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Integrated Report Online Version: <https://www.smcon.co.jp/en/investor/integratedreport>



**SUMITOMO MITSUI
CONSTRUCTION CO.,LTD.**

Integrated Report 2025

Sumitomo Mitsui Construction



Bridges, Towns, and People

Connecting people and communities with new value

Sumitomo Mitsui Construction is a comprehensive construction company committed to building infrastructure that improves safety and convenience for people everywhere.

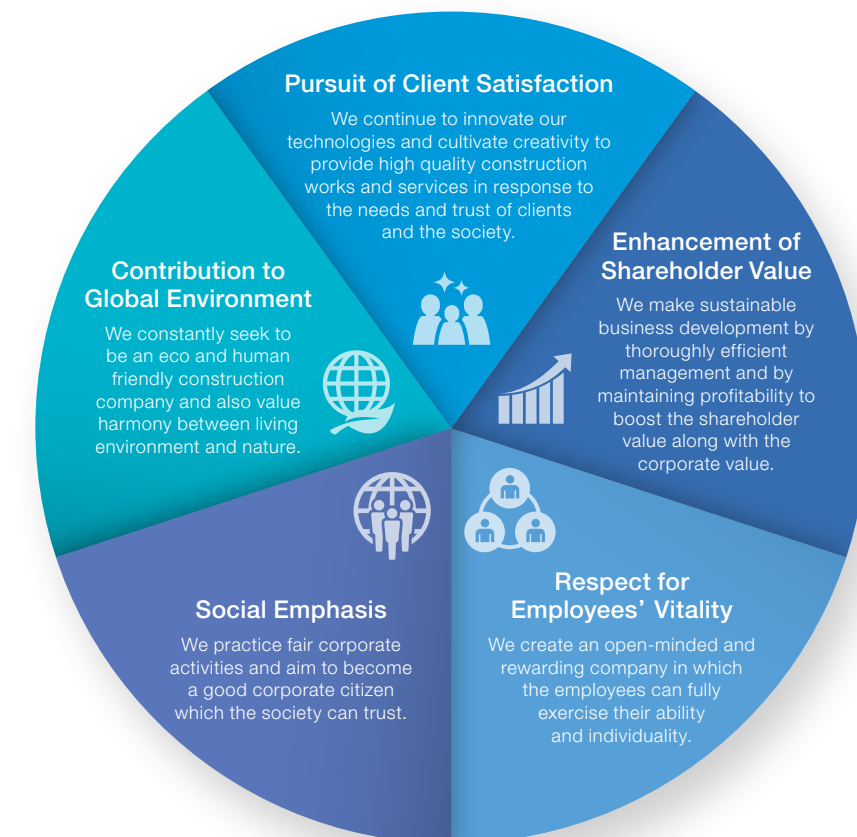
For every customer, every resident, and every family whose lives we touch, we seek to meet their hopes and expectations as well as our own, at the same time preserving the environment and securing prosperity for future generations.

We are committed to building infrastructure that people use on a daily basis, whether crossing a bridge, strolling around town, or spending time with loved ones.

Positioning of Principles

The SMCC Group is promoting value creation to solve social issues and is aiming to realize Vision 2030, “To be a construction company that globally supports and connects people and communities with new value.”

Corporate Principles



Sumitomo Mitsui Construction Group Charter of Corporate Behavior

- 1 Sustainable economic growth and the resolution of social issues**
We develop and provide products and services that are beneficial and safe for society through innovation, and strive for sustainable economic growth and the resolution of social issues.
- 2 Fair business practices**
We raise awareness of compliance with laws, social norms, international rules, and corporate ethics, and conduct fair, transparent, and free competition, as well as fair trade and responsible procurement.
- 3 Fair disclosure of information and constructive dialogue with stakeholders**
We disclose corporate information, actively, effectively and fairly, and engage in constructive dialogue with a wide range of stakeholders to enhance our corporate value.
- 4 Respect for human rights**
Respect human rights and strive to be a company that values people.
- 5 Relationships of trust with clients and users**
We provide clients and users with appropriate information about our products and services, communicate honestly, and earn satisfaction and trust.
- 6 Reform of work practices and enhancement of workplace environment**
We enhance the capabilities of employees and realize a work practices that respect diversity, character, and individuality, while creating a comfortable working environment that takes health and safety into consideration.
- 7 Engagement in environmental issues**
We recognize the need to contribute to the environment on a global scale, and take the initiative to protect, maintain, and improve the environment.
- 8 Involvement in community and contribution to its development**
We actively participate in society and contribute to the development of a healthy and sustainable society.
- 9 Crisis management**
We thoroughly implement systematic crisis management in preparation for actions by antisocial forces that pose a threat to citizens' lives and business activities, as well as terrorist attacks, cyber attacks, and natural disasters.
- 10 Roles of top management**
Top management shall recognize that it is their role to realize the spirit of this Charter, and in their management, they build effective governance to ensure that their directors and employees are fully aware of this Charter, and they encourage their supply chain to act in accordance with the spirit of this Charter. In addition, when a situation occurs that violates the spirit of this Charter and causes a loss of trust from society, top management shall take the initiative to resolve the problem, investigating the cause, preventing recurrence, and fulfilling their responsibilities.

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Editorial Policy

In fiscal 2006, Sumitomo Mitsui Construction began issuing CSR Reports in order to give a broad outline of its environmental, social and governance (ESG) initiatives that were not covered in the company's financial statements. From fiscal 2015, Sumitomo Mitsui Construction switched to issuing a corporate report containing additional financial information, including operating results, management strategy, and business overviews, as a tool to facilitate two-way communication with all stakeholders, bringing together its overall initiatives for improving corporate value. To further enhance our communication with all stakeholders, we have renamed this report the "Integrated Report" from fiscal 2024.

Period Covered:
From April 1, 2024 to March 31, 2025
(includes some initiatives conducted after the period)

Organizations Covered:
Sumitomo Mitsui Construction Co., Ltd. and its consolidated subsidiaries

Referenced Guidelines:
International Financial Reporting Standards (IFRS),
Guidance for Collaborative Value Creation 2.0

Publication In:
September 2025



Introduction to Our Corporate Website

For more detailed information about our company, please visit our corporate website. [WEB https://www.smcon.co.jp/en/](https://www.smcon.co.jp/en/)



► **SUSTAINABILITY**
<https://www.smcon.co.jp/en/csr/>



► **INVESTOR INFORMATION**
<https://www.smcon.co.jp/en/investor/>



► **Bridges, Towns, and People**
(Learn About Sumitomo Mitsui Construction in Video) (Japanese only)
<https://www.smcon.co.jp/sp/>

We will increase our corporate value and create Group synergies through our commitment to “added value” and by increasing “earning power.”

Toshio Shibata

Representative Director, President



In the fiscal year ended March 31, 2025 we returned to the black by recording a slight profit amid increasingly severe structural issues in the construction industry.

Fiscal 2024 witnessed a challenging external environment as the structural issues facing the construction industry worsened. Prices for construction material prices hovered at high level due to rising global energy and resource prices. Furthermore, construction costs, including labor costs, also increased and these conditions are expected to persist for the time being.

Tight labor market is now becoming an increasingly conspicuous problem. On top of this, the aging of skilled labor at construction sites and the decline in the number of young workers have accelerated. In the previous fiscal year, skilled workers were concentrated at large-scale construction projects such as redevelopment projects in metropolitan areas and at semiconductor plant and data center projects in regional areas, which further aggravated the nationwide labor shortage. Although work style reforms have advanced significantly thanks in part to government guidance, problems such as rising labor costs and a shortage of human resources are also becoming more serious. To revive the appeal of the construction industry, it will be essential to improve work conditions as well as raise wages in accordance with actual work conditions. I am hoping for the implementation of national policies and the understanding of private-sector clients in these areas.

Turning to our business operations in fiscal 2024, I first wish to apologize for any concerns we caused to stakeholders relating to the large-scale domestic building construction project that resulted in a significant loss. After the framing for this building was raised in September 2024, the project has been moving ahead according to schedule. We aim for completion of the main construction in August 2025 and for delivery at the end of October. In undertaking this project, there was an error at the super-high-rise residential building, which is one of our fields of expertise. However, after reorganizing our internal structure, we responded to this problem by making

Company-wide efforts to complete this super-high-rise residential building, the tallest in Japan. Our technologies for rapid construction enabled the framing to be built one floor at a time in as quickly as three days all the way up to completion. This, and our ability to develop and implement various new technologies during the construction process, proved to be a great asset and provided confidence to both the employees involved in the project and the Company. Heeding the lessons learned from our experience with this project, we intend to continue our work on super-high-rise residential buildings with a careful eye on future projects.

At the time we released our interim financial results for the fiscal year ended March 31, 2025, we also forecast a full-year deficit due to the previously mentioned loss on the large-scale domestic building construction project. However, during the second half of the fiscal year, we achieved a significant turnaround in the performance of our Domestic Civil Engineering and Overseas businesses. In our Domestic Building Construction Business, we also sharply improved profitability on other construction projects. Consequently, we were able to return to the black by recording a slight profit. The impact of foreign exchange rates was also an external factor underlying these results. As an internal factor, I believe that this turnaround also resulted from the permeation of our policy of “go back to the front line,” which I have been advocating during the past one year and several months since assuming the duties of president. Improved profitability in each business division also made a contribution. We have implemented a variety of measures in response to the loss on the large-scale domestic building construction project. These include strengthening our order-taking process, implementing profit-focused sales policies, and front-loading our work from the initial stage. Going forward, we will continue to improve our business operations and aim to increase earning power.

During the past three years, we achieved noteworthy results with our initiatives of Improve earning power, Take on challenges in growth areas, and Enhance the human resource base.

Under our Mid-term Management Plan 2022-2024, which ran through fiscal 2024, we promoted three themes consisting of Improve earning power, Take on challenges in growth areas, and Enhance the human resource base.

First, regarding “Improve earning power,” our overall figures fell short of the targets due to a significant loss on the large-scale domestic building construction project. Nonetheless, we recorded favorable results in our Domestic Civil Engineering Business. This includes posting record-high profits in fiscal 2023, centered on PC bridges, large-scale renovation work, and tunnels, which are our

fields of strength. In the Domestic Building Construction Business, we are reorganizing its order portfolio by completing the order backlog and replacing these with high-quality projects by accepting orders that emphasize profitability. As a result, excluding the large-scale domestic building construction project, our profit margin at the time of order receipt has improved to over 7%.

Regarding the second theme, “Take on challenges in growth areas,” we have unfortunately had to limit various growth investments, such as for technology development, due to a deteriorating business performance in the past



several years. On the other hand, our Overseas Business, which is the flagship of our growth field, is achieving important results, as evidenced by an expansion of its business scale to 100 billion yen in fiscal 2023. Additionally, our floating solar power generation business that aims to contribute to a sustainable society has steadily evolved although the size of this business is still small. Current power generation capacity in this business is 17.3 MW.

Finally, regarding "Enhance the human resource base," we first of all formulated a Diversity & Inclusion (D&I) Policy and held educational and workshop activities

to firmly establish this policy. We also hired foreign national graduates from overseas universities as full-time employees and established global Human Resources Development Centers (HDCs) at multiple global locations to provide education.

The biggest remaining issue is human resources. In particular, we have an unbalanced workforce composition with very few employees in their late 30s and early 40s. As such, there is little remaining time for veteran employees to pass the baton to younger employees and this is an urgent issue we must address.

Our decision to undertake business integration with INFRONEER Holdings Inc. aims at resolving a variety of issues faced and quickly recovering impaired capital

I will now explain the background behind our business integration with INFRONEER Holdings. In recent years, we have encountered structural challenges common to the construction industry, including a labor shortage, persistently high prices for construction materials, and tight labor market. Besides these, we also face issues unique to Sumitomo Mitsui Construction. These include the early recovery of our capital, which has been significantly impaired by losses on the large-scale domestic building construction project, and rapidly increasing our corporate value. We initially considered tackling these issues by continuing to operate independently. However, we calculated that it would take seven to eight years to restore our capital, especially impairments, even if we consistently generate profits under current conditions. After considering these factors, we decided that our best choice would be to expand our

business base over the medium to long term by realizing synergies through business integration with INFRONEER Holdings and attaining a more-reliable and accelerated enhancement of corporate value.

The INFRONEER Holdings Group's current group strategy is to become an Integrated Infrastructure Service Company that undertakes operations in both the "Construction" business and "de-Construction" business markets. The "de-Construction" business goes beyond simply building things. Rather, this covers the entire scope of projects, from investment to operation and exit and includes public-private partnership (PPP) projects and renewable energy projects. Examples include concessions and PPPs for roads and airports, arena and stadium operations as well as for power generation projects. Although domestic public works projects and infrastructure maintenance and renovation projects known as

"Construction" businesses remain steady, investment in new public works projects is likely to decline over the long term due to factors such as the shrinking population, leading to intensifying competition. To survive in this market, engineering capabilities that enable comprehensive management from design to construction management and safety management are crucial. I believe that INFRONEER Holdings' proposal for the business integration

was based on a high evaluation of our potential in these areas. I am confident that Sumitomo Mitsui Construction can fully meet their expectations and demonstrate its capabilities. Currently, our operations are focused on the "Construction" business. Now, as member of the INFRONEER Holdings Group, we will also be involved in "de-Construction" business areas over the long term.

Continuing our management policies and growth strategies after the business integration while accelerating growth leveraging Group synergies

I am not contemplating any major changes to our management policies or growth strategies as a standalone company even after business integration with the INFRONEER Holdings Group. We aim to accelerate growth by taking advantage of the benefits of integration in the "Construction" business field cultivated to the present.

The largest synergy derived from the business integration will be economies of scale, which will roughly double the scale of our Construction Business when combined with that of Maeda Corporation, the core company of the INFRONEER Holdings Group. As our business scale will be second only to major general contractors, I anticipate significant benefits in operating divisions, such as lower materials procurement costs and increased flexibility with partner companies.

In terms of individual businesses, first of all the business integration will create a highly complementary combination overall in the Domestic Civil Engineering Business, as we possess strengths in PC bridges and large-scale renovation work while Maeda Corporation has strengths in electric power civil engineering such as dams as well as in defense. Having two general contractors of our size under the umbrella of a single holding company is probably an unprecedented business format. This approach will enable us to offer a full lineup of services from upstream to downstream sectors in civil engineering, including tunnels, bridges, rivers, and water and sewerage systems. When also including the infrastructure operation business being promoted by the INFRONEER Holdings Group, I believe we will be uniquely positioned within the industry.

In the Domestic Building Construction Business, despite some similarities in our order portfolios, each company has its own customer network and clearly defined niches. Both companies have strengths in super-high-rise residential buildings and there is some overlap in our clients, primarily developers. However, in light of the current robust housing demand and tight supply, the environment cannot be considered especially competitive and this means that any negative synergies resulting from business overlap will be limited. We boast a wealth of experience in super-high-rise residential buildings. By sharing our technical know-how, such as in precasting methods, I believe that the INFRONEER Holdings Group as a whole can secure an overwhelming share of the industry.

Turning to Overseas Business, although Maeda

Corporation has not made significant inroads overseas, we undertake operations centered on Southeast Asia and South Asia. In these regions we are involved in infrastructure projects, primarily ODA projects, in civil engineering field, while in building construction field we focus mainly on plants for Japanese-affiliated companies. After the business integration, we will be well positioned to combine the technical know-how of the INFRONEER Holdings Group's infrastructure services with its own industry top-class track record and network, primarily in Asia. Looking to the future, we will have ample potential to expand our business domains to include PPPs and PFIs in overseas countries. Sumitomo Mitsui Construction aims to broaden its overseas business and I have high hopes this business integration will help accelerate our business expansion.



Focusing on “added value” and increasing our “earning power” while closely assessing our direction for medium- to long-term growth

The five directions we currently envision for Sumitomo Mitsui Construction’s medium-to-long-term growth are as follows.

The first is domestic public investment. Although overall investment is likely to decrease in the future, I expect that the budget for strengthening national resilience will be maintained from the perspective of disaster prevention.

The second is the security sector. I anticipate that the domestic defense budget will be increased in the future. At the same time, we are also focusing on US military-related construction work. The US military is planning to develop infrastructure for defense bases in the Oceania region. We have a solid track record in US military-related projects in Guam so we will keep a close eye on developments in Oceania.

Third is carbon neutrality. In this field, the recently announced Seventh Strategic Energy Plan calls for the use of decarbonized power sources such as renewable energy and nuclear power. Capital investments in hydrogen and ammonia, which are cited as a means of energy transition, are expected to become active in a relatively short period of time. We can leverage our track record in the design and construction of cryogenic tanks in these fields and we are already promoting sales activities. Furthermore, we are also implementing a feasibility study for concrete floating offshore wind farms in collaboration with a company that has a proven track record in France.

These directions that I have just explained are mainly in civil engineering field. In the building construction field, I anticipate that demand for building data centers and semiconductor plants will continuously increase in tandem with the spread of AI technologies. As both types of facilities have unique features and a variety of sizes, we are currently holding internal discussions regarding the domains we should target.

Finally, in our Overseas Business, demand for ODA infrastructure projects centered on Southeast Asia, in which we have participated, will likely remain firm for another five to 10 years. Looking beyond that, as a member of the INFRONEER Holdings Group, we will advance into infrastructure projects implemented by clients other than ODA-related projects, including those for the Asian Development Bank for example. We will also move into domains such as PPPs and PFIs that I mentioned previously and we are currently undertaking information gathering and research in these areas.

With a view toward these directions, we will maintain our commitment to “added value” and increase “earning power” for future growth. Our key strategies for realizing these will be to “deepen our core business” centered on the domestic civil engineering and building construction businesses and “expand our growth business” that encompasses overseas businesses and new peripheral fields. Concurrently, we will “strengthen the foundation for achieving growth” through human resources strategies and technology strategies.

Establishing a new Human Resources Development Division to strengthen human capital and fundamentally reviewing our personnel system

In strengthening our human capital, we will continue to focus on “Enhance the human resource base” as set out in our previous Mid-term Management Plan. In the past, the Personnel Department operated under the Administration Division and was responsible for recruitment and evaluations. Unfortunately, the division lacked the resources to handle matters such as human resources strategies. Furthermore, other human resources-related departments were dispersed throughout the Company. To improve this situation, we newly established the Human Resources Development Division in April 2025 and centralized human resources functions. At the same time, by shifting personnel from business divisions, we strengthened our system for promoting human resources strategies linked to business strategies.

A key mission of the Human Resources Development Division is to fundamentally review our personnel system. As one initiative, the division is preparing to abolish the current personnel system, which is heavily seniority-

based, and transitioning to a system that rewards employees according to the weight of their responsibilities and the degree of their authority. This new system is scheduled to be introduced during the current fiscal year. Furthermore, as part of our focus on career recruitment, we have implemented measures such as systemizing “referral hiring and alumni recruitment” and introducing “360-degree evaluation” into our personnel evaluations in response to strong employee feedback. These measures will be implemented from fiscal 2025. Moreover, we continue to focus on promoting the participation of women with the aim of building an environment where diverse talent can play active roles. We have set KPIs for the ratio of women career-track employees and women managers and are making efforts in this area. Discussions are also underway to promote women to executive positions.

With regard to sustainability management, it is important to maintain a balance among the environment, society, and the economy and strive for sustainable

development while earning the continued engagement of stakeholders, including customers, employees, and local communities. We continue to promote Company-wide initiatives to resolve issues in our business activities that have a particularly large social impact. One of these is carbon neutrality. In May 2025, we revised our Roadmap Towards Carbon Neutrality by 2050, which was

formulated in 2021, to further accelerate our initiatives to address climate change across the entire Group. Alongside resolving important social issues such as “nature positive,” a “circular economy,” and “human rights,” we are also working to strengthen the foundations for promoting sustainability management, including our governance system.

My mission as president is to interact closely with employees to achieve retention while successfully completing the business integration.

Among our stakeholders I have explained to our customers that the business integration will stabilize our financial base and they have positively shown their understanding. Furthermore, I will strive to enhance the corporate value of the entire Group by steadily achieving performance targets for INFRONEER Holdings, our sole shareholder. In this context, I believe that the most important stakeholders to focus on in moving toward the business integration are our employees. As such, my top priority is to dispel their anxieties and increase their motivation. As part of the recent integration, all directors, myself included, split up and visited offices across the country to explain the details and speak directly with employees. At first numerous employees were upset and perhaps not everyone is fully convinced yet. However, I feel we are creating an atmosphere conducive to positive discussions. I intend to share the progress of our discussions with INFRONEER Holdings with as many employees as possible, listen to their opinions, and

reflect their ideas into our policies.

Although Sumitomo Mitsui Construction will become part of the INFRONEER Holdings Group, we will nonetheless retain our corporate legal status and will basically continue to operate our business independently just as before with a spirit of equality as a sister company of Maeda Corporation. While aligning with the systems and rules of the entire Group, we are not particularly required to align our culture and climate cultivated to date with that of the Group. Rather, I hope that contact points of different corporate cultures will spur innovation. This is a time of great change. We will create an environment where each employee can work with a sense of fulfillment as well as make efforts to increase the corporate value of Sumitomo Mitsui Construction while creating synergies as a group. I am fully committed to this mission and I will make my utmost efforts to fulfill this mission.

September 2025

柴田 敬雄

Representative Director, President



Our Value Creation History

Sumitomo Mitsui Construction was founded in 2003, merging Mitsui Construction and Sumitomo Construction, the first member of the Mitsui Group and the other from the Sumitomo Group. We are creating universal value that will always be loved by our stakeholders while building a business structure that responds at an accelerated pace to the needs of the times and our stakeholders.



Superior building construction capabilities and a strong record of meeting demand for housing and office space

Mitsui Group

Mitsui's history dates back to 1673 when Takatoshi Mitsui, the founder of the family, established Echigoya Drapery in Nihombashi Hongokuchō, Chūō-ku, Tokyo and a retail shop in Kyoto. The Mitsui family code focuses on people, which is why it is said that "Mitsui is people."



Photo courtesy of Mitsui Bunko



The Sumitomo Group construction company brought with it strong civil engineering capabilities and a strong infrastructure track record

Sumitomo Group

The Sumitomo Group's business began 400 years ago with the development of the nanban-buki technology, a refining technique in which lead is used to extract silver and other impurities from unrefined copper, and developed alongside the Besshi Copper Mines upon their opening. Masatomo Sumitomo created the Monjuin Shiigaki (Founder's Precepts), a set of business principles for the Sumitomo family, which has been handed down to the present day and still serves as the source of Sumitomo's business philosophy



Photo courtesy of Sumitomo Historical Archives

1887

Nishimoto-Gumi is founded by Kenjiro Nishimoto in Wakayama

Nishimoto-Gumi, the roots of Mitsui Construction, gained domestic recognition when Kenjiro Nishimoto took over and spearheaded the construction of a railroad for military use between present-day Seoul and Uiju in South Korea.



1945

Renamed Mitsui Construction Industry Co., Ltd. with the capital participation of Mitsui Fudosan Co., Ltd.

Mitsui Construction Industry was the first of the four major zaibatsu (literally "financial clique") to enter the construction industry. The company overcame the difficulties of the postwar period and contributed to the reconstruction of Japan.

1952

Renamed Mitsui Construction Co., Ltd.

In 1946, the company name was changed to Sanken Industry Co., Ltd. to be exempted from the GHQ directive for the dissolution of the zaibatsu, but the Mitsui name was reinstated following the abolition of the government order in 1952. The return of the original name boosted employee morale and had a tremendously positive impact on management as a whole.

1974

First large-scale project using the MCS construction method
Completion of Chiba Garden Town Building C, a pioneering high-rise residential complex in Japan



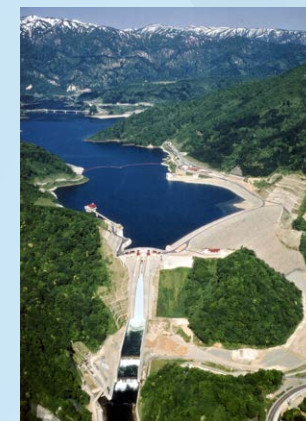
1982

Sri Lankan Parliament Building was completed



1990

Completion of Sagae Dam, the largest dam in the Tohoku region



1991

Okawabata River City 21 A, Japan's first full-scale concrete filled steel tube structure was completed



1995

Recipient of the BCS Prize
Completion of the Sagami-hara City Museum



1998

Completion of Harumi View Tower, Japan's first 50-story high-rise condominium



1800

1950

1960

1970

1980

1990

2000

1876

The Civil Division is founded from Besshi Copper Mine's civil engineering section

Established as part of operational streamlining and facility modernization efforts, upon its founding, the company started construction of a pathway suitable for ox-drawn wagons, greatly improving transportation for the Besshi main road.

1950

Besshi Construction Co., Ltd. is founded

To overcome intensifying free market competition in the industry, the company established its technical capabilities, social credibility, and system of unified efforts. In 1951, the company was one of the first to draw attention to prestressed concrete (PC) technology and diversified construction techniques.

1959

First use of the DYWIDAG method in Japan for a prestressed concrete bridge, the Arashiyama Bridge was completed



1962

Sumitomo Construction Co., Ltd. is founded through merger with Shizuokabased Katsuro-Gumi

Expanding its business through the merger with Katsuro-Gumi, which had an excellent track record in building construction, the company strengthened its safety management, developed new technology, and tackled a number of other corporate culture challenges.

1966

Completion of Yamanashi Cultural Hall



1969

Completion of the Expo East Gate Bridge, Japan's first PC cable-stayed bridge



1980

Recipient of the 1st OCAJI Prize
Completion of the New Nyali Bridge in Kenya



1982

Completion of the Municipal Museum of Oriental Ceramics, Osaka exhibiting the collection donated by the Sumitomo Group



1993

Completion of LeoPalace Resort in Guam



1994

Completion of Odawara Blue Way Bridge, the world's first extradosed bridge



Our Value Creation History

Sumitomo Mitsui Construction Co., Ltd. is founded

We are creating new value by leveraging the strengths inherited from Mitsui Construction and Sumitomo Construction, such as prestressed concrete bridges and super highrise condominiums that boast industry-leading track records.

2004

Seiun Bridge: Japan's first bridge to receive the fib (International Federation for Structural Concrete) Award for Outstanding Concrete Structures



2005

Yokohama Towering Square: First adoption of SQRIM (Sumitomo Mitsui Quick RC Integration) method of precasting was completed



2008

Shimukappu Tunnel, 3,000 m extension achieved with a centrifugal spraying system



2012

Completion of Diver City Tokyo Plaza, a large-scale commercial facility



Strengths cultivated by Sumitomo Mitsui Construction

1. Precast concrete (PCa) technology and systemized construction methods

By introducing methods such as the SQRIM method and PATRAC in PCa construction, we achieve shorter construction periods, reduced manpower requirements, and high-quality outcomes.

2. PC bridges

We have focused on the adoption and dissemination of prestressed concrete technology, developing and applying Japan's first and the world's first innovations in this field.

3. Overseas projects

Since entering Thailand in 1971, we have built over 50 years of experience, undertaking a wide range of projects centered on bridges and facilities for Japanese companies.

2016

Established Human Resources Development Centers (HDCs) to cultivate global human resources



2016

Seismic retrofitting work on Yamanashi Culture Hall designed by Kenzo Tange is completed



2019

The Mukogawa Bridge was the first expressway bridge in Japan to win the International Association for Bridge and Structural Engineering (IABSE) Excellence Award



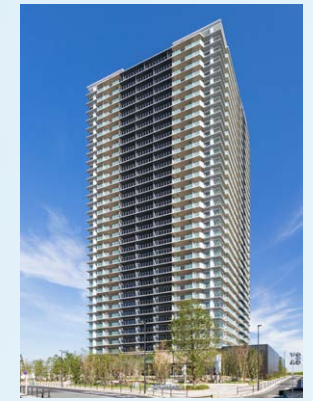
2019

Formulation of Vision 2030—
"To be a construction company that globally supports and connects "People" and "Communities" with new value"

はしも、まちも、ひとも。

2022

Completion of Brillia Tower Seiseki Sakuragaoka BLOOMING RESIDENCE, selected as the first high-rise ZEH-M demonstration project in the Tokyo metropolitan area



2022

Hokuriku Shinkansen, Miyama Tunnel, and other projects that give consideration to environmental conservation per the Ramsar Convention on Wetlands were completed



2003

2005

2010

2015

2020

2025



SUMITOMO MITSUI CONSTRUCTION CO.,LTD.

Origin of the Corporate Brand Logo

Using a super high rise building and a highway as the main motifs, the corporate images of "technology," "advanced," and "creativity" are expressed in a symbolic, refined blue.

2006

The Second Mekong International Bridge spanning the border between Thailand and Laos was completed



2006

LaLaport Kashiwanoha, a commercial facility that acquired S-class certification under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) 2020 was completed



2015

Recipient of the 43rd Japan Copper Development Association Award
Completion of Akagane Museum



2015

Nhat Tan Bridge (Vietnam-Japan Friendship Bridge), Neak Loeung Bridge, Cambodia (Tsubasa Bridge) was completed



2017

Hiragioike Floating Solar Power Generation Plant, the company's first floating solar power generation project was completed



2018

The Project for Improvement of the Tazara Intersection, Tanzania's first grade-separated intersection is completed



2019

Indonesia's first rapid transit network, the Jakarta Mass Rapid Transit North-South Line Phase 1 was completed



2020

Bessodani Bridge, the world's first ultra-durable bridge (Dura-Bridge®) is completed



2023

Installation of the first offshore floating solar power generation system in Japan targeting practical use was completed



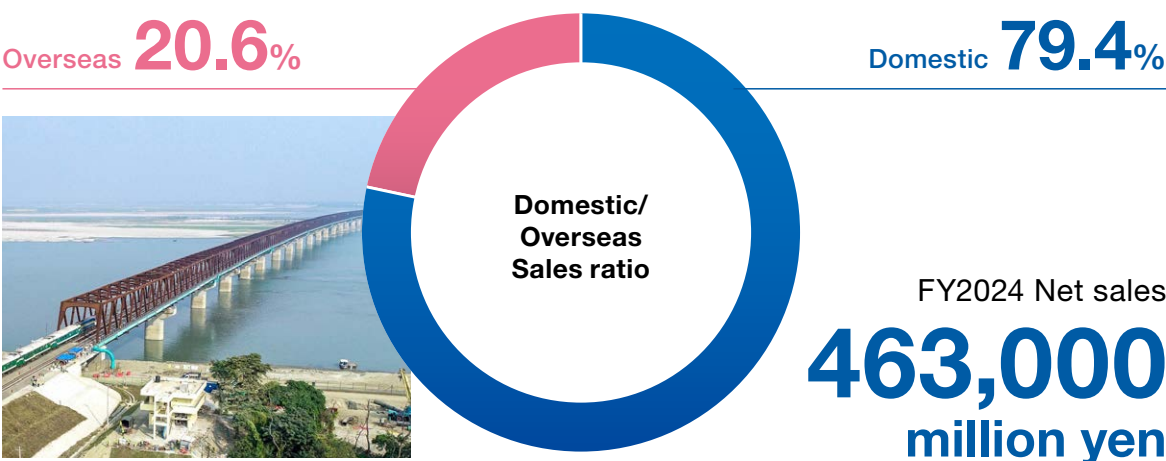
2024

Completion of the Sumitomo Pavilion for Expo 2025 Osaka, Kansai, Japan



At a Glance

As a construction company that responds to the diverse needs evolving with the times, the Group leverages the technical expertise and manufacturing know-how we have cultivated to develop infrastructure that supports local communities. While expanding our operations globally, we continue to carry out our mission of creating a foundation for people's daily lives.



Number of PC bridges
Approximately
4,100
bridges



We boast industry-leading design and construction achievements in the field of prestressed concrete bridges.

Number of housing units
Approximately
278,000
condominium unit

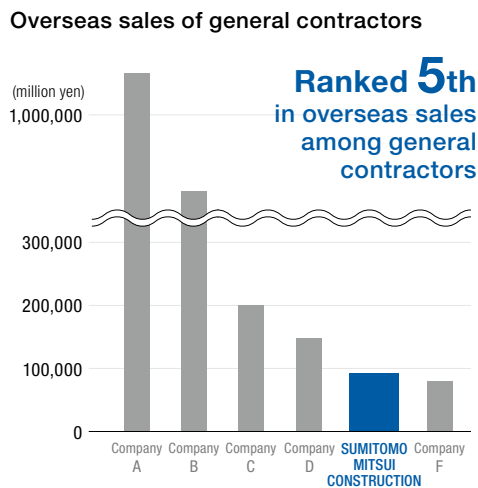
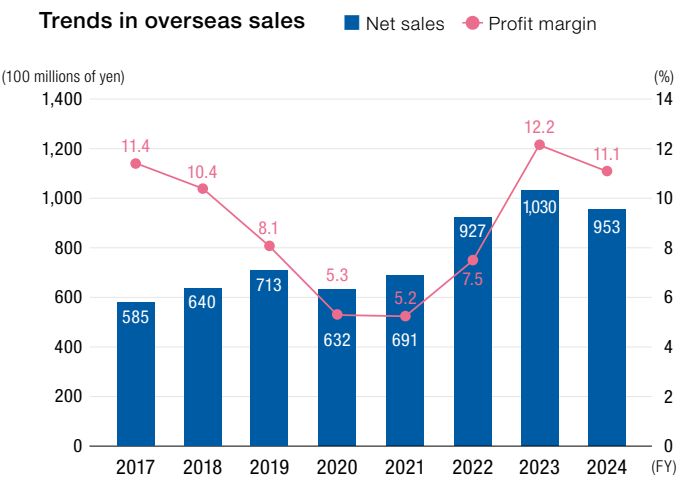


We have extensive experience in high-rise residential projects utilizing our proprietary SQRIM method, a unique technology that achieves both high quality and shorter construction periods.

Number of floating solar power installations
7
locations

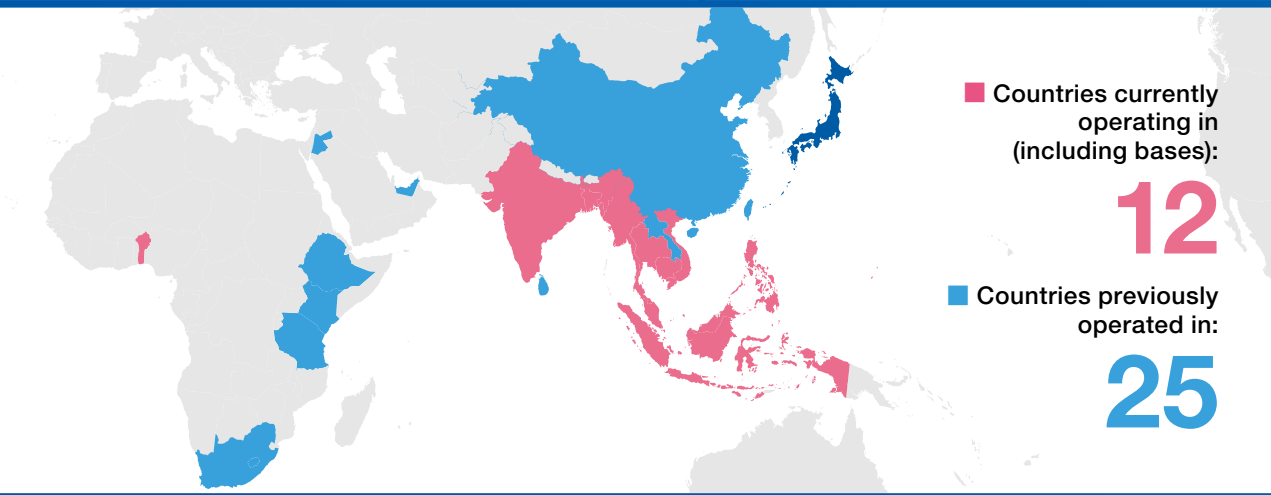


Our floating solar power business is expanding, leveraging our proprietary float system as a key strength.



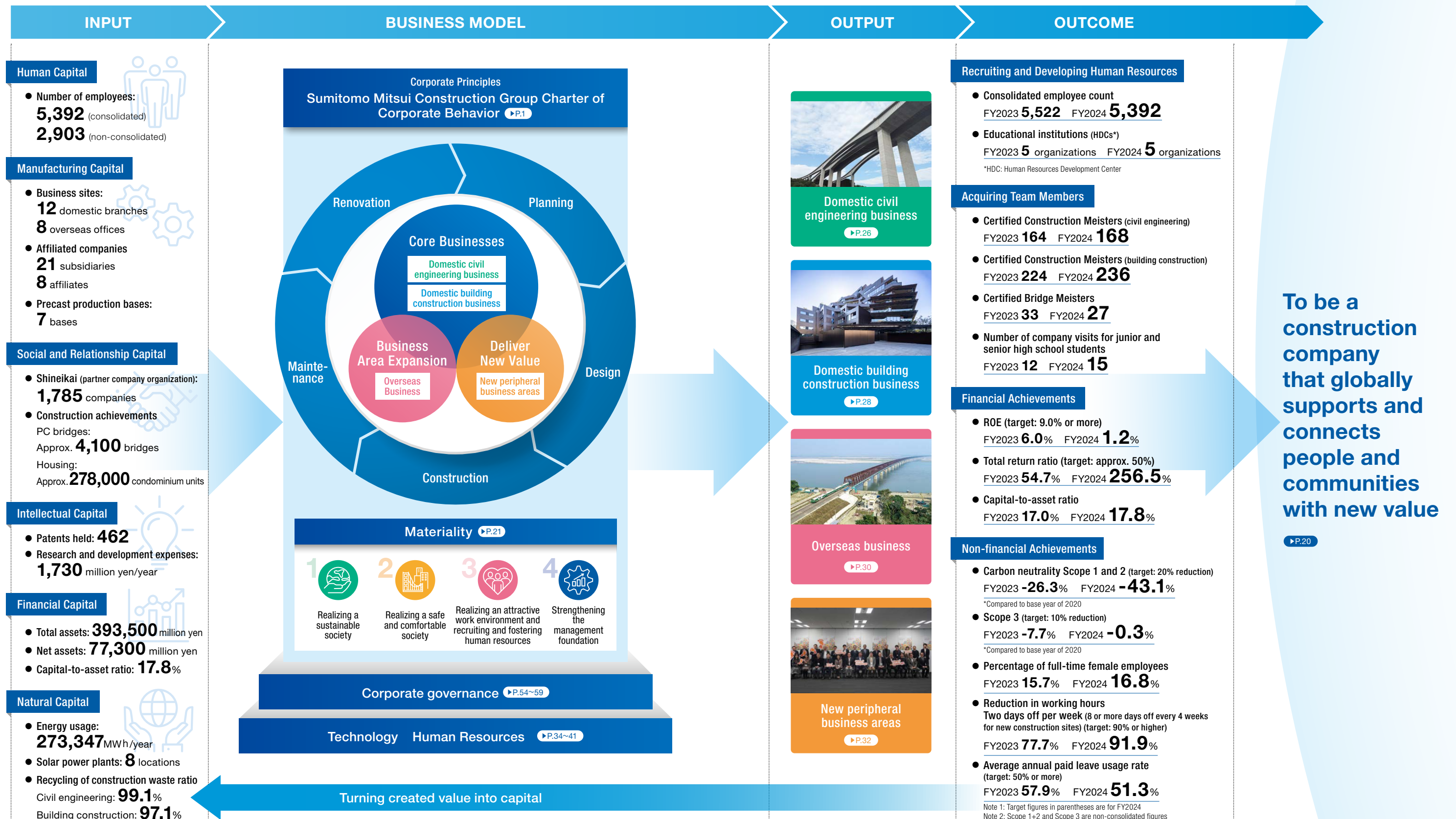
Source: Compiled by Sumitomo Mitsui Construction based on publicly disclosed figures from each company

Total assets 393,500 million yen	Net assets 77,300 million yen	Total number of employees including subsidiaries 5,392	Total number of employees overseas 2,918 (as of March 31, 2025)
Number of our proprietary patents 462	Domestic branches 12	Precast production bases 7 bases	Local staff (Including Japanese employees hired locally) 2,665 (as of March 31, 2025)



Value Creation Process

Through our value creation process, the Group has leveraged all management resources that support our business to address key issues and work our goal of realizing Vision 2030 outlined in our Long-term Vision. Going forward, by sharing the management resources and expertise of the INFRONEER Group, we aim to achieve more reliable and faster enhancement of corporate value.



Six Inputs (Management Capital) That Support Business Growth

Human Capital

Our assets are our employees, and we aim to connect “employee happiness” to “company growth.” We focus on creating a workplace environment where all employees have equal opportunities for growth and contributions, thus enabling diverse talents to thrive.

Number of employees:
5,392 (consolidated)
2,903 (non-consolidated)

Training-related investment:
175 million yen/year

Initiatives to strengthen capital

Recruitment of new graduates from overseas universities

As part of our talent acquisition channels, we directly approach universities overseas to recruit new graduates. After joining the Company, we provide thorough support, aiming to create an attractive organization where diverse talent can thrive.

Manufacturing Capital

Our largest manufacturing capital is the project site (on-site), which is the forefront of manufacturing. We are working on improving construction revenue through the enhancement of the on-site management. We are working on building an on-site support system, which will unify various business locations, related companies, and factories both domestically and internationally.

Business sites:
12 domestic branches
8 overseas offices

Subsidiaries: **21**

Affiliates: **8**

Precast manufacturing bases:
7 bases

Initiatives to strengthen capital

DX of production systems utilizing precast concrete

We enhance overall construction efficiency through centralized management of PCa materials, information sharing between factories and construction sites, and automated systems in PCa production.

Social and Relationship Capital

Together with our partner company organization, Shineikai, we will continue striving to contribute to society by building a broad-based network and deep relationships of trust with a wide range of stakeholders in society through our various businesses.

Shineikai (partner company organization):
1,785 companies

Construction achievements

PC bridges: Approx. **4,100** bridges

Housing: Approx. **278,000** condominium units

Initiatives to strengthen capital

Recognition for blood donation activities in the Republic of the Philippines

Our support for blood donation activities led by the Philippine Children's Medical Center (PCMC) was recognized, and we received a charity award from PCMC.

Intellectual Capital

Our company highly values the construction process and possesses numerous proprietary construction techniques, patented technologies, and know-how related to construction quality. By utilizing this capital, we aim to ensure safe and secure manufacturing that provides the “Supreme Quality Assurance” which will lead to increased social trust and customer satisfaction.

Patents held:
462

Research and development expenses:
1,730 million yen/year

Initiatives to strengthen capital

Promotion of intellectual property strategy

We aim to improve development efficiency by effectively utilizing our existing technologies and exploring the potential for further technological advancements.

Trends in the number of our patents, publications, and registrations

	2020	2021	2022	2023	2024 (FY)
Number of published patents	52	56	41	55	55
Number of patents filed	36	50	44	42	44

Financial Capital

We are engaging in various businesses (domestic civil engineering, domestic building construction, overseas, and new business & construction peripheral business) based on funds raised through stocks, borrowings, and other means. By consistently recording profits, we will promptly realize the soundness of our financial foundation, enabling us to respond to enhanced shareholder returns and growth investments.

Initiatives to strengthen capital

- ▶ Increasing net cash through shortening the Cash Conversion Cycle (CCC)
- ▶ Improving accounts payable turnover to strengthen relationships with partner companies
- ▶ Maximizing capital efficiency by effectively utilizing assets within the Group
- ▶ Establishing a banking framework that allows for diverse financing options

Total assets:
393,500 million yen

Net assets:
77,300 million yen

Capital-to-asset ratio:
17.8%

Natural Capital

As a company engaged in businesses closely tied to people’s lives we strive for the efficient utilization of resources to achieve coexistence and mutual prosperity with society. In addition to implementing the “Roadmap to Carbon Neutrality by 2050,” we help advance a circular society by improving the recycling rate of construction waste and promote the avoidance and minimization of impacts on biodiversity, as our contribution to a nature-friendly society.

Initiatives to strengthen capital

Biodiversity disclosure in line with TNFD

Aiming to set concrete targets for a nature-positive society, we conducted assessments based on the LEAP approach, analyzing our dependencies and impacts on biodiversity, as well as associated risks and opportunities.

Solar power plants:
8 locations

Installed capacity:
15.9 MW

Recycling of construction waste ratio

Civil engineering: **99.1%**

Building construction: **97.1%**

Vision 2030

In 2019, we established “Vision 2030” with the aim of achieving sustainable growth for the Group’s business alongside the development of society.

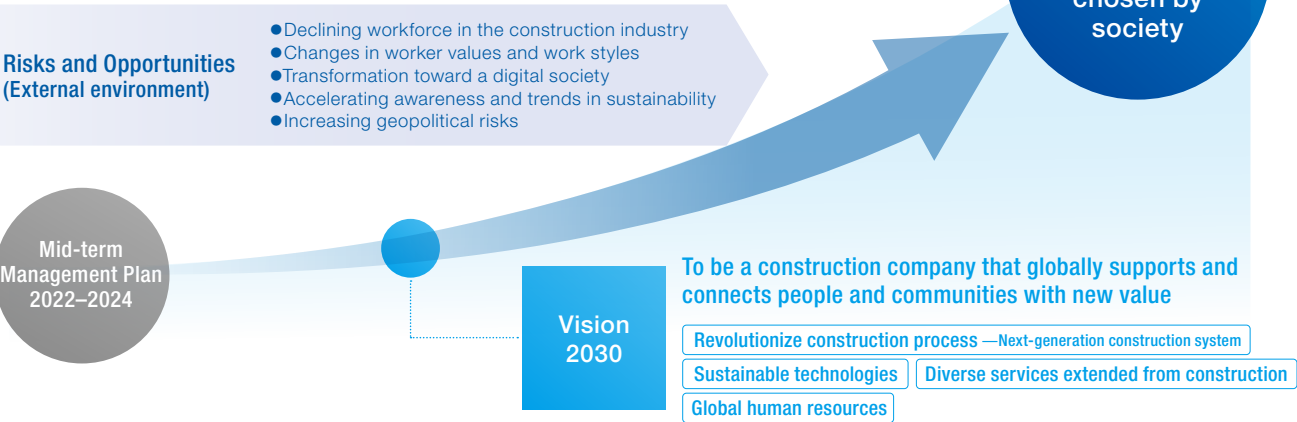
Vision 2030 for the SMCC Group

Four New Values	Target
1 Revolutionize construction process —Next-generation construction system Realize “SMile Construction System”^{*1} through the use of BIM/CIM, automation technology, data, etc., thereby improving productivity	High productivity Efficient production process and comfortable work environment 30% improvement in productivity
2 Diverse services extended from construction Expand our business domain through the provision of services and solutions contributing to a sustainable society, while also considering M&A deals	Strong foundation for overseas business Global business fields (provision of construction work and services) Consolidated overseas sales ratio: 30% (Domestic sales ratio: 70%)
3 Sustainable technologies In accordance with the Sumitomo Mitsui Construction Group Basic Policy on Sustainability, provide society with technologies contributing to the sustainability of the environment and society, including those associated with climate change and human rights	Business portfolio transformation Diverse services arising from our craftsmanship (Energy and infrastructure operations) Ratio of New Business & Construction Peripheral Business^{*2}: 30% (Traditional building construction business: 70%)
4 Global human resources Nurture globally active, diverse human resources, establishing a foundation that supports the expansion of overseas business, a driving force of growth	Achieving Green Challenge 2030 Contributing to the environment Achieving “Green Challenge 2030” KPIs WEB https://www.smcon.co.jp/en/csr/csr-environment/

^{*1} Next-generation digitalized construction system that connects project sites using ICT, including IoT, AI, and robots, with 3D design/construction plans Formulated in the 2019-2021 Mid-term Management Plan
^{*2} Scope not covered by simple contracts (domestic and overseas)

Toward realizing Vision 2030 and beyond

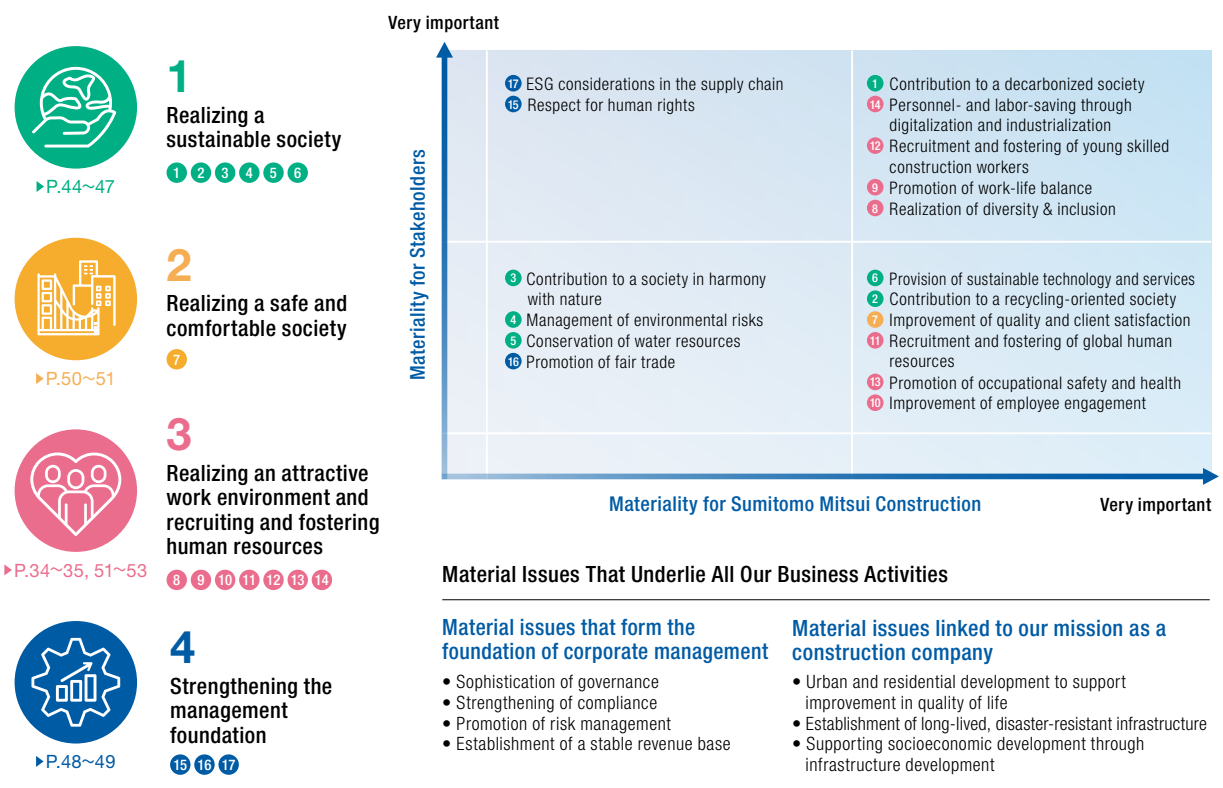
We aim to be a “company chosen by society,” providing construction services of value through our people and technology, and supporting a sustainable society together with all stakeholders.



Materiality

Materiality Matrix

We perceive our identified material issues based on their importance to both our stakeholders and our company, and work to address issues in cooperation with our affiliates and business partners, with the aim of creating a sustainable society and achieving our own sustainable growth.



Material Issues That Underlie All Our Business Activities

Material issues that form the foundation of corporate management	Material issues linked to our mission as a construction company
• Sophistication of governance • Strengthening of compliance • Promotion of risk management • Establishment of a stable revenue base	• Urban and residential development to support improvement in quality of life • Establishment of long-lived, disaster-resistant infrastructure • Supporting socioeconomic development through infrastructure development

Process for Identifying Material Issues

In 2019, we set out Vision 2030 and aim to realize this vision through our Mid-term Management Plan. In fiscal 2020, we identified materiality through backcasting and set KPIs and targets. In March 2022, we formulated the Mid-term Management Plan 2022-2024 and also took the opportunity to review our material issues, KPIs, and target values.

1. Organization of issues
Based on international standards and frameworks for conduct (SDGs, ISO26000, etc.), the evaluation frameworks of sustainability organizations (SASB Standards, etc.), challenges facing the construction industry, and a thorough understanding of risks and opportunities, we identified keywords related to social issues and changes we expect to occur by 2030. Then, in line with the SMCC Group’s Corporate Principles and Vision 2030, we selected potential material issues.

2. Evaluation of materiality
We evaluated the material issue candidates based on two

criteria: “importance to our company” and “importance to stakeholders.”

3. Material issue identification
We have categorized material issues into four areas: 1) Realizing a sustainable society; 2) Realizing a safe and comfortable society; 3) Realizing an attractive work environment and recruiting and fostering human resources; and 4) Strengthening the management foundation. The corporate management foundation and our mission as a construction company were separately positioned as material issues that underlie all our business activities.

4. Formulation of KPIs
We established KPIs for the identified material issues and set specific target values and years to achieve them. Please visit the company’s website for details on the materiality identification process.

WEB <https://www.smcon.co.jp/investor/materiality/> (Japanese only)

Materiality and KPIs

Materiality and KPIs

Materiality		KPIs		FY2022		FY2023		FY2024		Evaluation*
				Target	Results	Target	Results	Target	Results	
	1 Realizing a sustainable society									
1 Contribution to a decarbonized society	Reduction in CO ₂ emissions (Scope 1 and 2) (t-CO ₂) *Compared to base year of 2020		-10%	4.4%	-15%	-26.3%	-20%	-43.1%	S	
	Reduction in CO ₂ emissions (Scope 3) (t-CO ₂) *Compared to base year of 2020		-5%	-9.3%	-7.5%	-7.7%	-10%	0.3%	E	
	Energy generation capacity (energy generation projects)		12MW	10.4MW	30MW	15.9MW	40MW	15.9MW	E	
2 Contribution to a recycling-oriented society	Construction waste recycling rate	Civil engineering	Over 99.2%	99.3%	Over 99.3%	99.3%	Over 99.4%	99.1%	B	
		Building construction	Over 98.8%	97.8%	Over 99.0%	98.7%	Over 99.2%	97.1%	B	
3 Contribution to a society in harmony with nature	Implementation rate of biodiversity preservation activities (%) *Project sites implementing biodiversity preservation activities / Project sites requiring biodiversity preservation activities		100%	100%	100%	100%	100%	100%	A	
4 Management of environmental risks	Serious violations of environmental regulations (fines/sanctions)		0	0	0	0	0	3	E	
5 Conservation of water resources	Implementation rate of water quality management for wastewater (%)		100%	99.8%	100%	100%	100%	100%	A	
6 Provision of sustainable technology and services	Percentage of budget related to SX technology development (Strengthening technologies related to 1 through 5)		30%	47%	32%	68%	35%	53%	S	
	2 Realizing a safe and comfortable society									
7 Improvement of quality and client satisfaction	Average inspection score based on internal standards	Civil engineering	Over 77 points	78.4 points	Over 77 points	80.1 points	Over 78 points	80.9 points	A	
		Building construction	Over 77 points	78.1 points	Over 77 points	77.7 points	Over 78 points	79.6 points	A	
	Civil engineering: annual average points in engineering performance evaluations		Over 80 points	83.3 points	Over 80 points	82.2 points	Over 80 points	82.0 points	A	
	Building construction: customer satisfaction survey		Over 80 points	83.0 points	Over 80 points	73.0 points	Over 85 points	74.9 points	B	
	3 Realizing an attractive work environment and recruiting and fostering human resources									
8 Realize diversity & inclusion	Percentage of women general managers		Over 1.5%	1.6%	Over 2.0%	1.88%	Over 5.0%	1.90%	E	
	Percentage of women managers		Over 2.6%	2.6%	Over 2.8%	2.72%	Over 3.0%	2.99%	B	
	Percentage of women career-track employees from regular recruitment		Over 20%	27.0%	Over 20%	28.7%	Over 20%	28.41%	A	
	Percentage of women career-track employees from mid-career recruitment		Over 20%	29.0%	Over 20%	33.3%	Over 20%	21.21%	A	
	Employment rate of people with disabilities		Over 2.3%	2.4%	Over 2.3%	2.2%	Over 2.3%	2.57%	A	
	Rehiring rate at retirement age and continuous employment rate		Over 90%	91.9%	Over 90%	90.1%	Over 90%	88.70%	B	
9 Promotion of work-life balance	Average monthly overtime and holiday hours worked by employees (excluding managers and supervisors) during the year		Less than 45 hours	22 hours	Less than 45 hours	19 hours	Less than 45 hours	17 hours	S	
	Average annual paid leave usage rate		Over 50%	55%	Over 50%	58%	Over 50%	51%	A	
	Rate of men employees using childcare leave		100%	118%	100%	101.7%	100%	100%	A	
10 Improvement of employee engagement	Value of work engagement indicator in employee engagement survey (5-point average)		Over 3.8	3.6	Over 3.9	3.6	Over 4.0	Not yet implemented (scheduled for June 2025)	E	

Evaluation S: ≥150%, A: ≥100%, B: ≥80%, C: ≥60%, D: ≥40%, E: <40%

Materiality	KPIs		FY2022		FY2023		FY2024		
			Target	Results	Target	Results	Target	Results	Evaluation*
11 Recruitment and fostering of global human resources	Recruitment of students from overseas universities and students from overseas studying in Japan (regular recruitment assistance)		3 to 5	3	3 to 5	5	3 to 5	1	E
	Cross-Functional Team recruitment		25	12	30	3	30	0	E
	Recruitment of Japanese overseas personnel (through domestic agencies)		5	12	5	0	5	2	D
	Overseas local recruitment (through overseas agencies)		5	0	5	6	5	4	B
	General education (position-specific training, etc.)		350	364	350	694	350	761	S
	Language education (English and Japanese)		500	463	500	515	500	143	E
	Global training		200	184	200	269	200	168	B
	GLOBAL KENTEI®		500	1,104	500	967	500	647	A
	Domestic to overseas (GHR system)		0	0	5	2	5	5	A
	Overseas to domestic (study abroad system)		5	0	5	1	5	4	B
	Overseas to overseas (transfer between bases)		5	7	5	6	5	6	A
12 Recruitment and fostering of young skilled construction workers	Two days off per week (8 or more days per 4 weeks)	Civil engineering	80%	88.6%	90%	92.6%	100%	97.3%	B
		Building construction		58.8%		66.2%		87.6%	B
	Promote registration with the Construction Career Up System (primary subcontractors)	Civil engineering	100%	93.8%	100%	98.7%	100%	95.5%	B
		Building construction		85.0%		88.7%		89.7%	B
	Promote registration with the Construction Career Up System (secondary subcontractors)	Civil engineering	80%	83.0%	100%	92.8%	100%	92.5%	B
		Building construction		81.0%		81.6%		89.0%	B
	Promote registration with the Construction Career Up System (tertiary subcontractors)	Civil engineering	80%	70.8%	100%	87.0%	100%	92.2%	B
		Building construction		73.0%		79.4%		87.8%	B
13 Promotion of occupational safety and health	Cases of serious disaster		0	0	0	0	0	1	E
	Frequency rate		0.5 or less	0.51	0.5 or less	0.68	0.5 or less	0.7	B
14 Personnel- and labor-saving through digitalization and industrialization	Completion productivity (Domestic) = Completed construction amount / Total hours worked by paid personnel in Japan		1.0%	-3.0%	3.0%	0.4%	5.0%	8.7%	S
4 Strengthening the management foundation									
15 Respect for human rights	Rate of participation in human rights awareness education		100%	70%	100%	70%	100%	100%	A
	Implementation of human rights due diligence		Implementation of human rights due diligence	Completed in the company in Japan Implementing to overseas/affiliated companies	Implementation of human rights due diligence and start of relief mechanisms	Implementation of human rights due diligence and start of relief mechanisms	Implementation of human rights due diligence	Implementation of human rights due diligence	A
16 Promotion of fair trade	Collecting written pledges to eliminate bid-rigging		100%	100%	100%	100%	100%	100%	A
17 ESG considerations in the supply chain	Confirmation of the status of consideration of the CSR Procurement Policy (compliance items) when evaluating partner companies		100%	100%	100%	100%	100%	100%	A

Review of the Previous Mid-term Management Plan

Mid-term Management Plan 2022–2024

Overview

In the 2022–2024 Mid-term Management Plan, we set the theme “Toward new growth—realizing a sustainable society” and steadily advanced toward our Vision 2030. This plan aimed for new growth by connecting social growth with corporate growth, and pursued a sustainable society through a wide range of initiatives based on three fundamental policies: improving earning power, taking on challenges in growth areas, and enhancing the human resource base.



Achievements and challenges

Over the course of the period, results fell short of the initial plan, primarily due to significant losses recorded on large-scale domestic building projects. On the other hand, we achieved certain successes, including the expansion of our overseas operations—a key strength—the enhancement of construction production systems through initiatives such as the centralized management system for precast concrete, and the growth of our floating solar power business in pursuit of a sustainable society. To address changes in the external environment, such as labor shortages, population decline, and shifts in worker values, we took steps to create a workplace where diverse talent can thrive, including establishing a D&I policy and revising our personnel system. Going forward, we will build a foundation for early and stable profitability, while also recognizing the importance of investing in our greatest asset—our people.

Performance Targets and Results

(100 millions of yen)

	Mid-term Management Plan 2022–2024			
	Results		Targets	Results
	2022	2023	2024	2024
Consolidated net sales:	458.6	479.5	467	463
Domestic civil engineering (Company)	104.1	107.4	101	105.2
Domestic building construction (Company)	182.2	185.7	169	174.8
Overseas	92.7	103	102	95.3
New business & construction peripheral area	—	—	—	0.3
Domestic Group companies, etc.	79.6	83.4	95	87.4
Consolidated operating income (profit margin)	(18.8)	8.5	16	7.6
	-4.1%	1.8%	3.4%	1.6%

Financial KPIs

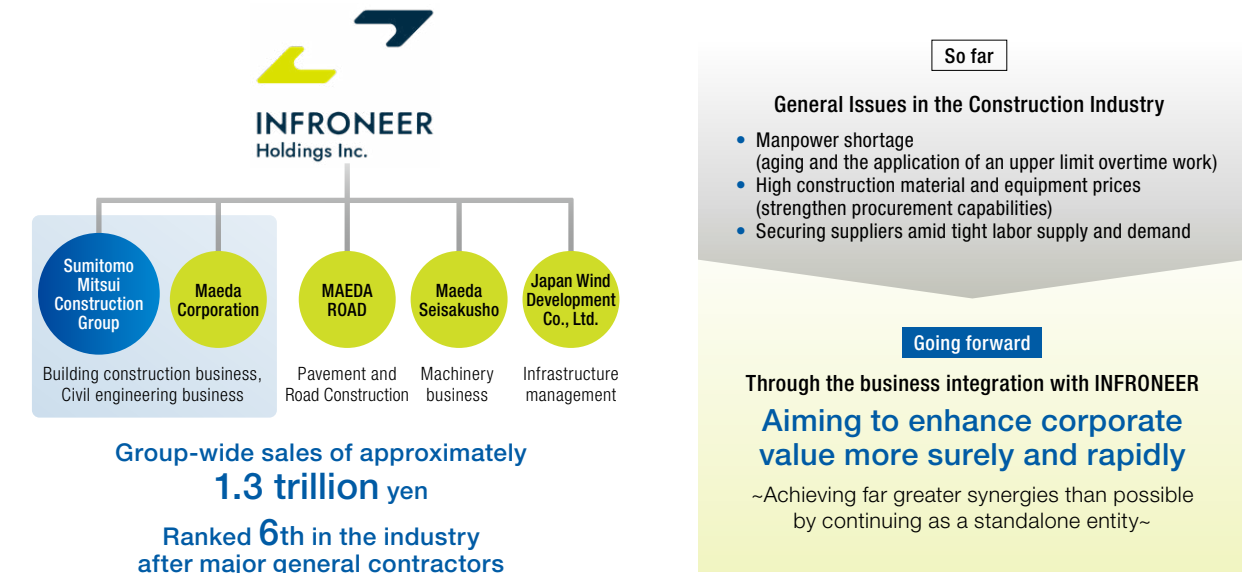
	Mid-term Management Plan 2022–2024			
	Results		Targets	Results
	2022	2023	2024	2024
ROE	-33.2%	6.0%	9% or more	1.2%
Total return ratio	—	54.7%	Approx. 50%	256.5%

About the business integration

Overview and objectives

INFRONEER Holdings Inc. and Sumitomo Mitsui Construction successfully completed a tender offer on September 18, with Sumitomo Mitsui Construction becoming a member of INFRONEER Holdings. Through this integration and the establishment of a capital relationship, both companies aim to fully leverage their business connections, operational foundations, and customer relationships in growth markets. This initiative is designed to enable them to steadily secure orders for public-sector projects, private-sector clients, and infrastructure projects in emerging countries—areas where both companies have established strengths—even amid the rapidly changing construction industry.

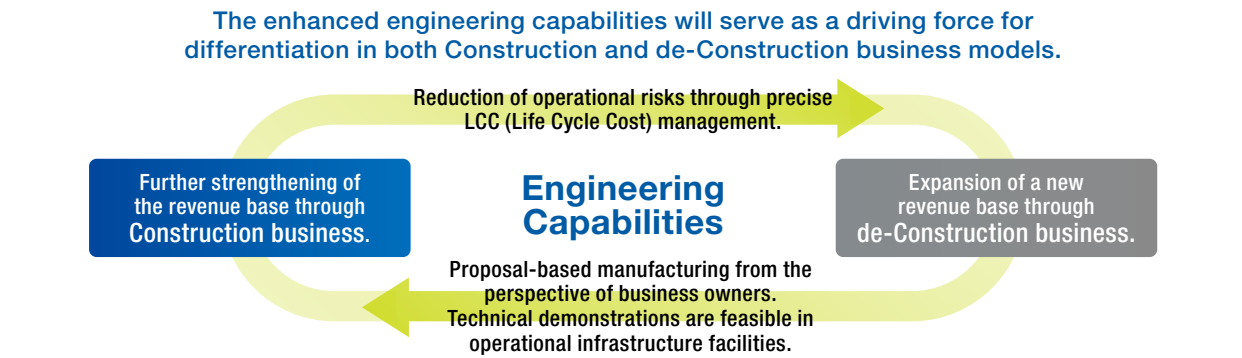
Based on a simple calculation of combined annual sales from their construction businesses alone, the total would be approximately 1 trillion yen. Including the infrastructure operations business, the two companies would be able to cover the full lineup of services from upstream to downstream, creating a uniquely positioned entity in the industry. We believe that, through this business integration, we can achieve significantly greater synergies than if we were to continue independently, resulting in a more certain and accelerated enhancement of corporate value.



Strengthening the engineering capabilities of the INFRONEER Group

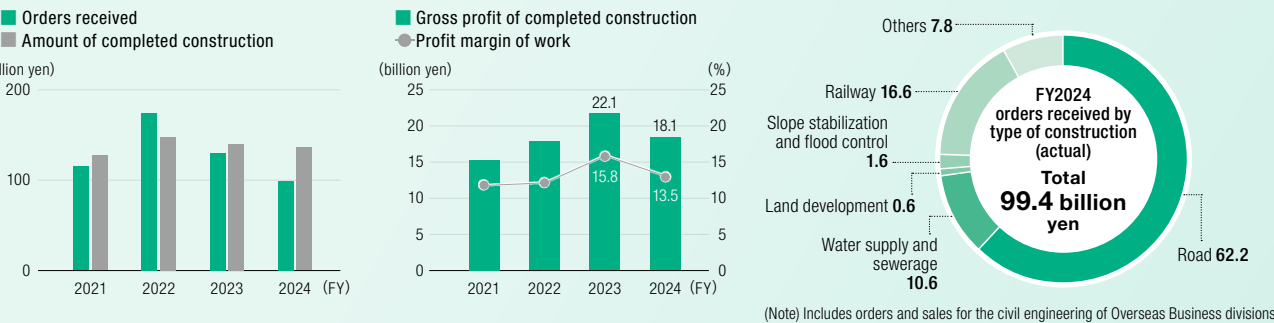
As the construction market shifts from new projects to maintenance and management, and challenges such as funding shortages and workforce decline intensify competition within the industry, differentiation has become essential. At the core of this differentiation is engineering capability, which refers to the ability to efficiently and safely advance projects by leveraging technical knowledge and skills, from design and planning to construction management.

Through the recent business integration, INFRONEER Holdings Inc. aims to further strengthen its engineering capabilities and establish a unique model as an “integrated infrastructure service company,” combining Construction and de-Construction business models, and driving continued evolution.



Domestic Civil Engineering Business

Domestic Civil Engineering Business results (non-consolidated)



FY2024 Construction Results

Daidogawa Bridge and Two Other Bridges (PC Superstructure Construction) on the Shin-Meishin Expressway

This project serves as part of the Otsu Junction (tentative name) on the Shin-Meishin Expressway. Spanning over 1,300 meters, this consists of four bridges together with a ramp bridge for merging and separating the inbound and outbound lanes. The main girders with asymmetric cross sections to handle three lanes on each side were constructed rationally using precast materials.

Major Initiatives for FY2024

Promoting Personnel- and Labor-Saving for Work Site Technicians through the Development of DX Technologies

We are responding to the urgent need for personnel- and labor-saving measures at work sites by promoting the development of DX technologies. In fiscal 2024, we released two DX technologies news and are actively deploying these at work sites. Specifically, our Raku Camera®, a real-time automatic reinforcement form inspection system, incorporates new artificial intelligence (AI) and has significantly improved measurement accuracy and work efficiency and made a large contribution to labor savings. Meanwhile, our One Man Leveling Survey System was developed as a device and system that enables leveling survey to be undertaken by one person, which reduces the number of workers required for conventional surveying work from two persons. We are currently developing numerous other DX technologies and will accelerate our development efforts to contribute to the realization of "i-Construction 2.0," a new initiative advocated by the Ministry of Land, Infrastructure, Transport and Tourism to improve productivity (labor savings) at construction sites.

Developing New Technology that Utilizes AI

As a new technology in the SMC-Tunneling series that improves tunnel construction productivity, we developed AI de Sakiyama (blasting version), which uses AI to automatically select blasting patterns. By incorporating the tacit knowledge of skilled workers through AI, we were able to alleviate skilled workers shortages and improve the efficiency and safety of blasting work. Additionally, we have newly equipped our Raku Camera® real-time automatic rebar inspection system with AI, which automates rebar recognition and enables measurements even under adverse conditions such as direct sunlight or backlight.

Developing Young Human Resources Who Will Become the New Leaders of the Company

In the Civil Engineering Division, the number of employees between the ages of 35 and 45 is small while the number of younger employees is large, so the early training of young employees is an urgent issue. We have been holding practical training camps for new employee education since 2017. At these training camps, employees are divided into groups to build structures with their own hands to cultivate their ability to think on their own from planning to construction. Additionally, in fiscal 2024 we launched an on-site support group within our Head Office. This group equalizes on-site workloads mainly by supporting busy worksites nationwide while creating an environment where on-site employees can focus on their core tasks and improve their own skills.

Characteristics and Strengths of the Business

Based on our extensive experience, we provide the optimal design and construction technology in the construction and maintenance and renewal of civil engineering structures that support societal infrastructure, such as bridges, tunnels, river improvements, land development, and water supply and sewerage facilities. In the prestressed concrete (PC) bridge sector, we take pride in being one of the industry's leading firms in terms of design and construction achievements. We promote technological development such as new structural forms and construction methods using precast concrete (PCa) to shorten construction periods and streamline constructions. Through these, we can offer high-quality, durable, and easily maintainable bridges.

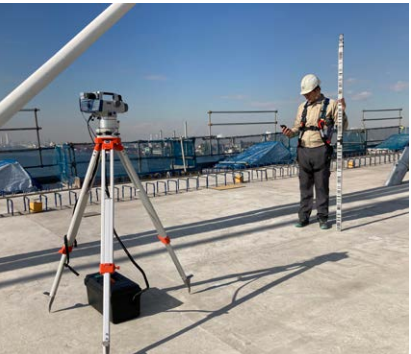
In Japan, we are focusing on large-scale rehabilitation (such as deck slab replacements for bridges) and new tunnel construction, while overseas, we have been steadily building up a track record of large-scale construction projects such as subways and high-speed railways to gain a competitive edge.

Mid- to Long-term Policy

In the domestic market, orders for disaster prevention, disaster mitigation national resilience-related construction, and renovation of aging infrastructure have remained strong. Our domestic civil engineering business continued to receive orders and secure high-quality work backlogs. In addition, thanks to the steady progress of several major construction projects, both net sales and profits surpassed the record levels of the previous fiscal year.

In our strategy for winning orders in fiscal 2025, we will maintain good performance in technical proposals in the comprehensive evaluation bidding system and aim to win orders for projects with high productivity and profit margins. In addition, we will continue technology development and DX promotion, and reduce the workload at work sites by supporting work sites through cooperation between head office and branch offices.

Risks	Opportunities	Responses to Risks and Opportunities
Stricter overtime regulations and shortage of skilled labor	Growing need for labor-saving and productivity-enhancing technologies	- Expansion of automation technology (Robotaras® II), DX, next-generation construction system, and the project site support system - Development and expansion of rapid construction and labor-saving technologies using precast concrete technology
Declining demand for new domestic infrastructure construction	- Expansion of CN (Carbon Neutrality) market - Increased demand for maintenance-free technologies	- Initiatives for renewable energy and CN projects utilizing our proprietary technologies, such as floating offshore wind turbine foundations and ammonia storage facilities - Development and expansion of high value-added technologies, such as the DuraSeries of ultra-durable bridges
Business impact of introducing carbon tax, carbon pricing, etc.	Expansion of the decarbonization related demand	Development and application expansion of low-carbon, high-strength materials such as Sustain-Crete®



One Man Leveling Survey System



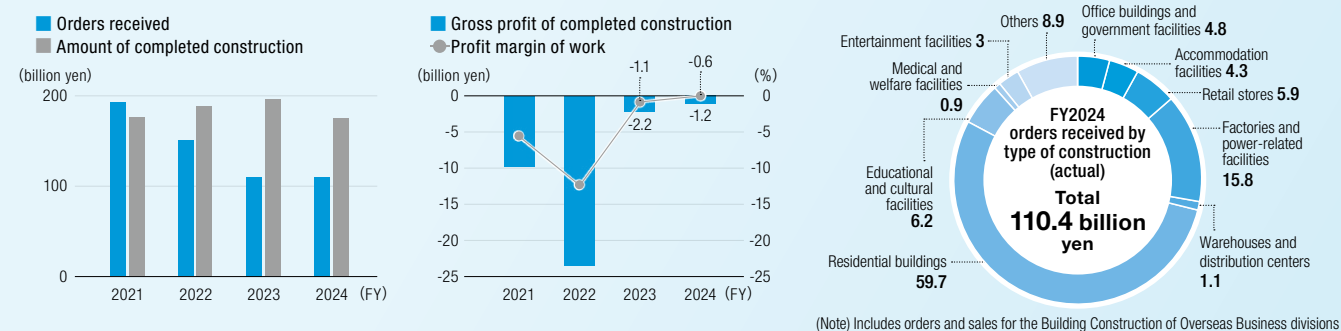
AI de Sakiyama (blasting version)



New employee education: practical training camps

Domestic Building Construction Business

Domestic Building Construction Business results (non-consolidated)



Characteristics and Strengths of the Business

In the housing business, we have an extensive track record in super high-rise residential buildings using our proprietary SQRIM construction method, which achieves high quality and short construction time. Technology that enables high-speed construction allows single floors to be built in as little as three days utilizing the Group's precasting plants are becoming Sumitomo Mitsui Construction's strength. We are further strengthening this technology to improve construction efficiency and productivity.

For warehouses, data centers, and large factories, we use MIC (Mitsui Sumitomo Integrated Composite System), a hybrid steel-frame-reinforced concrete construction method, to provide buildings that are resistant to vibration while providing large spaces.

In addition, we are focusing on ZEB/ZEH construction to achieve carbon neutrality, and have obtained ZEH-M certification for our company's single-employee dormitories, which operate with a zero energy balance.

Mid- to Long-term Policy

In the domestic building construction market, brisk investment is continuing thanks to robust demand. On the other hand, supply-side constraints are increasing due to restrictions on maximum overtime work.

For this reason, the supply capacity of general contractors is unable to keep pace with construction demand. This situation is particularly conspicuous among facility construction companies and this supply-demand imbalance is expected to persist for the time being.

We have restricted new orders to prioritize the completion of our order backlog. We are steadily progressing with the completion of the order backlog. We will now strive to rebuild our construction structure and thoroughly implement initiatives that emphasize profitability while undertaking sales activities for securing new construction work with the aim of increasing profit levels.

Risks	Opportunities	Responses to Risks and Opportunities
Declining numbers of engineers and skilled workers, tight labor market	- Investing in increased resilience, strong capital investment in decarbonization, etc., and continued demand for urban redevelopment - Further progress in DX/RX, including AI adoption	- Expand the use of precast technology, which enables high quality, short construction time and labor savings - Study and investment in automation of PCa materials production - Productivity improvement through DX/RX technology
Growing demand for decarbonization of construction projects	Growing need for decarbonization on the client/user side	Technology development and commercialization of ZEB/ZEH
Rising prices for construction materials	Enhancement of the attractiveness of the construction industry through progress in price shifting throughout the supply chain	- Establish contract terms that are flexible in response to price fluctuations - Strict cost control in the short term

FY2024 Construction Results

PROUD Jingu-mae

Overlooking the Meiji Shrine forest, this luxury residence with a total of 76 units was designed and built by Sumitomo Mitsui Construction under the design supervision of Kengo Kuma.

Major Initiatives for FY2024

Restarting and Moving Toward the Next Stage of Growth in the Building Construction Business

Large-scale domestic building construction projects were successfully completed thanks to a Company-wide support system and the implementation of prevention measures based on past failures. Furthermore, buildings that exemplify Sumitomo Mitsui Construction's technology capabilities were successively completed in regions across Japan. Taking this as an opportunity, the Building Construction Business will restart efforts toward building an efficient system that achieves both reliability and speed and will raise the quality

of all processes from customer service to construction.

Moreover, we will further solidify the earnings base of the entire Building Construction Business by thoroughly implementing initiatives focused on profitability, strengthening our construction system, and implementing strict target management. Looking ahead, we aim for further growth of the Building Construction Business by ensuring high productivity in response to an age of shrinking workforces and by promoting technology development and strategic investments.



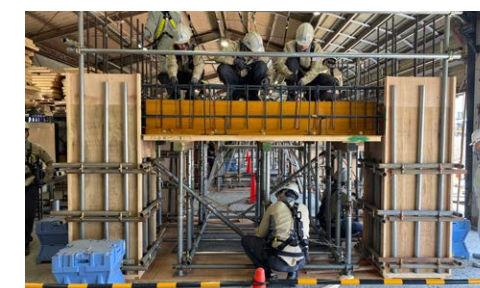
Left: Japan's tallest residential building (263m above ground)
Top center: Japan's number-one (largest) multi-store outlet mall
Bottom center: Kyushu's largest logistics center
Right: Asahikawa's first tower (residential) apartment building (Japan's northernmost)

Efforts for Appropriate Staffing and Training of Young Employees

In order to enable systematic staffing after the construction system shortage is resolved, we have systematized the staffing status of project execution engineers, and we are implementing the appropriate staffing of engineers in all branches. Additionally, we aim to further expand our overseas business and are systematically shifting our technicians from Japan to overseas locations.

In addition, in order to quickly develop young engineers who can fill the shortage of middle level employees, we will systematically train young engineers in conjunction with annual training. For design engineers, we have shifted from traditional on-the-job training to intensive training from the first year to promote early

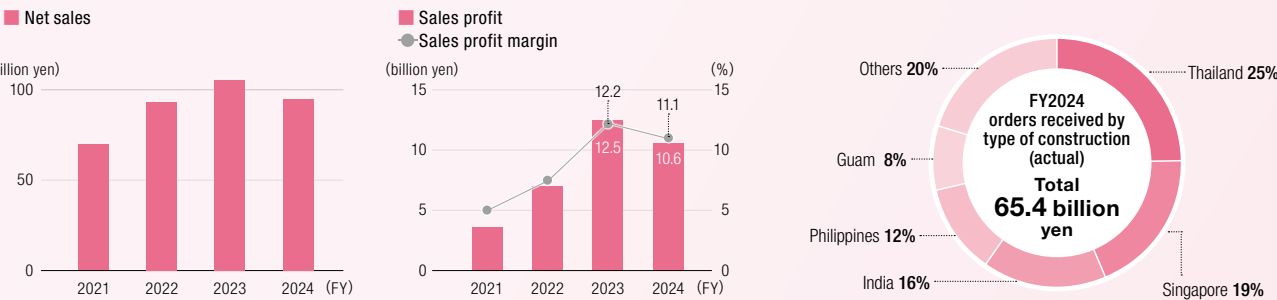
development and rotational training to develop independent project supervisors.



New employee training

Overseas Business

Overseas Business results (consolidated)



FY2024 Construction Results

Bangabandhu Sheikh Mujib Railway Bridge Construction Project WD2 Construction

The Jamuna River, where the bridge is being constructed, is a large river that is 4.8 km wide. This large-scale railway bridge forms an important part of the rail transport network connecting neighboring regions.

Characteristics and Strengths of the Business

We started our overseas business in Thailand with a bridge project in 1971, and we have built a history spanning more than 50 years. During this time, we accumulated experience in Japanese ODA projects, learned the customs and cultures of each country, deployed Japan's advanced technologies, and established organizational structures. Currently, we are working on a super-large railway project in the Philippines, and carrying out direct management of construction using Japan's high-quality technology. In India, we are proposing optimal construction designs and methods to many private clients, and are carrying out a range of construction projects. These projects in Southeast and South Asia see the participation of multinational employees, and we are enhancing and passing on technology.

Mid- to Long-term Policy

Several transportation infrastructure projects funded by Japanese ODA were completed, including a large bridge project in Bangladesh and a subway project in Vietnam. These projects enable us to contribute to the development of local communities worldwide.

Securing labor is an unavoidable issue in the overseas construction industry just as it is throughout Japan. Besides recruiting foreign nationals for our bases in Japan and overseas, the Company continually works on global cross-nation human resource development, with efforts centered on Japan's technology and know-how, and is promoting "Localization" aimed at the autonomy and sustainable growth of each base. Through these efforts, we plan to enhance our organizational structure to appropriately respond to the dramatically changing business environment of our overseas business.

Major Initiatives for FY2024

Taking on Challenges in New Growth Areas

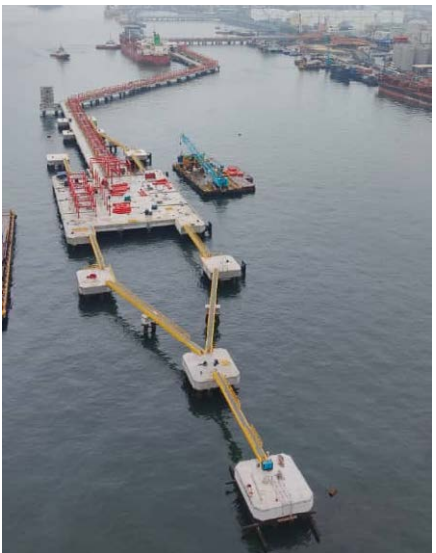
In our Overseas Business, Antara Koh Private Limited, which has brought new strengths in marine civil engineering fields, boasts a top-class track record in Singapore and the ASEAN region based on its extensive marine construction know-how cultivated for over 40 years. This company's driving force is its diversity in the form of its richly diverse organizational structure made up of employees from approximately 10 countries.

This has created a corporate culture that can analyze projects and issues from diverse perspectives and actively promote new reforms and innovations. Concurrently, besides synergies created through highly complementary marine civil engineering capabilities, abundant human resources possessing adaptability and flexibility have also been a key force driving our advance into new markets.

The Active Participation of Foreign National Employees in Supporting Business Globalization

We emphasize human resource development in its Overseas Business and works to promote the independence of each base and strengthen its network. First, we implement HDC Global Training with the aim of cultivating global human resources who will lead our Overseas Businesses. We solicit participants from all our bases and provide training on a variety of themes while deepening international exchange and networks. We also implement HDC Local Training, which provides more-practical content to strengthen the overall capabilities of each base. We have established and are currently providing training at Human Resources Development Centers (HDCs) in five countries. Furthermore, to optimally allocate outstanding human resources and build strong networks, we certify foreign local employees suitable for management positions as Management Members (MM) and actively assign them to overseas bases. We also certify Operation Members (OM) to support MMs. These members demonstrate leadership such as by serving as instructors at HDC Global Training, which features the participation of local employees from all bases. Through these activities, we further strengthen networks between our overseas bases and promote the development of and secure human resources essential for our Overseas Businesses.

Risks	Opportunities	Responses to Risks and Opportunities
- Changes in the political, economic, legal, and exchange rate environments of countries where we operate, especially geopolitical risks originating from Russia and China - Natural disasters, climate changes, and infectious diseases unique to each country where we operate	- Relocation of production bases and increased private investment in new countries and regions - Growing demand for infrastructure-related investment	- Secure talent through enhanced global human resources training - Increase opportunities of receiving orders by expanding overseas network
Control and education in organizations with multinational, multilingual, and diverse cultures	- The internal mobility of employees to facilitate leverage of technical expertise established by the Japan's division in overseas construction - The effectiveness of the activities of the Human Resources Development Center (HDC), which operates in five locations worldwide, with the aim of nurturing global talent and promoting the appointment of outstanding local employees as management executives	- Collaboration with local partners allows the creation of business models better suited to local areas - Discover new customer segments such as local outstanding companies

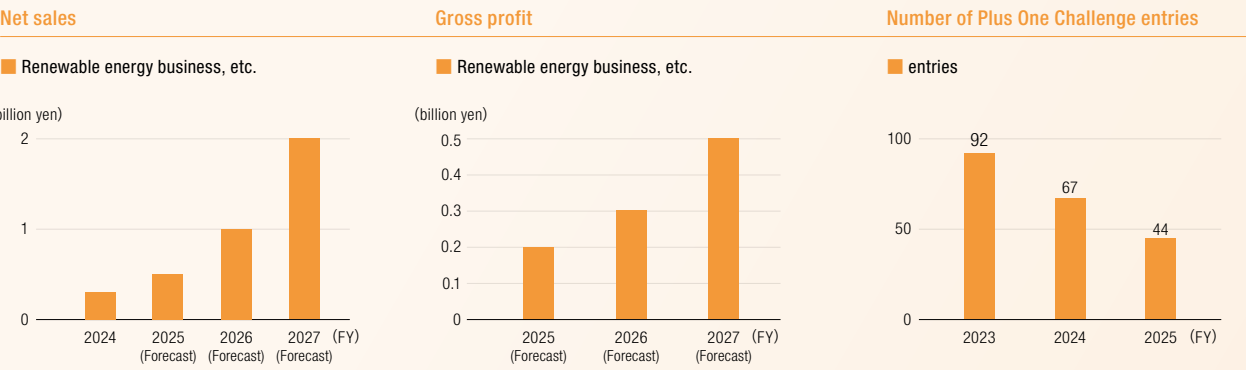


Port of Johor, Malaysia Oil Transport Jetty Construction Project (New Liquid Jetties Project)



Global Education

New Business & Construction Peripheral Business



FY2024 Plus One Challenge Final Selection

Five teams with ideas selected from 67 submitted ideas presented their business ideas honed up to the present. Following a stringent evaluation by a selection committee consisting of President Shibata, executive officers, and division heads, two teams passed the final selection and are currently considering specific business commercialization at the Business Creation Division.



Characteristics and Strengths of the Business

The New Business & Construction Peripheral Business is working to create new businesses with the aims of “creating new revenue sources” and “contributing to a sustainable society.” In the renewable energy business, we are expanding our floating solar power generation business utilizing our own floating solar power system as a strength. As other businesses, in bio-toilet manufacturing and sales and tree maintenance support, we are undertaking business utilizing the sales network and technologies accumulated in our Building Construction Business. Additionally, as an initiative for creating business ideas, from fiscal 2023 we have been implementing the Plus One Challenge, a business idea submission system.

Mid- to Long-term Policy

With the aim of “providing new value to society and contributing to the Company’s sustainable growth through the compensation we receive in return,” we are implementing a policy of promoting the New Business & Construction Peripheral Business for addressing social issues by undertaking business centering on three main fields. The first is clean energy, where we will promote commercialization centered on expanding the floating solar power generation business, as well as commercialization of small hydroelectric power generation and biogas power generation. The second is infrastructure maintenance/disaster prevention and mitigation. In this field, we will expand our disaster prevention and mitigation business centered on our bio-toilet manufacturing and sales business. We also intend to develop broader infrastructure maintenance and management businesses, including tree maintenance support. The third is solving industry issues. Here we aim to realize solutions businesses for issues such as labor shortages that face the construction industry, which includes Sumitomo Mitsui Construction.

	Risks	Opportunities	Responses to Risks and Opportunities
Renewable energy business	- Deterioration of business viability due to a decrease in electricity selling prices - Reduction in installation support such as subsidies, etc. - Expansion of opposition from nearby and local government location regulations	- Sufficient subsidies for PPA, etc. - Active support for low-environmental-impact floating solar power generation - Promotion of renewable energy generation in untapped areas of local governments and businesses (locally produced and consumed)	- Active utilization of subsidies to secure business viability - Realization of locally produced and consumed renewable energy businesses with water surfaces owned by local governments and companies
Others	- Emergence of competing products and services - Failure in technology development and systems development - Abandoning of business commercialization due to the emergence of leading companies (slow commercialization speed)	- Emergence of new needs and markets - Generate ideas such as through business idea submission system - Emergence of startups with technologies and services	- Strengthen competitiveness through improvements and entry into new markets - Increase the probability of commercialization through the creation and elimination of numerous ideas - Accelerate commercialization and reduce business risk through proactive collaboration (open innovation)

Major Initiatives for FY2024

“Plus One Challenge” Business Idea Submission System

In fiscal 2024 this was implemented for the second time under the solicitation theme “New business ideas in peripheral areas of our business.” A total of 67 business ideas were submitted from across the Company. After an interim selection process in October, two ideas, including those arising from everyday work, were selected at the final selection meeting held in February. These business ideas are currently undergoing detailed commercialization considerations at the Business Promotion Department.

SMilet® Bio-Toilet Manufacturing and Sales Business

Our water circulation bio-toilet SMilet® that contributes to improving toilet environments in times of disasters underwent an operational check with prototypes. After testing, we built a manufacturing and sales system and commenced general sales in December 2024. Achievements in FY2024 included receiving an order for six units as part of the Ministry of Land, Infrastructure, Transport and Tourism's disaster prevention container toilet deployment program.



External view of SMilet®

tree AI™: Tree Maintenance Support Business

To eradicate the recent increasing number of fallen trees on streets and other tree accidents, we are working to commercialize tree maintenance support. Our AI-based diagnostic system, currently under development, is expected to significantly improve the efficiency of tree diagnosis and enable early diagnosis of more trees. We are currently working toward partial commercialization starting in fiscal 2026.



tree AI™ diagnosis (image)

Renewable Energy Business

As an initiative in renewable energy, we are focusing on floating solar power generation, which has a low environmental impact, and small-scale hydroelectric power generation using rivers and existing dams. In fiscal 2024, our first Feed-in Premium (FIP)-based Power Purchase Agreement (PPA) floating solar power plant (1.6MW) at Hiraike Pond and Shinike Pond (agricultural reservoirs) in Kato City, Hyogo prefecture was completed and began operation on March 31.

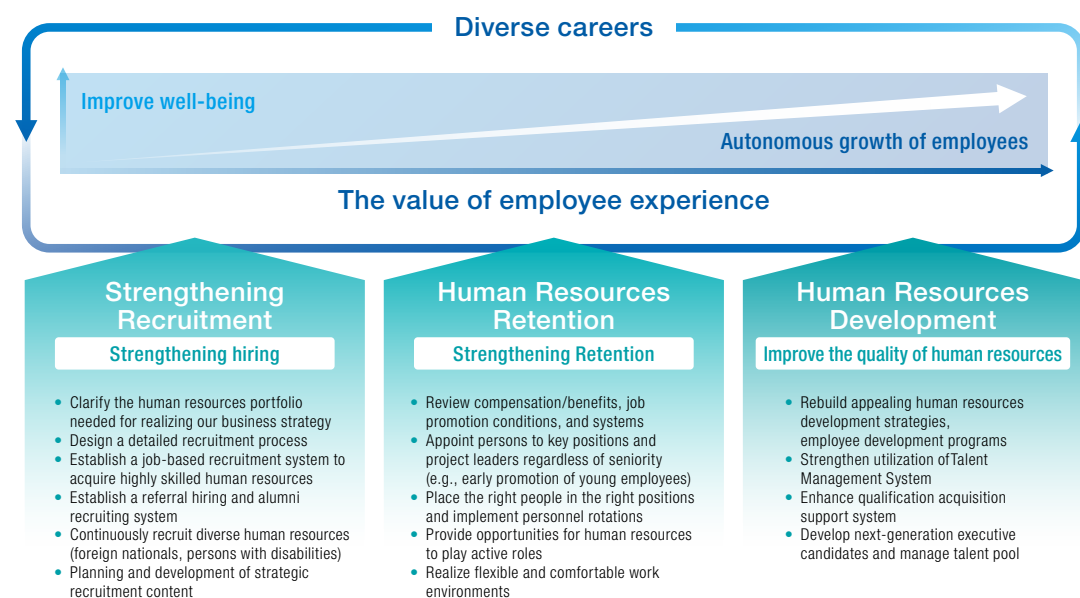


Kato City (Hiraike Pond and Shinike Pond) floating solar power plant

Human Resources Strategy

Basic Approach

To become a company where employees can work with expectations, satisfaction, and pride, we base our human resources strategy on three pillars consisting of strengthening recruitment, strengthening retention, and improving the quality of human resources. Starting with recruiting and assigning the appropriate human resources and developing their skills, we aim to realize career development that allows employees to feel a sense of growth amid a diverse work environment to raise the motivation of individuals, improve employee engagement, and increase corporate value.



Strengthening Recruitment

Details of initiatives

We are promoting planned and effective recruitment of new graduates and mid-career hires by optimizing its recruitment process and strengthening our organization. Besides cultivating recruiters and strengthening internship programs, we have introduced referral recruitment through employee introductions and an alumni system aimed at reemployment of former employees. We are also making ongoing improvements through the visualization of recruitment activities and periodic reviews while strengthening recruitment content and communicating the Company's appeal. Sumitomo Mitsui Construction is also working to raise the level of Company-wide recruitment capabilities by digitizing recruitment management and expanding job types and the job candidate pool.



Guidance for unofficial job offers

Recruiting Diverse Human Resources

8 Realize diversity & inclusion

11 Recruitment and fostering of global human resources

We are strengthening our recruitment in new areas such as business development and sales while also continuing to focus on hiring foreign nationals. We promote the recruitment of diverse human resources regardless of gender, nationality, or job type. We are moving to secure global human resources through collaboration with overseas universities and are also working to improve Japanese-language education and our system for accepting foreign nationals. We aim to grow and transform the entire company by creating an organization that utilizes diversity.



Overseas job offer ceremony

Strengthening Retention

Achieving fair and appropriate evaluations and compensation

To ensure that motivated and excellent employees receive high evaluations regardless of their age and can play key roles on a new stage, we are fundamentally reviewing our current seniority-focused salary system, which is based on a grade system. We intend to begin operating this system from April 2026.

Regarding personnel evaluation, we are thoroughly committed to fair and appropriate evaluations through the well-balanced operation of our current system. We are also introducing on a trial basis a 360-degree evaluation for managers that raises awareness levels of supervisors and improves their behavior and management skills.

Creating a Flexible and Comfortable Workplace

9 Promotion of work-life balance

To enable each and every employee to work in a way that matches his or her life stage and values, we are promoting measures such as reducing overtime work and sharing tasks to prevent dependency on the individualization of tasks. This allows all employees to enrich their work and personal lives and achieve a work-life balance. We offer flexible work options through remote work and the use of satellite offices for employees who are at a life stage where they need support.

For employees with childcare responsibilities, we operate a system so that both the employee and their affiliated department are satisfied when taking leave, and we establish an environment where both men and women can take leave for as long as necessary. For employees providing care for family members we encourage the use of our work-life balance support system and our consultation desk that includes the provision of information.

For employees with D&I-related issues, we provide necessary support by actively encouraging the anonymous use of our consultation desk.

Moreover, we aim to create a work environment where employees can feel safe and demonstrate their abilities through continuous education on topics such as psychological safety and unconscious bias. Concurrently we aim to be a company where all employees can feel the joy of working for us by increasing organizational strength through mutual understanding and respect.

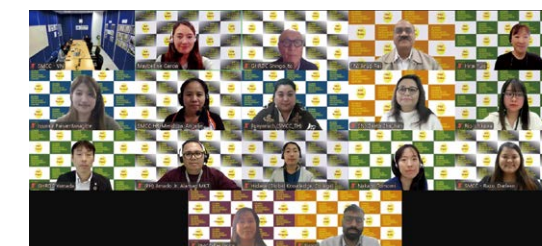
Enhancing the Quality of Human Resources

Upgrading education and training

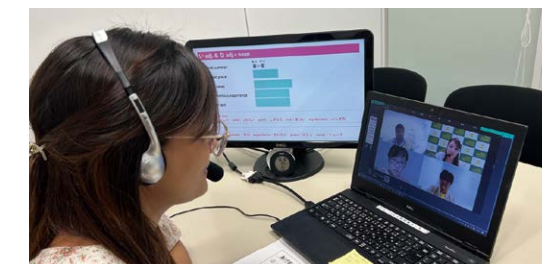
12 Recruitment and fostering of young skilled construction workers

We provide a variety of training that includes level-specific and job-specific training, diversity

education, and global education to enable employees to systematically acquire the knowledge and skills required for their jobs. We have developed programs to improve technical skills and management skills and provide learning venues linked to practical work. Additionally, we are also building a system that ascertains course completion history and official qualifications obtained and links this to promotions and evaluations. Moreover, we implement selection-based training and executive training and are reviewing our educational support system for sites where on-the-job training is difficult as we continuously undertake our human resource development.



HDC members at each base



Online Japanese-language education



New employee training

Enhancing the qualification acquisition support system

We support employees in obtaining qualifications necessary for their jobs, such as Professional Engineer, First-class Architect, First-class Civil Engineering Works Execution Managing Engineer, and Construction Industry Accountant. Through exam preparation courses and drafting and field preparation courses, we provide learning opportunities for practical work and increase the expertise of employees and promote their career development. We are also strengthening support for obtaining qualifications for a wide range of employees, including young employees.

Initiatives for Internal Reform Task Force and

Launched in October 2024, the Internal Reform Task Force consisting of 12 employees with various backgrounds held repeated discussions over the course of six months. We aim to further enhance corporate value by creating a workplace where each employee can work with pride and fully maximize their respective individual capabilities.

Personnel System Reform



Communicating employee feedback to management for continuous reform

Takato Takahashi

Yamakita Minasegawabashi Work Site (at the time),
Tokyo Civil Engineering Branch

Amid a severe business environment arising from a loss on the large-scale domestic building construction project, the Internal Reform Task Force's mission was to implement reforms aimed at restoring business results and increasing corporate value. Among these, reforming the personnel system was particularly important as well as a major theme. Specifically, we considered a wide range of issues, including improving the operation of the personnel evaluation system, reviewing various allowances, and supporting the formulation of career paths. We organized issues based on feedback from employee surveys and made recommendations to management. Toward fundamentally revising the system, we took time to delve deeper into issues with the current system and took immediate action to improve workplace allowances and other measures. I strongly feel the importance of having a system in place to continuously listen to the opinions of employees.

Redefining and Redistributing In-Office and Field Work



Work reforms starting with a shared awareness of issues

Takahi Sone

Koiwa Station North Exit Redevelopment Project,
Tokyo Building Construction Branch

Besides a labor shortage and the start of the implementation of overtime work regulations, we are witnessing an increase in the scale of our projects and a polarization of the age composition of its workforce. I had a strong sense of crisis that maintaining on-site management and developing next-generation human resources could become difficult because of these factors. Based on this awareness, task force members visited each branch and exchanged opinions with department managers and group leaders. As a result, we confirmed that recognition of these issues is shared Company-wide. In the future, we will review, redefine, and redistribute the roles of our existing internal and field work departments to build a collaborative system that transcends branch boundaries, share know-how, improve work efficiency as well as promote the development of next-generation human resources.

Toward a Better Workplace

Improving Compensation for Overseas Employees



Toward further strengthening our overseas business, which is a strength

Yu Okonogi

Metro Manila Subway Project Office,
Global Business Division

Our overseas business is positioned as a growth driver for Sumitomo Mitsui Construction and I am proud that this business has earned a respected presence among our competitors. Nonetheless, I was concerned that the number of applicants for overseas work was stagnating due to employees' concerns about the unique hardships of working overseas and the lack of clarity about the actual conditions of overseas work. As a member of the task force, based on feedback collected from fellow overseas employees, we proposed and implemented an increase in the amount of hardship allowances and expanded employee benefits to better reflect local conditions. I also created and shared content to inform even more employees about the actual conditions of overseas work. I hope that as many employees as possible will be attracted to our overseas business and join forces to contribute to Sumitomo Mitsui Construction's development.

Reviewing and Standardizing Business Processes



Turning small improvements into driving forces for major changes

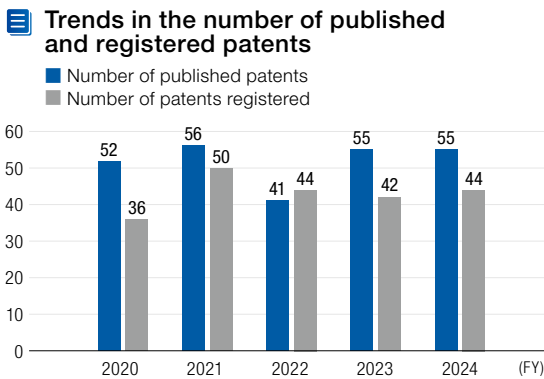
Kaori Miura

Administration Department,
Tokyo Building Construction Branch

In our day-to-day work, there are many instances when approval procedures increase each time new rules and systems are introduced. This places a significant burden on both the applicant and the approving parties. Moreover, there are also cases in which the implementation of rules results in inconsistencies in procedure details among departments, causing confusion for newly transferred members. Although just a few rules and systems have been improved through the activities of the task force, we are still at the midpoint. I feel that each review will lead to improvements in operational efficiency and to the elimination of organizational barriers. I believe that a constant awareness of issues and a willingness to flexibly reevaluate systems and ways of doing business are particularly important as the first step toward continuous reform.

The Source of Our Craftsmanship / Proprietary Technologies Supporting Our Strengths

We participate in urban development through civil engineering structures such as bridges and tunnels that support people’s daily lives, and structures such as buildings, condominiums and commercial facilities that support affluent lifestyles. Since our founding, we have maintained the spirit of boldly taking on the challenge of creating unprecedented products. We will continue to challenge “Japan’s first” and “world’s first” technologies and work to provide “new value” in the future.



Our Key Proprietary Technologies

Civil Engineering	Large scale renewal (deck slab replacement)	SMartD®, precision shockwave demolition method Sustain-Joint®, precast deck slab jointing method SMC-Slab, a deck slab replacement design support program
	Productivity improvement on construction sites	Column Head SPER construction method, ultra-rapid installation of column heads Girder-type Compact Wagon, a mobile work vehicle for cantilevered erection SMC-Smart Measure®, a bridge formwork inspection and measurement system Quick-re-Invert of the SMC-Tunneling Series Rationalization of main girder web structure [Butterfly web bridge]
	Longer life and greater durability	Dura-Bridge®, ultra-durable bridges
Building Construction	Achieving a decarbonized society (energy saving technology)	ZEH-M ZEViewer™
	Earthquake disaster prevention technology	Swing vibration control system SQRIM-H construction method (U.S. Technology Certification Obtained)
	Engineering	SuKKiT (Multi-unit residential design system)
Common to Civil Engineering and Building Construction	Achieving a decarbonized society (Initiatives addressing Scope 3 emissions)	Sustain-Crete®, an environmentally friendly concrete Sustain-Geo™, a sustainable soil improvement material
	Productivity improvement on construction sites	Precast concrete (PCa) technology in general Robotaras® II, automated rebar assembly system PATRAC®, next-generation PCa production management system Raku Camera®, real-time automatic reinforcement form inspection system Lock bolt placement interval measurement system
New Business & Construction Peripheral Area	Use of renewable energy	Floating solar power generation Use of hydrogen steam boiler for curing during PCa production SMilet®, water circulation bio-toilet

Recent Technological Developments to Meet Client Expectations and Solve Social Problems

Quick-re-Invert Method

This method was jointly developed with the National Research and Development Agency, Public Works Research Institute (PWRI). It is used for renewing or adding inverts in tunnels that are in service. Instead of the conventional soldier-pile and lagging method for temporary earth-retaining works, it installs continuous U-shaped retaining structures using the open-pit construction technique. This approach reduces the time required for conventional earth-retaining work by approximately 35% and lowers the risk of traffic-related accidents.

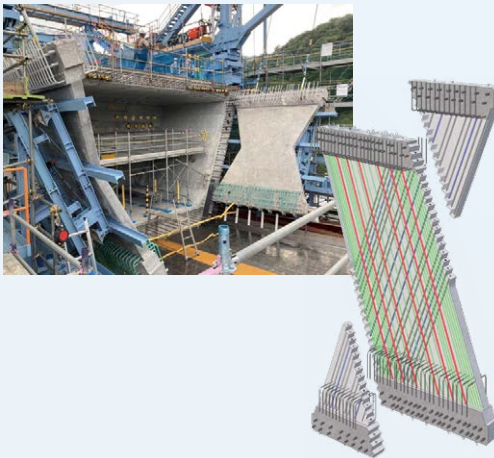


Rationalization of Main Girder Web Structure [Butterfly Web Bridge]

We have developed a large butterfly web structure that accommodates high girder heights and enables long-span construction by varying the girder height. This was achieved by adopting a segmented butterfly web structure, in which the butterfly web is fabricated in three sections at the factory, transported separately, and then integrated and erected on site.

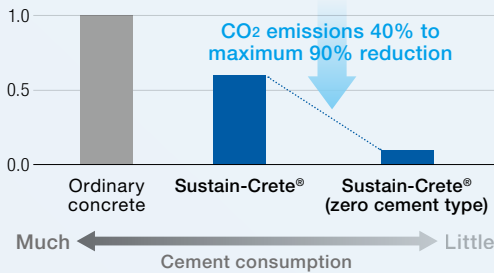
By adopting the segmented butterfly web, transport restrictions such as web height and weight are relaxed compared with conventional integral butterfly webs, allowing for longer spans to be implemented.

In the future, further adoption of butterfly web bridges, which are lightweight and highly durable, can be expected.



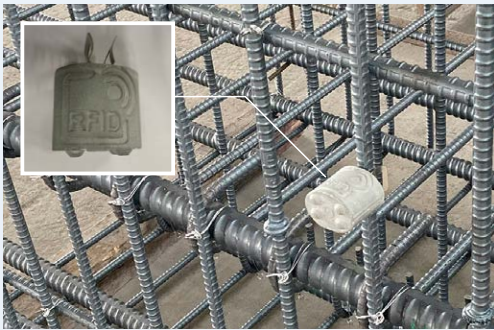
Sustain-Crete®

We have developed the environmentally friendly concrete Sustain-Crete® as a construction material that reduces CO₂ emissions, and we are promoting its application in civil engineering and building construction projects. SustaMarble®, an artificial stone product made using the zero-cement type Sustain-Crete, was used for the flooring of outdoor walkways at the Sumitomo Pavilion of Expo 2025 Osaka, Kansai, Japan. Zero-cement precast prestressed concrete floor slabs have also obtained the Environmental Product Declaration (EPD) certification.



RF Tag Integrated Spacer

This system utilizes Radio Frequency (RF) tags embedded in concrete to manage production progress and stock at PCa factories. The RF tags can be read from more than one meter away, making it easy to scan them during storage or shipment. By acquiring location information along with progress registration, the system enables map-based display of component locations and allows stock positions to be searched directly from the map. This visualization of production management contributes to the digital transformation (DX) of PCa production management.



Technology Strategy

The Market Environment and Addressing Challenges by Utilizing Technologies

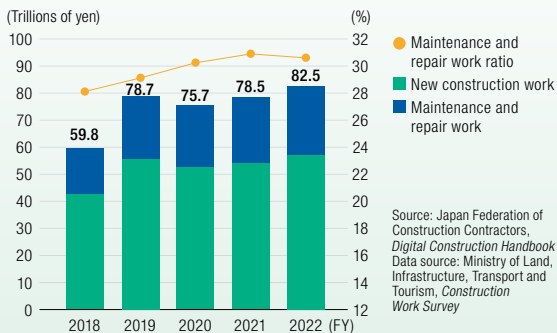
In the bridge field of civil engineering, we have advanced the development of technologies such as new structural forms that shorten construction periods and reduce labor requirements, thereby delivering high-quality bridges. In the building construction field, we have established a strong track record in high-rise residential projects and hold a broad range of precast concrete technologies. Amid labor shortages and rising labor costs in the construction industry, we will continue to develop and apply technologies to further enhance productivity and expand our strengths.

Civil Engineering

Market Environment, Risks, and Opportunities

In recent years, increasingly severe and frequent weather-related disasters, large-scale earthquakes, and the deterioration of infrastructure have posed serious challenges. Taking into account the environment surrounding the construction industry, and with a focus on improving productivity, we are advancing technical initiatives such as rapid construction methods and the shortening of traffic restrictions during renewal projects. Through these efforts, we aim to contribute to swift disaster recovery and reconstruction, the development of sustainable and resilient social infrastructure, and the safeguarding of regional safety and security.

Number of Maintenance and Repair Projects



Our Technical Responses

Renewal Work Securing Traffic Lanes on Expressways (Nagara River Bridge on the Meishin Expressway, etc.)

In expressway renewal projects, it is essential to maintain traffic lanes and minimize restriction periods. In bridge construction, we make use of the central median between the two carriageways and divide precast floor slabs to replace them while keeping all four lanes in each direction open. In tunnel construction, we employ the Quick-re-Invert method, which enables rapid invert construction while maintaining one traffic lane in operation.



Recovery and Reconstruction in Noto (Noto Ohashi Bridge, etc.)

Following the Noto Peninsula earthquake in fiscal 2024, we carried out emergency restoration work on the Noto Ohashi Bridge and Twin Bridge Noto (Nakanoto Agricultural Road Bridge) by leveraging our accumulated expertise in bridge repair and reinforcement. The work included concrete jacketing of piers, girder jacking, repair of bearings and other bridge appurtenances, and embankment retaining walls behind abutments. In addition, we have been awarded the main restoration project for Noto Ohashi Bridge, the "Construction Work of the Anamizu koshinohara Bridge Restoration in Noetsu Expressway section 1," in which we will employ our proprietary rapid pier construction method to ensure prompt reconstruction.



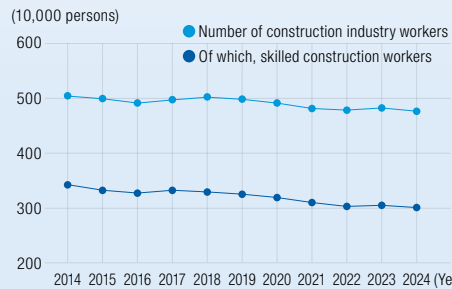
Building Construction

Market Environment, Risks, and Opportunities

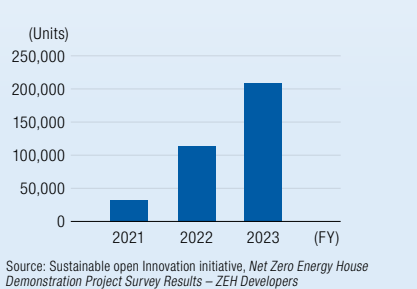
In the domestic building construction market, construction demand continues to exceed supply capacity. In the high-rise residential field, where we have particular expertise, redevelopment projects remain active both in central urban areas and regional core cities, sustaining strong demand. At the same time, in an era of population decline, securing personnel has become increasingly difficult for construction companies, and the workforce is aging while new entrants are decreasing. Improving productivity through more efficient construction has therefore become an urgent issue.

In addition, societal demand for sustainability continues to grow, and building construction project clients are increasingly conscious of sustainability, including decarbonization. This has driven rising demand for reducing environmental impact, including initiatives such as Zero Energy Buildings (ZEB) and Zero Energy Houses (ZEH).

Number of Construction Industry Workers



Number of Multi-Unit Residential ZEH-M Units

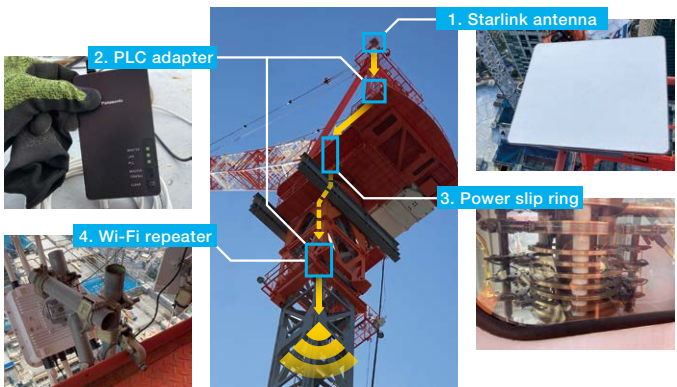


Our Technical Responses

Establishing Communication Environment on High-Rise Construction Floors

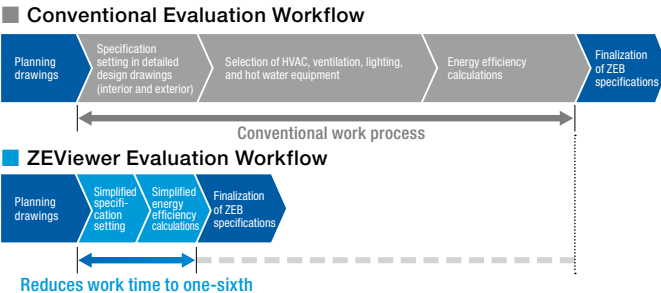
We have developed and applied a method that utilizes satellite internet communication to easily establish a communication environment on construction floors of high-rise buildings. This enables efficient information sharing and progress management on upper floors, achieving approximately a 30% reduction in manpower.

The method has been integrated into our unified precast construction management system, Precast Process Management System (PAE), to further enhance efficiency in construction management.



ZEViewer™

In response to growing demand for ZEB certification, we have developed and are operating ZEViewer™, a simplified evaluation system that can quickly determine energy-saving levels (Building Energy Index, BEI). This system reduces the time required for energy efficiency assessment to one-sixth of conventional methods, enabling rapid proposals during the planning and design stages to meet client needs and societal demands for sustainability.



Promotion of Sustainability Management

Approach to Sustainability Management -Sustainability Transformation-

As a company that aims to realize a sustainable society, we formulated the Basic Policy on Sustainability in December 2021 to serve as guidelines for our company’s sustainability initiatives from the perspective of improving our corporate value in the medium to long term. In February 2024, we expanded the scope of this policy to all Group companies.

Environmental Aspects

The preservation and restoration of the global environment are fundamental to social and economic activities, and companies are required to transform their operations to address climate change, biodiversity, and resource circulation.

As a construction company, we must work to reduce environmental impact across the entire life cycle, including the procurement of construction materials, construction processes, facility operation, and demolition and disposal.

Through the establishment, operation, maintenance, and improvement of our environmental management system, we pursue sustainable business activities. In our core construction business, we aim to balance the

reduction of environmental impact with the expansion of business opportunities through measures such as extending the lifespan of structures, designing and constructing ZEB/ZEH buildings, developing low-carbon concrete technologies, and promoting new businesses such as floating solar power generation.

Social Aspects

Respect for human rights is fundamental to social and economic activities, and companies are expected to conduct business with full consideration for human rights.

As a construction company, we address human rights issues across our entire supply chain, including improving working environment, ensuring occupational health and safety, reducing working hours, and eliminating child and forced labor. In expanding our business overseas, we also consider differences in religion, laws, customs, and social norms.

Providing a work environment that accommodates the growing number of female and foreign employees supports recruiting and promotes diversity, enabling sustainable business operations. While AI adoption and remote work help improve work-life balance, it is also essential to address emerging challenges such as online defamation and personal data leaks.

Initiatives to Date

Environmental Aspects

► **Climate change**

We have established a carbon neutral roadmap and set reduction targets for 2030 and 2050. We began responding to the CDP (climate change) inquiries in 2020 and obtained SBT certification in 2023. Since 2022, our CO₂ emissions have been verified by a third party. Based on evaluations of our initiatives, we implement improvement measures within our EMS. In 2021, we identified climate-related risks and opportunities, assessed their financial impact on our business activities, and disclosed information in accordance with the TCFD guidelines.

► **Biodiversity**

Since 2024, we have begun responding to the CDP (water security) inquiries. We identify our dependencies and impacts on biodiversity, as well as related risks and opportunities, and disclose information in accordance with the TNFD guidelines.

► **Resource circulation**

We set targets for recycling rates and green procurement and implement them through our EMS. We work to quantify environmental impact using LCA, and in 2024, we calculated the CO₂ reduction effect achieved through extending the lifespan of structures.

Social Aspects

► **Human Rights Initiatives**

In 2021, we established our Human Rights Policy, and in 2024, we expanded its scope to include all Group companies. Since 2022, we have been conducting human rights due diligence, gradually extending its coverage to include the Company, domestic and overseas affiliates, and domestic primary suppliers. We created a heat map based on the likelihood and severity of potential impacts to evaluate management vulnerabilities. We have also established a contact point to receive reports of human rights violations from both inside and outside the Company and provide human rights education for all officers and employees.

► **D&I (Diversity & Inclusion)**

In 2023, we established the Group D&I Policy. We promote the recruitment, development, and appointment of women employees in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace, and we work to improve workplace environments, support the “Kensetsu Komachi*” initiative, enhance work-life balance, encourage male employees to take childcare leave, reduce working hours, promote the use of paid leave, and support the employment of seniors, foreign nationals, and people with disabilities. We also foster understanding of and consideration for LGBTQ+ individuals. In 2024, we achieved Gold certification, the highest rating in the PRIDE Index.

* Kensetsu Komachi: A nickname for all women working in the construction industry, established by the Japan Federation of Construction Contractors to promote women’s participation in the construction industry.

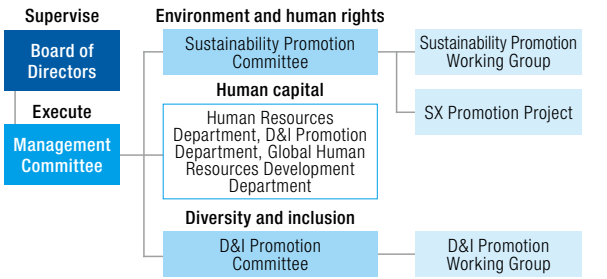
Sustainability Promotion System

Sustainability measures, including those related to the environment and human rights, are discussed by the Sustainability Promotion Committee, chaired by the President, under the supervision of the Board of Directors. Important matters are discussed at the Management Committee and then resolved by the Board of Directors.

Initiatives related to human capital are implemented as needed by the Human Resources Department, D&I Promotion Department, and Global Human Resources Development Department.

D&I initiatives are discussed by the D&I Promotion Committee, chaired by the President. Important matters

are discussed at the Management Committee and then resolved by the Board of Directors.



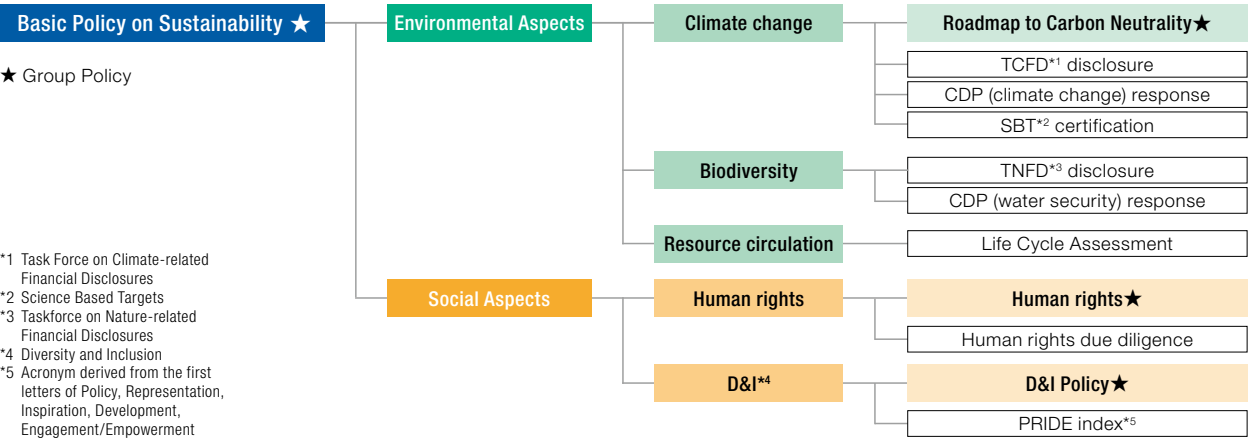
Sumitomo Mitsui Construction Group Basic Policy on Sustainability

To achieve a sustainable society, we strive to resolve social issues through our global business activities.

1) We contribute to creating a sustainable global environment by considering the impact of our businesses on society throughout their life cycle.

2) We respect human rights in all our business activities and strive to realize a society in which each and every individual can participate.

3) We build appropriate governance structure by measures including fair business practices and dialogue with stakeholders.



Meetings	Chair/Committee Chair	Secretariat	Functions and Roles
Board of Directors	President	Secretariat of the Board of Directors and the Appointment and Remuneration Advisory Committee	Deliberation and supervision of initiatives related to sustainability, human capital, and D&I promotion
Management Committee	President	Corporate Planning Department	Deliberation and execution of initiatives related to sustainability, human capital, and D&I promotion
Sustainability Promotion Committee	President	Sustainability Promotion Department	Deliberation of sustainability promotion initiatives
D&I Promotion Committee	President	D&I Promotion Department	Deliberation of D&I promotion initiatives

PJ-WG	Division/Section Head or Leader	Secretariat	Functions and Roles
Sustainability Promotion Working Group	Division Director, Corporate Planning Division	Sustainability Promotion Department	Review of sustainability promotion initiatives
SX Promotion Project	Division Director, Corporate Planning Division	Sustainability Promotion Department	Review and implementation of sustainability promotion initiatives at the operational level
D&I Promotion Working Group	General Manager, D&I Promotion Department	D&I Promotion Department	Review and implementation of D&I promotion initiatives at the operational level

Realizing Carbon Neutrality

Roadmap to Carbon Neutrality

1 Contribution to a decarbonized society

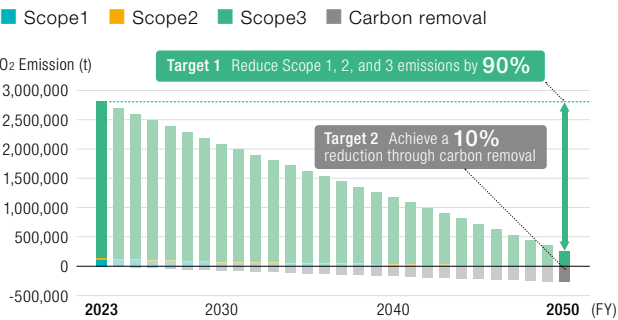
We revised the Roadmap to Carbon Neutrality by 2050 formulated in 2021. The Science Based Targets (SBT) certification obtained in December 2023 will be renewed based on the new targets.

WEB https://www.smcon.co.jp/en/csr-environment/

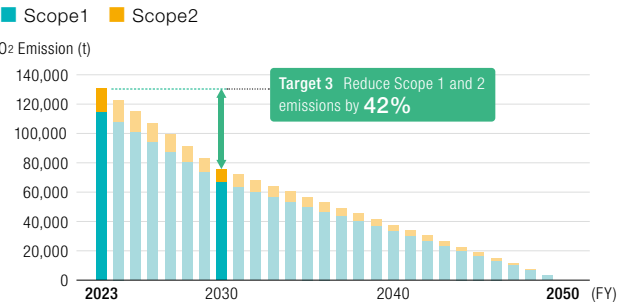
Roadmap to Carbon Neutrality (revised)	
Target 1	Reduce Scope 1, 2, and 3 CO ₂ emissions by 90% by 2050
Target 2	Achieve carbon neutrality of Scope 1, 2, and 3 CO ₂ emissions by 2050 through carbon removal
Target 3	Reduce Scope 1 and 2 CO ₂ emissions by 42% by 2030.
Target 4	Reduce Scope 3 emissions by 25% by 2030

Note: The base year for all targets is 2023.

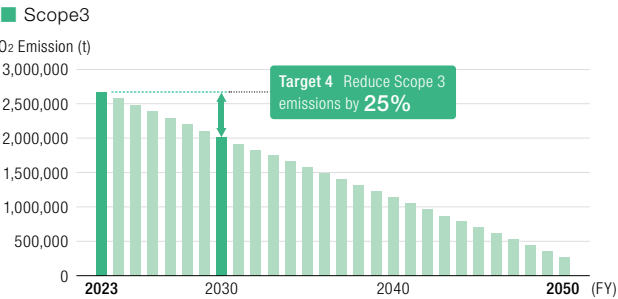
Roadmap to Carbon Neutrality (Target 1, 2)



Roadmap to Carbon Neutrality (Target 3)



Roadmap to Carbon Neutrality (Target 4)



Scope 1 Emissions Reduction Measure

Fuel: Promote the use of GTL, biodiesel fuels (B5/30/100), e-fuels, and other alternatives

FY2024 B5 Usage and CO₂ Reduction Effects

	Number of sites	B5 usage (L)	CO ₂ reduction (kg-CO ₂)
Civil engineering	2	2,523	▲331
Building construction	1	1,507	▲197
Total	3	4,030	▲528

Machinery: Promote the use of low-CO₂-emission machinery
Planning: Develop construction plans that minimize CO₂ emissions

Scope 2 Emissions Reduction Measures

Promote procurement of green power

FY2024 Green Electricity Usage and CO₂ Reduction Effects

	Electricity consumption (kWh)	CO ₂ emissions (t-CO ₂)	CO ₂ reduction (t-CO ₂)
Conventional electricity	12,746,315	6,981	0
Green power	17,467,856	0	▲7,371
Total	30,214,171	6,981	▲7,371
Share of green power (%) 57.8%			

Scope 3 Emissions Reduction Measures

Category 1: Adoption and R&D of low-carbon materials
Use of recycled construction materials /
Promotion of timber construction
Category 11: Proposal and receipt of orders of ZEB/ZEH projects

FY2024 ZEB/ZEH Performance and CO₂ Reduction Effects

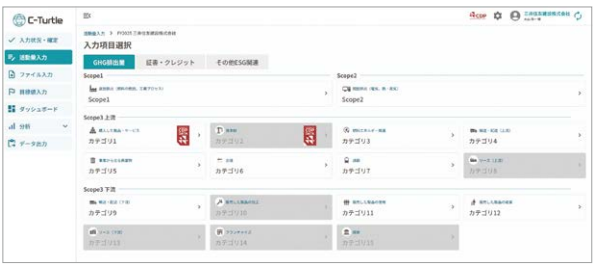
	Number of projects	Total floor area (m ²)	CO ₂ emissions (t-CO ₂)	CO ₂ reduction (t-CO ₂)
ZEB	5	70,384	245,678	▲127,221
ZEH	7	83,377	113,145	▲58,146
Total	12	153,761	358,823	▲185,367



Sumitomo Densetsu Co., Ltd. Tokyo Construction Office Rebuilding Plan

Improving the Accuracy and Speed of CO₂ Emissions Data Collection

We are conducting a pilot project to automatically acquire diesel fuel purchase slips data in collaboration with fuel companies. Furthermore, we are working on both a system for registering the amount of work done for overseas projects, and a system for CO₂ emissions calculation.



Environmental Improvement Effects from Sustainability Bonds

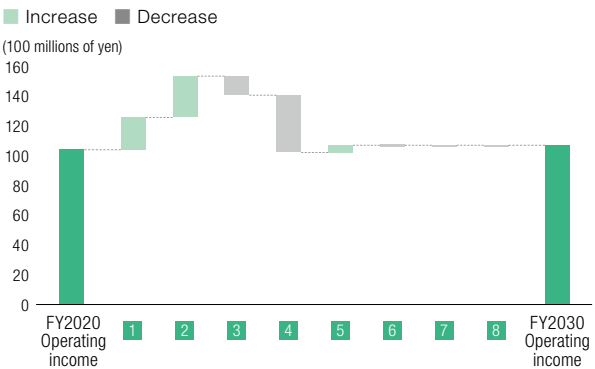
Of the funds raised through the sustainability bond issued in 2022, the portion invested in renewable energy projects generated a total of 24,113 MWh of electricity in FY2022 and FY2023. This corresponds to a reduction of 10,452 t-CO₂.

WEB https://www.smcon.co.jp/topics/2024/06241300/ (Japanese only)

Quantification of Financial Impacts Caused by Climate Change (TCFD Disclosure)

Based on scenario analysis, we quantified the factors behind significant climate change risks and opportunities, as well as the expected financial impacts. In the 1.5° C scenario, operating income is expected to increase due to the spread of ZEB and ZEH. In the 4° C scenario, we assessed that there would be no significant financial impact based on the countermeasures that are already in place.

Impact assessment results on operating income in FY2030 (1.5° C scenario)



Financial impact items

- 1 Increase in profit attributed to construction of ZEB
- 2 Increase in profit attributed to construction of ZEH
- 3 Increase in burden of carbon taxes
- 4 Fluctuating prices of construction materials
- 5 Increase in profit of renewable energy business
- 6 Increase in technology and development costs
- 7 Increase in cost due to reduced productivity
- 8 Increase in costs due to payment of insurance premiums

CDP Assessment

In the CDP*1 assessment for 2024, our ratings were B for climate change, B for water security, and A- for Supplier Engagement Assessment (SEA).

For climate change specifically, out of 16 categories, eight received an A, three an A-, two a B, one a B-, and two a C.

The lower ratings (C) were in the areas of Scope 1 and 2 verification and target setting.

For water security, out of 11 categories, one received an A, one an A-, five a B, two a B-, one a C, and one a C-. The lower ratings (C, C-) were in the areas of water accounting and disclosure of opportunities.

We will continue to enhance our contributions to addressing environmental challenges, starting with climate change, by promoting initiatives to reduce GHG emissions across our supply chain and conserve water resources. Our past evaluations are as follows:

Evaluation Item	Response year				
	2020	2021	2022	2023	2024
Climate change	B-	B	A-	A-	B
Supplier engagement	C-	A	A	A-	A-
Water security					B

*1 CDP is an initiative where institutional investors around the world request companies to disclose information regarding their environmental strategies and measures to counter greenhouse gases.

Acquisition of SBT Certification

Our Group obtained SBT (Science Based Targets) certification in 2023 from the SBT initiative*2 (Science Based Targets Initiative) for our 2030 greenhouse gas reduction target (1.5° C level).



*2 The SBT Initiative is an international climate change initiative established in 2015 by CDP, an international NGO for environmental information disclosure, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF) that encourages companies worldwide to set science-based greenhouse gas reduction targets (SBTs) toward achieving the goals of the Paris Agreement.

► Strategy (LEAP approach)

We conducted a review based on the “LEAP Approach” to understand the relationship between our business and nature and to set concrete targets for a nature-positive society.

For the identification of sensitive locations (Locate), we focused on a total of four sites: three PC factories and the Research & Development Institute. In identifying dependencies and impacts (Evaluate), we analyzed the upstream value chain (excluding logistics), direct operations, and downstream activities.

For the identification of risks and opportunities (Assess), we focused on the upstream value chain and direct operations, which are assumed to have relatively significant dependencies and impacts, while downstream activities were excluded. The upstream value chain analysis targeted ready-mixed concrete made from cement, a key material in our business that is also included in the High Impact Commodity List (HICL) of the Science Based Targets for Nature (SBTN).

Dependencies on Natural Capital	Value chain		
	Upstream	Direct operations	Down-stream
Water purification	◎		
Rainfall pattern regulation	◎	◎	◎
Soil and sediment retention	○	○	
Flood mitigation	○	○	
Global climate regulation	○		
Water supply	○		
Water flow regulation	○		
Education, science and research services		◎	
Storm mitigation		○	
Solid waste remediation			◎
Visual amenity services			◎

Impacts on Natural Capital	Value chain		
	Upstream	Direct operations	Down-stream
Extraction of other abiotic resources	◎		
Emissions of harmful soil and water pollutants	◎	◎	○
Generation and release of solid waste	◎		
Freshwater use area	○	◎	
Disturbance (noise, light, etc.)	○	◎	◎
Greenhouse gas emissions	○	○	○
Seabed use area	○		
Emissions of non-greenhouse gas air pollutants	○	○	
Land use area	○	○	
Emissions of nutrient pollutants to soil and water			○

◎: very high, ○: high

* When a business process spans multiple areas, the one with the greatest impact has been prioritized. Please refer to the website for details.

► Identification of Risks and Opportunities

Using ENCORE, we focused on the upstream value chain and direct operations and identified items rated high or above on the dependency and impact heat map. Downstream activities were excluded from the assessment due to their relatively low dependencies and impacts and the limited availability of information for analysis.

Based on the results, we consulted the risks and opportunities listed in the sector guidance for construction materials and construction published by the Taskforce on Nature-related Financial Disclosures (TNFD) and extracted those considered particularly relevant to our business.

Overview of Risks and Opportunities		Classification	Value chain		
			Upstream	Direct operations	Down-stream
Physical Risks	Worsening water scarcity and water quality	Acute/Chronic	○	○	
	Intensification of extreme weather events	Acute	○	○	
	Soil degradation	Chronic		○	
Transition Risks	Strengthening of laws, regulations, and certification schemes	Policy / Regulation		○	
	Increasing demand to transition to low environmental impact technologies	Technology		○	
	Growing expectations from investors and customers regarding nature	Market / Reputation		○	
	Increase in litigation and claims from affected stakeholders	Liability		○	
Opportunities	Increased efficiency in production processes	Resource efficiency		○	
	Growing consumer demand for sustainable products	Market / Products and Services		○	
	Enhanced reputation through reduced environmental impact	Capital flows and financing / Reputation		○	

WEB <https://www.smcon.co.jp/csr/biodiversity/> (Japanese only)

Conducting LCA

Life Cycle Assessment (LCA) is a methodology for quantitatively evaluating the environmental impact of a product or service across its entire life cycle.

In fiscal 2024, we conducted an LCA to quantify the CO₂ reduction effect achieved by extending the lifespan of structures. Specifically, we calculated the CO₂ emissions (carbon footprint, CFP) over the life cycle of an ultra-durable bridge (Dura-Bridge®) that uses aramid FRP rods instead of conventional rebar and PC steel, and compared it with a conventional bridge. The assessment covered a 200-year period and focused on the superstructure, excluding the substructure.

As an example of Dura-Bridge®, we examined the Bessodani Bridge on the Tokushima Expressway. For the conventional bridge, we assumed a bridge of the same scale using traditional materials and considered two maintenance patterns: surface coating and cathodic protection.

► Calculation results

- **Dura-Bridge®**
The process with the highest emissions was “A1. Raw material manufacturing stage,” accounting for about 30% of total emissions.
- **Conventional bridge**
The process with the highest emissions was “A3. Construction material manufacturing stage,” accounting for about 13% of total emissions.

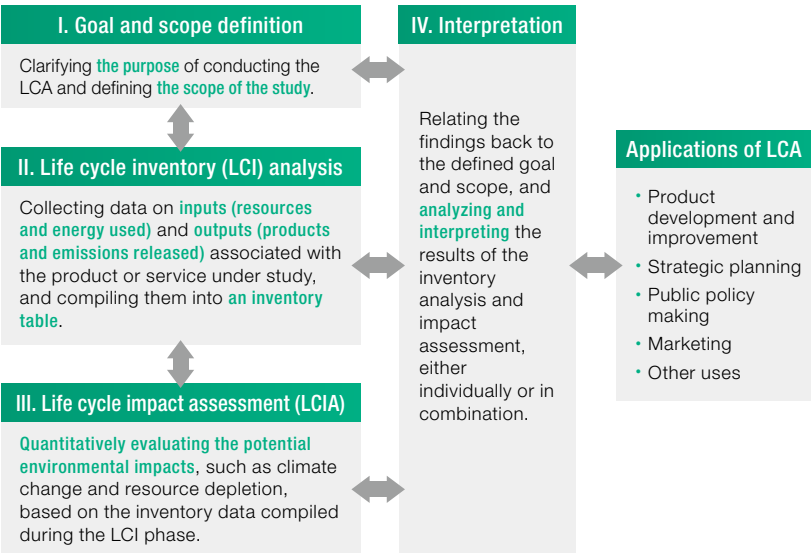
The scope of the assessment included the pavement, segments, parapet walls, expansion joints, and bearings, excluding the substructure.

► Reference Standards

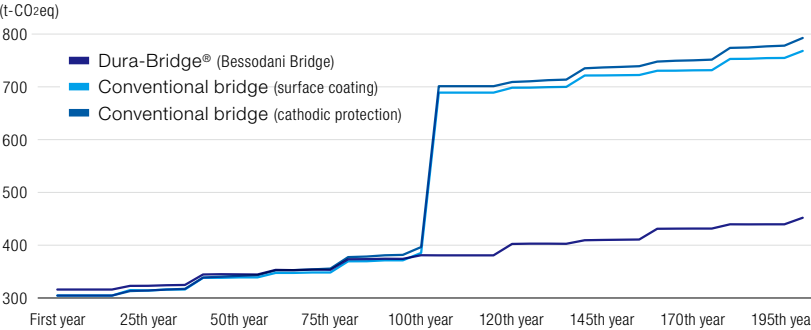
The main standards referenced for the assessment are as follows.

- EPD, C-PCR-022 ROAD INFRASTRUCTURE, 2024
- EPD, PCR 2019:14 CONSTRUCTION PRODUCTS, 2024
- EUROPEAN STANDARD, DS/EN15804 :2012+A2:2019, 2019
- ISO 14040: Environmental management – Life cycle assessment – Principles and framework
- ISO 14044: Environmental Management – Life cycle assessment – Requirements and guidelines
- SuMPO Environmental Label Program: Product Category Rules (PCR) Development Guide

■ LCA phases as defined in ISO 14040:2006



■ Change in CO₂ emissions with a reference study period (RSP) of 200 years



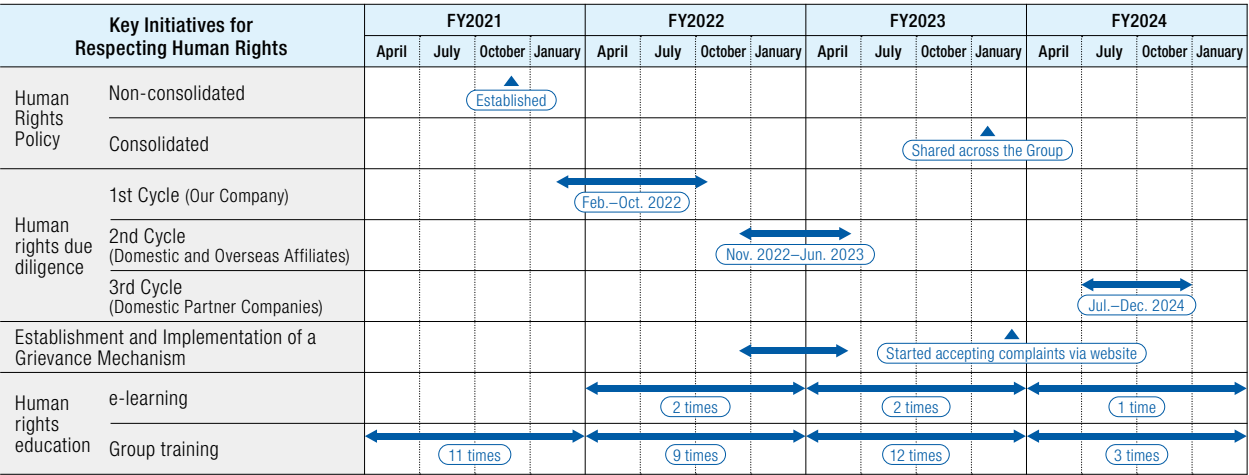
Respect for Human Rights

Establishment of the Human Rights Policy

15 Respect for human rights

Reflecting the expanding impact of corporate activities on society, corporations are increasingly expected to take a leading role in protecting human rights. In light of these expectations, and in line with the UN Guiding

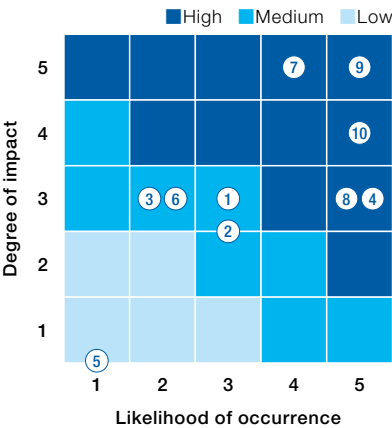
Principles on Business and Human Rights, Japan's National Action Plan on Business and Human Rights (2020–2025), and other international guidelines, Sumitomo Mitsui Construction established its own Human Rights Policy in November 2021. In February 2024, the policy was revised and renamed the Sumitomo Mitsui Construction Group Human Rights Policy, and it now applies to all Group companies.



WEB https://www.smcon.co.jp/en/corporate/human-rights-policy.html

Conduct Human Rights Due Diligence

Based upon this Human Rights Policy, we are conducting human rights due diligence in order to identify and assess the potential impacts that our business activities have on human rights and take measures to eliminate and mitigate those risks. The first cycle, targeting the Company alone, was conducted from February to October 2022; the second cycle, targeting domestic and overseas affiliated companies, from November 2022 to June 2023, and the third cycle, targeting domestic primary partner companies, from July to December 2024.



Heat Map development

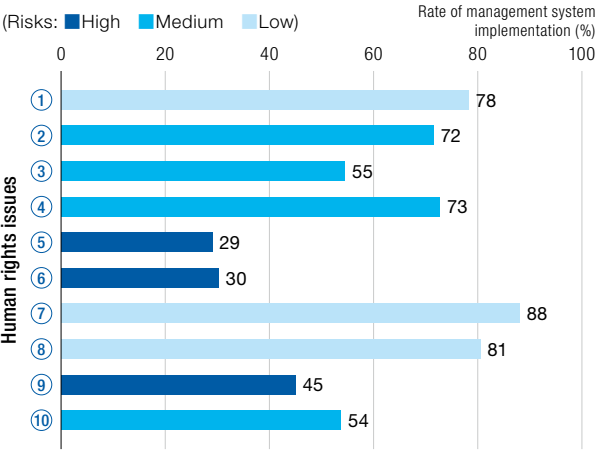
Based on the heat map plotting the likelihood of occurrence and degree of impact of human rights risks, the following were identified as high-risk areas: (9) rights of indigenous ethnic groups and community residents, (7) occupational safety and health, (10) consumers' rights, (8) work hours, and (4) harassment and abuse.

Vulnerability Assessment of Management Systems

In the vulnerability assessment of management systems and related frameworks, three items were assessed as high risk: (5) child labor (respect for the right to receive education), (6) forced labor, and (9) rights of indigenous ethnic groups and community residents.

No.	Human rights issues
①	Legal compliance and prevention of bribery/corruption
②	Prohibition of discrimination and equality under the law (including some of "Women's Rights")
③	Enforce good procurement practices (business partner management)
④	Harassment and abuse
⑤	Child labor (respect for the right to receive education)
⑥	Forced labor
⑦	Occupational safety and health (including some of "Proper Work Environments")
⑧	Work hours (rights concerning breaks and days off)
⑨	The rights of indigenous ethnic groups and community residents
⑩	Consumers' rights (consumer safety and the right to know) (including some of "Management of Consumers' Personal Information")

Evaluation of vulnerabilities in the management systems



Establishment of a Grievance Mechanism

To establish a complaint handling mechanism (Grievance Mechanism), we have set up a contact point on our website to receive consultations and complaints related to human rights. This mechanism is open to all stakeholders, including officers and employees of our Group, customers, workers in our supply chain, and members of local communities. All submissions are handled with consideration for anonymity and protection, and appropriate and necessary responses are taken. In addition, if it becomes clear that our Group's business activities have caused, contributed to, or been complicit in adverse human rights impacts, we strive to provide remedies and corrective measures through internal and external procedures.



Employee Education

We provide education to deepen officers' and employees' understanding of respect for human rights. Centered on "Business and Human Rights," we conduct e-learning for all officers and employees and have translated the content into English for overseas local staff. In addition, we regularly hold group training by year of entry, as well as compliance and harassment training for all employees. Going forward, we will expand these initiatives to Group companies and, through continuous education and awareness-raising, embed the Human Rights Policy and the principles of human rights respect throughout the Group.

Promotion of Fair Trade / ESG Considerations in the Supply Chain

16 Promotion of fair trade / 17 ESG considerations in the supply chain

Implementing the CSR Procurement Policy

The company formulated the CSR Procurement Policy in April 2020 to serve as a basic policy for enforcing the Charter of Corporate Behavior in the company's procurement practices. This establishes required procurement practices for companies, as well as rules for our business partners, which are equal partners. The Procurement Management Rules were formulated as a management system document in order to enforce this policy, and at project sites, we have selected business partners in consideration of this policy, and are familiarizing employees with this through such avenues as Safety and Health Councils. We also require suppliers to endorse this policy as a condition of submitting estimates, and only commence dealings with new suppliers after they have agreed to take this policy into consideration.

WEB https://www.smcon.co.jp/company/company-policy/procurement-policy/ (Japanese only)

Declaration of Partnership Building

The "Declaration of Partnership Building" is a program that promotes business continuity for small and medium-sized enterprises (SMEs) and ensures fair transactions. To participate, companies make a Declaration of Partnership Building, which must include commitments to: (1) co-existence and co-prosperity throughout the supply chain and new partnerships that transcend business scale and affiliation; (2) adhering to desirable business practices between parent companies and subcontractors in line with the "Promotion Standards" under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises; and (3) negotiating price transfers with attention to fair transaction pricing throughout the supply chain. The declaration is made in the name of a person with representative authority. Based on the Sumitomo Mitsui Construction CSR Procurement Policy, the Company made its Declaration of Partnership Building in January 2025 in the name of the President. This declaration is publicly posted on the portal site of the National Association of Small and Medium Enterprise Promotion Organizations.

WEB https://www.smcon.co.jp/torihikisaki/assets/uploads/partnership-building-declaration.pdf (Japanese only)

Self-Assessment Questionnaire

To understand the sustainability initiatives of our primary partner companies, we conducted a Self-Assessment Questionnaire (SAQ). The survey covered seven areas: (1) governance, (2) human rights, (3) labor practices, (4) environment, (5) fair business conduct, (6) quality and safety, and (7) information security. The results of the survey will be used as a reference when considering the support we provide to primary partner companies and the prioritization of such support.

Safety and Quality

Basic Approach

We prioritize safety and quality, continuously refining on-site standards to enhance client satisfaction and trust. By strengthening communication among our people, our most valuable asset, and actively utilizing digital technologies, we improve the transparency and speed of safety and quality information sharing.

Improvement of Quality and Client Satisfaction

⑦ Improvement of Quality and Client Satisfaction

In designating the “Pursuit of Client Satisfaction” as one of our Corporate Principles and while seeking to innovate our technologies and cultivate creativity, we have acquired ISO 9001 certification, and carry out quality management activities with the intent of delivering quality that earns the trust of society and satisfies clients. Additionally, our uniquely established concept of “Supreme Quality Assurance” is a quality management activity that prioritizes safety and quality first, with cost recognized as secondary in the construction process, and we aim to embed this as part of our corporate culture.

By having all officers and employees continuously refine on-site safety and quality, we aim to establish a next-generation safety and quality culture centered on the combination of people, technology, and engagement.

▶ Improving Quality

To enhance quality, we establish annual production management plans and promote our “Supreme Quality Assurance” concept across all officers, employees, affiliated companies, and partner companies. In daily construction management, any quality defects are shared company-wide via a real-time defect report. We perform root-cause analyses, implement recurrence-prevention measures, horizontally share and disseminate findings through project manager meetings, employee training, and other channels to ensure thorough follow-up.

FY2025 Slogan

Thoroughly implement the fundamentals of manufacturing with 5S and carry “Supreme Quality Assurance” forward to the next generation

FY2025 Basic Production Control Policy

Leverage the power of people and technology to cultivate “Supreme Quality Assurance” that emphasizes the construction process and to carry on a culture of safety and quality.

FY2025 Basic Production Control Targets

- Zero quality defects
- Cultivate supreme quality

▶ Initiatives to enhance client satisfaction and quality

Key measures to prevent quality issues

- (1) Analyze causes of past cases
- (2) Horizontally share effective examples, safety and quality audit findings, and QSA audit points
- (3) Confirm quality-critical points in the construction process

Key actions to prevent quality issues

Common measures

1. Thorough implementation of 5S (sort, set in order, shine, standardize, and sincere)
2. Strict adherence to construction process rules and on-site capability enhancement through collaboration with QSA
3. Cultivation of “Supreme Quality Assurance” across the Group
4. Transmission of safety and quality culture and knowledge to future generations
5. Conduct remote and hybrid audits and patrols
6. Provide education on the importance of quality assurance

Civil Engineering

1. Verify the appropriateness of construction processes and drive continuous improvement through safety and quality audits.
2. Promote visualization of risks using a pre-risk process chart.
3. Activate and encourage the use of the root cause analysis of quality issues training sessions.
4. Strengthen risk assessments related to quality and build construction risk management capabilities, including detection and countermeasures.
5. Combine on-site inspections and remote audits to enhance the effectiveness of QSA/safety and quality audits, share information, and transfer knowledge.
6. Confirm responses to points raised in construction review meetings through QSA/safety and quality audits to prevent quality issues before they occur.

Building Construction

1. Focus on process management for critical quality control items and the construction quality plan.
2. Ensure strict adherence to the construction process in accordance with construction management standards, construction quality control sheets, and on-site inspection checklists.
3. Construction supervisors attend construction management plan review meetings to reinforce oversight duties, while the Building Design Audit Department conducts on-site patrols.
4. During on-site audits by Building Construction Division and QSA, work to prevent disasters and quality issues before they occur.
5. Strengthen training for young employees on key checkpoints for each construction technique before construction begins through QSA audits to prevent quality defects.

Safety, environmental, and quality management in overseas projects

⑦ Improvement of quality and client satisfaction

⑬ Promotion of occupational safety and health

▶ Project Management System (PMS)

PMS is our unique, unified system designed to ensure safety, environmental protection, and quality control in overseas construction projects. PMS teams are assigned to each country office and project site to carry out related activities.



The PMS logo represents our project management system, PMS, which is implemented on overseas projects to manage quality, safety, and environmental performance. It symbolizes our firm commitment to ensuring construction quality, protecting the safety of project personnel, preserving the environment, and pursuing continuous improvement.

▶ PMS Manual

The PMS manual provides guidelines for operating the system, specifying processes to ensure safety, environmental protection, and quality at every stage of overseas projects, from commencement to completion. Based on this manual and project specifications, each site prepares a detailed plan tailored to its operations, ensuring the consistent management of safety, environmental, and quality standards.

▶ Education and Training (Safety Training)

Aiming to enhance and standardize the skills of PMS members from each country and on-site safety personnel, we conduct online training with a monthly theme. In addition, selected employees from each country participate in in-person training to learn overseas-standard knowledge on safety, environment, and quality by job type, fostering the development of talented personnel and strengthening their sense of belonging to the company.

📋 Overseas project safety performance

FY2024 overseas projects achieved **zero** serious accidents
Total working hours: **35,166,975** hours

Frequency Rate

	FY2024	FY2025
Target	0.2 or less	0.2 or less
Result	0.0	—

Severity Rate

	FY2024	FY2025
Target	0.02 or less	0.02 or less
Result	0.00	—

▶ PMS Audit

In addition to monthly audits conducted at all overseas project sites by local PMS members, international PMS audits are held twice a year in each country, carried out by auditors from Japan and other regions. These audits include site inspections, document reviews, safety training guidance, and client visits. Observations for improvement, best practices, and unique initiatives identified during the audits are shared via online broadcasts of the audit meetings held on the same day and further disseminated through PMS monthly international meetings. We also conduct direct client interviews and provide feedback to site staff as part of our continuous improvement efforts.



International PMS audit (on-site inspection)

STAFF COMMENTS

Rogie L. Vergara

SMCC Overseas Singapore Pte. Ltd.
PMS Management Representative



I recognize PMS as the key to project success. To achieve a high level of standardization on overseas sites where understanding of safety culture and quality is still developing, we are taking initiatives such as creating online tools using educational videos and QR codes, all aimed at realizing “Supreme Quality.” During on-site audits, we also check PMS operations and provide training to project staff.

PMS is a trusted brand for delivering safe and high-quality projects.

Promotion of Occupational Safety and Health

18 Promotion of Occupational Safety and Health

Basic Safety and Health Policy

Under the principle of zero-accident, safety-first infrastructure building, Sumitomo Mitsui Construction aims to protect the precious lives and health of its workers by providing a safe, healthy, and pleasant work environment.

- 1. To eliminate accidents, we observe laws and regulations related to occupational safety and health as well as the Sumitomo Mitsui Construction health rules and establish workplace rules.
- 2. To improve operational safety, we ensure the implementation of repeated plan-do-check-act cycles in all processes from planning to completion.
- 3. To improve the level of safety and health control, we cooperate with partner companies as we carry out voluntary safety and health activities, eliminate or reduce risks and sources of harm, promote worker health, and develop a pleasant work environment, with the Sumitomo Mitsui Construction Occupational Safety and Health Management System as the basis of safety and health management.

FY2025 Slogan

Look for and notice risks and stick to work procedures for zero accidents!

Occupational Safety and Health Management System

Based upon our safety and health management regulations, we are working at reducing and eliminating hazardous or harmful factors, promoting the advancement of worker health, and creating a comfortable work environment through voluntary activities of employees and with the cooperation of partner companies. In our operations, we set safety and health targets, and conduct risk assessments and implement the PDCA cycle on safety and health plans based on the results of these in an effort to increase the level of safety and health.

Implementation of Safety Patrols

In addition to safety management from on-site employees, the company's Head Office, branches, and partner companies conduct safety patrols in a systematic manner, helping to remove overlooked risk factors and thereby eliminate accidents.

FY2024 Safety Performance

There were 15 accidents (four days or more of lost work), including four cases of falling down, four cases of falling from a high place, three cases of being crushed in/caught in, and one case each of collapsing, being struck by object, cutting and scraping and reactionary force/overexertion.

Frequency Rate*1

FY2024 target	FY2024 result	FY2025 target
0.5 or less	0.59	0.5 or less

Severity Rate*2

FY2024 target	FY2024 result	FY2025 target
0.02 or less	0.31	0.02 or less

*1 The frequency rate represents the frequency of occupational accidents. The rate shows the number of fatal or serious injuries due to occupational accidents per one million hours worked
*2 The severity rate represents the severity of accidents. The rate shows the number of lost workdays per 1,000 hours worked

Priority Measures in Fiscal 2025 and Efforts Beyond

- (1) Implement "safety harness training" and strictly enforce rules for safety harness usage to prevent accidents from falls.
- (2) Hold ongoing "safety reminder" and "pointing and calling" exercises to prevent accidents from being caught.
- (3) Promote the use of "Safety and Attention AI*" at morning meetings, etc. to prevent repeated accidents.
- (4) Ensure working hour management to prevent ailments caused by long working hours, and comply with limits on overtime, etc.

* Safety and Attention AI: A system that, before on-site work, extracts and presents potential incidents based on past accident cases by entering simple information about the planned work.

Strengthening Partnerships with Partner Companies

Based on the revised Declaration of Partnership Building (January 2025), we are promoting initiatives to strengthen collaboration with Shineikai, an organization of the partner companies, on an ongoing basis to enhance competitiveness. Through joint site tours and other initiatives, we support the recruitment and retention of partner companies. We also aim to improve the working conditions and treatment of skilled workers and to create comfortable workplaces where diverse talent can thrive.



Shineikai website

DX Promotion

14 Personnel- and Labor-saving through Digitalization and Industrialization

Review of the previous Mid-term Management Plan

To advance digital transformation (DX), we developed a management dashboard and promoted data visualization, enabling faster and more accurate management decision-making. At the same time, we identified challenges in business process reform and data standardization. We also implemented initiatives to enhance IT literacy across the company, thereby strengthening our foundation.

Future Direction

Going forward, we will expand our digital infrastructure to promote the effective use of internal data and advance data-driven management. Through data analysis and system verification, we will improve productivity and enhance the accuracy of management decisions, while also developing digital talent. In addition, we will modernize our authentication infrastructure to ensure a secure environment, streamline on-site operations, and work to foster our engineers and enhance corporate value.

Management Foundation (Business Process) DX

- 1 Expand digital infrastructure for data management
- 2 Promote analysis and utilization through linkage with internal and external data
- 3 Build a data access environment that supports management decision-making
- 4 Strengthen information security to enable prompt response to threats

3 Realizing an attractive work environment and recruiting and fostering human resources

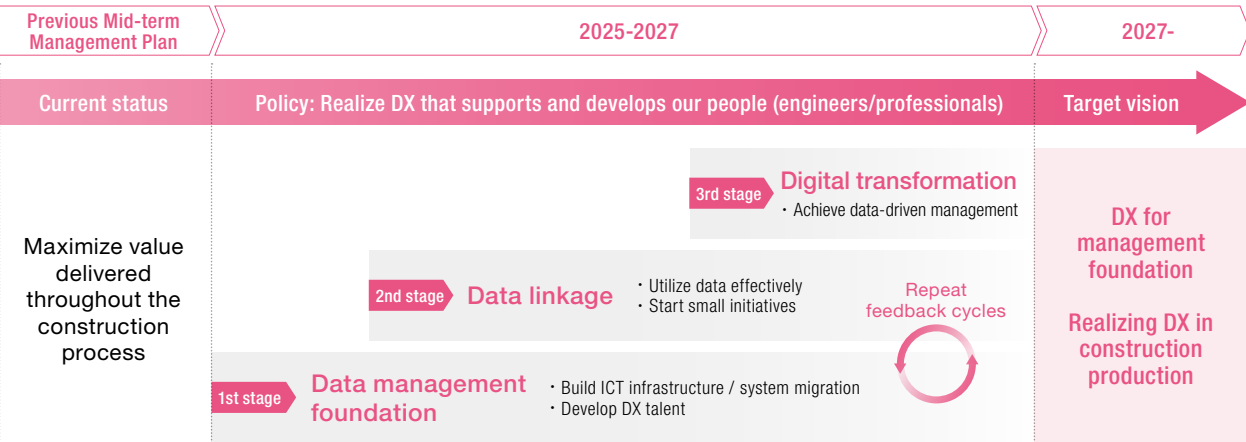
Specific Initiatives

We introduced a company-wide management dashboard to enhance management visibility and improve decision-making processes. By integrating data that had previously been managed separately by each division, we have been building an environment where key KPIs can be monitored in real time. At present, the linkage of performance and accounting data has enabled quicker management decisions, producing tangible results.

Going forward, we will accelerate the integration of remaining departmental data while focusing on improving analytical accuracy. We will also continue educational and awareness activities to instill a data-driven culture, steadily advancing this important step in our digital transformation. As part of our information-sharing tools, we have completed the migration of email and scheduling to Microsoft 365, and plan to enhance productivity by introducing the generative AI tool Copilot for selected users and exploring AI applications tailored to specific business operations.

DX Certification

In January 2023, our company was recognized as a DX certified business operator. This certification is granted by the government to companies that are prepared to advance digital transformation. It recognizes companies as being ready to transform their business using digital technologies. Certified companies also benefit from preferential treatment in areas such as taxation and financing.



Basic Approach

The SMCC Group has adopted the following five points as the basic policy for its corporate governance in order to build an efficient and fair management system, achieve sustainable growth and improve medium- to long-term corporate value. In this way, we seek to maintain close relationships with all stakeholders, including shareholders, customers, the local community, and employees, and to ensure transparent, fair, prompt, and decisive decision making.

Under this basic policy, we shall build and operate an internal control system that is appropriate for us as a corporate group, continuously work to maintain and enhance the compliance system, and promptly and accurately respond to various risks that could have a significant effect on management.

- 1 Prompt management decision making
- 2 Highly strategic organizational design
- 3 Ensuring the transparency and rationality of corporate behavior
- 4 Establishing and maintaining an appropriate internal control system
- 5 Performing accountability through proper disclosure

Initiatives to Strengthen Corporate Governance

Amid significant changes in the corporate governance environment, including revisions to Japan's Corporate Governance Code and the Tokyo Stock Exchange's market reorganization, our Board of Directors has appointed independent outside directors to account for at least one-third of its members since June 2019.

To further strengthen corporate governance, the Board has continuously discussed and implemented various measures aimed at enhancing its functions and effectiveness (see p. 57, "Effectiveness Evaluations of the Board of Directors").

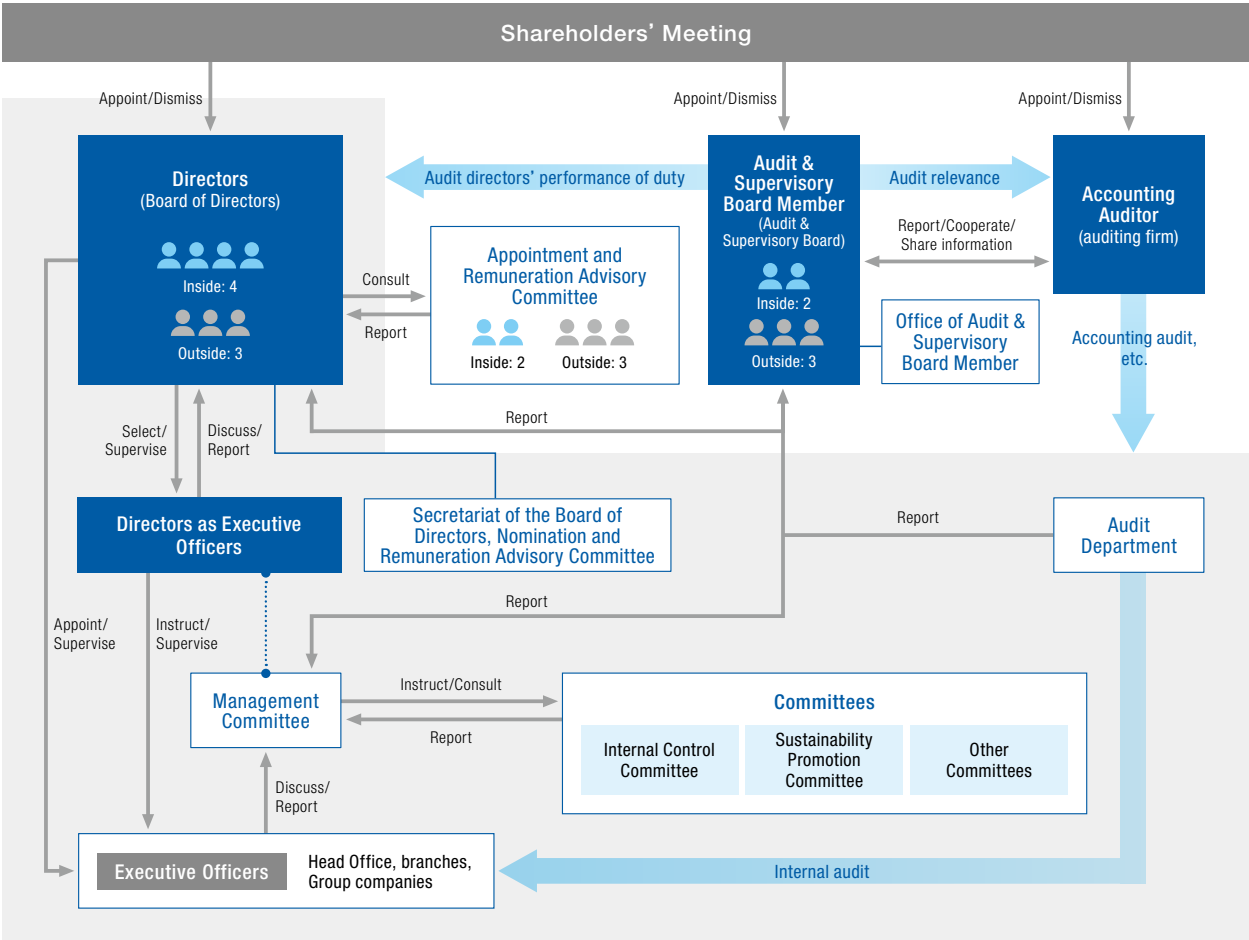
In pursuit of medium- to long-term goals to enhance corporate value and strengthen governance, the Board has also deliberated on capital policies and the structure and operations of the Board itself.

Corporate Governance (Governance Structure)

The company has adopted its Executive Officer and Audit & Supervisory Board Member Systems to, respectively, provide sufficient business execution functions and provide sufficient monitoring and supervision thereof. These systems are operated through an organizational structure that has been divided so that decision making and supervision are performed by the Board of Directors, the execution of business is performed by Executive Officers, and auditing is performed by the Audit & Supervisory Board and the accounting auditor. Outside Audit & Supervisory Board

Members and Outside Directors have been appointed to enhance the decision-making function and supervisory function of the Board of Directors. To further improve the transparency and fairness of corporate management, the Appointment and Remuneration Advisory Committee, comprising a majority of Independent Outside Directors, has been established in addition to the monitoring function provided by the structure of a company with an Audit & Supervisory Board.

Corporate Governance System (As of June 26, 2025)



Overview of Sumitomo Mitsui Construction's Corporate Governance Reform

	2003	2014	2016	2018	2019	2021	2022	2023	2024
Directors*1	Total Number of Directors	14	9	9	10	9	9	9	9
	Of those, Independent Outside Directors		1	2		3	4		5
	(Women Directors)		(1)						
Effectiveness Evaluations				May Started evaluations of the effectiveness of the Board of Directors					
Separation of Supervision and Execution	April (at the time of the merger) Introduced Executive Officer system			November An Outside Director is appointed the Chair of the Appointment and Remuneration Advisory Committee					
Outside Audit & Supervisory Board Members	April (at the time of the merger) 3*2								
Remuneration of Officers				June Introduced stock compensation plan			April Introduced performance-linked remuneration (monetary)		
Committees				January Established Appointment and Remuneration Advisory Committee					
Listed Markets	1st Section of the Tokyo Stock Exchange 1st Section of the Osaka Securities Exchange (until May 2008)						April Moved to Tokyo Stock Exchange Prime Market		

*1 As of the close of the annual June ordinary shareholders' meeting
*2 Based on the Act on Special Measures for the Commercial Code on the Audit, etc. of Stock Company Article 18, Paragraph 1 (abolished on May 1, 2006)

Audits by Audit & Supervisory Board Members, Accounting Auditors, and the Audit Department

In order to enhance the corporate value of our Group, we will continue to create a transparent corporate group through the appropriate disclosure of information to stakeholders and society. To meet these expectations, our Audit & Supervisory Board Members and accounting auditors conduct audits independently, and these two

groups also exchange information with each other. The Audit Department audits the compliance with laws and regulations and the execution of duties by each department based on the annual audit plan, and will periodically report the audit status directly to the Audit & Supervisory Board.

▶ Board of Directors Meetings
(24 Meetings Held in Fiscal 2024)

In principle, the Board of Directors meets once a month, with additional meetings held as necessary.

The Board of Directors deliberates on and makes decisions regarding management policies and other important matters, and receives reports on these issues. In fiscal 2024, the Board deliberated on and decided, or received reports concerning, the Mid-term Management Plan, matters related to the General Meeting of Shareholders, executive appointments, executive compensation, evaluation of the Board's effectiveness, reduction of cross-shareholdings, basic policies and operational status of the internal control system, operational status of each division, progress on sustainability initiatives, progress on major construction projects, measures addressing risk issues, and capital policies.

☰ Status of Board of Directors' Activities

Main Activities of the Board of Directors*	2024	Main Activities Outside of the Board of Directors
● New fiscal year Basic policy of the internal control system ● Officer appointments	4	
● Full-year financial results ● Matters related to the shareholder meeting	5	◆ Information exchange meeting between the President and Audit & Supervisory Board Members
● Officer appointments and remuneration ● Disclosure of Board of Directors' effectiveness evaluation	6	
● Matters related to restricted stock compensation	7	
● First quarter financial results ● First quarter internal control system operation status	8	
	9	◆ Information exchange meeting between Internal Directors and Audit & Supervisory Board Members ◆ Information exchange meeting between Outside Directors and Audit & Supervisory Board Members
	10	◆ Branch (construction site) visits by Outside Directors
● Second quarter financial results ● Remuneration of officers ● Second quarter internal control system operation status	11	
● Review of cross-shareholdings ● Mid-term Management Plan	12	
	2025	
● Capital policy ● Mid-term Management Plan	1	◆ Information exchange meeting between the President and Audit & Supervisory Board Members ◆ Information exchange meeting between Outside Directors and Audit & Supervisory Board Members
● Officer appointments ● Capital policy ● Mid-term Management Plan ● Third quarter financial results ● Third quarter internal control system operation status	2	
● Officer appointments and remuneration ● Budget for the next fiscal year ● Capital policy ● Mid-term Management Plan	3	

* In addition, the Board deliberates on the status of operations, the progress of major construction projects, measures to counter risks, and sustainability initiatives, etc.

▶ Audit & Supervisory Board Meetings
(15 Meetings Held in Fiscal 2024)

In principle, the entire membership of the Audit & Supervisory Board meets once a month, with additional meetings held as necessary.

This Board determines audit policies, business and financial condition inspection methods, and other matters related to the execution of duties by Audit & Supervisory Board Members, and discusses and resolves important matters related to auditing.

▶ Appointment and Remuneration Advisory Committee
(13 Meetings Held in Fiscal 2024)

The Appointment and Remuneration Advisory Committee is established as an advisory body to the Board of Directors. Its members include the President, the Director in charge of Human Resources Division, and Outside Directors, with part-time outside Audit & Supervisory Board Members attending as observers. The committee discusses matters such as the appointment and dismissal of Directors, Audit & Supervisory Board Members, Executive Officers, and the Presidents of subsidiaries, along with succession plans for the President and the structure and levels of executive remuneration. This committee is chaired by a member selected from the Outside Directors.

Successor Development

Sumitomo Mitsui Construction has established the Succession Plan, which clarifies requirements for successors and the appointment process, and development plans for each candidate successor are discussed by the Appointment and Remuneration Advisory Committee.

Succession Selection Process

- (1) The Chairman and President assess and evaluate the qualities and capabilities of internal candidates when selecting potential successors.
- (2) Based on the Company's medium- to long-term management strategy, the Chairman and President select candidates who possess the qualities and abilities required to assume the role of Chief Executive Officer. (Internal candidates are selected in groups based on the expected timing of succession: 1–2 years, 3–4 years, or 5–6 years.)
- (3) Deliberations at the Appointment and Remuneration Advisory Committee:
 1. When discussing officer appointments, the Committee is briefed on the selection and development status of succession candidates.
 2. When selecting a successor, the Chairman and President draft a proposal in accordance with this plan and submit it to the Committee.
 3. The Committee deliberates on the proposal, and each member evaluates its appropriateness and rationality in light of the plan.
 4. Following these deliberations, the proposal for successor selection is submitted to the Board of Directors for final decision.

Effectiveness Evaluations of the Board of Directors

We request that Directors and Audit & Supervisory Board Members provide evaluations of the current effectiveness of the Board of Directors as well as their advice and opinions for further improvement, and we work to improve the issues identified in the evaluation process thereby improving the effectiveness of the Board of Directors.

▶ 1. Actions Taken in Fiscal 2024 in Response to Issues Identified in the Fiscal 2023 Effectiveness Evaluation

In fiscal 2024, the Board of Directors shared the following issues identified in the fiscal 2023 effectiveness evaluation, and after discussing measures for improvement, began working on these.

Challenges in fiscal 2023	Initiatives in fiscal 2024
1) When formulating management strategies for the Group, hold discussions factoring in profitability and capital efficiency.	To enhance corporate value, the Board has deliberated on governance reforms such as streamlining and improving the efficiency of the management organization, human resources system reforms, faster decision-making, and internal regulations reform, in addition to capital policies and the Mid-term Management Plan.
2) Further enhance the support system including for providing information and improve the operation of the Board of Directors, thereby strengthening their monitoring function.	To deepen new Outside Directors' understanding of the company's businesses, we conducted briefings by each business division, enhanced prior explanations of Board proposals, and provided opportunities to participate in other meetings, as part of initiatives to promote more active discussions.
3) Discuss the composition of the Board of Directors (number of members, ratio of Internal-Outside members, diversity, etc.) and of the Appointment and Remuneration Advisory Committee in light of the company's management strategy, roles, and objectives.	Multiple discussions were held at the Board of Directors and the Appointment and Remuneration Advisory Committee, focusing on issues related to these bodies. The outcomes were reflected in the selection of Director candidates, and the Committee Rules were revised to review the Committee's composition and operations.
4) Further deepen communication and cooperation between Internal and Outside Directors.	Outside of the Board, opportunities were provided for opinion exchange and information sharing between Internal and Outside Directors, as well as for exchange and information meetings between Directors and Audit & Supervisory Board Members.

▶ 2. Analysis and Evaluation for Fiscal 2024

Analysis and Evaluation Methods

Questionnaires through third-party organization

An external organization was commissioned to design and conduct an anonymous survey (including rating scores for each question and a free-comment section), compile the results, and prepare a comprehensive report analyzing the findings.

Survey Questions (Outline)

- Composition of the Board of Directors
- Operation of the Board of Directors
- Discussion of the Board of Directors
- Monitoring function of the Board of Directors
- Performance of Internal Directors
- Performance of Outside Directors
- Support system for Directors and Audit & Supervisory Board Members
- Training
- Dialogue with shareholders (investors)
- Evaluation of their own efforts
- Operations of the Appointment and Remuneration Advisory Committee

Assessment by the Board of Directors

Based on the analysis report, the Board conducted its own analysis and evaluation.

Evaluation Results

In the fiscal 2024 assessment of effectiveness, the following points were identified for ongoing improvement. These will be addressed not only at the Board of Directors but also through the Appointment and Remuneration Advisory Committee, exchange meetings, and other opportunities, in light of the Company's management situation.

- (1) Streamline proposals to ensure an appropriate number of items for deliberation and improve operational efficiency.
- (2) Review Board operations to secure sufficient deliberation time for important proposals.
- (3) Enhance discussions on medium- to long-term management issues, including non-financial information such as sustainability-related matters.
- (4) Strengthen training and development programs to enable Directors to fulfill the roles and functions expected of them.

Remuneration of Officers

The remuneration of directors is determined by resolution of the Board of Directors following deliberation by the Appointment and Remuneration Advisory Committee, while the remuneration of Audit & Supervisory Board Members is determined through their own deliberations.

Furthermore, remuneration of Directors (excluding Outside Directors) is composed of monetary remuneration as basic remuneration, monetary remuneration which is performance-linked, and a restricted stock unit system that involves ownership of stocks that rise and fall with market fluctuations, thereby sharing the benefits and risks of stock price fluctuations with shareholders as a medium- to long-term incentive remuneration in order to further motivate Directors to contribute to stock price increases and improvements in corporate value.

Regarding Outside Directors, from the viewpoint of securing their independence, they are paid only basic monetary remuneration. The amount is set at a reasonable level, in principle, by taking into account factors such as securing talented human resources as well as facilitating the effective performance of the monitoring and supervision functions of independent officers.

Breakdown of Director Remuneration

Basic remuneration : Performance-linked remuneration : Restricted stock remuneration = 6 : 3 : 1		
Basic remuneration	Performance-linked remuneration	Restricted stock remuneration*
*The granting of restricted stock remuneration may be withheld depending on circumstances.		

Calculation Method of the Amount or Number of Performance-linked Compensation, etc.

Indicator	Calculation method
Average Consolidated Operating Profit	The average consolidated operating profit of the base year shall be used for evaluation. The "standard payment" shall be increased or decreased within a range of ±30% depending on the evaluation.
External ESG evaluation	Evaluation (3 levels from A to C) will be made based on the results of CDP (Climate Change) evaluation in the previous fiscal year. The "standard payment" of consolidated operating income shall be increased or decreased within a range of ±5% depending on the evaluation.
Personnel-related indicators	The "average monthly overtime and holiday work hours" and "average annual paid leave utilization rate" of the Company's employees for the previous fiscal year will be evaluated (on a 5-point scale from AA to CC). The "standard payment" of consolidated operating income will be increased or decreased within a range of ±5% depending on the evaluation.

Total Remuneration by Officer Category, Total Remuneration by Category, and Number of Personnel Receiving This Remuneration

Total Remuneration of Directors and Audit & Supervisory Board Members

Officer category	No. of personnel	Total remuneration (million yen)	Total remuneration by category		
			Basic remuneration	Non-monetary remuneration	Performance-linked remuneration
Directors (excluding Outside Directors)	6	137	75	18	44
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	38	38	—	—

Note 1: A resolution has been passed at ordinary general meetings of shareholders to set the total annual remuneration for Directors at no more than 450 million yen (of which 80 million yen is for Outside Directors), including the employee portion of salary for Directors who concurrently serve as employees. Separate resolutions have set the total annual amount of monetary claims to be paid as remuneration for restricted shares at no more than 60 million yen (excluding Outside Directors), and the total annual remuneration for Audit & Supervisory Board Members at no more than 108 million yen.

Note 2: As non-monetary remuneration, restricted share-based remuneration is granted to Directors other than Outside Directors.

Note 3: The salary portion corresponding to Directors concurrently serving as employees (three individuals) is separate from the amounts shown in the table, with the total paid amounting to 24 million yen.

Note 4: As of the fiscal year-end, there were four Directors (excluding Outside Directors) and two Audit & Supervisory Board Members (excluding Outside Members). The table also includes two Directors who retired following the conclusion of the 21st Annual General Meeting of Shareholders held on June 27, 2024.

Note 5: In light of the deterioration in business performance in the second quarter of the fiscal year ending 31, March 2025, and to clarify management responsibility, the remuneration of Directors (excluding Outside Directors) was reduced for the period from December 2024 to March 2025. The amounts shown in the table reflect these reductions.

December 2024 – March 2025	President and Representative Director	30% reduction in monthly remuneration
	Other Directors (excluding Outside Directors)	20% reduction in monthly remuneration

Total Remuneration of Outside Officers

Officer category	No. of personnel	Total remuneration (million yen)	Total remuneration by category		
			Basic remuneration	Non-monetary remuneration	Performance-linked remuneration
Outside Directors/Outside Audit & Supervisory Board Members	13	96	96	—	—

Note 1: The total annual remuneration for Directors and Audit & Supervisory Board Members, as approved at ordinary general meetings of shareholders, is as stated in Note 1 in the table above (Total Remuneration of Directors and Audit & Supervisory Board Members).

Note 2: As of the fiscal year-end, there were five Outside Directors and three Outside Audit & Supervisory Board Members. The table also includes three Outside Directors and two Outside Audit & Supervisory Board Members who retired following the conclusion of the 21st Annual General Meeting of Shareholders held on June 27, 2024.

Support System for Outside Directors

The company has established the Board of Directors and Appointment and Remuneration Advisory Committee Secretariat as an organization directly under the Board to support its operations. The Secretariat is responsible for overall Board management and provides timely information to assist Outside Directors and Outside Audit & Supervisory Board Members in fulfilling their roles. This includes advance briefings on Board proposals and sharing information on specific topics.

Officer Appointment and Dismissal

The company has established criteria for officer appointment, criteria for officer dismissal, and criteria for chief executive dismissal. Criteria for officer appointment include qualities such as outstanding character and ethics, management analysis and decision-making capabilities, a full understanding of corporate governance and crisis management, knowledge of the duties and responsibilities of Directors, and the ability to allocate sufficient time to perform their duties. When considering new candidates for appointment as Directors, the Appointment and Remuneration Advisory Committee evaluates their suitability in accordance with the criteria for officer appointment, then conducts deliberations and makes a recommendation. For the reappointment of a Director, the Committee evaluates suitability based on the criteria for officer appointment and considers whether any circumstances would preclude reappointment, then conducts deliberations and provides its recommendation. The Board of Directors makes the final decision on the appointment of Director candidates based on the Committee's deliberations and recommendation. Acts that violate public order and morality, inability to continue duties due to health reasons, or serious negligence that significantly damages corporate value constitute grounds for dismissal under the criteria for officer dismissal and chief executive dismissal. When dismissing a Director, the Appointment and Remuneration Advisory Committee evaluates the appropriateness of the dismissal in view of the criteria for officer dismissal; for the dismissal of the President and Representative Director, the Committee evaluates it in view of the criteria for chief executive dismissal, then conducts deliberations and makes a recommendation. Based on the Committee's deliberations and recommendation, the Board of Directors resolves the dismissal of Directors and submits the resolution to the Shareholders' Meeting, whereas for a Chief Executive or equivalent, the Board of Directors makes the decision to dismiss.

Internal Control

So that we can enhance the value of the company and Group as a corporate group, our basic policy on internal control systems is that we are committed to continuously developing and enhancing the compliance system, we respond promptly and appropriately to risks that could have a significant impact on management, we disclose appropriate information to stakeholders and society, and

that we form a highly transparent corporate group.

Furthermore, we take the view that our basic policies for internal control must be in the form of ongoing initiatives running over multiple fiscal years, and review these policies every fiscal year. Our Internal Control Committee also holds quarterly meetings where members report on the system's progress, give updates on both efforts to correct and improve issues arising in its operation and initiatives to implement preventative measures, and monitor operation of the system. The outputs of these meetings are reported to the Board of Directors, helping them to work toward the construction and operation of an appropriate internal control system.

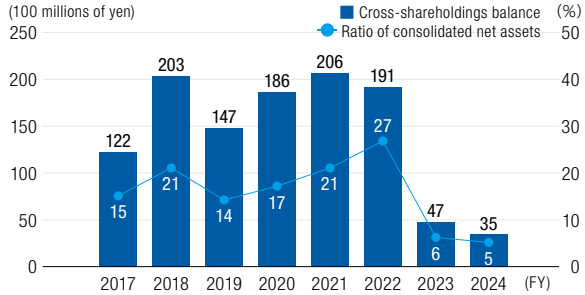
[WEB Basic Internal Control Policy for Fiscal 2024](https://www.smcon.co.jp/en/assets/uploads/investor/CG20241203_en.pdf)
https://www.smcon.co.jp/en/assets/uploads/investor/CG20241203_en.pdf

Cross-shareholdings

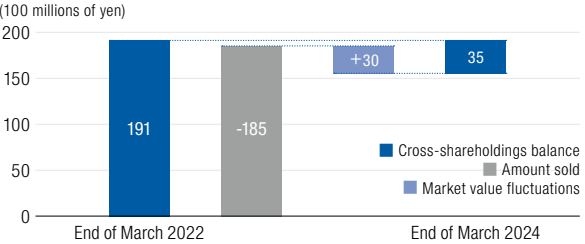
We review the economic viability, future prospects, and other aspects of individual cross-shareholdings, including the purpose of holding these stocks and whether the benefits and risks of holding these cover the company's cost of capital, and we have adopted a policy of reducing (selling) our cross-shareholdings in cases where the value of holding these stocks has diminished.

In the Mid-term Management Plan 2022–2024 <Revised May 2023>, announced on May 10, 2023, we set targets to improve capital efficiency and cash flow, including reducing the balance of cross-shareholdings by 50% by March 31, 2025, compared with the balance at March 31, 2023, achieving a consolidated net asset ratio of 20% or less at an early stage, and ultimately aiming for a ratio of 10% or less in the future. These targets have been achieved as outlined below. All cross-shareholdings reported are directly held by the Company; we do not hold any stocks accounted for as deemed holdings.

Balance of Cross-shareholdings and Ratio to Consolidated Net Assets



Breakdown of Changes in Cross-shareholdings



Officers (As of the end of June 2025)

FY2024 Meeting attendance for Board of Directors FY2024 Meeting attendance for Appointment and Remuneration Advisory Committee*

*1 Outside Audit & Supervisory Board Members (part-time) attend the Appointment and Remuneration Advisory Committee as observers.

Directors



Toshio Shibata
Born December 8, 1962

Representative Director,
President

Apr. 1985 Joined Mitsui Construction Co., Ltd.
Apr. 2024 Representative Director (to present)
President (to present)

24/24 13/13



Nobuo Kawahashi
Born July 23, 1956

Director (Outside Director)

Apr. 1981 Joined Japan Synthetic Rubber Co., Ltd.
Jun. 2023 Executive Advisor, JSR Corporation
Jun. 2024 Outside Director of the company
(to present)

18/18 9/9



Yoshihiko Taira
Born September 13, 1965

Director
Managing Executive Officer

Apr. 1988 Joined Sumitomo Construction Co., Ltd.
Jun. 2024 Director (to present)

18/18



Susumu Nibuya
Born November 22, 1959

Director (Outside Director)

Apr. 1982 Joined Idemitsu Kosan Co., Ltd.
Jun. 2024 Executive Fellow, Idemitsu Kosan Co., Ltd.
(to present)
Outside Director of the company (to present)

16/18 8/9



Takashi Yui
Born September 28, 1967

Director
Managing Executive Officer

Apr. 1990 Joined Mitsui Construction Co., Ltd.
Jun. 2024 Director (to present)

18/18



Mami Yamashita
Born May 23, 1978

Director (Outside Director)

Apr. 2001 Joined NEC Corporation
Dec. 2013 Representative Director Kokoruku, Inc.
(to present)
May 2022 Outside Director AEON Fantasy Co., Ltd.
(to present)
Jun. 2024 Outside Director NAC Co., Ltd. (to present)
Outside Director of the company (to present)

17/18 8/9



Ryosuke Sogo
New Appointment**
Born January 25, 1965

Director
Managing Executive Officer

Apr. 1988 Joined the Sumitomo Bank, Ltd.
Jun. 2025 Director (to present)

Audit & Supervisory Board Members



Michio Harada
Born November 25, 1958

Audit & Supervisory Board Member
(Full-time)

Apr. 1981 Joined Sumitomo Construction Co., Ltd.
Jun. 2018 Audit & Supervisory Board Member
(Full-time) (to present)



Kazushi Nozawa
Born May 13, 1961

Audit & Supervisory Board Member
(Full-time)

Apr. 1984 Joined Mitsui Construction Co., Ltd.
Jun. 2023 Audit & Supervisory Board Member
(Full-time) (to present)



Takashi Kaede
Born May 21, 1964

Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Apr. 1988 Joined Sumitomo Trust and Banking Co., Ltd.
Jun. 2024 Audit & Supervisory Board Member of
the company (to present)



Harumasa Kurokawa
Born June 5, 1957

Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Apr. 1981 Joined Sumitomo Metal Mining Co., Ltd.
Jun. 2019 Advisor (to present)
Nov. 2020 Advisor to ENVIPRO HOLDINGS Inc. (to present)
Jan. 2021 Project Professor, Institute of Industrial Science,
The University of Tokyo (to present)
Jun. 2022 Outside Audit & Supervisory Board Member of
the company (to present)

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Yoshihide Hino
Born August 2, 1962

Audit & Supervisory Board Member
(Outside Audit & Supervisory Board Member)

Apr. 1990 Registered as Attorney-at-Law
Apr. 2000 Partner Tokyo Hatchobori Law Office
(to present)
Jun. 2024 Audit & Supervisory Board Member of
the company (to present)

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Skills Matrix

Definition of Skills
The skills related to Global Competence, Sustainability, and D&I Promotion and Human Resources Development in the list are defined as follows:

- Global Competence** ... Knowledge and skills necessary for planning and implementing overseas business strategies, as well as for managing risks specific to global operations.
- Sustainability** ... Knowledge and skills necessary to incorporate responses to various social sustainability issues (the environment, biodiversity, human rights, etc.), including the SDGs and ESG, into corporate management.
- D&I Promotion and Human Resources Development** ... Knowledge and skills to promote Diversity & Inclusion (D&I), which are critical for future management and business, and the ability to develop and nurture talent.

Expected Skills	Corporate Management	Sales and marketing	Technology and IT	Finance and accounting	Risk management, compliance, and auditing	Global competence	Sustainability	D&I promotion and human Resources development
Toshio Shibata	●	●	●				●	
Yoshihiko Taira		●	●			●		
Takashi Yui	●		●	●				●
Ryosuke Sogo	●	●		●	●			
Nobuo Kawahashi	●	●	●			●		
Susumu Nibuya	●			●		●		●
Mami Yamashita	●					●	●	●
Michio Harada				●	●			
Kazushi Nozawa				●	●			
Takashi Kaede				●	●			●
Harumasa Kurokawa	●	●	●		●			
Yoshihide Hino					●		●	●

(Note) The above list provides up to four key expected skills and does not represent all the knowledge and experience of each person.

*2 Appointed in June 2025

Compliance

Basic Approach

For the Group to gain the trust of a wide range of stakeholders and achieve sustainable growth and development, we believe that compliance is the essential foundation of our management.

To firmly establish a culture of compliance, we continuously communicate messages on compliance from top management, assign compliance officers to each branch and department, and provide ongoing compliance education. These efforts aim to instill a proactive compliance mindset that contributes to employee growth. In addition, we have developed an environment for the use of i-message* to prevent compliance violations and ensure their early detection and correction.

*A collective term for our internal reporting system and workplace harassment consultation system

Initiatives

Compliance Education

We have issued our original Compliance Handbook, which includes a detailed explanation of laws and regulations attached to the Charter of Corporate Behavior. In addition, we provide compliance education to officers and employees of the Company and its affiliated companies (including seconded and dispatched employees) by sharing internal and external risk cases to foster a stronger sense of personal responsibility. This education covers the Construction Business Act, the Antimonopoly Act (competition law), anti-bribery and anti-corruption regulations, labor laws, and other laws, regulations, and social norms relevant to our business. Various channels are used for this purpose, including meetings, role- and level-specific training, and e-learning programs.

Promotion of Fair Trading

In order to promote fair trading, the Group has established a program for the elimination of bid-rigging, and all officers and employees, including those of affiliated companies and seconded or dispatched staff, are fully informed of the program. Specifically, to achieve the complete elimination and prohibition of bid-rigging, the program maintains a three-part approach: (1) a clear and unshakable commitment on the part of senior management to fully eliminate and prohibit bid-rigging, (2) the establishment of internal compliance and monitoring systems, and (3) a full understanding of the rules and a high level of compliance awareness among officers and employees. Furthermore, as the Group conducts its business, there are situations in which employees must interact with public officials, such as when obtaining or maintaining licenses and permits, or in contracting and performing construction work. To

prevent bribery and corruption, employees are required to strictly refrain from any actions that could give rise to suspicions regarding their relationships with public officials or similar parties.

Collection of Written Pledges for Bid-rigging Elimination

FY2023 target	FY2023 result	FY2024 target	FY2024 result
100%	100%	100%	100%

Tax Transparency, Tax Policy, and Tax Compliance

With the aim of increasing tax transparency, the Group provides tax compliance training. Tax compliance is a tax policy that seeks to deepen each employee’s understanding of accounting and tax matters and raise awareness of compliance with laws and regulations, thereby enabling employees to voluntarily and appropriately fulfill their tax obligations as stipulated by law based on a strong awareness of the importance of paying taxes.

In response to tax code changes, we provide separate education when our Group’s transactions may be subject to provisions in the Construction Business Act, Antimonopoly Act, or Subcontract Act.

Taxes Paid in Major Countries

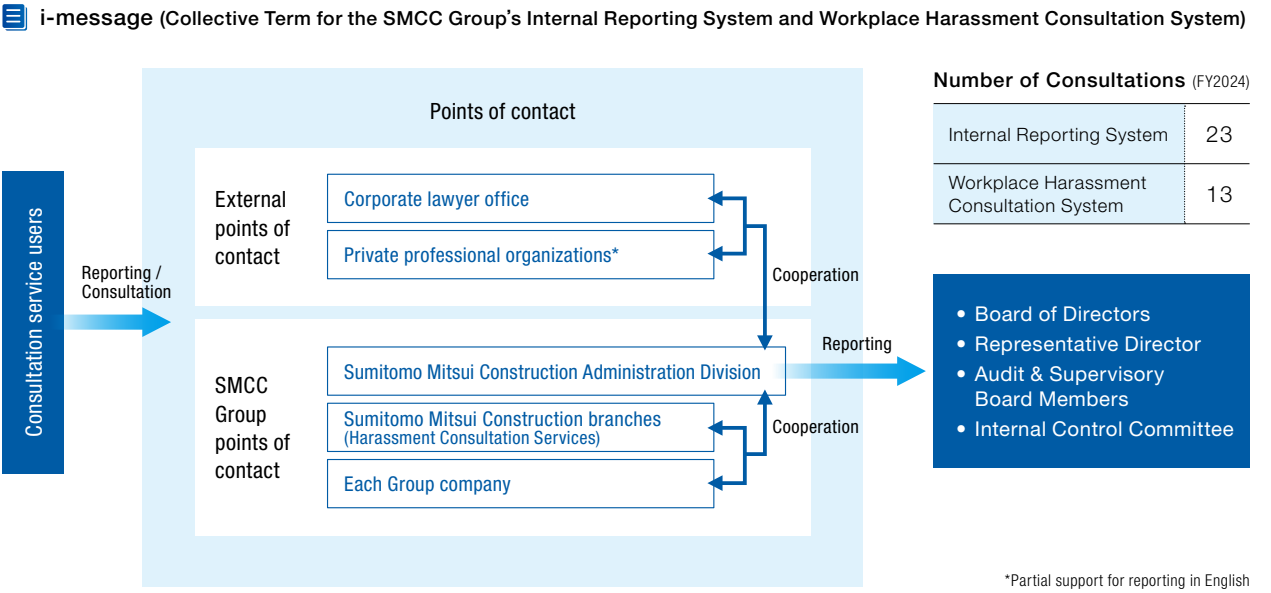
(Based on country-by-country reporting for FY2023)		(Millions of yen)	
Country	Taxes Paid		
Japan	540		
Indonesia	265		
Vietnam	208		
India	94		
The Philippines	43		
Others	35		
Total	1,185		

Measures to Address Harassment

Along with establishing and publicizing definitions of harassment and related information in the form of “Harassment Prevention Rules,” the Group has established a harassment consultation system. When a consultation is received, we give the utmost consideration to the privacy of the person making the consultation, investigate the facts, and then take appropriate action and prevent recurrence. Additionally, we provide harassment prevention training to all employees every year to prevent harassment.

Internal Reporting System

The Group operates the i-message internal reporting system, and to further enhance its reliability and effectiveness, we maintain the system in accordance with the Whistleblower Protection Act. Reports are handled with due consideration to prevent any disadvantages to whistleblowers and those assisting with investigations. Appropriate and necessary investigations are conducted promptly, and if any issues are identified, corrective actions and measures to prevent recurrence are implemented, with relevant parties informed of and subject to the necessary actions.



Initiatives to Comply with the Construction Business Act

In response to an instruction received in January 2016 from the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to the Construction Business Act with regard to the case of a condominium building we constructed in Yokohama City, each of our branches continuously conducts scheduled supervisions and monitoring of construction-related activities, which we call “Construction Business Act Patrols,” at the sites under their jurisdiction. The patrols include checking with organizations, including subcontractors, on the status of compliance with the Construction Business Act, as well as making corrections and providing guidance, regarding the development of construction system registers and the allocation of engineers. The results from and issues discovered during the patrols are monitored by the Internal Control Committee to ensure continuous improvement.

Addressing Overtime Work Issues

With the aim of reducing work hours, we have laid out our course of action for work style reform in the President’s Policy on Work Style Reform and are rolling out the Program for Reducing Work Hours. We have formulated a Work Hours Reduction Policy for each organization, including project sites, as part of our efforts to improve productivity and reduce work hours, and to prevent health problems caused by long work hours.

We also provide education to both supervisors and employees on the proper management of work hours to improve knowledge of labor laws. Along with these efforts, we are mindful of diversity and strive to create a comfortable work environment for all employees.

Risk Management

Basic Approach

Risk management is a critical element supporting the growth and stability of the company, and the Group recognizes risk as a factor that impedes the accomplishment of our organizational targets, and so is constructing and operating a risk management system based on our Risk Management Regulations. We are committed to enhancing the effectiveness of risk management through continuous improvements, and are thoroughly reducing risks related to our business operations.

Risk Management System

We use the “Three Lines Model” as our basic system for risk management. In our first line of defense (any departments that must directly respond to a risk), Departmental Risk Management Officers carry out risk management and evaluate its efficiency, and submit risk evaluation reports to the Risk Management Supervising Officer, thus ensuring a thorough understanding of risk management across the entire company. The Risk Management Supervising Officer formulates future measures based on the results of an evaluation of effectiveness of the company’s risk management systems and of company-wide risk assessments.

Method for Identifying Risks

The department responsible for each individual risk (the second line of defense) scores and evaluates that risk on the basis of three criteria: frequency of the risk’s occurrence, degree of its impact on management, and the residual risk value. Risks that require action are selected by each department (first line), and the second line develops basic countermeasures by envisioning specific risk scenarios. The Audit Department (the third line of defense) checks these risk scenarios, and revises or adds to them as necessary.

Based on the results of risk evaluations of every department and individual risk maps, our Risk

Management Supervising Officer creates and operates a system to identify important risks and countermeasure proposals throughout the company, as well as monitoring risk response.

Crisis Management

In cases where a risk is incurred that could majorly impact on the Group’s management due to bodily injury, property damage, or a loss of public trust, the Crisis Management Regulations stipulate the types of crises that should be reported, along with where this should be reported to and the method, in order that information about the crisis can be communicated in a prompt manner to management. Furthermore, when this report is received, the crisis level is determined, and a crisis management framework is established to respond appropriately.

Business Continuity Plan (BCP)

In full recognition of our important social responsibility to use our construction business for the provision of safety and security, we have developed a BCP that allows us to strive to maintain and continue key functions of our business activities in the event of a disaster and carry out restoration, reconstruction, and relief activities and secure infrastructure in affected areas.

In fiscal 2024, we conducted a BCP drill for management, including the President, assuming a major earthquake directly beneath the Tokyo metropolitan area. During this drill, participants worked on situational decision-making under a worst-case scenario, thereby enhancing the crisis response capabilities of the Central Countermeasure Headquarters Office.

Information Security Initiatives

In line with the promotion of smart working and the expansion in cloud services, we are strengthening our security measures in order to address the risks of cyberattacks and information leaks.

For PCs and servers, we operate 24-hour monitoring of

suspicious activity detected by endpoint detection and response (EDR), with a full sequence of responses—containment, isolation, and remediation—handled via managed detection and response (MDR), which commenced operation in fiscal 2024. We have also deployed a cloud proxy to manage website access, ensuring that connections from external environments, such as teleworking, maintain the same security standards as within the company. These security measures are applied across the entire Group, including overseas offices.

Meanwhile, to prepare for potential incidents, we have established a CSIRT*1 as an emergency response system to minimize damage through prompt and appropriate action, and it engages in regular activities such as conducting incident response drills.

*1 CSIRT: abbreviation for Computer Security Incident Response Team
A team that responds to computer-related information security incidents.

Information Security Management System

Based on our Basic Information Security Policy (including the handling of personal information), we have acquired external certification under ISO 27001 (ISMS) to ensure the appropriate handling of information in our business activities and are continuously maintaining and improving it. To evaluate its effectiveness, we conduct biannual reviews with top management. In addition, we report quarterly to the Board of Directors via the Internal Control Committee on the status of information security initiatives, related issues, and the results of management reviews, ensuring appropriate oversight.

Monitoring Activities of the Group

In April 2021, we established the Information Security Management Office and have been working to strengthen information security across the entire Group, including overseas subsidiaries.

For each Group company, we conduct an annual hearing to review the status of security measures, aiming to continuously maintain and improve security levels. For overseas subsidiaries, we also perform an annual evaluation using a security checklist. In addition, we have established common ISMS regulations for both Japanese operations and overseas subsidiaries, and we conduct step-by-step training and awareness activities to ensure these regulations are thoroughly embedded.

Basic Approach to Personal Information Protection and Management Systems

Our Group affiliated companies handle personal information in a suitable manner in accordance with the Act on the Protection of Personal Information and the internal regulations established by our affiliates (excluding overseas offices). In the event of unauthorized access, loss, destruction, alteration, or leakage of personal data managed by any affiliated company, we will take appropriate actions such as reporting to the Personal Information Protection Commission and notifying the individuals involved, as required by law.

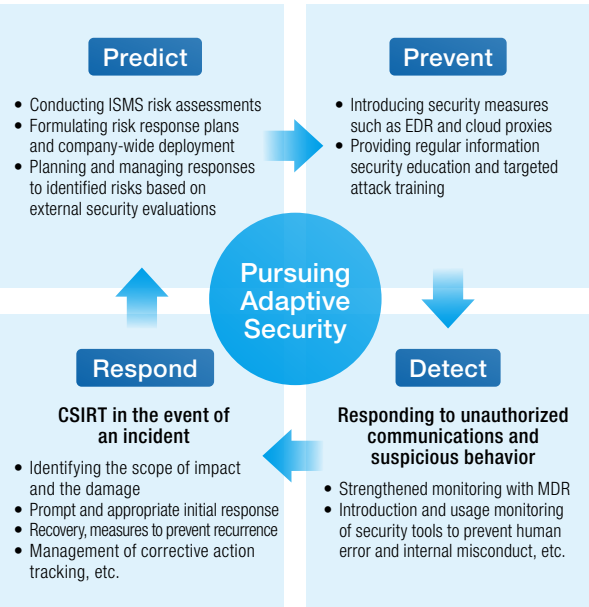
Information Security Training

HR-led monitoring from recruitment onward	
• Information Security Management System (ISMS) training for new employees and employees in their 3rd year at the company	ZOOM meetings, 100% attendance
• ISMS training for mid-career hires	ZOOM meetings, 100% attendance
• ISMS training for temporary employees (as required)	Led by the Legal Affairs Department, in all departments under their charge
Document Management	
• Training for the proper operation of document management	e-learning, 100% attendance
Regular ISMS training	
• H1 ISMS employee training	e-learning, 100% attendance
• H2 ISMS employee training	e-learning, 100% attendance
• ISMS training for information security management personnel	e-learning, 100% attendance
Group-wide training (including overseas personnel)	
• ISMS training for affiliated companies	In-person group training: 100% attendance
• Training on operational regulations for ISMS for overseas bases	e-learning, 100% attendance
Other (participation in meetings run by Legal Affairs Department)	
• ISMS training meetings for officers and supervising officers responsible for legal compliance	ZOOM meetings

Pursuing Adaptive Security

We are implementing measures to reinforce each of the four phases necessary to achieve adaptive security*2: predict, prevent, detect, and respond.

Pursuing Adaptive Security



*2 Adaptive security: A form of security framework that flexibly adapts to specific goals or circumstances, advocated by Gartner (a leading IT research and consulting firm)

Risk Management System

Category	Role	Diagram of Risk Management System
Final decision-making body	Policy and prioritization	Management
(3) Audit Department (third line)	Support and supervision	Audit Department Supervise and support risk management from an independent standpoint
Internal Control Committee		Internal Control Committee Emergency Task Force/ Crisis Management Secretariat
Department in charge of company-wide risk management (Corporate Planning Department)	Company-wide risk mapping	Risk Management Supervising Officer (Division Director, Corporate Planning Division)
(2) Department responsible for each individual risk (second line)	Risk assessment Formulation of basic countermeasures	Department responsible for each individual risk (Head Office) Supervise and support risk management from an expert standpoint
(1) Departments that directly respond to each risk (first line)	Risk response plans	Head Office Branches
Risk Management Officer	Risk discovery	Departments/ offices Departments/ offices
Employees	Risk discovery and reporting	Employees

Safety and Security Responses in Overseas Operations

Safety Measures

We have developed and implemented the “Overseas Crisis Management Manual” for branch offices and overseas sites, and the “Overseas Safety Manual” for employees stationed abroad (including accompanying family members) and business travelers. With this, we are working to create an environment in which all employees can carry out their work safely.

As part of our risk management efforts, we actively utilize external experts including risk consultants and overseas medical support companies to exchange the latest safety information, and to provide consultations. In addition, we invite external experts annually to speak to employees, with the target of increasing their safety awareness and skills. We also collect safety information from relevant local authorities, the Ministry of Foreign Affairs, Japanese embassies, and Japanese companies based in local areas so that we can stay updated, and use this information to ensure the safety of our employees. Looking to the future, we will actively address risks, and aim for further growth and success while giving top priority to the safety of our employees.

Measures against Exchange Rate Fluctuations

In our overseas operations, it has become increasingly important to promptly grasp, share, and analyze geopolitical risks and the political and economic conditions of the countries in which we operate. Additionally, as the scale of our overseas business expands, the amount of foreign currency-denominated receivables is expected to increase. To address this, we are strengthening the management of these receivables to promote their monetization and liquidity. Furthermore, regarding the total amount and timing of expenditures in foreign currencies necessary for overseas operations, we manage them to ensure that temporary increases in foreign currency assets are not exposed to exchange rate risks. To this end, we synchronize the timing and balance the amounts with the collection of revenue in foreign currencies.

In addition, if temporary funding needs arise in minor currencies other than the Japanese yen or major global currencies, we evaluate the economic rationality by comparing with the costs of currency exchange. Where it is economically justified, we arrange for direct foreign currency financing in the country of operation. Furthermore, to avoid impacts on business performance from sudden interest rate hikes or significant fluctuations in exchange rates, we use interest rate swaps, forward exchange contracts, and other measures as necessary, thereby striving to reduce interest rate and foreign exchange risks and to lower foreign exchange costs.

Group Safety Measures (Overseas and Domestic Affiliates)

Safety Measures (Domestic Affiliates)

If a risk incident occurs or could occur at a related affiliate, then in cooperation with the relevant departments within the company, we provide guidance, support, and other assistance to our affiliates in accordance with the Crisis Management Regulations.

If a risk incident occurs, the department responsible that received the report will immediately report to the Representative Director and Audit & Supervisory Board Members, will convey instructions regarding a suitable response to the affiliate, and will consider and implement a response strategy. Additionally, in view of preventing recurrence, we will roll out details of the incident and countermeasures across affiliated companies during compliance training.

Safety Measures (Overseas Affiliates)

The Overseas Safety Committee, chaired by the Division Director, Administration Division, plans, proposes, and implements safety measures to ensure that all executives and employees at overseas offices, affiliates, and project sites have a safe working environment.

In the event of an emergency, the Overseas Safety Committee and international departments will collaborate closely to prioritize the safety of all executives and employees.

Specific Initiatives

- 1

Risk assessment and analysis
We evaluate and analyze the risks related to ensuring the safety of overseas personnel in the regions where we operate.
- 2

Consideration and formulation of measures
We develop and plan specific safety measures based on the above risk assessment.
- 3

Safety training
We provide training on safety measures to overseas personnel to ensure that all employees are up-to-date with the latest safety information and measures.
- 4

Crisis response system
In the event of a crisis, we will promptly establish a response task force to handle the situation appropriately.

Business Environment (External Factors)

Risk	Description
Environmental risks (natural disasters) Most important	In the event of an earthquake, typhoon, tsunami, volcanic eruption, or other natural disaster, the company may sustain direct or indirect damage, which may have a negative effect on its business performance or financial condition.
Climate change risks Most important	In line with society's transition to decarbonization, the introduction of upper limits on greenhouse gas emissions or a carbon tax could lead to a decline in the amount of construction we can undertake or increases in costs, affecting business results. Natural disasters are becoming more severe as a result of climate change, and damage to construction in progress or construction delays due to typhoons, floods, or other disasters may affect business performance.
Social risks Most important	Societal chaos caused by war, riots, terrorism, or other factors may affect business performance. The emergence and spread of new types of infectious or other diseases may slow down business over prolonged periods, affecting business performance.
Economic risks (economic and market fluctuations) Most important	Fluctuations in construction investment trends, including in public investment, corporate capital investment, and private-sector housing investment, could cause rises or falls in the volume of our construction orders, affecting business performance. Many construction projects are carried out, from start to finish, over a significant time period, and cost fluctuations of raw materials over the course of a project may affect business performance. Additionally, sharp increases in interest rates or large fluctuations in foreign exchange rates may affect business results. If our business partners were to experience solvency issues or a significant decline in the value of their assets, this could also affect the company's business performance.
Reputation risks Most important	Reputation risk is linked to various other risks, and when it surfaces, it can lead to significant negative impacts on the financial performance and social credibility of the Group. These can include a loss of trust, a drop in stock prices, a decrease in business partners, or damage to our brand.
Country risks important	Overseas, the company engages in construction work predominantly in Asia, and changes in the political situations of countries in this region, fluctuations in their economic conditions, or unforeseen changes in their local laws and regulations may affect the company's business performance.
Legal risks important	In pursuing our business, the company is subject to numerous Japanese laws and regulations, including the Construction Business Act, the Building Standards Act, and environmental laws and regulations. Overseas, the company is subject to similar laws and regulations, including the need to obtain relevant business licenses. To carry out our construction work, the SMCC Group is required to obtain a wide variety of permits and licenses under various laws and regulations. If these laws and regulations were to change and to severely restrict the Group's business activities, business performance could be negatively affected. In pursuing our business, the company could potentially be subject to lawsuits related to contractual non-conformity, product liability, patents, antitrust laws, and similar issues, and the developments of any such lawsuits could adversely affect our business performance.

Business Foundation (Internal Factors)

Risk	Description
Site accident risks Most important	Due to the nature of the work environment and methods used, construction work is often hazardous and has an accident rate higher than that of other industries. Although the company strictly enforces safety management, in the event of a work-related accident, the company may be subject to disciplinary action under the Construction Business Act, its eligibility for projects undertaken by regional governments and other agencies may be suspended, and it may be required to pay compensation for damages, which may affect business performance.
Quality risks Most important	Quality defects caused by construction that deviates from its design, construction that does not meet quality requirements, poor quality construction by subcontractors, or improper management of on-site inspections and inspection documents may lead to a decline in public trust and additional costs may be incurred due to construction schedule delays, in turn affecting business results.
Defect risks Most important	Although the company conducts strict quality control during the construction process, in the unlikely event that a major defect is found in one of its construction projects, the company's business performance could be affected.
Unprofitable project risks Most important	If an accepted construction project becomes unprofitable due to erroneous assumptions made at the time the order was received or due to changes or modifications to its conditions, the company's business results may be affected. If a project's profit margins were to decline due to unbudgeted costs, this could cause a significant decline in project profit, affecting business performance.
Information security risks important	If confidential business information or customer information obtained in the course of business is leaked as a result of external threats, such as cyberattacks or computer viruses, or of internal threats, such as the loss, theft, misuse, or unauthorized use of employees' information assets (such as computers or smart devices), or if there is prolonged system downtime, this may result in us losing the trust of customers and of society. There is also the risk that our business performance could be impacted by the suspension of transactions or compensation for damages incurred.
Funding and capital management risks important	An increase in orders or the expansion of construction project scale could lead to a rise in advance funds required for these projects. In such cases, procuring substantial funds may be necessary, which could affect the company's financial condition. If the deterioration of equity results in a breach of financial covenants attached to loan agreements with financial institutions and leads to a loss of benefits under those agreements, it could have an adverse impact on both business performance and financial condition.
Working environment and overwork risks important	A significant deterioration of the company's credibility due to the occurrence of overwork (excessively long working hours) or improper labor management could affect its business performance and financial position.
Personnel retention risks important	The failure to recruit or manage loss of human resources to other companies as planned may affect the Group's business performance and financial position over the long term.
Human rights risks Most important	If any violation of human rights were to occur within the Group or its supply chain, the Group could lose public trust. Incidents of harassment or unhealthy workplace environments could lead to the deterioration of employee mental and physical health and a decrease in workforce vitality, resulting in increased job turnover and significant impacts on the company's business performance.
Compliance risks important	Despite the company's efforts to comply with various laws, regulations, and internal rules, employee misconduct or other wrongdoing could, depending on the nature of the issue, have significant negative impacts on the Group's business performance and social credibility.
Affiliated company-related risks important	Inadequacies in Group-affiliated companies' risk management systems could lead to a variety of risk events that could result in significant negative impacts on Group business performance and public trust.

Financial Information

10-Year Core Financial Data (JGAAP)

(Millions of yen)

Accounting period (FY)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating results										
Orders received (non-consolidated, for reference)	351,997	330,555	351,172	565,165	338,448	316,397	309,569	324,843	240,672	209,798
Net sales	414,958	403,908	417,310	448,758	472,402	421,619	403,275	458,622	479,488	462,982
Operating income (loss)	23,364	27,941	30,584	29,217	24,765	15,584	(7,459)	(18,759)	8,500	7,587
Ordinary income (loss)	21,801	26,174	28,463	28,862	23,884	13,063	(8,340)	(18,483)	6,291	3,725
Profit (loss) attributable to owners of parent	9,902	17,035	20,723	18,828	15,550	8,743	(7,022)	(25,702)	4,006	855
Basic earnings (loss) per share (yen)	12.18	20.96	127.48	117.03	97.89	55.33	(44.93)	(164.32)	25.58	5.46
Price Book Value Ratio (PBR) (times)	1.95	1.73	1.35	1.37	0.79	0.77	0.71	0.94	0.97	0.93
Return on equity (%)	25.9	34.4	31.2	22.6	16.7	8.8	(7.2)	(33.2)	6.0	1.2
Ordinary income to total assets ratio (%)	7.6	8.8	9.2	8.8	6.9	3.6	(2.2)	(4.6)	1.5	0.9
Operating income margin (%)	5.6	6.9	7.3	6.5	5.2	3.7	(1.8)	(4.1)	1.8	1.6
Financial condition										
Total assets	293,663	302,152	317,688	340,851	353,410	376,826	394,073	410,153	411,601	393,474
Net assets	48,136	63,242	82,852	97,953	102,443	110,308	99,701	71,137	77,165	77,315
Interest-bearing debt	23,390	33,841	24,123	31,620	39,842	63,180	64,794	84,256	80,216	76,962
Capital-to-asset ratio (%)	14.3	18.8	23.9	26.6	27.1	27.2	23.2	15.5	17.0	17.8
Net assets per share (yen)	51.75	70.06	467.65*	564.19	605.63	651.59	584.73	406.53	445.33	446,89
Cash flows										
Net cash provided by (used in) operating activities	10,742	(3,882)	28,279	(1,021)	(18,005)	16,723	9,996	(16,123)	21,452	(16,707)
Net cash provided by (used in) investing activities	805	(1,648)	(4,241)	(6,400)	(3,416)	(2,681)	(12,980)	(3,512)	13,465	2,634
Net cash provided by (used in) financing activities	2,168	7,792	(12,576)	2,719	837	9,713	(2,148)	14,200	(7,510)	(6,916)

*We carried out a 1-for-5 stock consolidation of common shares on October 1, 2017.

Reference: Actual Construction Contracts Received and Completed in the Construction Business (Non-consolidated)

(Millions of yen)

Period	Category	Orders in hand brought forward from the previous period	Orders received in the current period	Total	Completed construction in the current period	Orders in hand outstanding at the end of the period
FY2023 (From April 1, 2023 to March 31, 2024)	Civil engineering work	346,533	130,587	477,120	140,212	336,908
	Building construction work	348,006	110,084	458,090	196,709	261,381
	Total	694,539	240,672	935,211	336,922	598,289
FY2024 (From April 1, 2024 to March 31, 2025)	Civil engineering work	336,908	99,417	436,325	134,191	302,133
	Building construction work	261,381	110,381	371,762	185,543	186,219
	Total	598,289	209,798	808,087	319,735	488,352

Note 1: If an order received in a previous fiscal year is altered due to a contract modification, the change is reflected in orders received in the period. Accordingly, the completed construction in the period also reflects this change.
Note 2: Orders in hand outstanding at the end of the period = Orders in hand bought forward from the previous period + Orders received in the period – completed construction in the current period.

Consolidated Balance Sheets

(Millions of yen)

(FY)	2023	2024	(FY)	2023	2024
Assets			Liabilities and net assets		
Current assets			Current liabilities		
Cash and deposits	96,677	72,668	Trade notes payable, accounts payable on construction contracts and other	89,203	82,370
Trade notes receivable, accounts receivable on completed construction contracts and other	192,691	179,578	Electronically recorded payable	39,119	29,339
Inventories	37,098	42,093	Short-term bank loans and current portion of long-term debt	21,221	31,530
Other current assets	29,529	44,632	Current portion of bonds payable	—	5,000
Allowance for doubtful receivables	(2,619)	(1,449)	Lease obligations	685	655
Total current assets	353,377	337,524	Accrued expenses	6,863	6,878
Non-current assets			Income tax payable	929	870
Property and equipment, at cost			Advances received on construction contracts in progress	35,847	62,336
Buildings and structures	19,410	19,549	Reserve for defects on completed construction projects	463	401
Machinery, equipment and vehicles	43,136	44,453	Allowance for losses on construction contracts	30,040	13,020
Land	16,095	16,195	Allowance for contingency loss	2,159	2,159
Construction in progress	1,806	1,215	Other current liabilities	27,830	20,377
Accumulated depreciation	(43,633)	(44,791)	Total current liabilities	254,365	254,940
Property and equipment, net		36,815	36,622	Long-term liabilities	
Intangible fixed assets	5,945	4,945	Corporate bond payable	10,000	5,000
Investments and other assets			Long-term debt	48,995	35,432
Investment in securities	5,486	3,749	Lease obligations	1,635	1,377
Deferred tax assets	5,032	4,947	Deferred tax liability on land revaluation	574	583
Assets for retirement benefits	34	26	Allowance for share-based payment	55	67
Other	5,739	6,553	Long-term income taxes payable	—	490
Allowance for doubtful receivables	(830)	(895)	Liability for retirement benefits	17,678	16,989
Total investments and other assets	15,463	14,382	Other long-term liabilities	1,131	1,278
Total non-current assets	58,224	55,950	Total long-term liabilities	80,070	61,219
Total assets	411,601	393,474	Total liabilities	334,435	316,159
			Net assets		
			Shareholders' equity		
			Capital stock	12,003	12,003
			Additional paid-in capital	568	525
			Retained earnings	58,701	57,363
			Treasury stock, at cost	(3,647)	(3,540)
			Total shareholders' equity	67,626	66,351
			Accumulated other comprehensive income		
			Unrealized holding gain or loss on securities	618	366
			Deferred (loss) on hedging instruments, net of taxes	(1)	40
			Land revaluation	70	66
			Translation adjustments	2,085	3,585
			Retirement benefits liability adjustment	(611)	(299)
			Total accumulated other comprehensive income	2,161	3,759
			Non-controlling interests	7,377	7,204
			Total net assets	77,165	77,315
			Total liabilities and net assets	411,601	393,474

Consolidated Statements of Income

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Net sales	479,488	462,982
Cost of sales	444,392	429,770
Gross profit	35,095	33,211
Selling, general and administrative expenses	26,595	25,624
Operating income	8,500	7,587
Non-operating income		
Interest income	1,239	1,669
Dividend income	213	125
Exchange gain, net	993	—
Compensation income	—	739
Other, net	512	407
Total non-operating income	2,959	2,942
Non-operating expenses		
Interest expenses	1,662	3,401
Exchange loss, net	—	477
Commission for loan commitment agreement	1,172	1,688
Other, net	2,334	1,236
Total non-operating expenses	5,169	6,804
Ordinary income	6,291	3,725
Extraordinary income		
Gain on sale of property and equipment	178	266
Gain on sale of shares of subsidiaries and associates	—	1,560
Other, net	2,244	17
Total extraordinary income	2,422	1,844
Extraordinary losses		
Impairment losses	47	5
Loss on sales and disposal of property and equipment	196	77
Loss on valuation of investments in securities	0	912
Other, net	1,011	24
Total extraordinary losses	1,256	1,019
Profit before income taxes	7,457	4,550
Income taxes—current	2,966	3,224
Income taxes—deferred	538	141
Total income taxes	3,505	3,365
Profit	3,951	1,185
Profit or loss attributable to non-controlling interests	(54)	329
Net profit attributable to owners of parent	4,006	855

Consolidated Statements of Comprehensive Income

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Profit	3,951	1,185
Other comprehensive income		
Unrealized holding gain or loss on securities	2,799	(251)
Deferred gain on hedging instruments, net of taxes	38	42
Land revaluation	—	(8)
Translation adjustments	1,342	1,528
Retirement benefits liability adjustments	166	362
Total other comprehensive income	4,346	1,672
Comprehensive income	8,298	2,858
Comprehensive income attributable to:		
Owners of parent	8,297	2,453
Non-controlling interests	1	404

Consolidated Statements of Cash Flows

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)
Net cash provided by (used in) operating activities	21,452	(16,707)
Net cash provided by (used in) investing activities	13,465	2,634
Net cash provided by (used in) financing activities	(7,510)	(6,916)
Effect of exchange rate changes on cash and cash equivalents	1,388	285
Net increase (decrease) in cash and cash equivalents	28,796	(20,703)
Cash and cash equivalents at beginning of the year	60,828	89,625
Cash and cash equivalents at end of the year	89,625	68,921

Consolidated Statements of Changes in Net Assets

	Shareholders' equity				
FY2024 (From April 1, 2024 to March 31, 2025)	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at the beginning of the period	12,003	568	58,701	(3,647)	67,626
Changes in items during the period:					
Change in a parent's ownership interest due to transaction with a non-controlling interests		(5)			(5)
Dividends from surplus			(2,193)		(2,193)
Profit attributable to owners of parent			855		855
Purchases of treasury stock				(1)	(1)
Disposition of treasury stock		(37)		107	69
Net changes in items other than shareholders' equity					
Total changes in items during the period	—	(43)	(1,338)	106	(1,274)
Balance at the end of the period	12,003	525	57,363	(3,540)	66,351

	Accumulated other comprehensive income							
	Unrealized holding gain or loss on securities	Deferred gain on hedging instruments, net of taxes	Land revaluation	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the period	618	(1)	70	2,085	(611)	2,161	7,377	77,165
Changes in items during the period								
Change in a parent's ownership interest due to transaction with non-controlling interests								(5)
Dividends from surplus								(2,193)
Profit attributable to owners of parent								855
Purchases of treasury stock								(1)
Disposition of treasury stock								69
Net changes in items other than shareholders' equity	(251)	42	(4)	1,499	311	1,597	(173)	1,424
Total changes in items during the period	(251)	42	(4)	1,499	311	1,597	(173)	149
Balance at the end of the period	366	40	66	3,585	(299)	3,759	7,204	77,315

Non-financial Information

Human Resources

Employees

Category	(FY)	2020	2021	2022	2023	2024
Number of employees (consolidated)		5,227	5,420	5,449	5,522	5,392
Number of employees (non-consolidated)		2,910	2,954	2,977	2,963	2,903
Proportion of women employees (non-consolidated) (%)		13.43	13.54	14.58	15.73	16.78
Number of new hires (non-consolidated)		138	136	118	114	87

Average Age / Average Years of Service (FY2024)

Category				(For reference: FY2023 figures)		
	Overall	Men	Women	Overall	Men	Women
Average age	46.22	47.72	38.77	46.1	47.5	38.5
Average years of service	21.01	22.51	13.56	20.9	22.3	13.4

Reduction of Working Hours

Category	Target	(FY)	2021	2022	2023	2024
Overtime / work on holidays (all employees)* (%)	Fewer than 720 hours per year	Achievement rate	86.8	Achievement rate 96.5	Achievement rate 96.5	Achievement rate 99.0
Percentage of available paid leave taken (all employees) (%)	50% or higher on average	Average	50.7	Average 55.2	Average 57.9	Average 51.3
Sites closed 8 days or more per 4 weeks (%)	All sites are closed on Saturdays and Sundays, in principle	Achievement rate	46.5	Achievement rate 43.0	Achievement rate 54.0	Achievement rate 64.4

*Does not include seconded employees and expatriate employees.

Promotion of Diversity

	(FY)	2021	2022	2023	2024
Category		Results	Results	Results	Results
Percentage of managerial positions held by women (%)		2.4	2.60	2.72	2.99
Percentage of career-track women employees among new employees hired as part of regular recruitment (%)		18.3	27.0	28.7	28.4
Percentage of career-track women employees among new employees hired as part of midcareer recruitment (%)		22.20	29.1	33.3	23.0
Number of foreign nationals recruited via regular recruitment channels		2	13	12	9
Percentage of eligible employees taking childcare leave (%)	Men	89.4	Men 118.3	Men 101.7	Men 107.6
	Women	100	Women 100	Women 100	Women 100
Employment rate of people with disabilities (%)		2.32	2.41	2.20	2.57
Re-employment after retirement / continued employment ratio (%)		88.70	91.9	90.1	88.7

Number of Engineers

Category	(FY)	2020	2021	2022	2023	2024
Holders of civil engineering qualifications subject to evaluation under the Business Evaluation System		775	771	757	747	741
Holders of building construction qualifications subject to evaluation under the Business Evaluation System		936	941	933	921	870

Safety

Number of Accidents and Frequency Rate

Category	(FY)	2020	2021	2022	2023	2024
Number of accidents (resulting in 4 or more days' absence from work)		14	20	13	17	15
Frequency rate		0.54	0.85	0.51	0.68	0.59

Environment

CO2 Emissions

Scope 1 and 2 (Consolidated) (t-CO2)

Category	(FY)	2021	2022	2023	2024
Scope 1*1		140,666	147,973	114,925	93,491
Scope 2*1		17,157	21,104	15,815	11,799
Total		157,823	169,077	130,740	105,290

*1 Our fiscal 2022, 2023, and 2024 consolidated Scope 1 and 2 emissions were independently verified

Scope 3*2 (Consolidated) (t-CO2)

Category	(FY)	2021	2022	2023	2024
1 Purchased goods and services		259,594	390,962	1,239,530	663,859
2 Capital goods		44,984	11,998	9,257	4,941
3 Fuel and energy related activities not included in Scope 1 or 2		19,304	27,406	20,490	15,834
4 Transportation and distribution (upstream)		16,942	15,495	21,681	277,642
5 Waste generated in operations		32,455	50,194	43,554	24,557
6 Business travel		3,207	4,540	6,520	5,737
7 Employee commuting		629	1,257	2,053	1,489
8 Leased assets (upstream)		Not applicable	Not applicable	Not applicable	Not applicable
9 Transportation and distribution (downstream)		846	1,585	1,310	1,064
10 Processing of sold products		Not applicable	Not applicable	Not applicable	Not applicable
11 Use of sold products		1,045,835	1,262,858	1,312,103	2,672,054
12 End-of-life treatment of sold products		8,437	22,482	23,813	18,462
13 Leased assets (downstream)		Not applicable	Not applicable	Not applicable	Not applicable
14 Franchises		Not applicable	Not applicable	Not applicable	Not applicable
15 Investments		0	0	0	0
Total		1,432,233	1,788,777	2,680,310	3,685,639

*2 Our non-consolidated fiscal 2022 Scope 3, category 11 and fiscal 2023 and fiscal 2024 Scope 3, category 1 and 11 emissions were independently verified

Construction Waste Generated*3

(1,000 tons)

Category	(FY)	2020	2021	2022	2023	2024
Overall (non-consolidated)		408	431	551	452	223

*3 This primarily consists of concrete debris (rubble) from demolition work and construction sludge (drilling mud and muddy wastewater)

Recycling of Construction Waste*4

(%)

Category	(FY)	2020	2021	2022	2023	2024
Domestic civil engineering business		99.7	99.1	99.3	99.3	99.1
Domestic building construction business		98.9	98.6	97.8	98.7	97.1

*4 Does not include hazardous and other waste that cannot undergo intermediate treatment

Group Companies

The SMCC Group comprises Sumitomo Mitsui Construction Co., Ltd., 21 subsidiaries, and 8 affiliated companies, and works chiefly in the fields of civil engineering and building construction. Design and execution of civil engineering works, as well as the carrying out of related projects, both domestically and overseas, are effected by Sumitomo Mitsui Construction Co., Ltd. and our subsidiary Sumiken Mitsui Road Co., Ltd., alongside other companies, while design and execution of building construction works, as well as the carrying out of related projects, both domestically and overseas, are effected by Sumitomo Mitsui Construction Co., Ltd. and our subsidiary SMCR Co., Ltd., alongside other companies.

WEB List of Group Companies (Japanese only)
https://www.smcon.co.jp/company/group/



Overseas network Local subsidiaries

Thailand	Bangkok Office (Thailand)	Year of Entry	November 1972
	SMCC (Thailand) Co., Ltd. (Thailand)	Year of Entry	August 1972
Singapore	Singapore Office (Singapore)	Year of Entry	April 1977
	SMCC Overseas Singapore Pte. Ltd. (Singapore)	Year of Entry	July 2012
	Antara Koh Private Limited (Singapore)	Year of Entry	April 2022
U.S.A.	Guam Office (U.S.A.)	Year of Entry	August 1984
Indonesia	Jakarta Office (Indonesia)	Year of Entry	June 1987
	PT. SMCC Utama Indonesia (Indonesia)	Year of Entry	June 1976
Vietnam	Hanoi Office (Vietnam)	Year of Entry	July 1994
The Philippines	Manila Office (The Philippines)	Year of Entry	April 1995
	SMCC Philippines, Inc. (The Philippines)	Year of Entry	September 1995
India	SMCC Construction India Private Limited (India)	Year of Entry	December 1996
Myanmar	Yangon Office (Myanmar)	Year of Entry	July 2013
Malaysia	SMCC Malaysia Sdn. Bhd. (Malaysia)	Year of Entry	April 2014
Cambodia	Phnom Penh Office (Cambodia)	Year of Entry	December 2017
Taiwan	SMCC Taiwan Co., Ltd. (Taiwan)	Year of Entry	December 2017

Current project countries
(including bases)

- Guam
- Vietnam
- The Philippines
- Myanmar
- Cambodia
- Indonesia
- Bangladesh
- India
- Singapore
- Thailand
- Malaysia
- Benin

Japan

Sumitomo Mitsui Construction Co., Ltd.

Location 2-1-6 Tsukuda, Chuo-ku, Tokyo, 104-0051, Japan Founded October 1941
Business Description Construction business: Civil engineering, building construction, design and construction of prestressed concrete works, and businesses related to these businesses Development business: Business related to the sale, purchase, lease, and management of real estate

Sumiken Mitsui Road Co., Ltd.

Location Head Office: Shinjuku-ku, Tokyo Branches: Hokkaido, Miyagi, Tokyo, Aichi, Osaka, Fukuoka Business Locations: Kanagawa Research & Development Institute: Chiba Founded February 1948
Business Description Road, expressway, garden, and general civil engineering work, etc.

SMC Civil Technos Co., Ltd.

Location Head Office: Chuo-ku, Tokyo Branches: Aichi, Osaka, Ehime Founded March 1927
Business Description Bridge renewal, river civil engineering, bridge substructures, PC bridge superstructures, architectural exterior works, and more

SMCR Co., Ltd.

Location Head Office: Chuo-ku, Tokyo Branches: Hokkaido, Chiba, Tokyo, Kanagawa, Shizuoka, Aichi, Osaka, Ehime, Fukuoka Founded May 1987
Business Description Planning, design, and construction of general buildings and building/facility renewals

SMC Tech Co., Ltd.

Location Head Office: Nagareyama City, Chiba Prefecture Plants: Chiba, Saitama Founded July 1986
Business Description Leasing of bridge erection equipment, tower cranes, construction elevators, temporary steel materials, and tunnel construction machinery; contracting for civil engineering works; and contracting for measurement works

SMC Co., Ltd.

Location Head Office: Chuo-ku, Tokyo Branches: Hokkaido, Miyagi, Aichi, Osaka, Hiroshima, Ehime, Fukuoka Founded March 1973
Business Description Sales of construction materials, office supplies, and safety equipment; and life and non-life insurance agency business

SMC Preconcrete Co., Ltd.

Location Head Office: Chuo-ku, Tokyo Branch: Ibaraki Plants: Tochigi, Ibaraki Founded July 1982
Business Description Manufacturing and sales of secondary cement products and precast concrete products, as well as related design and other services

Sumitomo Mitsui Construction Steel Structures Engineering Co., Ltd.

Location Head Office: Chiba City, Chiba Prefecture Business Locations: Chiba, Osaka, Okayama, Ehime, Oita Founded February 1974
Business Description Design, fabrication, erection, and maintenance of steel bridges; design, fabrication, and installation of floating piers, caissons, jackets, and immersed tunnels

Seiwa Co., Ltd.

Location Sagami City, Kanagawa Prefecture Founded January 1962
Business Description Contracts for general civil engineering, and prestressed concrete bridge construction

DPS Bridge Works Co., Ltd.

Location Head Office: Sapporo City, Hokkaido Tokyo Head Office: Chuo-ku, Tokyo Branches: Hokkaido, Miyagi, Tokyo, Aichi Plants: Hokkaido, Shizuoka Founded September 1956
Business Description Prestressed concrete works, steel structure works, other general civil engineering and construction works, and the design, manufacture, and sales of secondary cement products

SMC Cosmo Solutions Co., Ltd.

Location Chuo-ku, Tokyo Founded June 1987
Business Description Copy and printing services; information systems development; office equipment rental and lease; outsourcing of general affairs services

Corporate Profile (As of June 30, 2025)

Name	Sumitomo Mitsui Construction Co., Ltd.
Founded	October 14, 1941
Established	April 1, 2003
Capital Stock	12,003,797,895 yen
Head Office	2-1-6 Tsukuda, Chuo-ku, Tokyo, 104-0051, Japan
Representative	Toshio Shibata, Representative Director, President
Business Description	Construction business: Civil engineering, building construction, design and construction of prestressed concrete works, and businesses related to these businesses Development business: Business related to the sale, purchase, lease, and management of real estate
Number of Employees	Consolidated: 5,392 Non-consolidated: 2,903 (as of March 31, 2025)

Key Offices

Shinkawa Office (Chuo-ku, Tokyo)	Branches Hokkaido Branch (Chuo-ku, Sapporo City) Tohoku Branch (Aoba-ku, Sendai City) Eastern Kanto Branch (Mihama-ku, Chiba City) Tokyo Civil Engineering Branch (Chuo-ku, Tokyo) Tokyo Building Construction Branch (Chuo-ku, Tokyo) Yokohama Branch (Kanagawa-ku, Yokohama City)	Shizuoka Branch (Aoi-ku, Shizuoka City) Chubu Branch (Naka-ku, Nagoya City) Osaka Branch (Chuo-ku, Osaka City) Hiroshima Branch (Naka-ku, Hiroshima City) Shikoku Branch (Niihama City, Ehime Prefecture) Kyushu Branch (Hakata-ku, Fukuoka City)	Offices outside Japan Manila (The Philippines) Guam (U.S.A.) Hanoi (Vietnam) Singapore (Singapore) Jakarta (Indonesia) Bangkok (Thailand) Yangon (Myanmar) Phnom Penh (Cambodia)
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Rating Data (As of May 15, 2025)

The company has obtained ratings, which are evaluations from an objective, third-party perspective. This is to enhance the soundness of our financial position and management transparency, which are the foundation of our business, as well as to diversify and stabilize our funding sources.

Rating agency	Rated issue	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating	#BBB+ (BBB Plus)	Positive

Bonds Issued

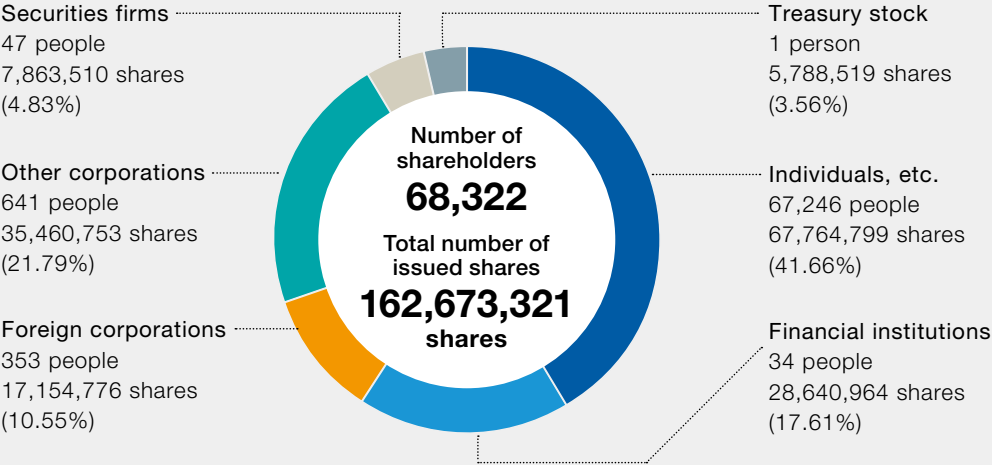
Issue name	Issue date	Total amount issued	Coupon	Due date
2nd Series Unsecured Corporate Bonds (Sustainability Bond)	June 14, 2022	5,000 million yen	0.520%	June 14, 2027
1st Series Unsecured Corporate Bonds	October 22, 2020	5,000 million yen	0.300%	October 22, 2025

Stock Data (As of March 31, 2025)

Stock Information

Securities Code	1821
Listed Stock Exchange	Tokyo Stock Exchange Prime Market
Share Trading Unit	100 shares
Total Number of Shares Authorized	533,892,994 shares
Total Number of Shares Issued (including treasury stock)	162,673,321 shares
Number of Shareholders	68,322

Shareholder Composition



Major Shareholders

Shareholder	No. of shares owned (1,000 shares)	Ratio of shares held to total number of shares issued (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	20,484	13.05%
Minami Aoyama Fudosan Co., Ltd.	15,043	9.58%
Aya Nomura	14,776	9.41%
Reno Co., Ltd.	14,550	9.27%
Custody Bank of Japan, Ltd. (Trust Account)	5,005	3.19%
Sumitomo Mitsui Construction Business Partner Stock Ownership Association	2,611	1.66%
Nomura Securities Co., Ltd.	2,344	1.49%
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	2,292	1.46%
Morgan Stanley MUFG Securities Co., Ltd.	2,284	1.45%
JP MORGAN CHASE BANK 385781	2,020	1.28%