

May 12, 2026



For Immediate Release

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Notice Regarding the formulation of Nishimatsu-Vision 2035 and Medium-Term Management Plan 2028

Nishimatsu Construction Co., Ltd. (the "Company") announces that on May 12, 2026, it updated its long-term vision and created Nishimatsu-Vision 2035. The Company has also formulated its Medium-Term Management Plan 2028. Details are as follows.

In light of aging infrastructure, increasingly severe natural disasters, and a declining and aging population, etc., the Company has reexamined its desired future state, role, and the value it provides, and has revamped its long-term vision, creating Nishimatsu-Vision 2035.

Nishimatsu-Vision 2035

The Company aims to become the **Most Attractive General Contractor** by FY2035.

The Company will evolve into a high-value-added and highly efficient business entity by enhancing its management of human resources and maximizing the value created by each individual employee.

The pillars of Company's corporate strategies are building a strong business portfolio, maximizing the value created by employees through human capital management, and achieving efficient management by transitioning to a lean organizational structure. The Company will also actively pursue strategic investments.

The Company will continue to foster a developmental cycle of engagement to become a company valued and chosen by customers, shareholders, partner companies, and prospective employees.

Medium-Term Management Plan 2028

The Company has established the following key policies: creating a new foundation for earnings through proactive investment and M&A activities; creating a system to facilitate the retention, development, and active participation of human resources; driving digital transformation to streamline the entire company; and using AI to transform into an efficient organization. By implementing these policies, the Company will establish a foundation for profitability in the future and sustainable growth.

Financial results and plan (consolidated)

		FY2025 Results	FY2028 Plan
Net sales		396 billion yen	500 billion yen
Operating income		28 billion yen	35 billion yen
Capital efficiency	ROE	13.1%	Around. 11%
Financial health	Equity ratio	28.4%	Around. 35.0%
	D/E ratio	1.19	Around. 1.0
Shareholder returns	DOE	4.9%	Around. 5.0%

For more information, please see the attached document.



Nishimatsu-Vision 2035 and Medium-Term Management Plan 2028

Nishimatsu Construction Co., Ltd. May 12, 2026

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Nishimatsu-Vision 2035

Descriptions of Business Segments

Civil Engineering Business: Business related to contract civil engineering work and civil engineering work in Japan

Building Business: Business related to contract building work and building work in Japan

International Business: Business related to contract construction work and construction work in countries other than Japan

Environment and Urban Development Business*: Business related to real estate rental and sales, renewable energy, urban development, etc.

* The Asset Value-Added Business and Regional Environment Solutions Business were integrated to establish this business on April 1, 2026.

1 Overview of Nishimatsu-Vision 2035

Corporate Philosophy

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

Issues in the domestic construction market

It will continue to expand for the time being, but it will stagnate and shrink in the long term.

Our Vision for FY2035

Most Attractive General Contractor

Medium to long-term corporate strategy for FY2026 to FY2035

Core businesses

(Domestic Civil Engineering, Domestic Building)

Continued expansion of the scale and domains of businesses

Growth businesses for the next generation

(International, Environment and Urban Development)

Establishing a next-generation foundation for growth

Proactive investments and M&A activities

Domestic Construction
Expanding value chains
Enhancing initiatives in growth domains

International, Environment and Urban Development
Enhancing initiatives in growth domains
Developing overseas markets

Medium- to Long-term
Corporate Strategy
(Three pillars)

Establishing a strong business portfolio

Continuing to expand core businesses, investing in the next-generation foundation for growth

Human capital management to maximize the value created by employees

Increasing employee engagement at the beginning of the developmental cycle of engagement

Well-being management

Efficient management through the transition to a lean organizational structure

Increasing productivity (profit per employee) and reviewing the allocation of resources to optimize personnel and organizations

Nishimatsu-Vision 2030

Our issues

- Decline in construction volume per employee on site
- Imbalanced personnel composition, shortages of human resources who are future managers and mid-level human resources

2 Our Vision for FY2035

Most Attractive General Contractor

One of the highest engagement scores among general contractors 

Measures

- Ensuring dialogues and psychological safety
- Identifying issues and making improvements
- Sustainable improvement of treatment
- Realizing a broad range of career plans

Effects

- Increased potential of organizations
- A company that is willing to take on challenges
- Increased quality
- Improved employee well-being

Developmental cycle of engagement*



Improving engagement with stakeholders (employees, customers, shareholders)

One of the highest added value per employee* figures among general contractors 

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

Measures

- Improving organizations
- Realizing the great potential of individuals
- Using DX and AI technologies to save labor
- Expanding business domains

Effects

- Realizing highly efficient and lean organization
- Increased quantity with improved quality
- Improved financial results and management indicators

The company that is valued and chosen by customers, shareholders, partner companies, and future employees

Sustainable growth and the creation of new medium- to long-term corporate value

* Developmental cycle of engagement refers to a virtuous cycle where improved employee engagement serves as the starting point, leading to enhanced corporate value through the delivery of greater value to all stakeholders, which in turn further increases employee engagement.

3 Perceived External Environment

As social issues such as aging infrastructure, the decline of urban functions, and the increasing severity of natural disasters are becoming more serious, labor and wages are decreasing nationally and locally. While the domestic construction market will continue to expand until 2030, its future is uncertain due to the acceleration of the population decline and the labor shortage.

Social changes

Changes in domestic conditions

- Shrinking and aging population in Japan
- National and local governments facing increasingly serious financial difficulties
- Accelerated aging of infrastructure
- Cities becoming less crowded and less attractive, the acceleration of the transformation of cities into compact and smart cities
- Increase in the number of foreigners visiting Japan

Changes in global conditions

- Increasing populations, advancing urbanization, and growing economies in emerging countries
- Expanding infrastructure needs

Changes in values

- Diversifying values
- Continuing increase of society's concerns regarding the prevention and mitigation of disasters
- Growing awareness of health and well-being

Climate change and global warming

- Increasing severity of natural disasters
- Collapsing ecosystems (biodiversity preservation)
- Shifting energy supplies

Environment surrounding the industry

- Up to around 2030: The domestic construction market will continue to expand due to the strengthening of national resilience and the increase in demand for maintenance and repair services.
- From 2030 onward: The domestic construction market will stagnate and shrink, reflecting the decline of the population and decrease in demand for new construction.
- Increasingly serious labor shortage due to the decrease in the number of construction industry workers and their increased age.
- Stricter regulations capping overtime and other regulations and requirements to reform workstyles
- Advancement in design, construction, maintenance, and management technologies using digital data, progress in technologies for reducing labor and automating processes, including robot, drone and ICT construction machinery technologies.

4 Our Role

External environment
(Society and markets)

- ① Medium-term expansion and long-term uncertainty of the domestic construction market (increase in demand for maintenance and repair and decline in demand for new construction)
- ② Growth of markets peripheral to construction (overseas, real estate development, renewable energy, infrastructure operation, etc.)
- ③ Accelerated construction labor shortage (stricter labor regulations, decrease in working population)

Our philosophy and strength

Corporate Philosophy

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

The strengths (unique advantages) of Nishimatsu are its on-site capabilities

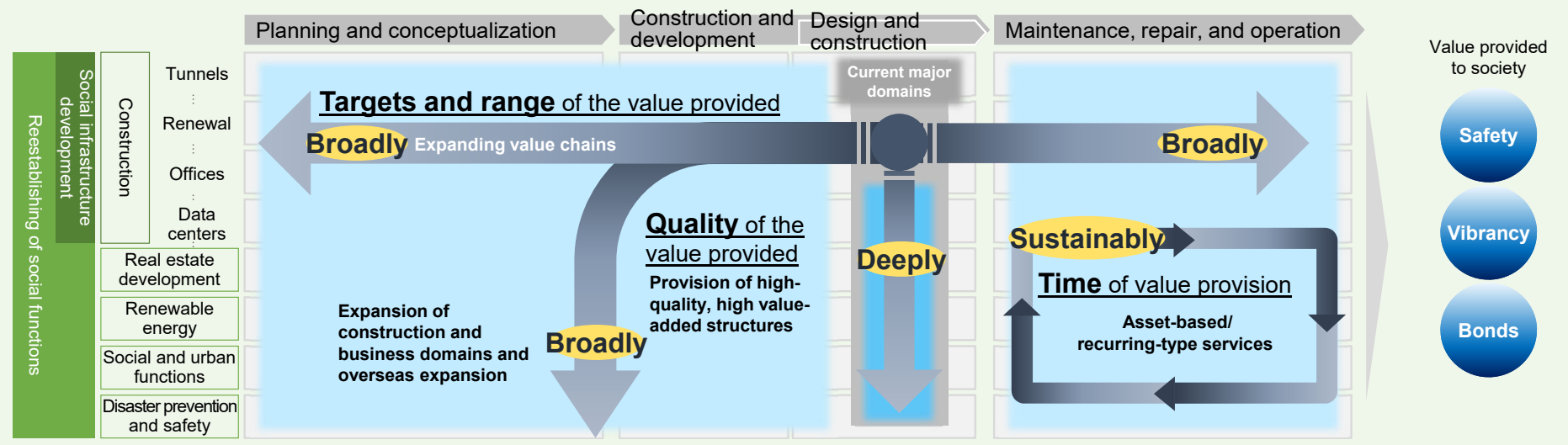
Coordination capabilities

Tenaciousness

Consistency and sincerity

Our Role
(Business model)

By engaging with diverse stakeholders, help solve social issues more **broadly, deeply, and sustainably**.



5 Medium- to Long-term Corporate Strategy

— Corporate Strategy (Three Pillars) —



Strengthening the management foundation helping establish a strong portfolio

Human capital management to maximize the value created by employees

Increasing employee engagement at the beginning of the developmental cycle of engagement

Engagement score of employees	
FY2025	FY2035
3.76	4.00 or higher

- Strengthening human capital investments, including investments in the recruitment and development of human resources and other measures
- Increasing engagement with all stakeholders, starting by increasing employee engagement

Well-being management



Efficient management through the transition to a lean organizational structure

Improving on-site productivity (profit per employee) and reviewing the allocation of resources to optimize personnel and organizations

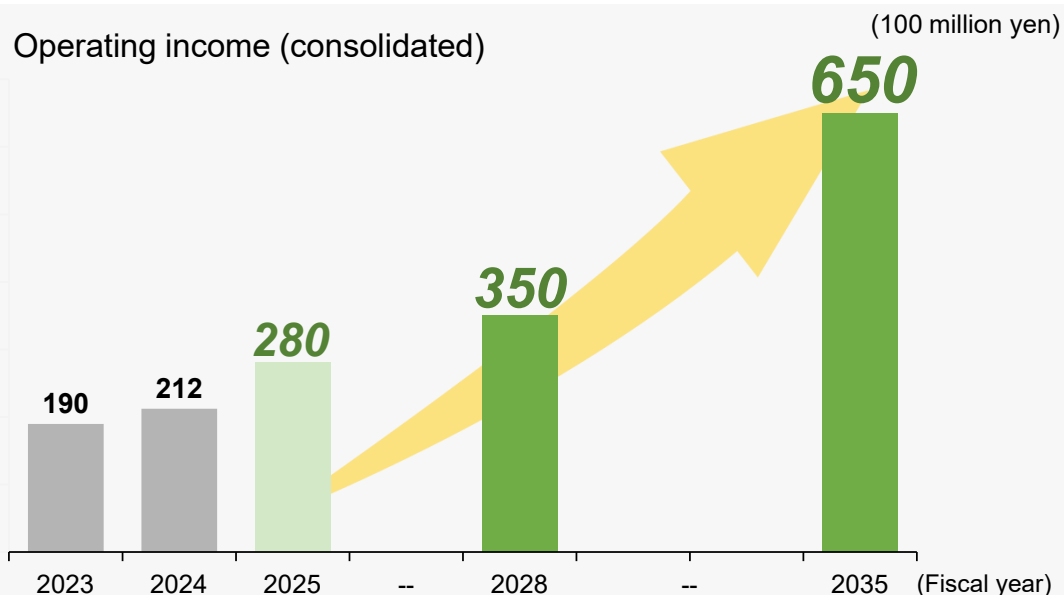
Added value per employee	
FY2025	FY2035
20.7 million yen/employee	35.0 million yen/employee or more

- Pushing forward with digital transformation and the use of AI
- Increasing engagement to increase the willingness to take on challenges and enhance human potential
- Reducing labor and reallocating people engaged in redundant business operations and organizations

* Profit generated by investments, M&A and other activities to enter growth domains.

6 Quantitative Targets

Expanding business domains and sources of earnings by further expanding core businesses and investing in growth domains in anticipation of uncertainty in the domestic construction market in and after 2030



Financial indicators (FY2035)

Capital efficiency	ROE	Around 12.0%
	Equity ratio	Around 35.0 %
Financial health	D/E ratio	Around 1.0

Investment amount (FY2026 to FY2035)

*Net amount: **Approx. 300.0 billion yen***

Investment policies (FY2026 to FY2035)

Establishing a strong business portfolio

- Strengthening the **upstream domains (planning and design)** and **downstream domains (maintenance and repairs)** of value chains, expanding **growth domains and overseas markets**
- Deepening operations in fields where we have strengths and **enhancing the development of technologies**
- Acquiring capabilities through M&A activities

Human capital management to maximize the value created by employees

- **Strengthening branding to acquire** diverse high-level **human resources**
- **Further improving treatment** to increase competitiveness in recruitment, control turnover, and facilitate the active participation of experts
- **Enhancing employee training** to develop expertise and enable employees to contribute to the company as quickly as possible

Efficient management through the transition to a lean organizational structure

- **Enhancing the development of technologies** to automate processes and reduce labor
- **Continuing to push forward with the company-wide digital transformation and the transformation of construction sites into smart construction sites**, including investments in and the use of AI



Medium-Term Management Plan 2028

Descriptions of Business Segments

Civil Engineering Business: Business related to contract civil engineering work and civil engineering work in Japan

Building Business: Business related to contract building work and building work in Japan

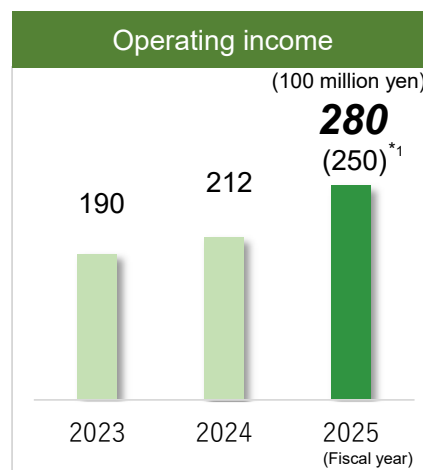
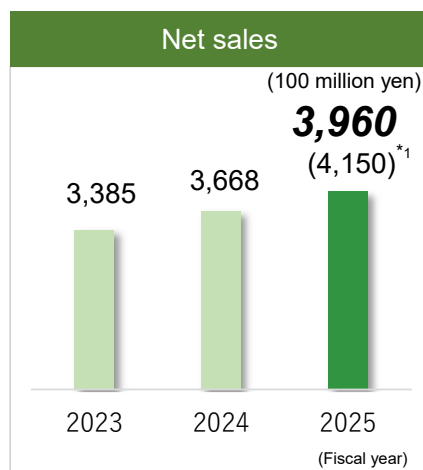
International Business: Business related to contract construction work and construction work in countries other than Japan

Environment and Urban Development Business*: Business related to real estate rental and sales, renewable energy, urban development, etc.

* The Asset Value-Added Business and Regional Environment Solutions Business were integrated to establish this business on April 1, 2026.

Review of Medium-Term Management Plan 2025 | Financial Overview

— Entire Company (Consolidated)

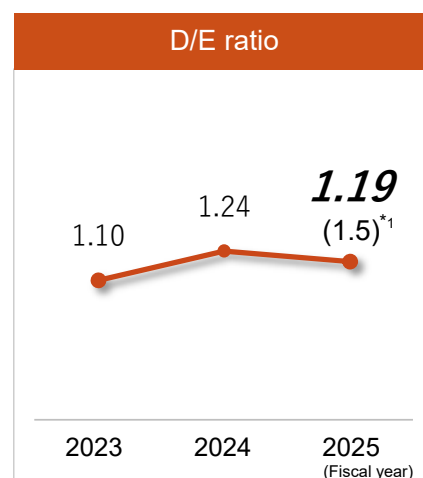
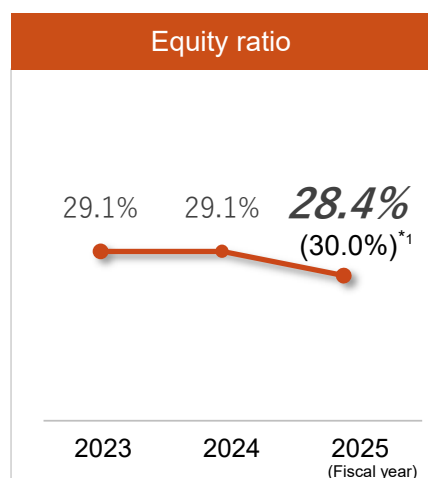
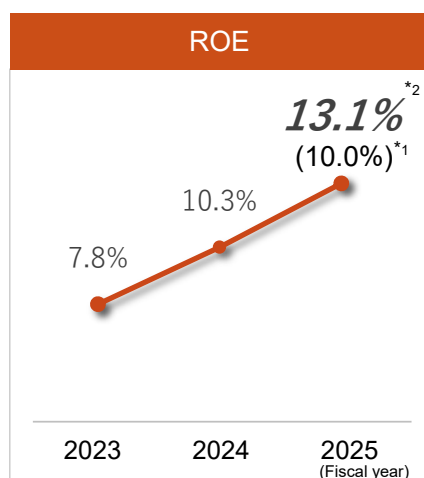


Net sales

■ The net sales target went unachieved, mainly due to the postponed recording of sales from orders for ODA construction projects and large construction projects in the International Business. Our task is to secure projects which are in line with the net sales target while securing a sufficient profit margin.

Gross profit & Operating income

■ Gross profit and operating income targets were achieved through the steady implementation of the Earnings Improvement Plan.



ROE

■ The target was achieved due to the achievement of profit targets and the sale of strategic shareholdings.

Capital to assets ratio & D/E ratio

■ While shareholders' equity increased steadily, total assets increased due to a rise in accounts receivable from completed construction contracts, leaving the equity ratio at 28.4%.

■ The D/E ratio was 1.19.

Shareholder returns

■ Dividend policy changed to a DOE of around 5% in FY2024. Stable shareholder returns maintained

*1 Figures in () are targets disclosed in the Notice of Changes to Planned Figures and Dividend Policy in Medium-Term Management Plan 2025 (May 13, 2024).

*2 In FY2025, by accelerating the sale of policy shareholdings beyond the initial plan, we recorded 8.3 billion yen in extraordinary income (gain on sale of investment securities). Excluding this impact, ROE was approximately 10.1%.

Review of Medium-Term Management Plan 2025 | Non-Financial Overview (ESG)



Built a sustainability-related system and pushed forward with environmental, social, and governance initiatives

*Disclosed in the FY2025 Annual Securities Report or in the Integrated Report 2026.

ESG	Initiatives	Indicators	Targets (FY2025)	Results
Environment 	Formation of a decarbonized society	- Reduction of CO₂ emissions (compared with FY2020) Scope 1 + 2 - Reduction of CO₂ emissions (compared with FY2020) Scope 3 Category 11	54.8% (FY2030) 27.0% (FY2030)	* *
	Preservation of biodiversity	- Result: Nishimatsu Climate Information 2026 published in February 2026	—	—
	Formation of a recycling-oriented economy	- Final percentage of construction waste sent for landfill disposal (Japan)	Less than 2.5% (FY2030)	2.3%
Social 	Respect of the basic human rights of all people associated with our business	- Average percentage scored on "questionnaire on human rights initiatives"	55% or higher	*
	Human resource development	- Result: Development of a system for independent learning, continued refinement of human resource development systems	—	—
	Diversity	- Result: Introduction and operation of a talent management system	—	—
		- Percentage of newly hired female employees (career-track positions)	20% or higher	19.1%
		- Percentage of female managers	2% or higher	1.0%
	Safety and health	- Percentage of male employees taking childcare leave	100%	98.8%
		- Frequency rate of injuries (four or more days absent from work)	0.4 or less	*
		- Participation rate of detailed examination after regular health checkups	80%	60.8%
	Workstyles	- Remote work user rate	100%	32.8%
		- 1-on-1 meeting implementation rate	100%	100%
Governance 	Revising the structure of the Board of Directors	- Voluntary resignation rate	Less than 1.5%	2.0%
		- Worksite retention rate of Nishimatsu Meisters and Senior Forepersons	100%	50.9%
	Formulation and operation of president successor plan	- Touch rate for Construction Career Up System	90%	84.8%
		- Percentage of outside directors	—	44.4% (4/9)
	Establishing sustainability-related systems	- Percentage of female directors	—	22.2% (2/9)
		- Result: A resolution on succession plan passed by the Board of Directors in December 2025	—	—
	Reduction of strategic shareholdings	- Result: Sustainability promotion system built in FY2023 Sustainability Committee meetings held 4/year Sustainability Strategy Meetings held 1-2/month	—	—
		- Ratio of strategic shareholdings to consolidated net assets	—	16.8%

Review of Medium-Term Management Plan 2025 | Technology Development, DX



The Technology Strategy Unit was established in April 2025, and technology- and DX-related initiatives began to be implemented

Technology development



Development of technology leading to the creation of new value

Pushed forward with initiatives to automate tunnel construction

- Completed individual component technologies for the Tunnel RemOS uncrewed automated mountain tunnel construction system
- Developed a remote-control technology and technologies for the automated and autonomous operation of wheel loaders and hydraulic excavators
- Developed a digital twin platform for mountain tunnels

Developed and improved technologies for implementing tunnel lining renewal work

- Developed a system for the rapid long-distance transport of a full cross-section tunnel lining formwork carriage, enabling tunnel lining renewal while keeping the tunnel open to traffic.
- Developed a lining renewal method using precast slab, which accelerates construction work, and developed transportation and lifting devices for use with the method

Developed road slab replacement technologies

- Developed a dedicated jig for road slab replacement work using forklifts
- Developed a technology for cutting and removing road slabs using a flat jack and a technology for automatically controlling water pressure, which shortens work time

DX



DX to improve productivity

Promoted smart construction sites utilizing DX

- Pushed forward with a companywide streamlining project (external human resources supporting DX allocated to regional headquarters in FY2025)

Design and planning DX

- Use of BIM/CIM (visualization of construction plans and deepening of understanding through the creation of 4D construction plans)
- Enhanced generative design proposal capabilities (automated temporary tunnel facility layout planning and converted planning knowledge into explicit knowledge)

Construction management and construction DX

- Streamlined access control (introduction of CCUS management and face authentication system)
- Converted tacit knowledge into explicit knowledge (introduction of a video-sharing platform, accumulation and sharing of construction management videos)

Working style DX

- Developed an internal document reference system (reduced time spent searching for internal information and streamlined responses to internal inquiries)
- Developed an AI that generates technology proposal documents (reduced the labor needed to create technology proposals and improved their contents)

2 Medium-Term Management Plan 2028 Basic Policies

Accelerate investments in businesses which could be core revenue sources in the future while strengthening and expanding the core Domestic Construction Business.

Develop a foundation for sustainable growth by pushing forward with human resources management and companywide streamlining.

Nishimatsu-Vision 2035

Long-term corporate strategy



Establishing a strong business portfolio



Human capital management to maximize the value created by employees

Well-being management



Efficient management through the transition to a lean organizational structure

Medium-Term Management Plan 2028

Medium-Term Management Plan 2028 Basic Policies

1

Create a new foundation for earnings through proactive investments and M&A activities

- Focus on domains where we have marketability, profitability, and strengths
- Develop and use technologies which lead to strengths

2

Create a system to facilitate the retention, development, and active participation of human resources

- Create a system aimed at improving employee engagement and driving the creation of value
- Comprehensively optimize personnel allocation

3

DX to streamline the entire company

- Transform construction sites into smart construction sites with DX and ICT
- Use mission-critical operation systems to streamline business processes

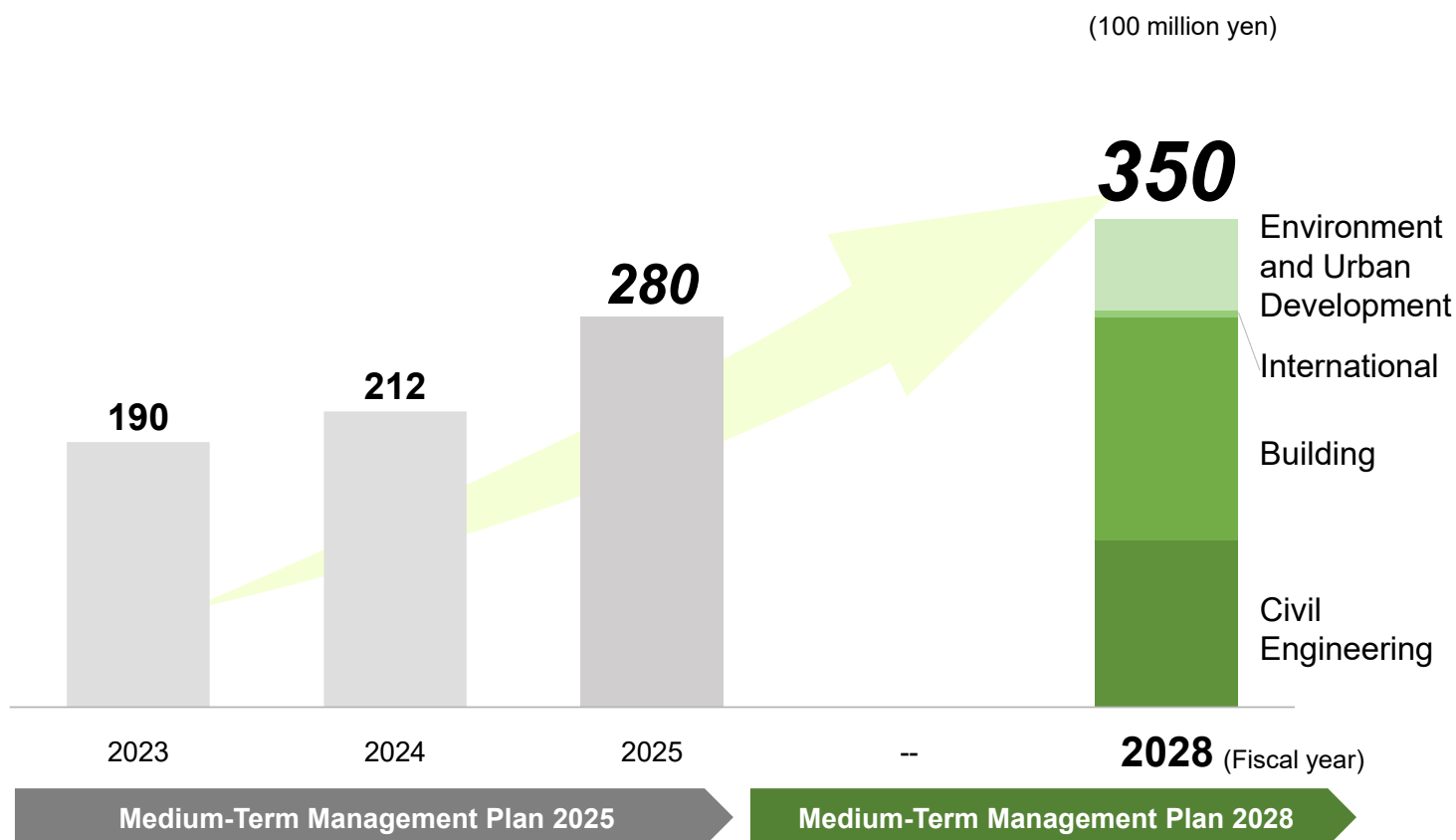
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Use AI to transform into an efficient organization

- Use AI in all operations and optimally allocate tasks to humans and AI to accelerate company-wide streamlining
- Integrate professional skills and AI to create new value

3 Quantitative Targets

Operating income (consolidated)



Performance Targets (FY2028)

	Net sales	Operating income (Operating margin)
(100 million yen)		
Civil Engineering	1,520	
Building	2,510	
International	375	
Environment and Urban Development*	595	
Company as a whole	5,000	350 (7.0%)

* The Regional Environment Solutions Business and Asset Value-Added Business were integrated to establish this business on April 1, 2026.

4 Financial Plan — Financial Targets



Appropriately allocate cash generated by increasing the earning power of businesses and strategically replacing assets to growth investments and shareholder returns.

Maximize capital efficiency by increasing earnings through growth investments while maintaining optimal capital composition and fundraising capabilities.

Financial targets

ROE - Achieving an ROE that exceeds the cost of equity ^{*1} , which is between 7% and 8%				Profitability - Increasing profitability -		Shift from the phase in which investment takes precedence to one of accumulating positive free cash flows • Expand the domain of the Domestic Construction Business through M&A activities, etc. and expand businesses in growth domains, such as overseas business • Improve productivity by investing in human capital, technologies and DX
ROE		D/E ratio		Efficiency - Enhancing capital efficiency -		• Use ROIC in each business to manage business efficiency with an awareness of the cost of capital • Reduce working capital by selling low-profitability assets, continuing to reduce strategic shareholdings, and accelerating the collection of accounts receivable
2025	2028	2025	2028	Financial leverage - Maintaining financial discipline and safety -		• Ensure financial soundness by accumulating equity through the strict control of interest-bearing debt and the steady accumulation of profit • Reduce financing costs by improving credit ratings and decreasing the cost of capital by leveraging expectations regarding a decline in the risk premium
13.1% ^{*2}	Around. 11%	1.19	Around. 1.0	Shareholder returns - Maintaining stable shareholder returns -		• Stable shareholder returns with a DOE of around 5%
DOE		Equity ratio				
2025	2028	2025	2028			
5%	Around. 5%	28.4%	Around. 35%			

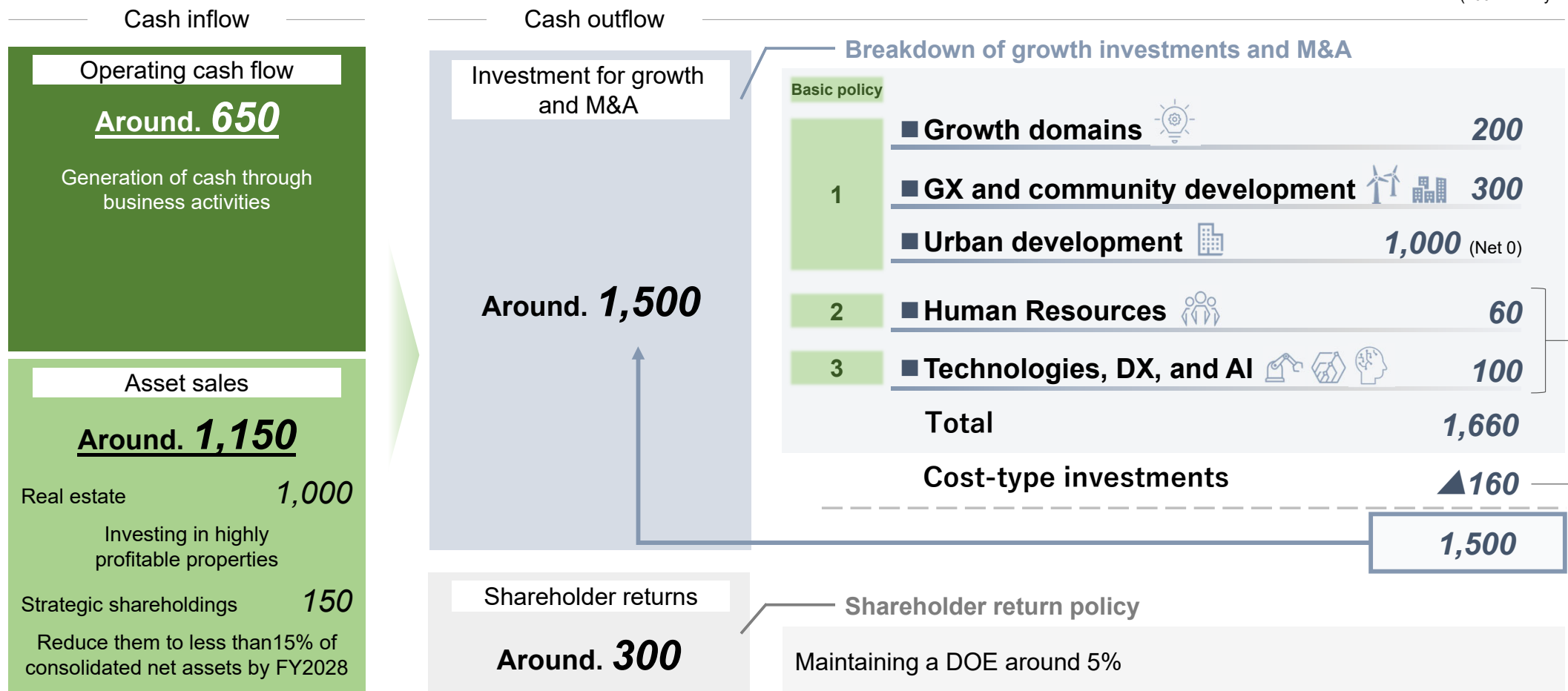
^{*1} In light of the capital market environment and the characteristics of our risks, our understanding is that our cost of equity is between 7% and 8%. This estimation was calculated based on the capital asset pricing model (CAPM), and a review of multiple factors, including past price earnings ratio (PER) trends.

^{*2} In FY2025, as we accelerated the sale of policy shareholdings beyond the initial plan, we recorded extraordinary income of 8.3 billion yen (gain on sale of investment securities). Excluding this impact, ROE was approximately 10.1%.

4 Financial Plan — Cash Allocation (FY2026-FY2028)

Allocate cash created through operating cash flow and the sale of real estate to investments for sustainable growth and shareholder returns

(100 million yen)



5 Investment Plan (FY2026-FY2028)



Proactively invest and engage in M&A activities for the expansion of business domains as well as for human resources development, technology development, DX and AI supporting the domains

(total investments over the 3 years)
(100 million yen)

Growth domains



200

- Further expanding the domains and scale of the Domestic and Overseas Construction Business (acquiring technologies and capabilities in growth domains)
- Establishing a robust business portfolio by investing in growth domains other than the Construction Business

GX and community development



300

- Driving the development of environmentally friendly communities which are comfortable to live in, while enhancing the profitability of environmental and energy businesses. (Enhancing initiatives for businesses and domains, including domestic and overseas environment and energy businesses, infrastructure maintenance and management, and greater added value of buildings, etc.)

Urban development



1,000 (Net 0)

- Enhancing earning power, resistance to inflation, and capital efficiency by replacing properties with highly profitable ones

Human resources development



60

- Acquiring and developing diverse human resources who will support the expansion of business and improving engagement with them
(talent management, enhancement of mid-career hiring, independent career development, enhancement of opportunities to engage in dialogue, promotion of well-being, etc.)

Technology development, DX, and AI



100

- Enhancing productivity and creating new value using innovative technologies
(streamlining and automation of construction operations, support for the development of public infrastructure, environmental technologies, AI citizen development, etc.)

Sustainability Management — Medium-Term Management Plan 2028 Initiatives

Overview of sustainability management

Slogan (Basic Policy)

Create together, shine together

KGI (2050)

Provide value to
60,000* regions and communities

Playing a role in solutions to social issues

Infrastructure
renovationStrengthening of the
national resilienceDisaster prevention
and mitigationResilient community
development

Carbon neutrality

Regional
revitalization

Materiality



Businesses — Contributing to the establishment of a sustainable society through business activities —

Materiality

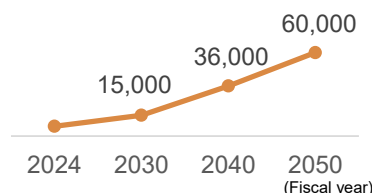
Realize a society for
people with safety and
vibrancy

Materiality solutions

- Create new value that brings together diverse capabilities based on strengths accumulated through the social infrastructure development
- Create environmentally friendly and resilient communities
- Connect the aspirations of the region and customers to create regions and communities that generate people's vitality
- Preserve the environment and biodiversity while realizing a circular economy through business activities

KGI

Total number of regions and communities to which we provide value



Management foundation — Establishing a sustainable management foundation —

Materiality

Create an organization that can
maximize on-site capabilities

- Reinforcing systems for the development of on-site managers and the transfer of skills and establishing a lean organization with enhanced expertise and productivity to improve trusted on-site capabilities and turn the on-site knowledge of individuals into organizational knowledge

Put in place partnerships
that can maximize value creation

- On-site management which helps improve productivity and the improvement of the treatment of all skilled construction workers with the goal of establishing a sustainable supply chain
- Acquiring business development skills to cooperate with regional communities and companies toward the creation of new value

Advance technological strategies
that lead to safety and excitement

- Increasing construction efficiency through technological development and utilization (technologies and DX to revolutionize construction site productivity)
- Creating new value which solves social issues by engaging in technological development activities that look to the future

Create systems that enable
diverse human resources to play
active roles with excitement

- Improving engagement by supporting diverse human resources in the achievement of their personal development and taking on challenges, aiming to provide environments in which everyone can work with a sense of fulfillment and demonstrate their abilities and to instill cross-organizational thinking

Adhere strictly to compliance

- Enhancing risk management by reinforcing risk management systems
- Developing a culture in which compliance is the top priority by upgrading, expanding, and continuing compliance education

* Background behind the target of 60,000 regions and communities: Estimated to be 1.5 times the FY2024 level in FY2050 (single year) The target value is the cumulative total up to and including FY2050.

Sustainability Management — Metrics and Targets

Address priority initiatives for the period up to FY2028 to increase the sophistication of sustainability management

Implement materiality solution initiatives

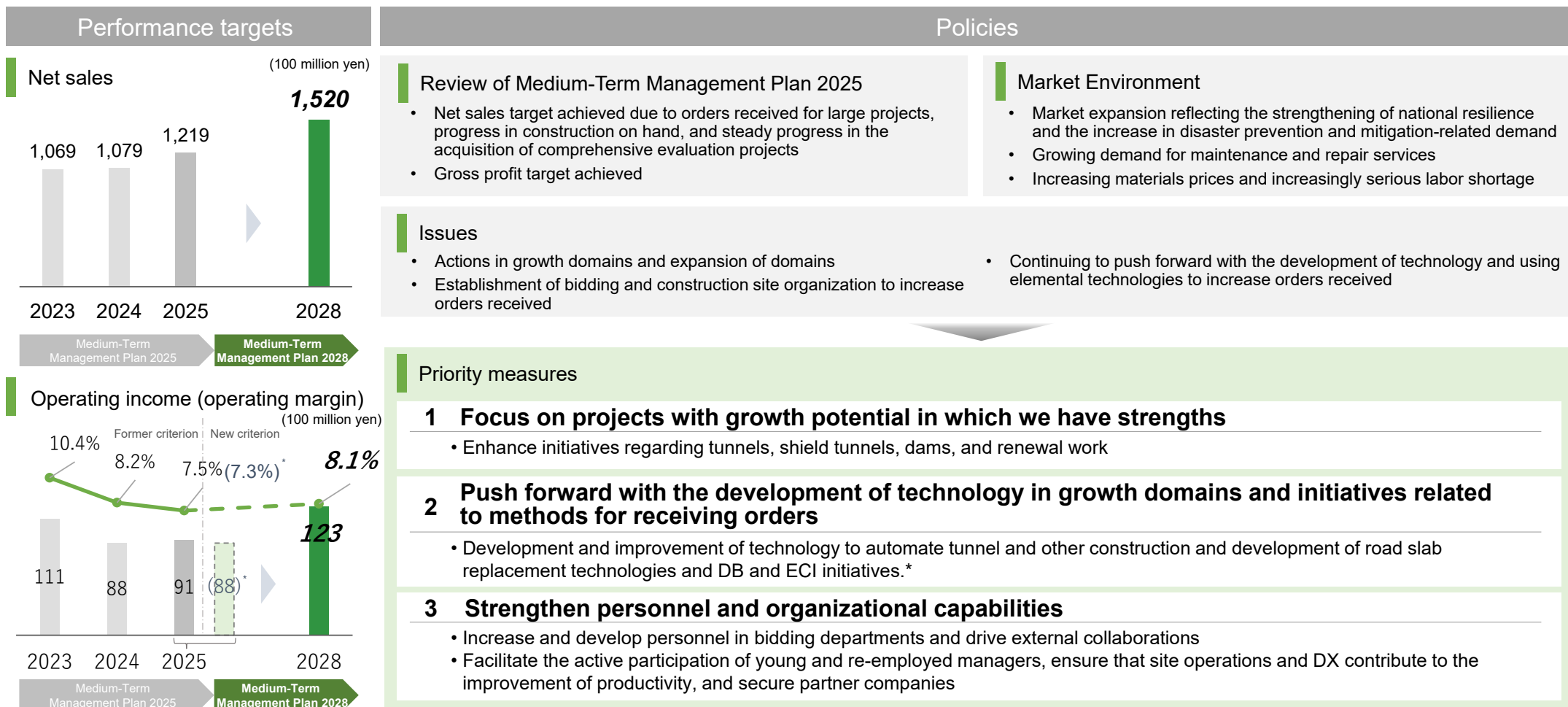
Materiality	Priority initiatives	Indicators	Targets (FY2028)
Realize a society for people with safety and vibrancy	Promote the formation of a decarbonized society	- Implementation of initiatives for achieving the ZERO30 Roadmap (reduction of CO2 emissions from the FY2020 level) - Renewable energy generated	— 60 GWh
Advance technological strategies that lead to safety and excitement Create an organization that can maximize on-site capabilities	Establish a lean organization with enhanced productivity	- Company-wide streamlining using AI (creation of employee positions in administrative departments*)	*Corporate, safety and environment, and business administration (including regional headquarters and on-site administration) 20% of the level in the beginning of FY2026
	Enhance initiatives to address the construction industry labor shortage	- Improvement of on-site productivity (2.5%/year)	10% of the FY2024 level
Put in partnerships that can maximize value creation	Respect human rights including in supply chains	- Stable securing of partner companies	—
	Respect human rights including in supply chains	- Continued implementation of human rights due diligence internally and at partner companies (every other year) - Activities to increase awareness of respect for human rights internally and at partner companies (social training and workshops for partner companies in each area)	55% or higher —
Create systems that enable diverse human resources to play active roles with excitement	Develop diverse human resources and improve engagement	- Percentage of female managers (Three times the FY2025 level by the end of FY2030) - Engagement score of employees	— 3.8
Adhere strictly to compliance	Ensure compliance and prevent corruption	- Compliance training attendance rate - Significant compliance violations	100% 0

Enhance sustainability governance which supports sustainability management

Strengthen the supervision of sustainability management by the Board of Directors	- Discussion of four priority themes (1) value creation, (2) human capital management, (3) group risk management, (4) medium- and long-term management plan	—
Implement succession plans	- Establishing the next management system in a well-planned manner (selecting four to eight management team members by FY2029)	—
Reduce strategic shareholdings	- Ratio of strategic shareholdings to consolidated net assets	Less than 15%

7 Business Strategy | Civil Engineering Business

Drive the development of a foundation for becoming a stable, highly profitable business entity by identifying business opportunities and enhancing technological and organizational strengths



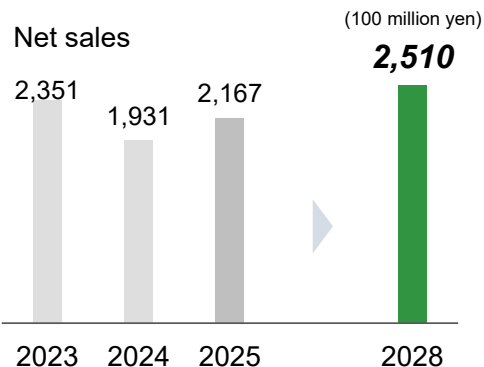
*In FY2026, the criterion for allocating general and administrative expenses was changed from net sales to gross profit.
Figures in () are operating income and margin under the new criterion.

DB: a single contract covering design and construction
ECI: early contractor involvement during design prior to the construction contract

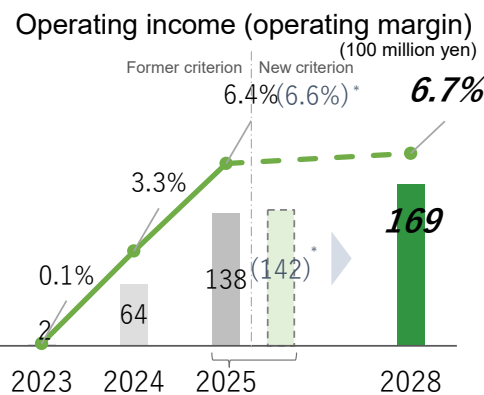
7 Business Strategy | Building Business

Establish a stronger portfolio and a highly profitable structure by focusing on fields where the market is growing and fields where we have strengths.

Performance targets



Medium-Term Management Plan 2025 → Medium-Term Management Plan 2028



Medium-Term Management Plan 2025 → Medium-Term Management Plan 2028

*In FY2026, the criterion for allocating general and administrative expenses was changed from net sales to gross profit. Figures in () are operating income and margin under the new criterion.

Policies

Review of Medium-Term Management Plan 2025

- Net sales target achieved by receiving orders, including orders for large projects, as planned
- Gross profit target achieved by implementing the Earnings Improvement Plan, including measures to address rising price risk

Issues

- Portfolio reestablishing
- Development and retention of the human resources needed to expand the business

Market Environment

- While we are facing a labor shortage and rising construction costs, corporate customers increasingly recognize that prices need to reflect rising costs.
- Growing demand for data centers, refrigerated and frozen warehouses, etc.

- Increasing the construction volume per employee on site

Priority measures

1 Focus on domains where the market is growing and fields where we have strengths

- Increase the number of customers who are manufacturers and focus on offices, data centers, logistics facilities, etc. (Intensively develop the fields above in which we are able to demonstrate our strengths.)

2 Secure and develop human resources

- Develop next-generation Construction managers as quickly as possible, develop specialists, develop and retain facility workers, enhance mid-career hiring, and enhance retention measures

3 Improve productivity

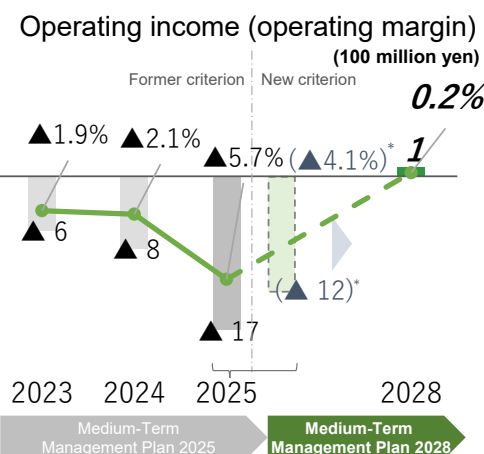
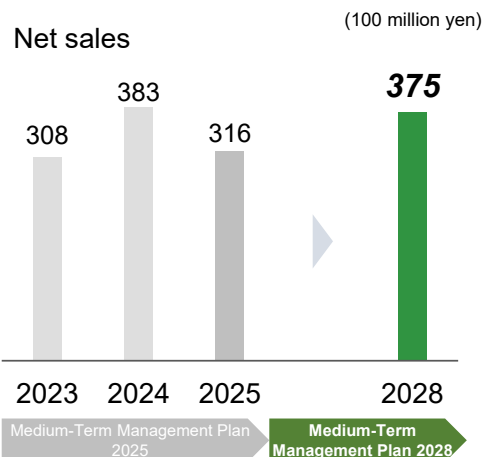
- Strengthen front loading* departments, push forward with the use of BIM and DX, and improve on-site operations (standardization, streamlining, and outsourcing)

Front loading: A method in which the workload in the early phase of design is increased, front-loading work to reduce rework in later processes

7 Business Strategy | International Business (Civil Engineering and Building)

Focus on the improvement of profitability and the development of a foundation for expanding business domains during the period of the plan to make this business part of our next-generation core business

Performance targets



*In FY2026, the criterion for allocating general and administrative expenses was changed from net sales to gross profit. Figures in () are operating income and margin under the new criterion.

Policies

Review of Medium-Term Management Plan 2025

- The risk of price increases in international bid-based construction projects was considered. Orders received were strong.
- Net sales and gross profit targets were not achieved due to the postponed recording of sales from orders for ODA projects and large projects.

Civil Engineering

Focus on international bid-based construction projects, mainly including tunnel construction projects which are our strength, ODA projects, and maintenance and repair work.

- It is expected that the infrastructure development and renovation markets in Singapore, the Philippines, and Bangladesh will expand.

- Optimization of the ODA to international bid-based construction project ratio
- Securing and development of human resources for the International Business
- Establishing foundations in new markets
- Support for the overseas expansion of the Environment and Urban Development Business

Building

Improve earnings by establishing a portfolio that is not susceptible to the status of Japanese companies' investments and facilitate the active participation of local human resources.

- While the market is expected to grow, the trend has been for Japanese companies to decrease due to moves to return to Japan (Thailand).
- The competitive environment is tough for projects ordered by foreign-owned companies and local companies.

- Thailand: Establishment of a portfolio which is not affected by the status of investments by Japanese companies
- Vietnam: Continuation of initiatives focused on Japanese customers and the improvement of profitability

1 Improve and stabilize earnings

- Establish the construction system as soon as possible, collect information about factors causing delays, and negotiate promptly
- Continue feasibility studies of new fields

2 Secure and develop human resources

- Develop next-generation executives, select and promote young employees promptly, and establish organizations where local human resources play leading roles

1 Reform the portfolio

- Increase the ratio of production plants of foreign-owned companies
- Expand growth domains (including food, consumer products, electronic parts, and DC)

2 Improve profit margin and profitability

- Strengthen efforts to receive building maintenance and renovation projects
- Facilitate the active participation of local human resources

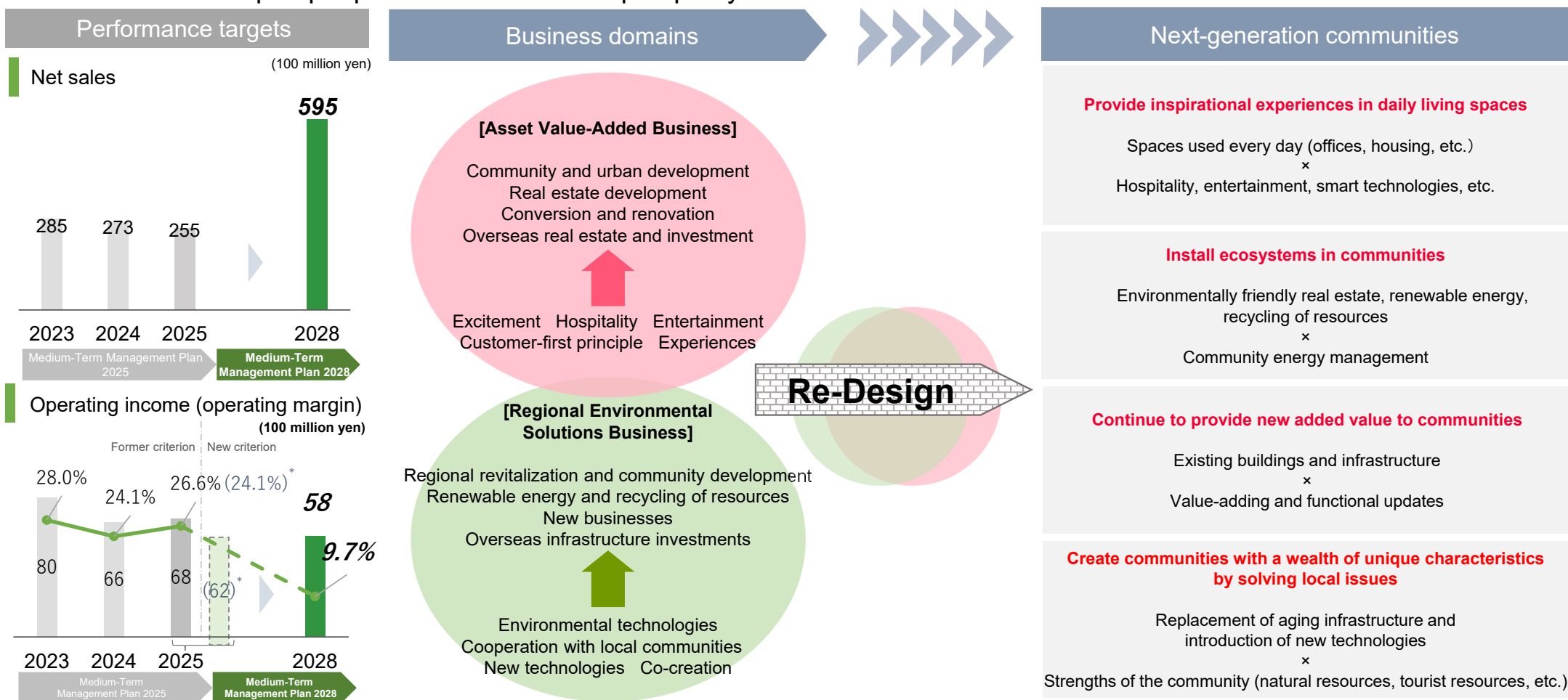
3 (Both Civil Engineering and Building) Collaborate with the Environment and Urban Development Business to create construction demand overseas

7 Business Strategy | Environment and Urban Development Business

* In April 2026, the Asset Value-Added Business Division and the Regional Environmental Solutions Business Division were integrated to establish the Environment and Urban Development Business Division.



Establish a highly profitable structure by efficiently circulating cash created through business activities.
Re-Design* the environment and urban development business domains we have been working on to develop next-generation communities that inspire people and increase their prosperity.



*In FY2026, the criterion for allocating general and administrative expenses was changed from net sales to gross profit.
Figures in () are operating income and margin under the new criterion.

* The combining of the business domains in which we have been active

Business Strategy | Environment and Urban Development Business (Asset Value-Added Business)

Start establishing a foundation for our strong portfolio in the future by replacing assets with highly profitable assets
Improve the profitability and efficiency of invested funds

Policies

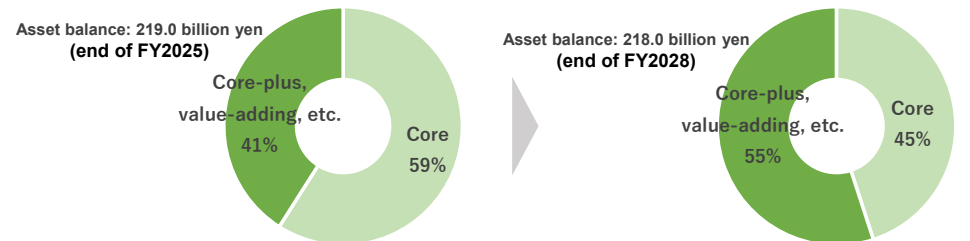
Review of Medium-Term Management Plan 2025, the market environment, and issues

- Progress in the acquisition of new properties was not as planned, resulting in a shortage of income properties. In addition, costs increased more than planned.
- The real estate market was steady. Acquisition of new properties has been difficult due to an upward trend in prices, and it has been difficult to ensure the commercial viability of new development projects because of rising construction costs in recent years.
- Our tasks are to improve the profitability of our asset portfolio and enhance capital efficiency through asset replacement, etc.

Business Strategy

- Establish a strong asset portfolio in Japan and overseas by appropriately combining business domains, fields and uses, and types of investment
- Improve profitability and capital efficiency, aiming for the business department to be highly profitable.

Asset portfolio (core asset ratio)



- Make new investments with a focus on core-plus and value-adding assets that are profitable
- Secure stable rental income and unrealized gains from core assets
- Review the core asset ratio appropriately and in a timely manner to improve capital efficiency

Business domains

Focus on developing high value-added projects (propose projects starting upstream)

- Development projects
 - Including value-add, renovation, and conversion
- Investments in highly profitable assets
- Increased rent, etc. to enhance the value of existing assets
- Initiatives involving carefully selected redevelopment and land readjustment projects
- Overseas investments (development projects and highly profitable assets)



Fields and uses

Focus on initiatives involving assets whose fields and uses are resistant to inflation

- Tourism (hotels), entertainment, and condominiums
- Offices, residences, and properties for commercial or industrial use

Create exciting assets
using ideas from customers' perspectives
(spaces that excite users)



Types of investment

Engage in the three types of investments in a well-balanced manner to improve the profitability and efficiency of invested funds

Core (investments held long term)
Investments with the major goal of gaining income

Core-plus (investments held short term)
Investments with the major goals of gaining income and capital gains

Value-adding (high-risk, high-return investments)
Investments that add value to properties

- Overseas investments (Singapore, the United States, Australia, Thailand, Vietnam, and countries to which expansion is being considered, including India and Europe)
- Income property investments, short-term turnover development, and medium- to long-term development (all including value-adding investments)
- Strengthening cooperation with the International Division (Thailand and Vietnam) and enhancing initiatives on collaborative businesses (reception of construction orders)

- Strengthening AVA subsidiaries
- Nishimatsu Jisho (PBM)
- Nishimatsu Asset Management (AM)

- M&A investments (Japan and overseas)
- Real estate M&A activities (acquisition of real estate)
- Investments in operating companies (generating revenue and securing business opportunities)

Business Strategy | Environment and Urban Development Business (Regional Environmental Solutions Business)

Demonstrate project management capabilities to develop new projects leading to the development of communities in Japan and other countries

Policies

Review of Medium-Term Management Plan 2025

- Progress in renewable energy project investments was not as planned, partly due to the deterioration of the external environment. We were unable to invest in community development projects because it took time to establish the business models for the target projects.

Market environment and issues

- As there are complex social issues, such as the need to establish a decarbonized and circular society and ensure that local communities are sustainable, it is expected that markets in the fields of renewable energy, resource recycling and infrastructure will expand in the medium to long term.

Business Strategy

- Develop environmentally friendly, bustling, next-generation communities by implementing integrated development projects, working on the entire process from concept to implementation and operation in cooperation with the diverse parties involved and leveraging the project management capabilities we have cultivated in social infrastructure development projects with a focus on overseas markets with high growth potential, including North America, Asia, and Oceania

Creating business opportunities (overseas, new fields)

- Strengthening overseas renewable energy and PPP projects which are profitable and have growth potential
- Leveraging diverse channels including major enterprises, venture companies and local governments to cultivate new markets.



Acquiring business development skills

- Acquiring business expertise by participating in joint projects with very experienced partner companies
- Using cutting-edge technologies possessed by venture companies
- Reinforcing the system for driving the acquisition of business development skills through capital alliances, mergers, acquisitions and other measures
- Building a system for co-creation where our own strengths and roles have been clarified

Carbon neutrality

- Solar power generation systems with BESS, small hydroelectric power generation systems, roof-top solar power PPAs, grid-scale batteries, community energy management, etc.

Infrastructure PPP

- Projects which lead to solutions to local infrastructure issues
- Fields where we can leverage our construction knowledge (transportation, water supply and sewerage systems, electric power facilities, treatment plants, etc.)

Business domains

Construction solutions

- Projects for implementing heat stroke countermeasures, automating processes, streamlining on-site management, etc. in the construction industry

Improvement of the value of buildings

- Projects enhancing the added value of buildings, such as streamlining building management, interior design, and projects to implement environmental considerations

Circular economy

- Development and provision of resource-recycling solutions using waste, etc.

8 Functional Strategy | Human Resources

Enhance new medium- to long-term corporate value by supporting the personal development of human resources and their taking on challenges and increasing engagement with them

Enhance new medium- to long-term corporate value

Accelerate the growth of the company and its employees

Driving value creation

Improve employee engagement

KPI — FY2028: 3.80, FY2035: 4.00 or higher

Well-being management



which maximizes the contributions and performance of diverse talent.

Establish a human resource portfolio



which enables employees to fully demonstrate their capabilities and willingness to take on challenges

Foster a corporate culture

Optimization of human resource allocation

- Coordination with management and business strategies
- Enhancement of talent management facilitating the placement of the right people in the right jobs

Securing necessary human resources

- Recruitment activities with clear targets
- Strengthening of the mid-career hiring system

Self-directed career development

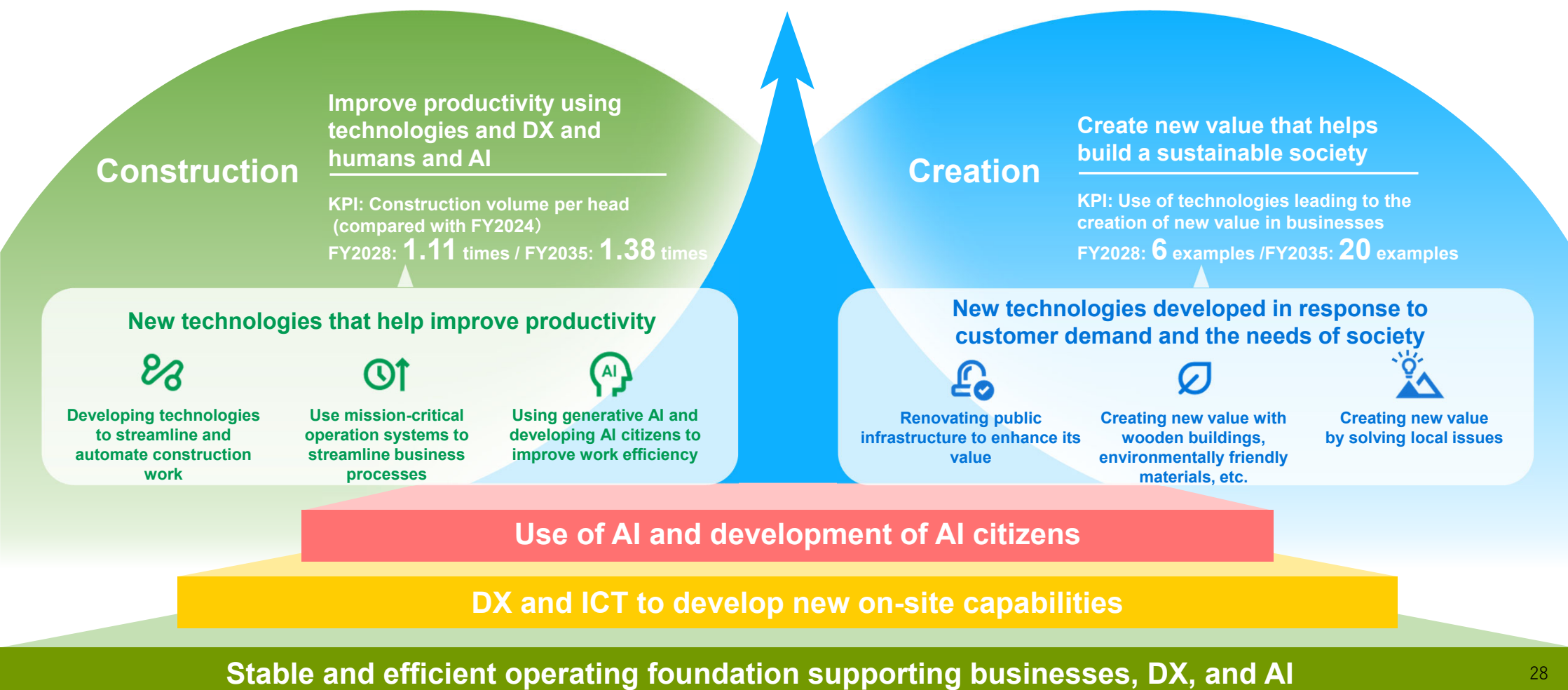
- Diversification of careers (management human resources, specialists, and cross-sectoral human resources)
- Provision of career selection and learning opportunities

Systems and culture that encourage employees to grow and take on challenges

- Enhancement and establishment of opportunities to engage in dialogue
- Promotion of well-being (response to changes in lifestyle and values)
- Assessment and compensation systems which maximizes the contributions and performance of diverse talent.

8 Functional Strategy | Technologies

Enhance both added value per employee and engagement by streamlining the company as a whole and creating new value through technologies and DX.



8 Functional Strategy | Technologies

Achieve one of the highest added value per employee figures and the highest engagement scores for a general contractor

Reallocate human resources freed up by reducing labor to production departments and growth domains

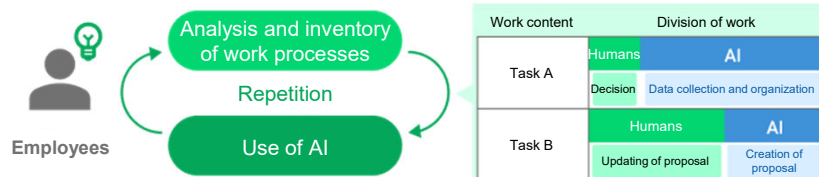
Improve business efficiency using AI tools

Accelerate company-wide streamlining by having employees use AI in operations themselves and realizing the optimal allocation of work to humans and AI

FY2028: Have AI fill **20%** of the employee positions in administrative departments

FY2035: Have AI fill **50%** of the employee positions in administrative departments

* Administrative departments: Corporate, safety and environment, and business administration (including on-site administration) (including regional headquarters)



Citizen development of AI agents used in their operations

Shift to high-quality work

Create new value by integrating professional skills and AI

- Improvement of safety and quality
- Knowledge management to transfer advanced skills
- Autonomous operation of construction machines
- Improvement of risk management
- Development of physical AI solutions



Integration of professional skills and AI agents/physical AI

Use of AI tools such as apps for internal use



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