Stakeholder Engagement

This report is intended to communicate to our stakeholders the Group's management policies and progress on initiatives to enhance corporate value, while also serving as a starting point for dialogue.
The Company has consistently engaged directly with a diverse range of stakeholders, including shareholders and investors, and steadily incorporated the opinions and feedback we receive into management.
Going forward, we will further deepen engagement through ongoing dialogue and use the insights gained to enhance corporate value, achieve sustainable growth, and further evolve our management.

Stakeholder	Engagement Methods	Outcomes
Customers	• Daily sales activities • Communication during construction • Feedback through post-handover customer surveys	• Provision of safe and secure structures that meet customer expectations • Increased customer satisfaction
Shareholders and Investors	• Communication through individual meetings and small meetings • Information disclosure and communication at the General Meeting of Shareholders, financial results briefings, etc.	• Feedback on areas of interest and views regarding management, and use of this feedback for future improvements • Increased trust in and expectations for management
Partner Companies	• Communication during construction • Discussions on price pass-through • Collaboration with N-NET (Nishimatsu Subcontractor's Network) • Safety conventions and joint training sessions held by regional headquarters and branches	• Creating safe and comfortable work environments • Training and support for skilled construction workers • Alleviation of workforce shortages • Improved safety and construction quality
Local Communities	• Social contribution activities • Participation in local festivals and other activities • Holding construction site briefings • Hosting construction site tours for schools, etc.	• Contribution to local communities • Building good relationships with local residents • Development of the next generation of talent
Employees	• Messages from management • Opportunities for dialogue with management • Discussions with the labor union • Employee engagement surveys	• Increased employee engagement • Improvements to personnel systems and compensation • A workplace where employees can work with a sense of fulfillment

Highlights of Integrated Report 2026

Our Aspirations and Strategy for Realizing Nishimatsu-Vision 2035

This report presents the future we envision for Nishimatsu Construction, the aspirations embodied in the new Vision, and the strategies for realizing it.



➡P.10 Message from the President

What Is Value Co-Creation at Nishimatsu Construction?

We create value by leveraging financial and non-financial capital. We regard bringing "safety, vibrancy, and bonds" to society as our impact on society (shared value), and aim to realize a society where everyone can "Create together, shine together."



➡P.16 Nishimatsu Construction's Model for Co-Creation of Value

Our New Medium-Term Management Plan 2028

We introduce our new Medium-Term Management Plan, which lays the foundation for future profitability and sustainable growth under the new long-term Vision.

➡P.26 Medium-Term Management Plan 2028

Management Strategy for Sustainable Growth

With engagement and added value creation as the starting point, we present our strategy for realizing Nishimatsu-Vision 2035 and achieving sustainable growth.



➡P.36 Message from the General Manager of the Corporate Strategy Unit

Human Resource Strategy for Becoming the Most Attractive General Contractor

By deepening human capital management, we will maximize the value created by employees and enhance corporate value on a sustainable basis.



➡P.40 Human Resource Strategy

Environment and Urban Development Business

We introduce the new strategies and priority initiatives under Medium-Term Management Plan 2028 for the Environment and Urban Development Business Division, established in April 2026, as well as progress on the projects it is undertaking.



➡P.54 Environment and Urban Development Business

Outside Directors Discuss the Path to Becoming "the Most Attractive General Contractor"

Our outside directors share their perspectives on Nishimatsu-Vision 2035 and Medium-Term Management Plan 2028 as we work toward becoming "the most attractive general contractor."



➡P.58 Outside Director Roundtable Discussion

Creation of Environmental and Corporate Value

Through initiatives in decarbonization, biodiversity, and resource circulation, we are advancing Company-wide efforts to address social issues and enhance corporate value.



➡P.74 Environmental Initiatives

Company Motto

Courage, Courtesy, and Justice
~ An enterprising spirit, a feeling of gratitude, and a righteous attitude ~

Corporate Philosophy

Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services

Code of Conduct

~ Values consistent with Courage, Courtesy, and Justice ~

An enterprising spirit

- As a group of construction specialists, we will hone our skills every day in a continual effort to attain a high level of customer satisfaction and build a better society and environment.
- We will take positive steps to create advanced technologies, attractive workplaces, and safe working environments in an effort to develop the Company's business and the construction industry.
- We will always take social and environmental issues seriously in order to build a sustainable world and hand it down to the next generation.

A feeling of gratitude

- We will respect all people and proactively support the realization of their dreams.
- We will always consider our stakeholders, respect communications, and forge connections between people through our construction business.
- We will always thank our community and society, and regularly communicate with them.

A righteous attitude

- We will always be aware of our corporate social responsibility and conduct our corporate activities with a high level of ethics and transparency.
- We will respect free and fair economic activities and engage in sound corporate activities from a global perspective to earn the trust of our stakeholders.
- We will anticipate foreseeable risks and opportunities, keeping an eye on the future in an effort to build our responsive capabilities.



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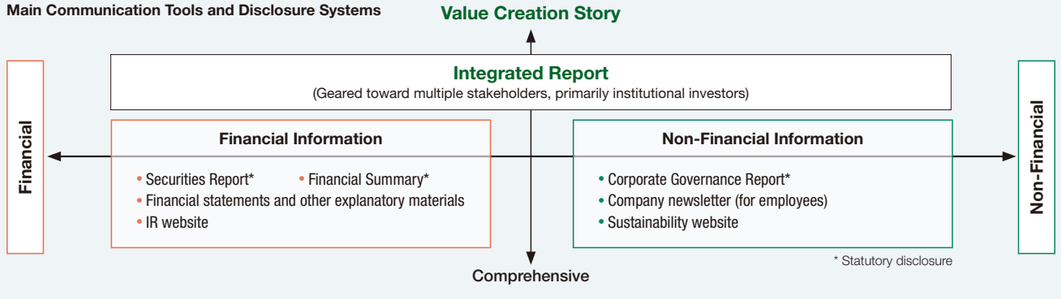
Coverage: Information on the activities of Nishimatsu Construction Co., Ltd. and its consolidated subsidiaries.

Applicable Period: April 1, 2025, to March 31, 2026 (including some information after April 1, 2026).

Referenced Guidelines: In producing this report, we refer to the "Integrated Reporting <IR>" of the IFRS Foundation, the International <IR> Framework, the "GRI Standards" of the Global Reporting Initiative (GRI), the "Environmental Reporting Guidelines" issued by the Ministry of the Environment, and the "Guidance for Collaborative Value Creation" formulated by the Ministry of Economy, Trade and Industry of Japan.

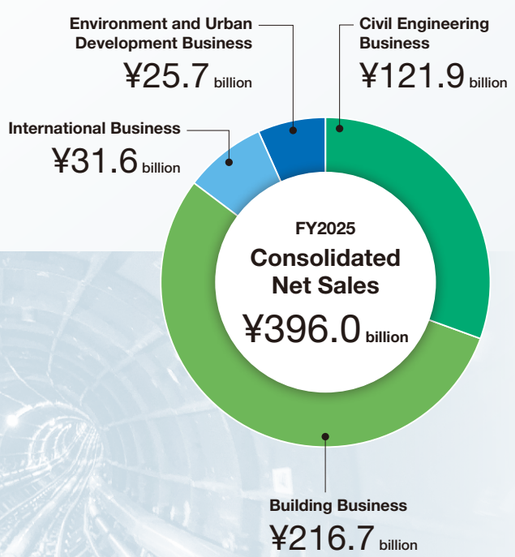
Forward-Looking Statements: This report includes forecasts of future results regarding the Group's outlook, goals, plans, and strategies. These statements reflect our judgment and analysis concerning existing information and various trends available at the time of writing. Actual results may differ from these forecasts due to various factors.

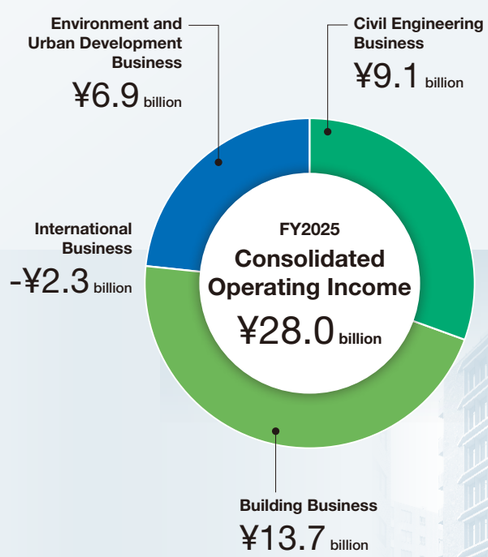
Main Communication Tools and Disclosure Systems

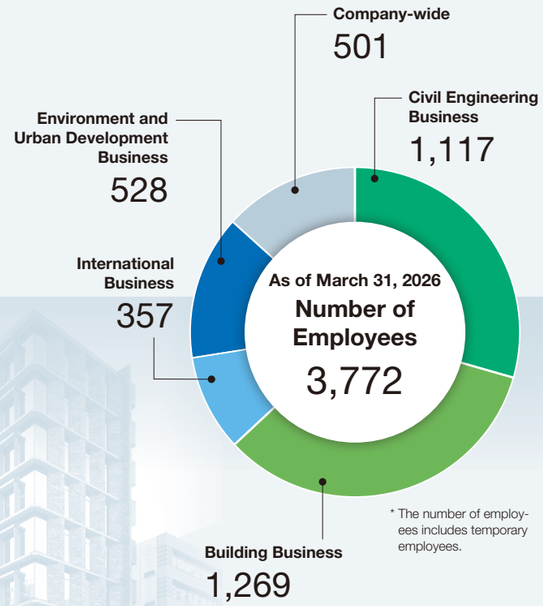


At a Glance

To integrate and advance our initiatives in regional community development, renewable energy, urban development, and other fields, we merged the Regional Environmental Solutions Business Division and the Asset Value-Added Business Division as part of an April 2026 reorganization of our head office, establishing the Environment and Urban Development Business Division. By combining these business areas to expand business opportunities, we aim to strengthen our operations and enhance corporate value over the medium to long term.







* The number of employees includes temporary employees.

ROE	Capital to Assets Ratio	D/E Ratio	Dividends
13.1%	28.4%	1.19 times	¥230

DOE	TSR (5-year cumulative total)	Number of Regional Headquarters and Branch Offices
4.9%	243.3%	Domestic Offices 50 Overseas Offices 10

Domestic Civil Engineering Business

By developing social infrastructure, including roads, railways, power plants, dams, airports, and ports, this business supports people's lives and their economic and social activities. Leveraging its technical expertise and the field experience it has gained over many years, the business contributes to the safety, security, and prosperity of Japan.



Domestic Building Business

This business leverages advanced technology to construct a diverse array of buildings, including office buildings, cultural and educational facilities, retail facilities, and medical centers. It offers comprehensive services throughout the entire lifecycle of buildings, from the planning and design stages to the operation and maintenance.



International Business

With extensive experience abroad and strong relationships with stakeholders, this business is primarily expanding in Southeast Asia and Southwest Asia. Its civil engineering efforts focus on the development of infrastructure that serves the public interest, while its building projects involve the construction of factories and facilities for Japanese companies.



Environment and Urban Development Business

By combining our environment and urban development businesses, we aim to contribute to a sustainable society and create new value. Our activities will span community development, urban development, domestic and overseas real estate, regional revitalization, renewable energy, and resource circulation.



Business at a Glance 1 Projects Bringing Together Our Technological Capabilities to Co-Create Value

Drawing on the full breadth of technological capabilities we have cultivated over many years and our “on-site capabilities,” our ability to coordinate stakeholders and persistently see projects through, Nishimatsu Construction has delivered numerous projects that support society. We will continue to work in harmony with local communities and contribute to creating a sustainable society and environment.

Mountain tunnels

Domestic Civil Engineering Business

Establishment of the “Concrete Spraying Automation System,” an Automated Shotcrete Technology Enabling Real-Time Thickness Measurement

Shotcrete work in mountain tunnel construction requires manual operation close to the tunnel face in a high-dust environment with a risk of rock falls from the face, creating challenges in ensuring worker safety and shotcrete quality while reducing labor requirements. To address these issues, we established the “Concrete Spraying Automation System.” Millimeter-wave radar measures the distance to the sprayed surface in real time, while motion-capture cameras survey the radar coordinates with high precision. This enables an automatically controlled robot to optimize nozzle movement and automatically maintain a uniform shotcrete thickness.

Verification testing at N-Field, our full-scale experimental facility in Nasushiobara, Tochigi Prefecture, also confirmed satisfactory quality. The system was jointly developed by Nishimatsu Construction and four other companies.



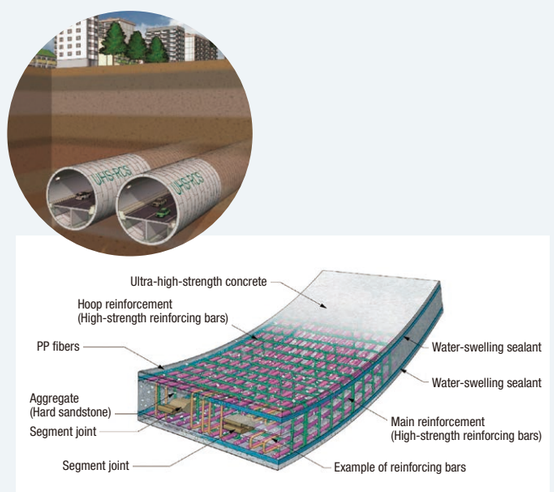
System overview

Shield tunnels

Domestic Civil Engineering Business

New Development: Technical Review Certification Obtained for “Ultra High Strength Reinforced Concrete Segment”

In large-diameter shield tunnel projects for roads, railways, and other infrastructure subject to the Act on Special Measures concerning Public Use of Deep Underground, conventional RC segments lack sufficient flexural compressive strength under conditions involving large building loads and other forces, requiring the use of costly composite segments. To address this issue, we developed the “Ultra High Strength Reinforced Concrete Segment,” which uses ultra-high-strength concrete to overcome this strength shortfall while reducing costs and streamlining construction. The segments provide fire resistance and resistance to spalling and can be manufactured using the same equipment as conventional RC segments. Jointly developed by Nishimatsu Construction Co., Ltd., Toda Corporation, and Nippon Concrete Industries Co., Ltd., the technology obtained technical review certification from the Advanced Construction Technology Center (ACTEC) in July 2025.



Overcoming Insufficient Strength with Ultra-High-Strength Concrete

Logistics facilities

Domestic Building Business

Construction of the Large-Scale Multi-Tenant Logistics Facility LOGI’Q Hasuda

This project was constructed under extremely challenging conditions: the site was surrounded by a Class A river and an agricultural irrigation channel, the access route for deliveries was limited to the west side, and there were elevation differences both within and outside the site. We used BIM and AR from the design stage, proactively introduced advanced technologies such as ICT-enabled construction machinery and drone surveying, and worked to accurately track construction progress and quickly build consensus among stakeholders. These efforts enabled advanced schedule management and improved productivity. To meet growing well-being needs, we also worked closely with the design and construction teams to incorporate hill-shaped rest areas and wood-finished spaces featuring natural wood ceilings. The facility received the highest ratings under multiple environmental certification systems, including CASBEE S Rank, BELS ★6, and ZEB.

Despite the challenging conditions, the project brought together our on-site capabilities, technological capabilities, and project management capabilities, becoming a symbolic example of our ability to deliver high value-added logistics facilities.



Full view of “LOGI’Q Hasuda”

Expanding overseas

International Business

Contract Award for Package 105 of the Metro Manila Subway Project in the Philippines

For Nishimatsu Construction, this is the second contract for the Metro Manila Subway Project, following Contract Package 102, which is currently under construction. Contract Package 105 covers the construction of two underground stations, Kalayaan Avenue Station and Bonifacio Global City Station, as well as twin shield tunnels connecting them. The project has been designated as a priority project under the Philippine government’s “Build Better More” infrastructure program. Against a backdrop of rapid economic growth, it will help meet growing transportation demand in Metro Manila and alleviate severe traffic congestion and air pollution.

Drawing on the extensive tunnel construction know-how we have cultivated around the world, we will contribute to the development of transportation infrastructure in the Philippines. By making mobility more convenient, we will contribute to the further development of Philippine society as its economy continues to grow.



Rendering of Bonifacio Global City Station

Business at a Glance 2 Contributing to Solving Social Issues and Creating Value for the Future

Leveraging Nishimatsu Construction's strength in on-site capabilities, we work with diverse stakeholders to help solve social issues.
From social infrastructure development to next-generation community development, we will contribute to realizing a sustainable future in which people can live with peace of mind.

Building a society where people can live with peace of mind

Domestic Civil Engineering Business

Infrastructure Renewal Work: Construction Work for the Reinforcement of the Ipponmatsu Tunnel on the Nagano Expressway

The Ipponmatsu Tunnel (outbound) on the Nagano Expressway between Omi IC and Koshoku IC opened to traffic in 1993. In sections where no invert had been installed, water absorption caused expansive clay minerals to deteriorate and swell, resulting in visible signs of floor heave. Deformation included road surface uplift, through-cracks in the concrete caused by inward displacement of the tunnel lining walls, and a reduction in the internal cross-section. To address concerns about the clearance envelope and deterioration in the structural integrity of the tunnel, and to ensure long-term tunnel functionality, the project reinforced the lining concrete with rock bolts and installed a new invert. During construction, to maintain traffic for general vehicles, one of the tunnel's two lanes was continuously closed at a time, day and night, and permanent remedial measures were implemented using half-section construction.



Ipponmatsu Tunnel after completion of reinforcement work

Next-generation community development

Environment and Urban Development Business

Collaboration toward the Practical Application of a Next-Generation Transportation System

To help bring a next-generation transportation system into practical use, we are advancing collaboration with Zip Infrastructure, Co., Ltd. through an equity investment and a collaboration agreement. Zippar, developed by the company, is an electrically powered, self-propelled ropeway that operates autonomously above roads. As a new form of transportation infrastructure, it is expected to help solve social issues such as traffic congestion, a lack of transportation options, driver shortages, and decarbonization.

In this initiative, we leveraged our expertise in civil engineering and building construction to conduct technical evaluations and support infrastructure development from the perspectives of constructability, safety, and practicality. We will accelerate real-world deployment through joint studies and information sharing toward commercialization. Through co-creation with diverse partners, we will contribute to sustainable and flexible next-generation community development.



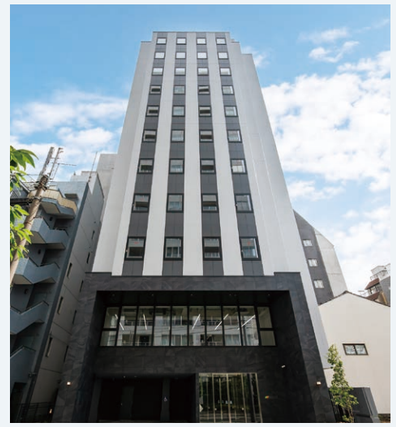
Self-propelled ropeway "Zippar"

Providing high-quality structures

Environment and Urban Development Business

Completion of Urban Compact Office "NCO Hamamatsucho"

The property is served by five train lines at three stations, including JR Hamamatsucho Station and Toei Subway Daimon Station. Located just a three-minute walk from the nearest station, it offers excellent convenience and access to major office districts in the Tokyo metropolitan area. A typical floor provides an approximately 132 m^2 column-free, regularly shaped space with a ceiling height of approximately 3 m, creating an open and spacious workplace despite the compact floor plate. A shared meeting room on the first floor allows flexible use according to tenant needs. Lush planting along the entrance approach creates an open space. In addition, security lines are installed in the entrance hall and on each floor, ensuring safety through a two-tier security system. The office building is also designed with consideration for the environment and has obtained ZEB Ready certification.



"NCO Hamamatsucho," featuring an open and spacious workplace

Technologies supporting safety

Domestic Civil Engineering Business | Domestic Building Business | Environment and Urban Development Business

Helping Eliminate Heatstroke among Workers in Hot Environments

With heatstroke prevention at construction sites becoming an urgent issue, we introduced Sigfox Canary, a communications-enabled wearable device jointly developed with Biodata Bank, Inc. at construction sites nationwide in 2025. Sigfox Canary estimates core body temperature and, when it detects an increased risk of heatstroke, immediately alerts both the wearer and the supervisor. By enabling workers and managers to share information so that they can check on workers and decide when rest is needed before anyone collapses, the system has shifted heatstroke prevention from measures dependent on individuals to organizational safety management in which the entire site works together to protect workers.

In FY2026, we will continue to deploy this safety management system at construction sites nationwide while expanding its use to a broad range of workplaces, including construction sites operated by other companies in the industry, plant engineering companies, manufacturers, and golf courses, with the aim of helping address the social issue of heatstroke by reducing the number of incidents.



Using Sigfox Canary for heatstroke prevention

Message from the President



Sustainable Growth and the Creation of New Medium- to Long-Term Corporate Value

In an Era of Competition, Becoming a General Contractor that Is Valued and Chosen

Masakazu Hosokawa
Representative Director and President

Two years have passed since I became president, and following the General Meeting of Shareholders, I am now in my third year in office. At this juncture, I believe it is highly significant that we have formulated Nishimatsu-Vision 2035 and the new Medium-Term Management Plan 2028, clarifying the future we envision for the Company and the direction we should take.

Sustainability management, encompassing human capital management and Well-being management, is at the core of our management approach. We view it not simply as a matter of social responsibility, but as an important management strategy for enhancing corporate value, and aim to both contribute to the realization of a sustainable society and enhance corporate value.

Nishimatsu-Vision 2035 sets out our vision of becoming "the most attractive general contractor." This is not simply about pursuing scale or sales. It means becoming a company that shareholders, customers, partner companies, employees, and society regard as outstanding, and that people want to work with and work for.

To that end, we are placing improved engagement and higher added value per employee* at the core of management to achieve sustainable growth and the creation of new medium- to long-term corporate value.

* Added value per employee = (business income + personnel expenses) / number of employees

Transition to an Era of Competition

Japan is now at a major turning point.

Prices are rising, interest rates are fluctuating, and personnel costs are increasing. After a long period of relatively little change, society as a whole is beginning to shift significantly. I do not see this simply as a move into a more difficult business environment. Rather, I believe the Japanese economy is finally moving toward a more normal competitive environment. During the so-called lost three decades, Japan remained in deflation for many years, wages did not rise, and companies found it difficult to pass higher costs on through prices. However, rising prices and personnel costs are in themselves features of a healthy economy. Going forward, it is companies that can demonstrate competitiveness in this environment that will be valued and chosen.

Indeed, material prices are continuing to rise, and concerns over geopolitical risks are also growing. I do not view these changes pessimistically. Rather, precisely because competitive conditions are changing, I believe we are entering an era in which each company's true capabilities and distinctive qualities will become more visible. Until now, companies have operated under broadly similar structures, supported by the domestic construction market. Going forward, however, population decline, workforce shortages, changes in social infrastructure, and rising interest rates will increasingly bring into focus what each company truly excels at. Now that we have entered an era of competition, we must clearly define the strengths that set Nishimatsu Construction apart.

Now in my third year as president, we have formulated Nishimatsu-Vision 2035 and Medium-Term Management Plan 2028 and made a fresh start. I believe it was particularly meaningful to communicate them at this time, as the process gave us an opportunity to look back on our progress and once again clarify the direction of the Company.

➡ P.20 Nishimatsu-Vision 2035
➡ P.24 Review of Previous Medium-Term Management Plans
➡ P.26 Medium-Term Management Plan 2028

Why We Formulated Nishimatsu-Vision 2035 Now

I believe current conditions in the construction market are favorable. Demand is expected to remain at a certain level through around 2030, supported by national resilience initiatives, infrastructure renewal, and disaster prevention and mitigation. Actively responding to these needs is itself a way of realizing our Corporate Philosophy: "Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services."

At the same time, major structural changes lie ahead in both the social environment, including population decline, labor shortages, and lower demand for new construction, and the economic environment, such as inflation and rising interest rates. The very nature of the construction industry may change. That is precisely why Nishimatsu-Vision 2035 sets out a management direction that looks beyond 2030.

What strengths should Nishimatsu Construction build in preparation for the changes after 2030? In which domains should we differentiate ourselves? We need to lay that foundation over the next four to five years. The construction industry may also see further restructuring and a market shakeout. Such changes are already under way in other industries, and similar moves are beginning to emerge in construction. To remain vibrant and continue growing amid these changes, a company needs strengths that set it apart. We are not seeking to expand into every possible area. What matters is building clear pillars that allow us to say, "This is what Nishimatsu does best."

➡P.20 Nishimatsu-Vision 2035

What Defines Nishimatsu?

At the core of what defines Nishimatsu, and the foundation of our strengths, are our on-site capabilities: the ability to see work through with tenacity and integrity. These qualities may not be flashy, but the trust we have earned over many years from customers and society has been built through the steady accumulation of such efforts.

Construction is not an industry in which one company can operate alone. We create each project in collaboration with many stakeholders, including clients, designers, partner companies, and local communities. Ultimately, I believe what matters most is trust. We must remain a company that society needs over the long term, rather than focusing only on short-term profit. More than immediate figures, what matters is continuing to build trust through our on-site capabilities by seeing every job through with persistence and integrity.

➡P.6 Business at a Glance 1

Creating Strengths Unique to Nishimatsu

To be candid, I believe we still have considerable work to do to establish strengths that truly differentiate Nishimatsu.

Nishimatsu Construction certainly has strong construction capabilities. But viewed within the general contractor sector, can we say there is an overwhelming reason for customers to choose Nishimatsu? Not yet. Simply continuing what we are doing today will not set us apart. I feel a strong sense of urgency about this.

That awareness is precisely why we set the goal of becoming "the most attractive general contractor." In Nishimatsu-Vision 2035, we place particular importance on the word "attractive." We do not want to be a company that pursues business performance alone. We want to be a company that earns trust, attracts people, and makes them think, "This is an outstanding company," "I want to work with this company," and "I want to work for this company." I believe that is what corporate value will mean in the coming era.

Another thing that matters to a company is whether each employee can work with a sense of pride. Of course, as a business leader, it is important to focus on business performance, but performance alone does not make a company strong.

Ultimately, I believe the strength of a company depends on how many employees feel a strong bond with it and genuinely want to give their best for the Company.

➡P.16 Nishimatsu Construction's Model for Co-Creation of Value

Establishing a Strong Business Portfolio

Nishimatsu-Vision 2035 clearly sets out investment in a next-generation foundation for growth while further strengthening our core businesses, the Domestic Civil Engineering Business and the Domestic Building Business. The areas for investment include the International Business, the Environment and Urban Development Business, construction-related domains, and value chain expansion.

As the domestic market changes over the medium to long term, we must build an earnings structure that does not depend solely on our core businesses. We may, for example, establish strengths overseas, pursue distinctive urban development, or create new value in construction-related domains. The next four to five years will be critical for cultivating these new sources of competitive advantage.

It will also become increasingly important for us to engage with society more broadly, deeply, and sustainably, not just by undertaking construction but across the entire value chain, from planning and conceptualization through development, construction, maintenance, and operation. The role expected of the construction industry itself is beginning to change. In particular, the nature of cities and the role of social infrastructure will change significantly. In addition to disaster prevention and mitigation, national resilience, and responses to aging infrastructure, demand is shifting toward renewable energy, increasingly important data centers, semiconductors, and other fields. As the population declines and labor shortages intensify, we will also need to look beyond simply "building" and consider how to maintain social functions and enhance the value of local communities. Against this backdrop, a major theme in formulating the Vision was to clarify the areas in which Nishimatsu Construction should build strengths and the value we should provide.

One of these areas is the Environment and Urban Development Business. In April 2026, we integrated the Asset Value-Added Business Division and the Regional Environmental Solutions Business Division. Through this reorganization, we will respond to social change while expanding

Message from the President

business opportunities by combining the capabilities of the two businesses. Historically, construction companies have centered their business models on construction itself. Going forward, however, it will become increasingly important to consider how to enhance the value of cities themselves and what functions to provide to local communities.

Urban development requires more than simply constructing buildings; it requires providing the value that local communities need. The role of the construction industry in the environmental field will also continue to expand. As society places greater emphasis on sustainability, including decarbonization, renewable energy infrastructure, environmentally friendly buildings, and resource circulation, construction companies have an increasingly important role to play.

At Nishimatsu Construction, we view fulfilling our role in solving social issues while responding to these changes as a new growth opportunity. I see sustainability management as management that simultaneously addresses social issues and enhances corporate value. That is also the intent behind this portfolio transformation.

We also position the International Business as an important growth area. There are limits to medium- to long-term growth if we focus only on the domestic market, while some overseas markets are expanding rapidly. Overseas business naturally involves risks. For that reason, rather than expanding indiscriminately, it is important to identify the areas where Nishimatsu can compete successfully and move forward selectively.

➡ P.20 Nishimatsu-Vision 2035
➡ P.48 Business Sections
➡ P.68 Sustainability Promotion System

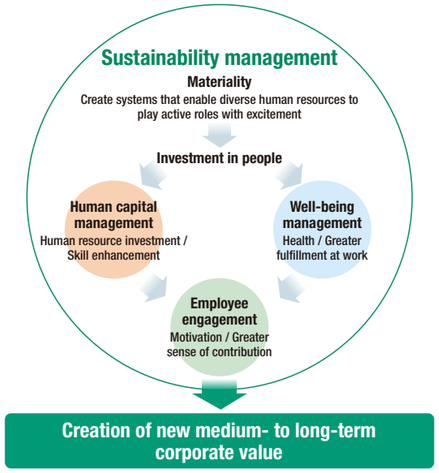
What Our Collaboration with ITOCHU Corporation Means

Collaboration with ITOCHU Corporation also plays an important role in accelerating these new business domains. Unlike a construction company, a general trading company conducts business across global markets and industries, drawing on extensive networks of people and business opportunities. The breadth of information it possesses and the scale and quality of its networks are entirely different from ours. By combining that expertise with Nishimatsu Construction's on-site and technical capabilities, we can create new value. This is more than a capital and business alliance. I see it as a collaboration aimed at the broader goal of creating new medium- to long-term corporate value.

➡P.57 Projects in Collaboration with ITOCHU Corporation

Developmental Cycle of Engagement

Within our sustainability management, Nishimatsu-Vision 2035 places particular emphasis on human capital management as part of building a sustainable management foundation, and positions the "developmental cycle of engagement" as a key pillar. I view engagement as the bond between the Company and its stakeholders.



Bonds with employees. With customers. With shareholders. With partner companies. The stronger these relationships are, the stronger a company becomes over the long term. The starting point is employee engagement.

For each employee, it begins with two questions: "Can I take pride in working for Nishimatsu Construction?" and "Do I want to take on challenges at this company?" I believe these questions are the starting point for everything. When employee engagement rises, organizational strength grows. That leads to better work, which earns greater customer satisfaction and recognition. Business results then improve, enabling returns to shareholders and further increasing employee motivation. This virtuous cycle is what we call the "developmental cycle of engagement."

To create a company where employees want to take on challenges, we will promote dialogue, ensure psychological safety, support diverse career development, and improve compensation and working conditions. Securing human resources will become increasingly important for the construction industry. As Japan's population ages and the birthrate declines, we cannot expect to grow unless younger generations see Nishimatsu Construction as a company they want to work for. That is why we need to promote Well-being management that not only improves employment conditions, but also enhances employees' sense of fulfillment at work.

➡Front Matter Stakeholder Engagement
➡P.40 Human Resource Strategy

Transforming into a Lean Organization

The other pillar is increasing added value per employee.

We must continue to improve employee compensation. To this end, we will optimize personnel allocation and raise productivity across the organization by reducing labor requirements through DX and AI, eliminating redundant work, and maximizing human potential.

By fully leveraging DX and AI, eliminating redundant work, streamlining the organization, and optimally reallocating human resources, we will enable people to focus on higher-value work. This will transform us into a lean organization capable of expanding scale while maintaining high quality. Increasing added value per employee in this way will not only improve business performance and employee compensation, but ultimately increase returns to stakeholders.

➡P.40 Human Resource Strategy
➡P.44 Technological & DX Strategy

Investing in Human Resources and Transforming the Organization

As we advance human capital management, one challenge is securing people with practical experience and specialized skills. We will therefore continue to recruit new graduates while also actively pursuing mid-career hiring to secure the human resources we need. We will also strengthen the recruitment of specialists who have been relatively scarce within the Company, including people with expertise in DX and AI and those with diverse management perspectives. Our concept of a "human resource portfolio" encompasses not only expertise, but also the roles people should play at different stages of their careers. Today, many of the construction managers responsible for site operations are in their 50s and 60s. We are therefore reforming systems and developing training programs so that younger generations can take on these roles. Developing the next generation of management human resources is also essential to sustainable growth. In FY2026, we launched a development program starting with employees in their 40s and linked to our succession plan. Precisely because the future is uncertain, we will systematically develop human resources with broad perspectives and a management mindset who can lead the Company into the future.

At the same time, Nishimatsu is also a company built on technology. Developing specialist human resources and passing on technical expertise are just as important as developing management human resources. In FY2026, we established the new position of Executive Fellow as the highest professional rank for specialist human resources, further strengthening our technical workforce. We are also reviewing our evaluation and remuneration systems. For executive remuneration, we are considering increasing the performance-linked component. For employees, we will also advance discussions on introducing performance-linked evaluation systems for employees at or above certain job levels. By appropriately recognizing and rewarding those who perform well and contribute, we will transform into an organization that encourages challenge and growth.

➡P.40 Human Resource Strategy
➡P.62 Corporate Governance



We aim to become a lean company in which every employee creates high added value, thereby strengthening our competitiveness.

Creating a Virtuous Cycle of Growth and Returns

In considering cash allocation for these strategies, we believe it is essential to balance shareholder returns and growth investment. To enhance corporate value over the long term, we must invest strategically. That requires strengthening our financial base and financing capacity so that we can pursue further growth strategies. We therefore believe it is necessary to raise our equity ratio from its current level to around 35%.

For the time being, we will strengthen our financial position while exploring a range of investment options, including collaboration with ITOCHU Corporation rather than relying solely on investments undertaken on our own. In light of these investment strategies, we intend to maintain stable shareholder returns with DOE of around 5% as a benchmark.

I believe the Company's sustainable growth is what creates greater value for shareholders. By consistently generating returns above the cost of capital and investing appropriately in human resources, equipment, technologies, M&A, and other areas, we aim to enhance corporate value over the medium to long term and, in turn, increase shareholder value over time.

➡P.36 Message from the General Manager of the Corporate Strategy Unit

Toward the Most Attractive General Contractor

"The most attractive general contractor."

Those words mean more than business performance. Chosen by employees. Chosen by customers. Valued by shareholders. Needed by society. Can we become that kind of company? To do so, we must be competitive, while also being a company that values its people. I want to create a virtuous cycle in which employee engagement rises, each person works with pride, and that strength translates into higher corporate value.

Nishimatsu Construction is entering a period of major transformation. However, I view that change positively. In an era of competition, what makes Nishimatsu distinctive will be tested. By continuing to refine that distinctiveness and creating strengths unique to Nishimatsu, I believe we can become a company that is chosen in the next era.