

TAISEI

Integrated Report 2024

“The Works to Create Landmarks,”
Looking Ahead



TAISEI GROUP OF COMPANIES

For a Lively World

“The Works to Create Landmarks,” Looking Ahead

We have taken the quality and process-related incidents that arose last year very seriously, engaging in thorough discussions and deep self-reflection. What is necessary for the Taisei Group to continue being the choice of our clients and society? The answer lies in our commitment to both upholding our core values and embracing the necessity of change, enabling our employees to thrive as they contribute to the development of a resilient society. Please look forward to “‘The Works to Create Landmarks,’ Looking Ahead” where we address social challenges through our value creation and business activities.

What we will continue to value

[Taisei Group Philosophy]

**To Create a Vibrant Environment for
All Members of Society**

[Taisei Spirit]

**Active and Transparent Culture
Value Creation
Evolution of Tradition**

Our commitment to change

Corporate Culture Reform

Review of Materiality

[TAISEI VISION 2030] Achievement Plan

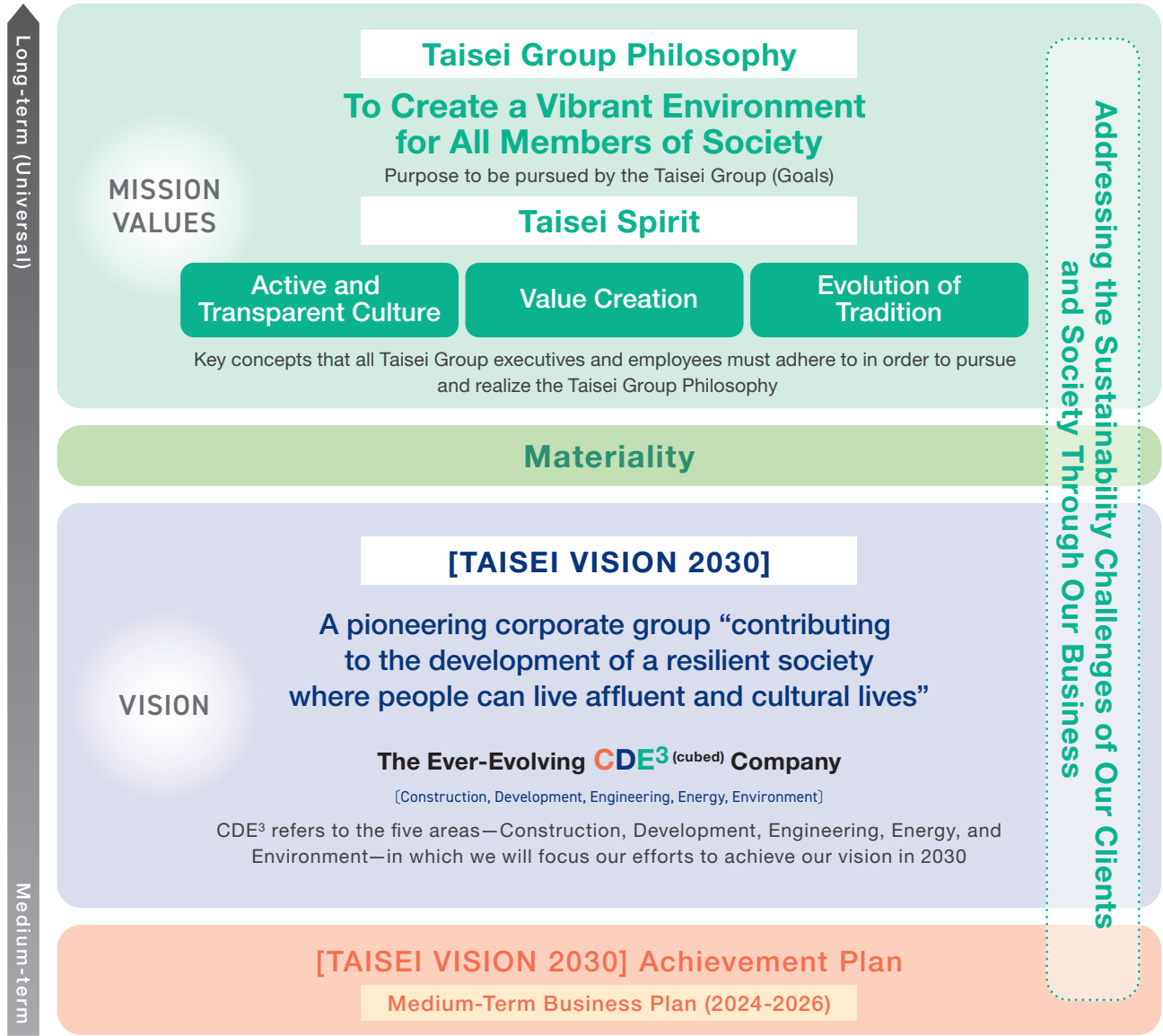
Taisei Group Philosophy and [TAISEI VISION 2030]

The Taisei Group Philosophy is to “create a vibrant environment for all members of society.” This philosophy is supported by the Taisei Spirit, which embodies the principles of “Active and Transparent Culture,” “Value Creation,” and “Evolution of Tradition.” These are universal values we will continue to cherish even as times and external circumstances change.

Based on this philosophy, we have set our medium- to long-term vision in [TAISEI VISION 2030] to become a pioneering corporate group “contributing to the development of a resilient society where people can live affluent and cultural lives.” To achieve this vision, we have formulated the [TAISEI VISION 2030] Achievement Plan and the Medium-Term Business Plan (2024- 2026), and are actively working towards their realization.

At the core of all these initiatives is our fundamental belief in addressing the sustainability challenges of our clients and society through our business activities.

Our Structure of Values and Policies



Dialogue with Stakeholders

The Taisei Group’s fundamental approach towards its stakeholders is rooted in the principles of ESG and the SDGs. We fully acknowledge that our operations are supported by a diverse range of stakeholders, and we are dedicated to fulfilling our social responsibilities while pursuing sustainable growth and enhancing corporate value over the medium-to-long-term.

To achieve these goals, we believe it is essential to incorporate the insights gained through dialogue with stakeholders into our management practices, and we are actively pursuing various initiatives to do so.

Stakeholders	Principles of Conduct	Major Initiatives
Employees and their families	By respecting diversity and fostering active communication and networking both within and outside the company, we aim to create an open and dynamic corporate culture where all employees can thrive and their abilities are fully utilized. We will also focus on developing future human capital¹ and enhancing employee engagement.	- Corporate culture reform - President message delivery - Engagement survey - Direct dialogue between management and employees › P.23 Corporate Culture Reform › P.91 Human Capital
Clients	With a broad understanding of society, we will continue to challenge ourselves with further technological innovation and creativity, while bringing together our expertise and know-how from the clients' perspective. In this way, we will deliver optimal construction products and services that meet client needs and budgets, fulfilling their expectations and earning their trust.	- Providing solutions to client challenges - Customer satisfaction survey - CS Center (Customer Service Center) - Lifestyle and Town Concierge² › P.41 Our Source of Competitiveness › P.100 Quality › Lifestyle and Town Concierge
Partner companies and business partners	- We will establish relationships of fairness and mutual trust by clearly defining each party's roles and responsibilities. - Based on the Declaration of Partnership Building, we will strive for coexistence, co-prosperity and added value throughout the supply chain.	- Dialogue with Soyukai and the Safety, Health and Environment Cooperation Association³ - Questionnaire on sustainable procurement and visits to suppliers - Interview with foreign technical intern trainees - Visits to overseas suppliers › P.87 Human Rights › P.99 Safety
Communities, NPOs, NGOs, and global environment	- We will build strong relationships with local communities, foster dialogue and cooperation as a responsible corporate citizen, and contribute to the development of society. - We will work to realize a sustainable, environmentally friendly society.	- Tour of worksites and Taisei Advanced Center of Technology - Dialogue and exchange of opinions with NPOs and NGOs - Social and cultural contributions - Environmental due diligence › P.83 Environmental Due Diligence › P.87 Human Rights
Shareholders and investors	- We will respect the rights of shareholders, ensure their substantial equality, and create an appropriate environment for exercising their rights. - The Company strives to enhance constructive dialogue and engagement with shareholders and investors, and to provide them with accurate information.	- Financial results briefings for institutional investors and analysts - Individual meeting - Overseas IR › P.47 Message from the Chief Financial Officer › P.108 Dialogue with Shareholders and Investors

¹ We regard our human resources as invaluable assets, and therefore, in this Integrated Report, we refer to “human resources” as “human capital.”

² A comprehensive consultation service provided by the Taisei Group for a wide range of needs, including land, buildings, and housing.

³ The Soyukai is an association established to strengthen collaboration between the Company and its key partner companies. The Safety, Health, and Environment Cooperation Association is a group of partner companies dedicated to promoting occupational accident prevention and environmental conservation activities in cooperation with the Company.

Preface to Integrated Report 2024

What we have given top priority in preparing this Integrated Report is a “Reader-Oriented” approach. We are striving to achieve sustainable growth and enhance the corporate value of the Group every day. And, to bring our efforts to fruition, it is crucial that we exchange information effectively so that it is “comprehended” by our stakeholders and ensure that they understand our message.

Over the past year or two, we have received several critical feedback on the Group’s Integrated Reports, that they did not let the readers comprehend the unique characteristics of Taisei Corporation or that they lacked the information to meet the needs of the stock market. In addition, under the challenging business environment which the construction industry is facing with, it has become increasingly important to carefully explain our transformation initiatives aiming at enhancing our profitability. Taking these issues into account, we have tried to explain the information that should be conveyed to our readers in an easy-to-understand manner, by thoroughly reviewing past Annual Reports and identifying points for improvement, and revising the content drastically.

Now, the Group is seriously trying to change. With a strong sense of urgency following the several inappropriate incidents related to quality and process that occurred last year, executives and employees have been impartially engaged in serious discussions about the Group’s “desired shape of the future” and the measures needed to achieve it. We also have launched various initiatives to foster a better corporate culture, and lead to our sustainable growth in the years to come.

Through this Integrated Report, we hope the readers will understand our commitment to change and our current initiatives, the strengths we have developed over our long history, and our strategies for future growth. We will also deepen the practical dialogue with the readers and lead to an enhancement of our corporate value.

Jiro TANIYAMA

Executive Vice President; Chief Sustainability Officer (CSuO)
Chief of Sustainability Division (Integrated); Chief of Clean Energy & Environment Business Promotion Division

Overview of Communication

	Information for Shareholders and Investors	Information for ESG and Sustainability
Report	Integrated Report	
	●Business Report	●Annual Securities Report ●Corporate Governance Report ●Environmental, Social, Governance (ESG) Report
Web	Shareholder and Investor Information https://www.taisei.co.jp/english/ir	Sustainability https://www.taisei-sx.jp/english/
Dialogue	●Financial results briefing for institutional investors and analysts ●Individual meetings ●Overseas Investor Relations (IR) ●Domestic conferences sponsored by securities firms ●General Meeting of Shareholders ●Stakeholder dialogue	

Editorial Policy	The purpose of this report is to clearly communicate to our stakeholders the growth strategy and initiatives we are undertaking to enhance corporate value, with the aim of realizing our medium- to long-term vision of becoming “a pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives.” We seek to deepen stakeholders’ understanding of the Group through this process. We will use this report as a communication tool to promote constructive and meaningful dialogue with our stakeholders, fostering a virtuous cycle of mutual understanding and enhanced management practices. In compiling this report, we have referred to the International Integrated Reporting Framework recommended by the IFRS Foundation, the Ministry of Economy, Trade and Industry’s Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0, and GRI Standards.
Report Scope	Covers the Company and its Group entities (consolidated subsidiaries) as of March 31, 2024 (Note: Any deviations from this scope are clearly annotated.)
Reporting Period	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024). (Some achievements and activities before and after this period are also included.) Release Date: September 2024
Third-Party Assurance	P.125-131:Assurance on financial information by KPMG AZSA LLC. P.133: (Environmental Data): Assurance on environmental information by Ernst & Young ShinNihon LLC

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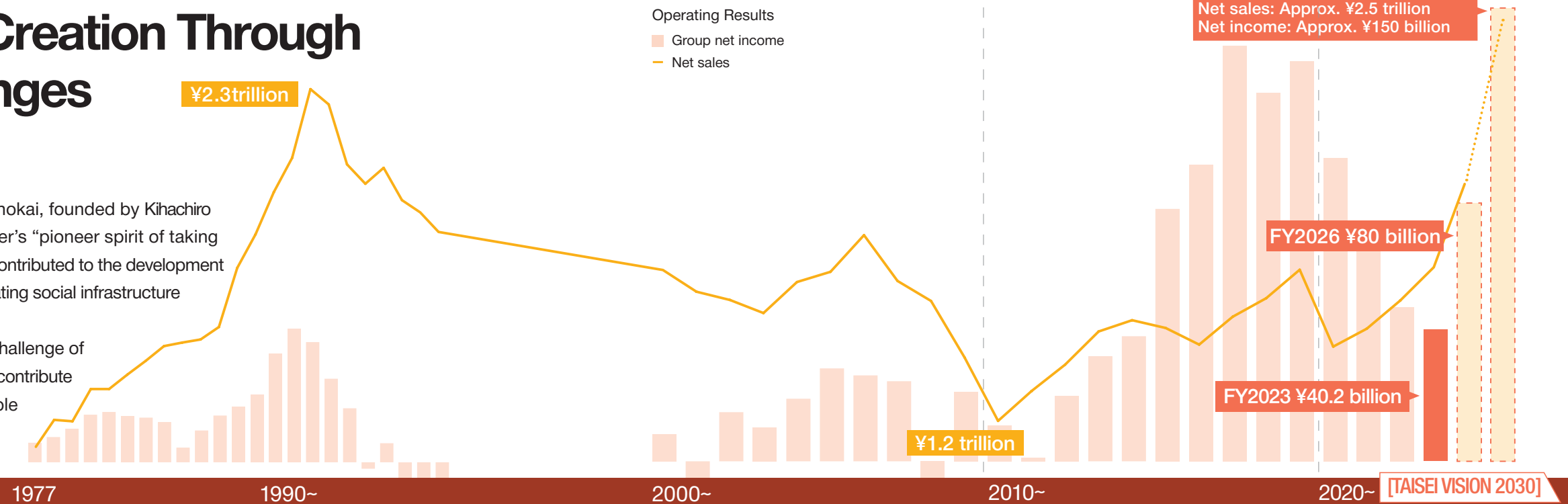
The symbol and slogan represent Taisei Corporation’s corporate philosophy. They depict both humans and the Group working in harmony with the natural environment, including the earth, sea, and sun.



A History of Value Creation Through Continuous Challenges and Innovations

The Taisei Group traces its origins to Okura Gumi Shokai, founded by Kihachiro OKURA in 1873. Since then, we have inherited the founder's "pioneer spirit of taking on unprecedented challenges" and have consistently contributed to the development of society by anticipating changes in the times and creating social infrastructure that supports people's daily lives.

Looking ahead, we will continue to embrace the challenge of "The Works to Create Landmarks, Looking Ahead" to contribute to the development of a resilient society where people can live affluent and cultural lives.



1873~

1873 Kihachiro OKURA established Okura Gumi Shokai.
1887 Established Nippon Doboku Co., Ltd. (a first limited liability company in the construction industry)
1917 Established Okura Doboku Gumi, Ltd. (a first joint-stock company in the construction industry)

1946~

1946 Renamed as Taisei Corporation
1958 National Stadium
1964 Mt. Fuji Summit Radar Site

1980~

1985 Minami & Kita Bisan-Seto Bridges [substructure, North segment].
1991 Tokyo Metropolitan Government No.1 Bldg.
2005 CHUBU Centrai International Airport

2010~

2013 Bosphorus Tube Crossing Railway Tunnels and Station, Istanbul, Turkey
2019 Japan National Stadium
2021 National Highway 325, Shin-Aso Ohashi Bridge

2024~

[First in Japan] Realizing "zero carbon buildings" with virtually zero life-cycle CO₂ emissions—
Research management building, the Taisei Group Next-Generation Technology Research Institute

What Taisei Has Achieved

Rapidly Responding to Growing Economy by Gathering Leading Engineers

With the cooperation of prominent Meiji-era business leaders, Taisei was established as the first corporate construction company in Japan, supporting the nation's rapid development through its construction business.



1883 Rokumeikan

Contributing to Postwar Reconstruction and High Economic Growth

With IPO, Taisei adapted to large-scale and mechanized construction, meeting the demands of an industrial sector recovering from the devastation of war.



1964 Mt. Fuji Summit Radar Site

Executing National Projects with Technological Innovation and Comprehensive Capabilities

Taisei has tackled challenging projects by applying advanced technologies in building construction, civil engineering, and engineering, paving the way for future generations.



1985 Minami & Kita Bisan-Seto Bridges [substructure, North segment]

Contributing to the Realization of a Sustainable Society

Taisei has taken the lead in the industry in implementing sustainability management, aiming for sustainable growth and enhanced corporate value.



2019 Japan National Stadium

Creating New Value and Affluent Lifestyles with "The Works to Create Landmarks, Looking Ahead"

Faced with challenges such as labor shortages due to a declining birthrate and aging population, complying with legal upper limit on overtime working hours, and rising construction costs, Taisei is committed to co-creating new value by addressing the challenges of clients and society through its business, ultimately contributing to the development of a resilient society.



Taisei Group Next-Generation Technology Research Institute (Image)



Floating offshore wind power (Image)

Impact on Society

Has successfully completed projects such as the Lake Biwa Canal Sluice Gate (Lock Gate), a pioneering modern civil engineering work, and the Underground Railway Tokyo (Ginza line's original enterprise) [Ueno - Asakusa segment], contributing to the foundation of Japan's modernization.

Constructed Japan's first skyscraper, showcasing Japan's advanced technological capabilities to the world. Taisei has continuously developed new technologies and successfully completed major construction projects.

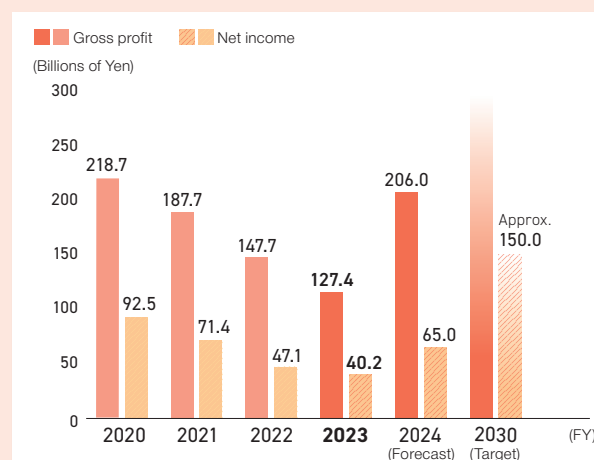
Has embarked on numerous large-scale infrastructure projects, including dams and power plants. As environmental concerns grew, Taisei proactively addressed these issues, leading the industry in environmental initiatives.

Has also undertaken projects that harmonize with the environment and preserve cultural heritage, such as the construction of Runway D at Tokyo International Airport (Haneda), which does not disrupt the flow of the river mouth, and the Japan National Stadium, which utilizes domestic wood and blends seamlessly with the surrounding nature.

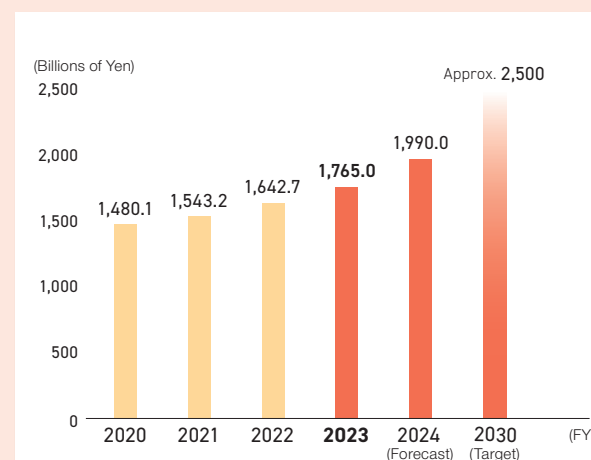
With the mission of "a pioneering corporate group contributing to the development of a resilient society where people can live affluent and cultural lives," Taisei will use technology to drive the changing times, such as the implementation of zero-carbon buildings toward carbon neutrality and the use of digital twin, AI and remote technologies to solve various social issues, including labor shortages.

Financial Highlights

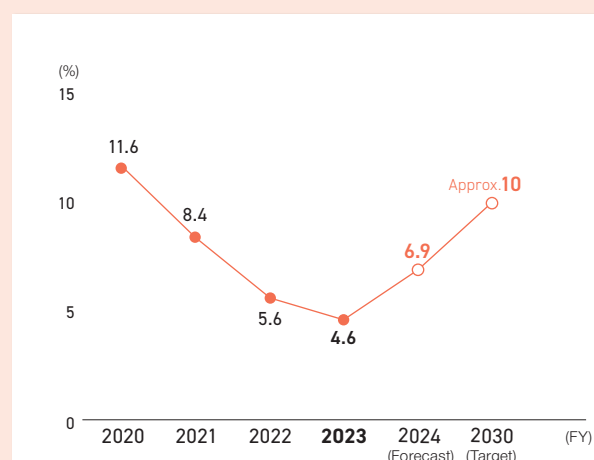
Gross profit / Net Income Attributable to Owners of Parent



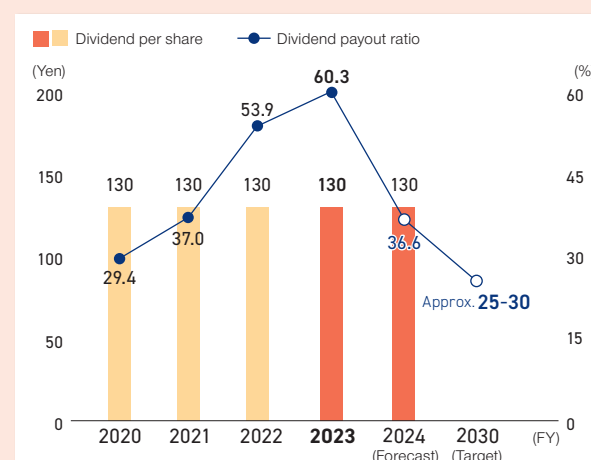
Net Sales



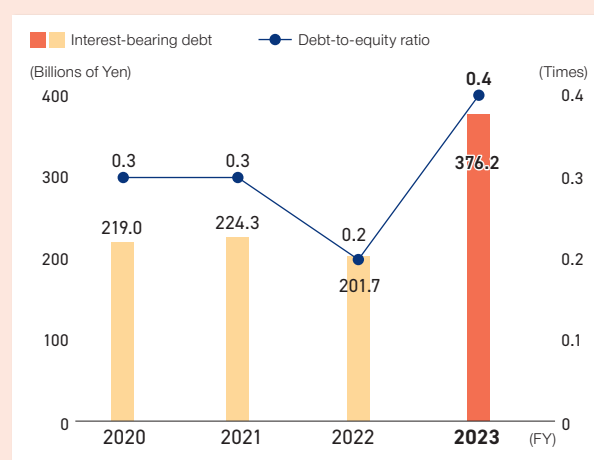
Return on Equity (ROE)



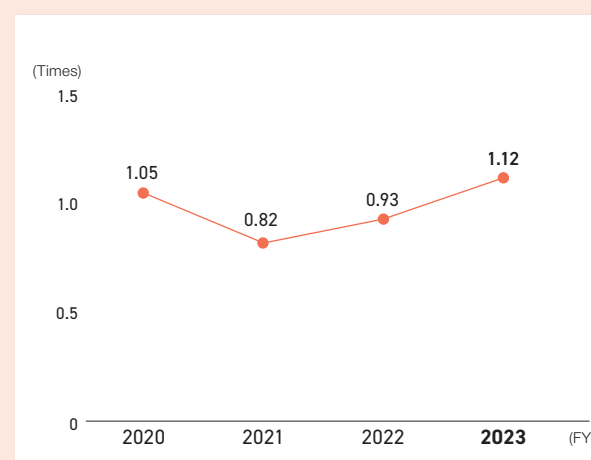
Dividend per Share / Dividend Payout Ratio



Interest-Bearing Debt/Debt-to-Equity Ratio

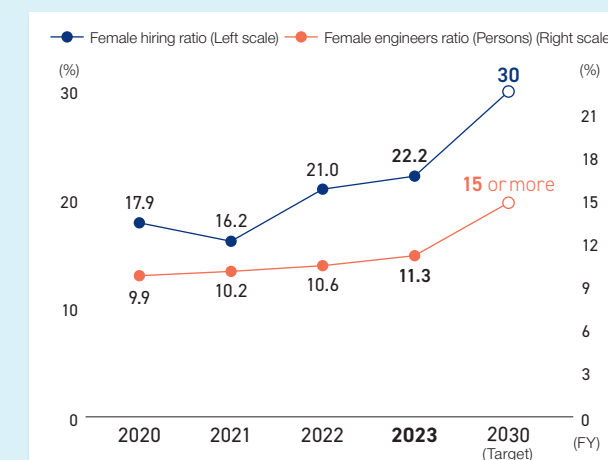


Price Book-Value Ratio (PBR)

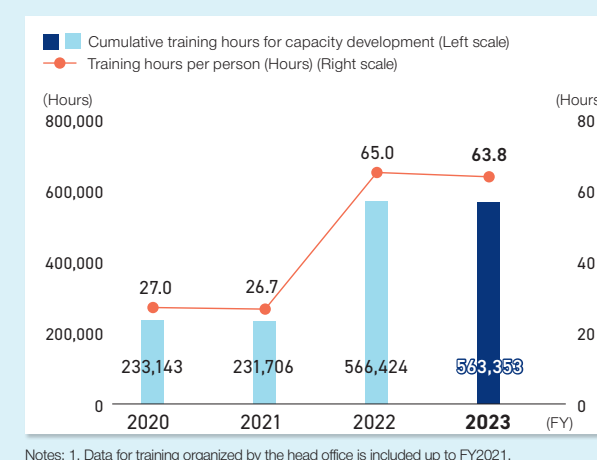


Non-Financial Highlights

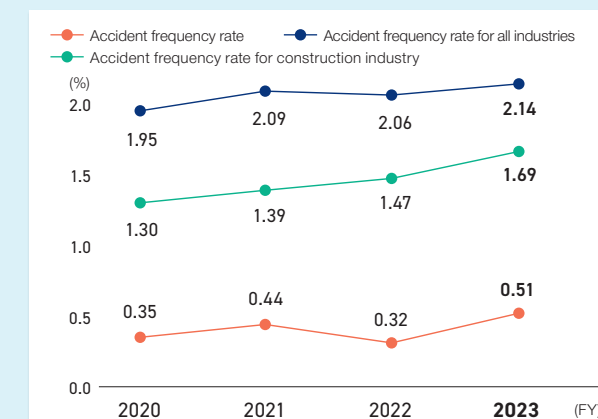
Female Hiring Ratio* / Female Engineers Ratio*



Cumulative Training Hours for Capacity Development* / Training Hours per Person*

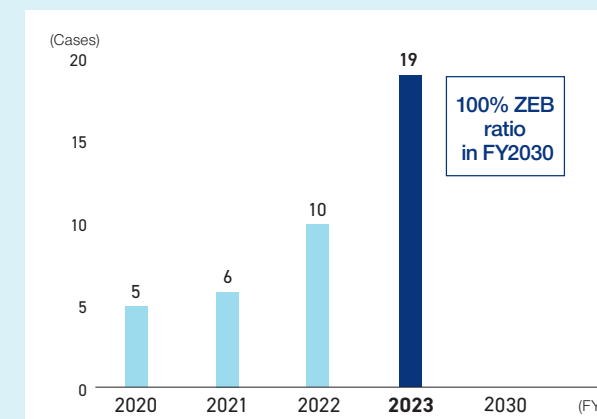


Notes: 1. Data for training organized by the head office is included up to FY2021.
2. From FY2022, data for training organized by branch offices and company-wide e-learning is also included.

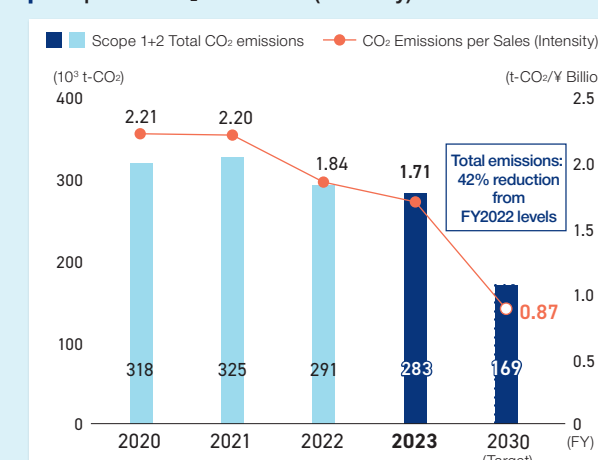
Accident Frequency Rate* / Accident Frequency Rate for All Industries / Accident Frequency Rate for Construction Industry*^{1*2}

*1 Accident frequency rate: The frequency of accidents is expressed as the number of deaths and injuries caused by industrial accidents per 1 million actual working hours.
*2 Figures for all industries and the construction industry are based on one or more days off (calendar year), while those for the Company are based on four or more days off (fiscal year).

Number of Orders Received for ZEB Buildings*



Note: The indicator for FY2030 is the ZEB ratio (%).

Scope 1+2 Total CO₂ Emissions / Scope 1+2 CO₂ Emissions (Intensity)

*Non-consolidated

Scope 3 CO₂ Emissions