

Presentation 3

Mid-Term DX Strategy <2024-2026>

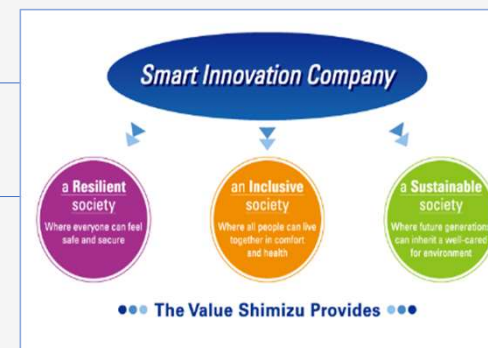
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1. Transition of our digitalization
2. Mid-Term DX Strategy <2024-2026>
 - Advancement of Digital General Contractor through Choukensetsu-
3. Main DX Measures

I. Transition of our Digitalization

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|------|--|
| 2014 | December Formulation of Medium-Term ICT Strategy 2014 |
| 2017 | Selected as a “Competitive IT Management Stock” sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange |
| 2019 | May Announcement of long-term vision 「SHIMZ VISION 2030」 June Formulation of Mid-Term Strategy 2019 |
| 2020 | State of emergency declared due to the COVID-19 (Revising Mid-Term Strategy 2019) September Formulation of Mid-Term Strategy 2020 |
| 2021 | July Announcement of strategic concept “Shimz Digital General Contractor” Selected as a “DX Stock” sponsored by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (3 consecutive years since then) |
| 2024 | May Announcement of Mid-Term Business Plan (2024-2026) July Announcement of Mid-Term DX Strategy (2024-2026) |



1. Transition of our Digitalization : Results of the Mid-Term Digital Strategy 2020 and Environmental Awareness



Results of the Mid-Term Digital Strategy 2020

- Following the 3 vectors conceptualized in the Strategy, we created a more flexible work environment, improved on-site productivity, and successfully commercialized post-completion building management services.

Digital Technology for Construction

More Efficient Construction Operations

Utilized remote inspection and monitoring systems, 360-degree cameras, AI for structural engineering, 3D printers and BIM

The digitalization of Monozukuri has progressed, including the introduction of digital technologies such as BIM to construction sites

Digital Spaces and Services

Commercializing Building Management Services

Commercialized DX-Core: introducing it to more Smart Cities and hospitals, Digi-Tori360

Developed DX solutions for Smart Cities and hospitals

Digital Support for Monozukuri

Creating a More Modern Work Environment

Created a work environment to support teleworking, preparing digital forms etc. (in the Workflow system), utilizing RPA

Created a more flexible work environment workable during the COVID-19 pandemic
Enforced more stringent information security measures

Assessing the Current Environment

Group Environment

- Increasing needs for cross-business-line and cross-divisional data utilization
- Heightened expectations for digital utilization that contributes to business
- Speedy introduction of digital services
- Widening digital skill gap

Market Environment

- More competitive business environment due to the advent of innovative digital technologies such as generative AI
- Diversifying clients' needs
- Hiring DX talent getting more difficult
- Growing cybersecurity risk

Strengthen management and business systems through the advancement of Digital General Contractor program, data-driven decision-making and DX

Mid-Term DX Strategy <2024-2026>

-Advancement of Digital General Contractor
through Choukensetsu-

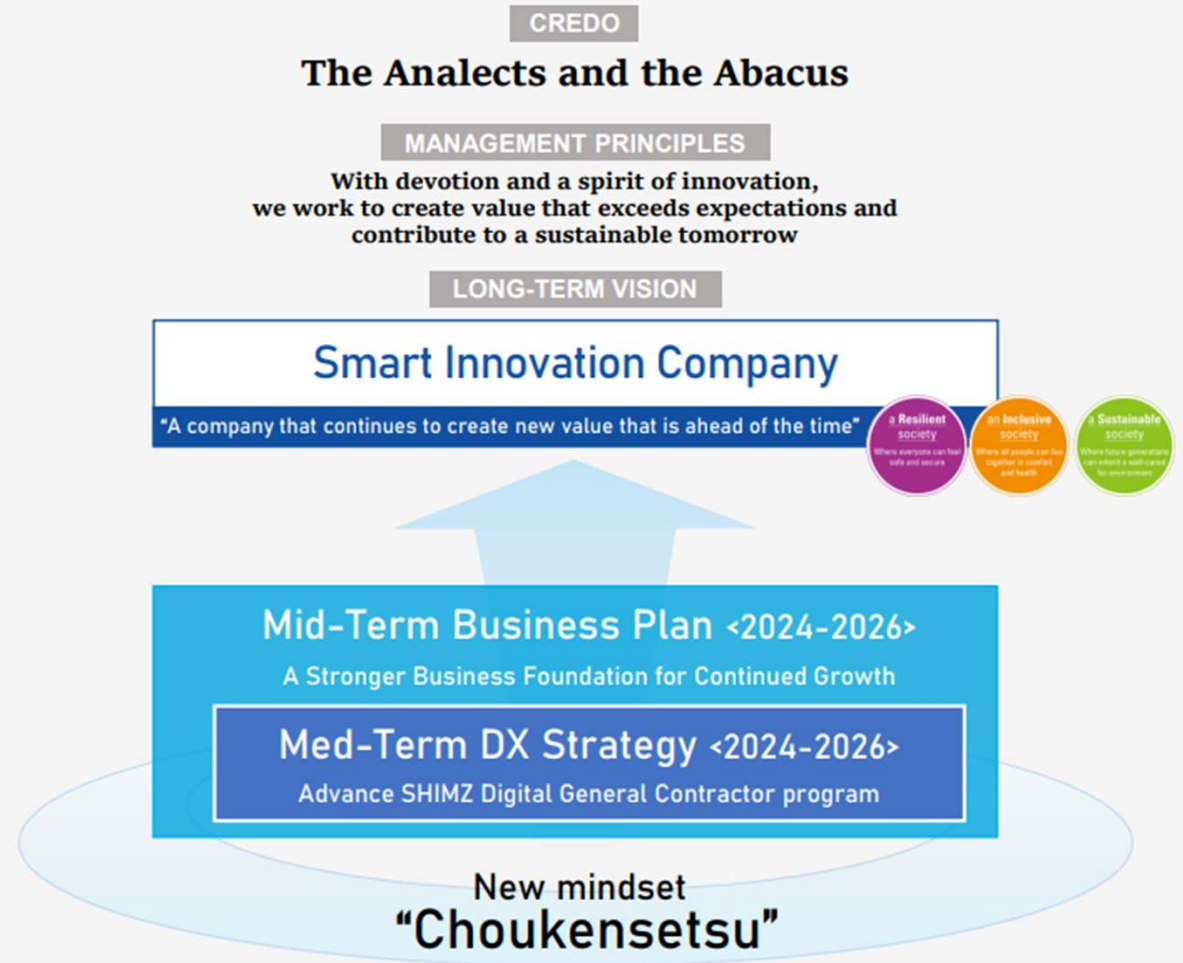


2. Mid-Term DX Strategy <2024-2026> :Positioning

to be a Smart Innovation Company

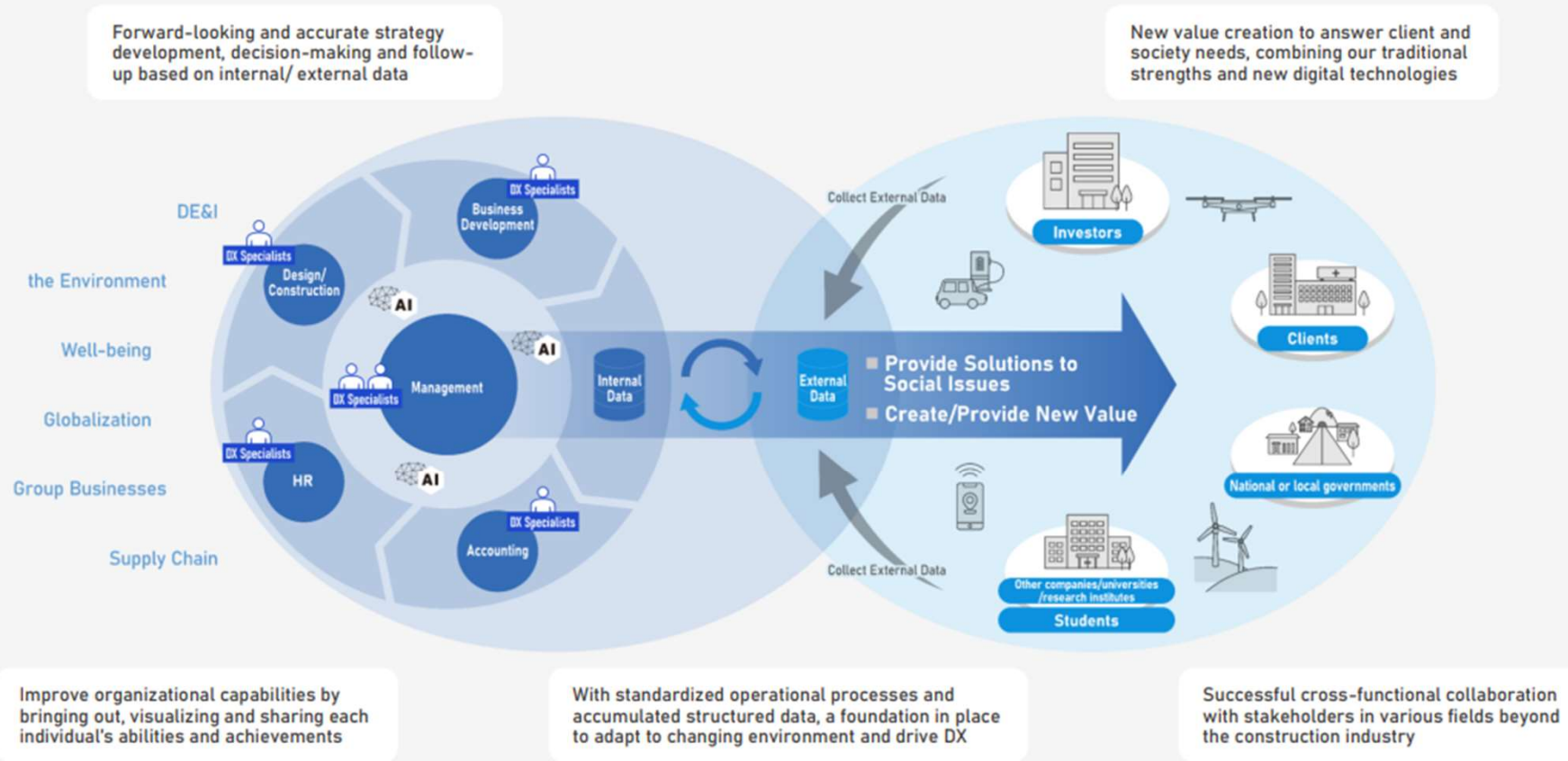


Embracing a mindset of “Choukensetsu” and utilizing digital technologies, we will proactively explore the essential needs of our clients and society, and go beyond the constraint of the existing business or organization to develop new business structures (business processes/models and services), advanced technologies and innovative talent/organizations, and create successful synergies among them.



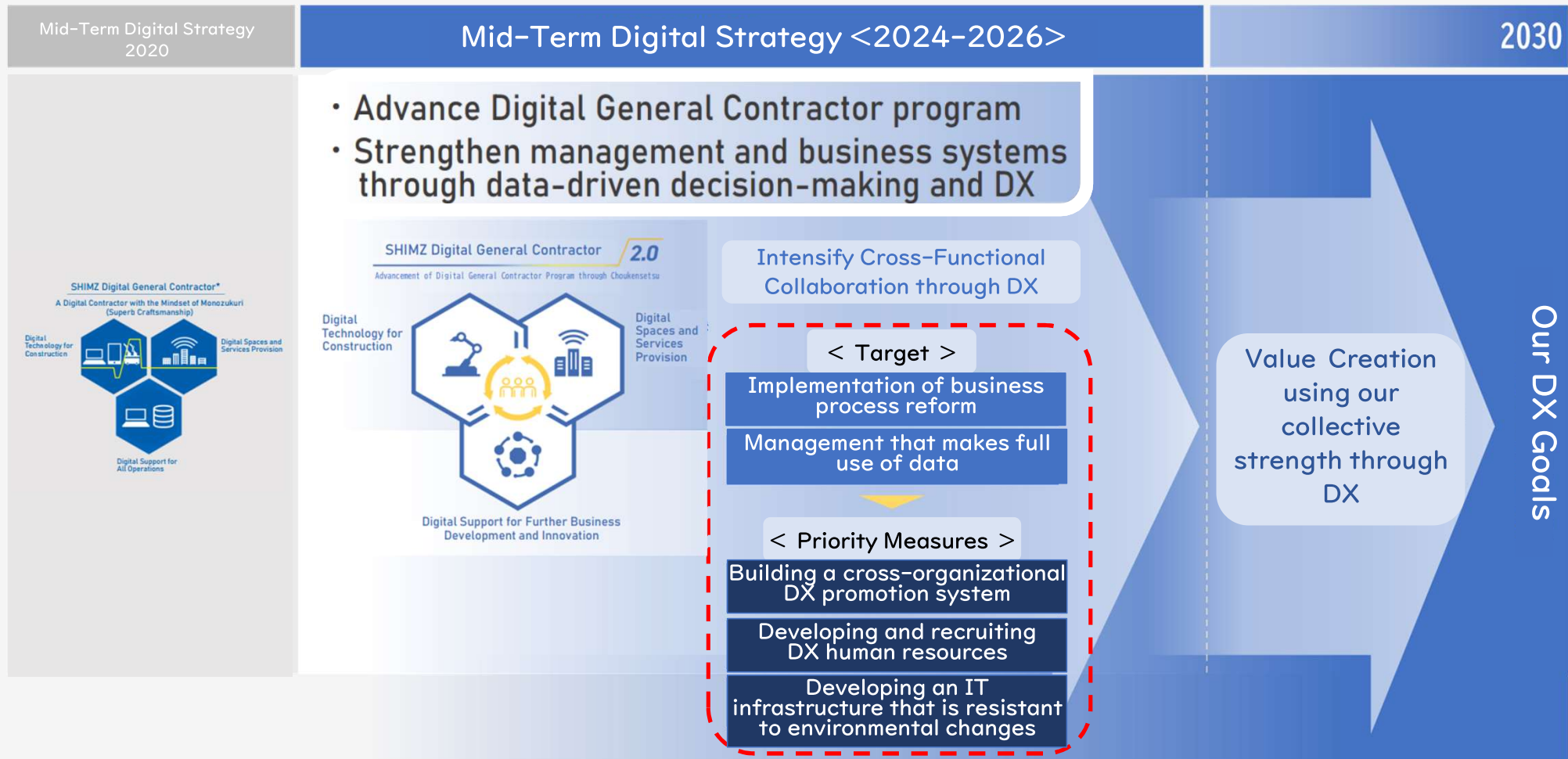
2. Mid-Term DX Strategy <2024-2026> : Shimizu's DX Goals <2030>

We aim to transform our corporate culture to make the most of our talent and digital technologies, and to establish Shimizu as the leading company driving DX in the construction industry.



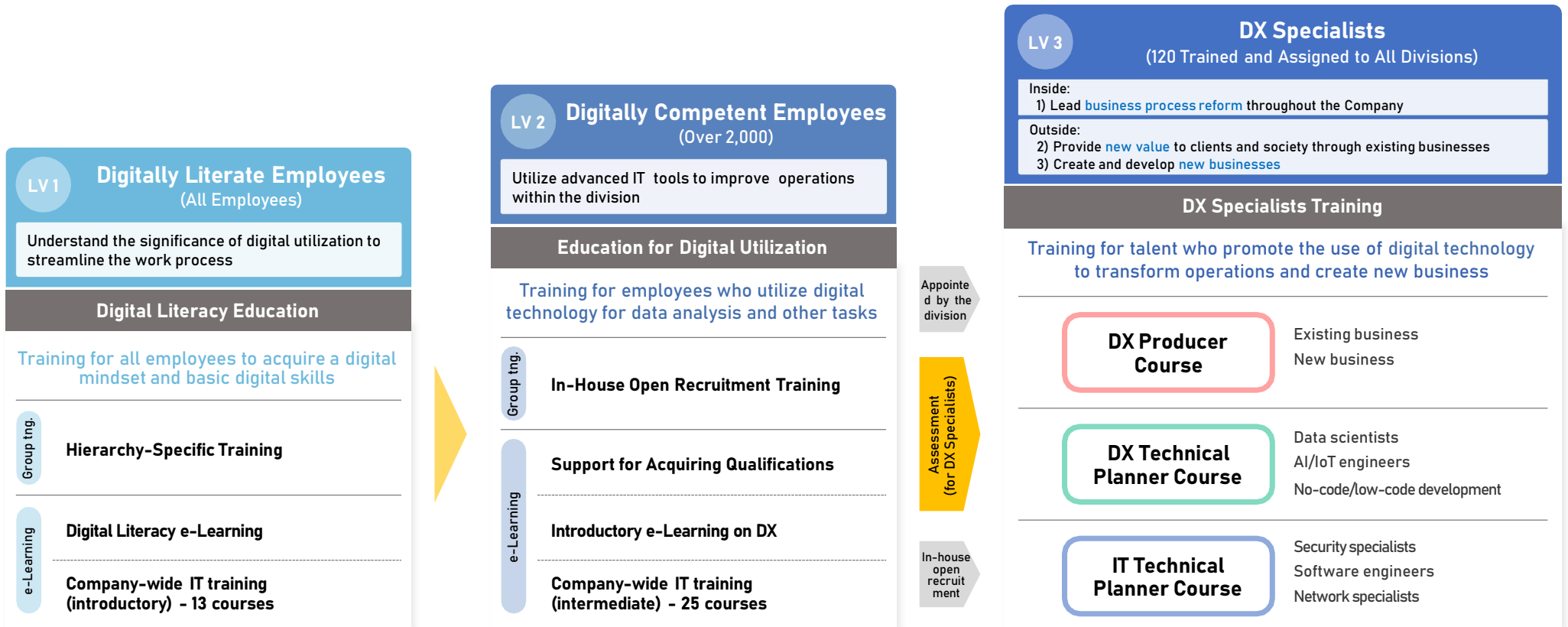
2. Mid-Term DX Strategy <2024-2026>

Intensify cross-functional collaboration through DX to achieve our future vision



3. Specific Examples of Measures :Developing DX human resources ” Shimizu Digital Academy”

- Aim >
- (1) Increase the digital literacy of executives and employees
 - (2) Nurture DX Specialists to lead business innovation and new business creation



3. Specific Examples of Measures: Implementation status “Shimizu Digital Academy”

New employee DX Training –Leading initiative to nurture DX specialists–

Conducted a **one-year** "DX training" for new employees in FY2023

- **27 participants were selected** from all fields, both technical and administrative.
- Interact with participants in the DX Specialists Education Course even after completing the training

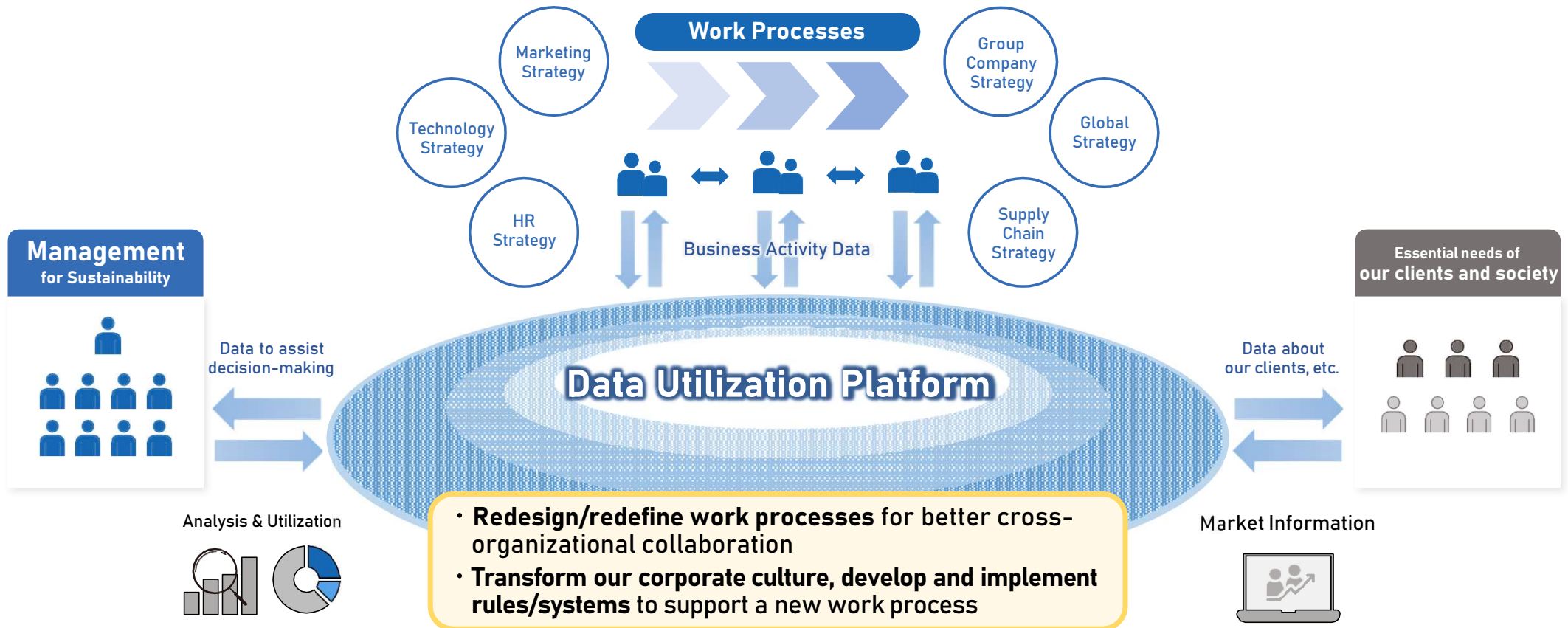
All new employees in FY2024 will receive DX training (short-term course).



3. Specific Examples of Measures : Building a Data Utilization Platform

Build a centralized data management platform

- gather the data from each function/business unit and create further new value



3. Specific Examples of Measures: Promoting the use of the latest AI technology

Developing a company-wide generative AI usage environment

Text Generative AI

- Build an environment which employees can safely use AI
- Formulation of utilization guidelines and preparation of manuals



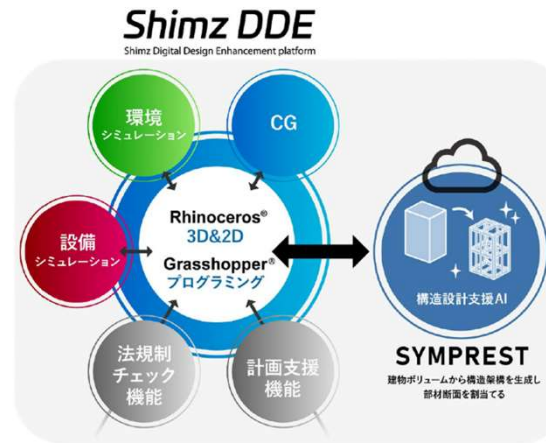
<https://www.shimz.co.jp/information/others/20240326.html>

Application of AI technology to business operations

Development and in-house production of systems utilizing the latest AI-related technologies

Structural design support AI SYMPREST

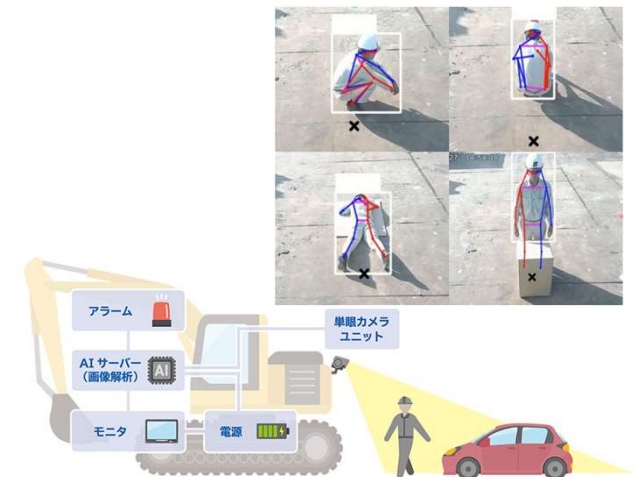
- Support for structural examination work in the early stages of design
- WEB application on the cloud and in-house operation
- Improving the sophistication and efficiency of designers' work at the same time



<https://www.shimz.co.jp/company/about/news-release/2023/2023035.html>

On-site safety management support AI Vehicle-mounted safety surveillance camera system

Utilizing image analysis AI, it instantly detects people and vehicles in the rear dangerous area, which is a blind spot for heavy construction equipment operators, and issues alerts with warning sounds, lights, etc.



<https://www.shimz.co.jp/solution/tech388/>