



Tokyo, May 12, 2026

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Representative: Tatsuya Shimmura, President and Director
Shares Listed: Tokyo Stock Exchange Prime Market and Nagoya Stock Exchange Premier Market
Stock Code: 1803
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Notice Concerning Introduction of Performance-Linked Share-Based Compensation Plan

Shimizu Corporation (hereinafter the “Corporation”), hereby announces as follows that it resolved at the meeting of the Board of Directors held on May 12, 2026 to introduce a share-based compensation plan (hereinafter the “Plan”), wherein the Corporation’s shares are delivered as compensation to the Corporation’s Directors (excluding Outside Directors and non-residents of Japan) and Executive Officers (excluding non-residents of Japan, collectively with Directors as the “Directors, etc.”), and to submit a proposal regarding the Plan to the 124th Annual General Meeting of Shareholders scheduled to be held on June 26, 2026 (hereinafter the “General Meeting of Shareholders”).

1. Purpose, etc. for introduction of the Plan

- (1) The Corporation is introducing the Plan with the purpose of increasing motivation of Directors, etc. to improve financial results and heightening awareness among Directors, etc. of their contribution to the Corporation’s sustainable growth and medium- to long-term corporate value by ensuring that they share the risk and reward associated with changes in the share price with those of shareholders.
- (2) The introduction of the Plan is subject to approval at the General Meeting of Shareholders.
- (3) For the Plan, we will adopt a framework called the officer compensation Board Incentive Plan (BIP) trust. The Plan is designed to deliver the Corporation’s shares and an amount of cash equivalent to the conversion value of the Corporation’s shares (hereinafter the “Corporation’s Shares, etc.”) to Directors, etc. based on their positions, etc.
- (4) Subject to approval at the General Meeting of Shareholders, the previously provided compensation for purchasing the Corporation’s shares (a part of performance-linked compensation (bonus)) will be abolished, and the compensation for the Corporation’s Directors, etc. shall consist of “fixed monthly compensation as basic compensation,” “bonus as short-term performance-linked compensation,” and “medium-term performance-linked share-based compensation” under the Plan. The compensation for non-executive directors, including Outside Directors who are independent from business execution, consists solely of “fixed monthly compensation.”
- (5) The Corporation has established a Nomination and Compensation Committee, in which Outside Directors represent the majority, as an advisory body to the Board of Directors with the purpose of strengthening the independence and objectivity of the Board of Directors’ functions regarding officer compensation. The introduction of the Plan has been deliberated by this committee.

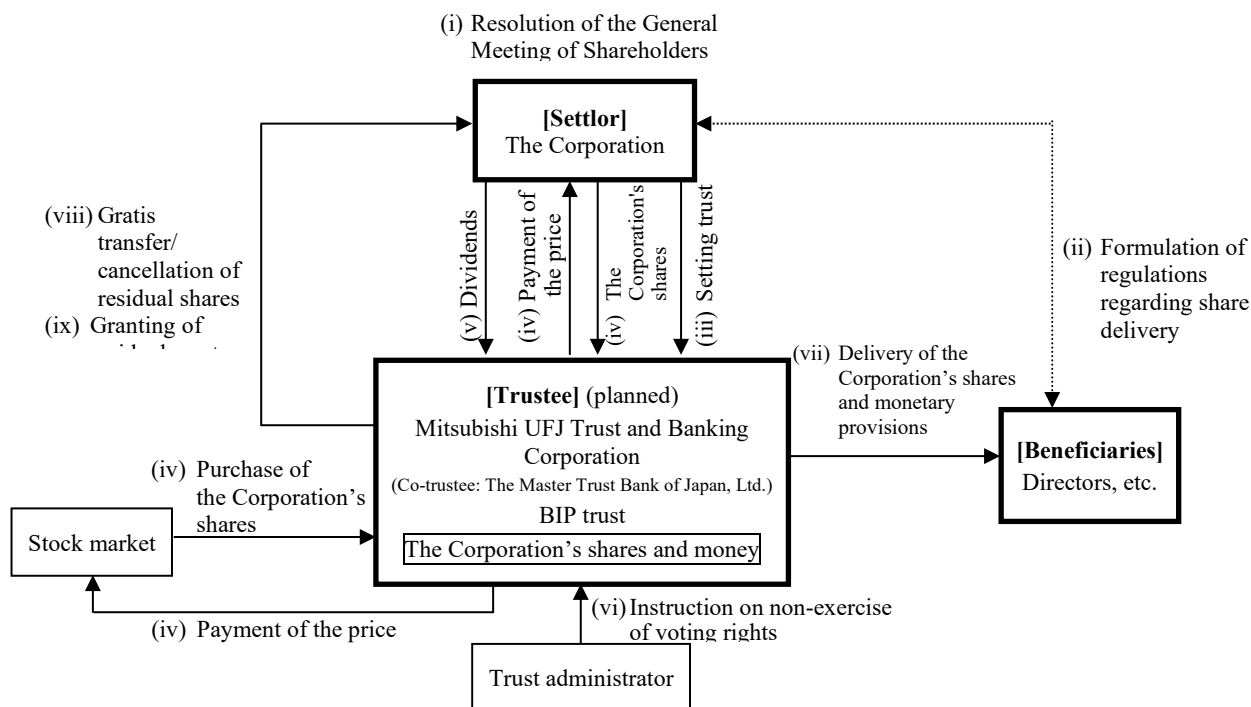
2. Details of the Plan

(1) Outline of the Plan

The Plan is a share-based compensation plan that, in principle, targets the fiscal years covered by the Corporation’s medium-term management plan (hereinafter the “Target Period”). It involves a trust acquiring the Corporation’s shares with funds equivalent to the compensation amount contributed by the Corporation for Directors, etc., and through the Trust, the Corporation’s Shares, etc., are delivered to Directors, etc., based on their position and the achievement level of performance targets. However, the Target Period of the

Trust to be established in 2026 shall be limited to the one fiscal year covering the remaining period of the current medium-term management plan, ending March 31, 2027.
(See (2) and thereafter for details.)

<Structure of the Plan>



- (i) In regard to the introduction of the Plan, the Corporation aims to obtain approval regarding officer compensation by resolution of the General Meeting of Shareholders.
- (ii) The Corporation will formulate regulations regarding the share delivery, which define the Plan, by resolution of the Board of Directors.
- (iii) The Corporation will set a trust (hereinafter the "Trust") to which it makes contributions of cash to serve as the source of compensation for Directors, etc., within the scope approved by resolution of the General Meeting of Shareholders, as in (i), and of which Directors, etc. who satisfy the requirements for eligible beneficiaries are the beneficiaries.
- (iv) The Trust will purchase the Corporation's shares from the stock market or the Corporation using the cash entrusted, as in (iii), in accordance with the instructions of the trust administrator (disposal of treasury shares). The number of shares to be acquired by the Trust will be within the scope approved at the General Meeting of Shareholders, as in (i).
- (v) Payment of dividends for the Corporation's shares held in the Trust will be made in the same manner as done for other Corporation's shares.
- (vi) Voting rights for the Corporation's shares held in the Trust will not be exercised throughout the trust period.
- (vii) In accordance with the regulations regarding the share delivery during the trust period, the Corporation will grant points, which will be accumulated, to Directors, etc. commensurate with their position and achievement of performance targets. Directors, etc. will receive a number of the Corporation's Shares, etc. according to the number of points delivered at the time of retirement.
- (viii) Should the Trust be continued under the Plan or another incentive plan of the same kind, residual shares at the expiration of the trust period will be eligible to be delivered to Directors, etc. Should the Trust be ended at the expiration of the trust period, there will be a gratis transfer of residual shares to the Corporation, and the Corporation will cancel said residual shares after acquiring them without consideration.
- (ix) The residual dividends on the Corporation's shares remaining in the Trust at the expiration of the trust period will be used as funds for acquiring shares if the Trust continues to be used, but, if the Trust is terminated, rather than being continued, it will belong to the Corporation within the scope of the combined total of the remainder of funds for share acquisition and the reserve for trust expenses (hereinafter the "Trust Reserve"). Any excess portion of the Trust Reserve will be donated to organizations that have no vested interest in the Corporation or its Directors, etc.

Note: In the event that no more Corporation's shares remain in the Trust as a result of, for example, delivery of the Corporation's Shares, etc. to Directors, etc. who satisfy the requirements for eligible beneficiaries, the Trust will be terminated before the trust period expires. Note that the Corporation may make additional contributions of cash to the Trust to fund the acquisition of the Corporation's shares subject to delivery to Directors, etc. to the extent approved at the General Meeting of Shareholders.

(2) Trust period

The initial trust period will be one year, from August 2026 (planned) to August 2027 (planned). Note, however, that when the trust period expires, it may be extended as described in (3) below.

(3) Trust amount and acquisition method of the Corporation's shares for the Trust

For the Corporation to acquire the Corporation's shares to be delivered to Directors, etc., after setting the maximum amount of the Trust money to be contributed by the Corporation over each Target Period at ¥600,000,000 multiplied by the number of years in the relevant Target Period (of which, ¥300,000,000 multiplied by the number of years in the relevant Target Period is for Directors), the Corporation will contribute said Trust money and establish a trust (hereinafter the "Trust") with the Directors, etc. as its beneficiaries and a trust period according to the Target Period. The maximum amount for FY2026, the initial Target Period, shall be set at ¥600,000,000 (of which, ¥300,000,000 is for Directors), and the Corporation is planning to contribute ¥236,000,000 to the Trust for the initial Target Period. The Trust will purchase the Corporation's shares from the stock market or the Corporation using the Trust money in accordance with the instructions of the trust administrator (disposal of treasury shares). The Corporation will grant points to Directors, etc. (as in (4) below) during the Target Period, and deliver the Corporation's shares, etc. from the Trust to the relevant Directors, etc. at the time of their retirement according to the number of points granted. At the expiration of the trust period of the Trust, the Trust may be continued by revising the trust contract and making additional entrustments to the existing trust. In such a case, the fiscal year covered by the Corporation's medium-term management plan at the time will become the new Target Period, and the trust period of the Trust will be extended for the number of years corresponding to such period. For each extended period, the Corporation will make additional contributions within the maximum amount of Trust money approved at the General Meeting of Shareholders to be contributed to the Trust, and will continue to grant points to Directors, etc. during the extended trust period, and the Trust will continue to deliver the Corporation's Shares, etc. However, should such additional contributions be made, if there are remaining shares (excluding the Corporation's shares equivalent to points granted to the Directors, etc., for which the delivery of the Corporation's shares has not been completed) and money (hereinafter the "Remaining Shares, etc.") among the trust assets on the final day of the trust period preceding the extension, the amount of the Remaining Shares, etc. and the total amount of the Trust money of which the Corporation is to make additional contribution shall be within the limit obtained by approval at the General Meeting of Shareholders. The trust period may be extended more than once, and may subsequently be re-extended in the same manner.

If there is no revision or additional entrustment at the expiration of the trust period (in the case that the trust period has been extended, at the expiration of the extended trust period), after that, points will not be newly granted to Directors, etc. However, if there is a Director, etc., who may fulfill the conditions to be a beneficiary, the Trust will not be immediately ended, but for a certain period, the trust period of the Trust may be extended until the Corporation's Shares, etc. are delivered to said Director, etc.

(4) Corporation's Shares, etc. subject to delivery to Directors, etc.

The number of the Corporation's Shares, etc. to be delivered to Directors, etc. is determined by the number of "share delivery points." Share delivery points are accumulated based on standard points granted annually according to position and other factors. After the Target Period ends, the accumulated value is multiplied by a performance coefficient, which is determined by the degree of achievement of performance targets, etc. (*) Regarding the standard points granted during the initial Target Period, it is assumed that a new Target Period will commence after the initial Target Period ends. The standard points will be calculated by applying the performance coefficient after the end of the initial Target Period. In the event that Directors, etc. who meet the beneficiary requirements resign during the Target Period and the Corporation's Shares, etc. are delivered to them, the number of points granted will be calculated by multiplying the cumulative value of the annual points granted during the Target Period by a performance coefficient of 1.

(*) The range varies between 70% and 130% depending on the degree of achievement of performance targets, etc. For indicators regarding degree of achievement of performance targets, etc., ROE and evaluation items selected by the Nomination and Compensation Committee from financial and non-financial KPIs, etc. listed in the medium-term management plan are adopted. In addition, if a new medium-term management plan is formulated in the future, these indicators and the range could potentially be changed by a resolution of the Board of Directors.

Each point shall be exchanged for one share of the Corporation's common stock in the Trust. In the event the Corporation's shares undergo a share split or share consolidation, or similar events during the trust period, the number of shares of the Corporation for each point and the maximum number of the Corporation's Shares, etc. to be delivered by the Trust will be adjusted according to the share split ratio, share consolidation ratio, etc. of the Corporation's shares.

The upper limit on the number of points to be granted to Directors, etc. during the trust period of the Trust shall be the number of points obtained by multiplying 400,000 points by the number of years for the Target Period (of which, 200,000 points multiplied by the number of years in the Target Period is for Directors), while the upper limit on the number of the Corporation's Shares, etc. to be delivered to Directors, etc. from the Trust during the trust period of the Trust shall be the number of shares equivalent to such upper limit on the number of points (hereinafter the "Maximum Number of Shares to Be Delivered"). Therefore, the Maximum Number of Shares to Be Delivered during the initial Target Period that covers one fiscal year will be 400,000 shares (including 200,000 shares for Directors).

If the Trust is continued in accordance with (3) above, the Maximum Number of Shares to Be Delivered during the extended trust period will be the number of shares equal to such maximum number per fiscal year multiplied by the number of years of the extended trust period. This Maximum Number of Shares to Be Delivered is set based on the maximum amount to be contributed by the Corporation as described in (3) above, with reference to net assets per share and other factors.

(5) Method and timing of delivery of the Corporation's Shares, etc. to Directors, etc.

Directors, etc. who satisfy the beneficiary requirements shall receive delivery of the number of the Corporation's Shares, etc. calculated based on (4) above upon the retirement of the Corporation's Director, etc.

In the event that Directors, etc. become non-residents of Japan during the trust period, the Directors, etc. will, as a general rule, receive a cash payment equivalent to the converted value after converting all of the Corporation's shares corresponding to the total number of points granted at that time into cash within the Trust.

In the event that Directors, etc. die during the trust period, the heirs of such Directors, etc. will, as a general rule, receive a cash payment equivalent to the converted value after converting all of the Corporation's shares corresponding to the total number of points granted at that time into cash within the Trust.

(6) Voting rights regarding the Corporation's shares within the Trust

The voting rights of the Corporation's shares within the Trust shall not be exercised during the trust period to ensure neutrality with respect to management.

(7) Handling of dividends on the Corporation's shares within the Trust

The dividends of the Corporation's shares within the Trust shall be received by the Trust and used for trust fees and trust expenses pertaining to the Trust.

(8) Handling of residual shares and dividends at the expiration of the trust period

In the event that residual shares remain at the end of the trust period, the Trust will either continue to be used with the trust contract revised and with additional entrustments made to the existing trust, or the Trust will transfer such residual shares to the Corporation without consideration so that they can be canceled by a Board of Directors resolution.

The residual dividends on the Corporation's shares remaining in the Trust at the expiration of the trust period will be used as funds for acquiring shares if the Trust continues to be used, but, if the Trust is terminated, the portion exceeding the Trust Reserve will be donated to organizations that have no vested interest in the Corporation or its Directors, etc.

(Reference)

[Details of the trust contract]

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| (1) Type of trust: | Trust of money other than a specified individually operated monetary trust (third-party-benefit trust) |
| (2) Purpose of trust: | Granting of incentives to Directors, etc. |
| (3) Settlor: | The Corporation |
| (4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd. (planned)) |

- (5) Beneficiaries: Persons who have retired from an office of Directors, etc. and fulfill the beneficiary requirements
- (6) Trust administrator: The Corporation plans to select a third party that has no interest in the Corporation (certified public accountant)
- (7) Trust contract date: August 2026 (planned)
- (8) Trust period: From August 2026 (planned) to August 2027 (planned)
- (9) Plan start date: September 2026 (planned)
- (10) Exercise of voting rights: Not to be exercised
- (11) Class of shares to be acquired: Common stock of the Corporation
- (12) Trust amount: ¥236 million (planned) (including trust fees and trust expenses)
- (13) Acquisition method of shares: To be acquired from the stock market or the Corporation (disposal of treasury shares)
- (14) Rights holder: The Corporation
- (15) Residual assets: Residual assets that may be received by the Corporation as the rights holder will be within the range of the Trust Reserve.

Note: The scheduled dates shown above may be changed to appropriate dates in light of applicable laws and regulations.

<p>Disclaimer: This is an English translation of the original notice made by the Corporation in Japanese at the Tokyo Stock Exchange on May 12, 2026. The translation is for reference purposes only. If and when there are any discrepancies between the original notice and the English translation, the original notice shall prevail.</p>
