	●	●		
5	Tatsuya Shinmura	●	●	●		●	●	●	●		
6	Yoshiki Higashi	●	●	●	●	●				●	●
7	Noriaki Shimizu	●	●	●				●	●		
8	Tamotsu Iwamoto	●	●	●	●	●					●
9	Junichi Kawada	●	●	●	●	●					●
10	Mayumi Tamura	●	●	●	●	●				●	
11	Yumiko Jozuka	●	●	●	●						●

\* The Corporation's Credo "The Analects and the Abacus" and "Sustainability" are both philosophies that underlie sustainable management, and we consider these qualities as common skills that we expect all our directors to possess.


\* Each of these skill categories has been determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.


**Proposal 3: Election of Two (2) Audit & Supervisory Board Members**

The term of office of Audit & Supervisory Board Members Koichi Matsuoka and Kaoru Ishikawa will expire at the conclusion of this meeting. Accordingly, we propose to elect two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its prior consent to this Proposal 3.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
1	 Hiroshi Kobayashi (May 4, 1960) <New candidate> Attendance at the Board of Directors meetings – Attendance at the Audit & Supervisory Board meetings –	April 1985      Joined the Corporation April 2009      Manager, Operation Control Dept., KANSAI Headquarters of the Corporation February 2015    Manager, Operation Control Dept., TOKYO Branch, Building Headquarters of the Corporation April 2017      Deputy Director, TOKYO Branch of the Corporation Manager, Administrative Dept., Building Headquarters of the Corporation October 2019    Senior Managing Director of Daiichi Setsubi Engineering Corporation April 2021      General Manager, Business Development & Marketing Headquarters, General Manager, Civil Engineering Headquarters, Deputy Director, Corporate Ethics Office of the Corporation May 2021      General Manager, Business Development & Marketing Headquarters, General Manager, Civil Engineering Headquarters, Director, Compliance Promotion Dept., Civil Engineering Headquarters, Deputy Director, Corporate Ethics Office of the Corporation April 2023      General Manager, Business Development & Marketing Headquarters, in charge of Compliance, Civil Engineering Headquarters, Deputy Director, Corporate Ethics Office of the Corporation (up to the present)	7,000
		[Reasons for nomination as a candidate for Audit & Supervisory Board Member] Hiroshi Kobayashi has worked mainly in administration since joining the Corporation and has held the positions of Manager of the Operation Control Department of the Tokyo Branch, Deputy Director of the Tokyo Branch, and Senior Managing Director of a subsidiary of the Corporation. He therefore possesses a wealth of experience and a suitable level of knowledge of construction cost management and risk management. He is also currently working to strengthen the Shimizu Group's compliance practices in his role as Deputy Director of the Corporate Ethics Office. We judge that we can utilize his experience and knowledge in auditing, and we have therefore nominated him as Audit & Supervisory Board Member.	

No.	Name (Date of birth)	Career summary (Position and areas of responsibility in the Corporation, and significant concurrent positions outside the Corporation)	Number of the Corporation's shares held
2	 Kaoru Ishikawa (November 7, 1950)  <Reelection> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member>  Attendance at the Board of Directors meetings 100% (17/17)  Attendance at the Board of Directors meetings 100% (16/16)  Term of office served as Outside Audit & Supervisory Board Member (at the conclusion of this meeting) 8 years	<p>April 1972      Joined the Ministry of Foreign Affairs</p> <p>September 2002      Manager, International Society Cooperation Dept., Foreign Policy Bureau of the Ministry of Foreign Affairs</p> <p>January 2005      Chief, Economic Affairs Bureau of the Ministry of Foreign Affairs</p> <p>January 2007      Ambassador Extraordinary and Plenipotentiary of Japan to Egypt of the Ministry of Foreign Affairs</p> <p>June 2010      Ambassador Extraordinary and Plenipotentiary of Japan to Canada of the Ministry of Foreign Affairs</p> <p>April 2013      Senior Managing Director, The Japan Forum on International Relations, Inc.</p> <p>May 2014      Director, Kawamura Gakuen (up to the present)</p> <p>June 2015      Director, The Society for Promotion of Japanese Diplomacy (up to the present)</p> <p>June 2016      Audit &amp; Supervisory Board Member of the Corporation</p> <p>June 2017      Outside Director of SMK Corporation (up to the present)</p> <p>June 2020      Director, Mitsubishi UFJ Foundation (up to the present)</p>	51
		<p>[Significant concurrent positions outside the Corporation]</p> <p>Director, Kawamura Gakuen</p> <p>Director, The Society for Promotion of Japanese Diplomacy</p> <p>Outside Director of SMK Corporation</p> <p>Director, Mitsubishi UFJ Foundation</p>	
		<p>[Reasons for nomination as a candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Kaoru Ishikawa has never been directly involved in corporate management except as an outside director and an outside Audit &amp; Supervisory Board Member, but he has played a leading role in the field of diplomacy for many years and has a wealth of experience as a diplomat and specialized knowledge on international relations and SDGs. We believe that by utilizing his experience and knowledge, he can monitor management of the Corporation from an objective and neutral standpoint and from a global perspective, and we have therefore nominated him to continue as Outside Audit &amp; Supervisory Board Member.</p>	
		<p>[Independence of the candidate]</p> <p>Kaoru Ishikawa meets the standards for independence set out by the Tokyo Stock Exchange, on which the Corporation is listed, and the Standards regarding the Independence of Outside Officers set by the Corporation. The Corporation has therefore designated him as an independent director who will not have a conflict of interests with general shareholders and it submitted notification of this to the Tokyo Stock Exchange. If his reelection is approved, the Corporation will continue his registration as an independent director. Furthermore, although the Corporation has a transactional relationship with Kawamura Gakuen of which Kaoru Ishikawa is currently Director, the transaction amount with Kawamura Gakuen came to less than 0.1% of the Corporation's consolidated net sales for the most recent fiscal year. Accordingly, we believe that this relationship will have no effect on Kaoru Ishikawa's independence as Outside Audit &amp; Supervisory Board Member.</p>	

## Notes:

- None of the candidates for Audit & Supervisory Board Members have special interests in the Corporation.
- Of the candidates for Audit & Supervisory Board Members, Kaoru Ishikawa is a candidate for Outside Audit & Supervisory Board Members.
- The Corporation has entered into a limited liability agreement with Kaoru Ishikawa pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 33 of the Articles of Incorporation. The maximum amount of the liability for damage based on said agreement is the minimum amount prescribed in laws and regulations. If his reelection is approved at this meeting, the Corporation plans to renew the agreement.  
In addition, if Hiroshi Kobayashi's election is approved, the Corporation plans to enter into a similar limited liability

agreement with him.

4. The Corporation has entered into a directors and officers liability insurance policy. (Please see the note 4 on page 16.) If each candidate is elected and assumes office as Audit & Supervisory Board Member, the candidate will be included as an insured in the insurance policy.

**Attached documents to Notice of the 122nd Annual General Meeting of Shareholders****Business Report**

(for the year ended March 31, 2024)

[Yen amounts have been rounded down to the nearest billion (million)]

**I Current Conditions of the Corporate Group (Consolidated)****1. Review of Operations and Results**

&lt;Consolidated financial results in the current fiscal year&gt;

In fiscal 2023, the Japanese economy showed a moderate recovery due to the normalization of socioeconomic activities and the resumption of inbound demand. On the other hand, global price hikes and monetary tightening in various countries, coupled with the prolonged crisis in Ukraine and other international instabilities, had a widespread impact on business activities and people's lives.

In the construction industry, public sector investment remained firm and private-sector capital investment showed signs of recovery. On the supply side, however, the business environment remained challenging due to the high cost of construction materials and energy, as well as rising labor costs.

Under these circumstances, Shimizu Corporation and its subsidiaries (the Shimizu Group) reported net sales of ¥2,005.5 billion, up 3.7% year on year, due to an increase in completed construction contracts and sales from real estate development and other businesses. As for profits, ordinary income was a loss of ¥19.8 billion due to a decrease in gross profit on completed construction contracts, which was caused by the posting of a reserve for expected losses on construction contracts in process due to a significant deterioration in the profitability of several large-scale architectural construction in Japan and overseas. Net income for the current fiscal year decreased 65.0% from the previous year to ¥17.1 billion as a result of the recording of a gain on sales of investment securities under special gains.

The Shimizu Group proposes to pay a year-end dividend of ¥6.50 per share. This brings the full-year dividend, including the midyear dividend, to ¥20 per share.

**Construction business**

[Domestic architectural construction, Domestic civil engineering, Overseas construction businesses]

Net sales in the construction business increased by 3.5% year on year to ¥1,753.1 billion.

Segment profit decreased by 67.9% to ¥35.6 billion, due to the Corporation recording a reserve for expected losses on construction contracts in process as a result of a significant deterioration in the profitability of several large-scale architectural construction in Japan and overseas.

**Major project orders awarded**

Architectural construction	Mitsubishi Estate Co., Ltd.	Otemachi 2-chome Tokiwabashi area first class urban area redevelopment project, Torch Tower (Building B) - New Construction Project
	TV Asahi Corporation	Ariake South Zone H Project
	Mitsui Fudosan Residential Co., Ltd.	The Osaka City, Kita-ku, Dojimahama 2-Chome Project (provisional name)
Civil engineering	Ministry of Land, Infrastructure, Transport and Tourism	Skeleton Construction at Cut-and-Covert Work Spot (in front of P3 parking lot) for Haneda Airport Access Line, Tokyo International Airport, 2023
	Central Japan Railway Company	Chuo Shinkansen Kanto Train Depot, etc. Project

Major construction contracts completed

Architectural construction	Kachidoki East District Urban Redevelopment Association	Construction of new buildings for A2 Area under the Kachidoki East District Type 1 Urban Redevelopment Project (Tokyo)
	Hamamatsu City	Hamamatsu Medical Center Facility Construction Project for New Hospital (New Hospital Building Project) (Shizuoka Prefecture)
	Somei TMK	Mapletree Chikushino Logistics Centre Phase 1 (Fukuoka Prefecture)
	Yokohama Ofuna TMK	Kioxia Yokohama Technology Campus, Technology Development Building Project (provisional name) (Kanagawa Prefecture)
Civil engineering	Republic of the Philippines Department of Transportation	Construction of the Manila LRT Line 1 Rail Yard (Republic of the Philippines)
	Ministry of Land, Infrastructure, Transport and Tourism	Tokyo Outer Ring Road-Central JCT North Side A Lamp Shield Construction (No. 3) Tokyo Outer Ring Road-Central JCT North Side H Lamp Shield Construction (No. 3) (Tokyo)

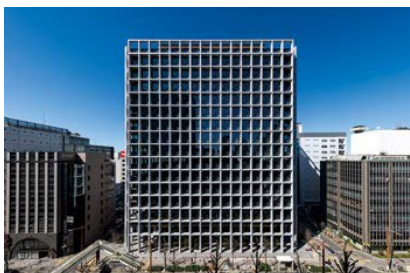
Net sales increased by 5.2% year on year to ¥252.3 billion, and segment profits increased by 7.8% to ¥53.8 billion, mainly due to an increase in profits from offshore work by SEP vessels.

LCV business



Kumamoto Oguni Agrivoltaic

Investment and development business      Engineering business



Nagoya Fukoku Seimei Building



Ishikari Bay New Port Offshore Windfarm (SEP vessel)



Yamasa Shiga Ryuo factory  
Production tanks and automatic raw material feeding equipment

## Construction orders awarded and contracts, net sales and backlog on non-consolidated basis

(Millions of Yen)

Category		Backlog as at March 31, 2023	Construction orders awarded and contracts	Net sales	Backlog as at March 31, 2024
Construction business	Architectural construction	1,473,741	1,385,820	1,174,972	1,684,589
	Civil engineering	599,014	335,177	260,007	674,183
	Total	2,072,755	1,720,997	1,434,980	2,358,772
Real estate development and other		78,610	131,183	142,928	66,864
Total		2,151,365	1,852,181	1,577,909	2,425,637

## &lt;Consolidated forecasts for the next fiscal year&gt;

In fiscal 2024, the Japanese economy is expected to continue its gradual recovery due to an improved employment and income environment and a continued pickup in capital investment. However, it may be affected by continued international instability, in addition to concerns about a slowdown in the global economy due to monetary tightening in various countries.

In the construction industry, public sector investment is expected to remain strong, and the rally in private-sector capital investment should continue; however, given the persistently high prices for construction materials and energy, rising labor costs, tightening of labor regulations, the ongoing shortage of workers and other grounds for concern, ongoing monitoring of the supply situation is necessary.

In the Shimizu Group's consolidated earnings forecast for fiscal 2024, under this business environment, net sales, ordinary income, and net income are expected to be ¥1,800.0 billion, down 10.2% year on year; ¥41.0 billion; and, ¥40.0 billion, up 133.0% year on year, respectively.

Construction orders awarded on a non-consolidated basis are forecasted to decrease ¥782.1 billion year on year to ¥1,070.0 billion for fiscal 2024.

## 2. Trends in Assets and Operating Results

## (1) Trends in assets and operating results of the corporate group (Consolidated)

(Millions of Yen)

Category	119th Fiscal Year (Fiscal 2020)	120th Fiscal Year (Fiscal 2021)	121st Fiscal Year (Fiscal 2022)	122nd Fiscal Year (Current fiscal year) (Fiscal 2023)
Net sales	1,456,473	1,482,961	1,933,814	2,005,518
Ordinary income	105,465	50,419	56,546	(19,834)
Net income	77,176	47,761	49,057	17,163
Net income per share (Yen)	101.17	64.09	66.29	23.57
Return on Equity (ROE)	10.0%	5.8%	5.9%	2.0%
Total assets	1,908,674	2,128,356	2,448,010	2,538,769
Net assets	821,446	875,172	907,277	948,059

Note: Net income per share is calculated by deducting the number of treasury shares from the average total number of issued shares during the period.

## (2) Trends in assets and operating results of the Corporation (Non-consolidated)

(Millions of Yen)

	119th Fiscal Year (Fiscal 2020)	120th Fiscal Year (Fiscal 2021)	121st Fiscal Year (Fiscal 2022)	122nd Fiscal Year (Current fiscal year) (Fiscal 2023)
Construction orders awarded and contracts	1,200,969	1,543,461	1,515,887	1,852,181
Net sales	1,249,985	1,287,352	1,557,325	1,577,909
Ordinary income	98,613	43,926	41,389	(37,467)
Net income	72,370	45,735	41,754	11,606
Net income per share (Yen)	94.70	61.26	56.36	15.94
Total assets	1,632,972	1,749,528	2,016,732	2,091,072
Net assets	697,042	699,210	714,361	725,047

Note: Net income per share is calculated by deducting the number of treasury shares from the average total number of issued shares during the period.



### 3. Issues to Be Addressed

#### Formulation of the Mid-Term Business Plan <2024-2026>

In May of this year, the Shimizu Group announced its new Mid-Term Business Plan <2024-2026>, which will cover the three-year period from fiscal 2024 to fiscal 2026. In the final year of the previous Mid-Term Business Plan <2019-2023>, the sales target was achieved through the completion of major projects and M&A execution, but challenges remained in improving profitability and ensuring quality in the construction business and in growing the non-construction business.

On the other hand, the previous Mid-Term Business Plan <2019-2023> was positioned as a period of upfront investment to establish a new revenue base, and the Shimizu Group made investments of approximately ¥524 billion over the five-year period, including the construction of the Blue Wind, a self-propelled SEP vessel with the world's largest transporting and crane capacity, and the development of the Smart Innovation Ecosystem NOVARE, a center for innovation and human resource development. We will actively work to resolve these issues and utilize the results of our investments, and steadily implement our Mid-Term Business Plan <2024-2026> to enhance the Shimizu Group's corporate value and achieve sustainable growth.

#### (1) Positioning of the Mid-Term Business Plan <2024-2026> and the New Mindset of “Choukensetsu”

The Mid-Term Business Plan <2024-2026> was formulated based on our Corporate Credo, management principles, and long-term vision, “SHIMZ VISION 2030.”

We will vigorously promote our Mid-Term Business Plan (2024-2026) with our new “Choukensetsu” mindset, for the realization of “SHIMZ VISION 2030.”

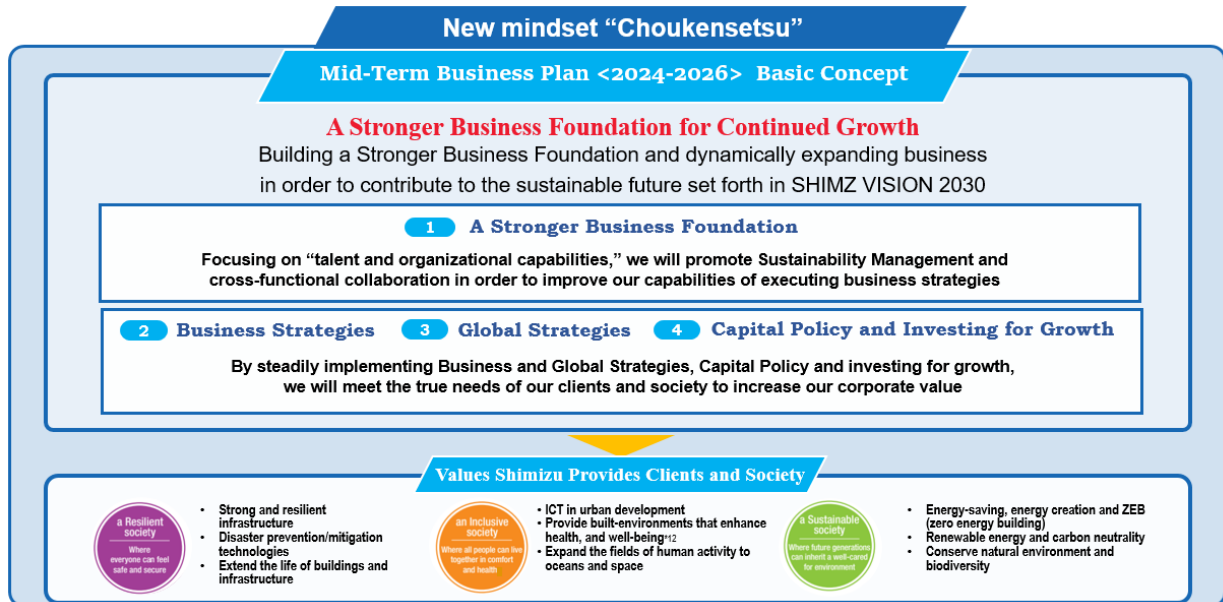
“Choukensetsu” is a mindset that aims to provide new value by exploring the essential needs of our customers and society and meeting those needs through various services, including construction. It views construction, which was previously considered a goal, as a means to challenge ourselves to go beyond the boundaries of our businesses and organizations. Based on this mindset, the Shimizu Group will continue to take on the challenge of creating value that is ahead of its time, and strive for sustainable growth with our customers and society.



(2) Mid-Term Business Plan <2024-2026> Basic Concept

In the Mid-Term Business Plan <2024-2026>, our basic concept is to “strengthen the business foundation for continued growth,” and we will strengthen our business foundation and vigorously promote business development to contribute to the realization of a sustainable future society as stated in “SHIMZ VISION 2030.”

Under this policy, every officer and employee will share the mindset of “Choukensetsu” and steadily implement the four pillars of the Mid-Term Business Plan <2024-2026>: 1) A Strong Business Foundation, 2) Business Strategies, 3) Global Strategies, and 4) Capital Policy and Investing for Growth.



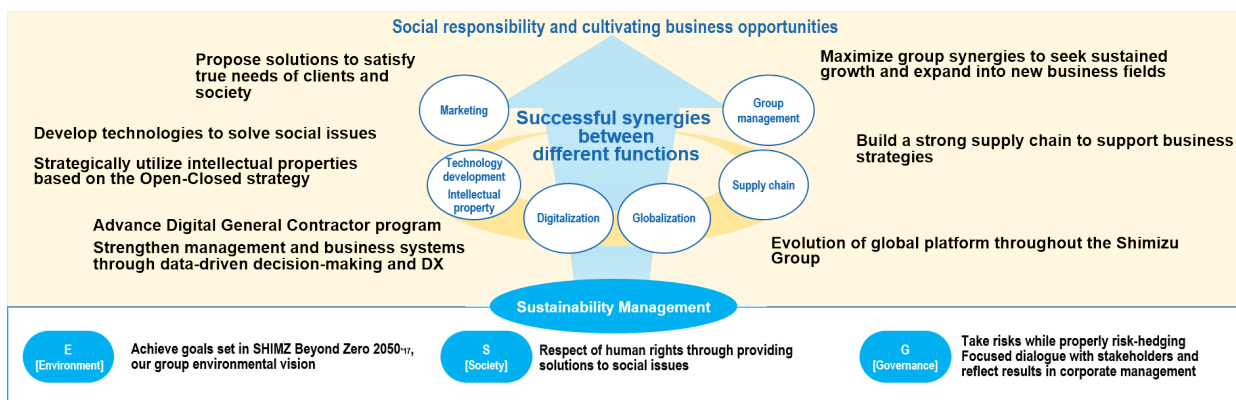
1) A Stronger Business Foundation

The core of our business foundation is “competent talent,” “organizational culture,” and “managerial capability,” and we will strive to develop “diverse talent willing to take on challenges and co-create” by creating a framework to support the growth of our human resources. To strengthen the core of our management base, we will create a virtuous cycle of “implementation of management/business strategies” and “creation of one’s own career path and fulfillment of one’s potential” for our human resources by implementing human resources-related measures and providing our employees with growth opportunities and experiences.



The Shimizu Group has been using the term “ESG management” to promote initiatives related to the environment (E), society (S), and governance (G). We will now shift from ESG management to “Sustainability Management,” and in addition to continuing our current efforts, we will strive to balance fulfilling of corporate social responsibility and the exploration of business opportunities.

We have also identified six functions (1) Marketing, 2) Technology development and intellectual property, 3) Digitalization, 4) Globalization, 5) Supply chain, and 6) Group management) that we will emphasize over the three years of the Mid-Term Business Plan <2024-2026>. We will enhance the coordination of these functions, and will strive to evolve our Sustainability Management to strengthen our business foundation.



### 2) Business Strategies

We have formulated the direction we aim to take for each business and established business policies to realize these goals. Based on these business policies, we will enhance our business portfolio by growing each of our businesses.

Business portfolio	Business policies
<p><b>2-1</b></p> <p><b>Construction</b></p> <p><b>Improving profitability</b></p>	<ul style="list-style-type: none"> <li>• Pursue new technologies and maintain quality</li> <li>• Restructure the construction system / processes</li> <li>• Enhance ability to engage promising segments / area markets</li> </ul>
<p><b>2-2</b></p> <p><b>Real Estate Development</b>      <b>Engineering</b></p> <p><b>Increase revenue and business stability</b></p>	<ul style="list-style-type: none"> <li>• Expand current business and take on new, promising market segments by developing innovative technologies and obtaining know-how</li> </ul>
<p><b>2-3</b></p> <p><b>Green Energy Development</b>      <b>Building Life Cycle</b></p> <p><b>Expand business scale</b></p>	<ul style="list-style-type: none"> <li>• Continue investment to expand business scale</li> <li>• Become a DX/GX solution partner</li> </ul>
<p><b>2-4</b></p> <p><b>Frontier</b></p> <p><b>Establish sustainable business models</b></p>	<ul style="list-style-type: none"> <li>• Continue to invest for growth</li> <li>• Establish firm, sustainable business models</li> </ul>

### 3) Global Strategies

To date, we have contributed to the development, as well as the safety, security, and comfort of the countries in which we operate, through large-scale infrastructure development and landmark construction in various countries.

We will strive for further growth as a global player by making the management of our offices more self-determining and implementing strategies rooted in the countries where we operate, including businesses related to construction.



#### 4) Capital Policy and Investing for Growth

We will promote the strengthening of our business foundation, business strategies, and global strategies while steadily implementing capital policies and investments that contribute to continued growth, including business and human resource investments, to achieve numerical management targets and realize management with an awareness of capital cost and stock price.

#### Performance targets, financial KPIs, non-financial KPIs

##### Numerical management targets, financial KPIs, non-financial KPIs

	Mid-Term Business Plan (2024-2026)				
	FY2026 Target (100 mil. yen)	Financial KPIs		Non-financial KPIs	
<b>Total net sales</b>	<b>18,900</b>	ROE $\geq 8\%$	<b>Mid- to long-term</b> (period of the next Mid-Term Business Plan) ROE $\geq 10\%$ Equity ratio $\geq 40\%$ Debt-to-equity ratio (D/E ratio) <b>Approx. 0.7 x</b>	Employee engagement score $\geq 4.0$	Reduction rate of CO <sub>2</sub> emissions in the Construction Business (compared with FY2023) $\geq 12\%$
Construction Business	16,000	Equity ratio $\geq 35\%$		Acquisition rate of key qualifications for construction industry <b>Maintain 80% or more</b>	Environment analysis rate using the Environmental KY <b>100%</b>
Development Business & others	2,900	Debt-to-equity ratio (D/E ratio) <b>Within 1.0</b>		Percentage of women in managerial positions $\geq 6\%$	Number of people enrolling in the Shimizu Takumi Training Center $\geq 1,800$ per year
<b>Gross profit</b>	<b>12.2%</b> <b>2,300</b>	Dividend payout ratio <b>Approx. 40%</b> (Minimum dividend ¥20 per share/year)		Percentage of employees with disabilities $\geq 2.7\%$	Dialogues between stakeholders (especially shareholders, investors, and employees) and our Top Management $\geq 50$ times per year
Construction Business	10.3%   1,650			Nurturing DX Specialists <b>120</b> specialists trained and assigned to all divisions	
Development Business & others	22.4%   650				
<b>Operating income</b>	<b>1,000</b>				
<b>Ordinary income</b>	<b>950</b>				
<b>Net income</b>	<b>700</b>				

#### Cash allocation

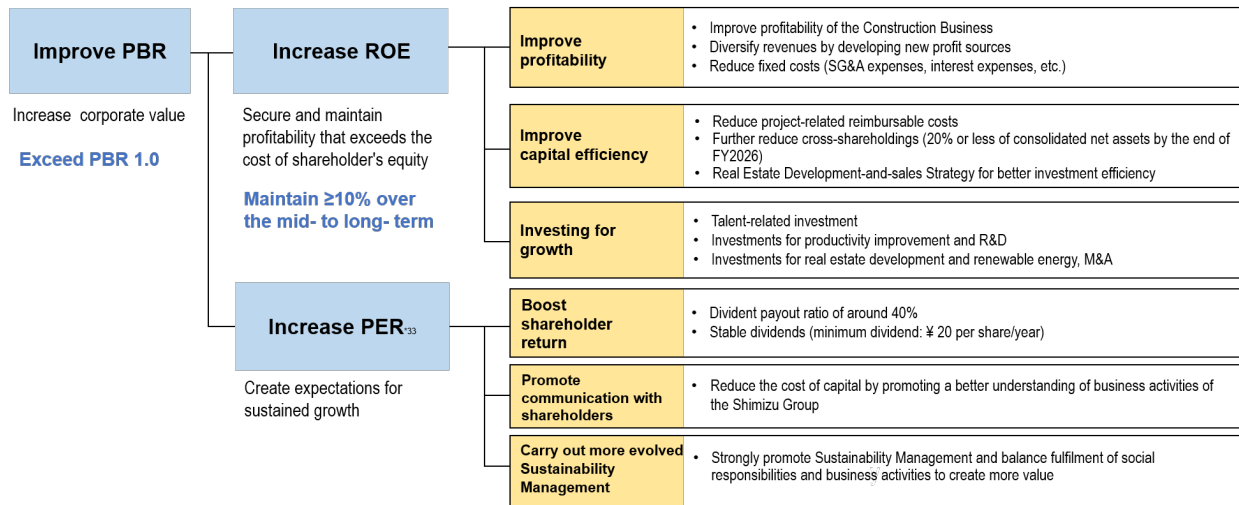
We will increase operating cash flow by steadily promoting our businesses while continuing to sell real estate under lease and gradually reducing cross-shareholdings (see pages 30–31), and allocate the cash generated to investments for sustainable growth and returns to shareholders.

Cash-in	Cash-out	Investment Amount (3 years)	Description
<b>Operating cash flow</b> *Before deduction of R&D expenses and investments related to talent development *Excluding sales of rental real estate properties and others <b>¥ 190 billion</b>	<b>Investing for Growth</b>	Human resources	¥ 40 billion <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>
<b>Sales of rental real estate properties</b> <b>¥ 170 billion</b>		Productivity improvement & R&D	¥ 85 billion <ul style="list-style-type: none"> <li>Develop cutting-edge technologies and machinery</li> <li>Invest in digital-related fields</li> </ul>
<b>Sale of cross-shareholding stocks</b> *Reduce the proportion of cross-shareholdings to 20% or less of consolidated net assets by the end of FY2026	<b>Return to Shareholders</b>	Real estate development	¥ 200 billion <ul style="list-style-type: none"> <li>In Japan: Diversify assets</li> <li>Overseas: Shift to real estate development-and-sales/development business model<sup>(1)</sup></li> </ul>
		Green energy development	¥ 30 billion <ul style="list-style-type: none"> <li>Expand renewable energy generation business</li> <li>Develop new energy sources such as hydrogen utilization</li> </ul>
		New business & others	¥ 5 billion <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>
		<b>Total</b>	<b>¥ 360 billion</b>
		<Not included> Investment to further increase corporate value (M&A, etc.)	
		Dividend	Maintain a consolidated dividend payout ratio of around 40% (Minimum dividend ¥20 per share/year)
		Share buybacks	Continuous share buybacks using funds generated by sales of cross-shareholding stocks



Realizing management with an awareness of capital cost and stock price

To realize management with an awareness of capital cost and stock price, we will strive to increase corporate value and improve PBR by promoting the creation of sustainable growth expectations in addition to securing and maintaining profitability that exceeds the cost of shareholders’ equity, with our growth strategy, capital policy, and shareholder returns as the pillars of our management.



By positioning fiscal 2024 as a year of new beginnings, the Shimizu Group will further strengthen the execution of strategies and challenges toward the realization of our long-term vision through our Mid-Term Business Plan <2024-2026> and our new “Choukensetsu” mindset, with the aim of continuously increasing our corporate value.

## Policies related to cross-shareholdings and the status of their divestment

### (1) Policies related to cross-shareholdings

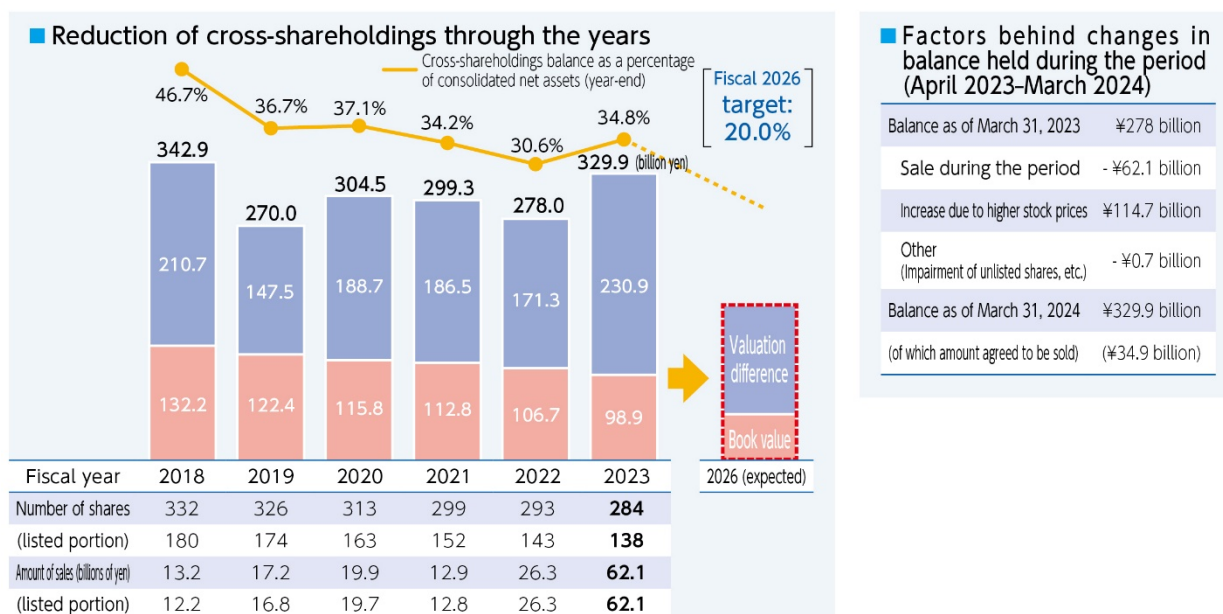
When there is a necessity from the viewpoint of business development, the Corporation holds shares of clients and business partners to “strengthen and maintain relationships.” Acquisition of major securities is determined by the Board of Directors, taking comprehensive consideration of benefits to the Corporation, acquisition cost, risk of share price changes and other factors. The Board of Directors examines the necessity of securities holdings for individual stocks each year, taking into consideration its economic rationality, including cost, risk, and sales benefits, and for shares that have become dilutive in terms of significance to our operations, we sell them as appropriate, while confirming relationships with business partners.

In order to make effective use of capital, the Corporation is actively reducing its cross-shareholdings through dialogue with business partners, with the goal of reducing the balance of cross-shareholdings to 20% or less of consolidated net assets by the end of March 2027.

### (2) Status of divestment from cross-shareholdings

The Corporation sold shares of 16 listed companies during fiscal 2023 (including shares of which part of the holdings were sold). The proceeds were ¥62.1 billion. From fiscal 2018 to fiscal 2023, the total number of listed companies of which the Corporation sold its holdings was 67 (including shares of which part of the holdings were sold). The proceeds were ¥150 billion. As a result, the number of listed companies the Corporation held shares in decreased from 187 as of the end of March 2018 to 138 as of the end of March 2024.

As of March 31, 2024, the ratio of cross-shareholding balance to consolidated net assets increased from 30.6% as of March 31, 2023 to 34.8% due to the rise in share prices of stocks held, but we will accelerate the reduction in order to achieve our target.



**Sustainability management initiatives**

As global social issues such as climate change and human rights issues become more apparent and serious, companies must consider sustainability in their management in order to achieve long-term growth.

We will promote sustainability management as set forth in our Mid-Term Management Plan (2024-2026) in order to fulfill our social responsibilities and to explore business opportunities.

**Sustainability promotion system**

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

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

<Main matters deliberated and reported during Fiscal 2023>

- Climate-related information disclosure based on TCFD recommendations
- Nature-related information disclosure based on TNFD recommendations\*
- International trends and the Corporation’s initiatives related to human rights
- Initiatives to make our workplaces more satisfying and appealing
- Report on the results of materiality issues
- Non-financial KPIs in the Mid-Term Management Plan (2024-2026)

\* Reported at the Board of Directors meeting and to be posted on the Corporation’s website shortly.





### Emergency response to the Noto Peninsula Earthquake

The Noto Peninsula Earthquake (maximum 7 on the Japanese seismic scale) occurred on January 1 this year and caused extensive damage, especially in the Noto region of Ishikawa Prefecture. Immediately after the disaster, our HOKURIKU Branch (located in Kanazawa City) took the lead in road clearing work requested by the Ministry of Land, Infrastructure, Transport and Tourism through the Japan Federation of Construction Contractors, and dispatched more than 100 support personnel from within and outside our Hokuriku Branch to help with the emergency restoration of damaged buildings. We will continue to fulfill the missions of the construction industry and make every effort for the earliest possible recovery of disaster-stricken areas.



A countermeasures meeting at our HOKURIKU Branch

### Development and deployment of environmentally friendly concrete SUSMICS-C

SUSMICS-C\* is an environmentally friendly concrete developed in-house that stores carbon inside the concrete by using “biochar,” which is a carbonized woody biomass, as an admixture. Reductions in CO<sub>2</sub> emissions correlate with the amount of biochar mixed in, and carbon negativity can be achieved if the amount of CO<sub>2</sub> fixed in the biochar exceeds the amount of CO<sub>2</sub> generated during concrete production. We will continue contributing to the realization of a decarbonized society by expanding the scope of application of SUSMICS-C and other environmentally friendly construction technologies.



Comparative concrete strength testing of SUSMICS-C and ordinary concrete

\* SUSMICS-C: Sustainable + SMI (charcoal) + Carbon Storage + Concrete

### Received the Award for Excellence at the Mécénat Awards 2023

Our Shimizu Open Academy (SOA) received the “Talent Thrives Here” Excellence Award at the Mécénat Awards 2023 hosted by the Association for Corporate Support of the Arts. SOA started in 2008 as an open lecture series at our Institute of Technology to convey the joy of manufacturing and the fun and depth of construction to youth, providing them with free opportunities to deepen their interest in construction through a variety of programs that make use of the center’s experimental facilities. We will continue expanding our lectures to include career studies as well as SDGs studies for the youth, and will continue our activities to nurture the future leaders of manufacturing and construction.



Presentation ceremony for the Mécénat Awards 2023

Renewal of uniforms

We have renewed our uniforms for the first time in approximately 30 years, and will begin wearing them in November of this year. We sought not only workplace safety and functionality for this renewal, but also a design that is uniquely our own, based on the results of a survey we conducted on all employees. We reviewed the fabrics and sewing processes to enhance comfort and create uniforms that can be worn for a long time, regardless of trends. We will continue to improve the workplace environment and ease of work to create a workplace more satisfying and appealing.



A design that also considers diversity

#### 4. Status of Financing

The Corporation issued straight bonds by public offering as follows, and used the money raised to refinance construction funds for the Nagoya Fukoku Seimei Building, which was constructed in Naka-ku, Nagoya City, Aichi Prefecture, and for other purposes.

November 2023: Unsecured Straight Bonds No. 33      ¥10.0 billion  
(Green bonds)

November 2023: Unsecured Straight Bonds No. 34      ¥5.0 billion

#### 5. Status of Capital Investment

The amount of capital investment made in the current fiscal year is ¥58.4 billion. Most of this consisted of the acquisition of fixed assets for the construction of innovation bases, the rental business, and other business operations. Of this capital investment, ¥41.0 billion was investment by the Corporation (non-consolidated).

#### 6. Status of Major Subsidiaries (As at March 31, 2024)

Name	Capital (Millions of Yen)	Ratio of ownership by the Corporation (%)	Major business
THE NIPPON ROAD Co., Ltd.	12,290	50.1	Contracted road construction and paving work
Shimizu Comprehensive Development Corporation	3,000	100	Purchase, sale, letting and management in connection with real estate
FaB-Tec Japan Corporation	2,437	84.6	Contracted construction of bridges and frames
MARUHIKO WATANABE CONSTRUCTION.inc	476	57.6	Contracted construction and civil engineering
Daiichi Setsubi Engineering Corporation	400	100	Contracted construction of building facilities
Milx Corporation	372	100	Sale and leasing of construction materials and equipment in addition to insurance agency business
SC Machinery Corp.	200	100	Leasing of construction machinery
SHIMIZU BLC Co., Ltd.	100	100	Contracted renewal of buildings and building management business

Note: On May 31, 2023, the Corporation acquired shares of MARUHIKO WATANABE CONSTRUCTION.inc, which became a consolidated subsidiary.

## 7. Major Businesses (As at March 31, 2024)

The Shimizu Group's main business areas are construction and development. It is also engaged in operations that are incidental to each of its business areas including the sale and leasing of construction materials and equipment as well as financing.

The Corporation, which is the main business corporation in the Shimizu Group, has obtained a Special Construction Business License (special-1 no. 3200) and an Ordinary Construction Business License (ordinary-1 no. 3200) from the relevant minister in accordance with the Construction Business Act, and carries out construction, civil engineering, and related businesses accordingly.

The Corporation has also obtained a license from the relevant minister as a Real Estate Broker (15 no. 1081) in accordance with the Real Estate Brokerage Act, and carries out businesses related to real estate accordingly.

## 8. Major Branches (As at March 31, 2024)

## (1) The Corporation

Head Office	
2-16-1 Kyobashi, Chuo-ku, Tokyo	
Branches	
HOKKAIDO Branch (Sapporo)	TOHOKU Branch (Sendai)
HOKURIKU Branch (Kanazawa)	TOKYO Branch (Chuo-ku, Tokyo)
YOKOHAMA Branch (Yokohama)	CHIBA Branch (Chiba)
NAGOYA Branch (Nagoya)	KANSAI Branch (Osaka)
SHIKOKU Branch (Takamatsu)	HIROSHIMA Branch (Hiroshima)
KYUSHU Branch (Fukuoka)	TOKYO Civil Engineering Branch (Chuo-ku, Tokyo)
Global Business Headquarters (Chuo-ku, Tokyo)	International Div. (Chuo-ku, Tokyo)
International Civil Engineering Division (Chuo-ku, Tokyo)	Investment and Development Div. (Chuo-ku, Tokyo)
Engineering Headquarters (Chuo-ku, Tokyo)	LCV Headquarters (Chuo-ku, Tokyo)
NOVARE (Koto-ku, Tokyo)	Institute of Technology (Koto-ku, Tokyo)
International business network	
Dalian, Shanghai, Suzhou, Guangzhou, Hong Kong, Taipei, Manila, Guam, Singapore, Kuala Lumpur, Jakarta, Bangkok, Dhaka, Tashkent, Bengaluru, Hanoi, Ho Chi Minh City, Istanbul, Dubai, Nairobi, Copperbelt, Atlanta, New York, Charlotte, Queretaro, London	

## (2) Major subsidiaries

THE NIPPON ROAD Co., Ltd.	(Minato-ku, Tokyo)
Shimizu Comprehensive Development Corporation	(Chuo-ku, Tokyo)
FaB-Tec Japan Corporation	(Chuo-ku, Tokyo)
MARUHIKO WATANABE CONSTRUCTION.inc	(Sapporo)
Daiichi Setsubi Engineering Corporation	(Minato-ku, Tokyo)
Milx Corporation	(Chuo-ku, Tokyo)
SC Machinery Corp.	(Yokohama)
SHIMIZU BLC Co., Ltd.	(Chuo-ku, Tokyo)

## 9. Status of Employees (As at March 31, 2024)

## (1) Employees of the corporate group (Consolidated)

Category	Number of employees (including contract workers)	Change from March 31, 2023
Construction business	16,926	+ 500
Non-construction businesses (Real estate development and other businesses)	2,590	+ 66
Other	999	+ 80
Total	20,515	+ 646

Note:

“Other” shows the number of employees in administration division, etc. (non-consolidated), who are unable to be classified in any specific business line.

## (2) Status of employees of the Corporation (Non-consolidated)

Number of employees (including contract workers)
10,949

## \* Employees of the Corporation excluding contract workers

Number of employees	10,490	Change from March 31, 2023	Increase of 284
Average age	43.6	Average years of continuous service	15.9 years

## 10. Status of Major Creditors (As at March 31, 2024)

Creditor	Amount borrowed (Millions of Yen)
Mizuho Bank, Ltd.	123,770
MUFG Bank, Ltd.	80,672
The Norinchukin Bank	31,122
Sumitomo Mitsui Banking Corporation	28,479
The Chiba Bank, Ltd.	15,367
The Hachijuni Bank, Ltd.	13,352
The Dai-ichi Life Insurance Company, Limited	8,713
The Hyakugo Bank, Ltd.	8,186
Sumitomo Mitsui Trust Bank, Limited	8,168
Fukoku Mutual Life Insurance Company	6,718

## II Current Conditions of the Corporation (Non-consolidated)

### 1. Status of Shares of the Corporation (As at March 31, 2024)

- |                                       |  |
|---------------------------------------|--|
| (1) Total number of authorized shares | 1,500,000,000 shares                           |
| (2) Total number of issued shares     | 743,676,313 shares                             |
| (3) Number of shareholders            | 63,851 (decrease of 1,005 from March 31, 2023) |
| (4) Major shareholders (Top ten)      |  |

Shareholder	Number of shares held (Thousands of Shares)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	101,275	14.18
SHIMIZU & CO., LTD.	77,581	10.86
The SHIMIZU FOUNDATION	38,695	5.42
Custody Bank of Japan, Ltd. (Trust Account)	35,324	4.95
Employee's Stock Ownership Plan	17,893	2.50
HOUSING RESEARCH FOUNDATION JYUSO-KEN	17,420	2.44
STATE STREET BANK WEST CLIENT – TREATY 505234	13,335	1.87
Fukoku Mutual Life Insurance Company	12,052	1.69
The Dai-ichi Life Insurance Company, Limited	10,564	1.48
Sumitomo Realty & Development Co., Ltd.	10,000	1.40

Note: Percentage of total is calculated excluding treasury stocks (29,349,941 shares).

#### (5) Other important matters related to shares

In an effort to further improve corporate value by improving capital efficiency, the Corporation purchased treasury stock as follows in accordance with resolutions passed at the Board of Directors meetings held on April 26, 2023, and February 8, 2024, and retired all 44,838,300 shares of treasury stock purchased from the market in fiscal 2019 and 2021 on May 12, 2023, in accordance with the resolution regarding the retirement of treasury stock passed at the Board of Directors meetings held on April 26, 2023.

#### ■ Acquired by resolution of the Board of Directors on April 26, 2023.

Total number of shares purchased	Common stock 20,975,400 shares
Total cost of shares purchased	¥19,999,992,836
Acquisition period	May 12, 2023-December 18, 2023

#### ■ Acquired by resolution of the Board of Directors on February 8, 2024.

Total number of shares purchased	Common stock 11,017,300 shares
Total cost of shares purchased	¥9,999,944,899
Acquisition period	February 13, 2024-May 8, 2024

In addition, at the meeting on May 13, 2024, the Board of Directors passed resolution to purchase treasury stock as follows.

#### ■ Acquisition by resolution of the Board of Directors on May 13, 2024.

Total number of shares to be purchased	Common stock 13,000,000 shares (maximum)
Total cost of shares purchased	¥10,000,000,000 (maximum)
Acquisition period	May 14, 2024-September 30, 2024

## 2. Officers of the Corporation

## (1) Status of directors and audit &amp; supervisory board members (As at March 31, 2024)

Position in the Corporation	Name	Areas of responsibility in the Corporation	Significant concurrent positions outside the Corporation
Chairman of the Board and Representative Director	Yoichi Miyamoto		Chairman of Japan Federation of Construction Contractors
President and Representative Director, President and Executive Officer	Kazuyuki Inoue		
Executive Vice President and Director, Executive Vice President and Executive Officer	Hiroshi Fujimura	Director, Business Development & Marketing Headquarters	
Executive Vice President and Representative Director, Executive Vice President and Executive Officer	Kentaro Ikeda	Director, Civil Engineering Headquarters, In charge of Safety Administration and Environment	
Director Senior Managing Officer	Takeshi Sekiguchi	In charge of Engineering Business, Director, LCV Headquarters, In charge of Information Management	
Director (Representative Director) Senior Managing Officer	Yoshiki Higashi	In charge of Administrative Functions, In charge of SDGs & ESG Promotion, Director, Corporate Planning Div.	
Director [Non-executive]	Noriaki Shimizu		President and Representative Director of SHIMIZU & CO., LTD.
Director [Independent] [Outside] [Non-executive]	Tamotsu Iwamoto		Outside Director of XEBIO HOLDINGS CO., LTD.
Director [Independent] [Outside] [Non-executive]	Junichi Kawada		
Director [Independent] [Outside] [Non-executive]	Mayumi Tamura		Outside Audit & Supervisory Board Member of Kyowa Kirin Co., Ltd. Outside Director of LIXIL Corporation
Director [Independent] [Outside] [Non-executive]	Yumiko Jozuka		Outside Director of Tokyu Fudosan Holdings Corporation Director, Japan Legal Support Center Chairman of Japan Institute for Women's Empowerment & Diversity Management
Audit & Supervisory Board Member (standing)	Hideto Watanabe		
Audit & Supervisory Board Member (standing)	Koichi Matsuoka		
Audit & Supervisory Board Member [Independent] [Outside]	Kaoru Ishikawa		Director, Kawamura Gakuen Director, The Society for Promotion of Japanese Diplomacy Outside Director of SMK Corporation Director, Mitsubishi UFJ Foundation
Audit & Supervisory Board Member [Independent] [Outside]	Toshie Ikenaga		Outside Director of SOHGO SECURITY SERVICES CO., LTD. Director, National Hospital Organization
Audit & Supervisory Board Member [Independent] [Outside]	Ko Shikata		Faculty of Law Professor, Chuo University

- Notes: 1. Directors Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura, and Yumiko Jozuka are outside directors.
2. Audit & Supervisory Board Members Kaoru Ishikawa, Toshie Ikenaga, and Ko Shikata are outside audit & supervisory board members.
3. The Corporation has designated outside directors Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura, and Yumiko Jozuka, and outside audit & supervisory board members Kaoru Ishikawa, Toshie Ikenaga, and Ko Shikata as independent director/audit & supervisory board member, who will have no conflicting interests with general shareholders, and it submitted notification of this to the Tokyo Stock Exchange, Inc.
4. The Corporation has transactional relationships for construction contracting with the following organizations at which outside officers hold significant concurrent positions: Kyowa Kirin Co., Ltd., LIXIL Corporation, Kawamura Gakuen, SOHGO SECURITY SERVICES CO., LTD., National Hospital Organization, and Chuo University. However, all these transactions are based on general transaction conditions, and the transaction amounts in the most recent fiscal year with each organization make up less than 0.1% of the Corporation's total consolidated net sales for the fiscal year in question,

meaning there is no special relationship with any of these organizations. There are no other relationships between concurrent places of work of outside officers and the Corporation that should be noted.

5. Audit & Supervisory Board Member Hideto Watanabe has provided services related to finance and accounting for many years, and has acquired a considerable degree of knowledge related to finance and accounting.
6. Audit & Supervisory Board Member Koichi Matsuoka has acquired a considerable degree of knowledge and abundant experience related to accounting, finance, audit, etc. by engaging in accounting operations for many years.
7. On April 1, 2024, the following changes were made in the position and areas of responsibilities in the Corporation of directors.

Position in the Corporation	Name	Areas of responsibility in the Corporation
Executive Vice President and Director, Executive Vice President and Executive Officer	Hiroshi Fujimura	In charge of Sales & Marketing, Business Development & Marketing Headquarters
Executive Vice President and Director, Executive Vice President and Executive Officer	Takeshi Sekiguchi	In charge of Engineering Business, Director, LCV Headquarters, In charge of Information Management

8. Retired directors and audit & supervisory board members in the current fiscal year

Position at time of retirement	Name	Date of retirement	Reason for retirement
Director	Motoaki Shimizu	May 11, 2023	Resignation
Executive Vice President and Director, Executive Vice President and Executive Officer	Toru Yamaji	June 29, 2023	Expiration of term of office
Director (Representative Director)	Toshiyuki Imaki	June 29, 2023	Expiration of term of office
Director (Representative Director)	Kimio Handa	June 29, 2023	Expiration of term of office



(2) Outline of limited liability agreement

The Corporation entered into a limited liability agreement with all of the outside directors and audit & supervisory board members pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Articles 26 and 33 of the Articles of Incorporation, to the effect that if an outside director or an outside audit & supervisory board member causes damage to the Corporation by neglecting to perform his or her duties, provided such outside director or outside audit & supervisory board member has acted in good faith and without gross negligence, his or her liability shall be limited to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.

(3) Outline of directors and officers liability insurance

The Corporation has entered into directors and officers liability insurance with an insurance company pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured under the insurance covers Directors, Audit & Supervisory Board Members, Executive Officers, and important employees of the Corporation. This insurance policy covers compensation for damages, claimed legally against the insured, and ensuing litigation expenses. However, events, such as one that arises from the insured having obtained personal profits or convenience illegally, will not be covered by the insurance with the aim of avoiding damage to the appropriateness of the execution of duties by the insured.

(4) Amounts of remuneration, etc. to directors and audit & supervisory board members

(i) Matters related to policy on determining the contents of officer remuneration, etc.

The remuneration of each Director of the Corporation, which consists of a base salary that is paid monthly at a fixed amount and performance-based compensation that comprises bonuses and compensation exclusively for purchasing shares of the Corporation, is decided through deliberations of the Nomination and Compensation Committee, which is made up of a majority of Outside Directors and is chaired by a Non-executive Director, and which was established to evaluate the performance of Directors and decide on their remuneration in a fair and transparent manner, based on a resolution passed at a meeting of the Board of Directors.

Non-Executive Directors including Outside Directors and Audit & Supervisory Board Members are paid only fixed-amount monthly salary for the purpose of enhancing the supervisory functions of management.

The Corporation, at a Board of Directors meeting held on February 24, 2021, resolved regulations for officer compensation that set forth the policy for determining the remuneration of each Director. An outline of the contents is as follows:

a. Policy on base salary

Of the remuneration, etc. of Directors of the Corporation, the fixed-amount monthly salary that is the base salary is a maximum total of ¥90 million a month (including a maximum of ¥10 million for Outside Directors) pursuant to a resolution passed at the 117th Annual General Meeting of Shareholders held on June 27, 2019. The number of Directors was 12 (including three Outside Directors) at the close of the 117th Annual General Meeting of Shareholders.

Remuneration for Audit & Supervisory Board Members is a maximum total of ¥13 million a month pursuant to a resolution passed at the 89th Annual General Meeting of Shareholders held on June 27, 1991 and is decided through discussions at Audit & Supervisory Board Members meetings. The number of Audit & Supervisory Board Members was four at the close of the 89th Annual General Meeting of Shareholders.

b. Policy on performance-based compensation

Of the remuneration, etc. of Directors of the Corporation, bonuses that are performance-based compensation is a maximum total of ¥500 million a year pursuant to a resolution at the 118th Annual General Meeting of Shareholders held on June 26, 2020, and the Nomination and Compensation Committee deliberates on whether or not a bonus shall be paid and on what amount shall be paid.

The Corporation has decided not to pay bonuses for the current fiscal year.

(Method of calculating individual performance-based remuneration (bonuses))

Consolidated earnings<sup>\*1</sup> × Earnings coefficient<sup>\*2</sup> × Positional index<sup>\*3</sup> × Individual evaluation index<sup>\*4</sup> = Individual bonus<sup>\*5</sup>

\*1 Consolidated net income for the current fiscal year

\*2 The Nomination and Compensation Committee determines the earnings coefficient after comparing actual consolidated ordinary income and consolidated net income for the current fiscal year to the projections from the beginning of the year in addition to considering orders received, the achievement of financial and non-financial KPIs from the Mid-Term Management Plan, and earnings forecasts for the next fiscal year onwards.

- Financial KPIs (ROE, equity ratio, debt-to-equity (D/E) ratio, dividend payout ratio)
- Non-financial KPIs (productivity improvement rate and CO<sub>2</sub> reduction rate in the construction business, employee satisfaction indicator, number of serious legal violations)

\*3 An index determined for each Director's position

\*4 The Nomination and Compensation Committee determines individual evaluation indices based on the results of evaluations of the level of achievement of targets set for each director based on interviews with Executive Directors at the beginning and end of the fiscal year. (Evaluation indices range from 65% to 135%)

The multifaceted evaluations cover the short-term performance of each director in addition to their level of contribution to achieving the targets of the Mid-Term Management Plan, their efforts to strengthen the management base, their contributions to achieving the SDGs, and their performance as employees.

Notably, only the non-executive directors of the Nomination and Compensation Committee Members make decisions regarding Director evaluations.

\*5 To encourage the further sharing of values with shareholders and increase corporate value over the medium to long term, an amount corresponding to 20% of the bonus as performance-based compensation, shall be deemed to be compensation for purchasing the Corporation's shares, and each Director shall contribute this remuneration to the Directors' Shareholding Association, which shall acquire the Corporation's shares. The Corporation's shares that are acquired in this way shall continue to be held for the duration of the Director's tenure and for a fixed period of time after resignation.

c. Matters related to delegating the determination of remuneration, etc.

To evaluate the performance of each Director of the Corporation and decide on their remuneration in a fair and transparent manner, the remuneration, etc. of each Director is determined by the Nomination and Compensation Committee, which has a majority of Outside Directors and is chaired by a Non-executive Director (see page 47 for the names and positions of committee members).

Regarding directors' remuneration for the current fiscal year, pursuant to the regulations for officers' compensation resolved at the Board of Directors meeting, the Nomination and Compensation Committee deliberated at meetings (a total of ten meetings were held during the current fiscal year) upon the individual monthly remuneration amount and the bonus amount, and determined the amount to be granted. Therefore, the Corporation believes that the contents are in line with the policy decided at the Board of Directors meeting.

## (ii) Total amount of remuneration, etc. for the current fiscal year

Officer Category	Total Compensation (Millions of Yen)	Total Compensation by Compensation Type (Millions of Yen)			Number of Eligible Officers
		Monthly Salary	Bonus		
				Of Which, Compensation for Purchasing the Corporation's Shares	
Directors	615	615	–	–	15
Audit & Supervisory Board Members	100	100	–	–	5
Total	716	716	–	–	20
[Of Which, Outside Officers]	[98]	[98]	[-]	[-]	[7]

(Note) The amounts of remunerations, etc., given above include those for one Director who resigned on May 11, 2023, and three Directors who retired at the conclusion of the 121st Annual General Meeting of Shareholders held on June 29, 2023.

## (5) Status of outside officers

Major activities of outside officers during the current fiscal year

## 1) Outside Directors

Officer Category	Name	Outline of duties executed related to the roles expected of Outside Directors	Attendance at the Board of Directors meetings	Attendance at Nomination and Compensation Committee meetings
Outside Director	Tamotsu Iwamoto	Using his extensive experience and great insights gained through involvement in corporate management as a director of listed companies and overseas subsidiaries, he has provided advice and recommendations at Board of Directors meetings and oversight of the Corporation's management from an objective, neutral standpoint. He has also contributed from an independent standpoint to the fair and transparent evaluation of issues as a member of the Nomination and Compensation Committee, appropriately fulfilling his expected role as an Outside Director.	16/17 (94.1%)	9/10 (90%)
Outside Director	Junichi Kawada	Using his great insights in corporate management and especially in the compliance, legal affairs, and corporate governance fields in corporate group management as a director at listed companies, he has provided advice and recommendations at Board of Directors meetings and oversight of the Corporation's management from an objective, neutral standpoint. He has also contributed from an independent standpoint to the fair and transparent evaluation of issues as a member of the Nomination and Compensation Committee, appropriately fulfilling his expected role as an Outside Director.	17/17 (100%)	10/10 (100%)
Outside Director	Mayumi Tamura	Using her management experience at global companies and especially her great insights in the fields of finance, accounting, and sustainability, she has provided advice and recommendations at Board of Directors meetings and oversight of the Corporation's management from an objective, neutral standpoint. She has also contributed from an independent standpoint to the fair and transparent evaluation of issues as a member of the Nomination and Compensation Committee, appropriately fulfilling her expected role as an Outside Director.	17/17 (100%)	10/10 (100%)

Officer Category	Name	Outline of duties executed related to the roles expected of Outside Directors	Attendance at the Board of Directors meetings	Attendance at Nomination and Compensation Committee meetings
Outside Director	Yumiko Jozuka	Using her extensive experience from many years in the public labor and welfare administration and particularly her great insights in diversity promotion, human resources development, and workstyle reforms, she has provided advice and recommendations at Board of Directors meetings and oversight of the Corporation's management from an objective, neutral standpoint. She has also contributed from an independent standpoint to the fair and transparent evaluation of issues as a member of the Nomination and Compensation Committee, appropriately fulfilling her expected role as an Outside Director.	17/17 (100%)	10/10 (100%)

## 2) Outside Audit &amp; Supervisory Board Members

Title	Name	Statements, etc. at the Board of Directors meetings	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings
Outside Audit & Supervisory Board Member	Kaoru Ishikawa	Made appropriate statements based on the experience and insight he has gained through his involvement in diplomacy and specialized knowledge about the international situation and SDGs.	17/17 (100%)	16/16 (100%)
Outside Audit & Supervisory Board Member	Toshie Ikenaga	Made appropriate statements based on her experience and insight in public administration and specialized knowledge about the economics and management fields and diversity.	16/17 (94.1%)	16/16 (100%)
Outside Audit & Supervisory Board Member	Ko Shikata	Made appropriate statements based on the experience and insight he has accumulated in police-related administrative duties, and specialist knowledge as a university professor of law and policy.	17/17 (100%)	16/16 (100%)

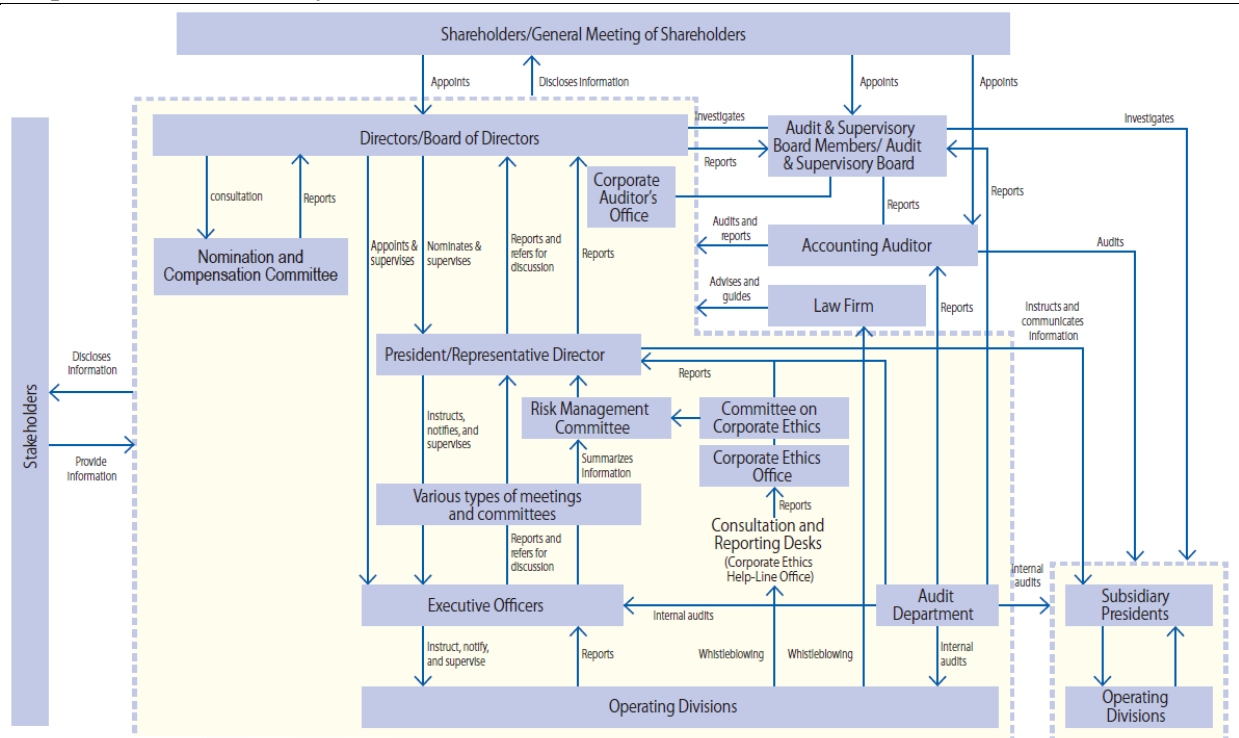
(Reference) Corporate Governance Structure of Shimizu Corporation

■ Basic Views on Corporate Governance

Based on the corporate principles contained in The Analects and the Abacus (Ethics and Economics), Shimizu strives to manage the corporation in an expeditious, efficient, transparent, and lawful manner to achieve sustainable growth and increase corporate value over the medium to long term, while also earning a greater degree of trust from our shareholders and investors, and all other stakeholders, including customers, employees, and local communities. We do so by fulfilling our social responsibilities through business activities.

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

Corporate Governance System



## ■ Nomination and Compensation Committee

The Corporation has established a Nomination and Compensation Committee, which has a majority of Independent Outside Directors and is chaired by a Non-Executive Director, to ensure fair and transparent decision-making on the appointment and dismissal of Directors, Audit & Supervisory Board Members and Executive Officers, and on evaluation and remuneration of Directors and Executive Officers. The committee is made up of all Independent Outside Directors, the Non-executive Internal Director (one), and the President and Representative Director, and the Chairman is elected each year by a mutual vote from the Non-executive Directors.

### Nomination and Compensation Committee's composition (As at March 31, 2024)

Non-executive Directors (five)	Executive Directors (one)
Noriaki Shimizu (Director) *Chairman Tamotsu Iwamoto (Independent Outside Director) Junichi Kawada (Independent Outside Director) Mayumi Tamura (Independent Outside Director) Yumiko Jozuka (Independent Outside Director)	Kazuyuki Inoue (President and Representative Director)

### Meetings and activities of the Nomination and Compensation Committee

Meeting date	Agenda
First: May 11, 2023 Second: May 30, 2023 Third: June 23, 2023 Fourth: June 29, 2023 Fifth: November 7, 2023 Sixth: January 31, 2024 Seventh: February 15, 2024 Eighth: February 29, 2024 Ninth: March 8, 2024 Tenth: March 28, 2024	<ul style="list-style-type: none"> <li>• Chairperson appointment</li> <li>• Verifying the Nomination and Compensation Committee and regulations for compensation</li> <li>• Succession plan</li> <li>• Individual evaluations of Directors and Executive Officers</li> <li>• Total and individual bonuses for officers</li> <li>• Individual monthly compensation for the following fiscal year</li> <li>• Personnel affairs for Directors and Executive Officers</li> </ul>

#### Member attendance:

##### • Non-executive Directors

Director: Noriaki Shimizu (Chairman), 7/7 (100%)(Note)

Outside Director: Tamotsu Iwamoto, 9/10 (90%)

Outside Director: Junichi Kawada, 10/10 (100%)

Outside Director: Mayumi Tamura, 10/10 (100%)

Outside Director: Yumiko Jozuka, 10/10 (100%)

##### • Executive Directors

President and Representative Director: Kazuyuki Inoue, 10/10 (100%)

(Note) Noriaki Shimizu was appointed as a Non-executive Director of the Corporation at the Annual General Meeting of Shareholders held on June 29, 2023, and assumed the position of Chairperson of the Nomination and Compensation Committee at the 4th meeting of the said committee held on the same day.

## ■ Evaluation of the effectiveness of the Board of Directors

The Corporation's Board of Directors conducts the analysis and evaluation of effectiveness of the Board of Directors as a whole once a year. The outline of the method of evaluation and the results thereof in fiscal 2023 are as follows:

### 1. Evaluation method

An anonymous questionnaire with open-ended questions was sent to all Directors and Audit & Supervisory Board Members. Based on an analysis by a third party (a lawyer), all Directors and Audit & Supervisory Board Members have discussions (self-evaluation) at Board of Directors meetings.

- Report period: April 2023–March 2024
- Dates of evaluation: Board of Directors meetings held on March 8, March 28, and April 24, 2024
- Main evaluation items: The Board of Directors' structure, operation, management strategy and supervision functions, corporate ethics and risk management, solutions to sustainability-related issues, process of determining nominations and remuneration, human development, communication with Outside Directors and management personnel, dialogue with shareholders and investors, and more

### 2. Outline of the evaluation results

Conclusion: The effectiveness of the Board of Directors of the Corporation as a whole is ensured.

#### (1) Response to issues identified in the previous effectiveness evaluation in fiscal 2022 (Report period: April 2022–March 2023)

The Board of Directors has made consistent efforts to resolve issues and make improvements as follows. The Board of Directors will continue to strive for further improvement.

##### 1. Further deepen the management supervision functions of the Board of Directors

- Expand discussions about sustainability and ESG (e.g. climate change countermeasures, human resources strategies)
  - Established the SDGs and ESG Promotion Committee (chaired by the President), which reports important matters to the Board of Directors and receives its oversight.
- Expand opportunities to exchange opinions about management strategy with management personnel and Outside Directors (including opportunities outside of Board of Directors meetings) and strengthen monitoring of the progress of the Mid-Term Management Plan
  - The status of management's consideration of the next Mid-Term Management Plan (including a review of the current Mid-Term Management Plan) was shared with Non-executive Directors for discussion, as appropriate, and reflected in the plan.
- Enhance sharing of management information with Outside Directors and Outside Audit & Supervisory Board Members
  - In addition to inspections of the Corporation's business locations and work sites as well as participation in various in-house lectures and other events, IR and audit reports were regularly conducted.

##### 2. Further promote communication with Outside Directors, Outside Audit & Supervisory Board Members, and management personnel (ongoing)

- Hold regularly on several occasions. Hold meetings for all internal Directors and Non-executive Directors to exchange opinions.

#### (2) Major issues to be considered identified in the effectiveness evaluation

- a. Supervise the progress of the Mid-Term Management Plan at Board of Directors meetings
  - Link the Mid-Term Management Plan and the Annual Management Plan and further enhance monitoring of progress and status of deployment throughout the Corporation.
- b. Confirm efforts for the appropriate allocation of management resources at Board of Directors meetings
  - Discuss and expand the business portfolio with a focus on medium- to long-term growth.
- c. Share the deliberations of the Nomination and Compensation Committee and other information with the Board of Directors
  - Confirm the results of deliberations by the Nomination and Compensation Committee as well as the deliberation process with the Board of Directors
- d. Expand the disclosure of non-financial information



- Expand the disclosure regarding risk management and sustainability

### 3. Future initiatives

Based on the results of the evaluation of the effectiveness of the Board of Directors, the Corporation aims to enhance the effectiveness of the Board of Directors and further expand and reinforce corporate governance through the PDCA cycle to improve on issues.

(Reference) Executive officers and their positions and areas of responsibility in the Corporation as at April 1, 2024 are as follows.

Position	Name	Areas of responsibility
President and Executive Officer	Kazuyuki Inoue*	
Executive Vice President and Executive Officer	Kentaro Ikeda*	Director, Civil Engineering Headquarters, In charge of Safety Administration and Environment
Executive Vice President and Executive Officer	Hiroshi Fujimura*	In charge of Sales & Marketing, Business Development & Marketing Headquarters
Executive Vice President and Executive Officer	Takeshi Sekiguchi*	In charge of Engineering Business, Director, LCV Headquarters, In charge of Information Management
Executive Vice President and Executive Officer	Tatsuya Shinmura	Director, Building Construction Headquarters, In charge of Productivity Improvement, Nuclear Business, Building Construction Headquarters, and Smart City
Executive Vice President and Executive Officer	Yoshito Tsutsumi	Executive Project Director, TOKIWABASHI PROJECT, In charge of Special Projects
Executive Vice President and Executive Officer	Masanobu Onishi	Executive Conductor, NOVARE, In charge of Business Innovation and Emerging Frontiers, General Conductor, NOVARE Archives
Senior Managing Officer	Yoshiki Higashi*	In charge of Administrative Functions, Director, Corporate Planning Div., In charge of SDGs & ESG Promotion
Senior Managing Officer	Takao Haneda	Director, Corporate Ethics Office, In charge of General Affairs, Legal Affairs, Risk Management and Associated Companies
Senior Managing Officer	Kouichi Yamashita	In charge of Kansai Area, Director, Kansai Branch, Director, Yumeshima (Osaka) Project
Senior Managing Officer	Akira Yamazaki	Director, Construction Technology Div., Building Construction Headquarters, In charge of Procurement, Building Construction Headquarters, Technology and Intellectual Property
Senior Managing Officer	Kojiro Shimizu	Director, Tokyo Branch
Senior Managing Officer	Takefumi Saito	Director, Tokyo Civil Engineering Branch
Senior Managing Officer	Hideo Yokoyama	Director, Business Development & Marketing Headquarters
Managing Officer	Mitsuo Morii	Assistant Director, Tokyo Branch
Managing Officer	Toshihide Suenaga	In charge of Building Construction Sales & Marketing, Kansai Area, Business Development & Marketing Headquarters and Sales & Marketing, Yumeshima (Osaka) Project
Managing Officer	Tomoaki Harada	Director, Chiba Branch
Managing Officer	Kazuhiko Kato	In charge of Large-scale Projects Promotion, Business Development & Marketing Div. - Civil Engineering, Business Development & Marketing Headquarters
Managing Officer	Akinobu Sakao	Director, Nagoya Branch
Managing Officer	Hitoshi Fujita	Director, Global Business Headquarters
Managing Officer	Kazuya Osako	Director, International Civil Engineering Div., Global Business Headquarters
Managing Officer	Mika Kaneko	Director, Environmental Strategy Office, Deputy Director, Corporate Planning Div.
Managing Officer	Haruhiko Washimi	In charge of Investment and Development, Deputy Director, Global Business Headquarters
Managing Officer	Toru Noda	In charge of Technology, Civil Engineering Headquarters

Position	Name	Areas of responsibility
Managing Officer	Hiroyuki Fujimoto	Director, Design Div., Building Construction Headquarters
Managing Officer	Takuya Ito	Deputy Director, Global Business Headquarters, President and Representative Director, Shimizu America, Inc.
Managing Officer	Shinichi Takiguchi	Director, Emerging Frontiers Div.
Managing Officer	Toshiyuki Nakahara	Director, Business Development & Marketing Div. - Civil Engineering, Business Development & Marketing Headquarters
Executive Officer	Naruki Ohashi	Director, Tohoku Branch
Executive Officer	Yasuhiro Takenaka	Director, Hokkaido Branch
Executive Officer	Shuji Kakegawa	Director, Institute of Technology
Executive Officer	Katsuyoshi Yuhara	Director, Kyushu Branch
Executive Officer	Mohi U.Ahmed	Director, Business Innovation Unit
Executive Officer	Yasuhide Yamada	In charge of Environment & Energy, Corporate Planning Div.
Executive Officer	Naomi Onishi	In charge of Civil Engineering Kansai Area, and Civil Engineering, Yumeshima (Osaka) Project
Executive Officer	Hiroshi Murata	Director, Human Resources Dept., In charge of Workstyle Reforms
Executive Officer	Naoki Iwagaki	Director, Hiroshima Branch
Executive Officer	Michiho Yamaguchi	In charge of Finance & Accounting and Investor Relations
Executive Officer	Kazuyuki Oki	Director, International Div., Global Business Headquarters
Executive Officer	Shigeru Matsumoto	Director, Building Construction Planning Div., Building Construction Headquarters, General Conductor, NOVARE Academy
Executive Officer	Toru Aoki	Director, Mechanical & Electrical Div., Building Construction Headquarters
Executive Officer	Yoshiro Kobayashi	Director, Business Development & Marketing Div. 2 - Building Construction, Business Development & Marketing Headquarters, Director, Chubu Business Development & Marketing Div., Business Development & Marketing Headquarters
Executive Officer	Nobuyoshi Kikuchi	Deputy Director, Corporate Planning Div.
Executive Officer	Kazumi Sato	Deputy Director, Corporate Planning Div., Director, HR Strategy Dept., Corporate Planning Div., General Conductor, NOVARE Planning Office
Executive Officer	Osamu Nakagawa	Assistant Director, Tokyo Branch
Executive Officer	Kentaro Nakagawa	Deputy Director, Design Div., Building Construction Headquarters, In charge of Structure
Executive Officer	Shunsuke Oka	Director, Business Development & Marketing Div. 1 - Building Construction, Business Development & Marketing Headquarters
Executive Officer	Kazu Miyata	Director, Civil Engineering Technology Div., Civil Engineering Headquarters
Executive Officer	Hideyuki Tominaga	Director, Yokohama Branch
Executive Officer	Yutaka Shimizu	Director, Engineering Headquarters
Executive Officer	Eiichi Shinma	Deputy Director, Design Div., Building Construction Headquarters
Executive Officer	Kounari Yotsumoto	Director, Investment and Development Div.

Position	Name	Areas of responsibility
Executive Officer	Takayuki Kawasaki	Director, Civil Engineering Planning Div., Civil Engineering Headquarters
Executive Officer	Junichiro Kakuno	Director, Hokuriku Branch

Note: \* indicates those who serve as Director concurrently.

### 3. Accounting Auditor

(1) Name of accounting auditor

Ernst & Young ShinNihon LLC

(2) Amount of remuneration, etc. in the current fiscal year

Name	Amount of remuneration, etc. for the services provided as accounting auditor for the Corporation in the current fiscal year	Total cash and other economic benefits to be paid by the Corporation and its subsidiaries
Ernst & Young ShinNihon LLC	¥106 million	¥258 million

- Notes: 1. For the amount of remuneration, etc. to the accounting auditor in the current fiscal year mentioned above, no distinction is made between the amount of remuneration for auditing based on the Companies Act and the amount of remuneration for auditing based on the Financial Instruments and Exchange Act of Japan in the audit agreement between the Corporation and the accounting auditor. Also, it is not possible to effectively distinguish these two amounts. Accordingly, the total of these amounts is provided.
2. The Audit & Supervisory Board checks the content of the audit plan by the accounting auditor, amount of audit time by individual audit item and changes in audit fee, and the audit record for past years by obtaining necessary materials and reports from the related internal departments and the accounting auditor and examines the properness of the amount of audit time and the amount of fees for the current, and as a result gave consent under Article 399, Paragraph 1 of the Companies Act as to fees for the accounting auditor.

(3) Non-audit services

Ernst & Young ShinNihon LLC provides advisory service to the Corporation regarding the implementation of sustainability management.

(4) Policy for decisions on dismissal or non-reappointment of accounting auditor

If the Audit & Supervisory Board recognizes that the any of the items set forth in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, the Audit & Supervisory Board shall dismiss the accounting auditor based on the agreement of all of the audit & supervisory board members. In addition, if it is determined necessary to dismiss or not reappoint the accounting auditor for any of various reasons, such as there being an impediment that prevents the accounting auditor from performing its duties, the Audit & Supervisory Board shall make the issue regarding dismissing or non-reappointment of the accounting auditor purpose of the general meeting of shareholders.

### III Propriety Assurance Program for Business Operations and the Status of its Implementation

#### **Overview of Resolutions regarding the Propriety Assurance Program for Business Operations**

In order to develop a system that ensures the propriety of business operations, the Corporation's "Basic Policy on Developing an Internal Control System," was approved by a resolution of the Board of Directors

The outline of this policy is as follows.

#### 1. Legal and Ethical Compliance System

- 1) In order to ensure that officers and employees perform their duties in compliance with laws and regulations and the Articles of Incorporation, the Corporation shall implement its "Corporate Code of Conduct" and work to thoroughly promote corporate ethics including legal compliance.
- 2) In order to thoroughly promote its "Corporate Code of Conduct" and put it into practice by officers and employees, the Corporation shall educate and train its workforce and develop an internal structure by such means as appointing officers responsible for corporate ethics, putting in place a Corporate Ethics Committee, a Corporate Ethics Office and a Corporate Ethics Help-Line Office, and establishing a whistle-blowing system.
- 3) In order to further promote thorough compliance with the Construction Business Act, the Corporation shall introduce and thoroughly promote measures to secure proper contracts and payments when dealing with subcontractors, and shall develop an internal structure for establishing systems to maintain construction system ledgers.
- 4) In order to eliminate violations of the Antimonopoly Act, the Corporation shall undertake an appropriate review of its program for compliance with the Antimonopoly Act, and shall develop and thoroughly promote internal systems by such means as carrying out periodic transfers of sales personnel, thoroughly implementing education and training, establishing an internal check system and a system for whistle blowing to outside law offices, formulating a code of conduct, and implementing strict internal punishments for offenders.
- 5) In order to completely sever relations with anti-social forces or groups, the Corporation shall clearly indicate a policy of "eradication of anti-social activity" in its Corporate Code of Conduct, and shall develop and thoroughly promote internal systems to put this into practice by such means as carrying out education and training, selecting employees to be in charge of preventing unfair demands, developing a reporting system for cases where unfair demands are received, and having clauses clearly indicating zero tolerance for relations with organized crime groups, etc. in contracts with subcontractors/suppliers.
- 6) In order to prevent bribery globally, the Corporation shall clearly indicate prohibition of bribery in its "Corporate Code of Conduct," establish "Anti-Bribery Rules," and develop an internal system, which includes an implementation system, undertaking education and training activities, and strict punishments for offenders.

#### 2. Internal Audit System

The Corporation will put in place the Audit Department to function in an internal control and checking role. It shall perform comprehensive audits of the activities of business execution sections based on audit plans approved by the Board of Directors. The audit results shall be reported to the directors and also to the audit & supervisory board members.

### 3. Risk Management System

- 1) The Corporation shall formulate rules concerning general risk management. It will also develop a system enabling the management of all risks with the potential to have a serious impact on the corporate group, composed of the Corporation and its subsidiaries, as well as providing accurate responses when risks are manifested.
- 2) For various types of risk, quality, safety, environment, natural disasters and information, etc., the Corporation shall develop a system enabling prevention of occurrences and reoccurrences accurately by putting in place bodies such as divisions, departments and committees that correspond to the function of each risk.

### 4. Structure for Efficient Execution of Business Operations

- 1) The Corporation shall have a small number of directors and shall utilize the executive officer system to ensure efficient business management by distinguishing between strategy/management supervision and the execution of business operations.
- 2) In order to further invigorate deliberation by the Board of Directors and enhance the function of the supervision of management, the Corporation shall appoint outside directors.
- 3) The Corporation shall structure meetings to efficiently carry out the functions necessary for business operations, including the approval of important matters relating to the execution of operations and the determination of strategy. Matters shall be deliberated on, decided and implemented based on the “Authority List for Important Matters” appended to the rules of the Board of Directors specified by the Board of Directors.
- 4) The Corporation shall establish a Nomination and Compensation Committee, with a majority of outside directors, to ensure fair and transparent decision-making on the appointment and dismissal, evaluation, and remuneration of Directors and Executive Officers.
- 5) Executive Officers shall execute operations in accordance with the rules on office organization, division of operations, and delegation of authority, as specified by the Board of Directors.

### 5. Retention and Management of Information on the Execution of Business Operations

The Corporation shall specify rules on documents and an information security policy, and shall appropriately retain and manage minutes of meetings of the Board of Directors, internal circulars for managerial decisions, various contract documents, and other important information showing the status of the execution of operations. In addition, the Corporation shall develop an internal system for the safe and effective use of electronic information.

### 6. Systems for Appropriate Business Operations at the Corporate Group

- 1) The Corporation shall hold regular meetings to share information with its subsidiaries, manage material matters related to subsidiaries’ conduct of operations, and require that subsidiaries report on and obtain the approval of the Corporation for these matters as stipulated in the “Subsidiary Management Rules.”
- 2) The Corporation shall perform internal audits through its Audit Department and monitor the proper execution of business operations of subsidiaries as necessary by such means as seconding audit & supervisory board members.
- 3) In order to ensure the appropriateness of business operations, subsidiaries shall develop internal rules appropriate for their particular business and develop internal systems, including establishing a whistle-blowing system.
- 4) The Corporation shall develop and operate an internal control system necessary to ensure the reliability of financial reporting and to help maintain and enhance societal trust.

## 7. Systems for Audit & Supervisory Board Members

- 1) The Corporation shall put in place the “Auditors Office (Full-time Staff)” of full-time employees to assist the audit & supervisory board members to exercise their authority as specified in relevant laws and regulations and to efficiently perform their audits.
- 2) The employees at the Auditors Office shall perform their duties under the direction of the audit & supervisory board members and shall have the authority to collect information necessary for auditing. Transfers, etc. of employees of the Auditors Office shall be with the advance consent of the Audit & Supervisory Board.

## 8. System for Making Reports to the Audit & Supervisory Board Members Regarding the Execution of Business Operations

- 1) Officers and employees shall make reports to the audit & supervisory board members without delay in cases of occurrences of matters relating to the Corporation and its subsidiaries, including statutory matters, events with the potential to cause serious loss of trust in or damage to the Corporation or its subsidiaries, and major wrongful activity such as internal misconduct or offences against laws and regulations. They shall also make reports on the results of internal audits performed by the Audit Department of the Corporation and the status of reporting through the whistle-blowing system.
- 2) The Corporation shall develop a system to ensure that officers and employees of the Corporation and its subsidiaries are not treated disadvantageously due to their making reports to the audit & supervisory board members.

## 9. Matters Regarding Expenses and Liabilities that Arise as a Result of Audit & Supervisory Board Members Performing Their Duties

Expenses and liabilities that arise as a result of audit & supervisory board members performing their duties shall be promptly handled by the Corporation based on claims submitted by audit & supervisory board members.

## 10. Ensuring the Authority of Audit & Supervisory Board Members to Attend Important Meetings

In order to ensure that audits of business operations by audit & supervisory board members are performed effectively, the Representative Director and the audit & supervisory board members shall have regular opportunities to share management information, and audit & supervisory board members nominated by the Audit & Supervisory Board shall attend “Meetings of the President Office” and “Meetings of the Division Heads” and other important meetings.

## 11. Matters Regarding Audits of the Consolidated Financial Statements and Non-Consolidated Financial Statements, etc. by the Audit & Supervisory Board Members

- 1) In order for the audit & supervisory board members to judge the appropriateness of the audit methods and results of audits by the accounting auditor, and to ensure the independence of the accounting auditor from the directors, the audit & supervisory board members shall confirm the annual audit plan of the accounting auditor in advance and receive successive reports on the audit results.
- 2) The audit & supervisory board members and the accounting auditor shall be in coordination with each other, thus ensuring a system that enables effective auditing.

**Status of the Propriety Assurance Program for Business Operations**

The following is an overview of the status of the Program for this fiscal year:

**1. Legal and Ethical Compliance System**

- 1) In order to thoroughly promote legal compliance, the Corporation has provided education and training to its officers and employees.
- 2) Based on the whistle-blowing system, the Corporation has established three compliance hotlines, namely, the Corporate Ethics Help-Line Office, the Harassment Consultation Desk, and the Outside Help-Line, and has thoroughly familiarized employees with these. Furthermore, the operational status thereof is reported to the Corporate Ethics Committee, the Risk Management Committee, audit & supervisory board members, and the Board of Directors.
- 3) Corporate Ethics Committee meetings are held biannually for companywide implementation and follow-up on measures for corporate ethics and thorough legal compliance.

**2. Risk Management System**

- 1) Risk Management Committee meetings are held biannually to understand and analyze risks that will have a major impact on the corporate group composed of the Corporation and its subsidiaries, and to set key risk management items for tracking these risks and to report to the Board of Directors.
- 2) To check the communications and initial response systems to be used in case of massive earthquakes, etc., the Corporation implements earthquake disaster drills on a regular basis (biannually), extensively inviting relevant third parties such as subcontractors/suppliers and local residents to participate in them.
- 3) As overseas safety measures, the Corporation gathers risk information in accordance with the International Emergency Response Guidelines, and strengthens its security systems as necessary, while alerting relevant people and imposing overseas travel restriction.
- 4) In order to make sure that information security measures permeate and take hold, the Corporation continues to implement education and training programs for our officers and employees. In the event of a problem, relevant departments take action swiftly by sharing information with each other.

**3. Systems for Appropriate Business Operations at the Corporate Group**

- 1) The President of the Corporation has held biannual meetings to share information with the presidents of subsidiaries, and to manage important matters relating to execution of operations at subsidiaries as stipulated in the "Subsidiary Management Rules."
- 2) The Corporation has conducted internal audits through its Audit Dept. according to the audit plan and monitored the proper execution of business operations of subsidiaries as necessary by such means as seconding audit & supervisory board members.

**4. Systems for Audit & Supervisory Board Members**

- 1) The Corporation has assigned three full-time employees to the Auditors Office as Full-time Staff assisting audit & supervisory board members.
- 2) Audit & Supervisory Board Members designated by the Audit & Supervisory Board have attended important meetings such as the "Meeting of the President Office," "Meeting of the Division Head," "Meeting of the Risk Management Committee" and "Meeting of the Corporate Ethics Committee."



**Consolidated Balance Sheet**

(As at March 31, 2024)

(Millions of Yen)

Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>	<b>1,470,680</b>	<b>Current liabilities:</b>	<b>1,188,396</b>
Cash	270,256	Notes and accounts payable-trade	377,767
Notes and accounts receivable-trade	903,841	Short-term borrowings	242,147
Marketable securities	69,000	Current portion of non-recourse borrowings	30,954
Real estate for sale	12,881	Current portion of bonds payable	20,000
Costs on uncompleted construction contracts	42,980	Advances received on uncompleted construction contracts	152,741
Costs on uncompleted real estate development projects	29,015	Warranty reserve	4,179
Other inventories	4,061	Reserve for expected losses on construction contracts in process	125,791
Other current assets	140,520	Other current liabilities	234,813
Less: Allowance for doubtful accounts	(1,877)		
<b>Non-current assets:</b>	<b>1,068,089</b>	<b>Non-current liabilities:</b>	<b>402,313</b>
<b>Tangible fixed assets:</b>	<b>638,582</b>	Bonds payable	125,000
Buildings and structures	258,923	Long-term borrowings	131,890
Machinery, vehicles, tools, furniture and fixtures	84,177	Non-recourse borrowings	53,196
Land	289,275	Deferred tax liabilities	2,200
Construction in progress	6,206	Deferred tax liabilities for revaluation reserve for land	17,135
<b>Intangible fixed assets</b>	<b>22,215</b>	Net defined benefit liability	38,748
<b>Investments and other assets:</b>	<b>407,290</b>	Other non-current liabilities	34,142
Investment securities	373,014	<b>Total liabilities</b>	<b>1,590,709</b>
Deferred tax assets	13,154	<b>NET ASSETS</b>	
Other investments	23,142	<b>Shareholders' equity</b>	<b>677,206</b>
Less: Allowance for doubtful accounts	(2,021)	<b>Common stock, no par value</b>	<b>74,365</b>
		<b>Additional paid-in capital</b>	<b>43,586</b>
		<b>Retained earnings:</b>	<b>586,761</b>
		Less: Treasury stock, at cost	(27,506)
		<b>Accumulated other comprehensive income</b>	<b>211,332</b>
		Net unrealized gain (loss) on other securities, net of taxes	164,048
		Deferred gain (loss) on hedging, net of taxes	(178)
		Revaluation reserve for land, net of taxes	24,746
		Foreign currency translation adjustment	5,855
		Remeasurements of defined benefit plans	16,861
		<b>Non-controlling interests</b>	<b>59,520</b>
		<b>Total net assets</b>	<b>948,059</b>
<b>Total assets</b>	<b>2,538,769</b>	<b>Total liabilities and net assets</b>	<b>2,538,769</b>

**Consolidated Statement of Income**

(For the year ended March 31, 2024)

(Millions of Yen)

Account	Amount	
Net sales:		
Construction contracts	1,753,155	
Real estate development and other	252,363	2,005,518
Cost of sales:		
Construction contracts	1,717,495	
Real estate development and other	198,510	1,916,006
Gross profit:		
Construction contracts	35,659	
Real estate development and other	53,853	89,512
Selling, general and administrative expenses		114,198
<b>Operating loss</b>		<b>(24,685)</b>
Non-operating income:		
Interest and dividend income	7,485	
Foreign exchange gain	4,175	
Other non-operating income	2,632	14,292
Non-operating expenses:		
Interest expenses	5,673	
Other non-operating expenses	3,769	9,442
<b>Ordinary loss</b>		<b>(19,834)</b>
Special gains:		
Gain on sales of investment securities	55,103	
Other special gains	999	56,103
Special losses:		
Loss on devaluation of investment securities	815	
Impairment loss on fixed assets	1,699	
Other special losses	230	2,745
<b>Income before income taxes</b>		<b>33,522</b>
Income taxes current	41,043	
Income taxes deferred	(28,301)	12,742
<b>Net income</b>		<b>20,779</b>
Net income attributable to non-controlling interests		3,616
<b>Net income attributable to shareholders of the Corporation</b>		<b>17,163</b>

## Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as at April 1, 2023	74,365	43,691	625,324	(41,299)	702,081
Changes during period					
Cash dividends paid			(17,643)		(17,643)
Net income attributable to shareholders of the Corporation			17,163		17,163
Reversal of revaluation reserve for land, net of taxes			749		749
Purchase of treasury stock				(25,484)	(25,484)
Disposal of treasury stock		0		0	0
Cancellation of treasury stock		(38,894)		38,894	-
Transfer from retained earnings to additional paid-in capital		38,833	(38,833)		-
Change in ownership interest of parent due to transactions with non-controlling interests		8			8
Change by share exchanges		(51)		383	331
Increase or decrease of shares of consolidated subsidiaries		(1)			(1)
Net changes other than shareholders' equity					
Total changes during period	-	(104)	(38,563)	13,793	(24,875)
Balance as at March 31, 2024	74,365	43,586	586,761	(27,506)	677,206

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gain (loss) on other securities, net of taxes	Deferred gain (loss) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as at April 1, 2023	121,937	198	25,495	3,401	(555)	150,477	54,718	907,277
Changes during period								
Cash dividends paid								(17,643)
Net income attributable to shareholders of the Corporation								17,163
Reversal of revaluation reserve for land, net of taxes								749
Purchase of treasury stock								(25,484)
Disposal of treasury stock								0
Cancellation of treasury stock								—
Transfer from retained earnings to additional paid-in capital								—
Change in ownership interest of parent due to transactions with non-controlling interests								8
Change by share exchanges								331
Increase or decrease of shares of consolidated subsidiaries								(1)
Net changes other than shareholders' equity	42,111	(376)	(749)	2,453	17,416	60,855	4,802	65,657
Total changes during period	42,111	(376)	(749)	2,453	17,416	60,855	4,802	40,782
Balance as at March 31, 2024	164,048	(178)	24,746	5,855	16,861	211,332	59,520	948,059

## Notes to Consolidated Financial Statements

### 1. Basis of Presentation of Consolidated Financial Statements

#### (1) Scope of consolidation

##### 1) Major consolidated subsidiaries: 123

Major consolidated subsidiaries:

Nippon Road Co., Ltd., Shimizu Comprehensive Development Corporation, FaB-Tec Japan Corporation, MARUHIKO WATANABE CONSTRUCTION, inc, Daiichi Setsubi Engineering Corporation, Milx Corporation, SC Machinery Corp. and SHIMIZU BLC Co., Ltd.

Notably, six companies that became subsidiaries of the Corporation in the year ended March 31, 2024 are included in the scope of consolidation, and the eight companies that ceased to be a subsidiary of the Corporation are excluded from the scope of consolidation.

##### 2) Unconsolidated subsidiary(ies)

Major subsidiary(ies): MARUHIKO SHOJI Co., Ltd.

Reasons for exclusion from scope of consolidation:

All of the unconsolidated subsidiaries are excluded from the scope of consolidation because they are small in size and their combined total assets, net sales, profit or loss (as calculated by the equity method), retained earnings (as calculated by the equity method), etc. will not have a material impact on the consolidated financial statements.

#### (2) Application of equity method

##### 1) Number of equity method affiliates: 10

Major affiliate: Property Data Bank, Inc.

The equity method was applied to the investment in two companies that became affiliates during the period under review. In addition, the equity method was not applied to one company that ceased to be an affiliate during the period under review.

##### 2) Non-equity method unconsolidated subsidiary(ies) and affiliate(s)

Major subsidiary(ies): As stated in “(1) Scope of consolidation 2) Unconsolidated subsidiary(ies)”

Reason for not applying the equity method

Profit or loss (as calculated by the equity method) and retained earnings (as calculated by the equity method) have a minimal effect on the consolidated financial statements and have no significance as a whole, and are thereby excluded from the scope of application of equity method.

#### (3) Financial statements of subsidiaries

26 of the Corporation's consolidated subsidiaries have their financial year-end on December 31. Consolidation of these subsidiaries is therefore performed by using their financial statements as at their fiscal year-end, and certain adjustments are made to reflect any significant transactions during the period from the year-end balance sheet dates for these subsidiaries to March 31, the consolidated balance sheet date. The financial period of other consolidated subsidiaries is the same as the Corporation.

#### (4) Accounting policies

##### 1) Valuation basis and method for significant assets

###### a. Valuation of securities

The Group classifies securities into two different categories, held-to-maturity debt securities and other securities. The Group holds no trading securities. Held-to-maturity debt securities are valued at amortized cost. Other securities that are not shares with no quoted market value are valued at the prevailing market price as at the closing date. Other securities that are shares with no quoted market value are stated at cost, cost being determined by the moving average method. Net unrealized gains on other securities that are not shares with no quoted market value are reported net of taxes as a separated component of “Net assets” and the cost of sales is determined by the moving average method.

b. Valuation of inventories

Real estate for sale: Cost method by specific identification method (the carrying value is calculated by the book value devaluation method based on the decline in profitability).

Costs on uncompleted construction contracts: Cost method by specific identification method

Costs on uncompleted real estate development projects: Cost method by specific identification method (the carrying value is calculated by the book value devaluation method based on the decline in profitability)

2) Depreciation methods for significant depreciable assets

Tangible fixed assets: Buildings and structures mainly the straight-line method

Other tangible fixed assets declining balance method (straight-line method for ships)

3) Recognizing provision of significant reserves

a. Allowance for doubtful accounts

To provide for losses due to bad debt, general receivables are provided for in the amount deemed necessary based on historical experience, while doubtful receivables and claims in bankruptcy or reorganization are provided for in the amount deemed necessary based on individual estimates.

b. Warranty reserve

To provide for liability repair expenses related to completed construction contracts, the necessary amount is recorded based on past experience.

c. Reserve for expected losses on construction contracts in process

An allowance is provided for estimated future losses related to the construction contracts in process.

4) Recognizing revenues and cost of sales of completed construction contracts

For construction contracts, except for those with very short durations, the Corporation estimates the degree of completion of performance obligations and recognizes revenue over a specified period based on the degree of completion. The estimated progress of completion is based on the percentage of cost incurred to the total cost of sales of construction contracts.

If, in the early stages of the contract, and so forth, it is not possible to reasonably estimate the degree of completion of the performance obligation, but it is probable that the costs to be incurred will be recovered, revenue is recognized on a cost recovery basis, and for construction contracts with very short durations, revenue is recognized at the time of completion.

5) Recognizing net defined benefit liability

To provide for the payment of employees' retirement benefits, net defined benefit liability is recorded based on the estimated amount of retirement benefits to be paid to employees at the end of period, which is calculated by deducting pension assets from the projected benefit obligation.

6) Amortization of goodwill

Goodwill is principally amortized using the straight-line method over a period benefited therefrom but not exceeding 20 years.

7) Accounting treatment of construction project joint ventures (joint corporate entities)

The assets, liabilities, revenue and expenses are recognized mainly according to the ownership ratios of the joint venture partners.

## 2. Accounting Estimates

(Revenue recognized in construction contracts and reserve for expected losses on construction contracts in process)

(1) Amounts recognized in the consolidated financial statements for the period

Net sales of completed construction contracts recognized as performance obligations are satisfied over time: ¥1,544,730 million

Reserve for expected losses on construction contracts in process: ¥125,791 million

## (2) Information about significant accounting estimates for identified items

For construction contracts, except for those with very short durations, the degree of completion of performance obligations are estimated and revenue is recognized over time based on the degree of completion. The estimated progress of completion is based on the percentage of cost incurred to the total cost of sales of construction contracts.

Based on the estimated total revenues from construction contracts on hand and total cost of sales of construction contracts as at the end of period, if it is probable that the total cost of sales of construction contracts will exceed the total revenue from construction contracts, and if the amount of the excess can be reasonably estimated, then of the excess amount, the remaining amount, after deducting the amount of gains or losses already recognized on such construction contracts, is recorded as the reserve for expected losses on construction contracts in process.

In recognizing revenue, as changes in the total cost of sales of construction contracts affect the calculation of the degree of progress in satisfying performance obligations, it is necessary to reliably estimate the total cost of sales of construction contracts as on the balance sheet date. However, since construction projects generally take a long period of time, in cases such as when construction material prices, labor costs, etc. increase significantly higher than expected at the time of concluding a subcontracting agreement, the business results in the following period could be affected due to the uncertainty of the estimate for the total cost of sales of construction contracts.

**3. Notes to Consolidated Balance Sheet**

## (1) Assets pledged as collateral

1) The following assets are pledged as collateral for borrowings of ¥2,499 million.

Buildings and structures	¥1,335 million
Machinery, vehicles, tools, furniture and fixtures	¥341 million
Land	¥378 million
Total	¥2,055 million

2) The following assets are pledged as collateral for borrowings at affiliated companies and others

Cash	¥15 million
Current assets "Other"	¥27 million
Investment securities	¥18 million
Investments and other assets "Other"	¥6 million
Total	¥67 million

3) The following assets are pledged as collateral for non-recourse borrowings of ¥84,151 million

Cash	¥3,100 million
Notes and accounts receivable-trade	¥41,013 million
Other inventories	¥314 million
Current assets "Other"	¥459 million
Buildings and structures	¥59,857 million
Machinery, vehicles, tools, furniture and fixtures	¥1,056 million
Land	¥22,141 million
Construction in progress	¥8 million
Intangible fixed assets	¥2 million
Investments and other assets "Other"	¥1,187 million
Total	¥129,142 million

(2) Accumulated depreciation of tangible fixed assets ¥264,801 million

## (3) Contingent liabilities from guaranteeing indebtedness of others

Guarantee obligations are guarantees for the following companies' loans.

PT. WINDAS DEVELOPMENT (Note)	¥3,263 million
Employees (housing loans)	¥0 million
Total	¥3,264 million

Note: PT. WINDAS DEVELOPMENT is a company that the Corporation's affiliated company invests in.

(4) Revaluation reserve for land

Land used for business is subject to revaluation in accordance with the Act on Revaluation of Land.

Method of revaluation: Determine the revalued amount by reasonably adjusting the assessed value of fixed assets for taxation purposes as specified in Article 2, item (iii) of the Order for Enforcement of the Act on Revaluation of Land

Revaluation date: March 31, 2002

#### 4. Notes to Consolidated Statement of Income

- |   |                 |
|---|-----------------|
| (1) Provision of reserve for expected losses on construction contracts in process included in cost of sales | ¥76,620 million |
| (2) Inventory write-down due to reduced profitability included in cost of sales                             | ¥655 million    |
| (3) Total research and development costs  | ¥19,995 million |

#### 5. Notes to Consolidated Statement of Changes in Net Assets

- |  |                    |
|--|--------------------|
| (1) Type and number of outstanding shares as at March 31, 2024 |                    |
| Common stock   | 743,676,313 shares |

(2) Dividends

1) Dividends paid to shareholders for the year ended March 31, 2024

Resolution approved by	Type of shares	Amount (Millions of Yen)	Amount per share (Yen)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 29, 2023)	Common stock	7,779	10.50	March 31, 2023	June 30, 2023
Board of Directors (November 7, 2023)	Common stock	9,863	13.50	September 30, 2023	December 4, 2023

2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year

Matters regarding these dividends will be proposed at the annual general meeting of shareholders to be held on June 27, 2024.

Resolution to be approved by	Type of shares	Paid from	Amount (Millions of Yen)	Amount per share (Yen)	Shareholders' cut-off date	Effective date
Annual general meeting of shareholders (June 27, 2024)	Common stock	Retained earnings	4,643	6.50	March 31, 2024	June 28, 2024

#### 6. Financial Instruments

(1) Overview

1) Policy for financial instruments

The Group raises operating funds primarily through bank borrowings and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the Group's policy, the Group uses derivatives only for the purpose of reducing risks by hedge, and not for speculative purposes.



## 2) Types of financial instruments, risk and risk management

Regarding credit risk associated with customer's operating receivables such as notes receivable and accounts receivable from construction contracts, the Group appropriately reduces such risk in response to the payment conditions and customer's credit situation.

The Group holds investment securities primarily for the purpose of maintaining business relationships. Every year the Group reviews individual stocks while considering comprehensively costs and risks associated with stockholding and economic rationale, such as the benefit from a business perspective. Then, the Board of Directors verifies the adequacy of the stockholding.

Regarding volatility risk of foreign exchange rates and interest rates, the Group conducts market risk management in line with its risk management rules for volatility in financial markets.

The liquidity risk associated with fund procurement is managed by preparing an annual cash flow plan and a monthly cash flow schedule on a three-month basis to procure necessary funds in a planned manner.

## (2) Estimated fair value of financial instruments

The carrying value of the financial instruments on the consolidated balance sheet as at March 31, 2024, and estimated fair value are shown below.

(Millions of Yen)

Assets	Carrying value	Fair value	Difference
Notes and accounts receivable-trade	903,841	903,607	(233)
Investment securities (*2, 3, 4)	328,994	328,994	–
Liabilities	Carrying value	Fair value	Difference
Bonds payable and current portion of bonds payable	145,000	143,715	(1,284)
Long-term borrowings	131,890	130,558	(1,331)
Non-recourse borrowings and current portion of non-recourse borrowings	84,151	83,467	(684)
Derivative transactions (*5)	Carrying value	Fair value	Difference
Derivative transactions to which hedge accounting is applied	(256)	(256)	–

(\*1)As “Cash,” “Marketable securities,” “Notes and accounts payable-trade” and “Short-term borrowings” are settled within a short period of time, and the fair value approximates book value, Notes are omitted.

(\*2)Non-listed shares, etc. (¥33,838 million in the consolidated balance sheets as at March 31, 2024) are not included in “Investment securities,” because they are classified as shares, etc., without market quotations.

(\*3) Investments in a Partnership, etc. (¥10,181 million in the consolidated balance sheet as at March 31, 2024), in which the equity equivalent is recorded on the consolidated balance sheet on a net basis, are not included in “Investment securities.”

(\*4)“Investment securities” includes investment trust with the net asset value prescribed by Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (revised ASBJ Guidance No.31, June 17, 2021) regarded as fair value.

(\*5)Assets and liabilities that arise from derivative transactions are presented on a net basis. When the total amount becomes a net liability, the amount is indicated in parenthesis.

## (3) Breakdown by fair value level of financial instruments

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value calculated based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value calculated using unobservable inputs

## 1) Financial instruments with fair value as carrying value

Consolidated fiscal year (March 31, 2024)

(Millions of Yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Assets				
Investment securities	323,564	–	–	323,564
Derivative transactions	–	(256)	–	(256)

Note: “Investment securities” does not include investment trusts whose net asset value is considered as fair value as prescribed in Paragraph 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021). The investment trust is recorded as ¥5,430 million on the Consolidated Balance Sheet. Notably, the note is omitted from the reconciliation sheet for beginning and end balances for the period under review given the low materiality of the total of the investment trust with the net asset value regarded as the fair value

2) Financial instruments other than those with fair value as carrying value

Consolidated fiscal year (March 31, 2024)

(Millions of Yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Notes and accounts receivable-trade	–	903,607	–	903,607
<b>Liabilities</b>				
Bonds payable and current portion of bonds payable	–	143,715	–	143,715
Long-term borrowings	–	130,558	–	130,558
Non-recourse borrowings and current portion of non-recourse borrowings	–	83,467	–	83,467

Note: Description of Valuation Techniques and Inputs Used in Calculating Fair Value

Investment securities

The fair value of listed shares is estimated using quoted prices and classified as Level 1, because they are traded in active markets.

Derivative transactions

The fair value of derivative transactions is calculated based on the prices provided by trading financial institutions, and is classified as Level 2.

Notes and accounts receivable-trade

The fair value of these items is estimated using the discounted present value method for each receivable classified by a specified period based on the interest rate that takes into account the period until the receivable is collected and credit risk, and is classified as Level 2.

Bonds payable and current portion of bonds payable

The fair value of bonds with market quotations issued by the Corporation is based on the prevailing market price, and is classified as Level 2.

Long-term borrowings, non-recourse borrowings, and current portion of non-recourse borrowings

The fair value of these borrowings is estimated using the discounted present value method based on the interest rate that would be applicable to a similar new borrowing, and is classified as Level 2.

## 7. Investment and Rental Properties

(1) Overview of investment and rental properties

The Corporation and certain consolidated subsidiaries own office buildings, residential units and other real estate properties for lease, mainly in Tokyo and other major urban cities in Japan.

(2) Carrying value and fair value of investment and rental properties

Carrying value ¥364,242 million

Fair value ¥534,540 million

Notes: 1. The carrying value is the amount after deducting accumulated depreciation from acquisition cost.

2. The fair value is mainly calculated by the Corporation based on real estate appraisal standards, or based on the appraisal report prepared by external certified appraisers.

## 8. Revenue Recognition

(Basic information for understanding revenue from contracts with customers)

Noted under 1. Basis of Presentation of Consolidated Financial Statements (4) 4).

**9. Amounts per Share**

(1) Net assets per share of common stock	¥1,243.88
(2) Basic net income per share of common stock	¥23.57

**10. Other Information**

The accounts of consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million.

**Non-Consolidated Balance Sheet**

(As at March 31, 2024)

(Millions of Yen)

Account	Amount	Account	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets:</b>	<b>1,134,482</b>	<b>Current liabilities:</b>	<b>1,012,732</b>
Cash	166,053	Notes payable	65,874
Notes receivable	37,905	Accounts payable for construction contracts	232,893
Accounts receivable from completed construction contracts	699,043	Short-term borrowings	214,577
Valuation of securities	69,000	Current portion of non-recourse borrowings	1,300
Real estate for sale	1,621	Current portion of bonds payable	20,000
Costs on uncompleted construction contracts	39,627	Income taxes payable	16,537
Costs on uncompleted real estate development projects	1,708	Advances received on uncompleted construction contracts	139,428
Other current assets	120,866	Deposits received	117,307
Less: Allowance for doubtful accounts	(1,344)	Warranty reserve	3,874
<b>Non-current assets:</b>	<b>956,590</b>	Reserve for expected losses on construction contracts in process	124,768
<b>Tangible fixed assets:</b>	<b>470,350</b>	Other current liabilities	76,171
Buildings and structures	189,748	<b>Non-current liabilities:</b>	<b>353,292</b>
Machinery and vehicles	50,823	Bonds payable	125,000
Tools, furniture and fixtures	6,735	Long-term borrowings	103,200
Land	217,631	Non-recourse borrowings	24,150
Construction in progress	5,411	Deferred tax liabilities for revaluation reserve for land	17,135
<b>Intangible fixed assets</b>	<b>14,834</b>	Reserve for employees' retirement benefits	53,314
<b>Investments and other assets:</b>	<b>471,405</b>	Reserve for expected losses on affiliates' businesses	1,956
Investment securities	341,645	Other non-current liabilities	28,536
Investments in subsidiaries and affiliates	82,712	<b>Total liabilities</b>	<b>1,366,024</b>
Investments in other securities of subsidiaries and affiliates	12,070	<b>NET ASSETS</b>	
Long-term loans	2,312	<b>Shareholders' equity</b>	<b>537,396</b>
Claims in bankruptcy or reorganization proceedings	175	<b>Common stock, no par value</b>	<b>74,365</b>
Long-term prepaid expenses	493	<b>Additional paid-in capital:</b>	<b>43,143</b>
Deferred tax assets	16,663	Capital reserve	43,143
Other investments	17,253	<b>Retained earnings:</b>	<b>447,394</b>
Less: Allowance for doubtful accounts	(1,919)	Legal reserve	18,394
		Other retained earnings	428,999
		Reserve for advanced depreciation of noncurrent assets	4,613
		Contingent reserve	405,100
		Retained earnings brought forward	19,285
		<b>Less: Treasury stock, at cost</b>	<b>(27,506)</b>
		<b>Total valuation and translation adjustments</b>	<b>187,651</b>
		Net unrealized gain (loss) on other securities, net of taxes	163,083
		Deferred gain (loss) on hedging, net of taxes	(178)
		Revaluation reserve for land, net of taxes	24,746
		<b>Total net assets</b>	<b>725,047</b>
<b>Total assets</b>	<b>2,091,072</b>	<b>Total liabilities and net assets</b>	<b>2,091,072</b>

**Non-Consolidated Statement of Income**

(For the year ended March 31, 2024)

(Millions of Yen)

Account	Amount	
Net sales:		
Construction contracts	1,434,980	
Real estate development and other	142,928	1,577,909
Cost of sales:		
Construction contracts	1,442,390	
Real estate development and other	103,470	1,545,860
Gross profit (loss):		
Construction contracts	(7,409)	
Real estate development and other	39,458	32,048
Selling, general and administrative expenses		82,208
<b>Operating loss</b>		<b>(50,159)</b>
Non-operating income:		
Interest and dividend income	11,858	
Foreign exchange gain	4,149	
Other non-operating income	1,391	17,398
Non-operating expenses:		
Interest expenses	2,283	
Loss on transfer of non-current assets	935	
Other non-operating expenses	1,488	4,706
<b>Ordinary loss</b>		<b>(37,467)</b>
Special gains:		
Gain on sales of investment securities	55,099	
Other special gains	418	55,517
Special losses:		
Loss on devaluation of investment securities	815	
Loss on affiliates' businesses	1,956	
Other special losses	319	3,090
<b>Income before income taxes</b>		<b>14,959</b>
Income taxes current	31,543	
Income taxes deferred	(28,190)	3,352
<b>Net income</b>		<b>11,606</b>

## Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2024)

(Millions of Yen)

	Shareholders' equity										
	Common stock	Additional paid-in capital			Legal reserve	Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital		Other retained earnings			Total retained earnings		
						Reserve for advanced depreciation of noncurrent assets	Contingent reserve	Retained earnings brought forward			
Balance as at April 1, 2023	74,365	43,143	1	43,144	18,394	4,716	405,100	63,303	491,515	(41,299)	567,725
Changes during period											
Provision and reversal of reserve for advanced depreciation of noncurrent assets						(102)		102	-		-
Cash dividends paid								(17,643)	(17,643)		(17,643)
Net income for the year								11,606	11,606		11,606
Reversal of revaluation reserve for land, net of taxes								749	749		749
Purchase of treasury stock										(25,484)	(25,484)
Disposal of treasury stock			59	59						383	442
Cancellation of treasury stock			(38,894)	(38,894)						38,894	-
Transfer from retained earnings to additional paid-in capital			38,833	38,833				(38,833)	(38,833)		-
Changes other than shareholders' equity											
Total changes during period	-	-	(1)	(1)	-	(102)	-	(44,017)	(44,120)	13,793	(30,328)
Balance as at March 31, 2024	74,365	43,143	-	43,143	18,394	4,613	405,100	19,285	447,394	(27,506)	537,396

(Millions of Yen)

	Valuation and translation adjustments				Total net assets
	Net unrealized gain (loss) on other securities, net of taxes	Deferred gain (loss) on hedging, net of taxes	Revaluation reserve for land, net of taxes	Total valuation and translation adjustments	
Balance as at April 1, 2023	120,942	198	25,495	146,636	714,361
Changes during period					
Provision and reversal of reserve for advanced depreciation of noncurrent assets					-
Cash dividends paid					(17,643)
Net income for the year					11,606
Reversal of revaluation reserve for land, net of taxes					749
Purchase of treasury stock					(25,484)
Disposal of treasury stock					442
Cancellation of treasury stock					-
Transfer from retained earnings to additional paid-in capital					-
Changes other than shareholders' equity	42,141	(376)	(749)	41,015	41,015
Total changes during period	42,141	(376)	(749)	41,015	10,686
Balance as at March 31, 2024	163,083	(178)	24,746	187,651	725,047

## Notes to Non-Consolidated Financial Statements

### 1. Summary of Significant Accounting Policies

#### (1) Valuation basis and method for assets

##### 1) Valuation of securities

Held-to-maturity debt securities: Amortized cost method

Investments in subsidiaries and affiliates: Cost method by the moving average method

##### Other Securities

Other securities that are not share with no quoted market value: Market value method based on the prevailing market price as at the balance sheet date (Valuation differences are directly included in net assets and cost of sales is calculated by the moving average method)

Other securities that are shares with no quoted market value: Cost method by the moving average method

##### 2) Valuation of inventories

Real estate for sale: At cost on an individual basis (the carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings).

Costs on uncompleted construction contracts: At cost on an individual basis.

Costs on uncompleted real estate development projects: At cost on an individual basis (the carrying value of inventories on the balance sheet is presented at book value after write-down for decline in earnings).

#### (2) Depreciation method for fixed assets

##### 1) Depreciation method for tangible fixed assets

Depreciation for buildings and structures is computed by the straight-line method.

Depreciation for other tangible fixed assets is computed by the declining balance method. However, depreciation for ships and leased assets is computed by the straight-line method.

##### 2) Depreciation method for intangible fixed assets

Depreciation for intangible fixed assets is computed by the straight-line method.

##### 3) Depreciation method for long-term prepaid expenses

Depreciation for long-term prepaid expenses is computed by the straight-line method.

#### (3) Recognizing provision of reserves

##### 1) Allowance for doubtful accounts

For receivables classified as “normal,” the allowance for doubtful accounts is provided based on a historical default ratio. For receivables classified as “doubtful” or “bankrupt,” the allowance for doubtful accounts is provided based on individual assessment on the probability of collection.

##### 2) Warranty reserve

An allowance to cover the costs of repairs for damages related to completed construction work for which the Corporation is responsible is provided based on previous warranty experience.

##### 3) Reserve for expected losses on construction contracts in process

An allowance is provided for estimated future losses related to the construction contracts in process.

##### 4) Reserve for employees' retirement benefits

The reserve for employees' retirement benefits as at the balance sheet date is determined based on the actuarial valuation of projected benefit obligations and the fair value of the plan assets.

##### 5) Reserve for expected losses on affiliates' businesses

The reserve for expected losses on affiliates' businesses as at the balance sheet date is determined based on estimated losses related to affiliated businesses.

#### (4) Recognizing revenues and costs of construction contracts

For construction contracts, except for those with very short durations, the degree of completion of performance obligations are estimated and revenue is recognized over time based on the degree of

completion. The estimated degree of completion is based on the percentage of cost incurred to the total cost of sales of construction contracts.

If, in the early stages of the contract and so forth, it is not possible to reasonably estimate the degree of completion of the performance obligation, but it is probable that the incurred costs will be recovered, revenue is recognized on a cost recovery basis, and for construction contracts with very short durations, revenue is recognized at the time of completion.

(5) Accounting treatment of construction project joint ventures

With regard to the Joint Venture's assets, liabilities, revenues, and costs, amounts are recognized in proportion to one's share.

## 2. Accounting Estimates

(Revenue recognized in construction contracts and reserve for expected losses on construction contracts in process)

(1) Amounts recognized in the financial statements for the period

Net sales of completed construction contracts recognized over a specified period as performance obligations are satisfied	¥1,316,819 million
Reserve for expected losses on construction contracts in process	¥124,768 million

(2) Information about significant accounting estimates for identified items

For construction contracts, except for those with very short durations, the Corporation estimates the degree of completion of performance obligations and recognizes revenue over a specified period based on the degree of completion. The estimated progress of completion is based on the percentage of cost incurred to the total cost of sales of construction contracts.

Based on an estimate of the total revenue from construction contracts on hand and the total cost of sales of construction contracts as at the end of period, if it is probable that the total cost of sales of construction contracts will exceed the total revenue from construction contracts, and if the amount of the excess can be reasonably estimated, then of the excess amount, the remaining amount, after deducting the amount of gains or losses already recognized on such construction contracts, is recorded as the reserve for expected losses on construction contracts in process.

In recognizing revenue, as changes in the total cost of sales of construction contracts affect the calculation of the degree of progress in satisfying performance obligations, it is necessary to reliably estimate the total cost of sales of construction contracts as on the balance sheet date. However, since construction projects generally take a long period of time, in cases such as when construction material prices, labor costs, etc. increase significantly higher than expected at the time of concluding a subcontracting agreement, the business results in the following period could be affected due to the uncertainty of the estimate for the total cost of sales of construction contracts.

## 3. Notes to Non-Consolidated Balance Sheet

(1) Assets pledged as collateral

1) Assets pledged as collateral for borrowings at affiliated companies and others

Current assets "Other"	¥3 million
Investments in subsidiaries and affiliates	¥519 million
Long-term loans	¥614 million
Total	¥1,137 million

2) The following assets are pledged as collateral for non-recourse borrowings of ¥25,450 million

Buildings and structures	¥30,141 million
Machinery and vehicles	¥126 million
Tools, furniture and fixtures	¥30 million
Land	¥10,773 million
Total	¥41,071 million



(2) Accumulated depreciation of tangible fixed assets	¥141,420 million
(3) Contingent liabilities from guaranteeing indebtedness of others Guarantee obligations are guarantees for the following companies' loans.	
Subsidiary	
Shimizu International Finance (U.S.A), Inc.	¥7,952 million
Other	
PT. WINDAS DEVELOPMENT (Note)	¥3,263 million
Employees (housing loans)	¥0 million
Total	¥11,216 million

Note: PT. WINDAS DEVELOPMENT is a company that the Corporation's affiliated company invests in.

(4) Receivables from and payables to subsidiaries and affiliates	
Short-term receivables from subsidiaries and affiliates	¥12,670 million
Long-term receivables from subsidiaries and affiliates	¥2,312 million
Short-term payables to subsidiaries and affiliates	¥23,080 million
Long-term payables to subsidiaries and affiliates	¥1,178 million

(5) Revaluation reserve for land	
Land used for business is subject to revaluation in accordance with the Act on Revaluation of Land.	
Method of revaluation: Calculated by making reasonable adjustments to the valuation of property tax as specified in Article 2, item (iii) of the Order for Enforcement of the Act on Revaluation of Land	
Revaluation date: March 31, 2002	

#### 4. Notes to Non-Consolidated Statement of Income

(1) Revenue from sales to subsidiaries and affiliates	¥16,126 million
(2) Purchase of goods from subsidiaries and affiliates included in cost of sales	¥106,383 million
(3) Provision of reserve for expected losses on construction contracts in process included in cost of sales	¥75,686 million
(4) Amount of transactions other than operational transactions with subsidiaries and affiliates	¥5,635 million
(5) Research and development costs	¥19,074 million

#### 5. Note to Non-Consolidated Statement of Changes in Net Assets

Type and number of treasury shares as at March 31, 2024

Common stock	29,349,941 shares
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#### 6. Deferred Tax Accounting

The main factors for deferred tax assets are non-deductible portion of reserves and allowances and deductible temporary differences from losses on write-down of assets. The main factor for deferred tax liabilities is net unrealized gain on other securities.

#### 7. Related Party Transactions

Subsidiary

##### (1) Nature of transaction

Category	Name	Capital or investment (Millions of Yen)	Type of business	% of voting rights held (held by others)	Relationship	Nature of transaction	Amounts of transaction (Millions of Yen)	Account	Balance as at March 31, 2024 (Millions of Yen)
Subsidiary	Shimizu Finance Co., Ltd.	2,000	Credit and finance	Direct 100%	Interlocking directorate, receipt of deposit of funds, etc.	Deposit of funds	66,500	Deposits received	-

(2) Terms and conditions of transaction and policy for determining them  
Interest on deposits is determined reasonably in consideration of market interest rates.

## **8. Revenue Recognition**

(Basic information for understanding revenue from contracts with customers)

Noted under 1. Summary of Significant Accounting Policies (4).

## **9. Amounts per Share**

(1) Net assets per share of common stock	¥1,015.01
(2) Basic net income per share of common stock	¥15.94

## **10. Other Information**

The accounts of non-consolidated balance sheet, non-consolidated statement of income, nonconsolidated statement of changes in net assets, and notes to non-consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million.

## Accounting Auditor's Report on Consolidated Financial Statements

### Report of Independent Auditors

May 9, 2024

Kazuyuki Inoue  
President and Representative Director  
SHIMIZU CORPORATION

Ernst & Young ShinNihon LLC  
Tokyo Office

Hideyuki Inoue  
Certified Public Accountant  
Designated and Engagement Partner

Naohiko Sawabe  
Certified Public Accountant  
Designated and Engagement Partner

#### *Audit Opinion*

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of SHIMIZU CORPORATION (the "Corporation") applicable to the fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Corporation and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Other information comprises the Business Report and supplementary schedules. Management's responsibility is to prepare and present the other information. Moreover, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to supervise the Directors' execution of duties in maintaining and operating the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Corporation

and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, any measures taken to eliminate obstruction factors and related safeguards applied to reduce obstruction factors to an acceptable level.

*Conflicts of Interest*

We have no interest in the Corporation and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

**Accounting Auditor's Report on Non-consolidated Financial Statements**

## Report of Independent Auditors

May 9, 2024

Kazuyuki Inoue  
President and Representative Director  
SHIMIZU CORPORATION

Ernst & Young ShinNihon LLC  
Tokyo Office

Hideyuki Inoue  
Certified Public Accountant  
Designated and Engagement Partner

Naohiko Sawabe  
Certified Public Accountant  
Designated and Engagement Partner

*Audit Opinion*

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules (hereafter collectively referred to as the “non-consolidated financial statements, etc.”) of SHIMIZU CORPORATION (the “Corporation”) applicable to the 122nd fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

*Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Other information comprises the Business Report and supplementary schedules. Management's responsibility is to prepare and present the other information. Moreover, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to supervise the Directors' execution of duties in maintaining and operating the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Corporation's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board

regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, any measures taken to eliminate obstruction factors and related safeguards applied to reduce obstruction factors to an acceptable level.

*Conflicts of Interest*

We have no interest in the Corporation which should be disclosed in compliance with the Certified Public Accountants Act.



## Audit Report of the Audit & Supervisory Board

### Audit Report

With respect to the Directors' performance of their duties during the 122nd business year (from April 1, 2023 to March 31, 2024), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows:

#### 1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc., and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the accounting auditor regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Audit & Supervisory Board Member auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each Audit & Supervisory Board Member endeavored to facilitate mutual understanding with the Directors, executive officers, audit division and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and conducted audits in the following methods.
  - 1) Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors, Executive Officers and other employees, etc. and requested explanations as necessary, inspected important approval/decision documents, and investigated the status of the corporate affairs and assets at the head office and other principal business locations. With respect to the subsidiaries, each Audit & Supervisory Board Member received reports on their respective business and so forth from relevant internal business departments, visited principle subsidiaries as necessary, received explanations on the status of the subsidiaries from Directors, Audit & Supervisory Board Members, etc. of the subsidiaries, and exchanged opinions.
  - 2) Each Audit & Supervisory Board Member conducted audits on matters mentioned in the business report. Such matters consist of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of the Corporation and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a corporate group consisting of a stock company and its subsidiaries, and the systems developed and maintained based on such resolutions (internal control systems).
  - 3) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the business report and the annexed detailed statements thereto, financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) and the annexed detailed statements thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and

notes to consolidated financial statements), for the business year under consideration.

## 2. Results of Audit

### (1) Results of Audit of Business Report, etc.

- 1) We acknowledge that the business report and the annexed detailed statements thereto fairly present the status of the Corporation in conformity with the applicable laws and regulations and the Articles of Incorporation of the Corporation.
- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Corporation was found with respect to the Directors' performance of their duties.
- 3) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors' performance of their duties concerning the internal control systems.

### (2) Results of Audit of Financial Statements and Their Annexed Detailed Statements

We acknowledge that the methods and results of audit performed by the accounting auditor Ernst & Young ShinNihon LLC, are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor Ernst & Young ShinNihon LLC, are appropriate.

May 10, 2024

#### Audit & Supervisory Board of SHIMIZU CORPORATION

Hideto Watanabe [seal]  
Audit & Supervisory Board  
Member (Full-time)

Koichi Matsuoka [seal]  
Audit & Supervisory Board  
Member (Full-time)

Kaoru Ishikawa [seal]  
Audit & Supervisory Board  
Member

Toshie Ikenaga [seal]  
Audit & Supervisory Board  
Member

Ko Shikata [seal]  
Audit & Supervisory Board  
Member

Note: Audit & Supervisory Board Members Kaoru Ishikawa, Toshie Ikenaga, and Ko Shikata are Outside Audit & Supervisory Board Members as specified in Article 2, Item 16, and Article 335, Paragraph 3 of the Companies Act.