

Message from the President



In the background is the NOVARE Academy

**We are committed to establishing the Shimizu brand by going back to the origins and advancing together with our stakeholders toward a sustainable society.**

President and Representative Director

*Tatsuya Shimmura*

Introduction

I'm Tatsuya Shimmura, and I assumed the role of President and Representative Director of Shimizu Corporation in April 2025. While respecting the history and traditions Shimizu has cultivated over its more than 220-year history, I will work together with our management team and employees to embody our founding spirit and our corporate credo, The Analects and the Abacus. By earnestly responding to the demands of society and continuing to embrace challenges, we will strive to consistently deliver value that exceeds the expectations of our stakeholders.

"Calm in adversity and composed in success" — this is my personal motto. It reflects an attitude of calmly discerning the essence of things in difficult times and maintaining composure without arrogance in times of success. Although the construction industry and the environment surrounding our company are changing rapidly, I will lead the company with this mindset, pursuing both Shimizu's continued growth and the realization of a sustainable society.

Message from the President Upon Taking Office

**With the establishment of the Shimizu brand through a going back to the origins as our new starting point, we will pass on our history, traditions, and the trust we have earned to the next generation.**

When I took office as President, I defined "establishing the Shimizu brand by going back to the origins" as the new starting point for management. With over 220 years of history and tradition and the deep trust we have earned from our clients and stakeholders, we are firmly committed to passing this legacy on to the next generation.

As I made courtesy visits to many of our clients following the leadership transition, I was once again struck by the strong expectations and deep trust placed in the Shimizu brand. The Shimizu brand is not just a name, it is the very embodiment of the trust we have built through our uncompromising commitment to quality, safety, cost, and process, and through sincere monozukuri (craftsmanship).

In order to safeguard and further refine this brand, I believe we must go back to the origins. This means staying true to the values we have upheld since our founding: sincere monozukuri (craftsmanship), an enterprising spirit, and the philosophy represented by The Analects and the Abacus. At the same time, it means responding astutely to advances in technology and evolving social values, and continuing to create value that leads the times.

Under the banner of "establishing the Shimizu brand by going back to the origins," we will move forward with determination, striving to become a company that delivers even greater trust and inspiration built on the solid foundation of our history, traditions, and trust.

Achieving the Mid-Term Business Plan 〈2024–2026〉

**We are creating a stronger business foundation to solidify the Group's continued growth.**

As the execution plan for our Group Long-Term Vision SHIMZ VISION 2030, we have formulated the Mid-Term Business Plan 〈2024–2026〉, with creating a stronger business foundation for continued growth as its basic concept. We positioned FY2024, the first year of the plan, as a new starting point for a stronger business foundation, and have made companywide efforts to improve profitability and ensure product quality.

To strengthen our management foundation, we will pursue two key pillars: first, the growth of our core assets—talent and organizational capabilities; and second, the evolution of sustainability management through cross-functional collaboration. These dual drivers will enhance our strategic execution capabilities.

At Shimizu, we are proud to have many employees who embody the values we have upheld since our founding, the philosophy represented by The Analects and the Abacus, and a spirit of collaboration built on deep expertise. To unlock even more of this potential, we are realigning our organizational structure with our management strategy and promoting talent management by visualizing employee experience and skills to ensure optimal placement. In tandem, we are also considering revisions to our personnel system to support fair evaluations based on roles and responsibilities.

To improve cross-functional collaboration, we are driving companywide initiatives by linking six key functions across the organization: marketing, technology development and intellectual property, digitalization, globalization, supply chain, and Group management. These efforts include strengthening management and business systems through data-driven decision making and our DX Advance Digital Contractor program, and building a strong supply chain. By tackling cross-functional challenges that cannot be resolved by individual

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departments alone, we aim to deepen sustainability management that fulfills our corporate responsibilities while creating opportunities for growth.

In our construction business, which is central to our business strategies, we are working to improve profitability and rebuild our construction system into one that highlights the appeal of Monozukuri. Specific actions include tightening pre-order reviews to ensure profitability-focused decisions, promoting front-loading to support high-accuracy construction planning, and boosting cost competitiveness. Through our steadfast commitment to quality, safety, cost, and schedule, we are further strengthening the competitiveness of our construction operations.

In our non-construction businesses (Real Estate Development, Engineering, Green Energy Development, Building Life Cycle, and Frontier), we are closely monitoring changes in the business environment and steadily executing key strategies in line with each business policy to achieve sustained growth.

As part of our Global Strategies, we introduced an Overseas In-House Company System at our directly managed overseas offices in FY2024, with the goal of enabling autonomous management at each location. This reform is helping us establish a truly independent operational structure. In parallel, we are pursuing external growth through alliances and M&A, focusing primarily on ASEAN countries and North America. In line with this approach, we made Grandwork Interior Pte Ltd, an interior construction firm in Singapore, a subsidiary in November 2024, and Cross Management Corp., a U.S.-based renovation and interior construction firm, a Group company in February 2025, thereby supporting local market development and the creation of new business opportunities.

These initiatives contributed to FY2024 results of 1,944.3 billion yen in net sales (down 3% year on year), 71.0 billion yen in operating income (a major turnaround from the previous year's 24.6 billion yen operating loss), and 66.0 billion yen in net income attributable to shareholders of the corporation (up 285% year on year). This significant rebound from our first operating loss since listing was driven in part by improved construction profitability, and we view it as tangible progress in building a stronger business foundation. Still, we recognize that we are not yet fully recovered and will continue to focus our full efforts on executing our business strategies and further improving performance.

As a strategic investment for continued growth, we have planned a total investment of 360.0 billion yen over three years. FY2024 investments totaled approximately 70.0 billion yen, representing about 20% of the total plan. We will continue to monitor changes in the business environment and pursue timely investments that



contribute to increasing corporate value.

To ensure all employees understand and align with the Mid-Term Business Plan <2024–2026>, our management team has been holding briefings and dialogue sessions across the company. These sessions serve as platforms for sharing everyday challenges, insights, and ideas for improvement, helping each employee take ownership and translate it into action.

The Mid-Term Business Plan <2024–2026> is more than a policy, it is our compass for shaping the company's future. To improve its effectiveness, we will continue fostering open dialogue and continuous improvement across the organization, building on a solid business foundation to achieve sustainable growth.

### Achieving Continued Growth

**We aim to drive innovation by delivering ideas and initiatives that go beyond our clients' expectations and imagination.**

Shimizu Group aims to become a Smart Innovation Company by 2030. We will create new value and contribute to a safe, healthy, and sustainable future for everyone by transforming and challenging ourselves beyond construction and engaging in co-creation for Smart Innovation.

Despite ongoing increases in construction costs, large-scale development projects are being planned across Tokyo and regional cities. At the same time, demand is expected to grow steadily for disaster preparedness in response to more severe natural disasters driven by extreme weather and climate change, as well as for the renewal and reinforcement of aging social infrastructure. While the global economic outlook remains uncertain, the construction market as a whole is expected to remain strong.

However, looking beyond 2030, the domestic market is expected to continue contracting as the population declines. In response, a shift will be needed from the conventional model-build a new building and demolish it- to new business models aligned with evolving societal and client needs, such as increased demand for renewal and renovation projects that make better use of existing stock. At Shimizu, we are committed to responding flexibly and swiftly to these changes by accurately assessing future shifts in the business environment while aligning with the long-term visions set forth by national and local governments.

At this turning point, to remain as a chosen company, depends on our ability to create and deliver value that surpasses the expectations of our clients and society. While acknowledging that construction is fundamentally a contract-driven business, we are guided by the Choukensetsu mindset (▶ P.19), a commitment to pursuing true innovation through unconventional thinking and proactive engagement with the market.

One specific example of these efforts is our development of per- and polyfluoroalkyl substances (PFAS) decontamination technology, which builds on our proprietary soil purification methods. Since FY2021, we have advanced this technology, and in June 2024, we conducted a controlled test and successfully removed approximately 99% of PFAS from actual contaminated soil samples collected in the United States. Moving forward, we plan to establish a small-scale facility in the U.S. to conduct demonstration testing at real-world plant scale.

BLUE WIND, our self-propelled SEP vessel completed in October 2022, boasts one of the world's largest loading capacities and crane performances. Since FY2023, it has played a key role in multiple offshore wind turbine construction projects, including chartered work, steadily building a strong track record. We will continue to leverage BLUE WIND as a core asset in offshore wind power projects both in Japan and abroad.

In March 2025, we held the Choukensetsu Forum, where employees from Japan and overseas showcased a wide range of advanced initiatives focused on tackling the fundamental needs and challenges of society and our



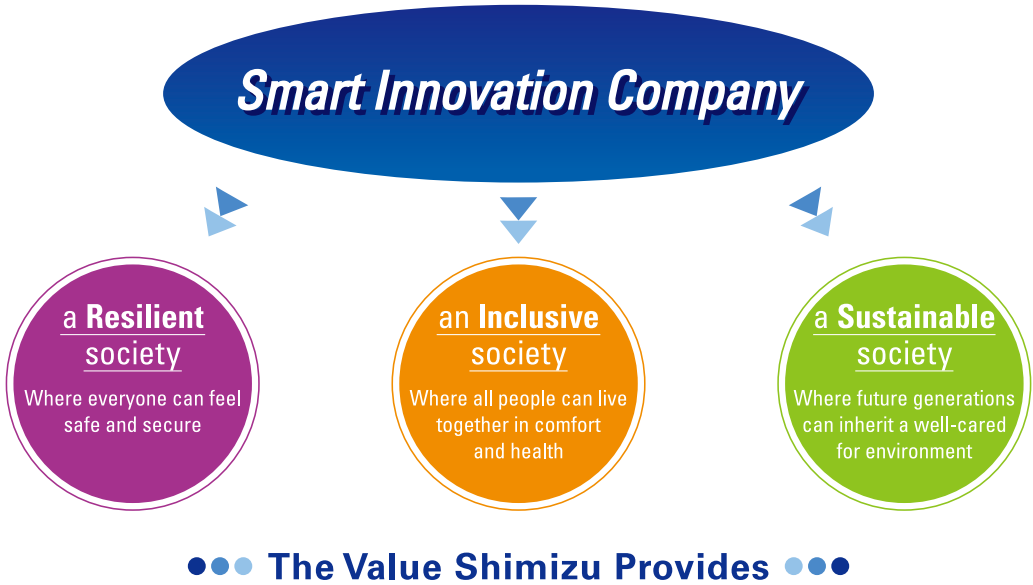
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clients. In parallel, Smart Innovation Ecosystem NOVARE, our newly established platform for nurturing next-generation innovation, has seen active use, further raising innovation awareness throughout the company.

We will continue to foster this Choukensetsu mindset throughout the entire company, further strengthening our initiatives and efforts to enable more employees to unleash their creativity and become the starting point for bringing new value to society.

Amid constant change, Shimizu Group remains steadfast in its commitment to progress, not by settling for the status quo, but by anticipating the future needs of our clients and society, creating new value beyond expectations, and driving continued growth.

SHIMZ VISION 2030



SHIMZ VISION 2030  
<https://www.shimzu.co.jp/en/company/about/strategy/pdf/shimzvision2030.pdf>

Message to Our Stakeholders

**Shimizu Group values dialogue and collaboration with all stakeholders as we strive to enhance corporate value, advance the construction industry, and create a sustainable and better future.**

Although our price-to-book ratio (PBR) currently exceeds 1 and our market capitalization remains above 1,000 billion yen, we will not become complacent. We are committed to making continuous efforts to further enhance our corporate value.



Our medium- to long-term goal is to achieve a return on equity (ROE) of 10% or higher. To this end, we will focus not only on enhancing the profitability of our construction business, but also on improving capital efficiency, beginning with the proactive reduction of security holdings. We are also committed to ensuring that these efforts are properly recognized by the market through continuous dialogue with stakeholders, including robust investor relations activities, and by consistently delivering shareholder returns.

Looking ahead, we believe it is important not only to communicate tangible results, but also to proactively share our future vision and the journey of our challenges through various channels. As President, I will take on the role of our top salesperson, delivering clear and timely messages internally and externally, while visiting job sites myself and build trust and mutual understanding.

To support the sustainable growth of the construction industry, we are placing strong emphasis on securing and nurturing the next generation of talent. Alongside deepening our partnerships with subcontractors such as the Kanekikai, we are also advancing initiatives that foster interest in construction among young people, such as education support programs in collaboration with universities and high schools.

Much like how children find joy in building sandcastles or stacking blocks into towers, the thrill of monozukuri is a fundamental human instinct. We are committed to sharing the true appeal of the construction industry, rooted in that same creative joy, with the next generation and society at large, with both accuracy and passion. At the same time, as the shortage of skilled labor becomes increasingly severe, we will take the lead in addressing the issue by sincerely advancing the acceptance of foreign construction workers and expanding their opportunities to contribute.

Driven by our belief in creating “Today’s Work, Tomorrow’s Heritage,” we aspire to remain a company truly valued by our clients and society where every employee works with pride and a deep sense of purpose. We will continue to embrace future-focused challenges while cherishing open dialogue and collaboration with all our stakeholders.

Thank you in advance for your continued support.