

Tokyo, April 26, 2023

Company Name: Shimizu Corporation
Representative: Kazuyuki Inoue, President and Director
Shares Listed: Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market
Stock Code: 1803
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Announcement Regarding Decision to Implement Share Buybacks and Cancel Treasury Stocks

(Purchase of Treasury Stocks in accordance with the Articles of Incorporation
pursuant to Article 165, Paragraph 2 of the Companies Act and
Cancellation of Treasury Stocks pursuant to Article 178 of the Companies Act)

Shimizu Corporation (hereinafter the “Corporation”) hereby announces that, at a meeting held on April 26, 2023, its Board of Directors has resolved to purchase treasury stocks in accordance with Article 156 of the Companies Act, applied pursuant to Paragraph 3, Article 165 of the Companies Act and to cancel treasury stocks pursuant to Article 178 of the Companies Act.

1. Purpose of implementing share buybacks and cancelling treasury stocks

As it is set forth in the Mid-Term Management Plan <2019-2023>, it is the policy of the Corporation to reduce securities holdings and use part of the proceeds to implement share buybacks. Share buybacks were held off during FY2022 due to demand of funds for large-scale construction projects. Since the reduction of securities holdings and collection of construction fees have fairly progressed during the second half of FY2022, the Corporation will purchase treasury stocks and cancel all treasury stocks acquired in FY2019 and FY2021 in order to further enhance corporate value by improving capital efficiency.

2. Details of Purchase

(1) Type of shares to be purchased	Common stock of the Corporation
(2) Total number of shares to be purchased	Up to 32 million shares (4.32% of total number of issued shares (excluding treasury stock))
(3) Aggregate purchase amount	Up to 20 billion Japanese Yen
(4) Purchase period	From May 12, 2023 to January 31, 2024

3. Details of Cancellation

(1) Type of shares to be cancelled	Common stock of the Corporation
(2) Total number of shares to be cancelled	44,838,300 shares (5.69% of total number of issued shares)
(3) Total number of issued shares after cancellation	743,676,313 shares
(4) Scheduled date of cancellation	May 12, 2023

4. Outlook for the future

The Corporation will continue to actively reduce securities holdings in order to aim to bring the balance of securities holdings to less than 20% of consolidated net assets amount by the end of FY2026. For reference, the status of the reduction of securities holdings is illustrated in (Reference)(2)

bellow.

The Corporation will continue to implement share buybacks in the future in conjunction with the reduction of securities holdings. Also, the Corporation will consider raising the consolidated dividends payout ratio target to roughly 40%.

(Reference)

(1) Total number of issued shares and treasury stock as at March 31, 2023

Total number of issued shares (excluding treasury stock): 740,903,214 Shares

Treasury stock: 47,611,399 Shares

(2) Reduction of securities holdings (FY2018-FY2022)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Stocks	332	326	313	299	293
(Of which: listed stocks)	(180)	(174)	(163)	(152)	(143)
Amount Sold (Billions of Yen)	13.2	17.2	19.9	12.9	26.3
(Of which: listed stocks)	(12.2)	(16.8)	(19.7)	(12.8)	(26.3)

Ratio of securities holdings against Consolidated Net Assets	46.7%	36.7%	37.1%	34.2%	30.6%
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Disclaimer: This is an English translation of the original announcement made by the Corporation in Japanese at the Tokyo Stock Exchange on April 26, 2023. The translation is for reference purposes only. If and when there are any discrepancies between the original announcement and the English translation, the original announcement shall prevail.