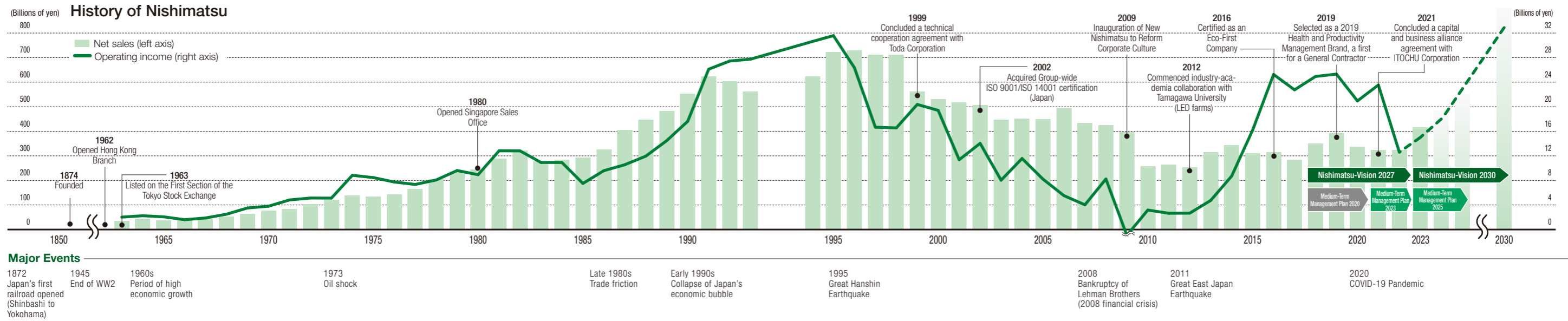


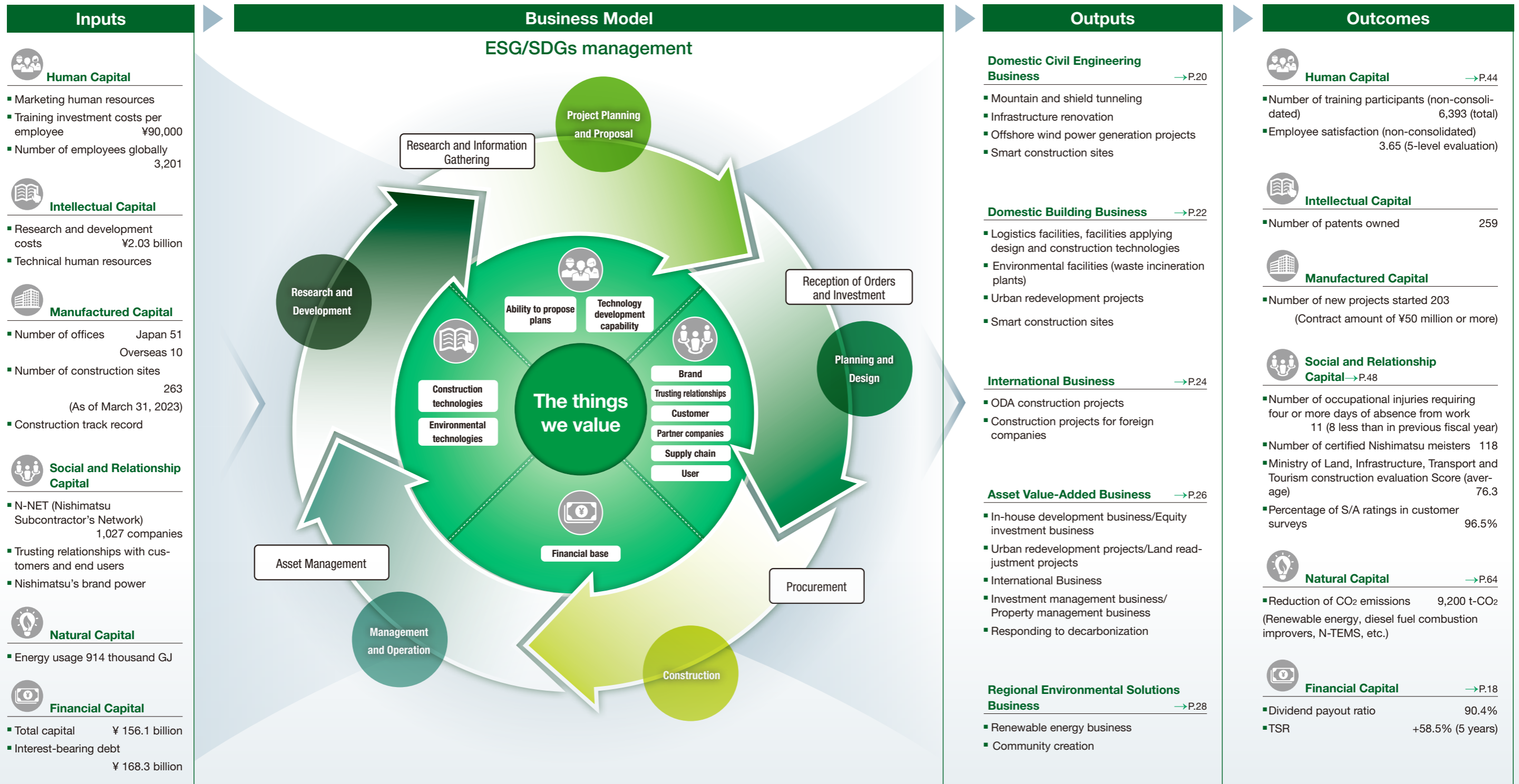
History of Co-Creation of Value



Nishimatsu Construction's Cultivated Technologies and Experience

The Spirit of Our Founding	1850 to 1926	1927 to 1944	1945 to 1968	1969 to 1989	1990 onwards
Historical Backdrop and Nishimatsu Construction's Role	Kaei, Meiji and Taisho Eras	Showa Era / Prewar	Showa Era / Postwar	Late Showa Era	Heisei Era to the Present
<p>In the roughly 150 years since its establishment in 1874, the Company has been involved in the construction of numerous public facilities, such as roads, railroads, and dams, and high-rise buildings both in Japan and overseas, based on the strength of its advanced technological capabilities. Bringing to bear the wisdom that overcomes hardships, the spirit of being dedicated to improving social infrastructure and providing a safe and comfortable living environment is still today passed down from generation to generation. We are currently working to expand our range of business domains to include urban redevelopment, as well as environment and energy, and are contributing to the development of society by providing important structures and services.</p>  <p>Founder Keisuke Nishimatsu</p>  <p>The Waju Area (Gifu Prefecture) circa 1980</p>	<p>Keisuke Nishimatsu, the Company's founder, was born in 1850, the third year of the Kaei Era, in Anpachi-gun in Mino Province, now Gifu Prefecture Japan. This area is known as the Waju Region, and being surrounded by the Kiso, Nagara, and Ibi rivers, since ancient times it has been prone to flood damage. It is quite possible that these circumstances had something to do with setting the founder off at an early age on the path to becoming a civil engineer. After building Nishimatsu into a leading subcontractor of the Hazama Corporation, Keisuke handed over the reins of the Company to his eldest son, Kojiro. In 1914, when Nishimatsu was awarded the sole contract for the construction of the new 12th construction section of the Kyushu-Miyazaki Line, Kojiro charged ahead, risking the fate of the Company's independent foundation to complete the Construction.</p>	<p>In 1929, Nishimatsu Gumi, a limited partnership, was established to become a corporate entity. In 1931, the Company relocated its headquarters from Kyoto to Tokyo and expanded its sales base to eastern Japan. In 1935, following the death of Kojiro Nishimatsu, Yoneshichi Hayashi became the second president of the Company. In 1937, construction began on a large dam that would block the Yalu River, a major river on the China-North Korean border, and the Company became involved in the construction of the Manchurian side, the right bank, of the river. The construction of the Yalu River Dam, said to be Asia's preeminent dam at the time, is representative of the Company's prewar work.</p>	<p>With Japan's loss of the war, the Company lost all of its foreign assets and most of its operating base. Amid such conditions, in 1945 the Company established its Morioka Branch, and in the following year, branches in Nagoya and Hiroshima, which in addition to the existing branch in Kumamoto, gave it a four-branch network to relaunch its business. In 1948, the Company changed its name to Nishimatsu Construction Co., Ltd. The construction of the Arase Dam in Kumamoto Prefecture in 1953 was the Company's first mechanized construction project. In 1960, the Company won the business to construct a government office complex in Tokyo's Otemachi District, and although Nishimatsu Construction lacked experience in large-scale construction projects at the time, it overcame a broad field of obstacles to complete the project.</p>	<p>In 1969, the Company constructed the Keiyo Railway Line's Haneda-Oki Tunnel using the world's first large-section slurry shield tunneling method. The success of this construction project led to a surge in the number of applications of this method in Japan. The construction of the Japanese-style annex to the State Guest House in Tokyo (Yushintei) in 1972 brought together traditional and modern techniques under strict construction management. The Gassan Dam in Yamagata Prefecture, which began construction in 1988, is one of the largest gravity concrete dams in Japan, and was completed in 2001 using the RCD method with a belt conveyor system and other techniques.</p>	<p>In 1998, the Company established the Aikawa Technical Research Institute (Aiko-gun, Kanagawa Prefecture), which houses a device that can recreate the shaking of Japan's Great Hanshin-Awaji Earthquake to clarify the mechanism behind the damage to buildings as a result of the powerful shocks and vibrations caused by that earthquake. In 2015, the Company became the first Japanese general contractor to establish a joint venture in Laos. In FY2022, the Company opened Hotel JAL City Toyama, Nishimatsu Construction's first foray into the hotel business.</p>
<p>Taking Action and Solving Social Issues</p> <ul style="list-style-type: none"> Building an infrastructure base → Developing domestic and international infrastructure 	<ul style="list-style-type: none"> River flood disasters caused by typhoons and torrential rains, and contributing to economic base → Dam construction, tunnel development 	<ul style="list-style-type: none"> Postwar reconstruction → Tackling the challenges of mechanization and large-scale construction 	<ul style="list-style-type: none"> High economic growth → Honing techniques, responding to diverse needs 	<ul style="list-style-type: none"> Earthquake damage, rising social demands → Providing buildings that are safe and secure Building a sustainable foundation for society → Redevelopment of social functions 	
<p>Major Events</p> <ul style="list-style-type: none"> 1850 Founder Keisuke Nishimatsu was born 1874 Foundation of Nishimatsu 1903 Keisuke Nishimatsu withdrew from civil engineering operations 1906 Period of cooperation with Hazama Corporation. Conclusion of 39 regulations 1914 Nishimatsu awarded sole contract for construction of 12th construction section of Kyushu-Miyazaki Line. A fateful construction project 1916 Company name changed to Nishimatsu Gumi 1926 Nippon Chisso Hiryo K.K. (Chosen Hydroelectric) constructed the Poseun River Power Plant waterway (3rd and 4th construction sections) 	<ul style="list-style-type: none"> 1927 Nippon Chisso Hiryo K.K. (Chosen Hydroelectric) constructed Hunnam Factory 1929 Established limited partnership Nishimatsu Gumi 1931 Nishimatsu Gumi headquarters transferred to Tokyo 1932 Established the Manchuria Dalian Branch Office 1933 Chosen Nagatsu River Hydroelectric Power Plant waterway and dam construction 1935 With passing of Kojiro Nishimatsu, Yoneshichi Hayashi became the Company's second president 1937 Established Nishimatsu Gumi Co., Ltd. 1940 Established Manchuria Nishimatsu Gumi 	<ul style="list-style-type: none"> 1946 Constructed Japan's first rock-fill dam, Ishibuchi Dam, on the Kitakami River (Iwate Prefecture) 1948 Company name changed to Nishimatsu Construction Co., Ltd. 1953 Constructed the Arase Dam (Kumamoto Prefecture), a model for mechanized construction 1960 Constructed a government office complex in Tokyo's Otemachi District. 1961 Constructed Amagasaki Steel Plant Sakai steel-making plant. Honored with the BCS award in 1964 1965 Adopted the freezing method on the Kanasugibashi section of the No. 1 Line, Toei Subway 1967 Constructed the world's largest bowling alley (at the time) 	<ul style="list-style-type: none"> 1971 Constructed Hong Kong container yard. Received UK civil engineering international award 1984 Won order for Singapore subway construction 1984 Constructed Nagai River Bridge on the Kan-Etsu Expressway. Japan's tallest bridge pier rises. 1984 Constructed ultra-high-rise building in Thailand 1986 Tsubayama Dam (Wakayama Prefecture) received the Minister of Health, Labour and Welfare Award of Excellence 1987 Constructed the Daimon Dam (Yamanashi Prefecture). Received the 1986 Outstanding Civil Engineering Achievement Award from the Japan Society of Civil Engineers 1988 Won order for the Tate's Caim Tunnel on Build, Operate, Transfer (BOT) project basis 1988 Commenced construction of Tsukiyama Dam (Yamagata Prefecture), one of Japan's largest gravity concrete dams 	<ul style="list-style-type: none"> 1998 Established the Aikawa Technical Research Institute 2003 Nishimatsu Construction, in Japan's first PFI project, participated in Esaka Minami Parking Service 2015 Became the first Japanese general contractor to establish a joint venture in Laos Formulated a new corporate slogan, "Successfully Building a Better Future" 2017 Started the Company's first commercial facility development and operation business, "hareno terrace" 2022 Opened Hotel JAL City Toyama, Nishimatsu Construction's first foray into the hotel business Acquired certification from the SBT initiative for targets at reduction of greenhouse gas emissions Certified by the Ministry of Economy, Trade and Industry as a "DX Certified Business Operator" 	

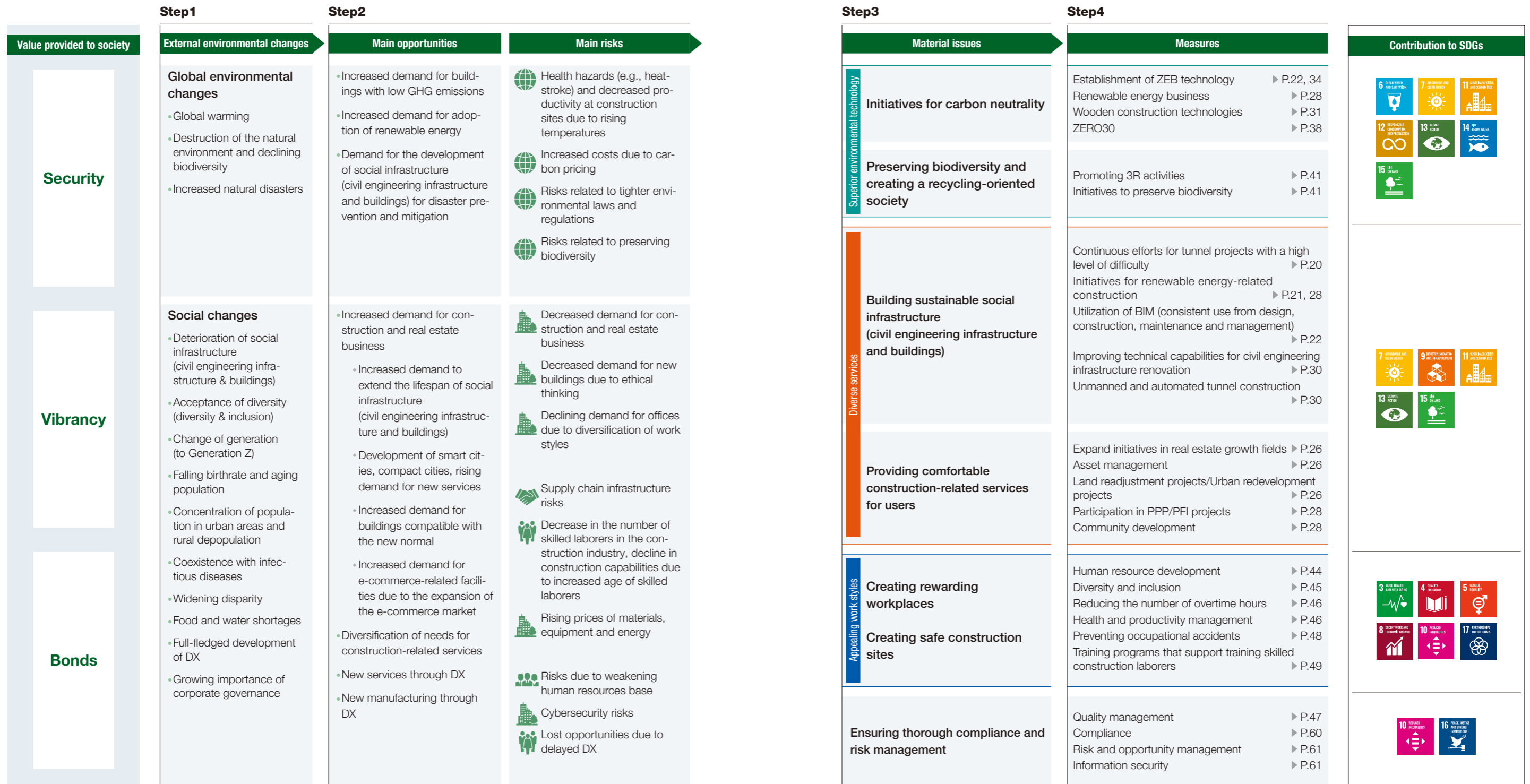
Nishimatsu Construction's Model for Co-Creation of Value



External Environment	Material Issues	→P.12
Nishimatsu-Vision 2030		→P.2
Corporate Philosophy		→P.2
	Medium-Term Management Plan 2025	→P.17

Material Issues, Opportunities and Risks

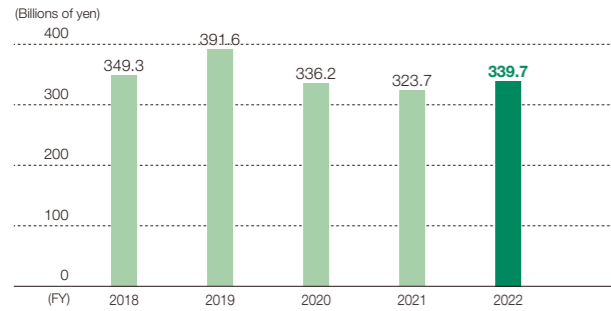
Nishimatsu Construction has recognized changes in the external environment surrounding the Company and our stakeholders, and has identified the material business challenges that we should address based on an understanding of both opportunities and risks. We are formulating and implementing specific measures to address the identified materiality while contributing to the SDGs and creating business and social value.



Financial and Non-Financial Highlights

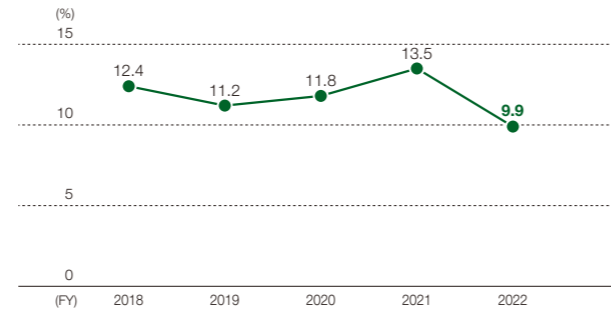
Financial

Net sales (consolidated)



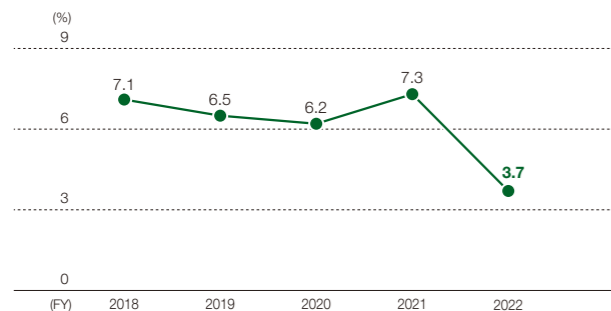
Net sales increased 4.9% year on year, to 339.7 billion yen. Although revenue fell in the Company's non-consolidated construction business, the main factors for the increase were a significant upswing in operating revenues from the sales business in the Urban Development & Real Estate Business and other businesses, and an increase in the amount of completed construction projects at overseas construction subsidiaries.

Gross profit margin (consolidated)



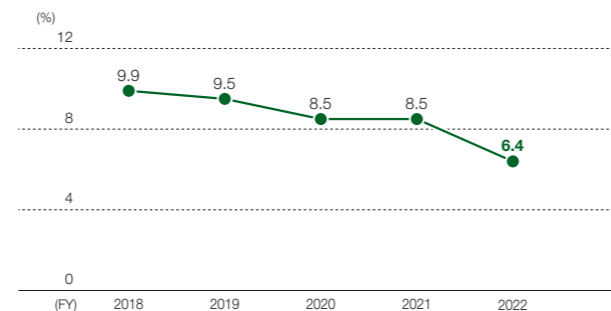
Gross profit decreased significantly from the previous fiscal year on a downturn in the gross profit margin, which fell 3.6 percentage points year on year, to 9.9%. In addition to the deteriorating profitability of domestic building projects due to soaring material costs and other factors, the Company was severely impacted by additional costs incurred due to construction issues in overseas civil engineering projects.

Operating margin (consolidated)



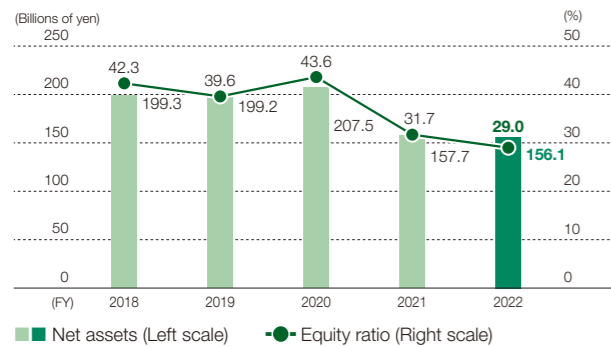
While net sales increased, the gross profit margin deteriorated and general and administrative expenses rose 871 million yen compared with the previous fiscal year, resulting in an operating margin of 3.7%, down 3.6 percentage points year on year. We will steadfastly implement the Earnings Improvement Plan of Medium-Term Management Plan 2025 to improve profitability.

Capital efficiency (ROE) (consolidated)



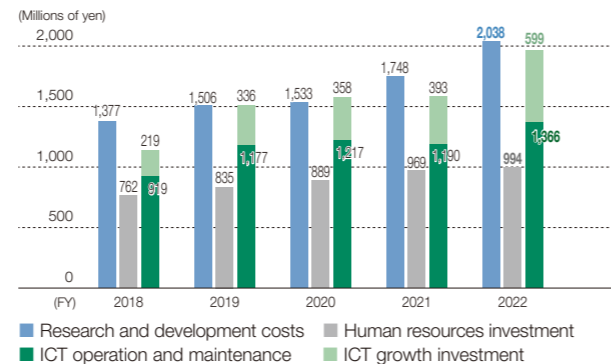
Due to the significant decrease in profit attributable to owners of the parent, ROE fell 2.1 percentage points compared with the previous fiscal year, to 6.4%. We will work to achieve ROE of 8% or more by achieving operating income of 22.0 billion yen, which is the target set under Medium-Term Management Plan 2025.

Net assets/equity ratio (consolidated basis)



Although the equity ratio declined due to the purchase of 54.3 billion yen of the Company's own shares in FY2021, the ratio continues to trend at a level that does not pose a problem in terms of financial soundness. We will implement appropriate financial strategies to ensure that we can continue to maintain a healthy financial condition while making aggressive investments for growth.

Investments in technology, human resources and ICT (non-consolidated)



Investments in ICT growth amounted to 599 million yen. To cope with the shortage of engineers and skilled workers as well as the regulations that limit overtime work that will come into effect in FY2024, we are working to improve operational efficiency by applying ICT technology. We are also increasing our investment in human resources and expanding measures to enhance employee performance, including health and productivity management and the Nishimatsu Employees' University.

Non-Financial

Environmental Data

		FY2020	FY2021	FY2022	Targets
Global warming prevention					
Nishimatsu Group's CO ₂ emissions (Scope 1 and 2)	(t-CO ₂)	70,210	62,650	43,030	FY2030 31,700 t-CO ₂
Nishimatsu Group's CO ₂ emissions (Scope 3)	(t-CO ₂)	3,928,700	3,237,500	2,776,700	—
Nishimatsu Group's CO ₂ emissions (Scope 3) Category 11	(t-CO ₂)	3,191,800	2,481,200	1,847,600	FY2030 2,328,000 t-CO ₂
Creating a recycling-oriented society					
Final percentage of construction waste sent for landfill disposal*	(%)	2.2	2.4	2.4	FY2025 Less than 3%
Water usage volume in the domestic business (Total)	(m ³)	948,100	647,700	723,100	—
Water usage volume in the international business (Total)	(m ³)	84,800	365,800	373,600	—

* Final percentage of waste sent for landfill disposal: Excludes "industrial waste containing asbestos" and "specially controlled industrial waste"

Social Data

		FY2020	FY2021	FY2022	Targets
Basic information					
Number of employees (consolidated)	(Persons)	3,060	3,106	3,201	—
Number of employees (non-consolidated)	(Persons)	2,762	2,794	2,804	—
Human resource development					
Training costs	(Millions of yen)	291	345	356	—
Diversity and inclusion					
Number of female managers	(Persons) (%)	0 (0%)	3 (0.3%)	4 (0.4%)	FY2025 2% or above
Percentage of female workers (career-track positions)	(%)	17.5	17.8	18.5	FY2025 20% or above
Percentage of male employees taking childcare leave (career-track positions, general positions)*1	(%)	6.1	17.6	55.6	From FY2024 100%
Employment percentage of persons with disabilities	(%)	1.96	2.37	2.45	2.3% (legal employment rate) or above
Health					
Percentage of patients receiving periodic full examination health checkups	(%)	19.7	62.3	69.1	FY2025 80%
Ease of work and productivity					
Personnel turnover rate (career-track positions)	(%)	1.83	2.05	2.68	FY2025 Less than 1.5%
Percentage of employees working overtime ² exceeding 45 hours per month	(%)	21.3	22.7	17.2	FY2023 5% or below
Percentage of worksites achieving 7 days off per 4 weeks (civil engineering sites)	(%)	65.4	63.5	77.1	—
(building sites)	(%)	65.4	61.1	64.5	—
Remote work usage ratio	(%)	—	55.5	45.6	FY2025 100%
Supply chain					
Employment ratio of certified Nishimatsu meisters and senior forepersons under the program for high-caliber technicians	(%)	—	63.7	60.6	FY2025 100%
Construction Career Up Card scan rate	(%)	—	24.0	46.7	FY2025 90%

*1 Includes leave associated with the Post-birth Papa Leave System (effective October 2022)

*2 Total work hours - fixed working hours (8 hours per day)