

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail. SHIMIZU CORPORATION assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 1803)
June 1, 2022

Dear Shareholders

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

Notice of the 120th Annual General Meeting of Shareholders

We hereby announce that the 120th Annual General Meeting of Shareholders of SHIMIZU CORPORATION (the “Corporation”) will be held as described below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), we request that you refrain from attending the General Meeting of Shareholders in person regardless of your health condition, and exercise your voting rights via the internet or in writing beforehand if possible.

Details

1. Date and Time:

Wednesday, June 29, 2022, 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 120th fiscal year (from April 1, 2021 to March 31, 2022)

- 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: Partial Amendment to the Articles of Incorporation
Proposal 3: Election of Twelve (12) Directors
Proposal 4: Election of One (1) Audit & Supervisory Board Member

4. Exercising Voting Rights

We ask you to kindly exercise your shareholders' voting rights. Prior to voting, please examine the following "Reference Documents for the General Meeting of Shareholders." You may exercise your voting rights by one of the following three methods. **However, in order to prevent the spread of COVID-19, we request you refrain from attending the meeting in person and, exercise your voting rights via the internet or in writing.**

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 Tuesday, June 28, 2022 (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 Tuesday, June 28, 2022 (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: Wednesday, June 29, 2022, at 10:00 a.m. (JST)

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. In addition, if you exercise your voting rights by the internet multiple times, only the last vote exercised will be treated as valid.
2. 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.

* If any changes have been made to items in the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders, revised items will be posted on our website on the internet.

* Of the documents required to be provided with this convocation notice, "System to Ensure the Appropriateness of Business Operations and the Status of its Implementation," "Consolidated Statement of Changes in Net Assets," "Notes to the Consolidated Financial Statements," "Non-Consolidated Statement of Changes in Net Assets" and "Notes to the Non-Consolidated Financial Statements" are posted on our website on the internet pursuant to the provisions of laws and regulations and Article 17 of the Articles of Incorporation.

In addition, these documents contain part of the Consolidated Financial Statements and Non-Consolidated Financial Statements which have been audited by Accounting Auditors to prepare the Accounting Auditor's Report and part of the Business Report, the Consolidated Financial Statements and Non-Consolidated Financial Statements which have been audited by Audit & Supervisory Board Members to prepare the Audit Report.

Our website <https://www.shimz.co.jp/>



Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of Surplus

While the Corporation maintains a basic policy of strengthening our financial position to support long-term growth, as well as the stability of dividends, the Mid-Term Management Plan <2019-2023> set a profit distribution policy with a target consolidated payout ratio of 30%.

Based on this, we propose the following with respect to the appropriation of surplus.

Matters regarding year-end dividend

We propose the year-end dividend for the current fiscal year of ¥11.50 per share, ¥10 as ordinary dividends plus ¥1.50 as special dividends. This brings the full-year dividend, including the midyear dividend, to ¥23 per share.

- (1) Dividend allotment to shareholders and total amount thereof
 - Dividend per share of common stock of the Corporation: ¥11.50
 - Total amount of dividend: ¥8,520,414,987
- (2) Effective date of dividend:
 - June 30, 2022

Proposal 2: Partial Amendment to the Articles of Incorporation

We propose to make a partial amendment to the current Articles of Incorporation as described below.

1 Reasons for the proposal

- (1) With the establishment of THE NIPPON ROAD Co., Ltd., which had been an affiliated company under the equity method, as a consolidated subsidiary effective March 29, 2022, the Corporation intends to make a partial amendment to Article 2. (Objects) of the Articles of Incorporation to match the nature of the business of the corporation and to renumber the relevant items in accordance with the establishment of new items.
- (2) With the enactment of the Act Partially Amending the Industrial Competitiveness Enhancement Act, etc. (Act No. 70 of 2021), a newly listed company is now permitted to hold a general meeting of shareholders without a fixed location (a general meeting of shareholders attended by shareholders and directors, etc. by means of communication such as the Internet without a physical venue, referred to as a “Virtual-Only Shareholders’ Meeting”) under certain conditions pursuant to the provisions of its articles of incorporation. The Corporation proposes to amend Article 13 (Convocation) of the Articles of Incorporation to allow the Corporation to hold the general meeting of shareholders without a fixed location if the Board of Directors determines that it is not appropriate to hold the general meeting of shareholders with a fixed location in light of the interests of shareholders, including ensuring their health and safety, due to the spread of an infectious disease or the occurrence of a natural disaster, etc.
- (3) In accordance with the Act Partially Amending the Companies Act (Act No. 70 of 2019), a new system of electronic provision of materials for the general meeting of shareholders will be introduced. The new system is stipulated by the provisions of the revised Companies Act, which will become effective on September 1, 2022. The Corporation proposes to amend its Articles of Incorporation as follows in order to prepare for the introduction of the system.
 - (i) Article 17, Paragraph 1 of the proposed amendment newly provides that the Corporation shall take measures to provide information contained in the materials for the general meeting of shareholders, such as reference documents for the general meeting of shareholders, electronically.
 - (ii) Article 17, Paragraph 2 of the proposed amendment establishes a provision to limit the scope of matters to be included in the documents to be delivered to shareholders who have requested the delivery of documents under the revised Companies Act with respect to the materials for the general meeting of shareholders.
 - (iii) Article 17 of the current Articles of Incorporation regarding Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. under the current Companies Act will be deleted as it is no longer necessary.
 - (iv) Supplementary provisions regarding effective date, etc. will be established in accordance with the above items to be newly established and deleted.

2 Details of proposed amendment

Details of the proposed amendment are as follows:

(1) (Underlined portions indicate the parts that are to be amended.)

Current Articles of Incorporation	Proposed amendment
(Objects) Article 2. The objects of the Corporation are to conduct the following business: 1. to 12. (Omitted) 13. Design, manufacturing, sale, lease and brokerage of construction machinery, concrete products for construction, wooden products for building construction, furniture, interior fittings and other wooden products; (Newly established)	(Objects) Article 2. (No change) 1. to 12. (No change) 13. Design, manufacturing, sale, lease and brokerage of construction machinery, <u>equipment, and mechanical devices</u> , concrete products for construction, <u>construction materials</u> , wooden products for building construction, furniture, interior fittings and other wooden products; <u>14. Sale and rental of automobiles and office and communications equipment</u>

Current Articles of Incorporation	Proposed amendment
14. (Omitted)	15. (No change)
15. Management and consultancy in relation to sporting facilities, hotels, restaurants and resort facilities;	16. Management and consultancy in relation to sporting facilities, <u>amusement parks</u> , hotels, restaurants and resort facilities;
16 to 20. (Omitted) (Newly established)	17. to 21. (No change)
21 to 22. (Omitted)	22. <u>Investment and equity investment in businesses related to each of the preceding items</u>
	23. to 24. (No change)

(2)

Current Articles of Incorporation	Proposed amendment
(Convocation) Article 13. 1. An ordinary general meeting of shareholders of the Corporation shall be convened in June each year, and an extraordinary general meeting of shareholders may be convened whenever necessary. 2. General meetings of shareholders shall be convened within the 23 wards of Tokyo. (Newly established)	(Convocation) Article 13. (No change) 2. General meetings of shareholders shall be convened within the 23 wards of Tokyo. <u>However, this shall not apply if the general meeting of shareholders is to be a general meeting of shareholders with no fixed location based on the following paragraph.</u> 3. <u>The Corporation may hold a general meeting of shareholders without a fixed location if the Board of Directors determines that it is not appropriate in light of the interests of shareholders to hold a general meeting of shareholders with a fixed location due to the spread of an infectious disease or the occurrence of a natural disaster, etc.</u>

(3)

Current Articles of Incorporation	Proposed amendment
<u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.)</u> Article 17. <u>The Corporation may, upon convocation of general meetings of shareholders, deem that the information relating to the matters to be described or indicated in the reference documents for the general meetings of shareholders, business report, financial statements and consolidated financial statements have been provided to the shareholders by disclosing them through the Internet pursuant to the Ministry of Justice Ordinance.</u> (Newly established)	(Deleted) (Electronic Delivery Measures, etc.) Article 17. 1. <u>When convening a general meeting of shareholders, the Corporation shall take measures to provide information contained in the reference documents for the general meeting of shareholders, etc., electronically in accordance with the provisions of Article 325-2 of the Companies Act.</u> 2. <u>The Corporation may choose not to include all or part of the items subject to electronic delivery measures, as provided for in the applicable Ordinance of the Ministry of Justice, in the documents to be delivered to shareholders who have requested the delivery of documents in accordance with the provisions of Article 325-5 of the Companies Act by the voting rights record date.</u>

Current Articles of Incorporation	Proposed amendment
(Newly established)	<p data-bbox="805 219 1077 246"><u>(Supplementary Provisions)</u></p> <p data-bbox="805 264 1402 459">1. <u>The amendment to Article 17 shall come into effect starting from September 1, 2022, (hereinafter referred to as the “Enforcement Date”), being the date of enforcement of the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p data-bbox="805 465 1402 660">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, etc.) shall remain in force with respect to any general meeting of shareholders to be held on a date within six months from the Enforcement Date.</u></p> <p data-bbox="805 667 1402 772">3. <u>These supplementary provisions shall be deleted six months after the Enforcement Date or three months after the date of the meeting of shareholders referred to in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Twelve (12) Directors

The terms of office of the current twelve (12) directors will expire at the conclusion of this meeting. Accordingly, we propose to elect twelve (12) directors (including four (4) outside directors).



The candidates for directors are as follows:

No.	Name	Current position and areas of responsibility in the Corporation	Nomination and Compensation Committee Member	Attendance at the Board of Directors meetings
1	Yoichi Miyamoto <Reelection>	Chairman of the Board and Representative Director		100% (17/17)
2	Kazuyuki Inoue <Reelection>	President and Representative Director President and Executive Officer	●	100% (17/17)
3	Toshiyuki Imaki <Reelection>	Executive Vice President and Representative Director, Executive Vice President and Executive Officer Director, Building Construction Headquarters, Director, Global Strategy Div.		100% (17/17)
4	Kimio Handa <Reelection>	Executive Vice President and Representative Director, Executive Vice President and Executive Officer In charge of Administrative Functions and SDGs & ESG Director, Corporate Ethics Office		100% (17/17)
5	Hiroshi Fujimura <Reelection>	Executive Vice President and Director, Executive Vice President and Executive Officer Director, Sales & Marketing Headquarters, In charge of Sales & Marketing, Yumeshima (Osaka) Projects		100% (17/17)
6	Toru Yamaji <Reelection>	Executive Vice President and Director, Executive Vice President and Executive Officer In charge of Innovation, Emerging Frontiers, New Business Development, and LCV Business.		100% (17/17)
7	Kentaro Ikeda <Reelection>	Senior Managing Officer and Representative Director Director, Civil Engineering Headquarters, in charge of Safety Administration & Environment		100% (13/13)
8	Motoaki Shimizu <Reelection> <Non-executive Director>	Director	● (Chair)	100% (17/17)
9	Tamotsu Iwamoto <Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (17/17)
10	Junichi Kawada <Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (13/13)
11	Mayumi Tamura <Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (17/17)
12	Yumiko Jozuka <Reelection> <Outside Director> <Independent Director> <Non-executive Director>	Director	●	100% (13/13)


* The attendance at Board of Directors meetings shown for Kentaro Ikeda, Junichi Kawada and Yumiko Jozuka is their attendance after they assumed office as director on June 29, 2021.

* 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	 <p>Yoichi Miyamoto (May 16, 1947)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<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 & 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>	166,477
2	 <p>Kazuyuki Inoue (October 3, 1956)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<p>April 1981 Joined the Corporation</p> <p>April 2013 Executive Officer, Director, Marketing & 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 & 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>[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 & 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 Management Plan <2019-2023> toward the realization of our long-term vision “<SHIMZ VISION 2030>.” 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>	84,090


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>Toshiyuki Imaki (January 3, 1955)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<p>April 1980 Joined the Corporation</p> <p>April 2007 Executive Officer, Director, Tokyo Building Construction Business Div. III, Building Headquarters of the Corporation</p> <p>June 2008 Executive Officer, Manager, Human Resources Dept. of the Corporation</p> <p>April 2010 Executive Officer, Director, HOKURIKU Branch of the Corporation</p> <p>April 2013 Managing Officer, Director, HOKURIKU Branch of the Corporation</p> <p>April 2014 Senior Managing Officer, Deputy Director, Building Headquarters and Director, TOKYO Branch, Building Headquarters of the Corporation</p> <p>June 2015 Director, Senior Managing Officer, Deputy Director, Building Headquarters and Director, TOKYO Branch, Building Headquarters of the Corporation</p> <p>January 2016 Director, Senior Managing Officer, in charge of Tokyo Metropolitan Area, Director, TOKYO Branch of the Corporation</p> <p>April 2016 Executive Vice President, in charge of Tokyo Metropolitan Area, Director, TOKYO Branch of the Corporation</p> <p>April 2017 Executive Vice President and Representative Director, Director, Building Construction Headquarters, in charge of Productivity Improvement and Information Management of the Corporation</p> <p>April 2018 Executive Vice President and Representative Director, Director, Building Construction Headquarters, in charge of Productivity Improvement, Information Management, and Nuclear Business of the Corporation</p> <p>April 2019 Executive Vice President and Representative Director, Director, Building Construction Headquarters, in charge of Productivity Improvement, Nuclear Business, Information Management, Director, Digital Strategy Promotion Div. of the Corporation</p> <p>April 2020 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, Director, Building Construction Headquarters, in charge of Information Management and Productivity Improvement of the Corporation</p> <p>October 2020 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, Director, Building Construction Headquarters, in charge of Information Management, Productivity Improvement, and Associated Companies of the Corporation</p> <p>April 2021 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, Director, Building Construction Headquarters, in charge of Information Management, Productivity Improvement, Associated Companies, and Global Strategy of the Corporation</p> <p>April 2022 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, Director, Building Construction Headquarters, Director, Global Strategy Div. of the Corporation (up to the present)</p>	72,680


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
		<p>[Reasons for nomination as a candidate for Director]</p> <p>Toshiyuki Imaki 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 related to building. Currently, he has supervised the construction business in his role as Director, Building Construction Headquarters, working on sustainable growth of the construction business, which is our core business. He is also promoting a review of the overseas business strategy. 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>	
4	 <p>Kimio Handa (January 14, 1956)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<p>April 1979 Joined the Corporation</p> <p>July 2005 Manager, Accounting Dept., Civil Engineering Headquarters of the Corporation</p> <p>June 2008 Manager, Accounting Dept., Building Headquarters of the Corporation</p> <p>June 2010 Deputy Director, HOKURIKU Branch of the Corporation</p> <p>April 2014 President and Representative Director of Shimizu Comprehensive Development Corporation</p> <p>April 2018 Managing Officer, Deputy Director, Sales & Marketing Headquarters, in charge of Compliance, Civil Engineering Headquarters, Deputy Director, Corporate Ethics Office of the Corporation</p> <p>April 2020 Senior Managing Officer, Director, Corporate Ethics Office, and in charge of Compliance, Sales & Marketing Headquarters of the Corporation</p> <p>June 2020 Director, Senior Managing Officer, in charge of Administration and SDGs & ESG, Director, Corporate Ethics Office of the Corporation</p> <p>April 2021 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, in charge of Administration and SDGs & ESG, Director, Corporate Ethics Office of the Corporation (up to the present)</p> <p>[Reasons for nomination as a candidate for Director]</p> <p>Kimio Handa possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group through his execution of business related to accounting and finance, real estate and compliance. Currently, as person in charge of Administration and Director of Corporate Ethics Office, he is working on measures to help thoroughness of compliance adherence. We judge his appointment as person in charge of SDGs & ESG 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>	37,565


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>Hiroshi Fujimura (November 1, 1956)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<p>April 1979 Joined the Corporation</p> <p>April 2015 Executive Officer, Building Headquarters, Deputy Director, Marketing & Sales Promotion Div. of the Corporation</p> <p>January 2016 Executive Officer, Building Construction Headquarters, Deputy Director, Marketing & Sales Promotion Div. of the Corporation</p> <p>April 2017 Managing Officer, Building Construction Headquarters, Deputy Director, Marketing & Sales Promotion Div. of the Corporation</p> <p>April 2018 Managing Officer, Sales & Marketing Headquarters, Director, Building Construction Sales & Marketing Div. of the Corporation</p> <p>November 2018 Managing Officer, Sales & Marketing Headquarters, Director, Building Construction Sales & Marketing Div., Director, Development Promotion Dept., Building Construction Sales & Marketing Div., Sales & Marketing Headquarters of the Corporation</p> <p>April 2019 Senior Managing Officer, Director, Building Construction Sales & Marketing Div., Sales & Marketing Headquarters of the Corporation</p> <p>April 2020 Senior Managing Officer, Director, Sales & Marketing Headquarters, and Director, Yumeshima (Osaka) Projects of the Corporation</p> <p>June 2020 Director, Senior Managing Officer, Director, Sales & Marketing Headquarters, and Director, Yumeshima (Osaka) Projects of the Corporation</p> <p>April 2021 Executive Vice President and Director, Executive Vice President and Executive Officer, Director, Sales & Marketing Headquarters, and Deputy Director, Yumeshima (Osaka) Projects of the Corporation</p> <p>April 2022 Executive Vice President and Director, Executive Vice President and Executive Officer, Director, Sales & Marketing Headquarters, In charge of Sales & Marketing, Yumeshima (Osaka) Projects of the Corporation (up to the present)</p> <p>[Reasons for nomination as a candidate for Director] Hiroshi Fujimura possesses abundant experience and a high level of knowledge regarding the business activities of the Shimizu Group through his execution of business in the sales & marketing. Currently, he is in charge of the sales & marketing as Director of the Sales & Marketing Headquarters and is working on planning and execution of the sales strategy of the Shimizu Group. 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>	28,402

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	 Toru Yamaji (May 18, 1956) <Reelection> Attendance at the Board of Directors meetings 100% (17/17)	<p>April 1981 Joined the Corporation</p> <p>April 2011 Executive Officer, Deputy Director, TOKYO Branch, Building Headquarters of the Corporation</p> <p>April 2012 Executive Officer, Director, KYUSHU Branch of the Corporation</p> <p>April 2015 Managing Officer, Director, KYUSHU Branch of the Corporation</p> <p>April 2016 Senior Managing Officer, in charge of Marketing & Sales Promotion of the Corporation</p> <p>April 2017 Senior Managing Officer, in charge of Marketing & Sales Promotion, Director, Marketing & Sales Promotion Div., Building Construction Headquarters of the Corporation</p> <p>June 2017 Executive Vice President and Representative Director, in charge of Marketing & Sales Promotion, Director, Marketing & Sales Promotion Div., Building Construction Headquarters of the Corporation</p> <p>April 2018 Executive Vice President and Representative Director, Director, Sales & Marketing Headquarters of the Corporation</p> <p>March 2019 Executive Vice President and Representative Director, Director, Sales & Marketing Headquarters, Director, Yumeshima (Osaka) Projects of the Corporation</p> <p>April 2020 Executive Vice President and Representative Director, Executive Vice President and Executive Officer, in charge of Engineering Business and LCV Business, and Emerging Frontiers of the Corporation</p> <p>April 2021 Executive Vice President and Director, Executive Vice President and Executive Officer, General Manager, LCV Headquarters, in charge of Engineering Business, Emerging Frontiers, and New Business Development of the Corporation</p> <p>April 2022 Executive Vice President and Director, Executive Vice President and Executive Officer, In charge of Innovation, Emerging Frontiers, New Business Development, and LCV Business of the Corporation (up to the present)</p> <p>[Reasons for nomination as a candidate for Director] Toru Yamaji 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 related to construction business and sales & marketing. Currently, he is in charge of Emerging Frontiers Business, New Business Development, and LCV Business, and is promoting efforts toward establishing a new profit base and growth for the Shimizu Group. 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>	54,292

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>Kentaro Ikeda (January 31, 1958)</p> <p><Reelection></p> <p>Attendance at the Board of Directors meetings 100% (13/13)</p>	<p>April 1983 Joined the Corporation</p> <p>April 2010 Deputy Director, HOKURIKU Branch of the Corporation</p> <p>April 2014 Deputy Director, Civil Engineering Sales & Marketing Div. II, Civil Engineering Headquarters of the Corporation</p> <p>April 2015 Director, Civil Engineering Sales & Marketing Div. II, Civil Engineering Headquarters of the Corporation</p> <p>January 2016 Director, Civil Engineering Sales & Marketing Div. II, Civil Engineering Headquarters of the Corporation</p> <p>April 2016 Executive Officer, Director, Civil Engineering Sales & Marketing Div. II, Civil Engineering Headquarters, Director, Civil Engineering Planning Div., Civil Engineering Headquarters of the Corporation</p> <p>April 2018 Managing Officer, Director, Civil Engineering Sales & Marketing Div., Sales & Marketing Headquarters of the Corporation</p> <p>April 2021 Senior Managing Officer, Director, Civil Engineering Headquarters, in charge of Safety Administration & Environment of the Corporation</p> <p>June 2021 Senior Managing Officer and Representative Director, Civil Engineering Headquarters, in charge of Safety Administration & Environment of the Corporation (up to the present)</p> <p>[Reasons for nomination as a candidate for Director] 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 business operations related to civil engineering and sales & marketing. 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>	33,805
8	 <p>Motoaki Shimizu (April 25, 1971)</p> <p><Reelection> <Non-executive Director></p> <p>Attendance at the Board of Directors meetings 100% (17/17)</p>	<p>February 1998 Joined IBM Japan, Ltd.</p> <p>July 2004 Joined the Corporation</p> <p>June 2011 Director of SHIMIZU & CO., LTD.</p> <p>June 2014 President and Representative Director of SHIMIZU & CO., LTD. (incumbent)</p> <p>March 2017 Resigned from the Corporation</p> <p>June 2017 Director of the Corporation (up to the present)</p> <p>[Significant concurrent positions outside the Corporation] President and Representative Director of SHIMIZU & CO., LTD.</p> <p>[Reasons for nomination as a candidate for Director] Motoaki Shimizu possesses abundant experience regarding business activities both in Japan and overseas and a high level of knowledge gained as a corporate manager. Currently, from a standpoint independent from business execution and as the present head of the Shimizu family, responsible for the 218-year history of the Corporation, he supervises the Corporation's management and business execution with a long-term perspective. Since January 2019, he has held the role of Chair of the Nomination and Compensation Committee. 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>	8,500,000

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	 Tamotsu Iwamoto (September 25, 1950)	April 1974 Joined Ajinomoto Co., Inc. July 2001 President of AJINOMOTO VIETNAM CO., LTD. June 2005 Corporate Executive Officer, General Manager, Human Resources Dept. of Ajinomoto Co., Inc. June 2009 Director, Corporate Vice President of Ajinomoto Co., Inc. June 2011 Director, Corporate Senior Vice President of Ajinomoto Co., Inc. June 2015 Representative Director, Corporate Executive Deputy President of Ajinomoto Co., Inc. June 2017 Senior Advisor of Ajinomoto Co., Inc. June 2017 Outside Auditor of HOUSE FOODS GROUP INC. June 2019 Director of the Corporation June 2021 Board Member of XEBIO HOLDINGS CO., LTD. (incumbent) (up to the present)	4,064
		[Significant concurrent positions outside the Corporation] Board Member of XEBIO HOLDINGS CO., LTD.	
		[Reasons for nomination as a candidate for Outside Director, expected roles, etc.] 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 supervise the progress of the Mid-Term Management Plan, etc. from the perspective of a person with management experience, and utilize his experience in managing an overseas subsidiary to provide advice and contribute to strengthening the Global Strategy Division of the Corporation.	
		[Independence of the candidate] 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. Furthermore, although the Corporation has conducted transactions with Ajinomoto Co., Inc. of which Tamotsu Iwamoto was Representative Director until June 2017, consisting of contracts for construction work etc., payments received for construction work etc. from 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.	
		<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	

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	 <p>Junichi Kawada (September 26, 1955)</p> <p><Reelection> <Outside Director> <Independent Director> <Non-executive Director></p> <p>Attendance at the Board of Directors meetings 100% (13/13)</p> <p>Term of office served as Outside Director (at the conclusion of this meeting) 1 year</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.</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 supervise the progress of the Mid-Term Management Plan, etc. from the perspective of a person with management experience, and provide advice and contribute to 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>	1,265

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	 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) 3 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 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>June 2017 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 & Supervisory Board Member of Kyowa Kirin Co., Ltd. (incumbent) (up to the present)</p> <p>[Significant concurrent positions outside the Corporation] Outside Audit & Supervisory Board Member of Kyowa Kirin Co., Ltd.</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. 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 ESG management and strengthening the Global Strategy Division of the Corporation.</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. Furthermore, although the Corporation has conducted transactions, such as contracts for construction work, with Seiyu GK (formerly Seiyu Corporation) of which Mayumi Tamura was Executive Officer, Senior Vice President and CFO until July 2013, payments received for construction work etc. from Seiyu GK 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 Mayumi Tamura's independence as Outside Director.</p>	4,064

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
12	 <p>Yumiko Jozuka (March 19, 1962)</p> <p><Reelection> <Outside Director> <Independent Director> <Non-executive Director></p> <p>Attendance at the Board of Directors meetings 100% (13/13)</p> <p>Term of office served as Outside Director (at the conclusion of this meeting) 1 year</p>	<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 (incumbent) Director of the Corporation</p> <p>April 2022 Director of Japan Legal Support Center (incumbent) (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</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 utilize her public administration experience in labor and welfare to provide advice to the Corporation's management based on her professional knowledge and contribute to further promoting diversity within the Corporation.</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>	1,265

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.
- 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 the knowledge, experience, and abilities of each director.

No.	Name	Skills Particularly Expected (Knowledge, Experience, Capabilities, Etc.)								
		Corporate Management	The Analects and the Abacus* & ESG	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	Toshiyuki Imaki	●	●	●	●	●	●			
4	Kimio Handa	●	●		●				●	●
5	Hiroshi Fujimura	●	●					●		
6	Toru Yamaji	●	●			●	●	●		
7	Kentaro Ikeda	●	●		●	●	●	●		
8	Motoaki Shimizu	●	●		●	●			●	
9	Tamotsu Iwamoto	●	●	●	●					●
10	Junichi Kawada	●	●	●	●					●
11	Mayumi Tamura	●	●	●	●				●	
12	Yumiko Jozuka		●	●						●


* “The Analects and the Abacus” is the Corporation’s Credo.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Tetsuya Nishikawa will expire at the conclusion of this meeting.

The Audit & Supervisory Board has given its prior consent to this Proposal 4.

The candidate for Audit & Supervisory Board Member is 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	 Ko Shikata (August 26, 1963) <New candidate> <Outside Audit & Supervisory Board Member> <Independent Audit & Supervisory Board Member> Attendance at the Board of Directors meetings – Attendance at the Audit & Supervisory Board meetings – Term of office served as Outside Audit & Supervisory Board Member (at the conclusion of this meeting) –	April 1987 Joined National Police Agency April 2001 Manager of Training Section of Police Affairs Department, Metropolitan Police Department August 2009 General Manager of Criminal Affairs Department of Headquarters, Kanagawa Prefectural Police Department July 2010 Manager of Information Technology Crime Countermeasure Department of Community Safety Bureau, National Police Agency October 2012 General Manager of Criminal Investigation Training Division, National Police Academy April 2013 Professor of Faculty of Policy Management, Keio University March 2015 Manager of International Department of Commissioner General's Secretariat, National Police Agency January 2018 General Manager of Highest Training Institute for Investigation Leaders, National Police Academy (Retired in March 2018) April 2018 Professor of Faculty of Law, Chuo University (incumbent) (up to the present) [Significant concurrent positions outside the Corporation] Professor of Faculty of Law, Chuo University [Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] Ko Shikata has never in the past been directly involved in corporate management. However, he has contributed to maintaining and improving a safe and secure society, including cybersecurity, through his many years of involvement in police administration, and he has also worked in policy research and education and support as a university professor, and has academic knowledge and broad experience and knowledge of the legal and policy field. 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 as an outside Audit & Supervisory Board Member. [Independence of the candidate] Ko Shikata 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 therefore plans to designate him as an independent Audit & Supervisory Board Member who will not have a conflict of interests with general shareholders and submit notification of this to the Tokyo Stock Exchange. Furthermore, although the Corporation has conducted transactions, such as contracts for construction work, with Chuo University at which Ko Shikata currently works as a professor, payments received for construction work etc. from Chuo University 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 Ko Shikata's independence as Outside Audit & Supervisory Board Member.	0

Notes:

1. The candidate for Audit & Supervisory Board Member does not have special interests in the Corporation.
2. Ko Shikata is a candidate for outside Audit & Supervisory Board Members.

3. If Ko Shikata is elected, the Corporation plans to enter into a limited liability agreement with him 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.
4. The Corporation has entered into a directors and officers liability insurance policy. (Please see the note 4 on page 17 and 18.) If the candidate is elected and assumes office as Audit & Supervisory Board Member, the candidate will be included as an insured in the insurance policy.

(Reference) 1. Composition of the Board of Directors and Nomination Policy and Procedures of Candidates for Director and Audit & Supervisory Board Member

1. Composition of the Board of Directors

The maximum number of members of the Corporation's Board of Directors is set to 12 in the Articles of Incorporation, and the Board of Directors is composed of executive directors that are familiar with each area of the Corporation's business and non-executive directors, including multiple outside directors that possess abundant knowledge and experience from their respective backgrounds. Moreover, the ratio of outside directors to the total number of directors is one third or higher.

2. Nomination policy and procedures of candidates for director and Audit & Supervisory Board Member

The Corporation selects candidates for director based on their character, knowledge, experience and capabilities, placing importance on the diversity of composition of the Board of Directors.

Individuals with abundant expert knowledge and experience, gained while working at the Corporation, are selected as candidates for directors in charge of the execution of business. Individuals with abundant knowledge and experience in their respective fields and deep insight are selected as candidates for non-executive directors including outside directors.

Also, individuals with appropriate knowledge of finance and accounting, knowledge of legal and compliance, abundant expert knowledge and experience regarding the Corporation's business areas, and abundant knowledge and experience in their respective fields, are selected as candidates for Audit & Supervisory Board Members while keeping a good balance of candidates and after receiving the consent of the Audit & Supervisory Board.

The Corporation's Board of Directors decides the appointment of directors and Audit & Supervisory Board Members (candidates) based on its recognition of their possession of these qualities after deliberation by the Nomination and Compensation Committee, of which the majority of members are outside directors and which is chaired by a non-executive director.

(Reference) 2. Standards regarding the Independence of Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members)

The Corporation deems an outside officer or a candidate for outside officer to have independence against the Corporation if he or she satisfies the following requirements:

1. An outside officer shall not be currently acting, nor have acted in the ten years before taking office, as a person who executes business (executive director or executive officer and other employee) of the Corporation or its subsidiaries.
2. An outside officer shall not currently be an important person who executes business (executive director, accounting advisor, managing officer, executive officer or manager and other important employee) of a major shareholder (a shareholder who holds 10% or more of the voting rights) of the Corporation.
3. An outside officer shall not currently be an important person who executes business of a major business partner of the Corporation (a business partner in the case when the amount received by the Corporation from such business partner in the most recent fiscal year exceeds 2% of annual consolidated net sales of the Corporation).
4. An outside officer shall not currently be an important person who executes business of a business partner whose major business partner is the Corporation (a business partner in the case when the amount paid by the Corporation to such business partner in the most recent fiscal year exceeds 2% of annual consolidated net sales of the business partner).
5. An outside officer shall not currently be an important person who executes business of a financial institution with which the Corporation has a financing reliance that is non-substitutable.
6. An outside officer shall not currently be a person who provides professional service as an attorney, certified public accountant or other consultant gaining from the Corporation a substantial amount of remuneration (more than ¥10 million in the most recent fiscal year) other than remuneration for directors and Audit & Supervisory Board Members.
7. An outside officer shall not be a relative (a spouse or a relative who is within the second degree of kinship) of an important person who executes business of the Corporation or its subsidiaries.

Attached documents to Notice of the 120th Annual General Meeting of Shareholders

Business Report

(for the year ended March 31, 2022)

[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

<Consolidated financial results in the current fiscal year>

Throughout fiscal 2021, ended March 31, 2022, the Japanese economy saw a general improvement trend in corporate earnings, despite weakness and lack of movement consumer spending due to restricted social and economic activities to a certain degree as the status of COVID-19 continued to improve and deteriorate repeatedly.

In the construction industry, orders for the private sector increased atop a recovery in capital investment, and the industry overall recorded higher orders year on year.

Against this backdrop, Shimizu Corporation and its subsidiaries (the Shimizu Group) reported consolidated net sales of ¥1,482.9 billion, up 1.8% year on year due to increased net sales from the real estate development business and other businesses. Ordinary income decreased 52.2% year on year to ¥50.4 billion, mainly due to a decrease in gross profits from construction contracts on account of lower profitability of architectural construction in Japan and overseas, despite an increase in gross profits in the real estate development and other businesses partly due to the sale of a large real estate development project. Net income decreased 38.1% to ¥47.7 billion, mainly as a result of the recording under special gains of gain on sale of investment securities and gain on bargain purchase associated with making THE NIPPON ROAD Co., Ltd. a subsidiary.

The Group proposes to pay a year-end dividend of ¥11.50 per share, adding a special dividend of ¥1.50 per share to the ordinary dividend of ¥10 per share, which makes the full-year dividend ¥23 per share, after the addition of the mid-year dividend.

Construction business

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

Net sales in the construction business decreased 0.4% year on year to ¥1,295.9 billion. Segment profits decreased 50.0% to ¥81.1 billion, due to the lower profitability of domestic architectural construction and overseas construction, and other factors.

Major project orders awarded

Architectural construction	Nihombashi 1-chome Naka District Urban Area Redevelopment Association	Nihombashi 1-chome Naka District Type I Urban Area Redevelopment Project C District - New Construction Project
	Nomura Real Estate Development Co., Ltd.	Shibaura 1-chome Project First Term (S Building) - New Construction Project (provisional name)
	NIPRO CORPORATION	NIPRO CORPORATION Odate Factory No.7 - New Construction Project
Civil engineering	Central Japan Railway Company	Chuo Shinkansen Nagano Station (provisional name) Project
	City of Yokohama	Waterworks Facility Construction Project Relating to Improvement Project of Water Conveyance Facilities for Sagami Lake Water System (From Kawai Junction Well to Nishiya Purification Plant)

Major construction contracts completed

Architectural construction	Kyodo Printing Co., Ltd.	Kyodo Printing Koishikawa Headquarters Project (provisional name) (Bunkyo-ku, Tokyo)
	NTT Urban Development Corporation	Higashisakura 1-1 Redevelopment Plan - New Construction Project (provisional name) (Aichi pref.)
	Sumitomo Realty & Development Co., Ltd.	Kitashinagawa 5 Chome Plan (provisional name) (Shinagawa-ku, Tokyo)
	District of Kasuga/Korakuen Station Front Urban Redevelopment Association	District of Kasuga/Korakuen Station Front Urban Redevelopment Project (North District) (Bunkyo-ku, Tokyo)
Civil engineering	Ishinomaki City	Ishinomaki City Earthquake Disaster Reconstruction and Maintenance Project (Miyagi pref.)
	Central Nippon Expressway Company Limited	Shin Tomei Expressway Takatoriyama Tunnel West (Kanagawa pref.)

Non-construction businesses (Real estate development and other businesses)

[Investment and development, Engineering, LCV, Emerging Frontier, and other businesses]

Net sales in the non-construction business (real estate development and other business) increased 20.6% year on year to ¥186.9 billion. Segment profits rose 109.3% to ¥58.4 billion, partly due to the sale of a large real estate development project.

LCV business



Small hydroelectric power plant: Aino-mata-dani
Small Hydro Power Plant

Investment and development business



The S.LOGI Niiza Project

Engineering business



A Self-Elevating Platform (SEP) vessel under construction

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

(Millions of Yen)

		Backlog as at March 31, 2021	Construction orders awarded and contracts	Net sales	Backlog as at March 31, 2022
Construction business	Architectural construction	1,310,317	1,146,342	936,043	1,520,616
	Civil engineering	532,692	273,719	227,446	578,965
	Total	1,843,009	1,420,062	1,163,489	2,099,582
Real estate development and other		93,685	123,399	123,863	93,221
Total		1,936,695	1,543,461	1,287,352	2,192,803

Note: Effect of application of the Accounting Standard for Revenue Recognition has been added to or subtracted from the backlogs.

<Consolidated forecasts for the next fiscal year>

In fiscal 2022, ending March 31, 2023, a sense of uncertainty lingers regarding the future while the end of the COVID-19 pandemic remains as unpredictable as ever in Japan and overseas. Furthermore, there is a need to monitor the impacts of the crisis in Ukraine on energy supply and demand and the global economy.

Regarding the construction industry, we expect public sector investment to remain steady and private-sector investment to continue picking up in terms of capital investment. However, the supply side may be impacted by high prices for resources and materials as well as supply shortages.

In the Shimizu Group's consolidated earnings forecast for fiscal 2022, under this business environment, net sales, ordinary income, and net income are expected to be ¥1,960.0 billion, up 32.2% year on year; ¥70.0 billion, up 38.8% year on year; and, ¥51.5 billion, up 7.8% year on year, respectively.

Construction orders awarded and contracts on a non-consolidated basis are forecasted to decrease ¥173.4 billion year on year to ¥1,370.0 billion for fiscal 2022.

2. Trends in Assets and Operating Results

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

(Millions of Yen)

	117th Fiscal Year (Fiscal 2018)	118th Fiscal Year (Fiscal 2019)	119th Fiscal Year (Fiscal 2020)	120th Fiscal Year (Current fiscal year) (Fiscal 2021)
Net sales	1,664,960	1,698,292	1,456,473	1,482,961
Ordinary income	133,957	137,986	105,465	50,419
Net income	99,668	98,977	77,176	47,761
Net income per share (Yen)	127.04	128.31	101.17	64.09
Return on Equity (ROE)	14.4%	13.6%	10.0%	5.8%
Total assets	1,860,794	1,904,934	1,908,674	2,128,356
Net assets	735,242	736,412	821,446	875,172

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)

	117th Fiscal Year (Fiscal 2018)	118th Fiscal Year (Fiscal 2019)	119th Fiscal Year (Fiscal 2020)	120th Fiscal Year (Current fiscal year) (Fiscal 2021)
Construction orders awarded and contracts	1,725,456	1,274,404	1,200,969	1,543,461
Net sales	1,406,730	1,417,604	1,249,985	1,287,352
Ordinary income	121,742	122,686	98,613	43,926
Net income	92,733	89,365	72,370	45,735
Net income per share (Yen)	118.00	115.65	94.70	61.26
Total assets	1,597,475	1,604,429	1,632,972	1,749,528
Net assets	627,910	620,143	697,042	699,210

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

Initiatives to Fulfill the Mid-Term Management Plan <2019-2023>

In its long-term “SHIMZ VISION 2030,” the Shimizu Group’s strategy towards 2030 is to become a “Smart Innovation Company.” It aims to create new value that is ahead of the times by constantly undergoing self-transformation and challenging beyond construction business and co-creating with diverse partners.

The “Mid-Term Management Plan (2019-2023),” which incorporates key strategies aimed at realizing our long-term vision, is centered on the below three business axes. We aim to enhance our corporate value and contribute to the achievement of the SDG’s by accelerating global expansion and promoting ESG management.

I. Transforming the construction business

For the fiscal year 2021, the third year of the Mid-Term Management Plan, we worked to enhance productivity and strengthen earning power by continuing our focus on skyscrapers and large-scale redevelopment projects, through the development and use of construction robots and AI technology. Furthermore, we are accelerating global expansion by strengthening our overseas construction business platform and management system through the reorganization of our organizational structure, and facilitating internal and external cooperation.

II. Establishing the financial base of the non-construction business

Through the construction of an SEP ship that can handle the construction of ultra-large-scale off-shore wind turbines, as well as promoting further real estate development globally, we have steadily made the investments to establish a stronger financial base. We will continue to focus our management resources on growth and promising markets.

III. Strengthening the business base that supports growth

As part of our technological development and digital strategy, we have aggressively promoted digital transformation (“DX”), formulated our “Shimz General Contractor Mid-Term Digital Strategy 2020,” and various policies from the three angles of “*Monozukuri* Using Digital Technology,” “Digital Spaces and Services Provision,” and “Digitally Supported *Monozukuri*.” As a result of these efforts, we were simultaneously selected as the first company in the construction industry to be certified as a “DX-Ready” company and to be selected as a “DX Company 2021.” As a “Digital General Contractor with the mindset of *monozukuri* (superb craftsmanship) in Construction,” we will continue to promote the further evolution of DX.

Financial and non-financial KPIs

Our results through fiscal 2021 for our financial and non-financial KPIs are as follows, and we aim to achieve our KPIs by fiscal 2023.

■ Financial KPIs

	Fiscal 2019 Results	Fiscal 2020 Results	Fiscal 2020 Results	Fiscal 2023 Goals
ROE	13.6%	10.0%	5.8%	10% or more
Equity ratio	38.3%	42.7%	38.7%	40% or more
D/E ratio	0.6 times	0.5 times	0.6 times	0.7 times or less
Dividend payout ratio	29.6%	29.7%	35.9%	Around 30%

■ Non-financial KPIs

	Fiscal 2019 Results	Fiscal 2020 Results	Fiscal 2021 Results	Fiscal 2023 Goals
Productivity of construction business (Improvement rate from fiscal 2016)*1	11.0%	12.6%	4.3%	20% or more
Reduction rate of CO ₂ emissions of construction business (Reduction rate form fiscal 2017)	7.0%	25.2%	10.2%*2	10% or more
Employee satisfaction indicator scores*3	3.76	3.75	3.72	4.0 or more
Number of serious legal violations	0	0	0	0

*1: We have revised past-year figures with the revisions to the base fiscal year for construction fee

deflators announced by the Ministry of Land, Infrastructure, Transport and Tourism.

*2: Provisional value as of April 2022 before acquisition of third-party verification

*3: Indicators produced from the “Shimizu Japan Employee Survey” of the Corporation’s employees (average of five-scale evaluation)

Capital management policy

In addition to continuing to reduce cross-shareholdings, we acquired ¥20 billion in treasury shares using the proceeds from sales of securities holdings. While continuing to utilize capital effectively, we will maintain our basic policy of stable dividends, and work to maintain shareholder returns by maintaining a roughly 30% consolidated dividend yield funded by revenue growth.

Group management

Through a public offering of shares for THE NIPPON ROAD Co., Ltd., formerly an equity-method affiliate of the Corporation, on March 29, 2022, the company became a consolidated subsidiary of the Corporation. By sharing its management knowhow and resources within the Group and further deepening our cooperative relationship, we aim for further growth and enhanced corporate value for the Group.

In addition to conditions overseas and COVID-19, the increase in the scale of construction projects and intensifying competition have created large changes in the management environment compared to when the Mid-Term Management Plan was formulated. While the management environment is challenging, we see the current fiscal year, the fourth year of the Mid-Term Management Plan, as a key year. We will approach changes in social and market structures as business opportunities and steadily advance corporate reforms to adapt to the new normal and for growth, working to create value that exceeds the expectations of society to contribute to building a sustainable future.

Initiatives Aimed at Improving Work Environments

Ahead of the application of regulations limiting overtime work in the construction industry starting in April 2024, an urgent task for the Corporation is to build a structure that allows appropriate and highly productive business operations based on legal and regulatory compliance. The Corporation established the “Work Environment Improvement Committee” chaired by the President this April. To realize satisfying work environments that consider the physical and mental health of our employees, we are expanding our system to prevent overwork and support employees’ mental health. We have selected leaders in each division to improve work environments and are pursuing the initiative on a company-wide basis.

Initiatives Toward Ensuring Legal and Regulatory Compliance

The Corporation has continued to promote a variety of measures that contribute to cultivating an ethical mindset and ensuring legal compliance in order to ensure that officers and employees of the Group take specific actions in accordance with its Corporate Credo “The Analects and Abacus.” Our main initiatives are as follows.

1. Top management to take the lead in cultivating an ethical mindset and ensuring legal and regulatory compliance.

- (i) Corporate ethics training for management executives (after providing training for officers of the Corporation, the contents were posted on the intranet to the employees of the Corporation and officers and employees of subsidiaries)
 - Sadako Yasuoka “Applying Analects in Practice,” the Shibusawa Memorial Museum, Jun Inoue “The Analects and the Abacus”
- (ii) E-learning training (including “Compliance with the Antimonopoly Act”)

2. Strict compliance with the Code of Conduct concerning construction project bidding (promoted mainly within the Corporation and its subsidiaries engaged in the construction business)

In addition to holding training and interviews with officers and employees and creating awareness on codes of conduct, interviews were also held by external lawyers as necessary on individual cases.

Shimizu's Initiatives in SDGs and ESG

The Group has established our long-term vision “SHIMZ VISION 2030.” By fusing the three forms of innovation in business structure, technology, and human resources, our goals are “realizing a resilient society,” “realizing an inclusive society,” and “realizing a sustainable society,” and to contribute to the achievement of the 17 SDGs. Furthermore, by steadily promoting ESG management and fulfilling our social responsibility through our business activities, we will increase trust from our stakeholders, enhance medium- to long-term corporate value, and realize sustained growth.

■ Shimizu's materiality assessment

The Corporation engages in business activities with a strong awareness of social and environmental sustainability and has therefore identified activities that are highly material to this awareness. In assessing materiality, we considered social issues such as SDGs as well as our Corporate Credo, management principles and long-term vision. We then evaluated activities from the two angles of “impact on society” and “impact for our company.” We have established indicators to track progress on individual items and will steadily implement these initiatives towards a sustainable future.

	Category	Activities of High Materiality
Activities that contribute to society through business	1. Realizing a resilient society where everyone can feel safe and secure	<ul style="list-style-type: none"> ● Building resilient social infrastructure ● Increasing longevity of buildings and infrastructure
	2. Realizing an inclusive society where all people can live together in comfort and health	<ul style="list-style-type: none"> ● Building comfortable cities ● Responding to Well-being needs
The corporation's business and management activities	3. Realizing a sustainable society where future generations can inherit a well-cared for environment	<ul style="list-style-type: none"> ● Decarbonization ● Resource recycling ● Living in harmony with nature (preserving biodiversity) ● Preventing environmental pollution
	4. Promoting a sincere approach to <i>monozukuri</i>	<ul style="list-style-type: none"> ● Enhancing productivity ● Ensuring optimal product quality ● Strengthening supply chains ● Occupational safety and health
	5. Creating new technologies and value that is ahead of the times	<ul style="list-style-type: none"> ● Developing cutting-edge technology ● Creating new business models
	6. Developing human resources responsible for the next generation and pursuing job satisfaction	<ul style="list-style-type: none"> ● Creating work environments with job satisfaction ● Diversity and inclusion ● Developing human resources with an eye towards the future ● Respecting human rights
	7. Building a business base on the foundation of “The Analects and the Abacus”	<ul style="list-style-type: none"> ● Risk management ● Thorough legal and ethical compliance ● Strengthening information security

■ Information disclosure pursuant to TCFD^{*1}

The Corporation, considering climate change to be one of its key management issues, analyzes the “risks” and “opportunities” that climate change presents to its businesses and their impact periods. We have applied the results to our management strategies and have concluded that our ongoing responses required for addressing climate change align with our Long-Term Vision and the direction of business strategies formulated in the Mid-Term Management Plan. We disclose the results on our corporate website and in reports.

Key Factors (Risks and opportunities)	Impact period ^{*2}	Shimizu's Response
Rise in average summer temperature (risk)	Medium term	<ul style="list-style-type: none"> Enhancing productivity in the working environment by deploying robots, ICT, AI, etc. Improvement of work environment through workstyle reform, preventive measures for heat stroke, etc.
Expansion of need for energy-saving buildings (opportunity)	Medium term	<ul style="list-style-type: none"> Promotion of designing and constructing ZEB
Expansion of need for renewable energy (opportunity)	Short to medium term	<ul style="list-style-type: none"> Promotion of renewables business Development and commercialization of hydrogen energy-based systems
Changes to market caused by climate change (opportunity)	Long term	<ul style="list-style-type: none"> Proposals for BCP
Policies that improve national resilience (opportunity)	Short to medium term	<ul style="list-style-type: none"> Strengthening activities to capture orders for infrastructure

^{*1} TCFD (Task Force on Climate-related Financial Disclosures):

An initiative established by the Financial Stability Board (FSB) in 2015.

^{*2} Short term: up to three years, medium term: more than three to ten years, long term: more than ten years

■ Constructing wood-based buildings to create new value

As the response to climate change is a pressing issue, there is a strong focus being placed on wood-based building materials from the standpoints of reducing CO₂ and achieving the SDGs.

We have developed the “Shimizu Hy-wood®”^{*} series of wood-based components that provides for beautiful designs, efficient construction, and good economics in addition to achieving strong earthquake and fire resistance. By incorporating wood in buildings, we aim to create wood-based buildings that are comfortable for people and easy on the environment.

^{*} “Shimizu Hy-wood” is a registered trademark of the Corporation in Japan



Together with the Dai-ichi Life Insurance Company, Limited, we are evaluating new plans for a rental office building using hybrid wooden construction in 2-chome, Kyobashi, Chuo-ku, Tokyo

■ Realizing “ZEB*” through sustainable renovations

To achieve carbon neutral by 2050, creating ZEBs through not only new construction but also renovation is essential. Although creating ZEBs through renovation is technologically challenging, the Corporation achieved this for the “West-4 Tower” of the Global Zero Emission Research Center, National Institute of Advanced Industrial Science and Technology Tsukuba West office. Using this technology, we are advancing initiatives to contribute to the future realization of carbon neutral.



*ZEB (Net Zero Energy Building):

Building that minimizes energy consumption while providing its own energy to achieve a net zero financial balance for the building's energy consumption

■ Order received for the construction of an elementary and middle school in Djibouti, Africa

Djibouti, a country in Northeast Africa, is working to expand its educational facilities to increase the school enrollment ratio. Through free financial aid from the Japanese government, the project will build a combination elementary and middle school to provide nine-year compulsory education to expand access to basic education and improve learning environments. The goal of the project is to contribute to Africa's sustainable development.



Completion image
(provided by Matsuda Consultants International
Co., Ltd.)

4. Status of Financing

The Corporation issued straight bonds by public offering (sustainability bonds) as follows and used the funds to provide for the construction of “MEBKS TOYOSU” and an “open deck space over a transportation plaza (Toyosu MiCHi no Eki)” built in Toyosu, Koto-ku, Tokyo, and to refinance costs to create related data platforms and service applications.

December 2021: Unsecured Straight Bonds No. 31 ¥10 billion

5. Status of Capital Investment

The amount of capital investment made in the current fiscal year is ¥109.4 billion. Most of this consisted of acquisition of fixed assets for rental business and other business operations. Of this capital investment, ¥92.5 billion was investment by the Company (non-consolidated).

6. Status of Major Subsidiaries

(1) Status of Major Subsidiaries (As at March 31, 2022)

Name	Capital (Millions of Yen)	Ratio of ownership by the Corporation (%)	Major business
THE NIPPON ROAD Co., Ltd.	12,290	50.1	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
Daiichi Setsubi Engineering Corporation	400	94.3	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: The Corporation acquired additional shares in THE NIPPON ROAD Co., Ltd. on March 29, 2022, changing it from an equity-method affiliates to a consolidated subsidiary.

(2) Business partnerships

- 1) The Corporation announced that it had concluded memorandums of understanding on building cooperative systems in the off-shore wind turbines' construction field with Norway's Fred. Olsen Ocean Ltd. on June 30, 2021, and with Holland's Heerema Marine Contractors on September 1, 2021.
- 2) On September 22, 2021, with the Corporation, Kajima Corporation, and Takenaka Corporation as the leading companies, the “Construction RX* Consortium” was launched. The consortium aims to undertake technological cooperation in the construction robot and IoT fields. The Consortium launched with 16 proper member companies, and as of April 20, 2022, that number has grown to 73 (23 proper member companies and 50 cooperating members).

*RX: Robotics transformation, analogous to digital transformation (DX).

7. Major Businesses (As at March 31, 2022)

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 Specific Construction Business License (specific-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 Building Lots and Buildings Traders (14 no. 1081) in accordance with the Building Lots and Buildings Transaction Business Act, and carries out businesses related to real estate accordingly.

8. Major Branches (As at March 31, 2022)

(1) The Corporation

Head Office			
2-16-1 Kyobashi, Chuo-ku, Tokyo			
Branches			
HOKKAIDO Branch	(Sapporo)	TOHOKU Branch	(Sendai)
HOKURIKU Branch	(Kanazawa)	KANTO Branch	(Saitama)
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		International Div.	(Singapore)
	(Chuo-ku, Tokyo)		
International Civil Engineering Division	(Chuo-ku, Tokyo)	Investment and Development Div.	(Chuo-ku, Tokyo)
Engineering Headquarters		LCV Headquarters	(Chuo-ku, Tokyo)
	(Chuo-ku, Tokyo)	Institute of Technology	(Koto-ku, Tokyo)

Note: On April 1, 2022, the functions of the KANTO Branch were transferred and integrated, with the construction business being moved to the Tokyo Branch, and the civil engineering business being moved to the TOKYO Civil Engineering Branch.

International business network	
Dalian, Shanghai, Suzhou, Guangzhou, Hong Kong, Taipei, Manila, Guam, Singapore, Kuala Lumpur, Jakarta, Bangkok, Dhaka, Yangon, Tashkent, Bengaluru, Hanoi, Ho Chi Minh City, Istanbul, Prague, Wroclaw, Dubai, Lusaka, Atlanta, New York, 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)
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, 2022)

(1) Employees of the corporate group (Consolidated)

	Number of employees (including contract workers)	Change from March 31, 2021
Construction business	16,278	+ 2,172
Non-construction businesses (Real estate development and other businesses)	2,436	+ 840
Other	947	+ 63
Total	19,661	+ 3,075

Notes:

1. "Other" shows the number of employees in administration division, etc. (non-consolidated), who are unable to be classified in any specific business line.
2. The number of employees increased by 3,075 compared to the end of the previous fiscal year, but the main reason for that increase was making THE NIPPON ROAD Co., Ltd. a consolidated subsidiary on March 29, 2022.

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

Number of employees (including contract workers)
10,688

* Employees of the Corporation excluding contract workers

Number of employees	9,940	Change from March 31, 2021	Increase of 288
Average age	43.1	Average years of continuous service	15.6 years

10. Status of Major Creditors (As at March 31, 2022)

Creditor	Amount borrowed (Millions of Yen)
Mizuho Bank, Ltd.	96,056
MUFG Bank, Ltd.	57,014
Sumitomo Mitsui Banking Corporation	17,892
The Norinchukin Bank	14,464
The Chiba Bank, Ltd.	14,045
The Hachijuni Bank, Ltd.	10,708
The Dai-ichi Life Insurance Company, Limited	9,125
Fukoku Mutual Life Insurance Company	7,984
Sumitomo Mitsui Trust Bank, Limited	6,110
The Hyakugo Bank, Ltd.	5,166

II Current Conditions of the Corporation (Non-consolidated)

1. Status of Shares of the Corporation (As at March 31, 2022)

- (1) Total number of authorized shares 1,500,000,000 shares
- (2) Total number of issued shares 788,514,613 shares
- (3) Number of shareholders 64,408 (increase of 1,340 from March 31, 2021)
- (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)	116,653	15.74
SHIMIZU & CO., LTD.	64,291	8.68
The SHIMIZU FOUNDATION	38,595	5.21
Custody Bank of Japan, Ltd. (Trust Account)	33,116	4.47
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	17,950	2.42
Employee's Stock Ownership Plan	17,491	2.36
HOUSING RESEARCH FOUNDATION JYUSO-KEN	17,420	2.35
Mizuho Bank, Ltd.	10,697	1.44
The Dai-ichi Life Insurance Company, Limited	10,564	1.43
Fukoku Mutual Life Insurance Company	10,552	1.42

Note: Percentage of total is calculated excluding treasury stocks (47,608,962 shares).

(5) Other important matters related to shares

To further enhance our corporate value by increasing our capital efficiency, based on a resolution at a Board of Directors meeting held on May 10, 2021, treasury shares were acquired as follows.

Class and number of treasury shares acquired	Common shares: 23,148,200 shares
Total amount of acquisition price	¥19,999,990,708
Acquisition period	May 11, 2021-August 24, 2021

2. Officers of the Corporation

(1) Status of directors and audit & supervisory board members (As at March 31, 2022)

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 Representative Director, Executive Vice President and Executive Officer	Toshiyuki Imaki	Director, Building Construction Headquarters, in charge of Information Management, Productivity Improvement, Associated Companies, Global Business	
Executive Vice President and Director, Executive Vice President and Executive Officer	Toru Yamaji	Director, LCV Headquarters, in charge of Engineering Business, Emerging Frontiers, New Business Development	
Executive Vice President and Representative Director, Executive Vice President and Executive Officer	Kimio Handa	In charge of Administrative Functions, SDGs & ESG Promotion, Director, Corporate Ethics Office	
Executive Vice President and Director, Executive Vice President and Executive Officer	Hiroshi Fujimura	Director, Sales & Marketing Headquarters, Deputy Director, Yumeshima (Osaka) Projects	
Representative Director, Senior Managing Officer	Kentaro Ikeda	Director, Civil Engineering Headquarters, in charge of Safety Administration & Environment	
Director [Non-executive]	Motoaki Shimizu		President and Representative Director of SHIMIZU & CO., LTD.
Director [Independent] [Outside] [Non-executive]	Tamotsu Iwamoto		Board Member 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.
Director [Independent] [Outside] [Non-executive]	Yumiko Jozuka		Outside Director of Tokyu Fudosan Holdings Corporation
Audit & Supervisory Board Member (Full-time)	Hideto Watanabe		
Audit & Supervisory Board Member (Full-time)	Koichi Matsuoka		
Audit & Supervisory Board Member [Independent] [Outside]	Tetsuya Nishikawa		Lawyer (Kasahara Law Office) External Auditor of SEKIDO Co., Ltd. Audit & Supervisory Board Member of Soken Co., Ltd. External Auditor of TAIHEI Engineering Co., Ltd.
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, SOHGO SECURITY SERVICES CO., LTD.

- Notes: 1. Directors Tamotsu Iwamoto, Junichi Kawada, Mayumi Tamura and Yumiko Jozuka are outside directors.
2. Audit & Supervisory Board Members Tetsuya Nishikawa, Kaoru Ishikawa and Toshie Ikenaga 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 Tetsuya Nishikawa, Kaoru Ishikawa and Toshie Ikenaga 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.,

TAIHEI Engineering Co., Ltd., Kawamura Gakuen, and SOHGO SECURITY SERVICES CO., LTD. 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, 2022, the following changes were made in the position and areas of responsibilities in the Corporation of directors.

Name	Position in the Corporation	Areas of responsibility in the Corporation
Executive Vice President and Representative Director, Executive Vice President and Executive Officer	Toshiyuki Imaki	Director, Building Construction Headquarters, Director, Global Strategy Div.
Executive Vice President and Director, Executive Vice President and Executive Officer	Hiroshi Fujimura	Director, Sales & Marketing Headquarters, In charge of Sales & Marketing, Yumeshima (Osaka) Projects
Executive Vice President and Director, Executive Vice President and Executive Officer	Toru Yamaji	In charge of Business Innovation, Emerging Frontiers, New Business Development and LCV Business

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 and Representative Director	Tsunehiko Yamanaka	June 29, 2021	Expiration of term of office
Director	Aya Murakami	June 29, 2021	Expiration of term of office
Audit & Supervisory Board Member (Full-time)	Hatsuhito Kaneko	June 29, 2021	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 members 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. Consolidated net income for the current fiscal year is set as the performance indicator, being the final results of the Group's business activities for a business year, and consideration is also given to the level of achievement of the targets set for consolidated ordinary income for the current fiscal year. The basic bonus amount is determined by multiplying said

indicator by a fixed percentage, and the resulting amount is further multiplied by an index number decided separately for each position, and a multi-faceted evaluation of the performance of each Director is also taken into consideration in the calculation. The number of Directors (executive directors) was seven at the close of the 118th Annual General Meeting of Shareholders.

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 43 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 six meetings were held during the current fiscal year) upon the individual monthly remuneration amount and the bonus amount based on an evaluation of the performance of each Director, 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	801	730	70	13	14
Audit & Supervisory Board Members	105	105	–	–	6
Total	906	836	70	13	20
[Of Which, Outside Officers]	[99]	[99]	[–]	[–]	[9]

- (Notes) 1. The amounts of remunerations, etc., given above include those for two directors and one audit & supervisory board member who retired at the conclusion of the 119th Annual General Meeting of Shareholders held on June 29, 2021.
2. The target for consolidated net income for the current fiscal year, which is employed as the performance indicator for determining bonuses that are performance-based compensation, is set at ¥58,000 million, and the result was ¥47,761 million. The target for consolidated ordinary income for the current fiscal year is set at ¥77,000 million, and the result was ¥50,419 million.

(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
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.	17/17 (100%)
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.	13/13 (100%)
Outside Director	Mayumi Tamura	Using her management experience at global companies and especially her great insights in the fields of finance, accounting, and ESG, 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%)
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.	13/13 (100%)

(Note) Junichi Kawada and Yumiko Jozuka's attendance at Board of Directors meetings is from when they were appointed as Outside Directors on June 29, 2021.

2) Outside Audit & 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	Tetsuya Nishikawa	Made appropriate statements based on the experience and insight he has accumulated in police- and defense-related administrative duties, and specialist knowledge as a lawyer.	17/17 (100%)	14/14 (100%)
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%)	14/14 (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.	13/13 (100%)	5/5 (100%)

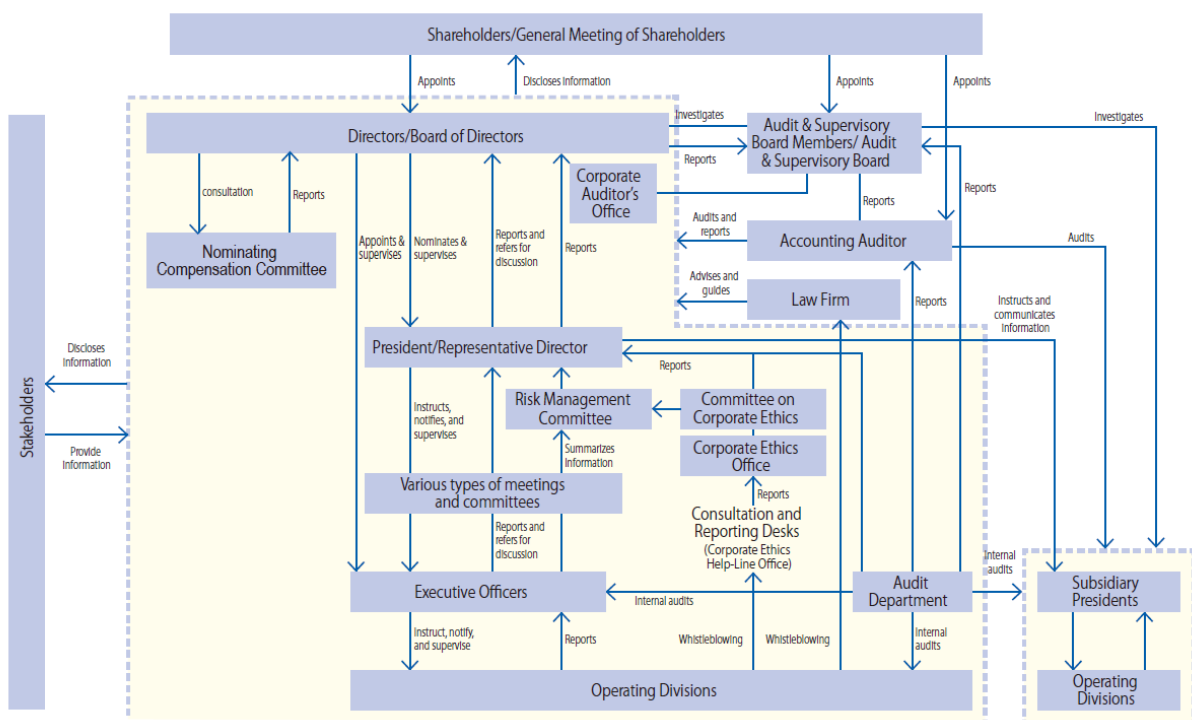
(Note) Toshie Ikenaga's attendance at Board of Directors meetings and Audit & Supervisory Board meetings is from when she was appointed as an Outside & Supervisory Board Member on June 29, 2021.

(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 company 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, 2022)

Non-executive directors (five)	Executive directors (one)
Motoaki 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)

In fiscal 2021, the Nomination and Compensation Committee met six times, and all six members attended all meetings (attendance rate of 100%) to deliberate on issues.

■ 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. In performing the evaluation, a questionnaire was sent to all Directors and Audit and Supervisory Board Members. Based on an analysis by a third party (a lawyer), all Directors and Audit and Supervisory Board Members have discussions (self-evaluation) at Board of Directors meetings.

Furthermore, for fiscal 2021, the covered period for the evaluation was changed from the previous calendar year (January through December) to the fiscal year (April through March). As such, a summary of the evaluation results will be disclosed in the "Report on Corporate Governance" submitted to the Tokyo Stock Exchange going forward.

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 make improvements.

■ Acquisition, Divestment and Exercise of Voting Rights for Strategic Shareholdings

(1) Acquisition and divestment policy

When there is a necessity from the viewpoint of business development policy, 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, with an eye to reducing securities holdings in stages through confirming relationships with business partners to promote the effective utilization of capital.

(2) Status of divestment

The Corporation sold shares of 18 listed companies during fiscal 2021 (including shares of which part of the holdings were sold). The proceeds were 12.8 billion yen. From fiscal 2018 to fiscal 2021, the total number of listed companies of which the Corporation reduced its holdings was 48 (including shares of which part of the holdings were sold). The proceeds were 61.5 billion yen. As a result, the number of listed companies the Corporation held shares in decreased from 187 as of the end of March 2018 to 152 as of the end of March 2022.

(3) Exercise of voting rights

The Corporation exercises voting rights on securities holdings after comprehensively examining the contents of proposals, referring to the acquisition and divestment policy above, and judging whether to vote for or against each proposal from the perspective of whether the corporate value of the Corporation and business partners may increase.

For other matters related to the Corporation's corporate governance, please see corporate governance reports, etc., posted on its website.

(Reference) Executive officers and their positions and areas of responsibility in the Corporation as at April 1, 2022 are as follows.

Position	Name	Areas of responsibility
President and Executive Officer	Kazuyuki Inoue*	
Executive Vice President and Executive Officer	Toshiyuki Imaki*	Director, Building Construction Headquarters, Director, Global Strategy Div.
Executive Vice President and Executive Officer	Kimio Handa*	In charge of Administration and SDGs & ESG Promotion, Director, Corporate Ethics Office
Executive Vice President and Executive Officer	Hiroshi Fujimura*	Director, Sales & Marketing Headquarters, in charge of Sales & Marketing, Yumeshima (Osaka) Projects
Executive Vice President and Executive Officer	Toru Yamaji*	In charge of Business Innovation, Emerging Frontiers, New Business Development and LCV Business
Senior Managing Officer	Kentaro Ikeda*	Director, Civil Engineering Headquarters, in charge of Safety Administration & Environment
Senior Managing Officer	Yoshito Tsutsumi	Deputy Director, Building Construction Headquarters, Director, TOKYO Branch, in charge of Productivity Improvement
Senior Managing Officer	Masanobu Onishi	Director, Design Div., Building Construction Headquarters
Senior Managing Officer	Takeshi Sekiguchi	In charge of Engineering Business, Director, LCV Headquarters, in charge of Information Management
Senior Managing Officer	Takao Haneda	In charge of General Affairs, Legal and Crisis Management and Associated Companies, Director, Corporate Ethics Help-line Office
Senior Managing Officer	Koichi Ishimizu	In charge of Kansai Area, Director, Yumeshima (Osaka) Project
Managing Officer	Yoshiki Higashi	Director, Corporate Planning Div., in charge of Human Resource System Reform
Managing Officer	Tatsuya Shinmura	Director, NAGOYA Branch
Managing Officer	Kouichi Yamashita	Director, KANSAI Branch, in charge of Building Construction, Yumeshima (Osaka) Projects
Managing Officer	Akira Yamazaki	Director, Construction Technology Div., Building Construction Headquarters, in charge of Procurement, Building Construction Headquarters, Technology and Intellectual Property
Managing Officer	Toshihide Suenaga	In charge of Building Construction Sales & Marketing, Kansai Area, Sales & Marketing Headquarters, Deputy Director, Yumeshima (Osaka) Project
Managing Officer	Mitsuo Morii	Assistant Director, TOKYO Branch
Managing Officer	Shinichi Takiguchi	Director, Emerging Frontiers Div., in charge of Sales & Marketing, Sales & Marketing Headquarters
Managing Officer	Haruhiko Washimi	Director, Investment and Development Div.
Managing Officer	Takefumi Saito	Director, TOKYO Civil Engineering Branch
Managing Officer	Kojiro Shimizu	Director, TOHOKU Branch
Managing Officer	Nobuhiko Sasaki	Director, Civil Engineering Sales & Marketing Div., Sales & Marketing Headquarters
Managing Officer	Kazuhiko Kato	Deputy Director, Civil Engineering Sales & Marketing Div., Sales & Marketing Headquarters
Executive Officer	Osamu Nakagawa	Director, HOKKAIDO Branch
Executive Officer	Naruki Ohashi	Director, YOKOHAMA Branch
Executive Officer	Akinobu Sakao	Director, KYUSHU Branch
Executive Officer	Kazuya Osako	Director, International Civil Engineering Div.
Executive Officer	Tomoaki Harada	Director, CHIBA Branch

Position	Name	Areas of responsibility
Executive Officer	Hitoshi Fujita	Director, International Div.
Executive Officer	Mika Kaneko	Director, Environmental Strategy Office, General Manager, SDGs & ESG Promotion Dept., Corporate Planning Div.
Executive Officer	Takayuki Sakakima	Deputy Director, Design Div., Building Construction Headquarters, in charge of Structure
Executive Officer	Hideo Yokoyama	Director, Building Construction Sales & Marketing Div. 1, Sales & Marketing Headquarters
Executive Officer	Hiroyuki Fujimoto	Deputy Director, Design Div., Building Construction Headquarters, Director, Proposal & Solution Div., Design Div., Building Construction Headquarters
Executive Officer	Takuya Ito	Deputy Director, Global Strategy Div.
Executive Officer	Masakazu Hyodo	In charge of Finance & Accounting and IR
Executive Officer	Toru Furuya	President and Representative Director, Shimizu America, Inc.
Executive Officer	Sadao Matsushashi	In charge of Technology, Civil Engineering Headquarters
Executive Officer	Toru Noda	In charge of Technology, Civil Engineering Headquarters
Executive Officer	Yasuhide Yamada	In charge of Environment & Energy, Corporate Planning Div., in charge of Sales & Marketing, Sales & Marketing Headquarters
Executive Officer	Katsumi Sawahata	Director, Area Development Div., Sales & Marketing Headquarters, Director, Solution Sales Promotion Div., Sales & Marketing Headquarters
Executive Officer	Naomi Onishi	In charge of Civil Engineering, Kansai Area, In charge of Civil Engineering, Yumeshima (Osaka) Project
Executive Officer	Yasuhiro Takenaka	Director, SHIKOKU Branch
Executive Officer	Shuji Kakegawa	Director, Institute of Technology
Executive Officer	Fumio Asami	Director, Building Construction Sales & Marketing Div. 2, Sales & Marketing Headquarters
Executive Officer	Kenji Tsuzuki	Director, Civil Engineering Planning Div., Civil Engineering Headquarters
Executive Officer	Toshiyuki Nakahara	Director, HOKURIKU Branch
Executive Officer	Hiroshi Murata	General Manager, Human Resources Dept., in charge of Workstyle Reforms
Executive Officer	Naoki Iwagaki	Director, HIROSHIMA Branch
Executive Officer	Toru Aoki	Director, Mechanical & Electrical Div., Building Construction Headquarters
Executive Officer	Yoshiro Kobayashi	In charge of Building Construction Sales & Marketing, Chubu Area, Sales & Marketing Headquarters
Executive Officer	Katsuyoshi Yuhara	Director, Building Construction Planning Div., Building Construction Headquarters, Director, Monozukuri Training Center, Building Construction Headquarters, in charge of Tokyo Mokokujou, Building Construction Headquarters, Director, Shiomi Project Office

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	¥105 million	¥244 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 ESG 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.

4. 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 to respond to individual risks by function.

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.
- 4) As described in “I Current Conditions of the Corporate Group (Consolidated) 3. Issues to Be Addressed,” the Corporation has continuously been working to ensure legal and ethical 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, 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.
- 5) The Corporation is continuing Companywide measures for business continuity amid the ongoing impacts of COVID-19.

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, 2022)

(Millions of Yen)

	Amount		Amount
ASSETS		LIABILITIES	
Current assets:	1,150,085	Current liabilities:	848,195
Cash	250,134	Notes and accounts payable—trade	325,953
Notes and accounts receivable—trade	684,217	Short-term borrowings	130,609
Marketable securities	37,000	Current portion of non-recourse borrowings	8,758
Real estate for sale	7,097	Commercial papers	50,000
Costs on uncompleted construction contracts	30,742	Current portion of non-recourse bonds payable	13,761
Costs on uncompleted real estate development projects	14,419	Advances received on uncompleted construction contracts	107,630
Other inventories	2,909	Deposits received	109,336
Other current assets	124,711	Warranty reserve	3,353
Less: Allowance for doubtful accounts	(1,147)	Reserve for expected losses on construction contracts in process	54,117
Non-current assets:	978,271	Other current liabilities	44,673
Tangible fixed assets:	614,625	Non-current liabilities:	404,988
Buildings and structures	226,287	Bonds payable	110,000
Machinery, vehicles, tools, furniture and fixtures	39,729	Non-recourse bonds payable	8,208
Land	298,667	Long-term borrowings	99,945
Construction in progress	49,941	Non-recourse borrowings	73,857
Intangible fixed assets	21,069	Deferred tax liabilities	7,231
Investments and other assets:	342,576	Deferred tax liabilities for revaluation reserve for land	17,644
Investment securities	326,835	Net defined benefit liability	55,899
Deferred tax assets	2,722	Other non-current liabilities	32,202
Other investments	14,948	Total liabilities	1,253,184
Less: Allowance for doubtful accounts	(1,930)	NET ASSETS	
		Shareholders' equity	666,959
		Common stock, no par value	74,365
		Additional paid-in capital	43,678
		Retained earnings:	592,199
		Less: Treasury stock, at cost	(43,282)
		Accumulated other comprehensive income	157,536
		Net unrealized gain (loss) on other securities, net of taxes	132,308
		Deferred gain (loss) on hedging, net of taxes	214
		Revaluation reserve for land, net of taxes	25,831
		Foreign currency translation adjustment	(898)
		Remeasurements of defined benefit plans	80
		Non-controlling interests	50,675
		Total net assets	875,172
Total assets	2,128,356	Total liabilities and net assets	2,128,356

Consolidated Statement of Income

(For the year ended March 31, 2022)

(Millions of Yen)

	Amount	
Net sales:		
Construction contracts	1,295,969	
Real estate development and other	186,992	1,482,961
Cost of sales:		
Construction contracts	1,214,775	
Real estate development and other	128,510	1,343,286
Gross profit:		
Construction contracts	81,193	
Real estate development and other	58,481	139,675
Selling, general and administrative expenses		94,529
Operating income		45,145
Non-operating income:		
Interest and dividend income	5,935	
Foreign exchange gain	2,088	
Other non-operating income	2,465	10,490
Non-operating expenses:		
Interest expenses	2,656	
Other non-operating expenses	2,559	5,216
Ordinary income		50,419
Special gains:		
Gain on sales of investment securities	10,044	
Gain on bargain purchase	6,414	
Other special gains	8	16,468
Special losses:		
Loss on sales of investment securities	19	
Loss on devaluation of investment securities	255	
Loss on step acquisitions	1,865	
Other special losses	42	2,182
Income before income taxes		64,705
Income taxes current	29,952	
Income taxes deferred	(12,824)	17,128
Net income		47,577
Net income (loss) attributable to non-controlling interests		(183)
Net income attributable to shareholders of the Corporation		47,761

Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2022)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as at April 1, 2021	74,365	43,116	563,628	(21,615)	659,494
Cumulative impact of changes in accounting policy			3,086		3,086
Balance as at April 1, 2021 reflecting the change in accounting policy	74,365	43,116	566,715	(21,615)	662,581
Changes during period					
Cash dividends paid			(22,277)		(22,277)
Loss attributable to shareholders of the Corporation			47,761		47,761
Changes in scope of consolidation		561		(1,562)	(1,000)
Purchase of treasury stock				(20,104)	(20,104)
Disposal of treasury stock		0		0	0
Net changes other than shareholders' equity					
Total changes during period	—	561	25,483	(21,667)	4,378
Balance as at March 31, 2022	74,365	43,678	592,199	(43,282)	666,959

(Millions of Yen)

	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, 2021	133,863	236	25,831	(3,556)	(581)	155,794	6,157	821,446
Cumulative impact of changes in accounting policy							97	3,184
Balance as at April 1, 2021 reflecting the change in accounting policy	133,863	236	25,831	(3,556)	(581)	155,794	6,255	824,630
Changes during period								
Cash dividends paid								(22,277)
Loss attributable to shareholders of the Corporation								47,761
Changes in scope of consolidation								(1,000)
Purchase of treasury stock								(20,104)
Disposal of treasury stock								0
Net changes other than shareholders' equity	(1,555)	(22)		2,658	662	1,742	44,420	46,162
Total changes during period	(1,555)	(22)	—	2,658	662	1,742	44,420	50,541
Balance as at March 31, 2022	132,308	214	25,831	(898)	80	157,536	50,675	875,172

Notes to Consolidated Financial Statements

1. Basis of Presentation of Consolidated Financial Statements

(1) Scope of consolidation

The Corporation had 117 subsidiaries as at March 31, 2022. The consolidated financial statements for the year ended March 31, 2022 include the accounts of the Corporation and all subsidiaries.

Major consolidated subsidiaries

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

During the period under review, Nippon Road Co., Ltd. and its 43 consolidated subsidiaries were included in the scope of consolidation following the Corporation's acquisition of additional shares of the said company, which had been an equity method affiliate. In addition, four companies that became subsidiaries of the Corporation in the year ended March 31, 2022 are included in the scope of consolidation, and five companies that ceased to be subsidiaries of the Corporation are excluded from the scope of consolidation.

(2) Application of equity method

1) Number of equity method affiliates: 11

Major affiliate

Property Data Bank, Inc.

In addition, the equity method was not applied to three companies that ceased to be affiliates during the period under review. Three affiliated companies were excluded from the scope of application of the equity method as they became immaterial.

2) Non-equity method affiliates

Major company

Hokuriku Ascon Co., Ltd.

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

The financial year-end for 24 subsidiaries is December 31, the financial year-end for one subsidiary is February 28 and the financial year-end for one subsidiary is March 26.

Consolidation of these subsidiaries is therefore performed by using their financial statements as at December 31, February 28 and March 26, respectively, and certain adjustments are made to reflect any significant transactions during the period from year-end balance sheet dates for these subsidiaries to March 31. 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

Bonds held to maturity: Amortized cost method

Other securities

With 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)

Without quoted market value: Cost method by 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: Depreciation on buildings and structures is mainly computed by the straight-line method

Depreciation on other tangible fixed assets is computed by the declining balance method

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. Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020;

"Accounting Standard for Revenue Recognition" hereinafter), etc., were applied from the beginning of period.

In applying the Accounting Standard for Revenue Recognition, etc., a transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition was followed, and the effect of changes in accounting policy was added to or deducted from retained earnings as at the beginning of period. As a result, the balance of retained earnings as at the beginning of period increased by ¥3,086 million.

In the period under review, net sales and cost of sales decreased ¥22,513 million yen and ¥21,958 million yen, respectively, and operating income, ordinary income, and income before income taxes decreased 555 million yen, respectively.

(Application of Accounting Standard for Calculation of Fair Value, etc.)

“Accounting Standard for Calculation of Fair Value” (ASBJ Statement No. 30, July 4, 2019; “Accounting Standard for Fair Value Calculation” hereinafter), etc., were applied from the beginning of period.

In applying the Accounting Standard for Fair Value Calculation, etc., a transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Calculation and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) were followed. The new accounting policies prescribed by the Accounting Standard for Fair Value Calculation, etc., will be applied prospectively.

The effect of applying the Accounting Standard, etc., on the consolidated financial statements is immaterial.

3. 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 over a specified period as performance obligations are satisfied: ¥1,137,471 million

Reserve for expected losses on construction contracts in process: ¥54,117 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 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.

4. Notes to Consolidated Balance Sheet

(1) Assets pledged as collateral

1) The following assets are pledged as collateral for borrowings of ¥1,600 million.

Buildings and structures	¥1,009 million
Machinery, vehicles, tools, furniture and fixtures	¥381 million
Total	¥1,390 million

2) The total amount of business assets pledged as collateral for borrowings at affiliates and others	
Current assets "Other"	¥26 million
Buildings and structures	¥54 million
Land	¥43 million
Investment securities	¥18 million
Investments and other assets "Other"	¥65 million
Total	¥207 million

3) The following assets are pledged as collateral for non-recourse borrowings of ¥82,615 million.	
Cash	¥2,440 million
Notes and accounts receivable—trade	¥51,767 million
Other inventories	¥357 million
Current assets "Other"	¥361 million
Buildings and structures	¥43,189 million
Machinery, vehicles, tools, furniture and fixtures	¥263 million
Land	¥17,141 million
Construction in progress	¥11 million
Intangible fixed assets	¥0 million
Investments and other assets "Other"	¥155 million
Total	¥115,687 million

(2) The assets corresponding to non-recourse bonds payable of ¥21,969 million	
Cash	¥19,100 million
Current assets "Other"	¥222 million
Buildings and structures	¥19,716 million
Machinery, vehicles, tools, furniture and fixtures	¥126 million
Land	¥27,815 million
Intangible fixed assets	¥17 million
Total	¥66,998 million

(3) Accumulated depreciation of tangible fixed assets	¥230,887 million
---	------------------

(4) Contingent liabilities from guaranteeing indebtedness of others	
Guarantee obligations are guarantees for the following companies' loans.	
PT. WINDAS DEVELOPMENT (Note)	¥2,636 million
Employees (housing loans)	¥10 million
Total	¥2,647 million

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

(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

5. Notes to Consolidated Statement of Income

(1) Provision of reserve for expected losses on construction contracts in process included in cost of sales	¥43,039 million
(2) Inventory write-down due to reduced profitability included in cost of sales	¥44 million
(3) Total research and development costs	¥16,267 million

6. Notes to Consolidated Statement of Changes in Net Assets

(1) Type and number of outstanding shares as at March 31, 2022

Common stock

788,514,613 shares

(2) Dividends

1) Dividends paid to shareholders for the year ended March 31, 2022

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, 2021)	Common stock	13,755	Note 1 18	March 31, 2021	June 30, 2021
Board of Directors (November 8, 2021)	Common stock	8,521	Note 2 11.50	September 30, 2021	December 2, 2021

Notes: 1. Amount of dividend per share ¥18.00 includes a special dividend of ¥8.00.

2. Amount of dividend per share ¥11.50 includes a special dividend of ¥1.50.

2) Of dividends of surplus paid after March 31, 2022, those for which the record date is during the current fiscal year

Matters regarding these dividends will be proposed at the annual general meeting of shareholders to be held on June 29, 2022.

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 29, 2022)	Common stock	Retained earnings	8,520	11.50	March 31, 2022	June 30, 2022

Note: Amount of dividend per share ¥11.50 includes a special dividend of ¥1.50.

7. 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. 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, 2022, and estimated fair value are shown below.

(Millions of Yen)

Assets	Carrying value	Fair value	Difference
Notes and accounts receivable—trade	684,217	684,187	(30)
Investment securities (*2)	294,448	294,448	—
Liabilities	Carrying value	Fair value	Difference
Bonds payable and current portion of bonds payable	110,000	109,476	(524)
Non-recourse bonds payable and current portion of non-recourse bonds payable			—
Long-term borrowings	21,969		(524)
Non-recourse borrowings and current portion of non-recourse borrowings	21,969		229
Derivative transactions (*3)	Carrying value	Fair value	Difference
Derivative transactions to which hedge accounting is applied	308	308	—

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

(*2) Unlisted stocks, etc. (consolidated balance sheet amount: 32,387 million yen), which are classified as stocks, etc., without market quotations, are not included in “Investment securities”.

(*3) Net liabilities that arose from derivative transactions are presented on a net basis in parentheses.

(3) Breakdown, etc., of the fair value of financial instruments for each level

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 (unadjusted) quoted market prices 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 that deem carrying value as fair value

Consolidated fiscal year (March 31, 2022)

(Millions of Yen)

Category	Fair Value			
Assets	Level 1	Level 2	Level 3	Total
Investment securities	294,428	19	—	294,448
Derivative transactions	—	308	—	308

2) Financial instruments that do not deem carrying value as fair value

Consolidated fiscal year (March 31, 2022)

(Millions of Yen)

Category	Fair Value			
Assets	Level 1	Level 2	Level 3	Total
Notes and accounts receivable—trade	—	684,187	—	684,187
Liabilities	Level 1	Level 2	Level 3	Total
Bonds payable and current portion of bonds payable	—	109,476	—	109,476
Non-recourse bonds payable and current portion of non-recourse bonds payable	—	21,969	—	21,969
Long-term borrowings	—	99,420	—	99,420
Non-recourse borrowings and current portion of non-recourse borrowings	—	82,845	—	82,845

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

Investment securities

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

The fair value of corporate bonds is estimated using the discounted present value method based on the interest rate assumed when acquiring similar bonds for the total amount of principal and interest, and is classified as Level 2.

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 calculated based on 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.

Non-recourse bonds payable and current portion of non-recourse bonds payable

As these bonds have floating interest rates and reflect market interest rates in a short period, their fair value approximates their book value, and are 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.

8. 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	¥373,275 million
----------------	------------------

Fair value	¥578,975 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.

9. Recognition of Revenues

(Basis for understanding the revenues)

It is as described in 4) Recognizing revenues and cost of sales of completed construction contracts, (4) Accounting policies, 1. Basis of Presentation of Consolidated Financial Statements.”

10. Amounts per Share

- | | |
|--|-----------|
| (1) Net assets per share of common stock | ¥1,116.89 |
| (2) Basic net income per share of common stock | ¥64.09 |

11. Other

(Business combinations, etc.)

Business combination through acquisition

(1) Outline of Business Combination

1) Name and business of the acquired company

Name of acquired company: NIPPON ROAD Co., Ltd.

Business: Pavement, civil engineering and construction work, other construction work, manufacture and sale of asphalt mixture and emulsion

2) Main reason for the business combination

By making NIPPON ROAD Co., Ltd. a consolidated subsidiary, the aim is to achieve synergies such as increasing orders by strengthening joint efforts for projects, enhancing business competitiveness by utilizing each other's customer networks, technologies, and office networks, further strengthening legal compliance, exchanging and training human resources, strengthening cooperation in recruiting human resources, and streamlining the research and development system, thereby enhancing the corporate value of our Group.

3) Date of business combination

March 29, 2022 (deemed acquisition date: March 31, 2022)

4) Legal form of business combination

Acquisition of shares for cash consideration

5) Name of company after business combination

No change

6) Percentage of voting rights acquired

Percentage of voting rights held prior to the date of business combination: 24.84%

Percentage of voting rights additionally acquired on the date of business combination: 25.26%

Percentage of voting rights after acquisition: 50.10%

7) Main rationale for determining the acquired company

The Corporation acquired the majority of the voting rights of the acquired company through the acquisition of shares for cash.

(2) Operation period of the acquired company included in the consolidated financial statements

Since the balance sheet date is deemed as the acquisition date and only the balance sheet is consolidated, the financial results of the acquired company are not included. Since the acquired company was an equity method affiliate, the results of operations from April 1, 2021 to March 31, 2022 are recorded as "investment gain on equity method."

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Fair value on the date of business combination of the acquired company's shares held immediately before the additional acquisition	¥18,165 million
Cash consideration for additional acquisition of shares of the acquired company on the date of business combination	¥22,202 million
Acquisition cost	¥40,367 million

(4) Details and amounts of major acquisition expenses

Advisory expenses, etc. ¥396 million

(5) Difference from the total acquisition cost of the acquired company and each transaction that led to the acquisition

Loss on step acquisitions ¥1,865 million

(6) Amount of gain on negative goodwill, cause of occurrence

1) Amount of gain on negative goodwill ¥6,414 million

2) Cause of occurrence

Since the acquisition cost was less than the net amount allocated to the assets acquired and liabilities assumed, the difference was recognized as gain on negative goodwill.

(7) Amount of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets:	¥110,142 million
Non-current assets:	¥42,313 million
Total assets	¥152,456 million

Current liabilities:	¥51,102 million
Non-current liabilities:	¥7,836 million
Total liabilities	¥58,939 million

- (8) Estimated amount and calculation method of the effect of business combination on the Consolidated Statement of Income for the period under review, assuming that the business combination was completed as on the first day of consolidated fiscal year

Net sales:	¥143,477 million
Operating income	¥8,202 million
Ordinary income	¥7,538 million
Income before income taxes	¥7,487 million
Loss attributable to shareholders of the Corporation	¥1,794 million

(Calculation method of estimates)

The estimated amount of impact shall be a difference in the net sales and profit/loss information between those calculated assuming that the business combination had been completed on the first day of consolidated fiscal year and those in the Consolidated Statements of Income. The investment gain on equity method of the acquired company recorded by the Corporation for the period under review is deducted from the net sales and profit/loss information calculated assuming that the business combination had been completed on the first day of consolidated fiscal year; and the difference in negative goodwill and loss on step acquisitions assumes that the amounts recognized at the time of business combination occurred on the first day of consolidated fiscal year.

This note is unaudited.

(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, 2022)

(Millions of Yen)

	Amount		Amount
ASSETS		LIABILITIES	
Current assets:	881,172	Current liabilities:	736,232
Cash	152,427	Notes payable	56,113
Notes receivable	19,601	Accounts payable for construction contracts	198,387
Accounts receivable from completed construction contracts	511,617	Short-term borrowings	106,703
Securities	37,000	Current portion of non-recourse borrowings	1,300
Real estate for sale	0	Commercial papers	50,000
Costs on uncompleted construction contracts	28,621	Income taxes payable	5,555
		Advances received on uncompleted construction contracts	96,319
Costs on uncompleted real estate development projects	7,044	Deposits received	142,840
Other current assets	125,914	Warranty reserve	3,141
Less: Allowance for doubtful accounts	(1,053)	Reserve for expected losses on construction contracts in process	53,663
Non-current assets:	868,355	Other current liabilities	22,208
Tangible fixed assets:	469,976	Non-current liabilities:	314,084
Buildings and structures	182,657	Bonds payable	110,000
Machinery and vehicles	7,618	Long-term borrowings	79,645
Tools, furniture and fixtures	5,601	Non-recourse borrowings	26,750
Land	228,223	Deferred tax liabilities	3,743
Construction in progress	45,876	Deferred tax liabilities for revaluation reserve for land	17,644
		Reserve for employees' retirement benefits	48,632
Intangible fixed assets	14,469	Other non-current liabilities	27,668
Investments and other assets:	383,909	Total liabilities	1,050,317
Investment securities	302,219		
Investments in subsidiaries and affiliates	65,342	NET ASSETS	
Investments in other securities of subsidiaries and affiliates	5,357	Shareholders' equity	541,936
Long-term loans	2,104	Common stock, no par value	74,365
Long-term prepaid expenses	506	Additional paid-in capital	43,145
Other investments	10,308	Capital reserve	43,143
Allowance for doubtful accounts	(1,929)	Other additional paid-in capital	1
		Retained earnings:	465,724
		Legal reserve	18,394
		Other retained earnings	447,329
		Reserve for advanced depreciation of noncurrent assets	4,819
		Contingent reserve	405,100
		Retained earnings brought forward	37,409
		Less: Treasury stock, at cost	(41,298)
		Total valuation and translation adjustments	157,274
		Net unrealized gain (loss) on other securities, net of taxes	131,228
		Deferred gain (loss) on hedging, net of taxes	214
		Revaluation reserve for land, net of taxes	25,831
		Total net assets	699,210
Total assets	1,749,528	Total liabilities and net assets	1,749,528

Non-Consolidated Statement of Income

(For the year ended March 31, 2022)

(Millions of Yen)

	Amount	
Net sales:		
Construction contracts	1,163,489	
Real estate development and other	123,863	1,287,352
Cost of sales:		
Construction contracts	1,103,504	
Real estate development and other	73,861	1,177,365
Gross profit:		
Construction contracts	59,985	
Real estate development and other	50,001	
Selling, general and administrative expenses		109,987
Operating income		75,128
Non-operating income:		34,859
Interest and dividend income	8,987	
Foreign exchange gain	2,092	
Other non-operating income	1,505	
Non-operating expenses:		12,585
Interest expenses	1,540	
Other non-operating expenses	1,977	
Ordinary income		3,517
Special gains:		43,926
Gain on sales of investment securities	10,019	
Gain on extinguishment of tie-in shares	6,662	
Other special gains	4	
Special losses:		16,686
Loss on sales of investment securities	19	
Loss on devaluation of investment securities	255	
Other special losses	2	
Income before income taxes		277
Income taxes current	25,084	60,335
Income taxes deferred	(10,484)	
Net income		14,599

Non-Consolidated Statement of Changes in Net Assets

(For the year ended March 31, 2022)

(Millions of Yen)

	Shareholders' equity										
	Common stock	Additional paid-in capital			Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Legal reserve	Other retained earnings			Total retained earnings		
						Reserve for advanced depreciation of noncurrent assets	Contingent reserve	Retained earnings brought forward			
Balance as at April 1, 2021	74,365	43,143	1	43,144	18,394	4,922	355,600	63,348	442,265	(21,193)	538,582
Changes during period											
Provision and reversal of reserve for advanced depreciation of noncurrent assets						(102)		102	-		-
Provision of contingent reserve							49,500	(49,500)	-		-
Cash dividends paid								(22,277)	(22,277)		(22,277)
Net income for the year								45,735	45,735		45,735
Purchase of treasury stock										(20,104)	(20,104)
Disposal of treasury stock			0	0						0	0
Changes other than shareholders' equity											
Total changes during period	-	-	0	0	-	(102)	49,500	(25,938)	23,458	(20,104)	3,353
Balance as at March 31, 2022	74,365	43,143	1	43,145	18,394	4,819	405,100	37,409	465,724	(41,298)	541,936

(Millions of Yen)

	Valuation and translation adjustments				
	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	Total net assets
Balance as at April 1, 2021	132,391	236	25,831	158,459	697,042
Changes during period					
Provision and reversal of reserve for advanced depreciation of noncurrent assets					-
Provision of contingent reserve					-
Cash dividends paid					(22,277)
Net income for the year					45,735
Purchase of treasury stock					(20,104)
Disposal of treasury stock					0
Changes other than shareholders' equity	(1,162)	(22)		(1,184)	(1,184)
Total changes during period	(1,162)	(22)	-	(1,184)	2,168
Balance as at March 31, 2022	131,228	214	25,831	157,274	699,210

Notes to Non-Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(1) Valuation basis and method for assets

1) Valuation of securities

Bonds held to maturity: Amortized cost method

Shares of subsidiaries and affiliates: Cost method by moving-average method

Other Securities

With 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)

Without quoted market value: Cost method by moving-average method

2) 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 method for fixed assets

1) Depreciation method for tangible fixed assets

Buildings and structures: Straight-line method

Depreciation for other tangible fixed assets: Declining balance method (Straight-line method for leased assets)

2) Intangible fixed assets:

Straight-line method

3) Long-term prepaid expenses:

Straight-line method

(3) Recognizing provision of reserves

1) 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.

2) Warranty reserve

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

To provide for the payment of employees' retirement benefits, the reserve is recorded based on the projected benefit obligations and pension assets as at the end of period.

(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) 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. Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020;

“Accounting Standard for Revenue Recognition” hereinafter), etc., were applied from the beginning of period.

In applying the Accounting Standard for Revenue Recognition, etc., a transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition was followed, and there is no effect on the beginning balance of retained earnings brought forward.

In addition, the effect on the financial statements is immaterial for the period under review.

(Application of Accounting Standard for Calculation of Fair Value, etc.)

“Accounting Standard for Calculation of Fair Value” (ASBJ Statement No. 30, July 4, 2019;

“Accounting Standard for Fair Value Calculation” hereinafter), etc., were applied from the beginning of period.

In applying the Accounting Standard for Fair Value Calculation, etc., a transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Calculation and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) were followed. The new accounting policies prescribed by the Accounting Standard for Fair Value Calculation, etc., will be applied prospectively.

There is no effect of adopting the Accounting Standards, etc., on the financial statements.

3. 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	¥1,064,109 million
Reserve for expected losses on construction contracts in process	¥53,663 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.

4. 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"	¥10 million
Buildings and structures	¥54 million
Land	¥43 million
Investments in subsidiaries and affiliates	¥498 million
Long-term loans	¥1,686 million
Total	¥2,292 million

2) The following assets are pledged as collateral for non-recourse borrowings of ¥28,050 million

Buildings and structures	¥33,090 million
Machinery and vehicles	¥197 million
Tools, furniture and fixtures	¥53 million
Land	¥10,773 million
Total	¥44,115 million

(2) Assets and liabilities accounted for as financial transactions

Assets and liabilities accounted for as financial transactions based on the Revised Accounting Practice Committee Report No. 15 of the Japanese Institute of Certified Public Accountants "Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special-Purpose Companies"

Buildings and structures	¥19,716 million
Machinery and vehicles	¥81 million
Tools, furniture and fixtures	¥44 million
Land	¥27,815 million
Deposits received	¥21,969 million

(3) Accumulated depreciation of tangible fixed assets million

¥122,438

(4) Contingent liabilities from guaranteeing indebtedness of others

Guarantee obligations are guarantees for the following companies' loans.

Subsidiary

Shimizu International Finance (U.S.A), Inc. ¥4,712 million

Other

PT. WINDAS DEVELOPMENT (Note) ¥2,636 million

Employees (housing loans) ¥10 million

Total **¥7,360 million**

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

(5) Receivables from and payables to subsidiaries and affiliates

Short-term receivables from subsidiaries and affiliates	¥6,078 million
Long-term receivables from subsidiaries and affiliates	¥2,099 million
Short-term payables to subsidiaries and affiliates	¥35,219 million
Long-term payables to subsidiaries and affiliates	¥1,682 million

(6) 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

5. Notes to Non-Consolidated Statement of Income

(1) Revenue from sales to subsidiaries and affiliates	¥12,442 million
(2) Purchase of goods from subsidiaries and affiliates included in cost of sales	¥95,502 million
(3) Provision of reserve for expected losses on construction contracts in process included in cost of sales	¥42,739 million
(4) Amount of transactions other than operational transactions with subsidiaries and affiliates	¥5,431 million
(5) Research and development costs	¥15,976 million

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

Type and number of treasury shares as at March 31, 2022

Common stock 47,608,962 shares

7. 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.

8. 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, 2022 (Millions of Yen)
Subsidiary	Shimizu Finance Co., Ltd.	2,000	Credit and finance	Direct 100%	Inter-locking directorate, receipt of deposit of funds, etc.	Deposit of funds	71,300	Deposits received	18,000

(2) Terms and conditions of transaction and policy for determining them

Interest on deposits is determined reasonably in consideration of market interest rates.

9. Recognition of Revenues

(Basis for understanding the revenues)

It is as described in “1. Material Accounting Policies, (4) Recognizing revenues and costs of construction contracts.”

10. Amounts per Share

(1) Net assets per share of common stock	¥943.72
(2) Basic net income per share of common stock	¥61.26

11. Other Information

The accounts of non-consolidated balance sheet, non-consolidated statement of income, non-consolidated 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 10, 2022

Kazuyuki Inoue
President and Representative Director
SHIMIZU CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office

Yuji Suzuki
Certified Public Accountant
Designated and Engagement Partner

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, 2021 through March 31, 2022.

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 119th fiscal year ended March 31, 2021, 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, related safeguards in order to eliminate or reduce obstruction factors.

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 10, 2022

Kazuyuki Inoue
President and Representative Director
SHIMIZU CORPORATION

Ernst & Young ShinNihon LLC
Tokyo Office

Yuji Suzuki
Certified Public Accountant
Designated and Engagement Partner

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 120th fiscal year from April 1, 2021 through March 31, 2022.

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, 2021, 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, related safeguards in order to eliminate or reduce obstruction factors.

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 120th business year (from April 1, 2021 to March 31, 2022), 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, October 28, 2005), 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 12, 2022

Audit & Supervisory Board of SHIMIZU CORPORATION

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

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

Tetsuya Nishikawa [seal]
Audit & Supervisory Board
Member

Kaoru Ishikawa [seal]
Audit & Supervisory Board
Member

Toshie Ikenaga [seal]
Audit & Supervisory Board
Member

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