THE REAL PICTURE — INDUSTRY STRUCTURE MAP

# Construction in Japan 2026

**The Last Analog Empire.** America is answering the labour shortage with robots. Japan answered it with software. This report maps the industry both answers must enter — its tiers, its money, and its gatekeepers.



## KEY FINDINGS

- **The money arrived.** Construction and robotics companies raised about $1.6 billion through October 2026 — more than the previous five years combined. Three companies took roughly 83% of it.
- **Japan's majors out-earn the world's builders.** Taisei's operating margin is 9.0% and Kajima's 7.9%, above ACS (4.2%), Skanska (4.0%) and Balfour Beatty (2.3%). Vinci's 12.6% comes from concessions and energy, not from building.
- **A pyramid of scale, not of command.** Projects sort by size to five super general contractors, a listed second tier, and thousands of regional firms — and beneath every prime contract, the same subcontracting cascade begins.
- **Polarisation.** The listed super general contractors have re-rated to 1.4–2.0× book value, while parts of the second tier trade below book. Consolidation has begun.
- **Entry runs through the pyramid.** Capital travels more easily than products: Shimizu brought Silicon Valley's Noble Machines in; SoftBank backs Gravis Robotics. Foreign entrants succeed with partners inside the hierarchy, or not at all.

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# 1. 2026: The Money Arrived

Something changed this year in an industry that venture capital had ignored for three decades. Companies spanning construction and robotics raised about **$1.6 billion through October 29, 2026**, according to Crunchbase — more than four times the total for all of 2025, and more than the previous five years combined. This was not a broadening of the market. The number of rounds barely moved, from 28 last year to 30 this year. The bets simply got much bigger, and they concentrated: three companies took roughly 83% of the money.

### The three bets that took the money (2026)

| Company | Base | Raised in 2026 | What it does |
|---|---|---|---|
| **Bedrock Robotics** | San Francisco | $870M (two rounds; $4.1bn valuation) | Retrofit autonomy for the excavators and bulldozers |
| **Icon** | Austin | $265M | 3D-printed houses |
| **Gravis Robotics** | Zurich | $200M (SoftBank-led; $1bn valuation) | Retrofit autonomous earthmoving |

Source: Crunchbase News, funding data through 29 October 2026.

## Why the industry could refuse for so long

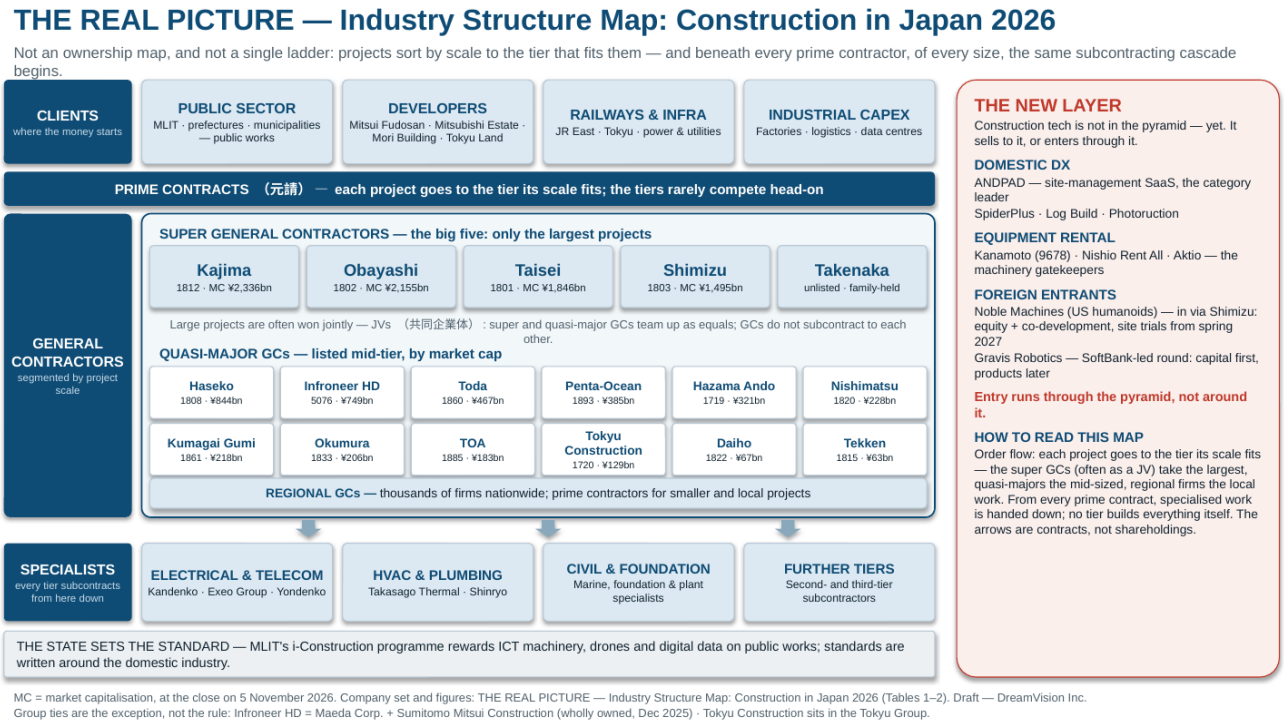
Construction is the largest industry on earth that still runs largely on paper, fax-era habits, and personal relationships. This is usually described as backwardness. It is better understood as structure. A software company sells the same product a thousand times; a construction company builds a product once, on a site it has never seen, with soil, weather, and neighbours that differ every time. Between the general contractor who wins the order and the person who actually ties the rebar sit layers of subcontractors — in Japan, routinely three or four tiers deep. A new tool does not have one buyer; it has a chain of them, and the chain adopts at the speed of its most conservative link. Add safety and liability: when construction fails, people die, and responsibility must be assignable to a named company and a named individual. The barrier was never the technology. What changed is that the industry is running out of people — and that alters every downstream calculation.

## Same lever, different triggers

In the **United States**, the shortage is acute and cyclical at the edges, with a specific recent accelerant: the AI data-centre boom. Hyperscalers are bidding away the same electricians, welders, and heavy-equipment operators needed for ordinary construction. In **Japan**, the shortage is older, slower, and structural: the workforce has been aging for decades, and the industry's traditional answer — long hours — was closed off in April 2024, when overtime caps finally extended to construction after a five-year grace period (the so-called “2024 problem”).

Faced with the same shortage, the two countries responded differently. **America is automating the machine**: Bedrock, Icon, and Gravis all attack the physical act of construction. **Japan has digitised management**: its construction-tech leaders are software companies — ANDPAD (construction management), SPIDERPLUS (drawings and site records), KANNA by Aldagram (field communication), Photoruction (photography and documentation), Log Build (remote site inspection), and BRANU, which serves small and mid-sized contractors and was listed in December 2025. Japanese robotics exists — Ken Robotech's rebar-tying robots, Liberaware's inspection drones, Polyuse's construction 3D printers — but it is thinner, younger, and far less capitalised than the American wave. The hardware seats were already taken: the super general contractors run their own research institutes, and Komatsu has sold its Smart Construction platform for years. Japan digitised the layer that was actually vacant: the paperwork, the photographs, the drawings, the scheduling — the management layer the subcontracting pyramid made so labour-intensive.

# 2. The Industry Structure Map




Market capitalisation at the close on 5 November 2026. Company set and figures: Tables 1–2 of this report. Group ties are the exception, not the rule.

## How to read this map

- **Not an ownership map.** Unlike retail or keiretsu industries, construction in Japan is not organised by shareholdings. The arrows are contracts, not equity.
- **Not a single ladder.** Projects sort by scale to the tier that fits them. The five super general contractors take only the largest projects; a dozen listed quasi-major contractors prime the mid-sized work; thousands of regional firms prime local jobs. The tiers rarely compete head-on.
- **Large projects are joint ventures.** Super and quasi-major contractors team up as equals in JVs（共同企業体）; general contractors do not subcontract to each other.
- **The cascade starts below every prime contract.** No tier builds everything itself. From every prime contract, work flows down through specialist subcontractors — electrical, HVAC, civil and foundation — to second- and third-tier firms. The more specialised the work, the more certainly it is handed down.
- **The new layer is outside the pyramid — for now.** Domestic DX platforms, equipment-rental gatekeepers, and foreign entrants sell to the pyramid or enter through it. Section 6 examines the two foreign precedents of 2026.

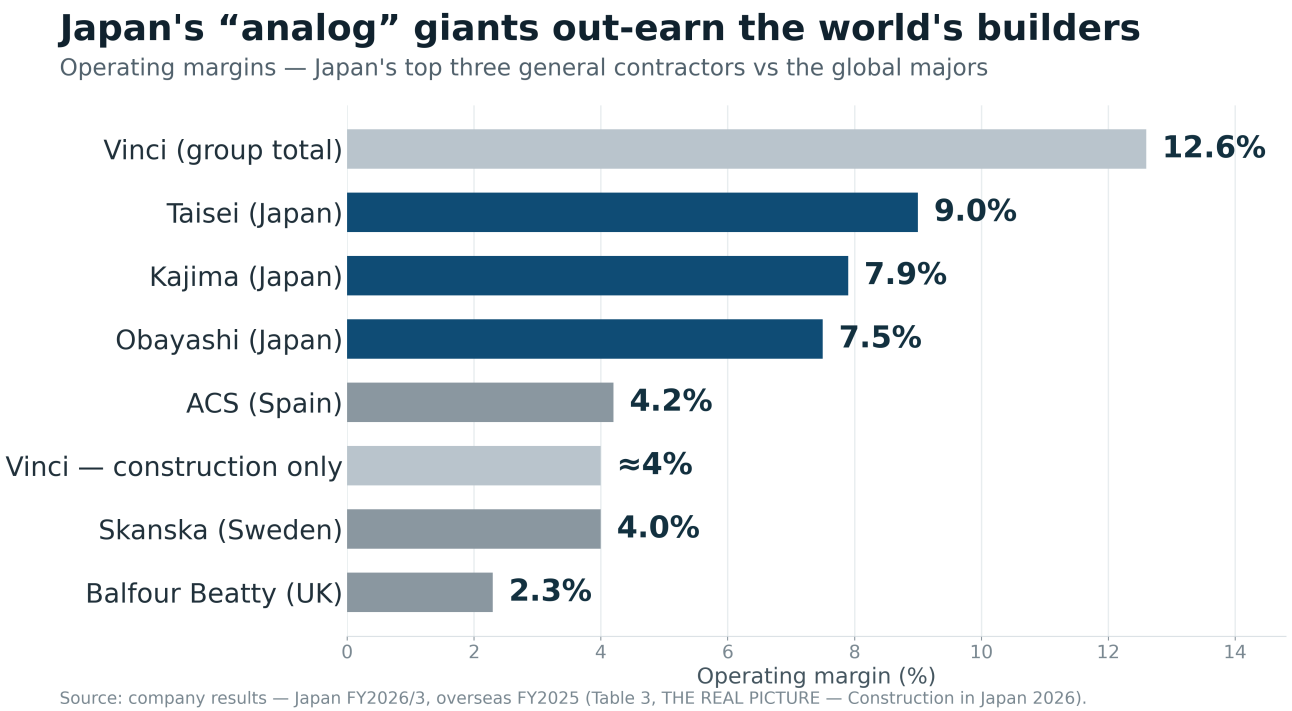
# 3. Financial Comparison I — The Super General Contractors

The standard story says Japanese contractors are huge but unprofitable, trapped in low-margin public works. The latest full-year results, for the fiscal year ended March 2026, say something else. Taisei posted an operating margin of 9.0% and Kajima 7.9% — figures that exceed Western pure-play contractors (Section 5). Strip out the concessions, and the supposedly inefficient Japanese majors are, on this measure, the more profitable builders.

**Table 2 — Japan's Big Five (FY2026/3 consolidated; Takenaka FY2025/12)**

| Company | Code | Revenue (¥M) | Operating profit (¥M) | Ordinary profit (¥M) | Net profit (¥M) | OP margin | Market cap (¥bn) | PER | PBR |
|---|---|---|---|---|---|---|---|---|---|
| **Kajima Corporation** | 1812 | 3,067,275 | 240,780 | 240,420 | 177,334 | 7.85% | 2,336.1 | 13.2 | 1.63 |
| **Obayashi Corporation** | 1802 | 2,586,258 | 194,678 | 204,195 | 173,759 | 7.53% | 2,155.0 | 13.6 | 1.72 |
| **Taisei Corporation** | 1801 | 2,089,091 | 187,973 | 195,777 | 170,004 | 9.00% | 1,846.4 | 12.2 | 1.98 |
| **Shimizu Corporation** | 1803 | 2,057,802 | 118,669 | 122,324 | 126,617 | 5.77% | 1,494.7 | 8.6 | 1.40 |
| **Takenaka Corporation** | Unlisted | 1,614,799 | 92,936 | 108,281 | 103,011 | 5.76% | n/a | n/a | n/a |

Market capitalisation, PER and PBR as of the close on 5 November 2026. PER is on a company-forecast basis (FY2027/3 forecast EPS); PBR is on an actuals basis.




Source: company results — Japan FY2026/3, overseas FY2025 (Table 3, THE REAL PICTURE — Construction in Japan 2026). Vinci's group margin includes concessions and energy; its construction segment alone earns just over 4%.

One member of the big five does not appear in any of these comparisons. **Takenaka Corporation**, with revenue of ¥1.6 trillion and record profits, is unlisted and family-held. It has no market capitalisation, no PER, no share price for an activist to attack. That one of the industry's giants simply opts out of the capital markets is a distinctly Japanese feature of the map — and a reminder that the visible, listed industry is not the whole industry.

# 4. Financial Comparison II — The Listed Second Tier

The second fact on the map is polarisation. The market has re-rated the top of the pyramid — the listed super general contractors trade at 1.4 to 2.0 times book value — while leaving parts of the second tier behind. Tekken Construction trades at 0.77 times book and Toda Construction at 0.90. Most striking is **Infroneer Holdings**, Maeda Construction's parent, at 0.89 times book and a forecast PER of just 6.8 times, despite solid earnings. In Tokyo market terms, companies trading below book are being invited to restructure. The pressure is already producing consolidation: in December 2025, Sumitomo Mitsui Construction was absorbed into Infroneer and delisted. Expect more second-tier companies to disappear into one another.

### Table 1 — Mid-Tier General Contractors, 12 Companies (FY2026/3 consolidated, by revenue)

| Company | Code | Revenue (¥M) | Operating profit (¥M) | Ordinary profit (¥M) | OP margin | Market cap (¥bn) | PER | PBR |
|---|---|---|---|---|---|---|---|---|
| **Haseko Corporation** | 1808 | 1,273,136 | 98,743 | 94,051 | 7.76% | 843.7 | 11.6 | 1.34 |
| **Infroneer Holdings *** | 5076 | 1,124,878 | 75,805 | 107,245 | 6.74% | 749.1 | 6.8 | 0.89 |
| **Penta-Ocean Construction** | 1893 | 794,306 | 55,304 | 53,195 | 6.96% | 385.0 | 10.5 | 1.90 |
| **Toda Corporation** | 1860 | 645,737 | 38,215 | 43,984 | 5.92% | 466.7 | 12.4 | 0.90 |
| **Kumagai Gumi** | 1861 | 487,698 | 27,092 | 27,049 | 5.56% | 217.5 | 10.5 | 1.16 |
| **Hazama Ando Corporation** | 1719 | 439,615 | 33,618 | 33,257 | 7.65% | 320.7 | 12.5 | 1.29 |
| **Nishimatsu Construction** | 1820 | 396,030 | 28,029 | 27,384 | 7.08% | 227.6 | 10.5 | 1.12 |
| **TOA Corporation** | 1885 | 358,697 | 24,199 | 24,600 | 6.75% | 183.3 | 11.1 | 1.39 |
| **Tokyu Construction** | 1720 | 341,181 | 16,306 | 17,552 | 4.78% | 129.4 | 11.7 | 1.16 |
| **Okumura Corporation †** | 1833 | 307,202 | 15,928 | 25,313 | 5.18% | 205.7 | 12.4 | 1.00 |
| **Tekken Corporation** | 1815 | 179,825 | 5,622 | 5,873 | 3.13% | 62.9 | 9.3 | 0.77 |
| **Daiho Corporation** | 1822 | 139,818 | 6,895 | 7,332 | 4.93% | 67.4 | 14.4 | 0.96 |

* Infroneer Holdings reports under IFRS and has no “ordinary profit” line; profit before tax is shown instead. Maeda Corporation is represented by its parent, Infroneer Holdings. Sumitomo Mitsui Construction became a wholly owned subsidiary of Infroneer Holdings in December 2025 and is consolidated into its figures. † Okumura's ordinary profit includes a one-off FX forward valuation gain. Fujita is excluded as it is unlisted (a Daiwa House subsidiary). PER: company-forecast basis; PBR: actuals basis. Market data as of the close on 5 November 2026.

## 5. Financial Comparison III — Japan vs the Global Majors

Profitability, however, is only half the story; scale is the other half. Vinci's revenue of roughly $83.7 billion is more than four times Kajima's $19.4 billion. Japan's champion is a company the size of Skanska. The pyramid is steep at home and modest abroad.

**Table 3 — Japan's Top Three vs the Global Majors (USD; FY2025 for overseas companies)**

| Company | Country | Revenue ($M) | Operating profit ($M) | Profit before tax ($M) | OP margin | Market cap ($M) | PER | PBR |
|---|---|---|---|---|---|---|---|---|
| **Vinci** | France | 83,730 | 10,510 | 8,907 | 12.6% | 70,655 | 12.6 | 1.84 |
| **ACS Group** | Spain | 55,949 | 2,357 | 1,866 | 4.2% | 26,253 | 22.7 | 3.67 |
| **Kajima Corporation** | Japan | 19,357 | 1,520 | 1,517 | 7.9% | 14,742 | 13.2 ‡ | 1.63 |
| **Skanska** | Sweden | 18,320 | 740 | 810 | 4.0% | 11,964 | 17.7 | 1.92 |
| **Obayashi Corporation** | Japan | 16,321 | 1,229 | 1,289 | 7.5% | 13,600 | 13.6 ‡ | 1.72 |
| **Balfour Beatty** | UK | 14,491 | 339 | 392 | 2.3% | 5,518 | 16.7 | 3.56 |
| **Taisei Corporation** | Japan | 13,184 | 1,186 | 1,235 | 9.0% | 11,652 | 12.2 ‡ | 1.98 |

‡ Japanese PERs are based on company forecasts; overseas PERs are trailing PERs, so the bases differ and the two are not strictly comparable. Vinci's 12.6% operating margin is the group figure including its concessions and energy businesses; its construction segment alone earns just over 4%. Japanese “ordinary profit” has no equivalent in overseas accounting; profit before tax is used as the substitute. Exchange rate: ECB reference rate, 5 November 2026 (USD/JPY 158.46).

Read together, Tables 1–3 describe an industry that is profitable at the top, pressed in the middle, and smaller than its reputation abroad. That combination — strong incumbents, a consolidating second tier, and an acute labour shortage — is the terrain onto which the American robotics wave now has to land.

## 6. Can Foreign Construction Tech Enter Japan?

There's precedent for the money. SoftBank leading Gravis Robotics' round shows Japanese capital is willing to back construction automation. But capital travels more easily than products. Selling construction technology into Japan means selling into the pyramid.

A second precedent is closer to the ground. In October 2026, **Shimizu Corporation** — one of the five super general contractors — announced that it had taken a stake in **Noble Machines**, a Silicon Valley startup building humanoid robots for construction sites, and would co-develop them. Shimizu brings what a startup cannot buy: construction know-how, BIM/CIM data for simulation, and real sites for trials starting in spring 2027. Note the direction of travel. The American robot is not entering Japan on its own. It is being brought in — and rebuilt for Japanese sites — by a company inside the pyramid.

Meanwhile, the state is pushing standardisation through the Ministry of Land, Infrastructure, Transport and Tourism's **i-Construction** programme, which rewards contractors for using ICT machinery, drones, and digital data on public works. This cuts both ways for a foreign entrant. A standard creates a legible target — meet it, and public-works-driven demand can follow. But standards are written around the domestic industry, and meeting them is a localisation cost that a startup must pay before its first yen of revenue.

> **The entry conditions.** Success in Japan's construction sector will not necessarily go to the company with the most advanced technology. It will go to companies that enter alongside established partners — Japanese construction firms, trading houses, or equipment manufacturers — that already hold a firm position within the industry's hierarchical structure; that understand building trust is essential to selling; and whose technology addresses the industry's specific challenges: a shortage of site managers and skilled craftspeople, compounded by a rigid regulatory framework. Products designed for a U.S.-style site management model may be met with politeness — and not be taken seriously.

### What to watch

- **Whether the robotics leaders attempt Japan.** Gravis now has SoftBank behind it; Bedrock has capital to expand. Japan is the world's most demanding construction market and the most demographically urgent. The entry attempts, successful or not, will be instructive.
- **Consolidation in the second tier.** A dozen listed contractors, several trading below book value, in an industry where the top is pulling away, is not a stable configuration. The absorption of Sumitomo Mitsui Construction was unlikely to be the last.
- **Incumbents buying options on their disruptors.** The super general contractors are not waiting to be disrupted; they are purchasing small stakes in their possible disruptors, as Shimizu did with Noble Machines.

For thirty years, construction was out of the innovation. The money that arrived in 2026 says those days are ending. But industries like this do not follow the rulebook written for software. A new rulebook is being drafted now — in funding rounds in San Francisco and Zurich, in ministry standards in Tokyo, and in quiet double-opt-in introductions between founders and contractors. The advantage lies in reading it correctly, early.

# 7. Sources and Methodology

## Basis of the figures

Japanese company figures are from consolidated results for the fiscal year ended March 2026 (FY2026/3), per each company's official earnings release （決算短信）; Takenaka Corporation, unlisted, is from its annual securities report for the fiscal year ended December 2025, filed via EDINET. Market capitalisation, PER and PBR are as of the close on **5 November 2026**, compiled from Monex Securities' “Scouter” and cross-checked against Yahoo! Finance Japan, Kabutan, and Minkabu. Japanese PERs are based on company forecasts (FY2027/3 forecast EPS); overseas PERs are trailing. PBR is on an actuals basis. Operating margin is operating profit ÷ revenue. Overseas figures are from each company's FY2025 (December year-end) results announcements. Exchange rate: ECB reference rate, 5 November 2026 (USD/JPY 158.46).

## Verification notes

Two companies in Table 1 issued corrections to their FY2026/3 releases; both were checked against the correction notices on 8 November 2026. **Tokyu Construction** (correction notice, 22 May 2026): the correction concerned only the revenue decomposition inside the segment note; consolidated revenue, operating profit, ordinary profit and net income were not restated. **Daiho Corporation** (correction notice, 15 May 2026): the correction concerned only the FY2027/3 forecast net income (¥4,800M → ¥4,700M); FY2026/3 actuals were not restated. The figures in this report are the confirmed values.

## Company sources (earnings releases, FY2026/3)

- Kajima Corporation (1812), announced 2026-05-14 — https://www.kajima.co.jp/ir/
- Obayashi Corporation (1802), 2026-05-13 — https://ir.obayashi.co.jp/ja/ir/ir-news/auto_20260512524360/pdfFile.pdf
- Taisei Corporation (1801), 2026-05-14 — https://www.taisei.co.jp/ir/data/tanshin/
- Shimizu Corporation (1803), 2026-05-12 — https://pdf.irpocket.com/C1803/Kdx3/N7BT/uvDO.pdf
- Takenaka Corporation (unlisted) — securities report via EDINET (code E00169, document S100XU22, filed 2026-03-26); company page: https://www.takenaka.co.jp/corp/bspl/
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- Toda Corporation (1860), 2026-05-15 — https://www.toda.co.jp/ir/results/assets/pdf/toda_fy2025-results.pdf
- Kumagai Gumi (1861), 2026-05-15 — https://www.kumagaigumi.co.jp/ir/library/
- Hazama Ando Corporation (1719), 2026-05-14 — https://www.ad-hzm.co.jp/assets/pdf/ir/statement/2026_4.pdf
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- Daiho Corporation (1822), 2026-05-13 — https://www.daiho.co.jp/wp/wp-content/uploads/2026/05/20260513-tanshint1.pdf

## Other sources

- Overseas results: Vinci (press release, 5 February 2026, FY2025 results); ACS Group (FY2025 results announcement, 26 February 2026); Skanska (year-end report 2025, 6 February 2026); Balfour Beatty (FY2025 results).
- Funding data (Section 1): Crunchbase News, construction and robotics funding through 29 October 2026.
- Shimizu × Noble Machines (Section 6): Shimizu Corporation press release, 16 October 2026 — https://www.shimz.co.jp/company/about/news-release/2026/2026044.html

- i-Construction: Ministry of Land, Infrastructure, Transport and Tourism (MLIT) programme materials.
- Labour shortage surveys (Section 1): Associated General Contractors of America and NCCER workforce surveys.

## About the author

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