








■ List of Materiality Issue and Key Management Indicator / Key Metric (2024FY Actual)

※   Non-financial KPIs outlined in the Mid-Term Business Plan <2024-2026>

| Category/Related SDGs   | Materiality   | Main Measure  | Key Management Indicator/ Key Metric  | 2024FY Target (Target Year)  | 2024FY Actual  |  |
|---|---|---|---|--|--|--|
| Activities that contribute to society through business  | 1. Realizing a resilient society where everyone can feel safe and secure<br>                   | Building resilient social infrastructure  | Disaster prevention and mitigation response   | Number of disaster prevention and mitigation projects undertaken   | -  | Building Construction : 41<br>Civil Engineering : 5  |
|   |   |   | Status of disaster recovery (in case of when a large-scale)   | -  | (Building Construction)<br>Addressed facility damage assessments following earthquakes in the Bungo Channel and Hyuga-nada (Civil Engineering)<br>Responded to the Noto Peninsula Earthquake and heavy rainfall in Oku-Noto  |  |
|   |   | Increasing longevity of buildings and infrastructure  | Response to increase longevity of buildings and infrastructure  | Number of orders received for renovation work  | -  | 350  |
|   |   |   |   | Number of orders received for infrastructure renovation work   | -  | 2  |
|   | 2. Realizing an inclusive society where all people can live together in comfort and health<br> | Building comfortable cities   | Providing comfortable spaces and services using digital technologies                                  | Number of DX-Core introductions and project proposals  | -  | Total number of introductions: 28<br>Number of project proposals : 97  |
|   |   |   | Responding Well-being needs   | Provide built-environments that enhance health and Well-being  | Number of projects contracted for Well certification   | 7 or more projects (2024)  |
|   | 3. Realizing a sustainable society where future generations can inherit a well-cared for<br>   | Decarbonization   | CO <sub>2</sub> emissions reduction in all business activities  | Reduction in CO <sub>2</sub> emissions from the construction business (vs. FY2023)   | 12% or more (2026)   | 11.0 %   |
|   |   |   |   | Reduction in Scope 1 + Scope 2 CO <sub>2</sub> emissions (vs. FY2023)  | 12%(2026)<br>61%(2035)<br>100%(2050)   | 3.3%   |
|   |   |   | Promotion of ZEB creation/conversion  | Number of properties that obtain ZEB certification   | -  | 27 (cumulative : 61)   |
|   |   |   | Renewable energy promotion/popularization   | Renewable energy generated in the operation business   | 300MW, cumulative (2030)   | 82.6 MW, cumulative (Single year results : 5.8 MW)   |
| Percent of owned investment and development properties renewable energy has been introduced in  |   |   |   | 100% (2030)  | 80 % introduced (Number of properties introduced : 12)   |  |
| Resource recycling  |   |   | Pursuit of 4R activities (Reduce, Reuse, Recycle, Recover)  | Final disposal rate of construction by-products  | 3.0% or less (2030)  | 2.5%   |
|   |   | Promotion/popularization of wooden architecture   | re Number of projects using wood and hybrid wooden construction                                       | -  | 4 (cumulative : 12 )   |  |
| Living in harmony with nature (Preserving biodiversity)   |   | Promotion of green infrastructure   | Environment analysis rate using the Environmental KY  | 100% (2026)  | Conducted app development and awareness-raising activities (implementation rate not tracked)   |  |
| Preventing environmental pollution  |   | Strict environmental compliance   | Number of serious environmental incidents   | 0 (2024)   | 0  |  |
| The corporation's business and management activities  |   | 4. Promoting a sincere approach to monozukuri (superb craftsmanship)<br> | Enhancing productivity  | Production process reform in the construction business   | Progress toward automation and labor savings in the construction business  | -  |
|   | Identifying Quality Needs by activating communication with clients  |   |   | Company-wide rollout of client satisfaction surveys  | -  | 154 projects rolled out  |
|   | Strengthening supply chains   |   | Promoting CSR Procurement   | CSR Procurement Guidelines initiatives indicators  | 4.0 (2024)   | 3.7  |
|   |   |   | Improving treatment of skilled jobsite workers and talent development                                 | Number of people accepted into the Shimizu Takumi Training Center  | 1800 or more per year (2026)   | 2,484  |
|   | Occupational safety and health  |   | Improvement in health & safety management and pursuit of activities to prevent occupational accidents | LTI (lost time injury) Frequency Rate  | 0.57 or less (2024)  | 0.76   |
| 5. Creating of new technologies and value that is ahead of the times<br>                               | Developing cutting-edge technology  | Pursuit of technological development aimed at a sustainable society where all people can feel safe and secure and live-in comfort                           | R&D expenses  | 18.5 billion yen (2024)  | 21.2 billion yen   |  |
|   | Creating new business models  | Galvanizing open innovation   | Status of business alliances with other companies and other areas                                     | -  | (NOVARE)<br>-Cross-company initiatives for business and technology innovation (33)<br>-New technologies and businesses developed in collaboration with universities, research institutes, and other industries (10)<br>-Investments and support activities via SHIMZ NEXT and co-creation with startups and VCs (66)<br>-International partnership initiatives (22)<br>-Co-creation tours (more than 300 companies)<br>-Collaboration with local NPOs and municipalities (3 times)<br>-Seminars and events (more than 33 times) (BIU)<br>-Signed a tripartite partnership agreement with Yoron Town and Kagoshima University (value creation, human resources development, business development, etc.)<br>-Signed a business partnership agreement with Okinoshima Town in Shimane (for sustainable regional revitalization)<br>-Worked with the University of Oulu, Finland on exploring 5G/6G challenges and potential |  |
| 6. Developing human resources responsible for the next generation and pursuing of job satisfaction<br> | Creating rewarding and attractive workplaces  | Change in awareness and behavior through dialogue and visualization of issues through surveys   | Engagement score  | 4.0 or more (2026)   | 3.6  |  |
|   |   |   | Percentage of women in management positions   | 6% or more(2026)<br>10% or more(2030)  | 4.9 %  |  |
|   | Diversity, Equity & Inclusion   | Promoting Diversity   | Percentage of employees with disabilities   | 2.7% or more (2026)  | 2.53 %   |  |
|   |   |   | Development of leaders who can work globally and take the lead in reform                              | Progress on strategies contributing to development of leaders  | -  | -Launched leadership development programs tailored by age group<br>-Implemented a company-sponsored study abroad program |
|   | Nurture diverse talents willing to take on challenges and co-create   | Professional education based on management strategies   | Percentage of industry-qualified engineers  | Maintain 80% or more (2026)  | 81.6 %   |  |
|   |   |   | Nurturing DX Specialists  | 120 specialists trained and assigned to all divisions (2026)   | 47   |  |
| Respecting human rights   | Conducting due diligence on human rights  | Progress on human rights due diligence  | -   | -Promoted awareness of human rights practices in compliance training for partner companies<br>-Conducted traceability surveys on formwork timber and granite; confirmed no human rights violations in the supply chain |  |  |
| 7. Building a business base on the foundation of "The Analects and the Abacus"<br>                     | Risk management   | Thorough risk management  | Number of serious legal violations  | 0 (2024)   | 0  |  |
|   |   |   | Number of serious information security incidents  | 0 (2024)   | 0  |  |
|   | Thorough legal and ethical compliance   | Instillation of corporate ethics and strict compliance  | Progress of practical project training based on The Analects and the Abacus                           | -  | -Implemented corporate ethics training for executives (twice a year)<br>-Implemented compliance training for all employees (including e-learning)  |  |