

Corporate Philosophy

Establish a sustainable society for people structures and services

to live with peace of mind, providing worthwhile

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Society with “Safety, Vibrancy, and Bonds” that Nishimatsu Builds

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Editorial Policy

This report is an instrument for dialogue with our stakeholders. The purpose of this report is to deepen stakeholders' understanding of our value co-creation process with stakeholders and possibly improve our corporate value, as well as our efforts to address materiality (priority issues) in order to realize our corporate philosophy of “Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services.”

Coverage

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

Applicable Period

April 1, 2024, to March 31, 2025 (including some information after April 1, 2025).

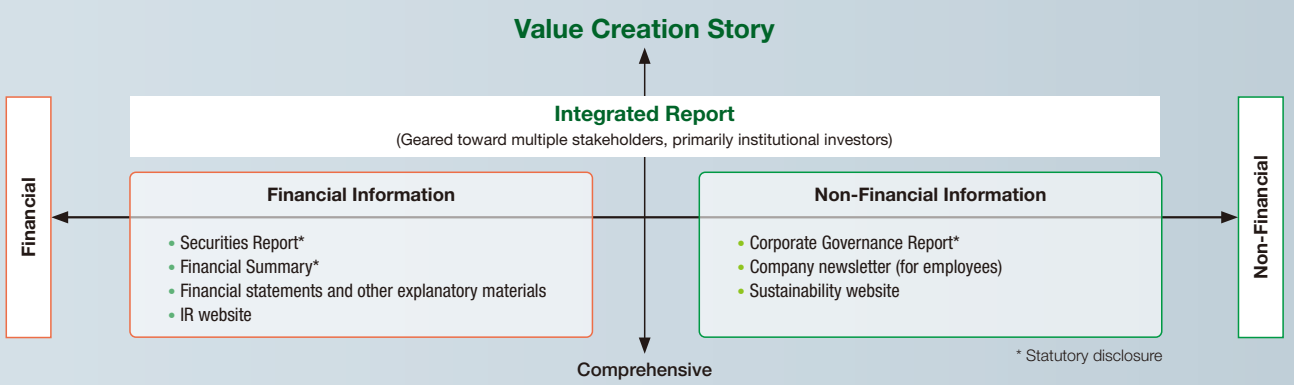
Referenced Guidelines

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.

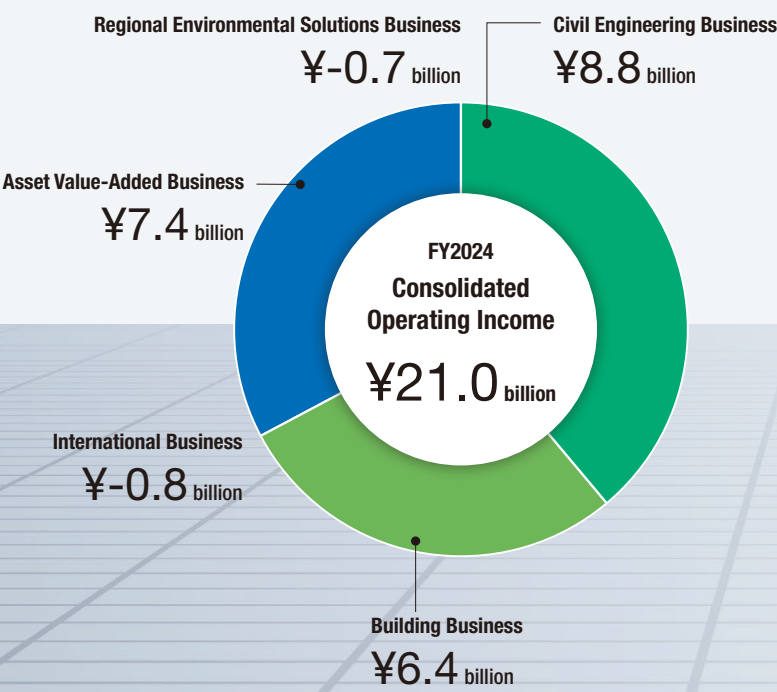
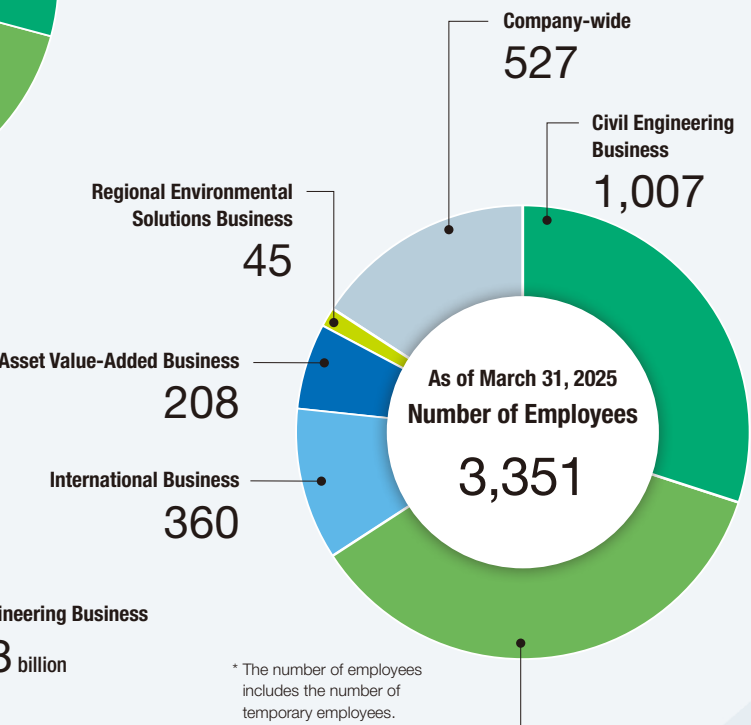
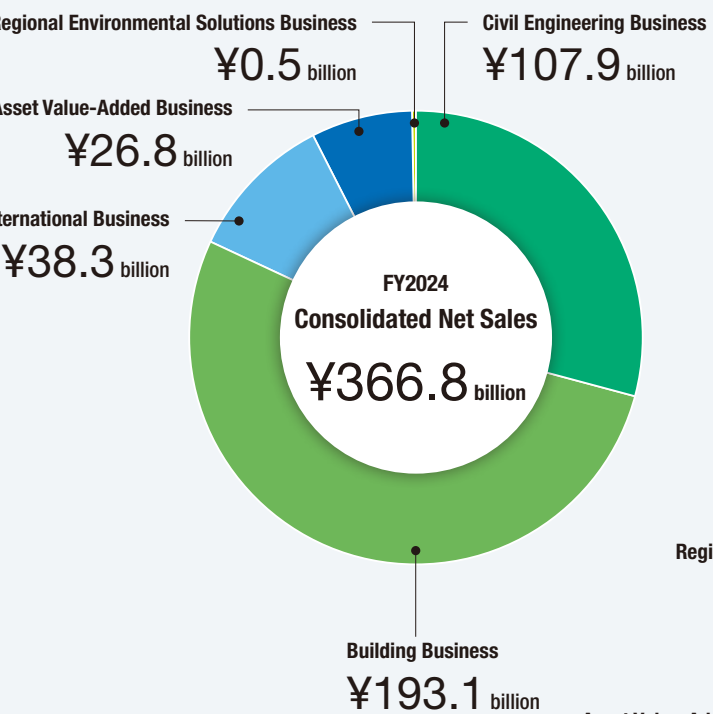
Forward-Looking Statements

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
The Foundation of Business Supporting the Co-Creation of Value



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.



ROE
10.3%

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.



Capital to Assets Ratio
29.1%

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.



D/E Ratio
1.2 times

Asset Value-Added Business

This business offers comprehensive, high-value solutions through attractive community development projects, redevelopment projects that result in the revitalization of regions, and the development and management of office buildings and other commercial facilities. The business has also begun development and real estate projects overseas.



Dividends
¥220

DOE
5.1%

TSR
(5-year cumulative total)
279.4%

Regional Environmental Solutions Business

This business develops and invests in domestic and international power generation projects that utilize renewable energy, including solar power generation and small-scale hydropower projects. The business is also working to promote a resource-recycling circular economy and revitalize local communities by leveraging local resources. Additionally, it aims to contribute to the creation of a sustainable society while generating new value through the creation of solutions in the construction sector.



Number of Regional Headquarters and Branch Offices

Domestic Offices
50
Overseas Offices
10

Our Value Creation Activities “Rebuilding of Social Functions”

To expand our value creation activities from developing social infrastructure to rebuilding social functions

Disaster prevention and safety

In response to torrential rains and other natural disasters, we seek to develop communities in which local residents can live with peace of mind, both during construction and after the start of operations. To achieve this, we apply our slope monitoring system (OKIPPA), rainfall measurement system (OKIPPA Green), and weather prediction system (AMATERASU)-based monitoring and prediction, as well as stockpile disaster prevention goods and enter disaster prevention agreements with municipalities.



Environmental protection

As part of community and facility development, we work to conserve energy (utilizing zero energy building (ZEB)), use green energy in the construction sites, and consider harmony with the surrounding environment by taking into account appearance and greenery. Moreover, we select construction methods and heavy equipment with consideration for reducing CO₂ emissions during construction, and aspire to construction that benefits the Earth.



Energy

To reduce our environmental impact, we generate and utilize clean energy whenever possible at the facilities we develop. In addition to our solar panel-based PPA, collective electricity receiving, and small-scale biomass power generation systems, we will enable cutting-edge facilities in a way that embraces collaborations with companies involved in various areas of research.



Real estate development

We will create living spaces that excite their users at a pace that matches the conditions of the community. And we will actively develop the offices, tourism and amusement facilities, lifestyle support facilities, data centers and logistics facilities, student and employee dormitories, and facilities for the elderly that we have defined as priority facilities.



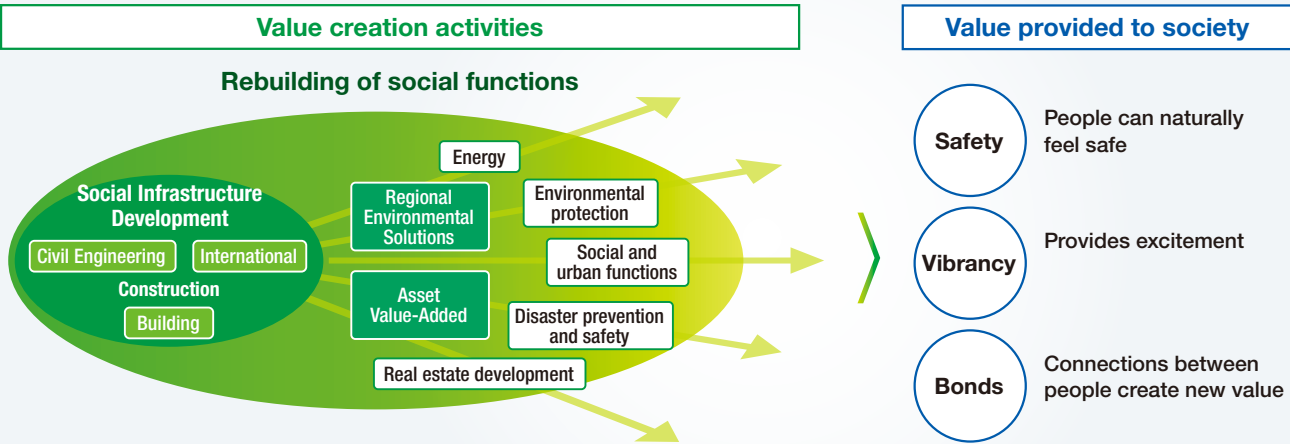
Social and urban functions

Land readjustment projects and redevelopment projects are planned based on the relevant region's comprehensive plan and disaster prevention plan, and are formed through public-private partnerships with the intent of solving issues faced by the region. We leverage our know-how and relationships while soliciting and developing the optimal facilities in an effort to create communities that are beloved by their residents.



Rebuilding of Social Functions

We will expand our value creation activities from developing social infrastructure to rebuilding social functions, providing safety, vibrancy, and bonds between people.



Nakano 2-chome Area Redevelopment Project (Asset Value-Added × Building × Civil Engineering)

- Social and urban functions
- Real estate development

This project involved the coordinated implementation of land readjustment and urban redevelopment. It features a complex that has a variety of urban features, including offices, condominiums, and retail facilities. One part of the project was the development of traffic routes to enhance mobility around the station. Additionally, the project site includes a plaza that will serve as a space for relaxation and social interaction. The project successfully combined the infrastructure base development activities of the Civil Engineering Business, the large-scale construction capabilities of the Building Business that highlight the charm of the local community, and the comprehensive business support provided by the Asset

Value-Added Business. This collaboration ensured the project met the needs of the local community. Through value co-creation activities in which the Company's various departments utilized their expertise, we have succeeded in increasing safety, vibrancy, and bonds within the local community.



Nakano 2-chome Area Redevelopment Project

Hera Hill Development and Land Readjustment Project (Asset Value-Added × Civil Engineering × Building)

- Social and urban functions
- Disaster prevention and safety
- Environmental protection
- Energy

This project is a land readjustment project implemented by a land readjustment association made up of landowners and is positioned as a hub for the creation of an energetic urban area in the 6th Hatsukaichi Comprehensive Plan. The goal of this project is the development of two key sites: a site for tourism and interaction facilities that will create synergy with Miyajima and a site for industrial facilities that will provide space to companies that are based in Hatsukaichi so they can relocate, addressing the need to change the streetscape in areas that

are a mix of residential and industrial properties. The development of these sites aims to create new vitality for Hatsukaichi with a future vision, including securing new financial resources, increasing the number of visitors, and expanding employment opportunities, ultimately energizing the city. We are developing a large area of land, a total of approximately 70 hectares, for the city. From the stage of starting construction, we are monitoring and forecasting potential natural disasters, such as heavy rain, using our slope monitoring system (OKIPPA), rainfall

measurement system (OKIPPA Green), and weather forecasting system (AMATERASU) in response to torrential rains and other natural disasters. We aim to stockpile disaster prevention goods and enter disaster prevention agreements with municipalities to develop communities where residents can feel safe. Environmentally friendly construction is our goal, and we have chosen construction methods and heavy machinery designed to reduce CO2 emissions. We consider

energy-saving measures, including ZEB in particular, and the use of green energy in the local area. To promote harmony with the surrounding environment, we also consider landscaping measures.



Hera Hill Development and Land Readjustment Project

PPA solar power generation business (Regional Environmental Solutions × Building, International)

- Energy

We have started supplying renewable energy to the Nippon Institute of Technology. The Regional Environmental Solutions Business and the Building Business worked together to install a self-consumption solar power generation system on the Saitama Campus. Part of the system designed to generate electricity to be used by the institute is installed on the rooftop of the main building. The Regional Environment Solutions Business partnered with the International Business to install a self-consumption solar power generation system on the rooftop of a newly constructed frozen storage warehouse belonging to SCG Nichirei



Nippon Institute of Technology PPA

Logistics Co., Ltd. in Thailand. This system is designed to provide electricity for the warehouse, and it started to supply renewable electricity when the warehouse began operating. The power generation capacity of these projects is approximately 1.4 MW and 1.0 MW, respectively, and it is expected they will reduce CO2 emissions by approximately 940 tons per year and 760 tons per year, respectively. We will continue to capitalize on our strengths, utilizing business collaborations to provide safe, secure, and environmentally friendly energy.



Nichirei Thailand PPA

Sigfox Canary: a Wearable Device for Preventing and Notifying People about Heatstroke (Regional Environmental Solutions × Technology Strategy Unit, Civil Engineering and Building)

- Disaster prevention and safety
- Environmental protection

This device worn on the wrist estimates the increase in the wearer's core temperature and alerts the wearer of heatstroke. It can also notify supervisors of heatstroke. This feature makes it possible to assess the wearer's heatstroke risk in real time, facilitating prompt intervention. This device uses a wireless communication standard that eliminates the need to carry a smartphone, and its energy-saving design means that it does not require charging. These features significantly reduce the difficulty of using the device on construction sites.

In FY2025, we began providing the device to our construction sites and external partners to help protect on-site workers from heat-related risks to their health and reduce the number of heatstroke incidents.



Sigfox Canary and the management screen of its application

Message from the President

With the goal of making Nishimatsu the most attractive general contractor, we will promote a developmental cycle of engagement and continuously enhance our corporate value.

It has been one year since I became president. Recognizing that people are the foundation of a company, we have reviewed the ways we enhance employee engagement and initiated an organizational reform across all of our business divisions. We will transform our organizational structure into a lean and highly productive organization by reducing the number of redundant business operations and leveraging DX and AI technology for labor saving.

Representative Director and President **Masakazu Hosokawa**



Reflecting on My First Year in Office

Nishimatsu Construction has had several slogans over the years that accurately express the Company's philosophy. For instance, when I joined the Company, its safety slogan was “Show compassion and consideration throughout the workplace, just as you would for your parents and siblings.” Our current basic safety and health policy slogan is “Compassion and consideration throughout the workplace!” This has been our guiding principle for many years. We also developed the corporate slogan “Successfully Building a Better Future” in 2015 and introduced a new one, “Trust. It's what we build,” in 2024. Our traditions emphasize our employees sincerely taking on challenges that are faced on each work site, delivering quality work and bringing joy to many, including our customers and local communities. The underlying message remains unchanged, with employees at its core.

One year has passed since I became the president of the Company. Initially, I focused on changing dialogue stance, believing that people are the foundation of a company. During employee training sessions, I always ask, “What does the term ‘attraction’ mean when discussing a company that is attractive to you?” At first, I expected most people to respond with “compensation.” However, their responses included “a company where communication is good,” “I want people to be happy with what I build,” and “I want to construct buildings I

can be proud of.” I learned that employees wanted good communication and an environment where they could demonstrate their value, and I realized the significance of 1-on-1 meetings between supervisors and subordinates, in addition to the ongoing dialogue between the president and employees.

To increase engagement, it is necessary to do more than just talk with people. In 1-on-1 meetings, it is important to maintain a horizontal relationship, even if there is a supervisor-subordinate dynamic, and to foster psychological safety. We encourage employees to express their individual thoughts, issues, and complaints. The Company strives to address these matters. If that is challenging, we provide feedback in a way that is acceptable to them. This will enhance employee motivation and loyalty, fostering a bottom-up flow of information where employees can offer valuable suggestions to help improve the Company. This is what it means to enhance employee engagement. We are starting to increase employees' awareness of this method of dialogue.

Subsequently, we initiated an organizational reform. The Company has five business divisions. They were siloed off from each other. To improve this organizational structure, we modified our dialogue stance. In addition, in April 2025, we established the Corporate Unit. This unit cuts across the five business divisions and comprises the Corporate Strategy Unit, Human Resource Strategy Unit, Technology Strategy Unit, and Management Unit, all responsible for mid-to-long-term strategy. This has aligned the departments focused on medium- to

long-term strategies with the departments responsible for executing business operations. This alignment enables the entire Company to backcast to develop strategies and plans. We have created a system that encourages employees to adopt a company-wide perspective and facilitates communication between them.

Toward Realizing Nishimatsu-Vision 2030

Advancements during the second year of Medium-Term Management Plan 2025

In Nishimatsu-Vision 2030, we aim to expand our value co-creation activities from developing social infrastructure to rebuilding social functions, providing safety, vibrancy and bonds between people. We believe that we can expand value co-creation activities by bringing together our partners' strengths to create greater value. In Medium-Term Management Plan 2025, we are focused on the enhancement of the profitability of Building and International (Civil Engineering), while pursuing medium- to long-term initiatives to achieve Nishimatsu-Vision 2030.

In FY2024, the second year of the plan, we encountered challenges, such as high-priced construction materials and restricted supply from equipment contractors. However, we

successfully implemented the Earnings Improvement Plan, which led to improved profits and results that exceeded our forecasts. While the growth investments in GX and community development have been somewhat slow, the growth investments in the Asset Value-Added Business, human resources development, DX, and technology development have progressed successfully. We are building a solid foundation for future growth.

In our external value co-creation activities, we actively collaborated with companies in different industries. We established a capital and business alliance with ITOCHU Corporation to develop new business operations that leverage ITOCHU's diverse operations and extensive network in Japan and abroad. In FY2024, we completed our first medium- to high-rise wooden building, a five-story wooden dormitory. We also created synergies in other projects, particularly in the real estate development and renewable energy sectors.

Increasing the value created through a developmental cycle of engagement

I aim to position Nishimatsu Construction as the most attractive general contractor. To achieve this, I have advocated the significance of a developmental cycle of engagement.

Employees demonstrating 100% of their potential is a challenge. However, high employee engagement could significantly unlock their potential.

When employees feel a greater sense of solidarity, the

Message from the President



We will accelerate our transformation by implementing labor-saving measures and increasing productivity.

Company’s fundamental strength improves, leading to higher quality work, and customers view Nishimatsu Construction as an excellent company and choose us. This leads to increased customer engagement. As a result, profits and performance increase, leading to increased returns for shareholders, customers, employees, local communities, partner companies, and other stakeholders. This enhances employee engagement. I call this the developmental cycle of engagement.

I believe that we can make Nishimatsu the most attractive general contractor by continuously enhancing our corporate value while implementing the developmental cycle of engagement.

Labor-saving measures and the enhancement of productivity

We will focus on labor-saving measures and productivity improvements to advance to the next stage. We are exploring two approaches: leveraging technologies, such as DX and AI, and reassigning staff.

First, if we can reduce the number of employees at each work site by actively leveraging technologies, we can, for example, decrease the workforce from ten people to nine people at nine sites. Then, we can consolidate the redundant employees to create a new work site and increase productivity.

Second, we aim to reassign staff. For instance, we review our current organizational redundancies and transfer some of the administrative tasks currently handled by technical staff to administrative positions. We will be able to assign these technicians to more specialized positions that are directly linked to production.

We will merge these two processes to accelerate our transformation into a lean and highly productive organization.

Expanding current businesses and fostering organic collaboration

Nishimatsu Construction’s core businesses are Civil Engineering and Building. However, we recognize that our growth potential is limited within the traditional framework, which only encompasses construction. Honestly, there are not many areas in the Civil Engineering and Building businesses that only Nishimatsu can handle. Given the country’s declining population, it will be extremely difficult for a company that relies solely on investments in construction to achieve sustainable growth. I believe that creating new added value based on our accumulated experience will strengthen us.

I am exploring three areas where we can generate added value. The first is Asset Value-Added Business. A characteristic of the construction industry is projects that are not recurring. It is crucial that we develop recurring business. We can create unique value by merging our history and experience in the construction business with our know-how in real estate development. In real estate development business, we are focusing on the circular reinvestment model. This involves purchasing properties, selling them when their value increases, and using the proceeds for subsequent investments. However, in this model, we generate profits only after selling properties, making us vulnerable to changes in the environment. We aim to incorporate a real estate rental business to enable us to secure stable income over the medium to long term and to build a business portfolio that has a good balance of non-recurring and recurring revenue streams from the circular reinvestment model.

The second is Regional Environmental Solutions Business. We will leverage our experience in renewable energy and community development businesses to collaborate closely with cities and regions. We aim to propose and implement solutions

to issues and foster the co-creation of businesses. We plan to develop our business with a focus on permanent power sources such as solar, geothermal, and wind energy. The earnings from these businesses will not be affected by rising fuel prices.

The third is International Business. As the domestic market contracts, we need to develop business operations in the international area. These efforts extend beyond construction. We can do this to create value in new areas.

We aim to promote the growth of established businesses while also advancing organic collaboration among divisions to foster the growth of new businesses. Additionally, to enhance the Company’s appeal, we plan to employ strategies involving M&A and special purpose companies (SPCs) to create new value, embracing partnerships with companies in different industries.

Human Capital Management to Develop Human Resources and Unlock Their Potential

Fostering a corporate culture that promotes high employee engagement

During employee training and meetings with young employees, they often talk about their career paths. They say, “I want to grow,” and “I want to explore various opportunities.” Employees are eager to learn. Some wish to increase their expertise, while others aim to build their careers with a broader perspective instead of being confined by an organizational structure that is divided into distinct divisions. To address these diverse aspirations, it is important to provide every employee with an environment where they can thrive beyond the boundaries of their business. If we create a system that supports employees’ aspirations, they are able to realize their potential, and the value of the Company’s human capital increases, ultimately contributing to the growth of the Company as a whole. This is the human capital management I aim to implement.

We have created a new structure with the Corporate Unit. Our immediate challenge is to develop management personnel that can view the entire Company from a broader perspective. We asked each department to select candidates and created a human resources pool of approximately 70 people divided into three groups. Most of them are employees in their 40s to mid-50s. We are designing a program aimed at helping them expand their horizons and develop broader perspectives, and we will implement it. This program is designed to be aligned with future succession plan. We are considering the identification of candidate presidents from among the employees who are 50 to 55 years old. We plan to involve the outside directors in the selection process.

I believe that talent management focused on individual

people is an essential part of human capital management. Currently, our program is not functioning as well as we would like. My ideal scenario involves understanding individuals not only by their skills but also by their personalities and interests. This way, we can place them in the right positions and guide them towards the areas in which they genuinely wish to grow. We are currently focusing on the individuals in the human resources pool.

Meanwhile, we acknowledge the problems with the existing personnel evaluation system. Evaluation criteria were not effectively established, and the content of evaluations was not clearly communicated to the people being evaluated. Evaluation information is extremely valuable in the assessment of human capital. Organizing this data properly while enhancing its quality is the foundation of effective talent management. The Human Resource Strategy Unit is developing evaluation criteria that will be used across our various businesses. We aim to optimally allocate human resources and maximize their potential.

To Our Stakeholders

We have adopted our Corporate Philosophy: Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services. This means that our mission is to build a sustainable future by contributing to regional society and the environment through structures and services we provide. I believe that it is our approach to sustainability itself. We have identified six material issues that we need to address. As I mentioned, we are focusing on securing and developing human resources. We are also addressing environmental issues related to our business activities.

I have two key phrases that are central to my management philosophy. The first is “benefiting both oneself and others.” This phrase originates from Buddhism and suggests that serving others ultimately benefits oneself. The idea is aligned with the concept of the developmental cycle of engagement. The other is “I think, therefore I am,” which is attributed to Descartes. This idea suggests the indisputable fact of your ability to think proves your existence. By differentiating between objective facts and your thoughts about them, you can see the true nature of things.

Philosophically, I believe that to fulfill our mission and become the most attractive general contractor, the Company must be valued and chosen by all of its stakeholders, including its shareholders, customers, employees, local communities, and partner companies. We are living in an era of volatility, uncertainty, complexity, and ambiguity. Although the future is uncertain, we will move forward and embrace challenges to achieve sustainable growth. As we work toward achieving these goals, I humbly ask for your continued support and understanding.

Message from the Executive Vice President in charge of Corporate Unit

We aim to achieve sustainable growth and enhance corporate value from a company-wide perspective in times of rapid change.

Makoto Isshiki
Representative Director and Executive Vice President,
in charge of Corporate Unit



Goals of the Reorganization

In April 2025, we reorganized our headquarters and created the new Corporate Unit comprising four units; the Corporate Strategy Unit, Human Resource Strategy Unit, Technology Strategy Unit, and Management Unit. Needless to say, the Corporate Strategy Unit draws up an overview of the Company’s key medium- to long-term corporate strategies. We have established the Human Resource Strategy Unit to address the challenge of recruiting and retaining human resources, which is undoubtedly one of the Company’s highest priority issues in its corporate strategies. This issue is due to a widespread labor shortage across the country that is the result of Japan’s transition into a phase where its population is decreasing, in addition to the rapid change of the social environment. For companies to grow in the construction industry, they must have technological capabilities, especially construction techniques. Accordingly, we have established the Technology Strategy Unit to focus on the development of technologies, including our digital transformation. The position of the Management Unit is similar to the position of the former Management Division, which existed until the previous fiscal year. The unit aims to enhance Nishimatsu Construction’s corporate activities and strengthen its relationships of trust with its shareholders.

Nishimatsu Construction was founded in 1874. Focused on Civil Engineering and Building businesses, they have been operating for 150 years. We have a long history of expanding overseas. In recent years, our Asset Value-Added Business and Regional Environmental Solutions Business have experienced growth. However, our primary focus has been on contract construction work, specifically supporting our customers’ business operations through construction. We have concentrated on developing our ability to strengthen relationships with our customers, which is a core strength of Nishimatsu Construction. We realize that we have not paid sufficient attention to our medium- to long-term corporate strategies, and we deeply regret this oversight.

In a society experiencing a rapid decrease of its population, there is clearly limited potential for growth in our construction business including the civil engineering and building businesses, although it is not expected to vanish completely. In this environment, we must consider how we grow from a company-wide perspective and develop the ability to continually adapt to change. In today’s world, where predicting the future is challenging, we must adopt an approach that involves setting goals, monitoring progress, and flexibly adjusting our plans, similar to the plan-do-check-act (PDCA) cycle.

The Corporate Unit plays a key role in this approach. Our business divisions, regional headquarters, and branches have developed strong business operations. The Corporate Unit will

Roles of Each Unit

Corporate Strategy Unit	This unit accurately analyzes the rapidly changing business environment and develops corporate strategies to optimize the business portfolio and effectively allocate management capital, aiming for sustainable growth and the enhancement of corporate value. The unit also facilitates the execution of these strategies.
Human Resource Strategy Unit	This unit focuses on developing human resources and providing support for their active participation over the medium to long term. It assigns personnel to maximize organizational strength and designs systems to address various challenges, such as recruiting and retaining talent, which are urgent management issues.
Technology Strategy Unit	The Technical Research Institute has been merged with the DX Department to reduce labor and enhance productivity through the integration of technologies and digital transformation. This unit promotes digital innovation to facilitate the exploration of new business areas.
Management Unit	This unit oversees accounting, legal, and administrative functions and promotes reforms to optimize efficiency and effectiveness throughout the Company. The unit encourages strategic discussions with shareholders to build trust-based relationships.

be responsible for determining how we transform our current business model—which relies heavily on contract construction work—while sustaining the Civil Engineering and Building businesses that remain our foundation. This unit will lead our dramatic transformation.

Naturally, our financially independent business divisions will have differences of opinion with the Corporate Unit. However, I am sure that lively discussions between the Corporate Unit, which has a medium- to long-term perspective, and the business divisions, which solidify the foundation of Nishimatsu Construction, will drive our growth.

I have primarily been engaged in civil engineering. The times are changing rapidly. In this environment, it is crucial that we clarify the roles of the Corporate Unit and enhance its functions. We will develop a system in which our corporate and business strategies complement each other, facilitating in-depth discussions with the goal of achieving sustainable growth and increasing corporate value from a company-wide perspective.

The Key Is Improving Employee Engagement

To achieve reform, it is important that all employees understand the answers to the following questions: Why are we implementing this reform, and what changes will occur as a result? It is also important to address the numerous issues the Company faces one at a time. I believe that management and employees must strive for a shift in mindset through constant communication. Since May 2025, I have been visiting regional headquarters and branches throughout the country to facilitate dialogue. By communicating with employees, I have realized that many of them identify with President Hosokawa’s goal of becoming the most attractive general contractor and they aim to achieve this goal. Many employees have expressed a desire to be proud to tell their family and friends about the structures they have worked on and be able to say that these structures are something that they (the Company) constructed. I am pleased to see that our employees maintain a strong passion for building things.

I joined Nishimatsu Construction because I have a strong desire to create. Listening to our employees’ opinions, I feel the need to reconsider the kind of work that they can truly take pride in. Iconic structures might not be profitable. While we cannot overlook profits, we should carefully reevaluate the balance between profitability and employee satisfaction and pride.

The key to sustainable growth is the developmental cycle of the engagement of all stakeholders which President Hosokawa has advocated. The enhancement of employee engagement is an urgent issue. Currently, our Company’s average employee age remains stable due to successful new graduate hiring. However, the reality is that nearly half of our

employees across all of our different age-groups retire before reaching retirement age. One of the things that is required to make Nishimatsu Construction a company that people are eager to join and continue to work for is the creation of an environment where employees can take pride in their work. By achieving this, we can become the most attractive general contractor.

This is a reason that we have established the Human Resource Strategy Unit. We will examine the ways in which we support the development of our employees’ careers. In other words, we have acknowledged that the current system is outdated. To ensure our corporate strategy quickly reflects potential solutions to on-site issues, we will encourage bold internal personnel transfers. We also aim to develop management and professional human resources.

The Most Attractive General Contractor to Our Stakeholders

Who is the most appealing general contractor? The answer can vary depending on people’s individual perspectives. Different groups, including employees, partner companies, customers and the general public, have different views. To determine who the most attractive general contractor is, we need to consider the opinions of these various groups. As mentioned, being able to construct symbolic structures is one of the elements that makes us the most attractive general contractor to our employees. We are confident that our on-site capabilities are unparalleled. To leverage our on-site capabilities, we must address resource issues, including our internal structure, and transform ourselves into a company that is valued by all. This is one of the elements that makes us the most attractive general contractor to our customers.

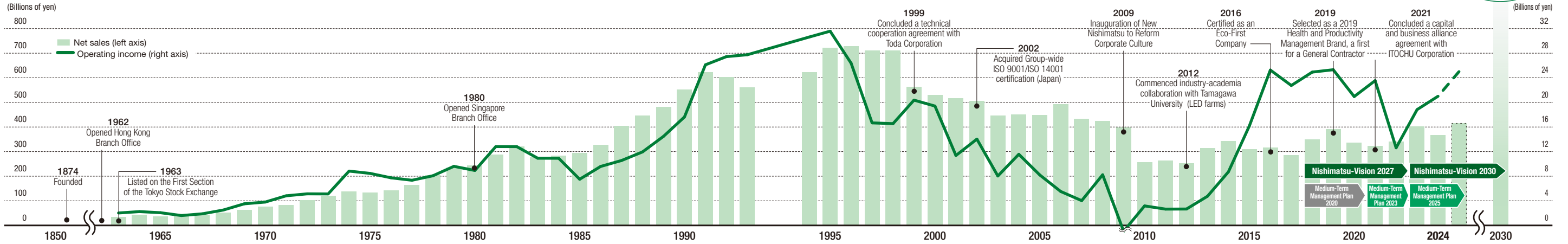
Social issues are becoming increasingly complex, and values are becoming more diverse. The Civil Engineering and Building businesses remain the cornerstones of Nishimatsu Construction. We will continue to deliver products that satisfy our clients and will strictly adhere to quality, safety standards, and construction timelines. In the future, Nishimatsu Construction’s new roles must extend beyond merely performing construction tasks to include generating value for customers and local communities, aiming to rebuild the functions of society. There are limits to what the Company can achieve independently. Building strong partnerships, including capital relationships, is essential. We are collaborating with ITOCHU Corporation and plan to actively pursue collaborations.

To continue to be the “most attractive general contractor” to all stakeholders, the Corporate Unit will strengthen our human capital, structural capital (value chain), and relationship capital (partnerships). We are committed to making every effort to build a robust organization and accelerate corporate growth.

Source of Value Co-Creation Activities 1 History of the Co-Creation of Value for the Realization

of an Ideal Society Using the Power of Construction

History of Nishimatsu



Major Events

- 1872 Japan's first railroad opened (Shimbashi to Yokohama)
- 1945 End of WW2
- 1960s Period of high economic growth
- 1973 Oil shock
- Late 1980s Trade friction
- Early 1990s Collapse of Japan's economic bubble
- 1995 Great Hanshin Earthquake
- 2008 Bankruptcy of Lehman Brothers (2008 financial crisis)
- 2011 Great East Japan Earthquake
- 2020 COVID-19 Pandemic

Nishimatsu Construction's Cultivated Technologies and Experience

- Dam
- Shield tunnel
- Mountain tunnel
- General civil engineering
- Building
- Civil engineering and Building
- Environment

History of Technologies Introduced and Developed

1870 to 1969

- Development of testing equipment for aggregate screening for pouring concrete for the Sup'ung Dam
- First use of prepacked concrete* in Japan
 - * A method of placing coarse aggregate into a formwork before injecting mortar to create concrete
- First use of a mechanical shield machine in Japan
- First application of the freezing method for a large-section tunnel
- Development of the continuous underground cast-in-place pile method (PIP method)
- First application of the slurry shield tunneling method for a large-section tunnel



Keiyo Railway Line's Haneda-Oki Tunnel

1970 to 1979

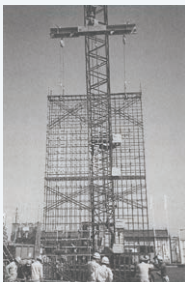
- Development of tunnel support work using steel sheet piles (the armor method)
- Application of the aqua-packed method for a submerged tunnel for automobiles
- Development of the PIP-S method, a continuous underground cast-in-place pile method with enhanced water-stopping properties
- Development of the NHS method of constructing prefabricated high-rise residential buildings



Armor method

1980 to 1989

- Development of super-high-rise RC residential building construction method
- Development of technology for deep continuous underground walls



Deep continuous underground walls

1990 to 1999

- Adoption of MIN dampers in base-isolated buildings
- Development of technologies regarding shield tunnel segments
- Introduction of unmanned construction technologies during restoration work after the eruption of Mt. Unzen-Fugen
- Development of the DRISS technology for survey ahead of tunnel faces



Unmanned construction technologies

2000 to 2009

- Development of the MOVE HAT method for the demolition of high-rise buildings using an elevating cover frame
- Development of the Tunnel Balloon total curing method for mountain tunnel lining concrete
- Development of a wave trapping artificial reef
- Development of the Nishimatsu Air Cleaning System



Tunnel balloon

2010 to 2019

- Development of the Uruoi and Nuku-Nuku curing method for mountain tunnel lining concrete
- Development of the BiD Frame Construction Method for the seismic retrofitting of existing buildings by external frames
- Start of the development of Tunnel RemOS technologies for automated and unmanned construction of mountain tunnels



BiD frame construction

2020 onwards

- Development of the tunnel lining form with automatic controls system for mountain tunnels
- First application of the seismic wooden frame system P&UA for mid- to high-rise wooden buildings



Image of a building applying the P&UA construction method

Major Events

1850 Founder Keisuke Nishimatsu was born



Founder Keisuke Nishimatsu

- 1874 Foundation of Nishimatsu
- 1903 Keisuke Nishimatsu withdrew from civil engineering operations
- 1906 Period of cooperation with Hazama Corporation. Conclusion of 39 regulations
- 1914 Received sole contract for construction of the 12th construction section of the Kyushu-Miyazaki Line. A fateful construction project
- 1916 Company name changed to Nishimatsu Gumi
- 1926 Constructed the Nippon Chisso Hiryo K.K. (Chosen Hydroelectric) Pujon River Power Plant waterway (3rd and 4th construction sections)

- 1927 Constructed Nippon Chisso Hiryo K.K. (Chosen Hydroelectric) 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

- 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 Otomachi District.
- 1961 Constructed Amagasaki Steel Sakai steelmaking 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)
- 1971 Constructed Hong Kong container yard. Received UK civil engineering international award

- 1984 Won order for Singapore subway construction
- Constructed Nagai River Bridge on the Kan-Etsu Expressway. Japan's tallest bridge pier rises. 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 Cairn Tunnel on Build, Operate, Transfer (BOT) project basis
- Commenced construction of the Gassan Dam (Yamagata Prefecture), one of Japan's largest gravity concrete dams
- 1998 Established the Aikawa Technical Research Institute

- 2003 The Company's first PFI project in Japan, participated in Esaka Minami Parking Service
- 2015 Became the first Japanese general contractor to establish a joint venture in Laos
- 2017 Started the Company's first commercial facility development and operation business, "hareno terrace"
- 2022 Opened Hotel JAL City Toyama, the Company'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"
- 2023 Participating in biogas power generation projects
- 2024 The Aso Tatenos Dam in Kumamoto Prefecture won a ZENKEN Award and an Outstanding Civil Engineering Achievement Award from the Japan Society of Civil Engineers

The Ability to Develop Social Infrastructure

Leveraging our strengths related to the technologies we have cultivated and our achievements, we will continue to coexist with local communities and establish a sustainable society and environment for people to live with peace of mind.

Mountain tunnels

Major construction achievements in the past three years

- FY 2017: Construction of the Gifu-Yamagata No.1 Tunnel on the Tokai-Kanjo Expressway
- Construction of the Shiribeshi Tunnel (Kamikitazawa) and others on the Hokkaido Shinkansen
- Construction work of the Shin-Tomei Expressway Yubunehara Tunnel on the Shin-Tomei Expressway
- FY2020-2023: Construction of the Fubahara Tunnel on the Kubokawa-Saga Road
- Kuyama Tunnel (West) and others on the Kyushu Shinkansen (Nishi Kyushu)

We have more than 100 years of history. We have safely and efficiently conducted construction activities even in complicated geological conditions, such as the conditions during the construction of the Nabetateyama Tunnel. With a view toward the practical implementation of unmanned construction and a digital twin platform by 2030, we are working to establish a next-generation construction system that will reduce the necessary workforce by around 30%.



Construction work for establishment of the Matsuura 1st Tunnel route 497 in Nagasaki Prefecture



Construction work of the Arasima second tunnel area of Simoyama in Ono Aburasaka road

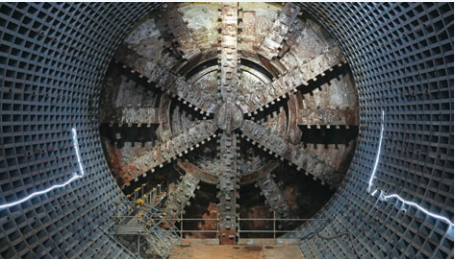
Our technologies for mountain tunnels

The Drilling Survey System (DRISS)* is used at a large number of mountain tunnel construction sites. It makes the direct, quantitative and rapid evaluation of the properties of the ground possible in the area to be excavated (ahead of the tunnel face). This makes it possible to select the proper measures and support work to prevent the tunnel face from collapsing. This supports safe excavation and construction activities at tunnel construction sites across the country.

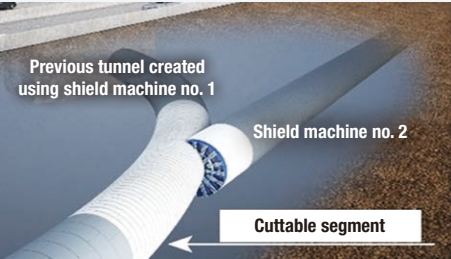
It has been utilized at our mountain tunnel construction sites since 1993. By the end of FY2024, it has been used in 70 or more of our projects and in at least 440 projects implemented by other companies.

* Drilling Survey System: Probe ahead of the tunnel face using hydraulic drilling equipment

Leveraging our more than 60 years of history in shield tunneling, we are actively developing industry-leading technologies and using them at construction sites. Through these activities, we have helped advance urban infrastructure and resolve social issues. We are responsible for a large number of technologies that were the first of their kind in Japan or the world, including large-section slurry shield tunneling, large-section slurry pressure shield tunneling, branching shield tunneling and cuttable segment technologies. We are able to flexibly meet our clients' complicated construction needs.



Yokohama Shonan Road Tunnel construction Phase 3



Underground connection diagram of the Yokohama Shonan Road Tunnel construction Phase 3

The world's first effort to connect shield tunnels underground

We are constructing a pair of 5.4-km-long shield tunnels for traffic in two directions in the Metropolitan Inter-City Expressway (Ken-O Expressway) Project. In the method we have adopted for the inner loop, we first use two shield machines, and each machine create 2.7 km of tunnel. Then, the following shield machine no. 2 cut a cuttable segment of the previously drilled tunnel from an oblique backward angle to connect the tunnels. This is a first-in-the-world technology for connecting underground large cross-section tunnels by diagonally cutting the entire cross-section constructed with cuttable segments. It is expected to have advantages in terms of an increased construction efficiency and a reduction of required land.

Cultivated Technologies and Achievements

Logistics facilities

Major construction achievements in the past three years

- New construction of Building A for ARAI PROVANCE Kasai
- Minami Suita Logistics Facility Project (tentative name)
- CBRE IM Shigakonan (tentative name)
- PROLOGIS Park Morioka Project
- New construction of DPL Nagareyama II (tentative name)

We have accumulated many achievements in the design and construction of large-scale logistics facilities. We propose efficient plans and reasonable structures. We implement initiatives to acquire Net Zero Energy Building (ZEB) and Comprehensive Assessment System for Built Environment Efficiency (CASBEE) certification to reduce the environmental impact of the buildings. We are working to facilitate smooth consensus building with clients and design offices through the use of building information modeling (BIM). We provide the solutions that best meet the needs of the customer. We also standardize detailed drawings and estimated specifications to streamline the production process and ensure consistent quality. The drawings and specifications above are created leveraging the combination of our accumulated experience and the specialist knowledge we have cultivated. In addition, we will expand into the growing cold chain-related facility market to create new value based on our expertise in the design and construction of logistics facilities.



New construction of LogiSquare Fujimino A & B



LOGI'Q Minami-Ibaraki [Project for Kurakakiuchi 1-chome, Ibaraki City, Osaka Prefecture] (tentative name)

Overseas infrastructure development

Major construction achievements in the past three years

- Reprovisioning of Fu Shan Public Mortuary at Sha Tin
- KOWA GENERAL FOODS (VIETNAM) FACTORY PROJECT
- BTMT Phase 5 Project
- AIRBAG FABRIC FACTORY ASAHI KASEI VIETNAM PROJECT
- New Warehouse LOGISTEED Project

We have been operating construction businesses in Hong Kong, Singapore and the rest of Asia for more than 60 years. In both Singapore and Hong Kong, we have utilized our advanced technical strengths and our quality management system to carry out large subway tunnel projects. Through these efforts, we have steadily established a track record in construction. Notably, we were the first to use a slurry pressure shield machine in Singapore. As a pioneer in tunnel construction technologies, we develop local infrastructure.

In 1963, we became the first Japanese general constructor to enter the Thai market. It is located at the heart of the Greater Mekong Subregion (the GMS, which consists of Thailand, Vietnam, Laos, Myanmar and Cambodia). At the beginning, we worked to construct highways and other transport infrastructure. Today, we operate locally based businesses mainly carrying out private sector construction projects for the continuous creation of value.

Going forward, we will continue our efforts to further improve our technological strengths and the quality of our construction with a view toward continuing to aid in the construction of infrastructure in Asia based on our overseas track record and the relationships of trust that we have cultivated.



T228 Construction of Gardens by the Bay Station and tunnels for Thomson Line



Yuasa Trading (Thailand) Co.,Ltd.'s new head office project

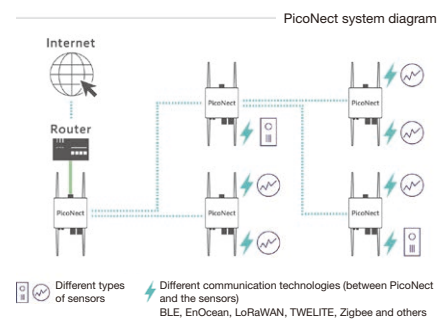
Development of technologies

that aid the improvement of productivity and labor-saving measures

Major construction achievements in the past three years

- Construction work of the No.11 tunnel in Asahi atsumi road section 2
- New environmental center construction project
- Land reclamation in the Hera Hill Land Readjustment Project
- Construction work of the Chokai dam main body (First phase)
- Construction work of the Suzu area slope restoration in route 249 section 1

We developed the PicoNect system for constructing a stable communication environment using the minimum necessary network equipment even on construction sites where communication conditions are unstable. We have combined multi-step wireless Wi-Fi relay technologies and IoT gateway functions, and then we combined this with AI technology to achieve the evolution from the visualization of on-site operations to predicting, optimizing and automating them. We will actively promote initiatives to implement PicoNect outside the Group to support the improvement of productivity and labor-saving measures in the construction industry as a whole.



PicoNect diagram

Trust. It's What We Build.

For 150 years, Nishimatsu Construction has taken on a wide range of projects. On every site, our employees embody the Nishimatsu spirit, finding joy in their work, growing together with colleagues, and bringing our tagline, “Trust. It's what we build,” to life. Each challenge our employees undertake helps address social issues and contributes to the enhancement of our corporate value.

Domestic Civil Engineering Business

Listening to the opinions of local residents and striving for the early completion of the Chokai Dam, Japan's most beautiful dam

In the multipurpose dam project underway at the foot of Mt. Chokai in Akita Prefecture, I am responsible for construction administration, including negotiations with the clients, cost estimates, and budget management. In recent years, Akita has often experienced flooding due to torrential rains, and local residents have called strongly for the early completion of the Chokai Dam. This has increased my awareness of the project's vital role in society. I am devoted to completing the Chokai Dam, which will be the most beautiful dam in Japan, worthy of the Mt. Chokai region and developed hand in hand with the community, ahead of schedule. As the construction industry enters a period of transformation, I believe that the greatest risk is resisting change. That is why I will continue to embrace new challenges.



Noriyasu Nishio
Assistant Manager, Chokai Dam JV Site Office, North Japan Regional Headquarters

Creating an open atmosphere and contributing to the prevention of accidents

As a site manager for the seismic retrofitting work on the Fuchu viaduct section of the Chuo Expressway, I negotiate with the clients and oversee site operations. I value the creation of an open atmosphere, as I believe this helps us detect even the smallest changes and prevent accidents. Seismic reinforcement work on expressways may not produce visible changes, but our true value lies in ensuring that the infrastructure people use every day remains safe and dependable. While preserving the advanced technical expertise cultivated by our predecessors, I work to eliminate unnecessary tasks and introduce effective DX technologies, thereby contributing to the Company's growth.



Yuji Nakazawa
Assistant Manager, Fuchu Site Office, Kanto Civil Engineering Regional Headquarters

With gratitude on site, aspiring to be a role model for women engineers

I am responsible for negotiating design changes with the clients and managing construction administration tasks for the underground railway work on the Naniwasuji Line, which runs north-south from Osaka Station through the center of the city. Infrastructure development activities may become less visible once they are completed, but they continue to sustain society and enrich people's lives. I am always grateful for the support and cooperation of the many parties which makes it possible to carry out projects safely and securely, such as our internal departments and committees, partner companies, and clients. As a member of a company that is trusted to deliver, I am responsible on site and I aspire to be a role model for women engineers, who are still small in number.



Asuka Uchiyama
Manager, Naniwasuji Line Site Office, West Japan Regional Headquarters

Domestic Building Business

A construction manager understanding the intentions behind stakeholders' opinions

I am a construction manager working on a new educational facility project in Tokyo. I coordinate with clients, design offices, and other internal and external stakeholders to ensure progress is smooth. Because many parties are involved in the completion of a building, teamwork and communication are essential. As a manager, I make every effort to understand the thoughts and intentions behind the opinions expressed by people in different positions. The future growth of our Company depends on the development of young employees. I aim to create opportunities for them to take on challenges and share their ideas, enabling them to work energetically and with confidence.



Keiji Maeda
Manager, Ikebukuro Site Office, Kanto Architectural Regional Headquarters

Using AI and DX technologies to establish the future of the logistics infrastructure that will sustain society

I am overseeing the management of the construction of the interior of a logistics facility currently being developed in Shiga Prefecture. This project will contribute to both the improvement of working conditions in the logistics industry and the revitalization of local communities by developing a transit logistics hub. By building trust with partner companies and strengthening teamwork on the site, I work to ensure the project is smoothly executed. To address the industry-wide challenge of the labor shortage, I am proactively introducing AI and DX technologies in construction management tasks, with the aim of increasing efficiency and productivity. Through these efforts, I hope to increase the appeal of the construction industry and contribute to the establishment of a sustainable society.



Keita Nakatani
Shiga Ryuo Site Office, Chubu Regional Headquarters

Keeping our corporate philosophy in mind while engaging with my younger colleagues to contribute to society

As a deputy site manager for a government office building project, I am responsible for construction planning, scheduling, and coordinating with design offices and partner companies. While the leadership of senior employees is important, I particularly value listening to the opinions of my younger colleagues and providing instructions or explanations to them in individually tailored ways. Their active contributions truly elevate the workplace. Guided by our corporate philosophy, “Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services,” I will continue to communicate with diverse stakeholders to deliver high-quality buildings and contribute to society.



Tsubasa Nagata
Chief Staffer, Isa Site Office, Kyushu Regional Headquarters

International Business

Minimizing environmental impact and supporting smooth construction activities

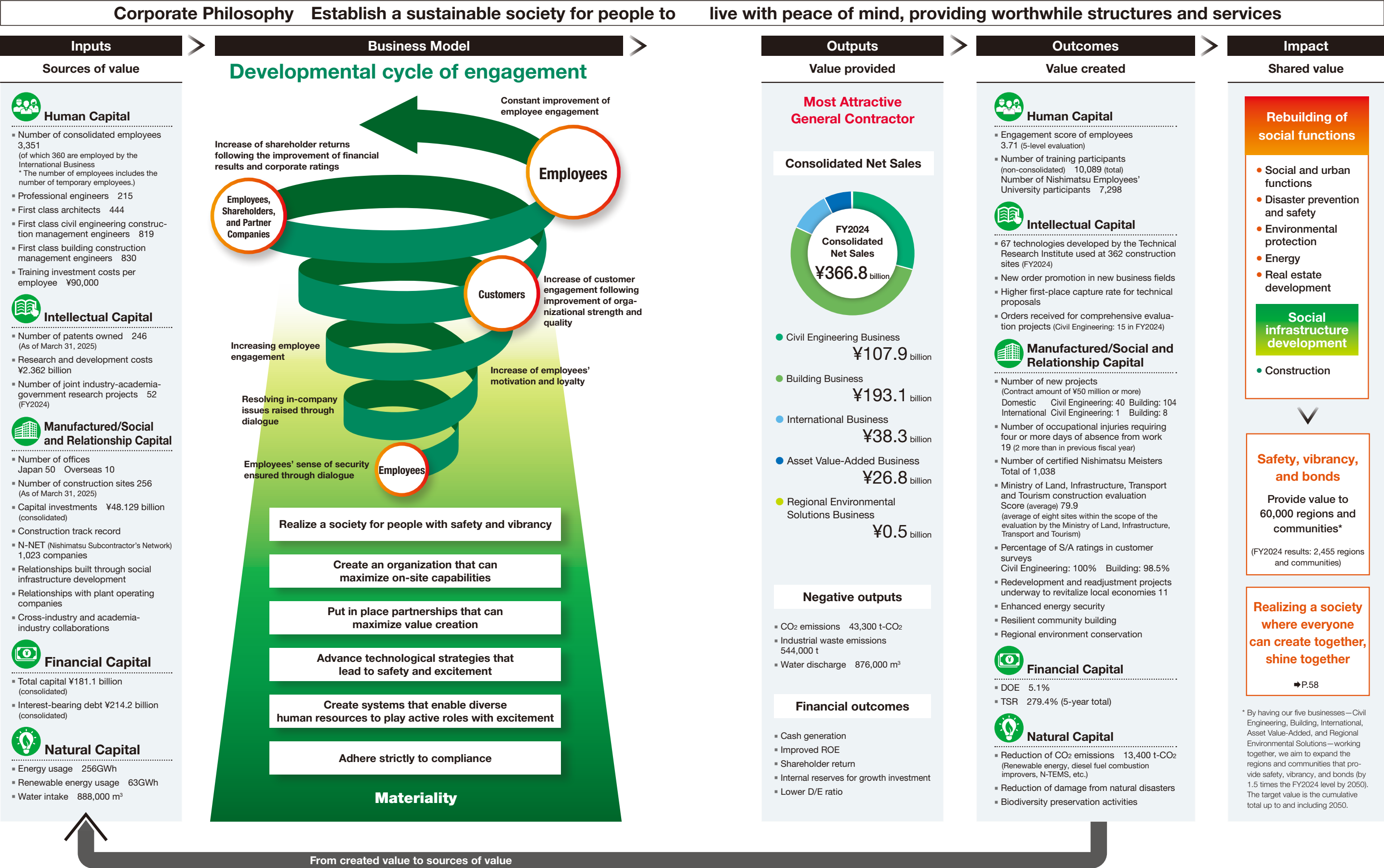
As an office engineer, I am responsible for cost estimation, progress management, and the preparation of monthly, weekly, and test/inspection reports. Construction activities should minimize inconvenience to surrounding communities and the environment, particularly in terms of noise and dust. My role focuses on introducing and providing materials designed to mitigate them, as well as selecting subcontractors who can adhere to the Company's rules and standards. When these efforts come together and a project is completed to the satisfaction of the building owner, it gives me great joy. My personal goal is to deepen my technical expertise in civil engineering and construction methodologies, ultimately improving both the pace at which we complete projects and the quality of work we deliver.



Wasinee Jaruenmit
OMEGA Site Office (Thailand), International Division

Nishimatsu Construction’s Model for Co-Creation of Value

Under our Corporate Philosophy, “Establish a sustainable society for people to live with peace of mind, providing worthwhile structures and services,” we recognize that one means of having an impact on society (shared value) is the ability to provide society with safety, vibrancy, and bonds between people through our value co-creation activities of developing social infrastructure and rebuilding social functions, and we aim to realize a society in tune with our Sustainability Slogan, “Create together, shine together.”



Capital and Strengths for Accelerating Value Co-Creation

In the long-term vision “Nishimatsu-Vision 2030,” we aim to achieve both the “growth of individual businesses” and the “strengthening and expansion of collaborative businesses,” transitioning from “infrastructure development” to “rebuilding social functions.” By effectively utilizing the various types of capital our Company possesses and leveraging our strengths, we will accelerate value co-creation.

Types of Capital	Human Capital		Intellectual Capital			Manufactured/Social and Relationship Capital		Natural Capital	
Business	Strengths	Initiatives for further value co-creation	Strengths	Initiatives for further value co-creation		Strengths	Initiatives for further value co-creation	Strengths	Initiatives for further value co-creation
Domestic Civil Engineering Business		Strengthen planning and proposal capabilities through in-house training and acquisition of experts	Construction technologies (Tunnels, Dams)	Establish and introduce new technologies for strengthening orders received for disaster prevention and infrastructure renovation work, etc.		- Brand - Supply chain	Enhance technical proposals and increase orders received for comprehensive evaluation projects by strengthening the bidding system		Reduce CO₂ emissions by using renewable energy and diesel alternative fuels, and engage in construction that considers biodiversity preservation
Domestic Building Business	- Diverse technical human resources with a strong ability to develop social infrastructure (Planning, Construction, On-site management and Technology development) - On-site performance skills - On-site support skills - Ability to propose plans	Deepen dialogue with customers and propose optimum plans that include costs by reinforcing planning departments and planning design departments	- Business collaboration know-how - Construction technologies (Logistics and Environmental facilities) - Environmental technologies	Establish differentiating factors from competitors that apply logistics facility design and building technologies		- Trusting relationships - Supply chain - Alliance partners (alliances with partners in different industries)	Shift away from a simple contract by leveraging internal and external relationships		- Reduce environmental impact during construction by decreasing CO₂ emissions and considering biodiversity - Deploy environmentally friendly buildings by developing technologies for medium- and high-rise wooden buildings, and by promoting ZEB design
International Business	- Technology development capability - Business operation skills	Further expand markets by enhancing training systems for local staff, localizing business operations, and sharing human capital with business alliance partners	Construction technology developed in the Domestic Civil Engineering and Building businesses	- Enhance profitability of international bid-based construction projects by utilizing technologies cultivated through domestic construction projects, and by specializing in construction for which the Company offers strong advantages - Establish a one-stop solution business that leverages various types of know-how by collaborating with engineering companies, and secure stable profits by differentiation from competitors		- Customer base - Trusting relationships - Supply chain - Alliance partners (local JV partners)	Strengthen the customer base and expand business by collaborating and cooperating with local partners	Initiatives for achieving the decarbonization plan for FY2030: ZERO30 Roadmap 2023	Contribute to environmental impact reduction by deploying environmentally friendly construction technologies from Japan to overseas
Asset Value-Added Business	- Ability to propose plans - Operation and management skills	- Increase business opportunities by expanding human resource development opportunities using external organizations, and by encouraging a growth mind-set and desire for challenge among individuals - Conduct attentive OJT internally and develop real estate development human resources through a unique approach	Value-added know-how	- Establish a portfolio with a competitive advantage centered on a circular reinvestment model - Provide comprehensive planning, design, construction, operation, and management solutions in collaboration with Group companies		- Trusting relationships - Partner companies (collaboration with partners from other industries) - Consolidated subsidiaries - Private REIT	- Strengthen earnings power on a consolidated basis through collaboration with Nishimatsu Asset Management Co., Ltd. and Nishimatsu Jisho Co., Ltd. - Create projects by collaborating with universities and a variety of partner companies		Reduce CO₂ emissions in FY2030 by applying the Company's unique environmentally friendly building standards to company-owned properties and new property projects
Regional Environmental Solutions Business	- Ability to propose plans - Management skills - Problem-solving skills - Ability to collaborate with communities	Strengthen business development capabilities by acquiring experts and knowledge/experience related to new business fields	Construction technologies	Expand business that applies the technical capabilities cultivated through the construction business in community development projects		- Trusting relationships - Partner companies (collaboration with partners from other industries) - Industry-academia-government collaboration	Differentiate from competitors through investment in venture companies and the introduction of pioneering technologies developed via collaboration among academia, industry, and government		Deliver green energy to society by further promoting the renewable energy business (energy creation)

Stakeholder Engagement

Dialogue with Shareholders

Shareholder feedback is communicated to management and incorporated into management strategies

Through constructive dialogue with our shareholders, we aim to achieve Nishimatsu Construction’s sustainable growth and enhance its corporate value over the medium to long term.

At dialogue meetings, the President, the Director in charge of Investor Relations (who is also the General Manager of the Management Unit), the Deputy General Manager of the Corporate Strategy Unit, and the General Manager of the Corporate Planning Department serve as speakers and interact with shareholders. To enhance dialogue on specific topics, such as sustainability or voting rights, managers from respective departments also attend these sessions. The results of dialogue in FY2024, the main themes of dialogue, and matters that were of interest to shareholders are set out below.

Shareholders’ opinions and concerns ascertained through dialogue are fed back to the management team as necessary, and important matters are reported to the Board of Directors

as required. Reports received from securities company analysts are also fed back to management as necessary.

Dialogue Results (FY2024)

Category	Number of times	Major Nishimatsu attendees
Individual interviews	73	General Manager of the Management Division, General Manager of the Strategy Management Office, General Manager of the Corporate Planning Department, heads of ESG-related departments, etc.
Small meetings	4	General Manager of the Management Division, General Manager of the Strategy Management Office, etc.
Financial results briefings	2	President, General Manager of the Management Division, General Manager of the Strategy Management Office, General Manager of the Corporate Planning Department, General Manager of the Asset Value-Added Business Division, General Manager of the Finance & Accounting Department, etc.

* Titles are as of FY2024.

Main themes of dialogue and matters of interest to shareholders

Item	Dialogue themes and matters of interest to shareholders	
Business environment, growth strategy	- About business environment - About the progress on the Medium-term Management Plan	- About impact of cap on overtime work on business performance - About progress of synergies with ITOCHU Corporation, our capital and business alliance partner
Financial strategy, shareholder returns	- About balance between growth investment and shareholder returns - About D/E ratio and capital to assets ratio	About the shareholder return policy
Sustainability Social, Environment	- About the human resource strategy (ensuring human resources, human resource development, and future human resources portfolios, etc.) - About employee engagement and resignation rate - About wage hikes	- About disclosures of climate change-related information - About state of preparedness for biodiversity-related disclosures
Corporate governance	- About requests for further reduction of strategic shareholdings - About reviews of the evaluation indicators and performance-linked compensation ratios in the officer compensation system	- About an effectiveness evaluation of the Board of Directors - About the percentage of outside directors on the Board of Directors - About the strengthening of the supervisory functions of the Board of Directors and the delegation of authority to officers responsible for the execution of business

Dialogue with Customers

Listening carefully to our customers’ needs, providing buildings and services that meet their expectations

We accurately grasp diversifying needs and provide buildings and services that meet our customers’ expectations.

Acting as a point of contact and carefully listening to customer needs, our sales staff leverage the comprehensive capabilities that are the Company’s strength to assist its customers in solving their various problems with a total support system that covers planning, design, construction, management, and operations.

During the construction period, we work to provide better structures and services by having both the design and construction management departments and the sales department work closely with customers and communicate in detail. We also ask customers to fill out questionnaires to provide feedback, not only at the time of completion but also after a

certain period of time has passed since delivery. In addition to sharing the information promptly within the Company, the evaluation results will be effectively used as a tool for making new proposals and enhancing our after-sales service, leading to future improvements.

1. ご希望いただいた工事の出来栄、仕上がり具合はご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

2. 施工中の品質管理、工期管理、安全管理の状況はご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

3. 施工中の騒音・振動、近隣への対応はご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

4. 計画、打合せ、現場のスケジュールの調整、調整についてはご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

5. 交付された設計図面はご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

6. 工事完了後の対応についてご満足いただけるものでしたか？
☐ 全体的に満足できる ☐ A:満足 ☐ B:やや不満 ☐ C:不満

Questionnaire form (extract)

Dialogue with Partner Companies

Building strong relationships of trust with partner companies, promoting sound business activities

For us to conduct sound business activities, we believe it is important to work in partnership with our business partners and in cooperation with the entire supply chain.

Having established the Nishimatsu Subcontractor’s Network (N-NET) in 2011, we are currently building not mere construction cooperation partnerships but strong relationships of trust for co-existence and solidarity among businesses with our 1,023 partner companies. Since 2019, we have been holding an N-NET Growth Strategy Meeting every year with the aim of solving issues on site. To date, there has been much discussion on topics such as “improving on-site productivity,” “ensuring the taking on of employees,” and “responding to the Third Comprehensive Act for the Development and Securing of Human Resources in the Construction Industry,” leading to

specific initiatives such as the introduction of the “direct,” a communication tool and the expansion of our programs for high-caliber technicians.

We are also collaborating with N-NET members on CSR activities such as reforestation and river and coastal cleanups, as well as recruitment support activities such as internship programs.



Group photo of the N-Net General Meeting held on February 5, 2025.

Dialogue with Local Communities

Aiming to coexist with local residents through the provision of buildings and services

It being our mission to contribute to local communities and the environment through the structures and services we provide as well to build a sustainable future, we are committed to promoting the development of local communities and creating



Participated in the 2024 Toranomon 1-chome Kotohira Festival

prosperous communities.

In the construction business, it is essential that everyone understands the impact that construction will have on the

surrounding living environment during the construction period. Before construction begins, we hold a neighborhood briefing session to carefully explain the construction details and process to the client to gain their understanding and cooperation. During the construction period, we also work closely with neighborhood associations and other local representatives as we work to coexist with the surrounding residents.

In areas other than the construction work, we also support various events organized by local governments, accept tours by children and students, and engage in cleaning activities as part of our contribution to local communities.

Dialogue with the President and Employees

Dialogue with female engineers leading to progress in discussions about the reform of systems

As part of reforming our mindsets and actions, one of the reform programs set out in Nishimatsu-Vision 2030, we have been engaging in dialogue between the president and employees since FY2023. In FY2024, a total of approximately 300 employees participated in this dialogue.

In FY2024, we initiated a dialogue between the president and our female engineers, etc. We categorized female employees by job type—Civil Engineering, Building, and administrative positions (including positions related to information and research)—and engaged in dialogues with approximately ten representatives from each job type. In our dialogue on the theme, “How can women continue to work with enthusiasm?” common topics emerged, including the vague anxieties individual employees had about the changing stages of

their lives and their career plans, as well as the importance of flexible working styles. During the sessions for employees in Civil Engineering and Building, there were lively discussions about the unique challenges faced by women on-site as female engineers.

The impact of childcare leave on women’s progress in their careers, referred to as the “mommy track,” was also discussed during these dialogues, promoting discussions regarding the reform of the system, which resulted in a review of promotion requirements. We aim to mitigate the direct impact of childcare leave to help female employees maintain or improve their motivation when they return to work, ultimately enhancing their engagement.