

Smart Innovation Ecosystem



A New Platform That Creates the Next Generation of Innovation

Generating innovation in the three key areas of business structure, technology, and talent

In our long-term vision, SHIMZ VISION 2030, the Group aspires to become a Smart Innovation Company that creates forward-thinking value through co-creation with various partners, transcending the traditional boundaries of the construction business. To achieve this goal, we have established the Smart Innovation Ecosystem NOVARE to vigorously promote innovation in three key areas: business structure, technology, and talent.

Transcending the boundaries of the construction business involves collaborating to understand the genuine needs and desires of society and our clients. We will leverage Shimizu Corporation's technologies and assets to deliver diverse value and grow alongside our stakeholders. We refer to this approach as "Choukensetsu." NOVARE was established to embody the "Choukensetsu" mindset shared by all employees.

The new organization, NOVARE, was launched to promote innovation in three key areas: business structure, technology, and talent. Sharing its name with the facility, the organization functions as a department dedicated to creation and renewal.

In terms of business structure, NOVARE Hub promotes the launch of new internal businesses, collaborates with external startups, provides venture capital and support, integrates advanced external technologies into construction projects, and operates an internal venture system. The Business Innovation Unit (BIU), directly organized under the president as a model for company-wide innovation activities, also conducts initiatives here to explore society's needs.

In the field of technology, the Structural Testing Laboratory, Materials Laboratory, and Digital Fabrication Laboratory from the Institute of Technology have been relocated to this facility and are now utilized as the NOVARE Lab for research and development. By



Masanobu Onishi

Executive Vice President
Executive Conductor, NOVARE,
In charge of Business Innovation

focusing on fundamental architectural structures and materials, along with digital fabrication—which will drive future monozukuri—we aim to further advance technological development.

Regarding talent, we have established the NOVARE Archives, which showcase the former Shibusawa residence and the Company's 220-year history, for historical studies. The theme, "Shimizu: Embracing Challenges," aims to inspire awareness and passion in all visitors. Additionally, through the NOVARE Academy, which offers hands-on experience at both real and digital monozukuri sites, we aim to develop talent capable of envisioning the future of monozukuri and the construction industry.



We named it Smart Innovation Ecosystem NOVARE to signify learning from Shimizu Corporation's 220-year history and creating something new. NOVARE means to create and renew in Latin. The "ecosystem" part of the name refers to a place where NOVARE will create an ecosystem that fosters innovation.

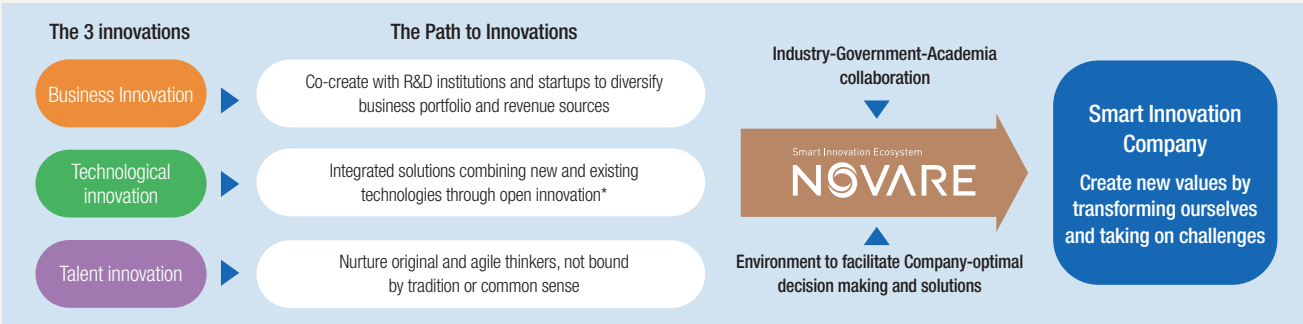


Smart Innovation Ecosystem NOVARE
(Japanese only)
<https://www.shimz.co.jp/novare/>

Co-creation Innovation Activities at NOVARE

Promoting open innovation with NOVARE at the core

With this "Choukensetsu" mindset, this strategic base aims to realize a resilient, inclusive, and sustainable society, going beyond the boundaries of the construction business.



*A method or mindset that allows a company to generate new ideas, products, and services by actively integrating knowledge and technology from both within and outside the organization.

Startup Co-creation Program

In FY2023, we launched the "SHIMZ NEXT" accelerator program, designed for co-creation with startups. We have received applications from startups worldwide to conduct demonstrations at Shimizu construction sites and other locations.



Collaboration with universities

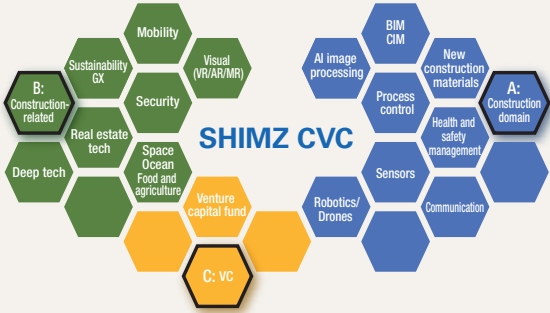
In March 2024, we entered into a Comprehensive Collaborative Agreement with Waseda University to work towards achieving a carbon-neutral society. Centered around Novare, this program aims to create new value and address challenges in society and industry by leveraging cutting-edge technology and knowledge through industry-academia collaboration. We will continue to advance industry-academia collaboration with universities and other learning institutions.



Signing of collaborative agreement with Waseda University in 2024

SHIMZ CVC (startup investments)

In 2020, we launched a corporate venture capital (CVC) fund with a budget of 10 billion yen over 10 years to invest in startups and venture capital firms both in Japan and abroad.



Corporate Venturing Program (Entrepreneur Recruitment Program)

The Corporate Venturing Program, an entrepreneur recruitment project launched in FY2022, supports employees aspiring to start their own businesses by assisting with everything from business model development to technology validation and POC*.

*Proof of Concept



Two companies launched in spring 2024

NOVARE Hub

A base for information dissemination and exchange



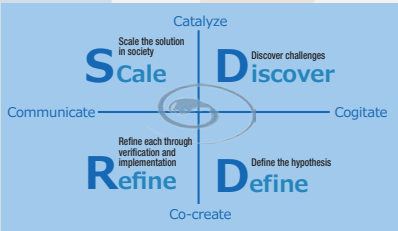
Inside NOVARE Hub

This facility provides the core functions of Novare, serving as the backbone that connects all the facilities. It will be a hub for information dissemination and exchange, driving innovation forward.

DDRS is our vision for the stages of fostering innovation to meet the core needs of society and our clients. It is an initialization for Discover the challenges, Define the hypothesis, Refine each through verification and implementation, and Scale the solution in society. It also represents a loop that will lead to more challenges. The Hub offers space for DDRS to

facilitate co-creation with external startups and partners, providing security and hardware support.

In addition, the event hall Novare Forum and the tiered pitch area regularly host various events, including lectures and presentations. Employees with ideas for new businesses or technology development, as well as partner companies and startups, can easily present their ideas and receive feedback and support from other participants. We hope to foster an innovation mindset through our daily activities.



DDRS spatial concept at NOVARE Hub

NOVARE Academy

Hands-on training facility Monozukuri Shiseijuku

This training facility is responsible for human resource development and technical succession.

It consists of an Experience Zone with five full-scale mock-ups and a Consideration Zone with a digital learning zone, exhibition corridor, and training booths. Our goal is to provide a place for internal and external human resource development that aligns with the changing times and the transmission of the spirit and skills of monozukuri. The activities are focused on (1) developing internal human resources, (2) conducting internships and university lectures for students, (3) actively disseminating information outside the Company, and (4) holding external sales and tours of training programs.



Inside NOVARE Academy

NOVARE Lab

NOVARE Lab at the Institute of Technology (see P.36)

This facility serves as a hub for innovation in construction technology. With a large-scale experimental space, the aim is to drive production innovation through collaborative R&D with both internal and external partners.



Inside NOVARE Lab

It consists of three research areas (structures, materials, and robotics) and an office area. At the Technical Research Institute in Etchujima, separate experimental buildings have been consolidated into a single facility to enhance functionality and facilitate interaction among researchers from different fields. This setup is designed to foster collaboration and spark innovations.

Comments from an Outside Director

I am impressed by the concept of a “smart innovation ecosystem” that creates innovations while respecting Shimizu’s more than 220-year history. I also see great value in positioning this facility not just for Shimizu’s own use but as an open resource for other industries, aiming to address societal needs beyond the boundaries of the construction industry. This groundbreaking facility fosters an environment that encourages creativity and open communication, including flexible work styles. I hope it will be actively used for collaboration both in Japan and abroad, driving the generation of even more innovative ideas. Expanding access beyond a construction-centered community through collaboration with various external organizations will effectively grow both human and social capital. These initiatives represent valuable business opportunities for Shimizu, contributing to the improvement of its medium- to long-term profitability and advancing its commitment to sustainability management. I would like to see Shimizu actively share the existence and significance of this newly created facility with the outside world, encouraging its use across various generations and industries so that everyone can grow and evolve together.



Mayumi Tamura
Director

NOVARE Archives

Shimizu Corporation NOVARE Archives



Inside NOVARE Archives

This facility is dedicated to displaying and storing technological and academic materials owned by Shimizu and items of high cultural value from Shimizu’s collection. The goal is for visitors to come in contact with the history of challenges taken on by our predecessors and connect the experience to a new future.

We will research and analyze the historical materials accumulated by Shimizu, incorporating societal changes along the way. By doing so, we will share the fundamental resources for a smart innovation ecosystem with the public, which will serve as the foundation for Shimizu’s efforts to create new value.

Former Shibusawa Residence Works of Kiske Shimizu II



The only surviving architectural work of Kiske Shimizu II, which was relocated three times over a span of 146 years. This facility is

the core of our smart innovation ecosystem, where you can experience Shimizu Corporation’s DNA up close.